


# THE BLUE ECONOMY



Canada's coastal areas include expanses of kelp forest, salt marsh and seagrass. These habitats support coastal communities and wildlife, while also absorbing and storing significant amounts of carbon. As global recognition of the importance of blue carbon ecosystems has grown, so too has interest in the economic opportunities associated with protecting, sustainably managing and restoring these areas.

© Yoon S. Byun / WWF-US

**Development of the blue carbon economy offers many potential benefits for coastal communities but is not without risk.**

## ECONOMIC TOOLS

---

The many benefits of blue carbon ecosystems are clear, but funding for their protection, management and restoration is still lacking. There have been advances in the variety of tools available for generating revenue and financing the stewardship of blue carbon systems in the past few years. These include:

- Impact investing: investment with the dual goals of obtaining a financial return and supporting companies that create measurable environmental or social impact.
- Nature-based insurance solutions: coastal habitats often provide protection for human infrastructure. The beneficiaries of that protection can purchase insurance that provides compensation against losses derived from damage to these natural assets.
- Carbon markets: provide a mechanism for purchasers to buy carbon offset credits that support blue carbon projects aimed at reducing carbon emissions or increasing sequestration.
- Blue bonds: used by private companies and public administration to attract long-term investment. Investors receive a return of the original investment plus a fixed interest rate.
- Trust funds: funding from philanthropists, government or private entities for conservation work.

## ECONOMIC DEVELOPMENT OPPORTUNITIES: KELP AQUACULTURE

---

Interest in kelp aquaculture — the practice of growing and harvesting kelp — is growing rapidly. Kelp is highly productive and can be used for food, fertilizer, biomaterials and pharmaceuticals. While the net carbon sequestration potential of kelp farms is still under investigation, they present an exciting potential economic development opportunity for coastal communities.

## BLUE CARBON ECONOMY AND COASTAL COMMUNITIES

---

Development of the blue carbon economy offers many potential benefits for coastal communities but is not without risk. In all cases, it is critical that economic development occurs in line with the values and priorities of Indigenous Peoples who have thoughtfully managed the coastline for thousands of years. Many of the financial tools described here are in their infancy with regards to blue carbon, which presents an opportunity to ensure that, when applied, financing is socially equitable, environmentally sustainable and economically viable.

## RECOMMENDATIONS

---

- ✓ Focus on developing economic opportunities that protect, manage and restore blue carbon ecosystems; are in line with the priorities, needs and values of rights and title holders; and ensure equitable distribution.
- ✓ Develop the protocols and methodologies needed for potential blue carbon-based offsets in Canada.
- ✓ Explore opportunities to adapt financing tools to support blue carbon nature-based solutions.



Chapter summary prepared by WWF-Canada

Full chapter by Heidi Alleway, Cameron Bullen, Jenn Burt, John Driscoll, Edward Gregr, Brianne Kelly and Cornelia Rindt available in *Coastal Blue Carbon in Canada: State of Knowledge*