

A Blue Carbon Future

The Power of Innovative Thinking

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Concerns about human impact on the planet is at the forefront of many individuals' minds and businesses' agendas. Companies are taking steps to reduce their carbon footprint, but few would deny that a greater cross-sectoral effort is likely needed to meet global targets in the years to come.



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Carbon offsetting is an important part of many companies' Corporate Social Responsibility (CSR) programs, as they seek to reduce their environmental impact. Beyond providing unique habitats for a range of species, coastal wetlands have the ability to store significant amounts of carbon for thousands of years, making them one of the longest-term natural solutions to climate change.

The need to do something to both reduce carbon emissions and preserve biodiversity is real and pressing.

[The recent UN Intergovernmental Science Policy Platform on Biodiversity & Ecosystem Services \(IPBES\) Global Assessment Report](#) makes for sobering reading and stresses that "transformative changes" are needed to restore and protect nature in many areas of the world.

The report found that a million animal and plant species currently are threatened with extinction – the highest number in human history.

The IPBES assessment report said that current international goals for sustainably using nature are unlikely to be met at current rates, and that the goals for 2030 and beyond will only be met if transformative changes are made across economic, social, political and technology spheres.

According to the report, the top-three direct drivers of changes in nature with the largest relative global impacts so far are changes in land and sea use, direct exploitation of organisms and climate change.

Estimates suggest that the loss of pollinators has put up to US\$577 billion of crop output at risk. For example, land degradation is estimated to have already reduced the productivity of 23% of the global land surface.

The outlook may seem bleak, but with innovative thinking there may be ways to address some of the issues caused by these profound changes to our environment.

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Innovative thinking

The IPBES report urges cross-sectoral approaches involving forestry and coastal management to increase sustainability. And there are certainly new ways to look at specific risks that could help both to manage exposures but also to build up resilience.

The Nature Conservancy believes that bringing together an innovative credit system of blue carbon offsets coupled with a completely new concept – resilience credits – will generate new private investment streams for large-scale wetland conservation and restoration projects across the world.

Coastal wetlands are extremely valuable for communities, governments and companies. They capture vast amounts of greenhouse gas emissions and act as protective flood barriers when storms strike. For example, mangroves can store up to 10 times more carbon per hectare in their soils than terrestrial forests. It is estimated that without mangroves, coastal communities would incur an additional \$82 billion in flood damages each year.

Flooding remains one of the biggest threats to coastal communities. More than 40% of the world’s population lives within 100 kilometres of the coast. And for insurers, flooding is a significant risk, causing billions of dollars of damage every year; over the past 10 years, insurers have paid claims of more than US\$300 billion for coastal damages.

Finding ways to restore and protect wetlands would have the effect of reducing greenhouse gas emissions, protecting vulnerable species and improving coastal resilience to storm surges.

How do blue carbon resilience credits work?

Last year, The Nature Conservancy, with support from AXA XL, began work on a resilience credit that values the combined carbon sequestration and coastal protection benefits of coastal wetlands. Blue carbon credits tap into the established carbon credit marketplace and enable significantly more carbon to be offset than through a terrestrial credit.

The resilience credit – which can be purchased together with the blue carbon credit or separately – will quantify and invest in the added risk reduction benefits derived from preserving these natural flood barriers and from conserving and restoring coastal ecosystems.

Verra, a third-party accreditor of carbon offsets which develops and manages standards for sustainable development and climate action goals, will develop a framework that ensures buyers will be able to trust the resilience value of the credit they purchase.

The Nature Conservancy is working to finalise an assessment of the blue carbon sequestration value of the mangrove, marsh and seagrass sites best positioned to generate the first round of Blue Resilience Carbon Credits.

These credits will enable purchasers to offset their carbon footprint, ensure the health of important wetland ecosystems and protect coastal communities that are vulnerable to storm events.

The future’s blue?

We are excited to be part of a project to unlock the resilience benefits of protecting and restoring coastal wetlands.

This work will, we believe, enable corporations like our own to offset their carbon footprint while at the same time helping to reduce flood risk in some of the most vulnerable areas.

The climate-related challenges facing our societies, our natural habitats and our own industry may seem daunting. But we hope that innovative thinking like this will help to make a real difference. ●



Suzanne Scatliffe is Director of Corporate Social Responsibility (CSR) at AXA XL, where she leads the global CSR/sustainability strategy and programs. She has 15 years’ experience in CSR roles in the insurance, technology, and education sectors, and is a certified Sustainability Practitioner (IEMA) and Fellow of the Institute of Corporate Responsibility and Sustainability (ICRS). She also serves as Chair of the Board of Directors of the Insurance Industry Charitable Foundation (IICF) UK and volunteers as a Heart of the City Mentor, helping small businesses develop CSR initiatives.

