Non-Market Approaches for Blue Carbon Ecosystems

SB62 Glasgow Committee on Non-Market Approaches in-session workshop

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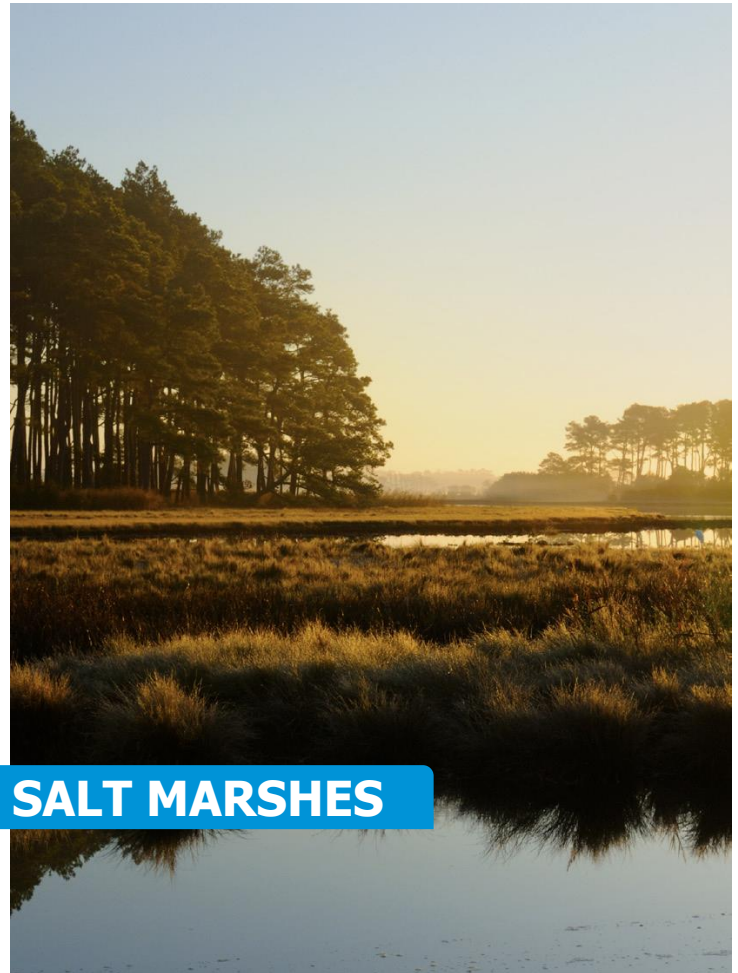
CONSERVATION INTERNATIONAL

rare

BLUE CARBON HABITATS

These ecosystems sequester and store large quantities of carbon in both the plants and the sediment below and are recognized as an essential part of the solution to climate change mitigation

