

SOLUTIONS IN FOCUS:

Financing Sustainable Management of Marine and Coastal Biodiversity



Managing partners



Development partners

On behalf of:



of the Federal Republic of Germany



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Responsible

Ilona Porsché

Editors

Tanya Bryan, Janina Korting

Layout/Design

Imre Sebestyén jr. / UNITgraphics.com

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Blue Solutions would like to sincerely thank all solution providers for their contribution and time.

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The Blue Solutions Initiative

Marine and coastal biodiversity and ecosystems are fundamental for human well-being and provide valuable services. Despite their global significance, these ecosystems are more than ever at risk. The sustainable use and conservation of marine and coastal biodiversity is a priority for action under the Strategic Plan for Biodiversity 2011–2020 of the Convention on Biological Diversity (CBD). To support practitioners and policy makers in improving the management of marine and coastal biodiversity, the Blue Solutions Initiative is partnering with a range of organizations and programmes to facilitate **global knowledge exchange and capacity development**, and ultimately support the achievement of the marine and coastal Aichi Targets.

Capacity development

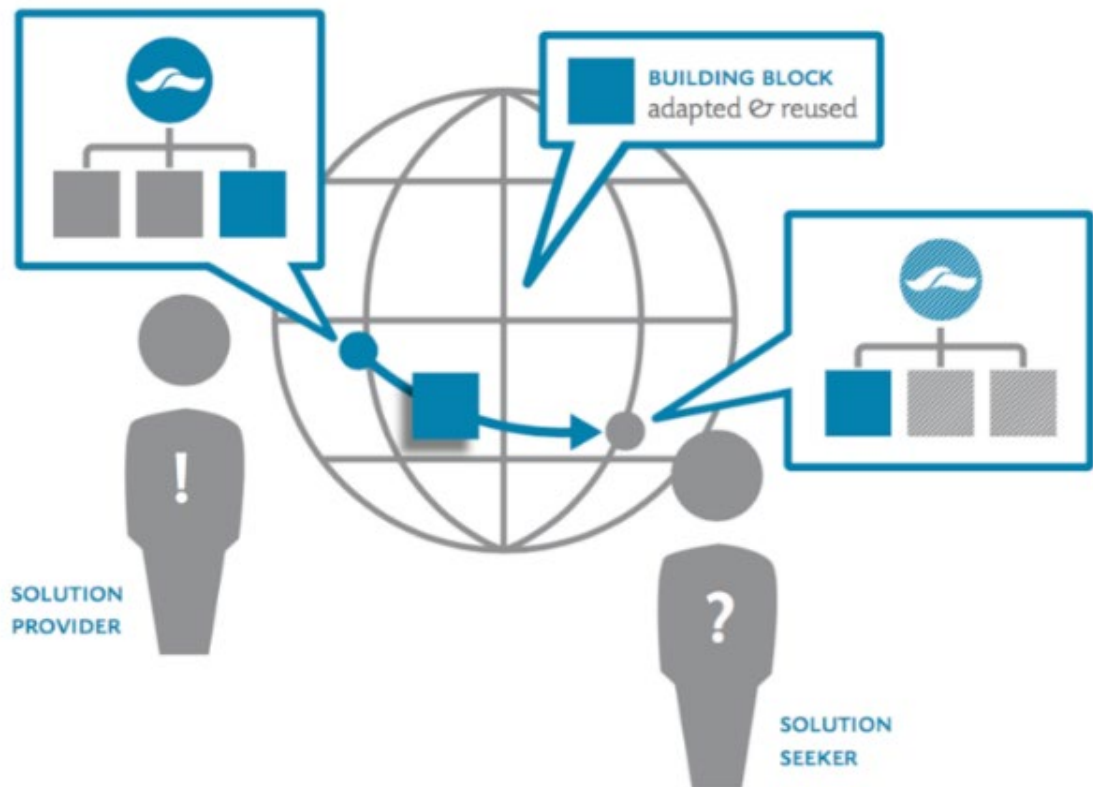
The Blue Solutions Initiative provides a range of capacity development opportunities including trainings on ecosystem services, climate change adaptation, marine and coastal spatial planning and management, and conservation finance.

www.bluesolutions.info



Global knowledge exchange

An essential component of the Blue Solutions Initiative is to collate, document and share successful approaches, or “solutions”, addressing marine and coastal challenges. The sharing and exchanging of these solutions provides others with examples and lessons learned, and can inspire to adapt and replicate these achievements without “reinventing the wheel”, thereby accelerating action for sustaining healthy marine and coastal ecosystems. The Blue Solutions Initiative facilitates exchange around solutions through the marine and coastal solutions portal on the PANORAMA – *Solutions for a Healthy Planet* platform (www.panorama.solutions/marinecoastal) and in face-to-face meetings such as workshops and trainings.





PANORAMA – Solutions for a Healthy Planet

PANORAMA – *Solutions for a Healthy Planet* is a partnership initiative to facilitate learning from success in conservation. It promotes examples of inspiring solutions that showcase how nature conservation can benefit society. PANORAMA enables the wider application of such solutions through cross-sectoral global learning and exchange. Through a modular case study format, solutions are being dissected into their replicable “building blocks” and their scaling is facilitated – online as well as offline. www.panorama.solutions

The Blue Solutions Initiative and its four implementing partners are active members of PANORAMA and from 2015 - 2018 have managed PANORAMA's thematic chapter on marine and coastal solutions.

Solution in Focus

This booklet is the second in a series of compilations assembling PANORAMA solution case studies on a defined topic. “Solutions in Focus” zooms in on a topic of interest covered by PANORAMA, allowing to explore common elements and shared learnings across success stories. It is a snapshot of the PANORAMA portfolio at a given time, rather than a representative assembly of selected “best practices” on the issue at hand.

All solutions featured in this booklet, and many others, are available on the PANORAMA web platform www.panorama.solutions. We invite everyone to visit and explore the platform, and share their own examples of solutions.

