



BLUE NATURE
ALLIANCE

WIO regional conservation financing: Phase 1

October 2024

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**Nairobi Convention –
Decision CP 11/6
Regional Ocean Governance
Strategy for the Western
Indian Ocean region**

“

To request the Secretariat, in collaboration with partners and Contracting Parties, **to develop a long-term financing mechanism** to ensure sustainable implementation of the Regional Ocean Governance Strategy

”

A regional conservation financing mechanism can support WIO region in achieving 30x30 targets, building management capacity, and integrating conservation and blue economy

Core focus

Clusters

Key priorities



Maritime Security

- Effective cooperation on maritime security and enforcement (including on port state measures)
- Prevention and preparedness for marine spillages
- Alignment of institutions & policies on a 'regional' ABNJ and deep sea resources
- Raising awareness of strategic maritime issues, incl. the strategic importance of subsea telecommunication cables



Blue Economy

- Sustainable ports, trade, and maritime connectivity
- Building sustainable tourism, sustainable fisheries (small scale and coastal fisheries, tuna and shared fisheries)
- Prevention, reduction, and control of marine plastic pollution and development of a circular blue economy for plastics
- Alignment on the deep seabed minerals negotiations
- Managing off-shore energy (incl. extractive and renewable) – *TBC*¹



Environment and Natural Resources

- **Water quality: Prevention, reduction, and control of nutrient and chemical pollution**
- **Regional marine spatial planning and transboundary marine protected areas**
- **Conservation of critical habitats & endangered species**, incl. coral reef ecosystems & carbon sinks – *TBC*
- **Conservation of biodiversity and critical ecosystems including BBNJ - *TBC***
- **Adaptation to and mitigation of climate change - *TBC***



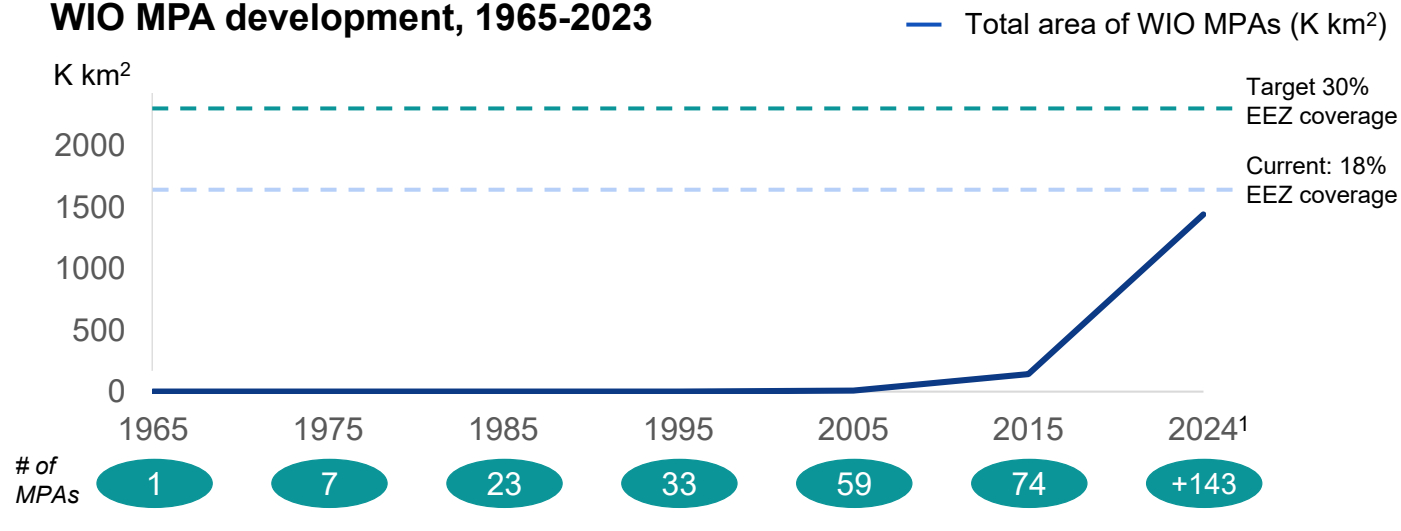
Knowledge Management and Capacity Building

