

SUSTAINABLE  
SEAS

Ko ngā moana  
whakauka

# Financing restorative marine economies: Insights from NZ finance and investment experts

Theme 2.2 - Encouraging Restorative Economies in NZ Marine Spaces



THE UNIVERSITY OF  
**WAIKATO**  
*Te Whare Wānanga o Waikato*

EnviroStrat 



# Restorative Economies

## Blue Economy Spectrum

### Prospective level

#### Redress harms

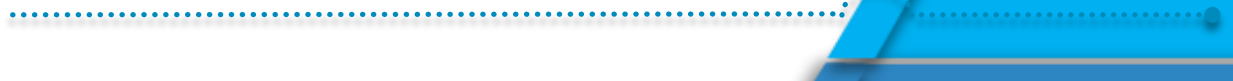
The value of natural capital is recognized. There is active investment in nature-based solutions and ecosystem services capturing benefits such as biodiversity, carbon sequestration, ecosystem enhancement and restoration and positive social impacts. New technologies and services are developed to redress harms such as plastic waste, unsustainable fisheries, and ecosystem degradation.



### Emerging level

#### Do not harm

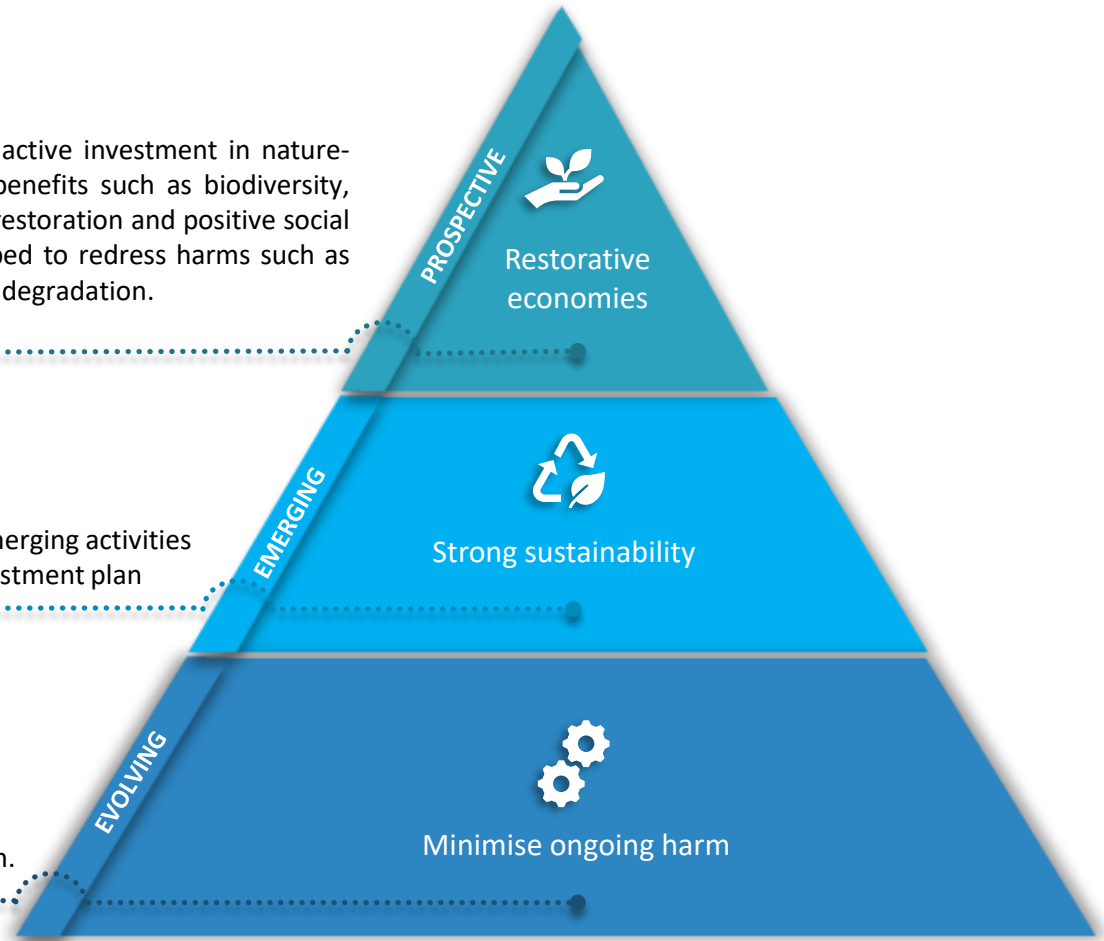
Focus on sustainability and circular economy, with emerging activities incorporating sustainable practices as part of the investment plan