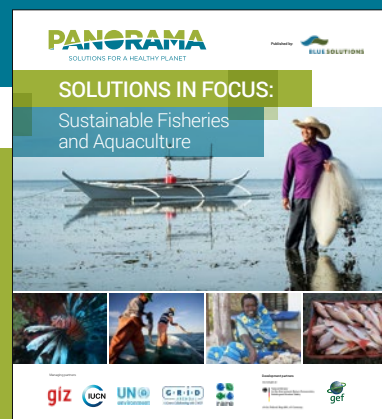


<https://portals.iucn.org/library/sites/library/files/documents/2016-081.pdf>

Further “Solution in Focus” booklets:

Transboundary Protected Area Solutions

Sustainable Fisheries and Aquaculture



Conservation Finance

Conservation finance is “a mechanism through which a financial investment into an ecosystem is made – directly or indirectly through an intermediary that aims to conserve the values of the ecosystem for the long term”(Credit Suisse, 2014). There are a number of mechanisms that fit into this definition. Some include direct conservation strategies like payment for ecosystem services, permit trading and offsets, while others include linked approaches that incentivize private investment through public finance such as the climate fund or direct private investment into conservation projects such as marine Privately Protected Areas (PPAs). To that effect, many conservation finance mechanisms, require that projects produce long-term cash flows to support the conservation strategy as well as the return to investors.

In this booklet examples of the implementation of financing mechanisms in the marine and coastal realm are featured.

Examples for financing marine conservation

Table 1: "Examples of Financing Mechanism for Marine Conservation"

FINANCING MECHANISM	SOURCE OF REVENUE
Government Revenue Allocations	
Direct Allocation from Government Budgets	Government budget revenues
Government Bonds and Taxes Earmarked for Conservation	Investors, Tax payers
Lottery Revenues	Gamblers
Premium-Prices Motor Vehicle License Plates	Vehicle owners
Wildlife Stamps	Postal Customers, Hunters, fishers
Debt Relief	Donors, Government, NGOs
Grants and Donations	
Bilateral and Multilateral Donors	Donor agencies
Foundations	Individuals, Corporations
Nongovernmental organizations (NGOs)	NGO members and supporters
Private Sector	Investors
Conservation Trust Funds	Multi-source

Tourism Revenues	
Protected Area Entry Fees	Visitors to park
Diving and Yachting Fees	Divers, Boaters
Tourism-Related Operations of Protected Area Agencies	Tourism operators, Tourists
Airport Passenger Fees and Cruise Ship fees, taxes and Fines	Tourists, cruise lines
Hotel taxes	Hotel clients
Voluntary Contributions by Tourists and Tourism Operators	Tourism operators, Tourists
Real Estate and Development Rights	
Purchases or Donations of Land and/or Underwater Property	Property owners, Donors
Conservation Easements	Property owners, Donors
Real Estate Tax Surcharges for Conservation	Property owners, Donors
Tradable Development Rights and Wetland Banking	Property developers
Conservation Concessions	Conservation investors
Privately Protected Areas	Private investors
Fishing Industry Revenues	
Tradable fishing Quotas	Commercial fishers
Fish Catch and Services Levies	Commercial fishers
Eco-Labeling and Product Certification	Seafood producers, Wholesalers, retailers and end-use purchasers of ornamental tropical fish and corals
Fishing Access Payments	Governments, Associations of and/or Individual fishers
Recreational fishing License Fees and Excise Taxes	Recreational fishers
Fines for Illegal fishing	Fishers
Energy and Mining Revenues	
Oil Spill Fines and Funds	Energy companies, Donors
Royalties and Fees from Offshore Mining and Oil and Gas	Energy and mining companies
Right-of-Way Fees for Oil and Gas Pipelines and Telecommunications Infrastructure	Private companies
Hydroelectric Power revenues	Power producers
Voluntary contributions by Energy Companies	Energy companies
For-Profit and/or Social Investments Linked to Marine Conservation	
Private Sector Investments Promoting Biodiversity Conservation	Private investors
Biodiversity Prospecting	Pharmaceutical companies

From: Spergel, Barry and Melissa Moya. 2004. Washington, D.C.: WWF Center for Conservation Finance. Financing Marine Conservation – A Menu of Options. Page 3





SOLUTIONS

A regional sustainable financing architecture for conservation



Solution provider: Yabanex Batista, CBF



Implemented by: Caribbean Biodiversity Fund (CBF) in collaboration with the Caribbean Challenge Initiative (CCI)



Summary: The Caribbean Biodiversity Fund (CBF) is the realization of a bold vision to create reliable, long-term funding for conservation and sustainable development in the Caribbean region. The CBF and its partner National Conservation Trust Funds (NCTFs) form the regional sustainable finance architecture, which support and incentivizes Caribbean nations to meet the goals of the Convention on Biological Diversity (CBD), the Caribbean Challenge Initiative (CCI) and other international and regional commitments. The CBF is an umbrella fund with permanent (an endowment fund) and non-permanent funding (sinking fund).



Location: Caribbean

Impacts

As a regional conservation trust fund, the CBF is a new source of funding in the Caribbean. Thus far, nine National Conservation Trust Funds (NCTFs) are legally established and at different stages of becoming fully operational, with additional countries interested in joining the process. Moreover, all NCTFs have identified and are pursuing additional sustainable financial mechanism to finance biodiversity management activities. With three NCTFs official agreements with CBF have been signed and payments will start flowing in the coming months. Once the architecture is fully functional the CBF, through its endowment, expects to generate approximately US\$1.5 – 1.8million/year to be channeled through the NCTFs. New sustainable finance mechanisms established by the NCTFs would match this amount. In addition, a new US\$26.5 million sinking fund focused on ecosystem-based adaptation is expected to significantly contribute to create adaptation solutions for Caribbean islands.





Building blocks

1

Government commitment

Governments are key in the success of the regional collaboration. Their political commitment to the Caribbean Challenge Initiative (CCI) Goals has been essential to attract donors to help achieve these goals, including building the finance architecture. Governments participate as observers and/or focal points in regional trust fund board meetings and are also part of the National Conservation Trust Funds (NCTF) boards.

2

Independent National Conservation Trust Funds (NCTFs)

CBF endowment proceeds will be channeled through the NCTFs, which in turn will lead the grant-making process for on the ground and water activities. They are governed by majority non-government member boards reflecting a broad range of sectors and interests, and provide grants to both government and civil society.

3

Successful trust fund operationalization

Skilled personnel, effective governance and functioning technical systems are essential for successful operation. Key elements to support this include training for National Conservation Trust Funds, staff and board members, establishment of clear accounting systems, operations manuals, learning from best practices, mentoring, and peer exchange.