- **Regional scientific cooperation and consensus on international oceans affairs and science to governance**
- **Transfer of technology**
- **Human capacity development and communications, including institutional arrangements**
- **Public awareness and access to science (including for private sector applications)**
- **Scientific advice in support the above clusters** (including on ecosystem-based approaches, on fisheries and on monitoring of climate change) - *TBC*

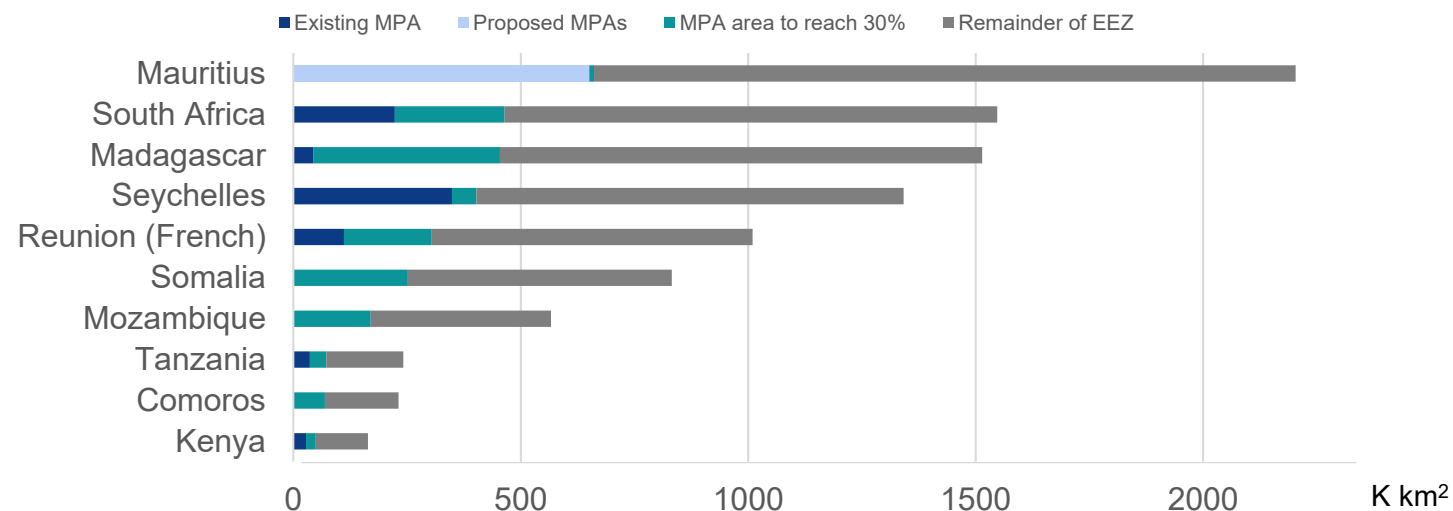
1. TBC is "To be confirmed" and indicates priorities that were identified but not yet confirmed by the Nairobi Convention

WIO presents a significant opportunity to accelerate global 30x30 ambitions

WIO MPA development, 1965-2023



Breakdown of EEZ v. MPA area by country, 2023



Source: 2021 Report on WIO Marine Protected Areas Outlook Towards Achievement of Global Biodiversity Framework Targets, ProtectedSeas Navigator
1. Includes both existing and planned MPAs for 2024

Key insights

WIO has made notable progress in the past decade to establish MPAs and LMMAs

- ~75% of current MPAs were established in the past 10 years
- Average size per MPA has increased from 49 km² in 1965 to 3900 km² in 2023 – which reflects **broader regional shift from small no-take zones to larger multi-use parks**

