



INTERNATIONAL PARTNERSHIP FOR

BLUE CARBON

2024 IPBC DIALOGUE

1 - 4 October 2024

Summary Report



TABLE OF CONTENTS

- TABLE OF CONTENTS2
- SUMMARY OF DISCUSSIONS3
 - The diverse value and benefits of coastal blue carbon ecosystems, including from the perspective of the Pacific region’s peoples3
 - Science: A key enabler for blue carbon action, especially for lesser-known ecosystems such as seagrass and emerging blue carbon ecosystems.....4
 - Lessons learnt from the activities and projects exchange5
 - Strengthening blue carbon integration in Nationally Determined Contributions (NDCs) and national greenhouse gas inventories (GHGIs)6
 - Spotlight on finance7
 - To sum up: Creating an enabling environment for blue carbon action10
- FIELD VISITS11

SUMMARY OF DISCUSSIONS

The sixth IPBC Dialogue was held on 1-4 October 2024 at Cairns Convention Centre in Australia and was co-hosted by the *Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW)* (IPBC Coordinator) and the *Fiji Ministry of Environment and Climate Change*, with support from the *Intergovernmental Oceanographic Commission (IOC) of UNESCO* (IPBC Coordinator Team). Around **100 participants from over 20 countries** attended the Dialogue either in-person or virtually.

The objectives of the 2024 IPBC Dialogue were to convene IPBC Partners to connect, share information and exchange on activities and plans and to create opportunities for exchange with regional and local invited guests.

The Dialogue's high-level themes were a combination of sessions corresponding to the **three strategic Goals of the Partnership**¹ and cross-cutting themes identified by the co-hosts, the IPBC Coordinating Group and the IPBC Focal Group during consultations that took place in preparation for the Dialogue: **regional activities; adaptation and resilience; financing activities; science**.

The 2024 Dialogue was structured around 3 days of workshop consisting of plenary presentations and breakout discussions and 1 day field visits to coastal blue carbon ecosystems in the region.

The sections below highlight key discussion and action points that emerged over the 4 days of the Dialogue. The list of participants is included in the annexes to this report. **Presentations and the full agenda** are available [here](#), using the password *bluecarbon1234*. A selection of photos (courtesy of Dominic Wodehouse, Mangrove Action Project) is available [here](#).

The diverse value and benefits of coastal blue carbon ecosystems, including from the perspective of the Pacific region's peoples

Following an introductory session summarising the key international developments in the blue carbon space since [the 2023 Dialogue](#) (22-24 February 2023, Paris, France) and looking forward to 2025, was a session dedicated to presenting the wide array of benefits that these ecosystems provide to the communities that depend on them and to society at large.

It was opened with a unique opportunity to hear Australian First Nations perspectives from Professor Henrietta Marrie AM, Gimuy Walubara Yidinji elder, Australian Research Council Fellow and Honorary Professor with the University of Queensland, who spoke about the critical importance of having nature and traditional knowledge at the centre of decision making and the need for "right way" engagement. The Indigenous Carbon Industry Network (ICIN) provided an overview on how to better engage **First Nations people** in designing equitable laws, policies and projects, and benefit sharing arrangements that reflect the principles of free, prior and informed consent (FPIC). The speakers in this session provided an overview of the range of benefits offered by healthy blue

¹ IPBC Goals:

Goal 1: Increase international commitments to protect coastal blue carbon ecosystems.

Goal 2: Improve national policies to protect coastal blue carbon ecosystems.

Goal 3: Accelerate on-the-ground implementation of blue carbon protection and restoration activities.

carbon ecosystems, helping to frame the Dialogue’s discussions within the broader picture of the diverse values held by coastal wetlands.

There was a strong theme that the blue carbon community needs to ensure that the broader value of these ecosystems, beyond carbon, is communicated and accounted for. For example, by adjusting language (consider using the term “**coastal wetlands**” as opposed to “blue carbon”), by strengthening accounting and by exploring other topics such as cultural services (e.g., hunting, fishing, bird watching) and gender related to coastal ecosystems.

