

Accelerating marine restoration: Laying the foundations of high integrity marine natural capital markets across the UK

The Crown Estate, Blue Marine Foundation, Finance Earth and Pollination seek feedback on report examining barriers and solutions to high-quality marine natural capital markets

- *First-of-its-kind report identifies priority barriers and potential solutions to unlocking vital investment in the restoration of marine and coastal ecosystems*
- *Input received from almost 100 stakeholders and global experts*
- *Stakeholders invited to give further feedback to refine and enhance initial findings*
- *Announcement bolsters The Crown Estate's commitment to investing in nature recovery*

The Crown Estate, Blue Marine Foundation, Finance Earth and Pollination have today published a joint report highlighting the key barriers and potential solutions to the development of high-integrity natural capital markets in the marine environment across the UK.

A first-of-its-kind for the UK, the '*Developing High-Integrity Marine Natural Capital Markets in the UK*' report is co-funded by The Crown Estate and Blue Marine Foundation and led by Finance Earth and Pollination. With input from almost 100 stakeholders and global experts across civil society, private sector enterprises, academia, government, and financial institutions, the report aims to build consensus around the key barriers and solutions to high-integrity marine natural capital markets – sometimes referred to as nature markets – to unlock vital investment in the restoration of marine and coastal ecosystems.

Stakeholders are now invited to give feedback on the recommendations, which are divided into three categories across Financial, Science and Policy.

A potential vehicle by which investment into nature recovery projects can be achieved at scale, natural capital markets are based around enabling businesses to invest in projects that enhance the ability of land, freshwater and marine habitats to provide, among other benefits, carbon storage and sequestration, nature recovery and clean water. It is widely believed that the key to the successful development of a natural capital market is ensuring that the projects have 'high integrity' outcomes, where tangible, impactful results for nature and society can be achieved and demonstrated.

High-integrity natural capital markets could provide much needed new sources of financing for the restoration, conservation, and sustainable management of the UK's coastal ecosystems. The world's oceans host a vast array of biodiversity, with countless species and dynamic ecosystems that ensure the stability and resilience of a healthy planet. However, rising temperatures, ocean acidification, deoxygenation, pollution, and other forms of environmental change caused by human activities are driving their deterioration. The finance gap to meet the UK's nature-related outcomes is estimated to be at least between £44bn and £97bn over the next 10 years – with a central estimate of £56bn.¹

¹ [The-Finance-Gap-for-UK-Nature-13102021.pdf \(greenfinanceinstitute.co.uk\)](#) p.4

The publication of today's report is a key step on the journey towards establishing a framework for high-integrity marine natural capital markets in the UK, which could enable significant and consistent flows of money into projects where restoration supports communities and nature.

Stakeholders are now invited to offer feedback on the 20 recommendations made by those involved in the first stage of this research by sharing their views [here](#). The window for feedback will remain open until midnight on Thursday 26th October.

Caroline Price, Senior Development Manager, Habitat Creation, The Crown Estate, said: *"Coastal areas, estuaries, and offshore waters contribute significantly to the country's blue economy, worth an estimated £47 billion and representing over 500,000 jobs. They also provide a multitude of vital services. But despite their critical value to society and the environment, substantial evidence clearly highlights the degradation of many of our most precious coastal and marine ecosystems.*

"While government and philanthropic funding is helping to protect and restore these ecosystems, there remains an estimated £56 billion funding gap to deliver nature recovery in the UK. The potential for private finance to help bridge this gap and radically scale up the flow of investment into this vital work is significant, provided it focuses on delivering high-integrity outcomes for society and nature. A collaborative approach to enabling this is essential and that is why The Crown Estate is pleased to be partnering with several others on the publication of this report. Reversing long-term damage in the marine environment cannot be achieved overnight nor can it be delivered by any one organisation in isolation. At The Crown Estate, we're committed to working with others to enhance our investment in marine nature recovery and to arrive at a shared vision of success for delivering systems change in support of new marine natural capital markets across the UK."