However, a large gap exists between current state and 30x30 aspirations

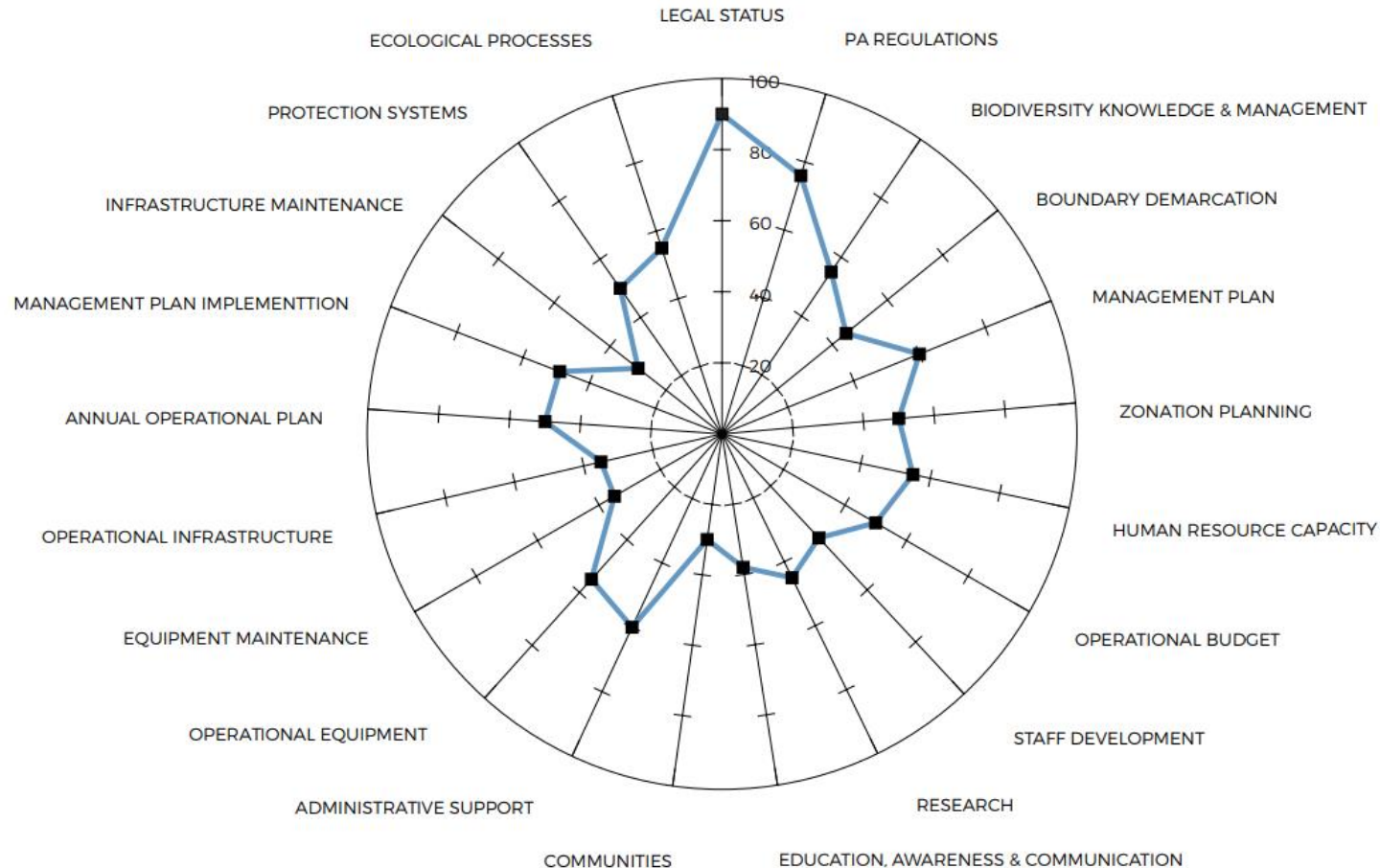
- MPAs combined only cover 7% of the WIO EEZ (as of 2021) with 18% coverage planned for 2024
- Reaching 30% coverage across the WIO would require a large acceleration of MPA efforts

Some WIO countries are closer to 30x30 targets than others...

- Seychelles is the most advanced with 24% protected today and a commitment to reach 30%
- Mauritius recently proposed Chagos Archipelago MPA which will result in 29% coverage of EEZ
- **Greatest opportunities for new MPA establishment lie in Madagascar and Somalia**

Ensuring effective establishment and management of MPAs can be further improved

Percentage scores for 21 indicators applied for the METT for MPAs in WIO, 2018
 101 MPAs assessed across 9 WIO countries



Key insights

WIO strengths lie in government willingness and legislation to establish MPAs, including:

- Government legislation to support legal status, designation and regulations
- Administrative support and development of management plan

WIO challenges exist with respect to operating and managing MPAs

- **Limited community buy-in** due to perception that conservation limits or damages economic livelihoods.
- Limited education around MPAs further contribute to **community skepticism and low boundary integrity**
- **Limited options for sustainable financing** create cascading pain points, including infrastructure maintenance equipment and personnel

Major opportunity exists to improve sustainable financing models and capacity building across the region

What is the vision for a WIO regional conservation financing mechanism?