The regional focused session of the Dialogue provided an opportunity to learn from IPBC Partners and other invited guests from the region on their respective work on blue carbon, including from **Fiji, Papua New Guinea, the Solomon Islands, GIZ Fiji** and **the Secretariat of the Pacific Regional Environment Programme (SPREP)**. Key themes of this session included:

1. **Partnerships and Community** – local community investment supports success. Understanding community needs is key as project outcomes often directly impact on livelihoods. There is much to be learned from knowledge sharing with other “sea country” communities across the globe. There is often a common language, and while nuances exist, have a combined understanding of the challenges, key pressures and complexities.
2. **Pilots and local understanding** – complex local market/regulatory/legislative mechanisms need to be understood prior to scaling. Sites often display their own unique characteristics and require tailored restoration methods.
3. **Regional development** – ecosystem mapping (e.g. through MACBLUE and others), replicability of mapping approaches across the Pacific, integration of blue carbon into NDCs and national climate policies, conservation planning, understanding the drivers of degradation, investigation of blue carbon rights, benefit sharing mechanisms, carbon trading pathways and alternative financing mechanisms.
4. Restoration as a combination of **modern science and cultural knowledge**. There must be respect on both sides.

Science: A key enabler for blue carbon action, especially for lesser-known ecosystems such as seagrass and emerging blue carbon ecosystems

Science on blue carbon ecosystems continues to advance, also thanks to the efforts of international initiatives in this space, such as the Blue Carbon Initiative (BCI) – which held the annual meeting of its Scientific Working Group on 2-6 September 2024 in Cape Town, South Africa – and the Global Ocean Decade Programme for Blue Carbon (GO-BC), both IPBC Partners. The following topics emerged at the Dialogue as part of the thematic sessions on science and on seagrass:

- Assessments of **carbon stocks and fluxes in seagrasses** are increasing around the world, contributing to growing evidence on a lesser-known blue carbon ecosystem. **Seagrass mapping** is improving – with several regional and national-level efforts highlighted at the Dialogue (Fiji, Seychelles, Cambodia, [MACBLUE project](#) countries, and the Mediterranean) – but continues to be a priority need. The global extent of seagrass is still unknown, in a range of 177,000 – 600,000 km². Maps of change in extent over time are also limited to a few sites around the world. Earth observations (EO) can play a key role in refining maps, especially when backed up by in-situ observations, including biodiversity metrics.

- Evidence also continues to grow on **macroalgae's potential** as an emerging blue carbon ecosystem, but also on lateral carbon flows across coastal and marine ecosystems. For example, the Australian Institute of Marine Science (AIMS) is currently conducting research on lateral carbon flows from sargassum meadows to traditional blue carbon ecosystems (seagrass meadows and mangrove forests).
- There is a widely recognized need for a closer collaboration among blue carbon scientists and **social scientists** (for example, working on gender and blue carbon ecosystems).

There is growing recognition among the scientific community on the need to **refine the 2013 IPCC Guidelines on Wetlands** with this growing evidence on blue carbon ecosystems.

Lessons learnt from the activities and projects exchange

On the second day of the Dialogue, Partners embarked on a “world tour” to hear about the latest developments in implementing blue carbon projects and on-the-ground actions across different countries and regions.

In general, some ‘lessons learnt’ shared among the presentations are summarised below:

- **Set expectations clearly and early**, particularly in the scoping phase, including clarifying processes and articulating timeline for returns.
- Regardless of if a project is simple or complex, engaging in a fulsome **project planning process is critical to success**. Frameworks and requirements for success were shared by the speakers, including Steve Crooks (Silvestrum), whose presentation outlined key planning requirements following 30 years’ project experience in coastal wetland restoration.
- Oftentimes, the funding for a blue carbon project is received “too soon”, whilst there are a few key recommended steps that need to happen **prior to the actual project implementation**, including, among others, a pilot testing phase; checking if the hydrology is right in the restoration site (especially for mangroves); getting the social work right, e.g., improved cookstoves to reduce the amount of wood cut for households and effective community engagement from the early stages of the project design.
- **Strong and trusted relationships** that can be built on overtime, at the local community, local government and national governments level. This can support with long lasting outcomes.
- **Community engagement** is one of the fundamental drivers for success. However, key equity issues remain, including, for example, is the language used in agreements, project documents etc. accessible by local communities? Timing of the engagement and communication is crucial.
- One of the main challenges to successful project implementation is the **institutional context** in which to operate and navigating this, including governance, regulation and legal structures.
- A critical enabler of long-term sustainability of on-the-ground activities is **financing beyond the initial funding**, which remains an open question (potential financing opportunities were discussed more in-depth on the third day during the Finance Workshop).