SEAGRASS



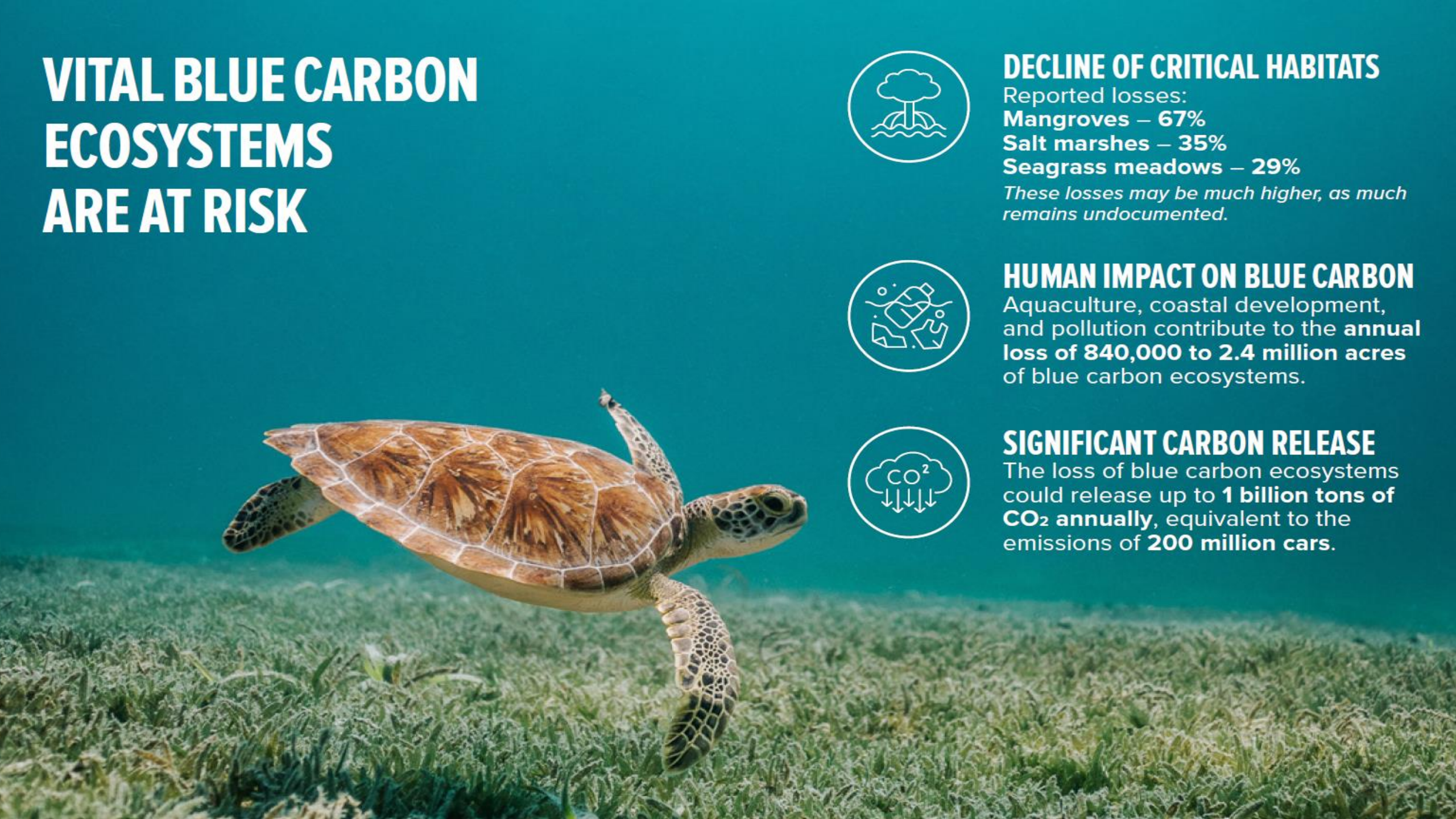
SALT MARSHES

MANGROVES

BLUE CARBON HABITATS

Blue carbon ecosystems are very important to many coastal communities because of the valuable benefits that they provide beyond carbon sequestration.

VITAL BLUE CARBON ECOSYSTEMS ARE AT RISK



DECLINE OF CRITICAL HABITATS

Reported losses:
Mangroves – 67%
Salt marshes – 35%
Seagrass meadows – 29%

These losses may be much higher, as much remains undocumented.

HUMAN IMPACT ON BLUE CARBON

Aquaculture, coastal development, and pollution contribute to the **annual loss of 840,000 to 2.4 million acres** of blue carbon ecosystems.