Provide reliable, sustainable financing to enable WIO countries and region to implement and achieve conservation ambitions

WIO Regional CTF will primarily implement this vision by providing technical support and administer grants to marine conservation-focused projects, partners, and communities to address capacity and resource gaps.

Other activities to potentially be supported if funding is sufficient are:

- **Hosting regional workshops and networking sessions** to strengthen regional capacity and knowledge development on topics such as conservation finance, mangrove restoration, etc.
- **Coordinating across countries in Nairobi Convention** on critical protected area initiatives, such as BBNJ model, LMMA recognition
- **Collaborate with nature-based sectors to scale sustainable practices and ensure equitable benefit sharing with communities**
- **Fund efforts to consolidate data, analyses and insights across WIO countries** to inform science-based decision making

What are the target outcomes and impact?



Fulfillment of national 30x30 ambitions and establishment of WIO regional BBNJ model through financial and technical support



Improved management of MPAs, LMMAs and TBCAs through increased capacity, staff development, equipment and infrastructure



Greater community engagement/ participation in conservation (incl. formal recognition of LMMAs) and equitable benefit sharing with communities

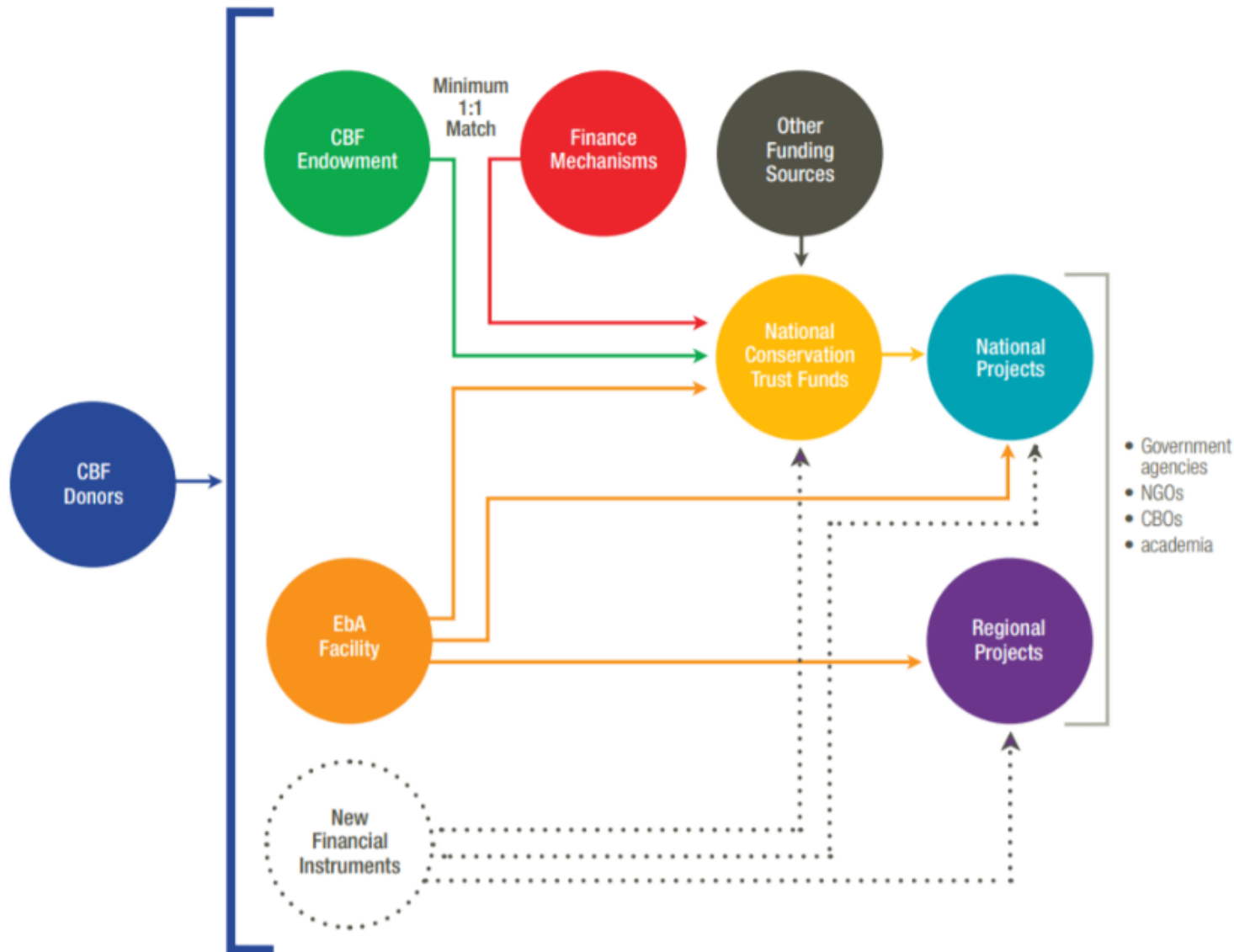


Greater cross-country collaboration and science-based decision making to strengthen effectiveness of Nairobi Convention

Case studies: Overview of existing regional financing mechanisms

Regional CTF	Caribbean Biodiversity Fund	Sangha Trinational Foundation	Mesoamerican Reef Fund	Coral Triangle Conservation Fund	Micronesia Conservation Trust
Focus region	Across Caribbean	Sangha Trinational transboundary forest	Mesoamerica eco-region with focus on 14 MPAs	Coral Triangle region	Across Micronesia
Countries engaged	11 Caribbean countries	Cameroon, Central African Republic and Republic of Congo	Mexico, Belize, Guatemala, Honduras	6 countries	5 countries
Year est.	2012	2012	2004	2023	2002
Legal status	UK-based charity	UK-based charity	US-registered charity	N/A	Registered in FSM
Institutional structure	Distinct entity under Caribbean Sustainable Finance Architecture, which includes group of 8 NCTFs <ul style="list-style-type: none"> • 12 board members • 20 operating staff 	Distinct entity that collaborates with each governments' National Parks <ul style="list-style-type: none"> • 11 board members • 11 operating staff 	Privately managed entity established through 4 NCTFs <ul style="list-style-type: none"> • 16 board members • 27 operating staff 	N/A	Distinct entity with MOUs signed across each government <ul style="list-style-type: none"> • 10 trustee members • 9 operating staff