Gus Jaspert, Managing Director of Marine, The Crown Estate, said: *"Nature recovery is at the heart of The Crown Estate's strategy across our Marine, London, Windsor & Rural and Regional portfolios. As manager of the seabed around England, Wales and Northern Ireland, the publication of this report is an important milestone on our journey to becoming a leader in the stewardship of the UK's natural environment and we're pleased to now be inviting stakeholders to offer feedback on this first stage of research. Through this approach we can help put in place a clear roadmap to address research gaps, overcome policy barriers and implement new business models in ways that take into consideration a wide diversity of views and interests across the marine sphere."*

Dan Crockett, Director, Ocean and Climate, Blue Marine Foundation, said: *"We need to come together and be ambitious on this topic to achieve nature recovery throughout the UK. Despite increasing recognition that the ocean is vital in our fight against climate change, we are yet to see ambitious financial investment from the private sector in protecting it. Currently, Sustainable Development Goal 14 'Life Below Water' remains one of the least funded of the 17 goals. We hope that by outlining clear avenues for funding we will see substantial improvement in the restoration, sustainable management, and protection of our ocean. The publication of the first stage of this roadmap hopes to identify opportunities for long term and practical investment for nature and ensure collaboration across the sector. This will provide the UK with an opportunity to position itself as a leader in developing a high integrity marine natural capital market".*

Elizabeth Beall, Managing Director, Finance Earth, said: *"Mobilising private finance is critical to bridging the current funding gap to deliver nature recovery in the UK. It is just as critical to ensure that private finance and funding more broadly delivers maximum benefit to both people and nature. This will depend upon agreement across stakeholders on a set of measurable outcomes and solutions for unlocking high integrity investment in nature and, importantly, who is responsible for delivering these actions. Finance Earth is thrilled to be part of this project to build consensus around a roadmap to develop high integrity marine natural capital markets. This work will help ensure there is collective effort to scale the investment needed to restore and protect coastal and marine ecosystems while directly benefiting local communities."*

Annick Paradis, Executive Director, Pollination, said: *"This preliminary report solidifies the impact, importance and urgency of developing high-integrity and high-quality marine natural capital markets, both globally and in the UK and starts to articulate the steps needed to do so. As only 1% of global climate finance is spent on the ocean², robust markets can redirect capital flow to support global climate and nature goals. Across the UK, markets can further build more resilient supply chains, bolster food security and revive British coastal communities. To realise this vision, diverse stakeholders must collaborate to demonstrate that projects on the ground can work in practice and help build the scientific evidence base needed to boost investor confidence. This will require an iterative process (flexible to technological and scientific advancements) but will help to deliver scale in the UK and abroad. Coherence between emerging voluntary and compliance markets in the marine space will also prove necessary if we are to meet our climate and nature goals. Pollination looks forward to supporting this endeavour and is delighted to work with a fantastic set of partners in the next phase of this work."*

Today's announcement bolsters The Crown Estate's wider commitment to being a leader in the stewardship of the UK's natural environment and nature. Maintaining healthy habitats and ecosystems is vital to sustaining nature's inherent value, mitigating the effects of climate change, and providing ecosystem services to support livelihoods and a thriving economy. Alongside its work to accelerate the transition to net-zero through sectors such as offshore wind, CCUS and hydrogen, The Crown Estate is investing in various ways to support a more resilient marine environment. From mapping the distribution and understanding of the condition of key coastal and marine habitats to enabling pilot project activities linked to habitat restoration, enhancement and creation, it is working in partnership with others to accelerate and build knowledge around regenerating coastal and marine habitats and species.

The Crown Estate's ongoing work on nature recovery in the marine environment complements a range of activities across its London, Windsor & Rural and Regional portfolios to support nature focused activities and the nation's transition to a resilient, sustainable and decarbonised future.

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Notes to the Editors

To access the 'Developing High-Integrity Marine Natural Capital Markets in the UK' report, click [here](#).

² Barber et al. '[A drop in the ocean Closing the gap in ocean climate finance](#)', 2021.