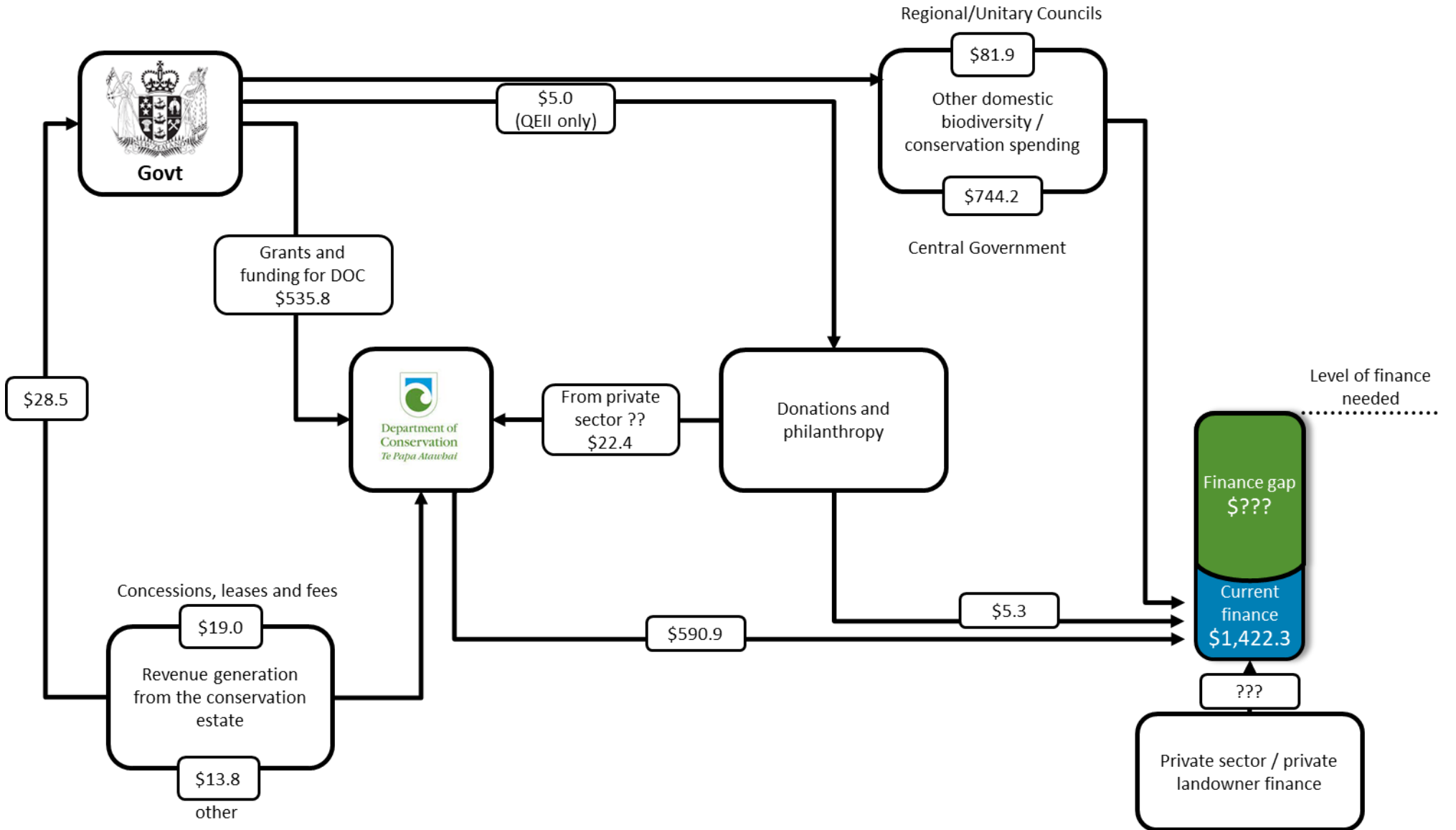
### Evolving level

#### Reduce impacts

Externalities are considered, and activities focus on transitioning to practices that minimize ongoing harm.

