

The Case for Blue Natural Capital and Blue Finance

- The ocean is a crucial yet underserved science and climate policy challenge
- As we assess blue planetary boundaries and the value of blue natural capital the decline in key marine ecosystem services gathers pace, esp for SIDS, we need investment pathways
- Public financing efforts, multilateral and blended finance are an important starting point to deliver mainly coastal green finance, addressing local mitigation and adaptation challenges
- Innovative finance can help to provide ocean resilience at scale:
 - Engaging the private sector directly, based on ocean risk assessment, technology innovation and the investment into blue natural capital assets
 - Structuring public-private partnerships to finance a global multi-use marine sensor and data science and monitoring infrastructure
 - Addressing large-scale coastal sustainable resilience infrastructure needs
 - Developing targeted ocean finance mechanisms: an Ocean Sustainability Bank



Blue Natural Capital Financing Facility

- A new Facility to advance financially viable coastal climate resilience projects with clear ecosystem service benefits; and ...
- ... to create bankable investment opportunities based on blue natural capital

The Starting Point

Coastal and marine ecosystems in developing countries



! Provide essential climate mitigation and adaptation services !

And other ecosystem services, including biodiversity

! But are continuously degraded and lost !



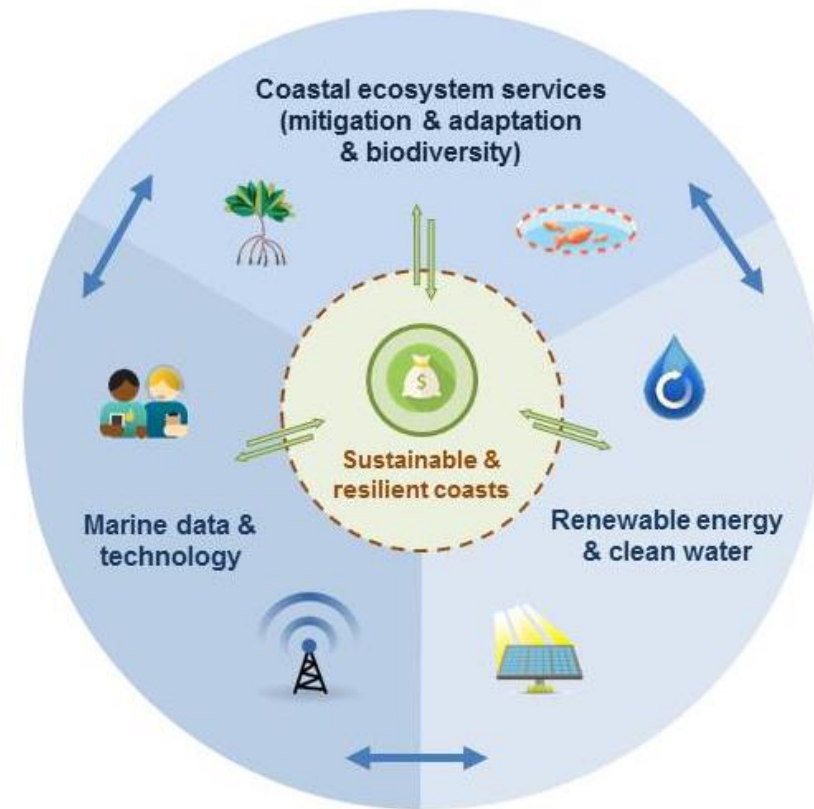
Blue Natural Capital projects

- ✓ Conservation and restoration of coastal ecosystems
- ✓ Climate change mitigation and adaptation benefits
- ✓ Sustainable development
- ✓ Food security and local livelihoods
- ✓ Biodiversity and other co-benefits
- ✓ Social, environmental as well as economic returns



A Blue Natural Capital Financing Facility to ...

- Combine different revenue streams which
 - ❖ **Primarily focus on coastal and marine natural ecosystem services;**
 - ❖ Embed marine technology and modern data systems;
 - ❖ Maximize small scale renewable energy and clean water generation and distribution;
- Create return on investment opportunities and attract new investors
- Support implementation of international commitments



Coastal ecosystems



Investments

Coastal Ecosystem Services

Restoration of coastal habitats leading to the following outcomes:

- Shoreline stabilization and erosion control
- Storm and flood protection
- Carbon sequestration and storage
- Avoided carbon emissions
- Increased local fish stocks
- Increased biodiversity

Marine Data and Technology

- Data collection (cameras, sensors, radar, optics, acoustics, drones)
- Telecommunications infrastructure (satellite, wireless, fixed cable)

Renewable Energy and Clean Water

- Small-scale household solar energy generation (SHS)
- 'Ocean energy' technologies (inc. tidal, wave, heat gradients etc.)
- Saltwater desalination



Income and Revenue streams

Coastal Ecosystem Services

- Costs savings (damage, maintenance)
- Adaptation outcomes for climate / impact finance
- Compliance & voluntary carbon/REDD+ market
- Emission reduction outcomes for climate finance
- Biodiversity offset schemes
- Timber markets
- Fisheries and aquaculture markets