- **Beyond carbon benefits are often seen as the main benefits by local communities** (e.g. food security, coastal resilience and livelihoods). Lisa Schindler Murray (Rare) shared an example of a house that was spared from the impact of a typhoon in the Philippines, which has led to neighbours in the community now planting mangroves around their properties because they can see this benefit. There is an opportunity to consider blended approaches to support these kinds of projects.
- **Community practices** related to blue carbon ecosystems **and social components of projects** need to be well considered. Dominic Wodehouse (MAP) shared an anecdote about mangroves harvested for cooking fuel to fulfil a core need of the community to access nutrition. The restoration project therefore needed to consider support for sustainable cooking options and community-led sustainable forest management plans to achieve long-term outcomes. The question was posed if we need a social science working group?
- When it comes to setting up **national carbon markets**, countries need to decide about whether to adopt already existing methodologies, i.e., in the Voluntary Carbon Market, or to develop a domestic methodology. In the first case, as the methodologies are designed for global applicability, it might be difficult to fully integrate them within the national context. However, when several domestic methodologies are developed, the space can become hard to navigate for stakeholders, including key ones such as funders. What would a hybrid approach look like? This remains an open question.

Strengthening blue carbon integration in Nationally Determined Contributions (NDCs) and national greenhouse gas inventories (GHGs)

Policy can be a powerful entry point for countries to strengthen their blue carbon action. Integrating blue carbon ecosystems into Nationally Determined Contributions to the Paris Agreement can drive action that is country-specific and incremental, however, reporting still represents a challenge for most countries.

A recent analysis conducted by the IPBC Coordinator Team shows that to date, only 4 countries are reporting coastal wetlands in their national greenhouse gas inventories (Australia, Japan, Republic of Korea and the United States). Indonesia is currently reporting mangroves as part of the LULUCF sector, with a plan to move them to the Wetlands sector. Indonesia is also developing a Blue Carbon Strategy Framework. Other IPBC countries are also on the way to reporting blue carbon ecosystems under Wetlands in their GHG inventory, like Costa Rica and Seychelles. However, most of the countries who include coastal wetlands in their NDC still focus on their adaptation value, and do not measure or report on them.

Up to date, action aimed at increasing the inclusion of blue carbon ecosystems in NDCs has been very country specific. How do we **scale** this? There is a role for partnerships like the IPBC and the Mangrove Breakthrough, who has launched an NDC Task Force, to significantly advance this work.

In addition to increasing the number of blue carbon NDCs globally, a key question to address will be how to finance the **implementation** of commitments made by countries in their NDCs.

Spotlight on finance

The half-day Finance Workshop kick-started with an overview of the financing mechanisms currently available for blue carbon action. Participants were encouraged to become more familiar with the taxonomy of different financing approaches, rather than falling into a simple binary of market and non-market approaches as this can miss the diversity and significance of other options.

Participants took stock of how carbon markets have been tracking over the past 12-18 months, as well as the benefits and limitations faced by blue carbon projects engaging in carbon markets. Over this period there has been increased scrutiny on the **integrity of markets**. Public attention has focused on non-permanence; leakage (where reductions achieved on a project site are negated in emission increases elsewhere) and lack of transparency.

The discussions touched on “**carbon+ approaches**”, which are drawing premiums. Biodiversity markets were also discussed as a nascent but developing opportunity to possibly overcome some of the limitations experienced in carbon markets, and a chance to design something that may improve project economic viability and outcomes. For example, under the current carbon market rules, there can be situations of perverse benefits for those who have destroyed nature in the past, now being eligible for finance to restore degraded areas. On the other hand, a community that have sustainably managed an ecosystem may not be able to access climate finance due to additionality rules, limiting the option for accessing funds to ensure the long-term resilience or preservation. New credits structures have an opportunity to alleviate some of the barriers to accessing finance by focusing on resilience and adaptation.

