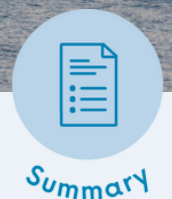


Financing coastal and marine restorative economies in Aotearoa New Zealand

There is a place for private sector finance in the future of marine conservation and restoration.



The public and philanthropic sectors are the main funders of restoration initiatives in Aotearoa New Zealand. However, the committed finance amount is insufficient for driving the level of restoration, protection, and sustainable management necessary to reach biodiversity aspiration and goals – leaving a biodiversity finance gap.

The private sector can help fill the biodiversity financing gap by first recognising the private sector's impact on and dependence on biodiversity, *ie* all species and ecosystems that are fundamental to human wellbeing.

Closing the biodiversity finance gap requires a shift towards investment approaches that recognise and capture the economic value and benefits of investing in biodiversity, which encompasses ecosystem restoration.

Biodiversity finance solutions

Perspectives on financing coastal and marine restorative economies in Aotearoa New Zealand are encouraging, given the diversification of investment approaches and finance mechanisms or tools available to influence private sector investment and funding (Figure 1).



[Financing coastal and marine restorative economies in Aotearoa New Zealand](#)

The most developed market-based mechanism to finance restorative economies is carbon trading. Although blue-carbon market-based mechanisms are still comparatively underdeveloped, the expansion of the carbon markets demonstrates the potential to monetise marine and coastal ecosystems and their services.

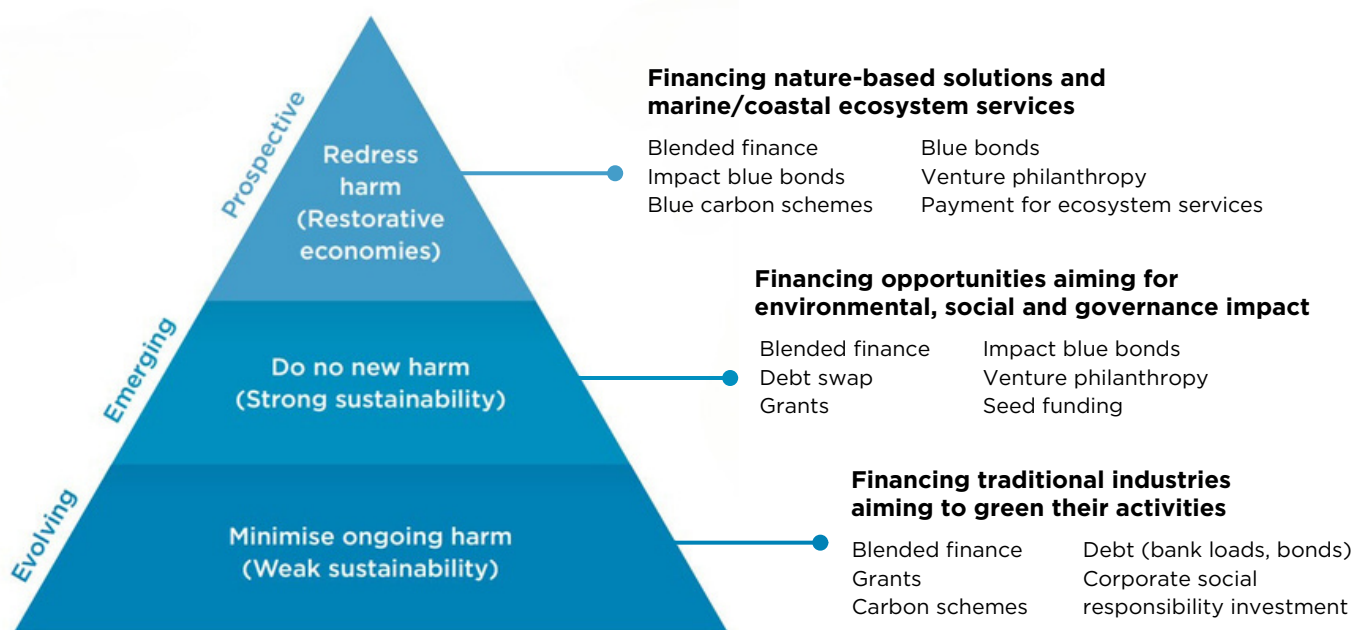


Figure 1: The blue economy spectrum and the range of financial and economic tools available to fund restorative economies. Mobilising finance for coastal and marine restorative economies requires appropriate arrangements, several sources of capital (public, philanthropic, and private sector investments) and investment mechanisms (eg impact bonds, blue bonds, blended finance).

Investment life cycle

Selecting the most appropriate and effective solution from the growing list of mechanisms to fund restoration projects is challenging for investors and project developers. Choosing the most suitable finance mechanisms for restorative economies depends on the size and maturity of the investment opportunity – ranging from restoration projects in the early stage and at a micro-scale to those at a mature stage and large-scale (Figure 2).



Figure 2: Investment life cycle for restorative economies.

Future steps

We require a deeper understanding of the perspectives and expectations of finance and investment sectors to mobilise finance for marine and coastal restorative economies. Therefore, the research team will undertake semi-structured interviews with the investor actors.