Marine Data and Technology

- Network usage charges
- Marine equipment for improved logistics and operations
- Costs savings (fisheries / restoration)
- PES (carbon sequestration / pollution)

Renewable Energy and Clean Water

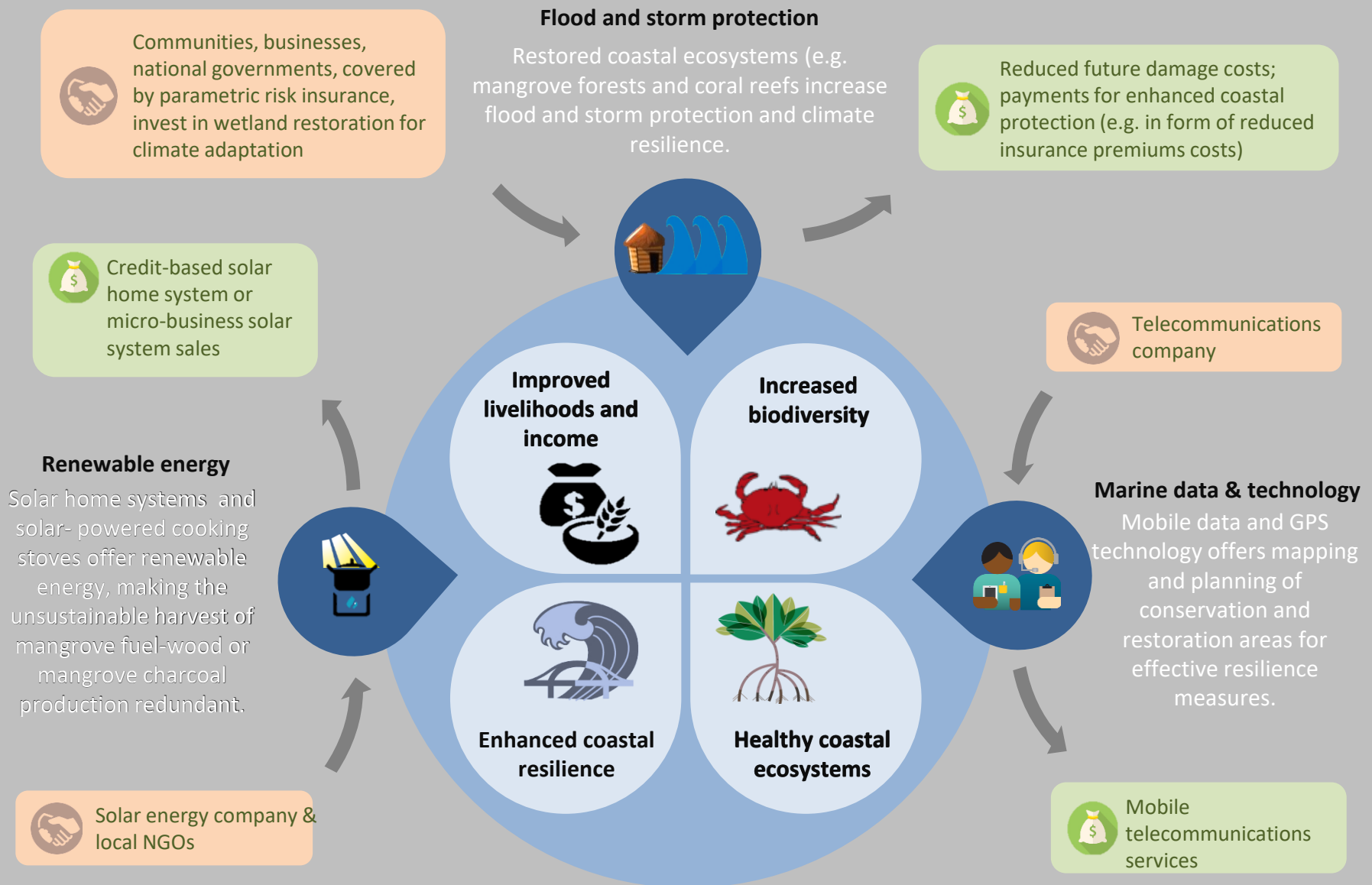
- Energy-usage charges from solar / 'ocean energy' technologies
- SHS panel sales
- Water-usage prices
- Waste-treatment prices

A Blue Natural Capital Financing Facility to ...

- Prepare a **pipeline of investable projects** which meet sound social and environmental criteria and are **bankable**
- Help **design the financing structure** and overall contractual scheme of projects
- Provide **financial support** to project developers for initial set-up of projects with an attractive business model
- Guide project clients toward access to sustainable finance
- Provide **advice and information** related to science, conservation, partners and opportunities



Investment package “DELTA”



Note: Every blue natural capital project will have its own unique environmental, social and economic returns, combining the investment components in distinctive ways. This graph shows potential revenue streams and is for illustration only.



Submissions welcome



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