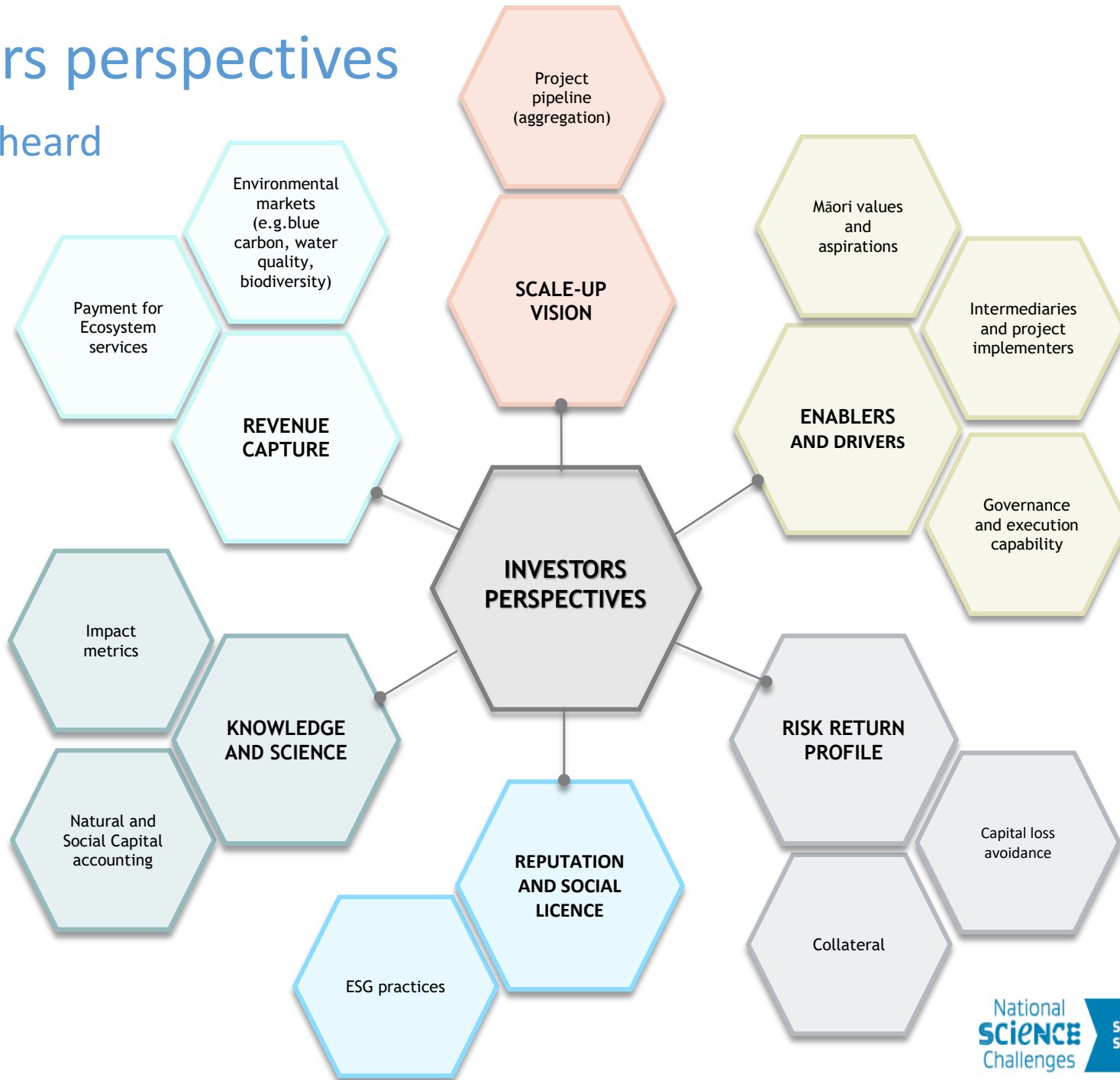


# Investment in conservation