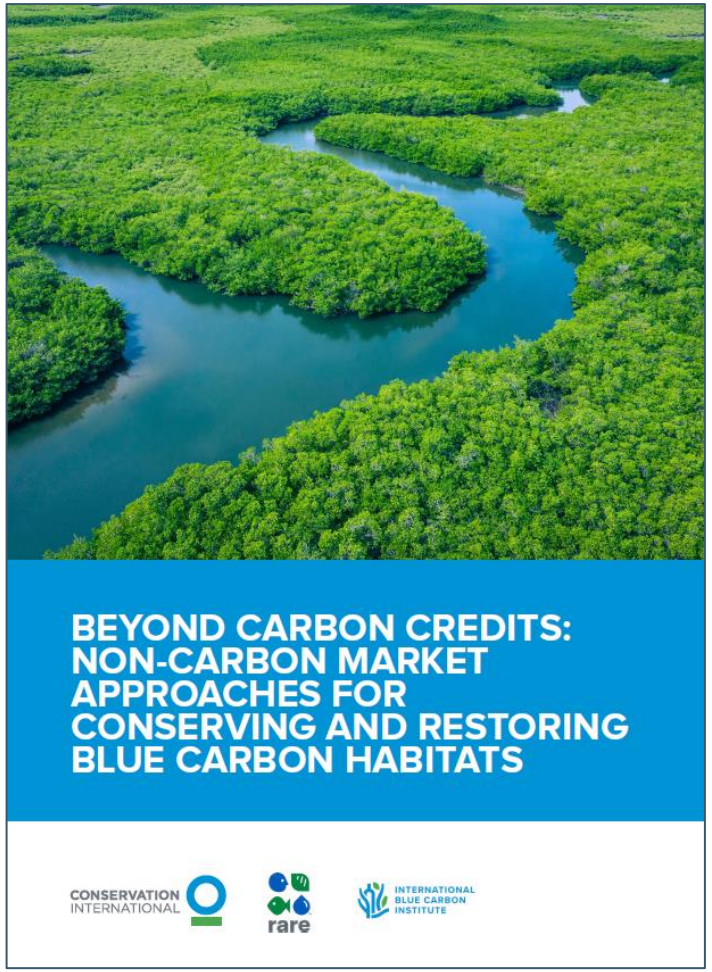
SIGNIFICANT CARBON RELEASE

The loss of blue carbon ecosystems could release up to **1 billion tons of CO_2 annually**, equivalent to the emissions of **200 million cars**.

Benefits of NMAs for blue carbon ecosystem projects:

- **Financing options when carbon crediting may not be feasible:** E.g., projects lacking additionality, clarity on carbon rights/land tenure, and/or enabling policy conditions
- **Project scale:** Support to small-scale projects w/ high co-benefits (but may not yield enough value via carbon credits)
- **Adaptation benefits**: Support for projects focused on coastal adaptation or resilience (e.g. flood protection)

Finance resources for blue carbon habitats



Beyond Carbon Credits:
Non-Carbon Market Approaches for Conserving and Restoring Blue Carbon Habitats

& new, in-depth report coming this July

Insurance Products

Insurance provides a guarantee of compensation for a specified loss or damage. It can facilitate the long-term, sustainable management of blue carbon ecosystems by financing restoration following natural disasters.

Occidental Mindoro, Philippines. Photo Credit: Tom Epperson, Rare

Case Study: Weather index-based parametric insurance for small-scale fishers in the Philippines

Parametric insurance product designed to help fishers adapt to climate change by providing income protection for lost fishing days due to adverse weather, through rapid pay-outs based on pre-defined weather triggers instead of indemnifying actual losses. Product designed by Rare and WTW, with support from the Canadian government via ORRAA.

Blue Bonds

Bonds are a form of transferable debt, issued from borrower to lender, and can be traded on markets. Blue bonds are limit their proceeds to funding sustainable blue (marine) economy.

Case Study: The Seychelles Sovereign Blue Bond

Issued after conclusion of 2015 debt-for-nature swap to support the expansion of marine protected areas, improve fisheries governance, and development of Seychelles blue economy. Sales to international investors has raised 15 million USD.

Micro, Small, and Medium Sized Enterprises/ Supply Chain Interventions

Interventions to support sustainable business practices in blue carbon ecosystems that create financial incentives that persist long-term.

Case Study: Climate Smart Shrimp

Shrimp aquaculture has historically been a driver of mangrove destruction and an economic barrier to restoration. Conservation International's CSS approach employs conditional financing for mangrove restoration and responsible modernization of shrimp aquaculture, coupling mangrove restoration with intensification of shrimp farming for sustained income and food security.

Thank you