



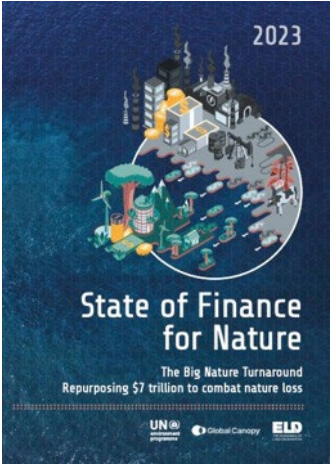
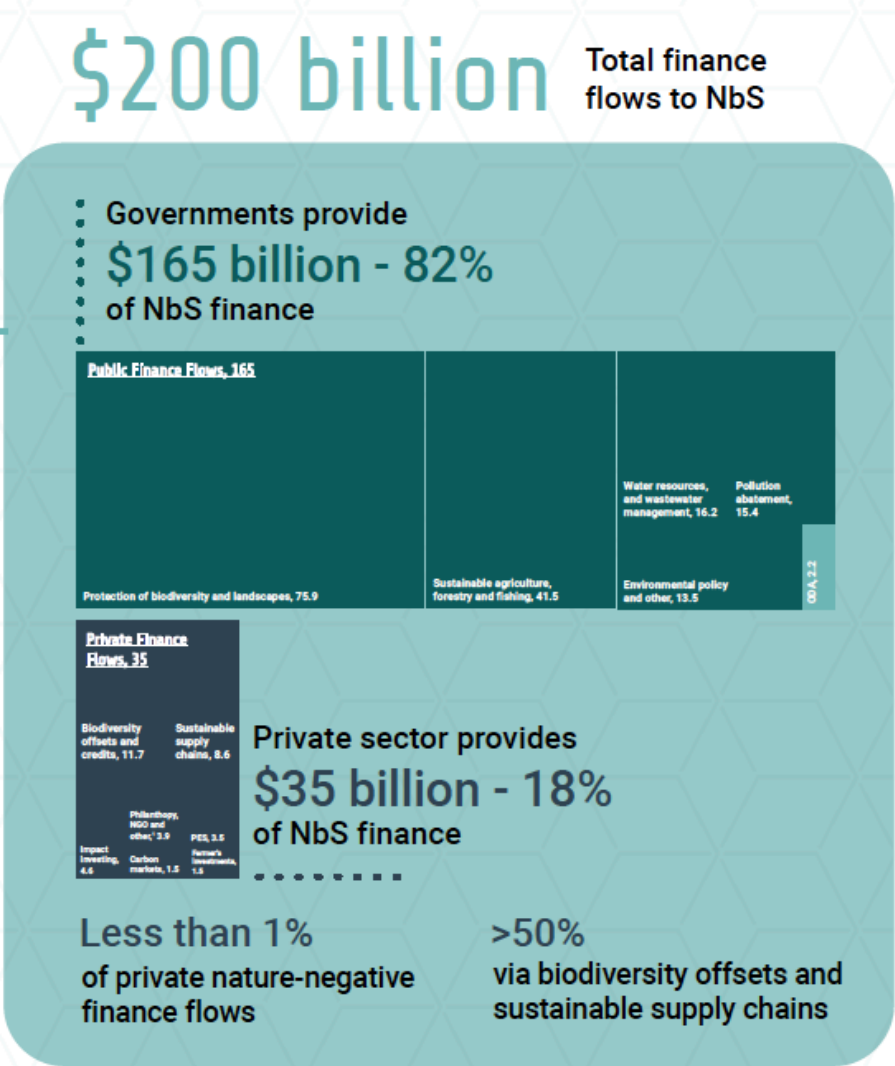
# Nature finance in a regenerative blue forest economy