Financing strategy	\$92M endowment with \$20M sinking fund, via philanthropic orgs and national banks; majority raised in first 7 years	Target of \$35M Euro endowment supported by \$0.5M sinking fund, via philanthropic orgs and private partnerships; \$12M raised thus far	\$30M endowment raised over 9 years, primarily through philanthropic organizations; Technical support was also provided	Aim to establish endowment and be fully operational by 2024; Initial contributions supported by KfW and USAID	\$18.5M endowment divided by country (e.g., Palau owns 50%); \$7M sinking fund; \$2.8M estimated operating costs with add. \$1.8M grant portfolio
Key financing partners	TNC, German Government (BMZ, KfW), World Bank and GEF	KfW, AFD, Regenwald Stiftung and marketing partnership with Krombacher Brewery	FFM, KfW, Reef Rescue, WWF, TNC	KfW, USAID	N/A
Fund distribution structure	Primarily distributed through existing NCTFs	4 funding programs (1 per national park and 1 for transboundary management)	Centralized grant selection process with NCTFs driving in-country management	Grant-based support for regional projects and 10-year Regional Plan of Action	Countries access funds through their endowment part with some funds reserved for regional capacity

Caribbean Biodiversity Fund (CBF): Sustainable financing architecture



CBF endowment is managed by the Conservation Finance Program which **provides support and financial resources to eligible national CTFs**
























- **Endowment has grown from \$42M in 2012 to more than \$80M in 2023**
- **\$8.3M administered to 79 projects in 10 countries** through partner National Conservation Trust Funds
- Other support includes \$4M Caribbean Regional Architecture for Biodiversity (CRAB) project. Mangrove and coral reef restoration workshop in Dominican Republic, Conservation Finance Conference in Barbados in collaboration with GEF, 6 virtual network sessions with NCTFs, establishment of NCTF in Cuba

EbA is the Ecosystem-based Adaptation Facility which is a \$38 Million sinking fund that awards grants for climate change adaptation and poverty alleviation through biodiversity conservation and ecosystems management

- \$18M committed to 26 EbA projects that will benefit 40 marine protected areas across 11 countries

Nature-based economies program (launched in 2023) addresses circular economy and pollution reduction in the region

WIO regional financing mechanism can strengthen existing and new funds across WIO countries in support of marine conservation outcomes

