

1 Fiji's recovery and the Blue Recovery Hubs

The COVID-19 pandemic severely affected key ocean sectors of small island developing states (SIDS) like Fiji. As countries implement economic recovery packages in response to the pandemic, they have an unprecedented opportunity to rebuild their economies in a more sustainable and equitable manner. The international community can play a key role to “build forward better” through recovery strategies that are greener and more inclusive. However, international support must be co-ordinated to avoid duplication and ineffective use of scarce resources. This chapter introduces the Blue Recovery Hubs as a policy mechanism to help align international assistance for a resilient and inclusive recovery in SIDS.

1.1. A sustainable ocean economy can drive a resilient and inclusive recovery

The COVID-19 crisis has severely affected key ocean economy sectors and casts growing uncertainties on the outlook of the global ocean economy. The OECD estimates that, in 2020, international tourism dropped by 80% due to the pandemic. The fall in international tourism receipts in January-June 2020 alone is estimated at USD 460 billion, more than three times the loss during the 2008-2009 financial crisis. Developing and emerging market countries are being deeply affected by this crisis with global poverty set to increase for the first time in 30 years. Small island developing states (SIDS) are suffering unprecedented economic impacts via the global effects on ocean economy sectors such as tourism and fisheries. For many, these sectors are the backbone of their vulnerable and undiversified economies, and a critical source of jobs, income and foreign exchange.

As countries implement economic recovery packages in response to COVID-19, they have an unprecedented opportunity to “reset” and rebuild economic activities to deliver a more sustainable, equitable and resilient ocean economy. Conversely, a reversion to business-as-usual could risk locking in economic pathways delivering high-emitting, high-polluting and inequitable growth that undermine the fundamental natural assets underpinning Fiji’s economy. Actions and policies of national governments and financial institutions will define the characteristics and shape of economies for decades. The ocean economy should be an integral part of a process of fundamentally rethinking and transforming business models and economic models. This should allow such models to deliver value for people and for the environment, and enhance systemic resilience in an effective manner. This is all the more important as demands on marine resources will persist for food, energy, minerals, leisure and other needs of a growing global population, despite the slowdown in economic activity.

The ocean possesses enormous resources with the potential for fuelling a recovery that will put countries on track for a cleaner, greener, more equitable and resilient future. A recovery that invests sustainably in ocean-related sectors can provide clean, renewable energy; enhance society’s resilience to climate and coastal shocks; and provide food and livelihoods to billions. It can unlock new, sustainable economic opportunities for more diversified and resilient economies, fostering significant linkages and multiplier effects across sectors. It can also achieve shared prosperity and well-being of all people, especially the world’s most vulnerable, ushering in a new era of sustainable development.

The international development community plays a key role to support the development and implementation of recovery strategies and packages that can solidly put developing countries on a path of sustainable development through sustainable ocean economies. The current crunch of both domestic and international resources makes a tailored and smart deployment of development resources more essential than ever. In this context, the Blue Recovery Hubs offer an opportunity to provide coherent and co-ordinated support from across providers of development co-ordination. It would help avoid duplications and ineffective use of scarce development resources, as well as to maximise impact through development co-operation efforts that are aligned behind a common and country-owned strategy.

1.2. The Blue Recovery Hubs can provide policy support and help align international assistance for a resilient and inclusive recovery

While several international initiatives have recently been launched in the sustainable ocean economy space, there remains concrete and urgent unmet demand from developing countries, including Small Islands Developing States (SIDS), for support to strategies and actions to “build forward better” through a sustainable approach to the ocean economy. The Blue Recovery Hubs aim to contribute to fill this gap. They also aim to help bring together key existing initiatives on the ocean economy and a blue recovery, both at the country and the international level.

The Blue Recovery Hubs provide a means to implement the DAC’s commitments on ocean and to assist countries in developing the evidence base and partnerships needed for a blue recovery.

Recognising the urgent need for greater support for the sustainable use and conservation of the ocean, members of the OECD Development Assistance Committee (DAC) recently committed to give greater priority to global co-operation for sustainable ocean economies in the ‘OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change’ (OECD DAC, 2021^[1]).