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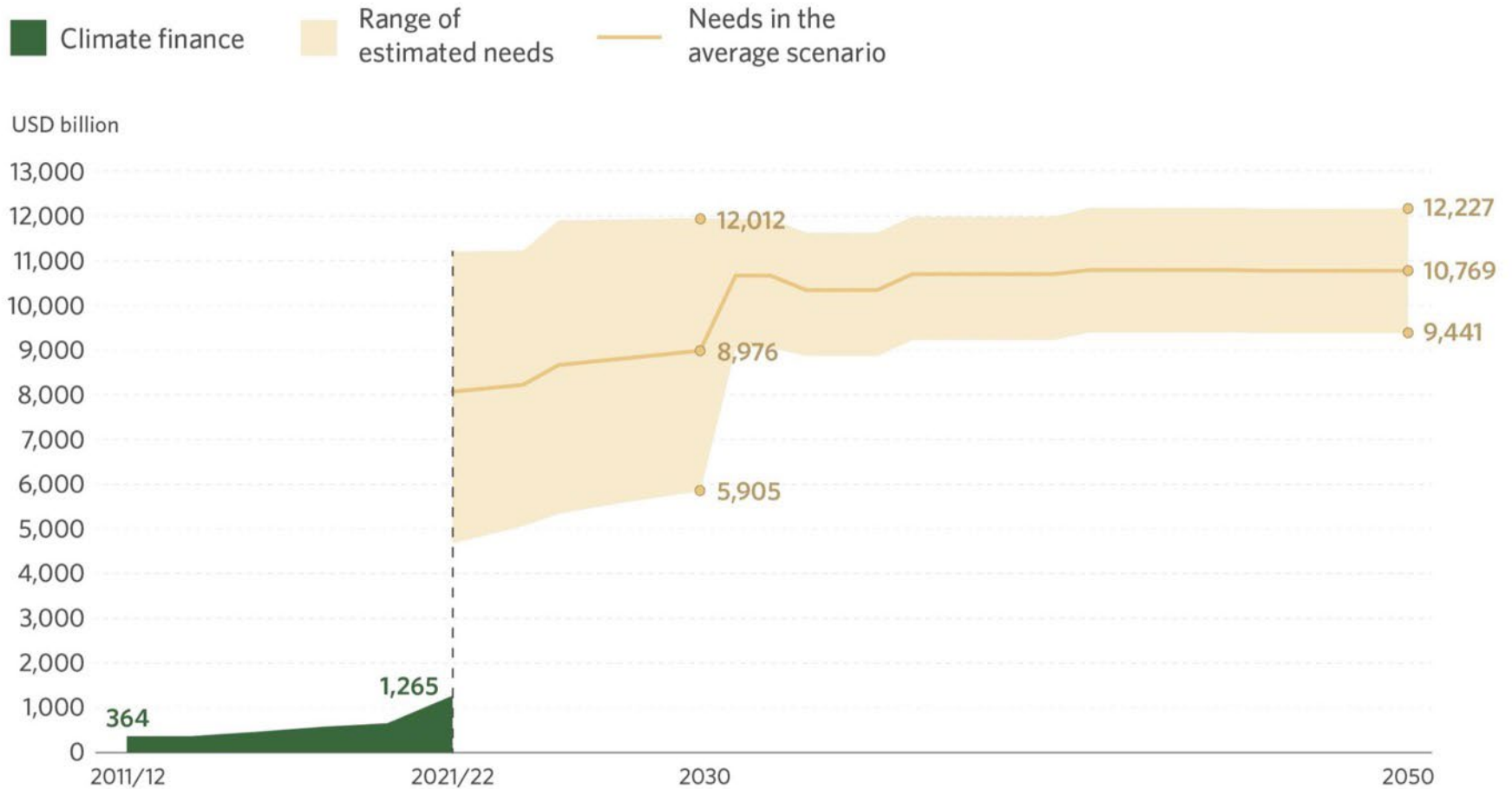
Mat Vanderklift  
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# NbS investment is mostly by governments