For further information please contact The Crown Estate press office: 0845 241 2342 / pressoffice@thecrownestate.co.uk

About High-Integrity Marine Natural Capital Markets

The purpose of new marine natural capital markets is to help achieve publicly determined goals for the health and function of the marine environment, where success is not possible with public funding alone. The generation of revenue streams from ecosystem service provision – or natural capital – creates the potential for a natural capital market. Natural capital markets are facilitated by payments in return for the provision of ecosystem services, which in turn can be delivered through a range of interventions. Interventions (e.g., habitat restoration) can produce a range of revenues through the sale of commodities, service provision, rental income, and payment for ecosystem services. High-integrity marine natural capital markets in the UK need to fulfil both local and global scale integrity principles, drawing from emerging international and UK-specific guidance.

About The Crown Estate

[The Crown Estate](#) is a significant national landowner with a diverse £16bn portfolio that includes urban centres and development opportunities; one of the largest rural holdings in the country; Regent Street and St James's in London's West End; and Windsor Great Park. It also manages the seabed and much of the coastline around England, Wales and Northern Ireland, playing a major role in the UK's world leading offshore wind sector. It is a unique business established by an Act of Parliament, tasked with growing the value of the portfolio for the nation and returning all of its net profit to HM Treasury for the benefit of public spending. This has totalled £3.2bn over the last ten years. Through its activities and investments, The Crown Estate creates environmental, social and financial value both for now and into the long term.

This includes:

- Playing a significant role in unlocking renewable energy for millions of homes through sectors such as offshore wind and creating opportunities for new technologies like CCUS and hydrogen to deliver the UK's energy security transition, resulting in thousands of jobs for communities across the UK.
- Supporting the sustainable transformation of land use in the UK through diversified, regenerative agricultural and environmental best practice alongside a thriving natural world.
- Launching The Crown Estate Environment Fund, a £5 million capital funding programme that is supporting its farmers in the planting of over 1,000 acres of new woodland and 100 miles of new hedgerows over the next three years across its Rural portfolio.
- Becoming recognised as a centre of excellence for environmental and ecological best practice across the Windsor Estate.
- Identifying and creating opportunities for thriving and resilient communities across the country to support regeneration, housing and innovation.
- Ensuring London retains its global city status, by fostering a more vibrant, greener and inclusive destination for millions of visitors and businesses.

About Blue Marine Foundation

Blue Marine Foundation is a UK ocean conservation charity set up in 2010 by some of the team behind the award-winning documentary film 'The End of the Line'. Blue Marine aims to restore the ocean to health by addressing overfishing, one of the world's biggest environmental problems. The charity is dedicated to creating marine reserves, restoring

vital habitats and establishing models of sustainable fishing. Its mission is to see 30 per cent of the world's ocean under effective protection by 2030 and the other 70 per cent responsibly managed.

About Finance Earth

Finance Earth is a leading environmental impact investment boutique, providing financial advisory and fund management services across the natural and built environment. Finance Earth helps to create projects – and the investment vehicles to fund them – that balance positive outcomes for nature, communities and investors.

Finance Earth works in partnership with NGOs, government, foundations and aligned corporates to create investable environmental and social projects. At the same time, Finance Earth works with a range of investors to structure financial products that can accelerate the protection and restoration of nature. The team currently manages over £50million of blended social and environmental impact funds and has designed over £500 million of impact investment structures.

Finance Earth is a wholly employee-owned social enterprise, with 51% of profits recycled into on mission activities and investments. Finance Earth is a trading name of Environmental Finance Limited, which is authorised and regulated by the Financial Conduct Authority (registration number: 831569).

About Pollination

Pollination is a global investment and advisory firm focused on climate and nature. It designs, builds and invests in climate and nature solutions to accelerate the transition to a net-zero, nature-positive future. Established in 2019, Pollination has brought together a global team of 200 leading experts from across the climate and nature ecosystem; spanning finance, investment, technology, business, law, policy and science. Leveraging unique market insights, it supports clients to navigate the transition, and designs investment platforms and funds to meet investor needs and deliver real impact.