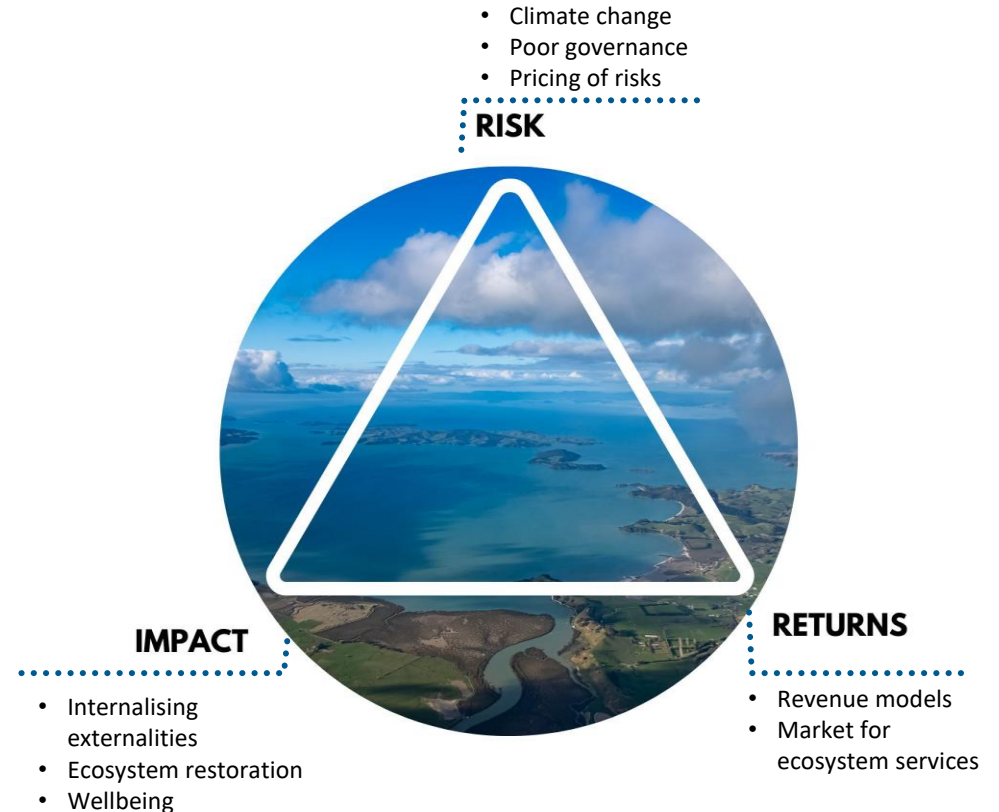
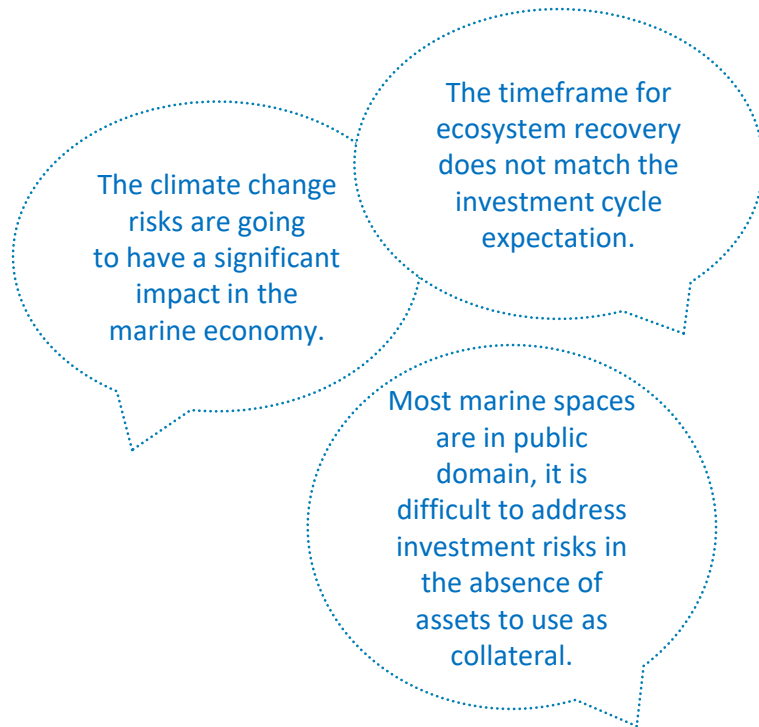
# Investors perspectives