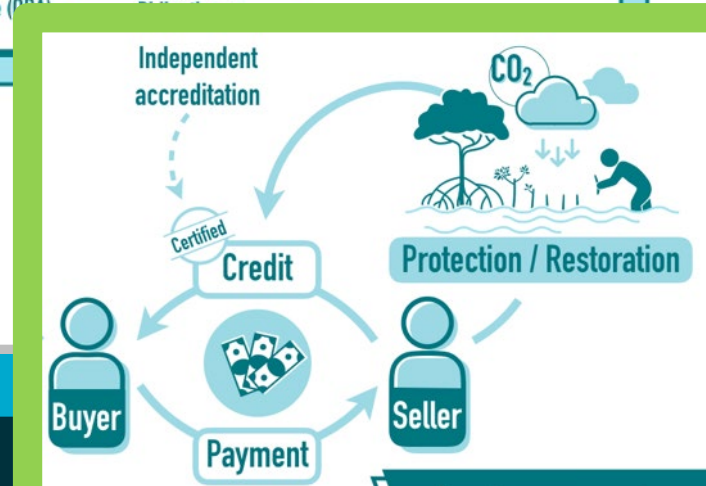
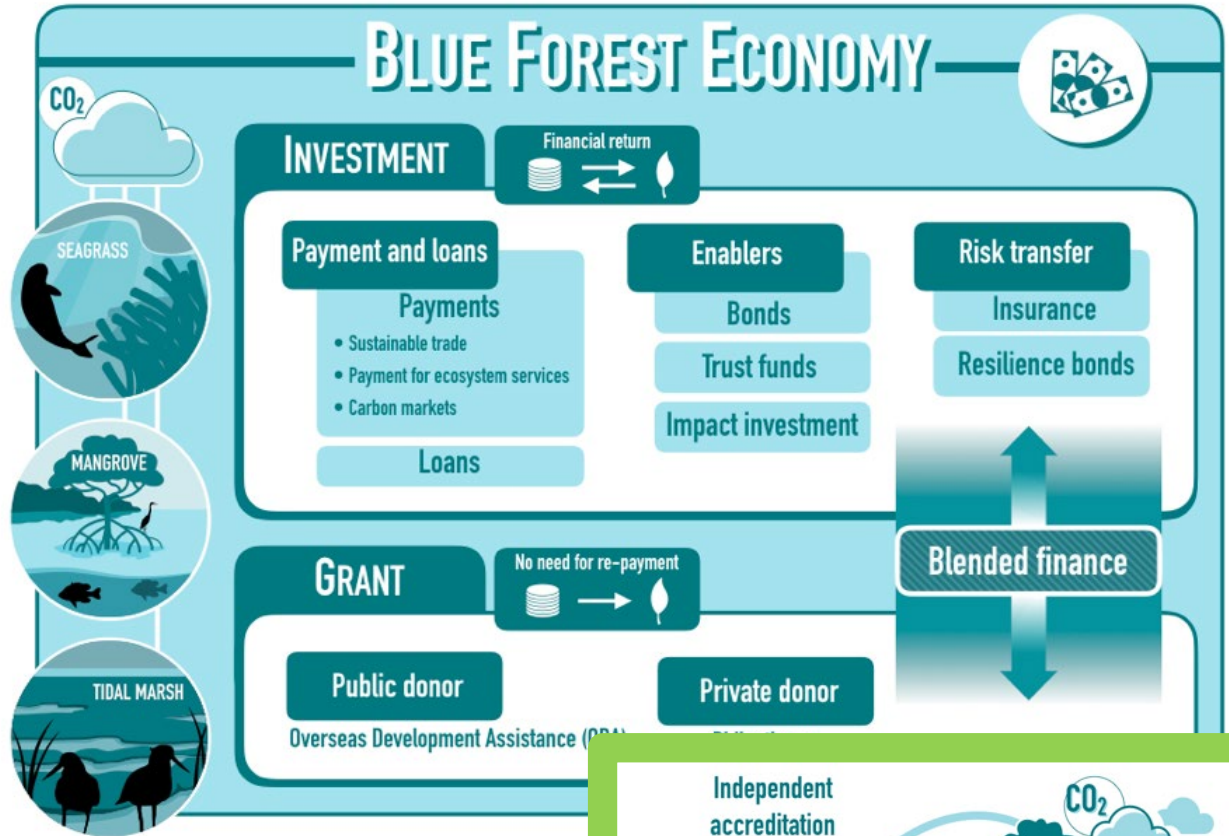
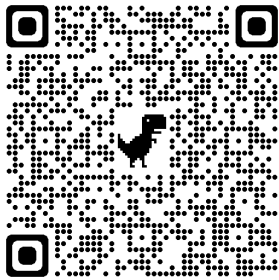