The Blue Recovery Hubs offer a concrete opportunity for providers of development co-operation to support a step change in recovery efforts, ensuring that plans and measures promote inclusive and resilient development based on the sustainable use of natural resources. They allow co-ordinated and coherent development co-operation support for the recovery, aligning efforts beyond an evidence-based and country- owned vision and strategy for sustainable recovery. The Blue Recovery Hubs also allow development co-operation providers to accelerate progress towards meeting international climate and environmental targets and fostering transformative support for inclusive and low-carbon societies.

The Blue Recovery Hubs pursue the dual objective of i) enhancing the long-term sustainability of existing ocean economy sectors; and ii) generating new, sustainable opportunities that can lead to economic diversification and act as a multiplier of the Sustainable Development Goals across multiple economic and social areas.

In particular, the Blue Recovery Hubs deliver:

1. analysis on the impacts of the COVID-19 pandemic on the ocean economies of individual countries,
2. support to devise recovery plans and actions to “Build Forward Blue”,
3. assistance to mobilise and align development co-operation, investors and other actors around their implementation.

The Blue Recovery Hubs aim to promote and leverage the numerous economic, social and environmental gains of “blue” stimulus spending. It pursues these aims through an approach tailored to the on-the-ground reality in countries, facilitating improved short- and long-term job creation; incentivising innovation to spur market opportunities; improving human health outcomes; and reducing greenhouse gas (GHG) emissions. Blue Recovery Hubs promote out-of-the-box thinking and innovation, along with associated and appropriate risk-taking, to support tailored solutions in ocean economy sectors, based on regional sensitivities. They span areas such as sustainable tourism, biotechnology and waste management; sustainable, ocean-based renewable energy; sustainable and traceable fisheries and mariculture; sustainable shipping; and innovative ways to integrate ocean conservation with revenue-generating activities that provide new jobs, livelihoods and return on investment alongside ecosystem conservation and restoration.

The work of the Blue Recovery Hubs is articulated in three main stages, each with deliverables and developed in close consultation and collaboration with the relevant government’s entities and relevant stakeholders.

- Stage 1 consists primarily of a COVID-19 Impact & Opportunity Appraisal report. This study analyses the country’s ocean economy and impacts from the COVID-19 crisis. It also provides a first assessment of opportunities that could be built on for a sustainable blue recovery. The study adopts the analytical pillars of the OECD Sustainable Ocean for All Initiative’s Sustainable Ocean Economy Country Diagnostics, covering: (i) economic trends; (ii) governance and policy tools; and (iii) financing, with a focus on development finance.
- Stage 2 identifies recovery actions and sustainable investment pathways. This work builds on Stage 1 to identify the risks and barriers preventing greater involvement, funding and investment in initiatives supporting sustainable blue economy activities. It also identifies policies, innovations and/or financing mechanisms that address these risks and barriers. The stage concludes with

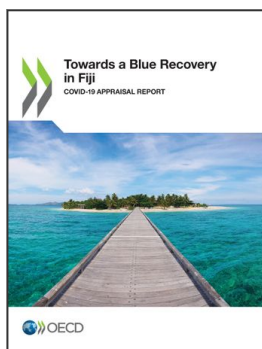
defining and agreeing on the actions and actors needed to unlock greater involvement, funding and investment in these initiatives that support sustainable blue economy activities.

- Stage 3 provides a roadmap and partnership roundtable with stakeholders organised in partnership with the government. This aims to present findings of the appraisal and the sustainable investment pathways and generate consensus on, and endorsement for, the priority initiatives. The roundtable will convene key development partners, financial institutions and critical local and regional stakeholders to catalyse partnership, technical assistance, funding and investment support to enable implementation of the collaboratively agreed initiatives driven by on-the-ground stakeholders.

The first Blue Recovery Hub was established in Fiji. Fiji's efforts in working towards a sustainable blue economy are leading examples of best practice. At the same time, economies such as Fiji's – heavily reliant on services and tourism – have been some of the worst hit by the impacts of COVID-19. As such, Fiji represents an opportune partner for the Hubs' work to reach proof of concept where maximum impact could be achieved. The Blue Recovery Hub of Fiji was established as a collaboration with the Ministry of Economy of Fiji in partnership with the OECD, Friends of Ocean Action (FOA) and the Sustainable Development Investment Partnership (SDIP).

References

- OECD DAC (2021), *OECD DAC Declaration on a new approach to align development co-operation with the goals of the Paris Agreement on Climate Change*, [1]
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