## What we heard

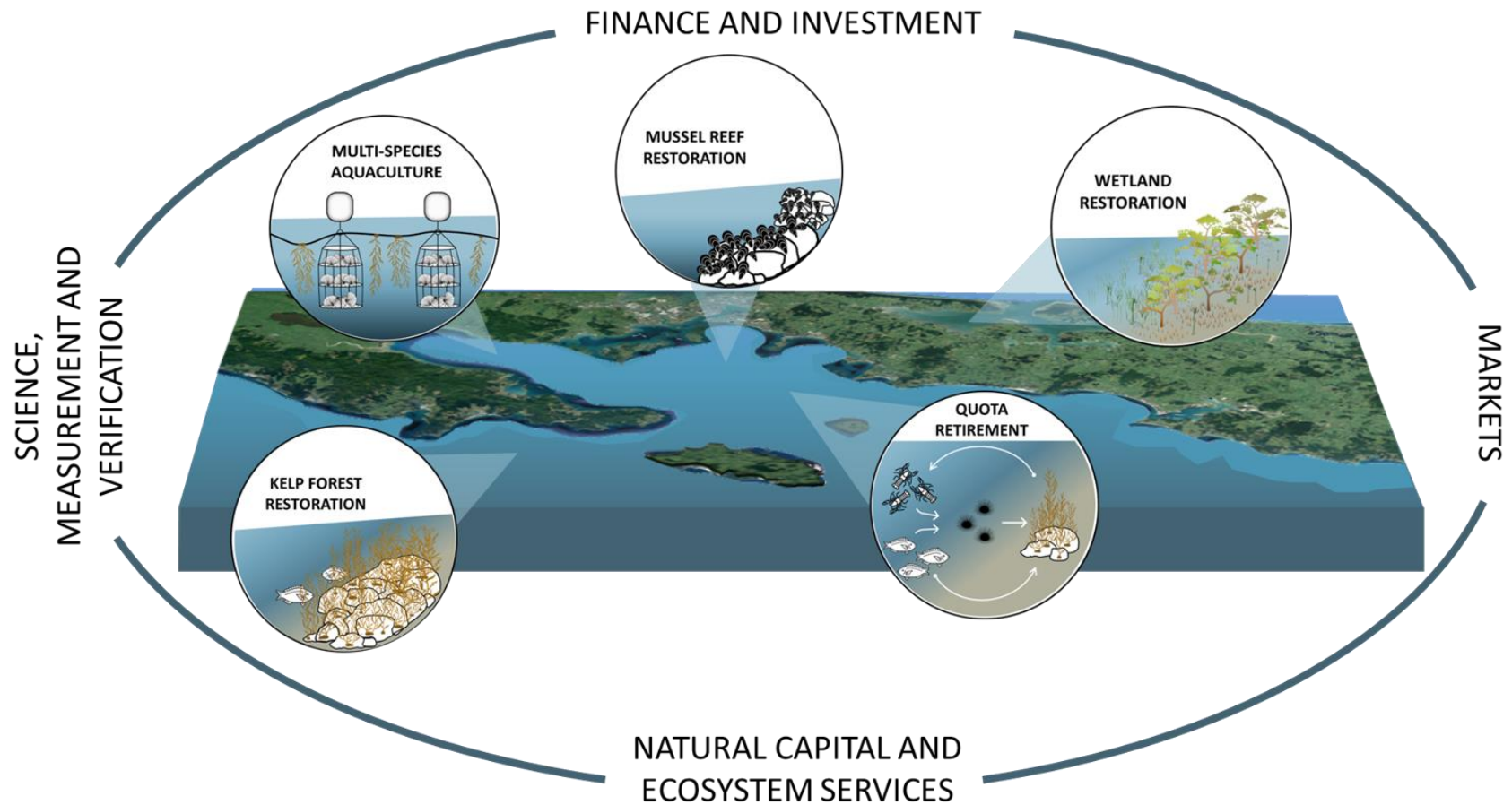


# Challenges in investing in marine spaces

Balance between investments risk, impact and return



# A seascape-level restorative economies model and the factors that influence their development



# Revenue streams

## Established markets

Underpinned by greening existing practices and led by effective government actions