# Current finance is not enough to achieve meaningful change



Source: Climate Policy Initiative

# Different kinds of finance are available



# Nature-based solutions in voluntary markets

Figure 5. Cumulative VCM Issuances and Retirements, by Project Category, 2002-2023 YTD



Note:  
Includes data on credit issuances and retirements from ACR, CAR, CDM, City Forest Credits, Global Carbon Council, Gold Standard, Peatland Code, Plan Vivo, Woodland Code, and VCS registries

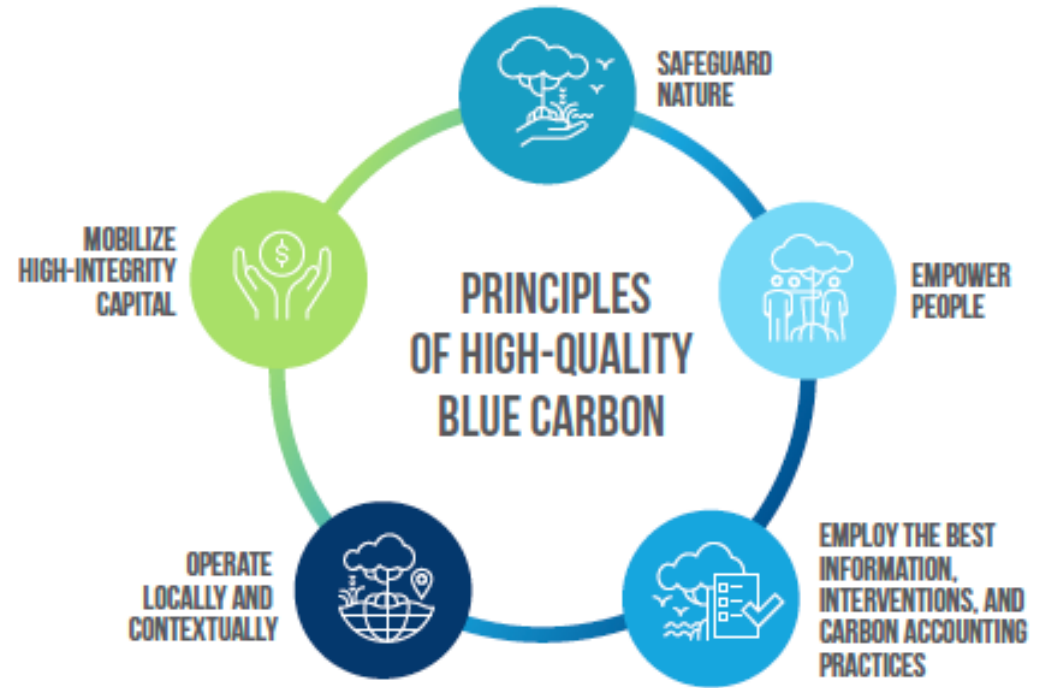
2023 data is partial and includes issuances and retirements through October 16, 2023.



