The Rising Blue Dollar: Sustainable Ocean Financing for Marine Protection

22 July 2020

The Commonwealth
# The Rising Blue Dollar: Sustainable Ocean Financing for Marine Protection

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<td>2:00 PM - 2:05 PM</td>
<td>Opening Remarks</td>
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<td>Mr Jeff Ardron, Adviser - Ocean Governance and Project Lead, Commonwealth Blue Charter, Commonwealth Secretariat</td>
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<td>2:05 PM - 2:10 PM</td>
<td>Special Address from the Blue Charter Action Group Champion for Marine Protected Areas, Republic of Seychelles</td>
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<td>Mr Alain de Comarmond, Principal Secretary, Environment Department, Republic of Seychelles</td>
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<td>2:10 PM - 2:35 PM</td>
<td>Presentations by the Speakers</td>
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<td>Ms Angelique Brathwaite, Caribbean Director, Blue Finance</td>
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<td>Mr Jake Kheel, Vice President, Grupo Punta Cana, Foundation, The Dominican Republic</td>
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<td>Mr Alain Maulion, CEO, The Blue Alliance, The Philippines</td>
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<td>Mr Valdemar Andrade, Executive Director, Turneffe Atoll Sustainability Association, Belize</td>
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<td>2:35 PM - 2:55 PM</td>
<td>Question &amp; Answers</td>
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<td>2:55 PM - 3:00 PM</td>
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Innovative Solutions for Marine Biodiversity, Food Security and Climate Change
• MPA financing gap: Government and philanthropy will not be enough - new investment models are being sought.

• MPAs under collaborative management with NGOs have an extensive track record of financial sustainability and effective management

• Impact investors and donors have a clear need for a pipeline of blended finance investments for marine conservation, with tangible business models.

• Adequate up from capital & basic social entrepreneurial skills important for financial sustainability
Blue finance acts under the institutional umbrella of United Nations, which is facilitating the process of lease negotiations with governments.
Main revenues developed by the co-management entities

OUR SOLUTION

USER FEES
VISITOR CENTRE
UW ATTRACTIONS
SUSTAINABLE FISHERY
BLUE CARBON
PAYMENT ECOSYSTEM SERVICES BIODIV. OFFSETS
COVID-19 STRATEGIES

• Business interruption coverage insurance to cover minimum OPEX.
• Revenue diversification:
  • Horizontal (e.g. national-international tourism);
  • Vertical (e.g. tourism - carbon market - fishery);
  • Volatility (e.g. mass tourism - eco tourism).
• Negotiate flexible financial conditions.
BF MPA PROJECTS & THE FUTURE

The solution has been implemented in 2 MPAs in the Dominican Republic and Philippines
Approach in process to be upscaled to other 5 MPAs by 2021 in Caribbean, SE Asia and Sub-Saharan Africa

• MPAs selected with Governments based on potential ecological and social impacts, business model feasibility and existence of local support and capacities.
• Over the next decade, co-management agreements for MPAs are expected to become a more common practice
• Turn-key solution for Governments allowing them to allocate management to a trusted partner & focus their resources elsewhere.
THANK YOU

ALL CORRESPONDENCE REGARDING THIS PROJECT CAN BE ADDRESSED TO:

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The Rising Blue Dollar: Sustainable Ocean Financing for Marine Conservation

Grupo Puntacana Foundation, July 2020
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Vicepresidente Fundación Grupo Puntacana  
fgpc@puntacana.com

jkheel, fundaciongrupopuntacana
THE BLUE ALLIANCE FOR ORIENTAL MINDORO MPA NETWORK, INC.

