



**Saving the ocean
and climate**
through innovative
marine protected area
finance mechanisms

Marine Protection is Climate Action

Marine Protected Areas (MPAs), or networks thereof, if designated, monitored, and managed effectively, can protect coastal and marine ecosystems including blue carbon habitats¹, enhance biodiversity, and deliver socio-economic benefits including food security for coastal and global communities alike.

1 including sediments, mangroves, salt marshes, seagrass beds, and kelp forests

2 IPCC. (2019). IPCC Special Report on the Ocean and Cryosphere in a Changing Climate (H.-O. Pörtner, D. C. Roberts, V. Masson-Delmotte, P. Zhai, M. Tignor, E.

Ocean finance needs to be integrated into



An Ocean Sustainability Bank

Building on these early success, an Ocean Sustainability Bank²¹ targeting the whole ocean could offer integrative financing tools to effectively address the ocean and climate finance gap, helping to deliver resilience and adaptation, SDG14 and a sustainable and just blue economy transition based on principles of equity, informed decision-making, shared responsibility and accountability.²²

In addition to the bank, financial regulators and governments also need to systematically integrate long-term climate and biodiversity considerations in macroeconomic, fiscal, and institutional assessments that inform country strategies.²³

Investing into marine protected area implementation

Effective coastal and marine conservation measures need to be underpinned by best available science, including scientific assessment and baseline research.

21 Thiele, T. (2022) Global Ocean Trust Policy Brief: BBNJ Economics and Finance https://www.globaloceantrust.de/_files/ugd/06cc3d_c40bc4181a2e4279a378eda7ac858377.pdf

22 Muller S and Robins N (2022) Just Nature: How finance can support a just transition at the interface of action on climate and biodiversity. London: Grantham Research Institute on Climate Change and the Environment and Centre for Climate Change Economics and Policy, London School of Economics and Political Science.

23 Neunuebel, C., et al. (2022). "Aligning Policy-Based Finance with the Paris Agreement." Working Paper. Washington, DC: World Resources Institute. Available online at <https://doi.org/10.46830/wriwp.21.00066>

24 "Other effective area-based conservation measure" means "a geographically defined area other than a Protected Area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in situ conservation of biodiversity, with associated ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic, and other locally relevant values";

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What types of investments are needed?

The transition to a low-carbon economy requires long-term, large investments (e.g., in infrastructure and technology), i.e., “patient finance” which may not be available if the local credit market is not properly capitalized.³⁴

Over 80% of investments still come from the public sector, but public financial flows alone cannot meet the current investment need for financing necessary conservation efforts at scale and over the long term.³⁵ This requires private and blended finance approaches³⁶.

Whilst public budget allocations, tourism fees, and donor-supported conservation trust funds have commonly been deployed as financial mechanisms for funding marine protection we now need to rethink fundamentally our relationship with the marine realm in the context of wide-ranging commitments to net zero and nature-positive. Leading ocean states such as the Seychelles have already designated 30% of its waters as MPAs. Yet they need more solid funding structures to achieve wider NDC ambitions such as protection of 100% of seagrass beds as both climate and biodiversity solution, based on financing models that engage

both international carbon investors and local stakeholders in ocean conservation³⁷.

Any ocean-climate finance approach needs to be embedded in good governance, appropriate regulation, based on connectivity science³⁸, abolition of destructive subsidies and adequate pricing. Only then can they deliver better ocean-climate outcomes. This would help accelerate the channeling of additional private sector financial contributions for ocean conservation³⁹. Success will require addressing two main barriers to securing commercial investments for NbS, namely i) high risks and ii) low, unsteady or long-term revenues⁴⁰.

Protecting at least 30% of the global ocean through MPAs could help to create 1 million jobs, sustain fish catch worth USD70–80 billion/year and provide ecosystem services with a gross value of roughly USD4.5–6.7 trillion/year⁴¹.