4

Strategic plan and fundraising strategy

Developed and implemented jointly with donors, countries and partners, this strong strategic plan includes: 1) Consolidating the establishment of the fund's architecture, 2) opening new thematic windows and attracting new countries to be part of the architecture, 3) establishing a fundraising strategy, 4) establishing a marketing and communications plan, 5) establishing a monitoring and evaluation system.

5

Common trust fund monitoring

Two compatible monitoring systems being built track financial resources and conservation impact across regional and national trust funds. Combined, these systems establish a robust M&E framework to measure for impact, organizational learning and donor reporting, using applicable regional indicators.

Blue carbon credits financing community-based mangrove management



Solution provider: James Kairo (KMFRI), Salim Abdalla (MPCO)



Implemented by: Mikoko Pamoja Community Organisation (MPCO) in partnership with the Kenya Marine and Fisheries Research Institute (KMFRI), the Kenya Forest Service (KFS), and the Association for Coastal Ecosystem Services (ACES)



Summary: This is the first community-run project of its kind in the world- “Mikoko Pamoja”, meaning “Mangroves Together” in Kiswahili, promotes the restoration and protection of mangrove forests for local community benefit. Mikoko Pamoja is validated by Plan Vivo Systems and Standards to generate and sell mangrove carbon credits to companies and individuals, who would like to improve their green credentials. The revenue generated from the trading of carbon credits flows into a community benefit fund, which is managed by the community-led Mikoko Pamoja steering group. The fund supports local development projects in education, water and sanitation, and mangrove reforestation.



Location: Kenya

Impacts

Through Mikoko Pamoja, the community has a powerful mechanism to generate revenue, which is benefiting community projects in health, education and mangrove management. Restoration efforts of lost mangrove areas increase the amount of carbon that can be stored and together with the enhanced restoration and protection of mangroves a total emission reduction of 50,000t CO₂ is expected over the next 20 years crediting period. In addition, healthy mangroves are nursery grounds for fish, ensure shoreline protection and support sediment stabilization. As the project has a strong ownership by the local community it also leads to improved education standards and enhanced awareness for the importance of healthy mangroves among the community. The success of Mikoko Pamoja is being replicated in Kenya's south coast at Vanga and across the Western Indian Ocean countries in Madagascar, Tanzania and Mozambique.





© Mikoko Pamola

Building blocks

1

Participatory Forest Management Plan

This plan is developed by a Community Forest Association and includes a zonation map detailing activities of different stakeholders in the project area. The Plan is approved by the Kenya Forest Service, the state agency in charge forest management in Kenya.

2

Forest Management Agreement

This agreement is a legal tool for the implementation of the Participatory Forest Management Plan and officially secures community ownership of carbon credits.

3

Carbon know-how through strong partnership

Carbon-offsets initiatives require a scientific basis to determine stocks and baselines, which is being achieved through collaboration with the Kenya Marine and Fisheries Research Institute and other partners.

4

Community environmental education and awareness

Various stakeholder engagement forums during all phases of the project such as village level meetings and group discussions promote the awareness and general understanding on the significance of mangrove ecosystems and the use of carbon credits.

Crowd funding for Marine Protected Area management



Solution provider: Dr Nirmal Shah, Nature Seychelles



Implemented by: Nature Seychelles



Summary: An online crowdfunding campaign via Indiegogo was used to finance the installation of a modern, stand-alone 5 kw photovoltaic system on Cousin Island Special Reserve. Within 50 days £25,000 were raised to cover the costs. The solar system was installed in 2015 and makes the energy supply of the island independent from fossil fuels and reduces emissions by approx. 15 tonnes of CO₂ per year, thus making the management and running of the MPA more sustainable. This is the first crowd-funded project in Seychelles.



Location: Cousin Island Special Reserve, Seychelles

Impacts

The solar power system saves Nature Seychelles, who manages the Cousin Island Special reserve, approximately 750 USD per month in direct transportation costs and fuel used for running a generator, which itself needs regular maintenance, and replacement every two years. Expensive long distance fuel transportation by boat and storage on the island is not necessary anymore, which also diminishes the risk of contamination. In its first year, carbon emissions on Cousin Island were reduced by around 15 tonnes already. This also allows Nature Seychelles to buy fewer carbon credits on the international market, which it does regularly to ensure that Cousin remains the world's first carbon neutral nature reserve. These savings are used for research, staff, island maintenance, boat repairs, and other things, thereby improving management of the reserve.





Building blocks

1

Private sector partnerships

Nature Seychelles partnered with ClimateCaring, a new company specializing in off-grid systems, in the innovative approach to use crowd funding for a new photovoltaic system for Cousin Island Special Reserve. Indiegogo was chosen as the crowd funding platform to work with because it was the only one at the time that allowed funds raised to be retained if the campaign target was not reached. Resulting from the partnership with ClimateCaring, marketing materials including videos were designed, small gifts secured and the online fund raising campaign was designed and initiated.

2

Crowd funding for financing a renewable energy system

The purchase and installation of a new photovoltaic system was funded entirely through a crowd funding campaign running for 50 days on www.indiegogo.com. Individuals were invited to donate £1 (1,25 USD) for each of the twelve hours the sun is out in the Seychelles Islands, finally totalling to a contribution of 15 USD each. There were a total of 95 individual backers. The largest donations of up to 12,500 USD came from a UK energy company and the US Embassy based in Mauritius. Other donations came from private sector companies via their corporate responsibility funds.

3

Solar power plant installation

The old diesel powered generator on Cousin Island Special Reserve was replaced by a modern and robust Photovoltaic Solar Power system. Research was required to procure equipment that could withstand the high salinity, heat and humidity on a tropical island. Once located in the United States, the different components had to be imported by Nature Seychelles itself. All equipment, including the stands that had to be fabricated using high quality stainless steel, had to be shipped to the island - Cousin Island Special Reserve has no dock, harbour or quay and the landing of the equipment was fraught with difficulties. The stand-alone 5 kw photovoltaic energy system was installed in July 2015.