WIO country	NCTF maturity	Marine focus	Description	 High  Medium  Low
Comoros			Comoros does not have a national CTF established. It is receiving \$43.3M USD in funding across 9 projects directed by the GEF (which may include sustainable financing components) and \$66.7M across 4 projects funded by the GCF.	
Kenya			Kenya has 4 national CTFs. The Northern Rangelands Trust Community Conservation Trust Fund is publicly held and is the only national CTF that has a marine component. The Trust's endowment size is currently at \$3M USD.	
Madagascar			The main CTF in Madagascar is the privately held Madagascar Protected Areas and Biodiversity Fund holding an endowment of \$150M USD. The CTF has a marine focus on protected areas, conservation, and sustainable management.	
Mauritius			Mauritius currently has 1 national, public CTF through the Mauritius Wildlife Foundation that focuses on both marine and terrestrial conservation. It also has a private and a nonprofit CTF dedicated to marine protection in and around Mauritius.	
Mozambique			The singular nonprofit CTF in Mozambique is BIOFUND, which has a focus on marine conservation and sustainable management. The endowment size is currently at \$15.2M USD.	
Réunion (France)			Réunion does not have a dedicated national CTF, nor does it receive funding from the GEF or GCF. However, French CTFs such as Fonds Français pour l'Environnement Mondial (FFEM) and Blue Action Fund have contributed grants to projects across Africa.	
Seychelles			Seychelles has 2 national CTFs: 2 nonprofits (Seychelles Island Foundation) and (SeyCCAT). Both CTFs have marine components and SeyCCAT has an endowment fund of \$21.6M USD.	
Somalia			Somalia has no national CTF formed. Somalia is receiving \$44.4M USD across 5 projects from the GEF and \$78.4M USD from the GCF across 4 projects.	
South Africa			South Africa currently has 3 national CTFs in the nonprofit Table Mountain Fund, Dyer Island Conservation Trust, and African Conservation Trust. Only the Dyer Island Conservation Trust has a marine focus and an endowment fund amount of \$6.9M USD.	
Tanzania			Tanzania currently has 4 national CTFs, none of which have a marine component: 2 governmental and 2 nonprofit. Tanzania has received \$285.5M across 8 projects from the GCF and \$95.1M USD across 18 projects from the GEF.	

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Key components in designing a regional financing mechanism



A. Strategy and financial planning

Design of a financing mechanism driven by a compelling vision and supported by validated cost analyses



B. Political infrastructure and collaboration

Clear structure for how countries will support and engage with the regional financing mechanism



C. Fund distribution structure

Fair, equitable process and structure for the administration, distribution and governance of funding across WIO countries and regional initiatives