CO-MANAGEMENT ENTITY OF MARINE PROTECTED AREAS IN THE PHILIPPINES

Presented By Alain Maulion,
Blue Alliance for the Or. Mindoro MPA Network, Inc.
Co-management of 9 Marine Protected Areas in Or. Mindoro

Total MPAs: 5,000 ha
Coastline: 70km
215k inhabitants
35k fishers
>3000 hotel rooms
Man and Biosphere Reserve
The Co-Management Agreement

- Signed between 4 LGUs and the Blue Alliance for the Or. Mindoro MPA Network, Inc. for the day-to-day management of the MPAs for a renewable 10-year period.

- Formed by 4 People’s Organizations and Bf with the assistance of UNDP and CI.

- Up to US$3M blended finance as initial funding for staff and equipment (vessels, facilities, visitor center, etc.).

- Blue Alliance receives an irrevocable mandate to charge statutory visitor’s fees.
The Co-Management Agreement

- The co-management entity is guided by an Advisory Committee formed by public, NGO and academic partners.

- The activities of the co-management entity build on approved plans by the local governments e.g., MPA management plans and implemented in collaboration with the LGUs, Bantay Dagat, People’s Organizations and other local stakeholders.
The Co-Management Agreement

- MPAs actively managed without contribution from Municipal Budget
- Improvement of marine habitats (e.g. sustainable fisheries, water quality, tourism carrying capacity, reef restoration, etc.),
- Community engagement & Livelihood enhancement (mainly with fishers),
- New tourism attractions (wreck, visitor centre, UW trails) and eco-destination “branding”
- Tangible benefits for fishers and for tourism
- Up to 30 permanent staff working with Bantay Dagat
Revenue mechanisms

USER FEES

VISITOR CENTRE

Experience walk-through

SUSTAINABLE FISHERY

BLUE CARBON
Up-front financing

- Financing solution for up-front capital needs being structured
- Up to US$3M
- The solution blends grants, refundable grants and loans
- Funds will cover purchase of vessels, equipment, visitor centre, etc. and working capital for first year
- The solution is based on the Blue Alliance capacity to generate revenues and deliver environmental and social positive impacts
MPAs in Belize and worldwide have inadequately secured budgets for basic management or are often relying on short-term grants, creating uncertainty in their long-term capacity to sustain their conservation actions. Innovative business approaches to conservation could offer opportunities for financial autonomy by generating predictable and long-term sources of revenues.
In its broadest sense, co-management can refer to any type of collaborative management between any number of parties including individuals, clans or other tribal units, non-governmental organizations or governmental entities. It can refer to the co-management of a great variety of resources including soil, water, agricultural systems, grazing lands, forests (Poffenbeger and Gean 1998), fisheries (Berkes, 1989; Singleton, 1998), tree crops, wildlife (Murindagomo 1990), coastal resources (Pomeroy and Goetze 2003), wetlands, private property (Alderman 1990) and protected areas.

There are two basic types of co-management in Belize today:
(1) NGO and CBO co-management which can be used on public lands.
(2) The other is co-management of private protected areas by NGOs, private individuals and communities. These commenced shortly after Belize received its independence in 1981.

(Source: History of Protected Area Designation, Co-management and Community Participation in Belize By Colin A. Young, Ph.D, 1 and Dr. Robert Horwich, Ph.D. 2)
Turneffe Atoll Marine Reserve

**Agreement:** TASA has a signed Co-management Agreement delegating the day to day management of Turneffe Atoll to TASA. **It is a collaborative management agreement with a five(year) renewable term.** We are currently redrafting the agreement with aspects such as the term, revenue generation and other factors being discussed in the context of new available financing and technological opportunities.

**Governance:** (2) Fishermen Representatives from the two largest Fishing Associations; (1) Rep from the Belize Tourism Board; 1 Rep from the University of Belize; (1) Rep from the Fisheries Department (Fisheries Administrator); (1) Rep nationally or internationally per with conservation expertise; (1) Rep from the Tourism Private Sector; the TASA ED.

**Role of GOB:** Power is vested by the GOB in the Fisheries Administrator (FA) under the Fisheries Resources Act for the administration of Marine Reserves and the FA oversees the Co-Management agreements with NGOs, CBOs, and Groups.