A financially sustainable model of private MPA management through ecotourism



Solution provider: Sibylle Riedmiller, Eleanor Carter, Ulli Kloiber, CHICOP



Implemented by: Chumbe Island Coral Park Limited (CHICOP)



Summary: On Zanzibar, Chumbe Island Coral Park Limited (CHICOP) has developed an innovative financially sustainable model of private marine protected area (MPA) establishment and management through ecotourism. It is a business model that reinvests the revenue generated from ecotourism in MPA management and environmental education programs, based on community engagement and scientific knowledge to guide and inform better decision-making.



Location: Chumbe Island, Zanzibar, Tanzania

Impacts

CHICOP's models leads to many ecological, economic and social impacts incl. helping to restock depleted fisheries impacting long-term subsistence and livelihoods. The implementation of ecologically sustainable architecture and operations have close to zero impact on the sensitive ecology of the island, while promoting social resilience through the employment of 42 local people (each with an average of 12 dependents), access to sponsored education, long term loans, and creation of markets for local produce and handicrafts. The pioneering of environmental education in Zanzibar through field excursions to Chumbe for thousands of school children, teachers, community members and government officials raises awareness for the importance of marine and coastal biodiversity. As the first financially self-sustaining MPA in Africa, CHICOP's model is a leading example for marine and coastal practitioners, tourism developers, investors and managers around the world.





Building blocks

1

Ecotourism as a model for private, not-for-profit MPA

The ecotourism business follows commercial principles for maximizing revenue and promoting cost-effectiveness that make the MPA and all associated activities 100% self-financing.

2

Community involvement and benefits

Local communities and resource users are fully involved through village meetings, employment and trainings. Village leaders participate in management planning and Advisory Committee meetings.

3

Science-based decision-making and capacity building

Regularly conducted scientific surveys ensure robust and adaptive management. Extensive training results in rangers (mostly former fishers from local communities) leading this monitoring.

4

MPA management and enforcement

Ten-yearly management plans define the projects targets and activities permitting only non-consumptive and non-exploitative actions. Daily patrols and outreach programs lead to excellent support for and compliance with MPA regulations.

5

Eco-architecture and eco-operations

The award-winning lodge uses eco-architecture and technology comprising a rainwater catchment systems, wastewater filtration and management, photovoltaic power generation, composting toilets etc.

6

Multi-level education and outreach

Communication, education and awareness-raising on the importance of sustainable marine ecosystems are targeted to e.g. fishers, teachers and students, government officials, community members, tourism operators and all visitors.

Making money from scraps



Solution provider: Cecilia García Chavelas, Área de Protección de Flora y Fauna Islas del Golfo de California



Implemented by: Mexican National Commission of Natural Protected Areas (CONANP)



Summary: To address the need for proper management of fisheries waste, members of the fishing community El Caracol in Guasave, Sinaloa state, founded Grupo Crustil - a small-scale processing enterprise. The group uses discards from artisanal fisheries to produce fishmeal. The process creates opportunities for alternative income generation, maximises product utilization and mitigates environmental impacts.



Location: Mexico

Impacts

The accumulation of fisheries waste in the estuary, canals and beach is declining; Grupo Crustil processes about 1,000 tons of waste per year! This also reduces the contamination and the risk for infections and diseases. In addition, the enterprise and its activities leads to a change in the community members' attitude towards reducing the contamination of the estuary, canals and beach. The local population become sensitized for the importance of sustainable fisheries waste management and its impact on their own health.

The members of the group that run the project are no longer fishermen but dedicate all their time to the enterprise. This generates an alternative and productive activity with the creation of new employment opportunities for the entire community: 3 staff in the low season and between 10 to 15 staff in the high season.





Building blocks

1

Business plan for fishmeal production

A business plan for processing fish and shrimp waste into fishmeal is developed, defining the enterprise's design and determining its costs. The plan incorporates the concept of operations, organisational structure, system design, production processes, training modules, marketing and sales as well as a feasibility analysis.

2

Government seed funding

To receive federal government funding from the National Commission on Protected Areas and other supporters, the enterprise must demonstrate its environmental and social benefits (as detailed in the business plan) alongside the ability to be self-sustaining within a given period of time. The grant is used to purchase necessary equipment and train staff.

3

Processing enterprise

The small-scale processing factory produces fish and shrimp meal. The product is used as animal feed for poultry, pigs, cattle or farmed fish or shrimp, and as organic fertilizer. It is sold in local and regional markets.

4

Dissemination and training

The enterprise helps to raise community awareness on the need for proper management of fisheries waste by collecting their waste, which is then picked-up by staff of Grupo Crustil. Training on the production of fish and shrimp meal is provided to increase staff competency. The enterprise is also presented to other communities in the area to facilitate its replication.

Net-Works™



Solution provider: Nick Hill, ZSL



Implemented by: Zoological Society London (ZSL)



Summary: Net-Works is an award-winning initiative that redesigns global supply chains to reduce marine plastic, replenish declining fish stocks and improve the socio-ecological resilience of marginalised coastal communities living in biodiversity hotspots of developing countries. We connect these communities to global brands via a fair and inclusive business model that delivers 'less plastic, more fish'. One example is the establishment of a community-based supply chain for discarded fishing nets in the Philippines and Cameroon that prevents these nets from becoming ghost nets. Nets are recycled into nylon yarn that is used to create beautiful high design carpet tiles by Interface Inc. Net-Works was co-created by conservation charity the Zoological Society of London (ZSL) and carpet-tile manufacturer Interface Inc.



Location: Cameroon, Philippines

Impacts

Since 2012, over 167 metric tons of waste nets have been collected through Net-Works. At least 1,500 families have been given access to finance through the community banks that Net-Works sets up, and 62,000 people have benefitted from a healthier environment. To date, we have environmental funds established in 55 community banks, with 1,217 members contributing approximately \$2,925 of savings directly towards local conservation actions and marine management. Through Net-Works we are protecting 1,112.23 ha of aquatic habitat across 8 community based protected areas.





Building blocks

1

Inclusive business model linked to conservation

Applying the principles of fair trade and inclusive business, we create efficient community-based supply chains for raw materials (plastics and seaweed carrageenan) that are available in abundance. We link these raw materials to conservation actions that reduce plastic pollution and restore coastal ecosystems. Increasing incomes from these raw materials reduces dependence on fishing – enabling communities to set aside larger no-take zones to replenish fish stocks.