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- 34 Monasterolo, I, Mandel, A, Battiston, S et al (2022) The Role of Green Financial Sector Initiatives in the Low-Carbon Transition :A Theory of Change . World Bank Policy Research Working Paper 10181
- 35 United Nations Environment Programme, the World Economic Forum, the Economics of Land Degradation & Vivid Economics. (2021). State of Finance for Nature. Retrieved from <https://www.unep.org/resources/state-finance-nature>
- 36 Earth Security. (2021). The Blended Finance Playbook for Nature Based Solutions. Retrieved from <https://earthsecurity.org/report/the-blended-finance-playbook-for-nature-based-solutions/>
- 37 [https://seyccat.org/seyccat-secures-US\\$4.7-million-from-international-donors-for-sustainable-management-of-new-mpas/](https://seyccat.org/seyccat-secures-US$4.7-million-from-international-donors-for-sustainable-management-of-new-mpas/)
- 38 Dunn, D., et al. 2019. The importance of migratory connectivity for global ocean policy. Proc. of the R. Soc. Biological Sciences. <https://doi.org/10.1098/rspb.2019.1472>.
- 39 Baralon, J., Marks, D., Dieterich, U., Hinojosa, G., Mallin, C., Stadelmann, M., . . . Tobin de la Puente, J. (2021). Conservation Finance 2021. An Unfolding Opportunity. . Coalition for Private Investment in Conservation.
- 40 WWF/ South Pole Report (2022) Common success factors for bankable nature-based solutions
- 41 UNEP WCMC and IUCN. (2016). Protected planet report 2016. UNEP WCMC and IUCN: Cambridge UK and Gland, Switzerland.

Climate clubs and partnerships for marine protection

Multi-stakeholder partnerships⁴², gathering finance, tech, conservation, philanthropies and governments actors, could contribute funding, ideas and skills and use formats such as advanced market commitments (AMC), matching funds⁴³, and blue bonds⁴⁴, delivering effective funding to multiple projects.

Investing in data and AI

Tools and Technologies (such as remote sensing via satellites, subsea floating devices and SMART sub-

sea cables⁴⁵ and eDNA analysis represent multiple means to monitor the ocean, collect important big data, enforce protected areas and deliver sea basin approaches to . NIE

42 Thiele T. & Gerber L.R. (2017) Innovative financing for the High Seas. *Aquatic Conserv: Mar Freshw Ecosyst.* 27(S1):89–99. <https://doi.org/10.1002/aqc.2794>

43 For the use of AMC in other sectors see eg <https://www.gavi.org/investing-gavi/innovative-financing>

44 Roth, N, Thiele, T & von Unger, M (2019) Blue Bonds: Financing Resilience of Coastal Ecosystems: *A technical guideline prepared for IUCN GMPP*

45 Howe, BM et al (2022) SMART Subsea Cables for Observing the Earth and Ocean, Mitigating Environmental Hazards, and Supporting the Blue Economy. *Review, Front. Earth Sci.* <https://doi.org/10.3389/feart.2021.775544>

46 Visalli, M.E. et al. (2020) Data-driven approach for highlighting priority areas for protection in marine areas beyond national jurisdiction *Marine Policy* Volume 122, 103927

47 Johnson, D, Ferreira, MA and Kenchington, E (2018) Climate change is likely to severely limit the effectiveness of deep-sea ABMTs in the North Atlantic, *Mar Pol* 87: 111-122

48 <https://www.g7germany.de/resource/blob/974430/2057926/2a7cd9f10213a481924492942dd660a1/2022-06-28-g7-climate-club-data.pdf>

49 UNDP (2022). Joint Report: The Role of Public Development Banks in Scaling Sustainable Financing. New York: UNDP

The Role of the Ocean Sustainability Bank

A dedicated multilateral ocean finance institution, an Ocean Sustainability Bank would complement the existing Green Climate Fund⁵⁰ as a pro-active provider of sustainable ocean-climate finance.

50 The Green Climate Fund: <https://www.greencclimate.fund>

51 De Sanctis, C., Lamy, P., Letta, E., Pons, G., Pons, J-F, Mueller, M, Sack, K, Teleki, K, Thiele, T, Waite, AM (2022) Delivering a Sea - Change: A G7 Ocean Finance Deal. ORRAA/ Europe Jacques Delors G7 Policy Brief <https://www.europejacquesdelors.eu/publications/europe-jacques-delors-institute--orraa-launch-report>

52 Options f

[. cn.org/ocean](https://www.cn.org/ocean)

[ocean@ cn.org](mailto:ocean@cn.org)