# What is the role of carbon markets in our blue economy?

Carbon as a commodity vs finance to support climate-positive livelihoods

Balancing carbon sequestration against other values



# Problems with current market approaches

Understanding and clarifying rights to carbon and the benefits that accrue

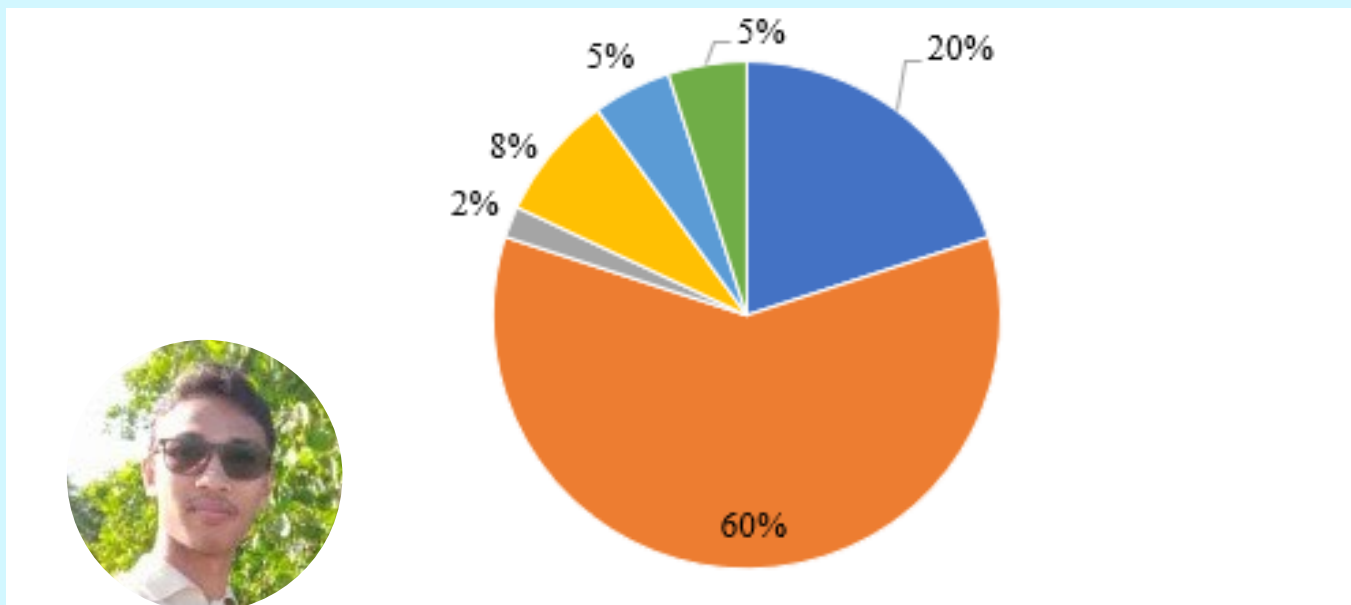
Additionality

High initial capital costs and uncertain returns

# Problems with current market approaches

*Understanding and clarifying rights to carbon and the benefits that accrue*

National regulations can direct funds away from communities



- REDD+ program & State
- Operational Activities
- Monitoring
- Social and safeguard services
- Local communities
- Local infrastructure



# Problems with current market approaches

## *Additionality*

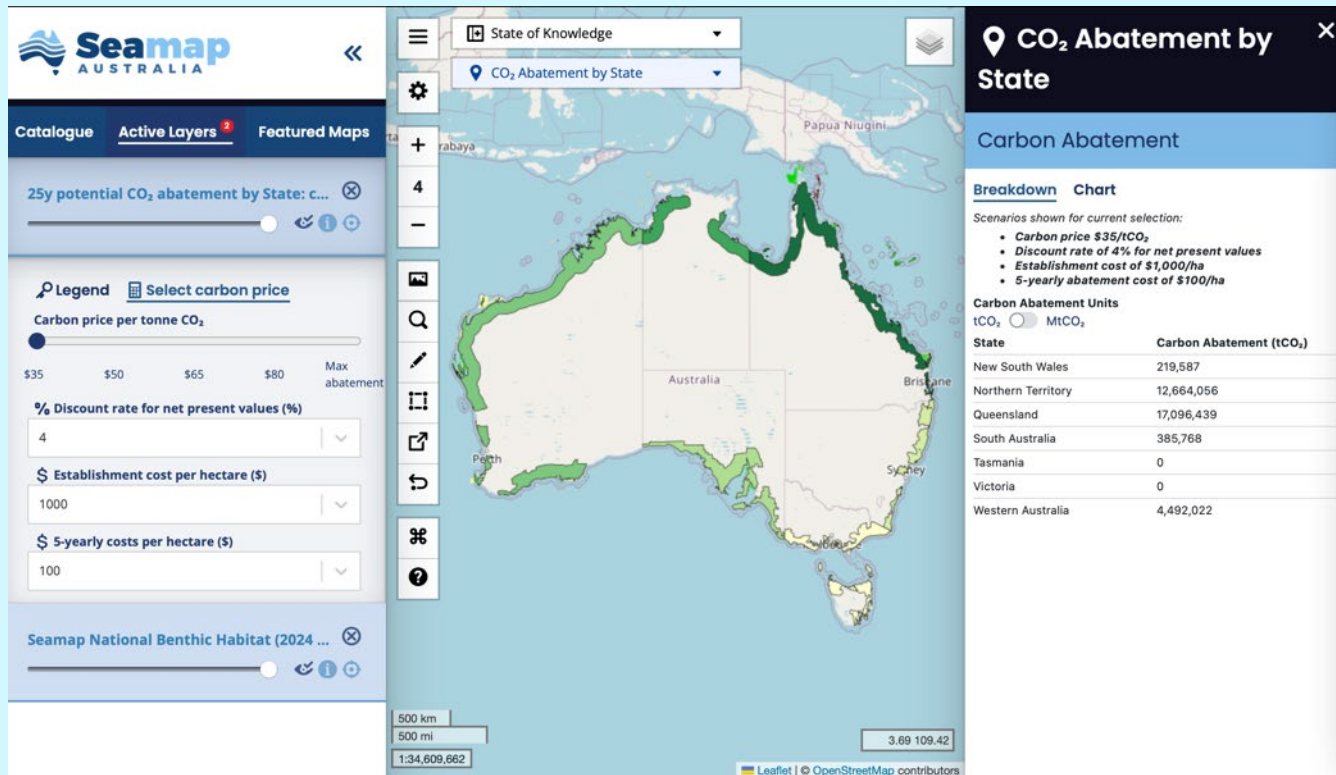
Conceived to ensure that activities contribute to mitigation  
But no reward for good stewards of ecosystems