### MARITIME TRANSPORT

- Pollution-related taxes and fines
- Biosecurity breach fines
- Consent fees

### FISHING INDUSTRY AND AQUACULTURE

- Fish catch and services levies
- Fishing access payments
- Recreational fishing license fees and excise taxes
- Fines for illegal fishing

### REAL ESTATE AND DEVELOPMENT RIGHTS

- Purchase or donations of land and underwater property
- Conservation easements
- Real Estate tax surcharges for conservation
- Tradeable development rights and wetland banking
- Conservation concessions

### MARINE AND COASTAL INFRASTRUCTURE

- Right-of-way fees for undersea telecommunications

# Activating (new) revenue streams

## Emerging markets

Enabled by marine ecosystems restoration and conservation



### PAYMENT FOR ECOSYSTEM SERVICES SCHEMES

#### BLUE CARBON AND BIODIVERSITY

- Carbon credits
- Biodiversity credits

#### SUSTAINABLE FISHING AND AQUACULTURE

- Tradeable fishing quotas
- Eco-labeling and product certification
- Fishing access payments
- Multi-species aquaculture

#### MPAs AND ECOTOURISM REVENUES

- MPAs entry fees
- Diving and Yachting fees
- Tourism operators consent
- Airport passenger fees and cruise ships fees
- Hotel taxes
- Bioprospecting consents and patents

Capital is not the problem, monetisation is.

The revenue potential of ecosystem restoration is not clear

Someone needs to be willing to pay for the services ecosystems provided



# Insights

# Trends and solutions

The value of nature capital, and therefore return on capital, is not yet established.

The valuation and monetisation of natural assets is a significant gap for investments in restoration or conservations.

The maturity of markets (and liquidity) poses a present gap.

Investors require greater level of certainty from investments in natural assets and restoration.

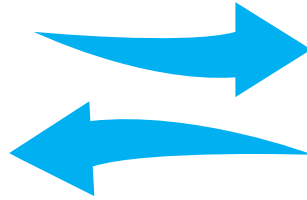
Government support, standardisation and policy frameworks can enable and incentivise investment from the private sector.

Evolving knowledge and proof-points, science-based evidence and investment experience in natural assets will likely reduce this gap.

Establishing practical, credible, consistent and comparable metrics for risk management and verification methods will enable a far greater level of certainty for investors.