D. Institutional structure and governance

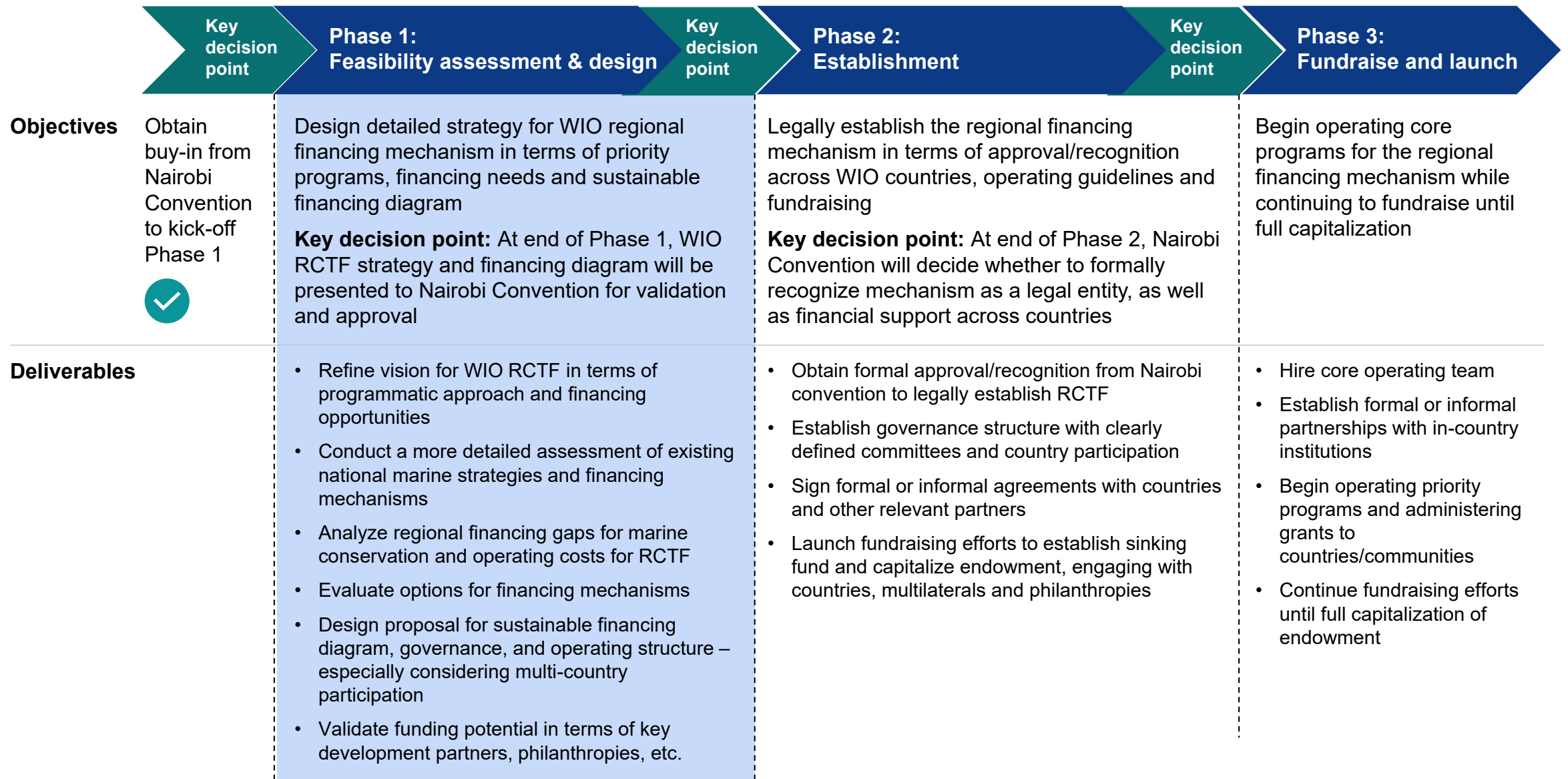
Dedicated operating team to manage regional financing mechanism and drive collaboration between countries



E. Funding sources

Validated funding roadmap through engagement with key donors and investment institutions, as well as a robust fundraising strategy

Proposed roadmap to design and implement regional conservation financing mechanism



WIO Phase 1 terms of reference

PRELIMINARY | FOR DISCUSSION

Workstream

Key questions

- | | |
|--|--|
| 1 WIO regional funding vision | <ul style="list-style-type: none">• What is the vision for a regional financing mechanism? How will this mechanism balance conservation v. blue economy development?• How does this strategically align with the Regional Ocean Governance Strategy and Blue Finance Platform under the Nairobi Convention? |
| 2 Cost analysis | <ul style="list-style-type: none">• How much funding is needed to support the opportunities outlined in the WIO regional funding vision? How should funding be prioritized?• What funding is needed to support design and implementation process? (e.g., start-up costs) |
| 3 Financial mechanism evaluation and design | <ul style="list-style-type: none">• What financial mechanism is most suitable for WIO regional financing in terms of raising funds?• How will the regional financing mechanism engage and collaborate with governments? (E.g., MOUs, PPPs) distribute funds to national and community level institutions? |
| 4 Validation of funding sources | <ul style="list-style-type: none">• Who are the key development partners and philanthropies currently funding conservation activities in the WIO?• What regional financing mechanisms are more attractive to funders (e.g., DNS, PFP, CTF)? At what scale of funding? |
| 5 Case studies and best practices | <ul style="list-style-type: none">• What can we learn from other regional financing mechanisms? What were the key challenges or points of discussion? |

Next steps

- **Oct 2024** **Kick-off working group** for regional conservation financing mechanism
(Plan to meet on weekly/bi-weekly basis)
- **Feb 2025 (TBC)** **Host in-person workshop at WIOC conference** to determine most suitable mechanism for WIO regional financing
- **2026** **Approve regional conservation financing mechanism at Nairobi Convention COP12**

If you are interested in joining the working group, please email tuda@wiomsa.org and jliu@conservation.org

For more information on the TOR, please scan the QR code

