Global Ocean Accounts Partnership

Communicating Impact of Nature-Positive Blue Carbon Projects for Scaling and Investment

Introduction and Context

Nature-positive projects, particularly those focused on blue carbon ecosystems (mangroves, seagrasses, and salt marshes), represent a paradigm shift in environmental conservation. These initiatives aim to actively enhance ecosystems, biodiversity, and natural capital while providing critical ecosystem services that benefit livelihoods and human wellbeing. The momentum behind nature-positive approaches is driven by international commitments, including the UN Sustainable Development Goals (SDGs), the Paris Agreement, and the Global Biodiversity Framework.

There is increasing interest in investment in nature-positive projects, driven by both environmental necessity and financial opportunities. Novel financial instruments and enabling initiatives, such as the Blue Carbon Accelerator Fund, blue carbon credits, blue bonds, and debt-for-nature swaps, are emerging to support these projects.

However, the success of nature-positive projects hinges on their ability to deliver and effectively communicate multiple benefits: enhancing biodiversity, mitigating climate change, improving ecosystem services, and supporting local communities. Informed by discussions with several blue carbon project managers, including recipients of the Blue Carbon Accelerator Fund, this policy brief addresses the need for effective communication of environmental, social, and financial impacts to facilitate scaling and investment in these initiatives.

Key challenges and potential solutions

Social impacts

Projects should demonstrate early, continuous and authentic community engagement and local involvement, which is essential for project success and long-term sustainability. Developing tailored engagement strategies that respect local contexts and cultures is crucial, but often resource-intensive. Projects and their funders / investors must account for the significant time and financial implications of extensive community involvement, which can often conflict with limited budgets and timelines.

Potential solution:

- Implement processes to secure genuine community cooperation as a fundamental step in project development by **co-developing** outcomes with communities to inform project scope and metrics.
- Provide **flexibility** in grant applications to account for community contexts, factoring in time and resources required for effective engagement.

Financial metrics

Communicating costs and financial management are an additional challenge. Project managers have identified a fundamental mismatch between typical donor funding cycles and the long-term nature of conservation and restoration work. Blue carbon ecosystems often require years or even decades to fully mature and deliver their full range of benefits, creating a disconnect with shorter-term funding mechanisms. Projects frequently encounter unexpected costs during implementation, which can be difficult to accommodate within rigid grant structures.

Potential solution

- Develop funding mechanisms that align with the long-term nature of conservation projects
- Implement comprehensive financial management systems linking finance to nature-positive outcomes
- Balance grants for project initiation with investment models for long-term funding
- Build capacity for investment readiness (business plans, financial projections, risk assessments)

Data analysis and communication

Many organizations, particularly those that are community and locally-based, face significant technical capacity and resource issues when it comes to gathering and analyzing the complex data required to demonstrate project impacts.

Further, accurate social and environmental baselines for project impacts are often lacking, and establishing such baselines may not be adequately budgeted for in initial project plans. Smaller organizations face particular difficulties in securing adequate funding, as they may lack the track record or resources to compete effectively for large grants or attract substantial investments. The lack of robust baselines is a common problem, necessitating extensive prior data collection that can delay project implementation. Translating the multifaceted benefits of blue carbon ecosystems into metrics that resonate with investors and funders requires sophisticated analysis and clear communication strategies, which may be beyond the capabilities of many project teams.

Potential solutions:

- Address baseline establishment challenges in donor / investment expectations and project timelines,
- Build remote sensing capacity for extent measurement and ecosystem health assessments and encourage partnerships between NGOs, academic institutions, and government agencies
- Develop standardized reporting templates for financial and project outcome reporting

Ocean accounts

An accounting framework could bring together the social, environmental and financial data needed to report on nature-positive projects and their impacts. Ocean accounts are a comprehensive framework for systematically organizing and presenting ocean-related data, encompassing environmental, economic, and social dimensions. This integrated approach aligns with the international standard, System of Environmental-Economic Accounting (SEEA), and extends it to capture the unique aspects of ocean ecosystems and their interactions with human activities.

The implementation of ocean accounts could address several challenges at the project level, such as demonstrating the long-term value of conservation efforts by quantifying ecosystem services over time, potentially justifying longer funding cycles that align with the natural maturation of blue carbon ecosystems. By linking environmental and social metrics from the accounts to traditional finance metrics, project managers can better demonstrate their use of funds and communicate impact through a diverse range of metrics. Furthermore, the standardized nature of ocean accounts could aid in establishing robust baselines and tracking progress across multiple dimensions.

Conclusion

Effective communication of environmental, social, and financial impacts is crucial for scaling and attracting investment to nature-positive blue carbon projects. By addressing challenges in community engagement, financial sustainability, and data collection, these projects can better demonstrate their value to potential investors and funders. Implementing the recommended strategies will enhance the ability of project managers to articulate the multifaceted benefits of their initiatives, ultimately contributing to the conservation and restoration of critical blue carbon ecosystems.

Learn more

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