2

Selling raw materials into a global supply chain

We sell the raw materials into global supply chains, giving international brands opportunities to source premium products with positive social and environmental stories, giving fishing communities a more transparent and dependable price, and providing sustainable funding sources for local conservation and development actions. This ensures the sustainability of larger, more effective multi-habitat marine protected areas, and quality controls and standards can be maintained independent of external donors.

3

Community bank infrastructure

To manage local supply chains, we set up community banks, bringing communities together in informal cooperatives and providing much needed access to financial services. These community banks are the 'social glue' at the heart of Net-Works, enabling members to invest in their sustainable livelihoods, building a Net-Works' conservation constituency

4

Environment funds

Community bank members regularly contribute a small amount of money from net sales into a dedicated Environment Fund, which is used to help finance local conservation projects such as community-managed marine protection. The money gathered via the fund can be leveraged to secure additional funding from local government or NGOs.

5

Partnerships and cross-sector collaboration

Redesigning global supply chains and delivering an inclusive business model linked to conservation requires a diverse set of expertise that requires collaboration. Net-Works was co-created by conservation charity ZSL and carpet-tile manufacturer Interface Inc. Strong partnerships with local communities and local partner organisations are vital to Net-Works' success. Communities need to feel motivated to get involved and working with local partners who understand the local context and customs ensures that outreach and engagement is done in the right way.

Private sector investment in forest conservation and mangrove restoration



Solution provider: Michael Schloenvoigt, GIZ Costa Rica



Implemented by: FUNDECODES Costa Rica in collaboration with the Costa Rican Ministry for Environment (MINAE), National System of Conservation Areas (SINAC), and GIZ's project BIOMARCC, on behalf of BMUB/IKI.



Summary: The Global Conservation Standard (GCS) is an innovative financial mechanism addressing the increasing degradation of mangrove ecosystems and the lacking livelihood alternatives for adjacent communities. It is a private sector financed system of payments for ecosystem services: companies buy conservation credits and the revenue generated is managed by a Costa Rican NGO to invest in sustainable development activities incl. sustainable tourism, farming and the rehabilitation of degraded ecosystems. One example for this mechanism in action is the investment of a German certified organic shrimp producer in Costa Rica buying conservation credits to restore mangroves. The organic shrimp are sold in Germany by certified organic retailers - 0,15 € per 250 g are channeled to the GCS Fund.



Location: Costa Rica

Impacts

The GCS provides additional financial resources for conservation and economic development activities. Funds generated by the sale of conservation credit units amount to US\$ 100.000,00 (another US\$ 400.000,00 are in negotiation with international and national enterprises). Funds are invested in the restoration of 20 ha of mangrove, the conservation of the private Karen Mogensen Forest Reserve and the implementation of a small-scale honey production project.





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Building blocks

1

The Global Conservation Standard

The Global Conservation Standard (GCS) certifies ecosystem services in public and private owned forest/protected areas for carbon offsetting and marketing. Funds generated through the sale of conservation credit units (CCU) of the forest areas are invested in the conservation and promotion of sustainable production in the project area, which is divided into a conservation and a buffer zone with commercial activity.

2

Feasibility study and benefit validation

A guided assessment of the forest areas suitable for the sale of CCU in the foreseen region is done with the GCS. The elaboration of a masterplan outline the project area and its potential to sell CCU (based on criteria by the IPPC). All interventions are defined through participatory planning (calculation credit generation, beneficiaries, marketing). Once the masterplan is accepted by GCS, the international registration is done at Markit.

4

Conservation credit unit (CCU) marketing

The fund administrator FUNDECODES and other brokers promote CCUs to investors, who buy them for at least ten years. CCU returns are distributed for use across the different zones of the project area: 40% for conservation activities in the core area, 40% for sustainable production activities in the commercial buffer zone and 20% for the owners of the credit-generating land.

3

Implementation and monitoring

Contractual agreements with German enterprises RISTIC GmbH and ALNATURA have been achieved in 2015/16 (US\$ 50.000,00 each). FUNDECODES, the CCU selling organization ASEPALECO and the National Protected Area Authority are responsible for the implementation of the restauration and conservation project and contractually agreed 10-year objectives. FUNDECODES is annually reporting to the CCU buying company RISTIC GmbH. The whole process is monitored annually by GCS.

The Gulf of California Marine Endowment



Solution provider: Ana Laura Barillas, FMCN



Implemented by: Mexican Fund for the Conservation of Nature (FMCN), Mexican National Commission for Protected Areas (CONANP)



Summary: Mexico's progress towards meeting its Aichi Targets commitments includes the expansion of the protected areas system. Unfortunately, the budget growth of the National Commission for Protected Areas (CONANP) is not keeping pace, resulting in chronically underfunded protected areas. Thus, supplementary funding from private, bilateral and multilateral donors is crucial for their effective operation. In order to address lacking financial resources and to ensure long-term and sustained funding the Mexican Fund for the Conservation of Nature (FMCN) and CONANP created the Fund for Protected Areas (FANP for its initials in Spanish) to support the management of nowadays 51 federal protected areas (terrestrial and marine). Based on this experience, FMCN created the Gulf of California Marine Endowment (GCME) in 2007 with the goal of contributing to the long-term conservation of the marine protected areas (MPAs) in the Gulf of California. The GCME currently has a capital of US\$9.5 million and a fundraising target of US\$30 million.



Location: Mexico

Impacts

FMCN has collaborated closely with CONANP and NGOs in consolidating protected areas network in México through this highly successful mechanism for 20 years. The GCME has five main goals: 1) Expand the marine protection network by creating new MPA and increase management effectiveness; 2) Improve fisheries management through participatory cross-sector collaboration; 3) Increase enforcement in protected areas; 4) Strengthen civil society capacities; and 4) Foster sustainable coastal development. The GCME revenue has enabled the protected area staff to triple the number of marine patrols and reduce illegal fishing. Without the support from the trust fund, CONANP would not have the resources or flexibility to address fisheries management challenges.





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Building blocks

1

Flexible and transparent administration of funds

Since Mexican regulations prevent CONANP from receiving private donations directly, FMCN channels funding to the management of each protected area through local organizations and accompanies with strict financial controls and experienced and well-trained staff. This public-private collaboration mechanism ensures that funds are applied transparently and helps enhance civil society participation in MPA management.