Pollination shared some insights on market trends and what investors are interested in, with regards to nature-based activities. A [recent report](#) looked at motivations of private sector purchasers, whereby marketing and branding were core drivers of engaging with nature markets; closely followed by risk mitigation (climate-nature related). They noted that there are different ways that non-carbon benefits can be positioned, and investors have demonstrated willingness to pay premiums for carbon credits with co-benefits, noting that this willingness to purchase and the type of credit depends on how the credit will be used as part of the business’s decarbonization or nature strategy. An overview of types of credits investors are buying:

1. Unquantified co-benefit: assumed benefit given the nature of the projects.
2. Quantified co-benefit: quantified as additional.
3. Certified co-benefit: quantified as additional and certified under a standard. There are a range of certification schemes that can be used.

It was recognized that at the moment, most finance for NbS comes from **governments**, a smaller amount comes from **private sector**, and a tiny amount from **carbon markets**. There remains a large financing gap to ensure we conserve and restore nature.

Understanding the incentives and language of the big investors (banks, asset owners, insurance companies, pension funds) is key. For example, **banks** have reputations they need to manage, they also want ‘unique’ investments and more recently are managing higher expectations from community and stakeholders on sustainability.

The big investors think in terms of risk-return, services, investible and resilient asset classes, pools of infrastructure, value chains, liquidity, long-term (>30-50 year) value. Participants were

challenged to think beyond project-scale carbon credits to think out of the box about ways to access **transformational scale funding**. Innovative financing comes in many forms. Understanding the 'business rationale' for both the investor and project manager is key.

Two examples of blended finance outside of the carbon market were highlighted. A financing model that harnesses a partnership between the Cairns Airport, Traditional Owners and Australia's Big Four banks to provide a sustainability-linked loan that incentivises management and positive outcomes for the airport's adjacent mangrove system. The second case study shared by Rare provided an introductory overview of weather-based parametric insurance and their pilot project in the Philippines.

Finance scene-setting wrap up perspectives

- Attracting finance to nature can sometimes be an uncomfortable conversation. However, being engaged can also help to facilitate the right type of finance and right provider for the operating context and geography, which considers the political and economic situation and community expectations to achieve goals of long-term ecosystem resilience.
- Participants were encouraged to become more familiar with the taxonomy or terminology of different financing approaches, rather than falling into a simple binary of market and non-market approaches.
- There is an important distinction when it comes to biodiversity credit markets, we need to be cautious not to conflate biodiversity credits with biodiversity offsets. The emerging models for biodiversity markets aim to deliver net positive biodiversity gains, at an appropriate scale. "Biodiversity credits or certificates" are intended to have a net-positive impact on nature and biodiversity whereby good outcomes can be remunerated, whereas "biodiversity offsets", a different market-based tool, are intended to compensate for negative impacts on nature by balancing this with a positive action elsewhere.
- Torsten Thiele, Founder of the Global Ocean Trust left us with a summary of emerging opportunities for enhancing blue carbon ecosystem finance:
 - **"How blue carbon ecosystems activities nest within corporate value chains"**

There is a need to understand corporate value chains so we can "nest" the blue carbon/biodiversity solution into this. For example, for a large fishing business, blue carbon will support with their stock sustainability through providing breeding grounds for fish and can be considered as part of their value chain.
 - **"Nature-based solutions as part of blue infrastructure"**

Resilience is increased by incorporating NbS in infrastructure, helping to mitigate or manage risk. For example, mainstreaming investment in mangrove ecosystems as part of coastal infrastructure protection and management upkeep.
 - **"There is a transition occurring for financial institutions"**

Financial institutions are faced with a world where they need to be different, this is a real opportunity. Global discussion about nature-related risk, led by