**TASA’s primary goal is threefold:**
1. Management of natural resources through enforcing compliance with Fisheries, Tourism and TAMR’s rules and regulations in Statutory Instruments s 105 and 11 of 2012 which also include the charging of user fees;
2. Promote the sustainable use and conservation of the marine ecosystems at the Turneffe Atoll Marine Reserve (TAMR) through our Education and Outreach program;
3. Scientific research and monitoring program for adaptive management with the aim of securing ecosystem and economic resilience.

**Basic Annual Operational Budget:** $1.3 mn BZD or $675,000 USD with an Annual Financing Gap of approx. $150,000 to 250,000 USD (Snapshot); funding from Philanthropy is never secured from one year to another unless you have long term grants! **(This basic budget does not include any capital/replacement of equipment.)**
Current sources of financing allowed under the Co-management Agreement: Entrance and User Fees, Grants, Donations, Tourism Activities, Concessions.

Innovative business approaches to conservation could offer opportunities for financial autonomy by generating predictable and long-term sources of revenues.

In this context, the Mirova Natural Capital Sustainable Ocean Fund aims at deploying its capital to support the shift towards sustainable finance for marine conservation in Belize, working with MPA co-managers to identify the appropriate blend of finance. Financing will enable a shift towards a more entrepreneurial approach to MPA management and funding.

TASA is currently working with the Sustainable Ocean Fund, and with the organization Blue Finance, to develop and implement a business plan, identifying the potential sources of revenues and the need for investments to improve the revenues generation for TASA as well as the conservation efforts and the quality of the services to the users of the MPA.

The final business plan is currently being defined, with current areas of focus on:

- The potential for users’ fees collections from users staying at Turneffe Atoll of visiting daily.
- The development of fixed-reef safe moorings for SCUBA diving and other touristic operations at seas.
- The development of a pilot Blue Carbon projects.
- The creation of a science, training and visitor’s centre on Turneffe atoll.
• Belize has 8 other MPAs that could benefit from this approach.

• The Turneffe Atoll Marine Reserve is the largest Marine Protected Area in Belize therefore it has scale to be an effective tool for coral reef, mangrove and seagrass beds ecosystems management.

• Benefits derived from improved ecosystems include: support and enhanced nature tourism business products, food supply, commercial fishing as an industry for six (6) coastal communities, and shoreline protection of the largest population and economic center of Belize City. Turneffe’s management is key to a greater resilience to climate change.

Blue Finance and TASA are developing a model based on our vested Co-Management Agreement and the mix of financing required to fund the management of the TAMR based on tangible revenue models identified. This approach is replicable and scalable for Belize’s MPA Network.

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<tr>
<th>Economic Value of MPAs/Marine Envi. (USD/MN)</th>
<th>National Annual Contribution to Belize’s GDP</th>
<th>Turneffe Annual Contribution to GDP</th>
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<tr>
<td>Tourism</td>
<td>$390.4</td>
<td>~$50</td>
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<tr>
<td>Fisheries</td>
<td>$28.6</td>
<td>~$5</td>
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<td>Annual Storm Protection Value</td>
<td>$1.75 B</td>
<td>$191</td>
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<tr>
<td>Total</td>
<td>$2.17 B</td>
<td>$246</td>
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- 800 Hectares of Mangroves Protected
- 25% of National Lobster, Conch and Fish Stocks Maintained
- 300 Tourism Jobs Supported

- 25% of National Lobster, Conch and Fin Fish Stocks Maintained
- 800 Hectares of Mangroves Protected
- 300 Tourism Jobs Supported

Economic Value

- 25% of National Lobster, Conch and Fin Fish Stocks Maintained
- 800 Hectares of Mangroves Protected
- 300 Tourism Jobs Supported
Thank You!!!
Release!!
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