## DEMAND SIDE

Capital providers: those seeking to invest



## SUPPLY SIDE

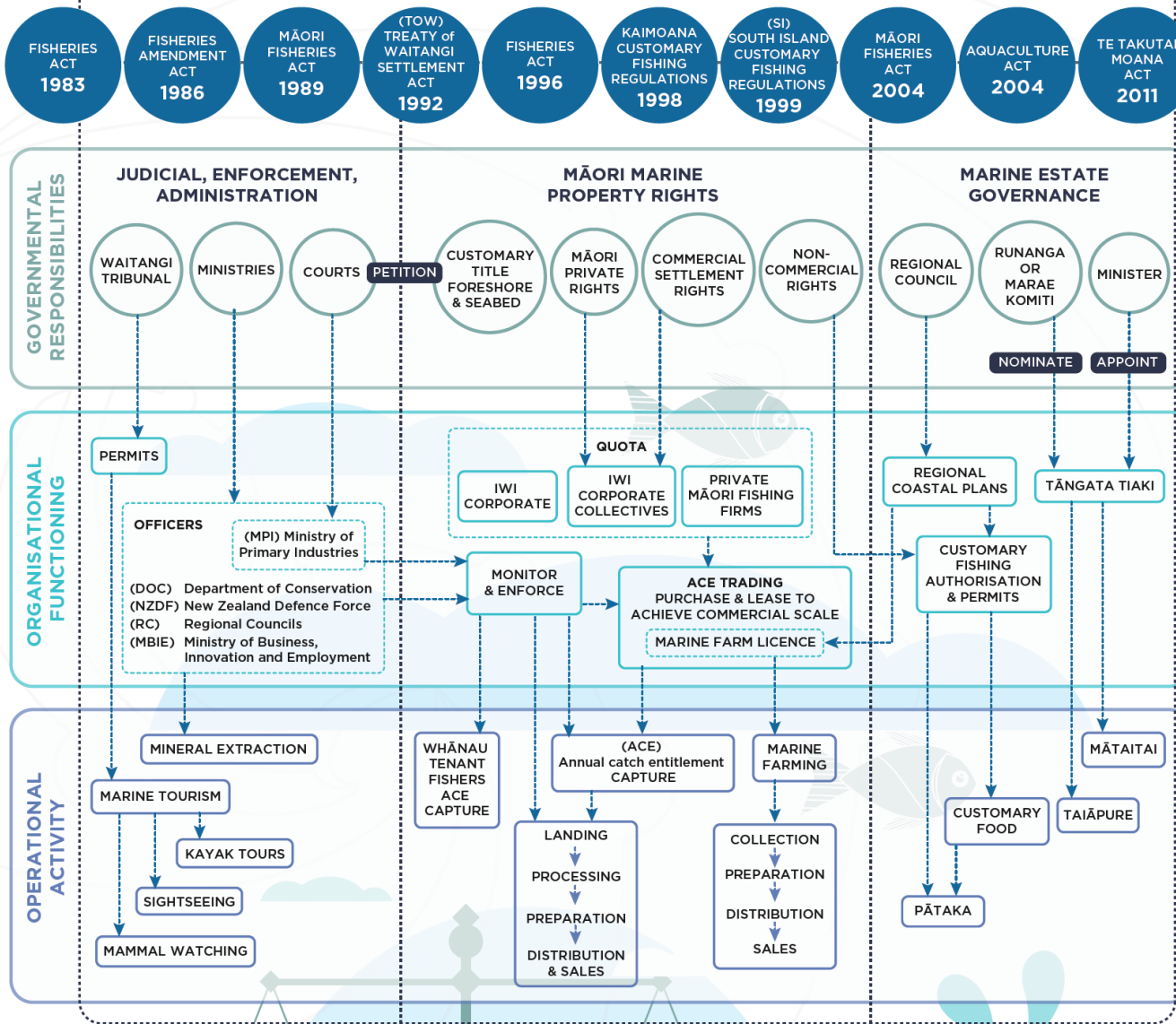
Projects seeking investment

**Aligning investment and restoration needs and expertise:  
mindset change and continuous learning**

# Māori perspectives

Insights from business, investors, and advisors who work with Māori enterprise on investing in restorative marine economies

# CENTRAL GOVERNMENT REGULATORY STRUCTURE



Māori marine economy

# What was our aim

- We set out to understand what was required to enable investment in restoring marine economies
- We wanted to know about Māori approaches to investing and how are Māori investing restorative economies?
- We wanted to talk to work in Māori enterprises or institutions as investors, fund managers, advisors, managers and governors
- We interviewed six people



# What we did

- We held five interviews and received written comments from one participant
- We transcribed and analysed the transcripts, which included te reo
- We discussed the findings as a group and identified common themes
- We asked three main questions
  - Identity – who are you
  - Investing – what you do
  - Application – how you invest



## Who we talked to



- Tribal advisor born and raised in his tribal rohe, worked in policy and consulting, and now post-settlement
- Pākehā consultant born and raised in small city, advising iwi on treaty settlements and investments
- Fund manager raised in his tribal rohe, now managing an ethical investment fund, studied tribal tikanga and reo
- Tribal governor trained as an accountant working in the banking sector, now a Māori academic
- Sustainability director raised in her tribal rohe, but lives in a large urban area, working in communications.

# What we found

## Māori approaches to investing

- Tribal and Māori authorities co-investing
- Māori and Pākehā co-investing
- Assessing risk using Māori values
- Both commercial, social and environmental returns expected
- Leveraging collective assets for individual gain
- Business is about relationships, people first

## Investing in restorative economies

- Māori world view and water
- Active rather than passive investing
- Building Māori capability to invest
- Building institutional capability
- Adding Indigenous values
- Incentives for restorative investing
- More Māori into finance sector



# What this means

- Develop frameworks, policies, and tools that address:
  - Relationality – Māori world view in investing
  - Capability building – Māori and Pākehā
  - Adapting investment frameworks with Māori values
  - Balancing commercial and environmental returns
  - Active investing allows influence