2

Public-private partnership for MPA financing

FMCN and CONANP collaborate in a public-private partnership, the Fund for Protected Areas. This is formalized in a cooperation agreement detailing the role and responsibilities of the partners. FMCN is responsible for the management of the financial resources and CONANP ensures that these resources are used in strategic conservation activities



**SNAPSHOT
SOLUTIONS**

Mesoamerican Reef Fund: financing marine protected areas for the future



Solution provider: Maria Jose Gonzalez, MAR Fund



Implemented by: Mesoamerican Reef (MAR) Fund



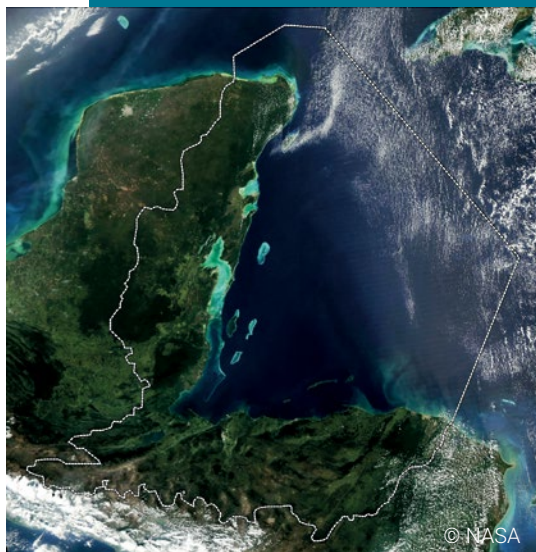
Summary: The MAR Fund is a regional financial mechanism established to provide long-term dependable funding, collaborative planning and priority setting for conservation, recovery and sustainable use of natural resources in the Mesoamerican Reef. It raises and allocates funding for a network of priority coastal and marine protected areas. It also focuses on issues that affect the integrity of the MPAs, such as overfishing, through the design, establishment, management and monitoring of fish replenishment zones.



Location: Mesoamerican Reef System

Impacts

Through different programs, the MAR Fund provides strategic, technical and financial support for planning, managing, and optimizing the hard work performed by protected area managers, other partners, and communities involved in the region's conservation efforts.



MAR Fund has formed strategic alliances with conservation actors in the region and convened key conservation efforts. It has provided support for and participated in establishing regional partnerships, such as the Healthy Reefs Initiative that measures and tracks coral reef health in the region and the MAR Leadership Program that strengthens the capacities and leadership skills of young conservationists in the MAR countries.

The MAR Fund has been successful in mobilizing financial resources through the establishment of an endowment fund that by December 2017 was a little more than \$26.1 million, and \$21.8 million in project funding. It received a \$10 million endowment challenge grant from Oak Foundation to provide long-term financial sustainability for marine resource management and conservation initiatives in Belize. This grant is conditioned to raise \$15 million in matching funds in a 5-year period.

Self-generated revenue mechanism in a Marine Protected Area



Solution provider: Sandro Dujmovic, Brijuni National Park



Implemented by: Brijuni National Park, Mediterranean MPA Network



Summary: The Brijuni National Park has been created in 1983 and is 100% state owned. It is composed of 14 islands and islets with a total area of 3395 ha of which 80% are sea, and has not had any permanent inhabitants since 1961. The National Park has around 240 employees (300 in summer) and is visited by more than 150,000 visitors per year. The current annual budget of approximately 7 million Euros needed to run the National Park is 100% covered by self-generated revenues:
3% sales of goods, 77% services (hotels, excursions, entrance fees and others including restaurants, snorkeling underwater trails ...), 4% property incomes, 10% donations, and 6% others sources.



Location: Croatia

Impacts

The self-generated revenues of the National Park summed up to 7.91 million Euros in 2009, which enabled the Park to be 100% financially independent.



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Still, there are plans to further broaden the source of revenues through e.g.: entrance fees (visitors, boats, ...). Marketing of the MPA (TV, radio, papers...), a good souvenir program, providing easy day trips, give in concession everything that is not the core business of the Park (hotels, restaurants, scuba diving, golf, boat excursions around the islands...), hire specific staff responsible for project development and funding, ask higher provision from tourist agencies, provide better sport offers, and so on.





**BUILDING
BLOCKS**

A financing scheme through vessel registration and licensing



Solution provider: Marcel Kroese, SmartFish

Implemented by: SmartFish

Country : Tanzania

DESCRIPTION

Fishing vessels are required to be “registered” as a fishing vessel before they can obtain a fishing vessel license. The Department of Surface Transport issues a vessel registration document, on the basis of a letter of support from the DFO, containing vessel name and other specifications. Subsequently, the local government’s fisheries department, specifically the DFO, needs to be approached to obtain a fishing vessel license. Upon evaluation that the vessel is duly registered, DFO issues a fishing license for the specific vessel, and a District alpha numeric code and number are attributed to it, for example TEM – 1001.

LESSONS LEARNED

In more urban areas with large concentrations of fishing vessels, it was easier for district officers to license vessels and achieve higher numbers / revenues. Where there were numerous landing sites spread out over a large area, the effort became more costly and time intensive.

BMUs have been co-opted in some districts to undertake the licensing and registration based on a cost recovery basis, however, these are still developing concepts for Tanzania and beyond the current scope of this solution.

District authorities collected improved revenues in most districts compared to the previous registration period (between 20 and 600% increase, see project report for detail) as boat owners licensed and registered IUU fishing vessels, and fishers registered themselves to take out licenses to fish.

Financial resources from licensing revenues to the local fisheries organisations have increased on a year by year basis as an initial result of the pilot project.

ENABLING FACTORS

- Local governments’ willingness and thorough conduct
- A financial system and audit trail
- Staff to undertake the work
- Outreach and local buy-in

Financing park management



Solution provider: Angelique Songco, Tubbataha Management Office



Implemented by: Tubbataha Reefs Natural Park, GIZ, IUCN, World Future Council



Country: Philippines

DESCRIPTION

Tubbataha Reefs Natural Park (TRNP) is run with financial assistance from a range of sources. Conservation fees paid by visitors are the main source of funding, providing 74% percent of the annual budget. Grants from NGO's and the private sector make up the other 26%. These funds are deposited in a local trust fund managed by the Tubbataha Protected Area Management Board and used solely for the administration of the Park.

