



PROBLUE'S ENGAGEMENT WITH THE PRIVATE SECTOR

THE CHALLENGE

Achieving a Blue Economy is contingent on meaningful and effective engagement of a variety of actors - from governments to civil society and the private sector. Engaging with the private sector is key to promoting sustainable business practices and environmental responsibility.

The private sector has a critical role to play in all oceanic sectors, including fisheries and aquaculture, marine litter and pollution management, coastal tourism, maritime transport and offshore renewable energy. The private sector can lead and finance innovations, foster technological advances through public-private partnerships, and contribute financially to implementing a Blue Economy approach through fiscal and regulatory mechanisms.

THE PROBLUE APPROACH

In line with the World Bank's approach for mobilizing finance for development, PROBLUE works to leverage contributions by private sector partners to promote sustainable investment in oceanic sectors. PROBLUE also helps client countries enact financial policies that provide a supportive climate for investment.

Activities that engage the private sector include the transfer of information and expertise, influencing sectoral agendas, shaping public policy, and catalyzing blended finance.

PROBLUE analyzed ways to expand private sector involvement in nature-based solutions by promoting the adoption of natural capital and ecosystem accounting, thereby directly addressing market failures and demonstrating the benefits of investing in this sector.

To address marine litter and plastic pollution, the private sector also has a key role to play; collaboration between private and public sectors is therefore key. Governments can enact and implement laws that will create the enabling environment in which private actors can invest and innovate, for example through economic and financial instruments (like extended producer responsibility schemes) or other regulations that establish material standards. PROBLUE and the World Bank are assisting client countries and private firms engaged in the plastic value chain by offering advice and providing financing. The upcoming "Pathways out of Plastic Pollution," developed with PROBLUE support, will provide both governments and the private sector with new data-driven tools to better understand the impacts of different policy instruments on economic agents and on the plastic system at large, with a view to moving toward a more sustainable approach to plastic management.

RESULTS

In FY21, **55%** of approved activities included components promoting private sector investment in the oceans.

EXAMPLES OF PROBLUE ACTIVITIES

RECYCLING AND PLASTICS: Market studies in **Malaysia, Thailand, the Philippines and Vietnam** have helped foster a dialogue between the International Finance Corporation (IFC) and the private sector on plastic recycling and alternatives, which has helped unlock the potential for private sector investments. The market studies helped determine opportunities for and barriers to private sector engagement in plastics. IFC arranged a landmark US\$300 million financing package in Thailand in November 2020 for Indorama Ventures to help the company increase its plastic recycling capacity in Brazil, India, Indonesia, the Philippines and Thailand. This first-ever blue loan to a global plastic resin manufacturer will lead to the recycling of 50 billion polyethylene terephthalate (PET) bottles globally per year by 2025. Other similar investments are being considered in China, Indonesia the Philippines and Vietnam.

Lao People's Democratic Republic's National Green Growth Strategy set a target to reduce waste generation from 237 kg per person per year in 2015 to 210 kg in 2025 and 180 kg in 2030. It also aims to increase the amount of waste that is reused or disposed of through appropriate methods from 50% in 2015 to 65% in 2025 and 80% in 2030. The assessment of waste management priorities, investment opportunities and requirements, and the support for the development of the country's National Plastics Management Roadmap and Action Plan (May 2021) provided insights into plastic waste opportunities for the circular economy, green jobs, and private sector development. The transition to a circular economy will bring together the public and private sectors in an environment favorable to private sector innovation and investment.

FISHERIES: A fisheries infrastructure assessment tool was developed with special attention paid to private user perspectives so that the choice, design, and management of fisheries-related infrastructure would be well aligned with private sector incentives, ensuring financial viability of infrastructure investments.

MARITIME TRANSPORT: An activity on decarbonizing maritime transport has leveraged private sector engagement to maximize the impact of research and findings. Most importantly, the activity has strengthened the partnership and collaboration with the Getting to Zero Coalition, a progressive organization of shipping stakeholders dedicated to reducing and eliminating shipping's greenhouse gas emissions. The activity enlisted the support of the private sector to review technical reports; webinars and presentations were held with the private sector to further disseminate the outcomes of the activity; and a scoping paper outlined business opportunities for the private sector in the low-carbon energy transition, in close collaboration with IFC on energy efficiency in shipping.