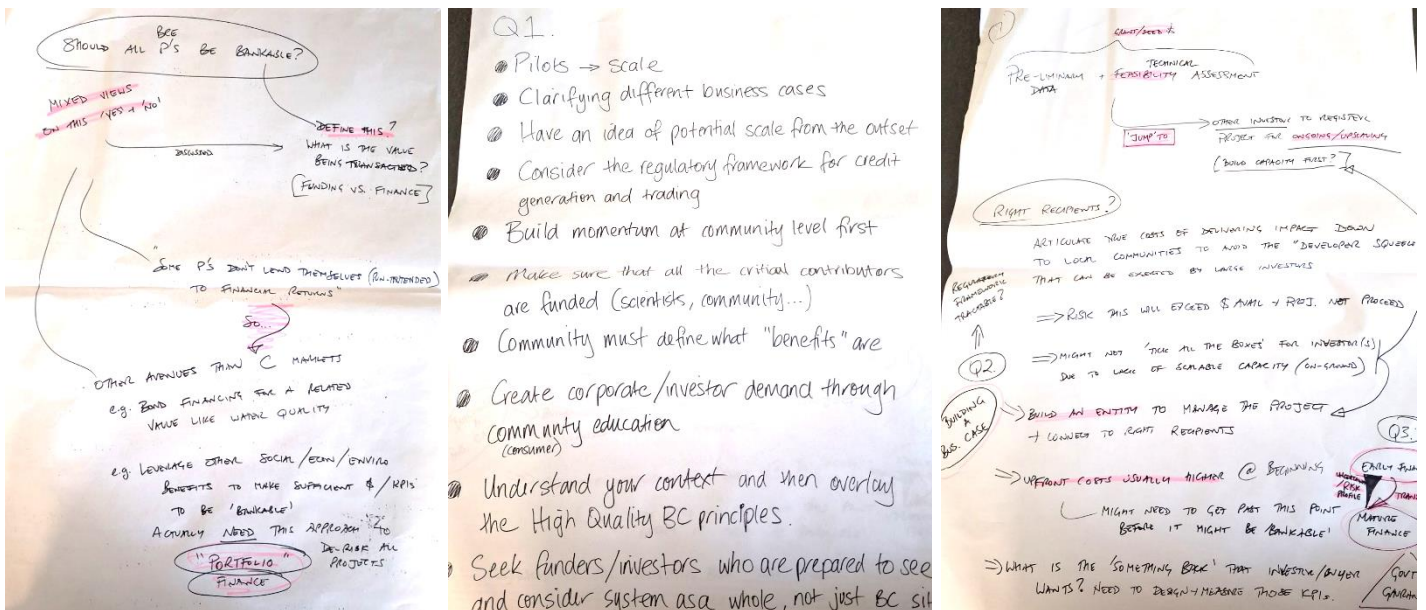
the Task Force for Nature Related Financial Disclosures, has driven a different understanding from within the banking and private sector about impacts and dependencies on nature, and the financial risks that this gives rise to.

○ **“Nature as an investable asset class”**

Stewardship and management of nature as an asset is a way of managing threats. Large asset owner or institutions ask themselves as protocol, what will be valuable in 30-50 years' time? This narrative is important, and we need to work on communicating the value of this natural asset.

Following the scene-setting session, participants formed 4 groups and carried out a breakout activity around the following questions:

- 1) As you consider traditional/grant funding for blue carbon projects, how can such funding be deployed in a way that it facilitates potential future commercial finance? How do you target the right recipients, what parameters should be considered? What are the risks?
- 2) What makes a project ready for finance, for instance for loans or impact investment? What could be challenges? How about scaling?
- 3) How can the barriers identified be overcome? What can help to improve the business case for blue carbon ecosystem projects? What is the role of technical assistance and of financial incentives? Should all projects aim to be “bankable”?



Ideas that came from this session include:

- To be ready for finance, an activity needs to have developed a business case (the why, how), and/or the capacity to build a business case. The business case will come with a business plan (what, why, when, where, how) or financial roadmap of how the project will transfer along the track with different investors. E.g., an impact investor would be looking for a different business case to a money lender.

- Knowledge of the type of finance that may be available and also the type of finance you want to attract.
- Preconditions for projects: pre-engagement and ongoing engagement with local communities; understanding of the policy and regulatory landscape and social and cultural setting; understanding of stakeholder willingness; assessments of challenges and threats.
- Understand the opportunities and limitations of scale, noting the answer to this question will be different depending on operating context.
- Understand your context, then overlay the [High Quality Blue Carbon Principles and Guidance](#) (2023) and [High-Quality Blue Carbon Practitioners Guide](#) (2024).
- Provide certainty to investors that projects address community priorities and delivery equitable outcomes.
- Governance is critical and takes multiple forms – engage with local and national government for buy in.
- When working with investors, watch for developer squeeze. Articulate the true costs down to local community when approaching potential investors, remembering upfront costs might be very high.
- Consider who is a good investor for your work, or the different investors at various stages.
- Predictive success rates, being conservative with estimates (cost-benefit analysis).
- Calculate internal rate of return early.