# Problems with current market approaches

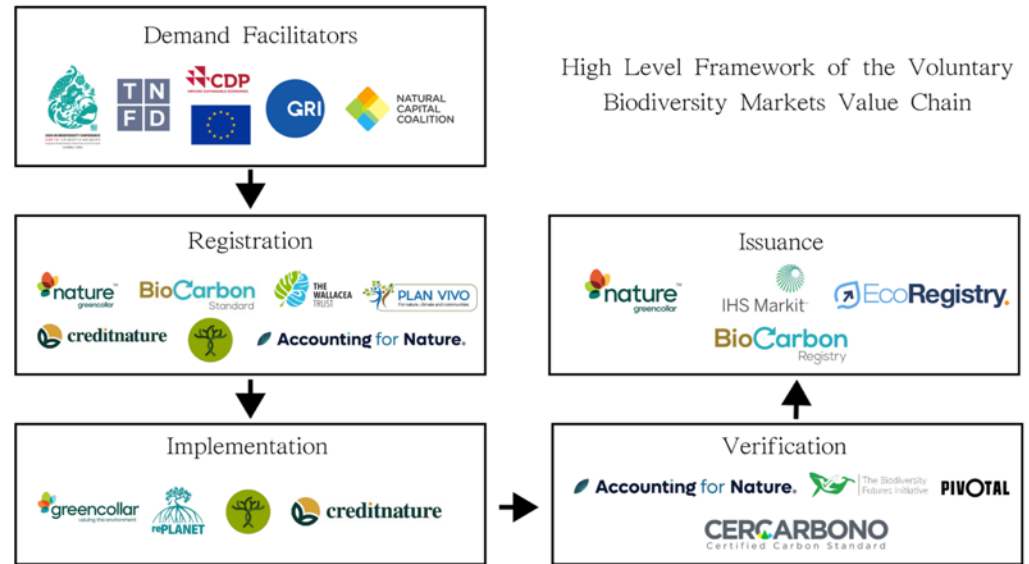
*High initial capital costs and low or uncertain returns*

Most blue carbon projects are not financially sustainable at current carbon prices



# Carbon+ approaches: biodiversity markets?

- An opportunity to overcome carbon market constraints? (Beyond additionality?)
- There are many standards and issuers, integrity is very variable
- Governance is lacking
- Different metrics will yield different answers



# For discussion: what can governments do?

- Develop policies and regulation to underpin high-integrity supply
- Introduce mandatory reporting of nature-related impact
- Strengthen demand (e.g. offtake agreements, partnerships, floor pricing)
- Partner to provide catalytic capital, technical assistance and capacity building
- Clarify legal rights while ensuring benefits are equitably distributed
- Fund and implement robust biodiversity credit methods

# Thank you



<https://research.csiro.au/iora-blue-carbon-hub/>