LESSONS LEARNED

Tubbataha requires adequate financial and manpower resources in order to maintain effective management. So far, conservation fees, which remained the same for the last 10 years, are the main source of income. A 66% increase in conservation fees in 2017 provided more income for management, resulting in less reliance on external support. As tourism could be an unstable source of funds due to external variables, more diversified sources of financing need to be obtained. The sale of merchandise and widening the network of possible funders are some ways employed for Tubbataha.

ENABLING FACTORS

- Tubbataha's natural beauty and rich marine biodiversity is a prerequisite for diving tourism
- Effective enforcement or rules results in the maintenance of its natural beauty
- Conservation fees, anchored in the Tubbataha Reefs Natural Park Act, fund enforcement and other management activities



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Green Fees



Solution provider: Noah Idechong, Ministry of Natural Resources, Environment and Tourism of Palau



Implemented by: Republic of Palau: Ministry of Finance and Ministry of Natural Resources, Environment and Tourism; Palau Protected Areas Network Fund



Country: Palau

DESCRIPTION

The Protected Area Network Fund (PAN Fund) supports management and monitoring of the network's protected areas. The 'resource-user pays principle' was applied to define green fees for tourists visiting the country (Palau). In addition, complementary funds in the form of appropriations, loans, and grants from national and foreign governments, international organisations such as the United Nations or other agencies and sources are acquired, accepted and disbursed.

LESSONS LEARNED

- Green fee fluctuates with the increase/decrease in visitor arrivals and there is a need to cultivate access to new funding sources
- There is a need to promote development of diversified funding sources specific to sites

ENABLING FACTORS

- Green fee fluctuates with the increase/decrease in visitor arrivals and there is a need to cultivate access to new funding sources
- There is a need to promote development of diversified funding sources specific to sites
- Technical assistance for establishment and proper management of the fund
- High level of awareness and national support
- Legal framework



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Structured long-term financing for marine conservation



Solution provider: Vienna Eleuteri



Implemented by: Eulabor Institute, VSY, Tethys Research Institute, IUCN Joint SSC-WCPA Marine Mammal Protected Areas Task Force



Country: Italy

DESCRIPTION

The implementation of the Waterevolution model not only increases resources and energy efficiency within industries but also translates into significant cost savings and consequently increases competitiveness. We pioneered an operational framework to apply and improve environmental standards and transparency in supply chains that affect the oceans and facilitated investment in marine conservation. A key component of the application of this model is that marine industry cluster partners embrace stewardship of the marine environment by reinvesting a percentage of savings into meaningful marine conservation programs proven for their efficiency. Thanks to the pilot project several initiatives and activities were financially supported.

LESSONS LEARNED

The main success factor of the model is related to its ability to demonstrate that cost efficiency, sustainable practices and environmental conservation can indeed coexist. The model proposes an innovative operational framework that addresses real ocean responsibility and not just a token payment that is more like charity and not tied to actionable improvement in sustainability. This represents a core challenge for the industry to not just “pose” as friends of the environment (greenwashing) but to significantly recondition their business to decrease their environmental footprint and decide to invest and genuinely commit to ocean sustainability. On the other side the challenge was to find a non profit organisation that was able to provide a strategic project for investment. We found that required criteria were met by the Tethys Research Institute project to update research on the Pelagos Sanctuary and by the IUCN WCPA-Marine Mammal Task Force’s strategic planning work on IMMAs.

ENABLING FACTORS

- The current need to redefine marine policies dictated by international directives that endeavor to embrace sustainability
- Lack of financial resources to plan and implement long term marine conservation
- Adoption of a collaborative approach
- Identification of the natural environment as a key stakeholder and environmental cost as company ‘externalities’



Sustainable financing mechanism



Solution provider: Marthen Welly

Implemented by: Coral Triangle Center, IUCN

Country: Indonesia

DESCRIPTION

The Coral Triangle Center with support from a local university developed an entrance fee system formalized by District Regulation based on a 'willingness to pay' survey. The survey indicated that tourists visiting the marine protected area (MPA) Nusa Penida would pay between USD5 – USD10 per entry. However, the District Government only approved to collect USD1 per visit to avoid the risk of decreasing numbers of tourists. In addition, the service and facilities for tourists need to be developed before a higher fee can be collected. In the first year, the collected fee sums up to USD140.000. The 20-year business plan for the MPA, however, indicates the need USD600.000 per year (minimum scenario) and USD800.000 per year (maximum scenario). Thus, currently the entrance fee is covering about 25% of the cost of the MPA management (minimum scenario). The District Government will increase the fee gradually to USD5 in 10 years. Assuming 200.000 visitors per year, the entrance fee will reach USD1 million per year, even higher than the maximum scenario costs. Another source of income to cover 20% of the management cost comes from Government budget, souvenirs and merchandise, education trips and collaboration with NGOs and other donors. In addition to rising management costs, the current challenge includes the transfer of authority and tasks such as collecting the entrance fees from the District Government to the Bali Provincial Government due to changed national law.

LESSONS LEARNED

- Need accountable and transparent system on entrance fee collection and clear spending system to directly support the services and management of the MPA. This is to ensure credibility of the MPA management as well as trust of tourists who pay the fee.
- Adaptive management needed to adjust to changing or unpredictable situations such as new law and authority transfer

ENABLING FACTORS

- An important tourism industry or potential for tourism
- Pre-existing community benefits from marine eco-tourism prior to establishment of MPA
- Cooperation from private enterprises and marine and coastal tour operators



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Sustainable Financing Strategy



Solution provider: Laure Katz, CI

Implemented by: Conservation International (CI), The Nature Conservancy (TNC), World Wide Fund for Nature (WWF)

Country: Indonesia

DESCRIPTION

The regional government is now working with the NGO and philanthropic communities to transition from an international NGO-driven and donor-funded initiative, to one that is effectively managed entirely by local institutions and that is sustainably financed. Once successful, it will be Indonesia's first fully sustainably financed MPA network and will serve as a model throughout the country and region. The financial sustainability of the MPA network will be achieved through diversified revenue sources including government allocations, visitor fees and other local financing mechanisms, local fundraising, and a dedicated conservation trust fund. The BHS coalition developed a comprehensive cost model and business plan that projects seascape costs, revenues, and gaps under the "steady state" management system expected to be in place by 2017. Over 70% of local costs are already secured through local sources, with the largest contributor being the government itself. While these local commitments are unprecedented, additional investment is needed to ensure a fully sustainably resourced seascape. The coalition is working with the provincial government to develop a dedicated trust fund, the Blue Abadi Fund, to fill the gap.