The last session of the Finance Workshop consisted of a presentation of a number of tools and resources developed by IPBC Partners to support blue carbon financing, including:

- The HILAG Finance Toolbox (document, 2024).
- [Fair Carbon's Blue Carbon Academy](#) (online course).
- Fair Carbon's Blue Carbon Accelerator (technical support).
- [Commonwealth Blue Charter Ocean Funders Database](#) (online tool).
- [Commonwealth Guide to Ocean Climate Finance](#) (document, 2024).
- [Commonwealth Guide to Availability and Opportunities in Sustainable Blue Finance](#) (document).
- [Commonwealth Blue Charter Project Incubator](#) (country-level fund).
- Commonwealth Blue Charter Blue Finance Working Group (working group).
- [High-Quality Blue Carbon Practitioners Guide](#) (document, 2024), building on earlier resource, [High-Quality Blue Carbon Principles and Guidance](#) (document, 2023)
- [The Blue Carbon Accelerator Fund](#) (BCAF, project fund); [knowledge centre](#) (documents).
- [Global Ocean Accounts Partnership](#) (GOAP technical support).

To sum up: Creating an enabling environment for blue carbon action

The last session ended with a series of presentations and a panel discussion that attempted to summarise the foundational work that needs to happen in order for blue carbon action to be fully enabled. This includes:

- **Adequate knowledge base**, that includes maps of ecosystems extent and baseline data in terms of carbon sequestration and emissions are essential to setting any national target and to designing any policy and/or on-the-ground activity.
- **Stakeholder engagement** in the design of policies and projects: this is essential to ensuring buy-in from all concerned stakeholders and ensure long-term sustainability of any blue carbon action. For example, co-designing a national blue carbon strategy (Costa Rica).
- **Indigenous and local community leadership** is key to sustainability.
- **A national carbon market** supported by either domestic or international methods and rules.
- **Private sector** interest in blue carbon comes from a range of motivations, including marketing and branding goals as well as managing climate or nature related risk mitigation.
- Projects that demonstrate **diverse outcomes** (e.g. carbon, biodiversity, water quality, community, resilience) are highest in demand and can attract a higher return.
- **Not all projects are the same**, and not all operating contexts are the same – therefore financing models for blue carbon projects need to reflect this diversity, and appropriate models are tailored to the context and desired outcomes.
- There is an ongoing need for **collaboration across all sectors**, building on the knowledge that exists and demonstrating links with the biodiversity and nature agenda, of which blue carbon is an excellent case.
- Exchanges between stakeholders illustrated the **importance of partnerships at every level**, from grassroot efforts to regional and global coalitions as we continue to advocate for the inclusion of blue carbon with global frameworks, while also securing the necessary resources to support high-quality, high-integrity outcomes.

FIELD VISITS

East Trinity Inlet Blue Carbon Restoration Site

This visit provided an opportunity to explore the East Trinity Inlet Blue Carbon Restoration Project site on Mandingalbay Yidinji Country near Cairns, featuring a diverse mix of wetland habitats, including mangroves and saltmarshes. The visit was guided by Mandingalbay Yidinji Indigenous Land and Sea Rangers, who shared insights on how Mandingalbay Yidinji people integrate Traditional Knowledge into restoration and monitoring practices.



Cairns Airport – Jack Barnes Bicentennial Boardwalk Blue Carbon Site

The Jack Barnes Bicentennial Mangrove Boardwalk is located on the doorstep of Cairns Airport and provides a scenic walk through mangrove forest and wetlands, guided by Yirrganydji people and in collaboration with the Cairns Airport. In the guided walking tour, delegates had the opportunity to hear and learn from Yirrganydji people about the history and cultural significance of the boardwalk and mangrove ecosystems. This visit also offered opportunities to learn about past and future projects and research into blue carbon and biodiversity monitoring and conservation.