LESSONS LEARNED

Long-term is not forever. Sustainable financing is vital for the long-term success of any conservation initiative, particularly at a large scale. At the start of the decade-long commitment to West Papua, the team created a plan to ensure steady transition from an NGO-led and international donor-dependent initiative to one with strong local leadership and ownership.

ENABLING FACTORS

- Conservation Finance Expertise
- Governmental support and commitment



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Sustainable Financing: Protected Area Funds and Endowments



Solution provider: Rachael Nash, Micronesia Challenge Secretariat



Implemented by: Governments of Palau, FSM, RMI, CNMI, Guam; Micronesia Challenge Regional Office (MCRO); Micronesia Conservation Trust; The Nature Conservancy; Global Island Partnership; Rare



Country: Palau, FSM, Marshall Islands, Guam, Northern Mariana Islands

DESCRIPTION

First, each jurisdiction developed sustainable finance plans, including financing targets, strategies, and the creation of Protected Area Network (PAN) Funds. For example, Palau created a Green Fee, other states are working on Tuna Licensing Fee legislation and a tourism fee to support sustainable financing of the Micronesia Challenge. Pohnpei and Kosrae State are creating PAN funds and are evaluating an amendment to the airport tax law to allow some of the departure fees to go into the Endowment Fund. Additionally, several other sustainable financing schemes have been set up. An endowment is another important component to sustainable financing. Although the endowment funds are invested together, each jurisdiction has their own sub-account and will develop their own dissemination mechanisms for their interest income.

LESSONS LEARNED:

- Regional conservation trusts can be a powerful mechanism for building capacity and creating a hub for regional networks and partnerships.
- The Micronesia Challenge incentivizes longer-term planning, because criteria such as establishing management plans are required before tapping into the endowment funds.
- Innovative financing mechanisms developed in one jurisdiction or by one community can be replicated and scaled in other places, because the Micronesia Challenge encourages sharing of information to achieve a regional goal.

ENABLING FACTORS:

- The Micronesia Conservation Trust (founded 2002) had structure and relationships in place prior to receiving funds, which was a key component to project success. Past success with pass-through grants helped build credibility.
- The Endowment was seeded with over \$11 million from the Global Environment Facility, The Nature Conservancy (TNC), and Conservation International, and leveraged additional resources from the countries.
- Innovative financing ideas are being developed in each of the five jurisdictions and at the community level.



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Trust fund



Solution provider: Pamela Castillo, Programme Costa Rica por Siempre



Implemented by: Programme Costa Rica por Siempre, SINAC, TNC, Linde Trust for Conservation, Gordon and Betty Moore Foundation, the Walton Family Foundation



Country: Costa Rica

DESCRIPTION

A trust fund provides a long-term funding source to finance activities defined in the Implementation and Monitoring Plan. The trust is founded on perpetuity, independence, simplicity, flexibility and transparency. The founding partners serve as trustors, while the beneficiary is the country's national protected areas.

LESSONS LEARNED

The time invested in an initial stage of designing the three pillars (Execution Plan, Agreement and Trusteeship) was crucial to generate a technically applicable proposal on the financing necessary for the marine protected areas, to define a revenue target that is able to reach the conservation goals and to maintain them by establishing financial scenarios that allow to sustain investments and conservation targets for a long time.

ENABLING FACTORS

- Public and private partners make compromises in revenues to ensure that all the actions planned are matching for five years with 100% of the funds required, including recurring revenues
- Independent, simple and flexible trusteeship with clearly defined reporting and transparency mechanism
- Costs of the activities of the Execution and Monitoring Plan 2010 – 2015 represent the basis for the financial scenarios to determine the trusteeship's amount and the basic outlines of its investment policy
- Government committed through budget compensation



Voluntary participation of the private sector



Solution provider: Frederic Marret, GOPA/ProGRN

Implemented by: GIZ

Country: Mauritania

DESCRIPTION

In Mauritania biodiversity protection and scientific research that supports conservation and policy-making cannot be fully supported by public funding. This is why the Natural Resources Management Program (ProGRN) has focused on identifying new sources of funding. We have developed a partnership with the oil and gas industry resulting in more transparent and trustful communication, sharing of non-commercial data, and funding of activities of the ProGRN on a voluntary basis. This included support for marine biodiversity ship-based surveys, co-financed by Kosmos Energy, and an environmental sciences Master's degree course, supported by Kosmos and Total. In addition, BP, who participated in Kosmo's operations, is now fully involved in the partnership..

LESSONS LEARNED

- Marine biodiversity conservation is a key factor for domestic socio-economic development and requires some priority by the Mauritanian government, but consolidated efforts should go towards resource mobilization, capacity building and awareness raising for all stakeholders.
- We cannot rely on public funding for marine biodiversity conservation even though these investments would be greatly paid off. Governments in Mauritania have difficulties to channel sufficient investments to environmental protection.
- It has to be understood by all stakeholders that private sector volunteer contribution comes in addition to contract obligations, but that this additional funding depends upon the economic context. These partnerships can be rewarding not only from a financial perspective, but also in terms of trust-building, sharing of data, etc.
- Unexpectedly, it was easy to get all stakeholders on board and support the idea of a voluntary conservation commitment plan. However, converting this commitment into an official document is time and energy consuming plan to trigger consistent changes in sea use management policies.

ENABLING FACTORS

- Only serious and renowned oil and gas companies have been awarded contracts for offshore operations. Most of them have social and health, safety and environment (HSE) standards and policies.
- Mauritania participates in the extractive industry transparency initiative (EITI), which facilitates private sector involvement in voluntary commitment plans.
- Existence of long-term (> 10 years) relationships between project staff, public and private actors is key to trigger and maintain stakeholder involvement.



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