

Finance for Pacific Ocean Governance Part 1: Background

Dr. Melissa Walsh

Pacific Ocean Finance Program

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Executive Summary

The purpose of this paper is to provide background context for improving finance for Pacific Ocean governance. The goal of ocean finance is to generate, invest, align, and account for financial capital to achieve sustained ocean health and governance. This paper analyses the current Pacific Ocean finance context according to these four actions, and is a precursor to the development of 1) Ocean Finance Profiles which articulate the status and opportunities in ocean finance at the national level for Pacific Island countries (January 2020), and 2) a summary paper articulating a regional path forward (June 2020).

1

GENERATE

Generating new funds that target ocean governance is a priority for the region. National governments are the primary investor in ocean governance, with the largest source of funding from the collection of foreign fishing license fees. The second largest source is official development assistance by bilateral development partners (USD \$20 million annually) and multilateral partners (\$10 million annually). Charitable foundations donate USD \$500k annually yet this is projected to significantly decrease. Foreign Direct Investment provides significant capital to the region, but the proportion of FDI that impacts ocean finance (positively or negatively) is not yet known. Institutional investors are a source of untapped capital, but challenges remain in identifying investment-ready deals. Innovative finance mechanisms worth evaluating include a Pacific Ocean Bond, Pacific Ocean Risk Insurance, and a replicable community marine area finance mechanism.

2

INVEST

Regardless of the investor or the finance mechanism, monies for Pacific Ocean finance should be invested against regional and national frameworks for ocean governance in order to achieve strategic and effective change, notably the Pacific Islands Regional Ocean Policy, Framework for a Pacific Oceanscape, and the Sustainable Development Goal (SDG) 14: Life Below Water. For-profit investments have the added challenge of identifying investments that produce financial returns. While the theoretical business case for private investment in SDG 14 is strong, SDG 14 receives the smallest amount of impact investment of all SDGs. Private investment in Pacific Ocean governance is essential yet limited by the number of demonstrated business cases.

4

ACCOUNT

Equally important to generating, investing, and aligning financial capital, it is essential to account for how effective ocean investments are at achieving ocean governance objectives. A results framework has been developed for the Framework for a Pacific Oceanscape and several initiatives exist to assist countries and corporations with reporting against SDG 14. The Pacific has not yet made enough progress towards SDG 14. In addition, estimating and monitoring changes to the economic valuation of marine ecosystem services can serve as a check on ocean investments. Recent valuations have been done in Fiji, Kiribati, Solomon Islands, Tonga, and Vanuatu; the remaining countries require baseline economic valuations, and all countries require ongoing accounting for changes of values through time.

3

ALIGN

Generating and investing new monies will always be necessary, but unless incentives are aligned with ocean health, ocean finance will never be sufficient. Many finance mechanisms both generate monies and also act as economic incentives (e.g., rights-based fishery access fees). Certification schemes (e.g., Marine Stewardship Council) and the appropriate application of the mitigation hierarchy - including biodiversity offsets - can act as economic incentives to align Pacific economies with ocean governance. Government taxes and subsidies act as economic incentives that can have a beneficial, harmful, or mixed impact on ocean finance and governance. Environmental tax reform is needed, but complicated in the region due to economic dependence on extractive industries.

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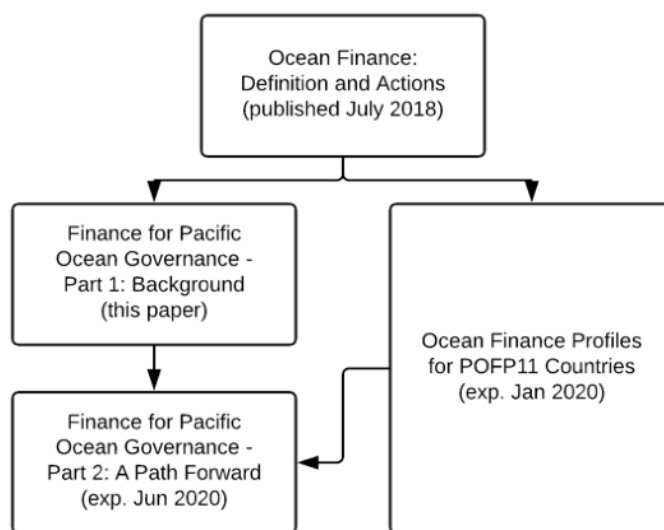
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Introduction

This paper has been developed by the Pacific Ocean Finance Program (POFP), which is funded by the World Bank and the Global Environment Facility, and is implemented through the Pacific Islands Forum Fisheries Agency and the Pacific Islands Forum Secretariat - Office of the Pacific Ocean Commissioner. The POFP is a three year program with the aim to increase the amount and efficacy of financial investments into Pacific ocean governance, focusing on eleven countries: Solomon Islands, Vanuatu, Fiji, Tonga, Samoa, Kiribati, Nauru, Palau, Marshall Islands (RMI), Federated States of Micronesia (FSM) and Tuvalu, hereafter referred to as the POFP11.

The objective of this paper is to provide background information on the status of ocean finance in the Pacific. This paper builds upon "Ocean Finance: Definition and Actions" (Walsh 2018) and is a precursor to the development of 1) Ocean Finance Profiles which articulate the status and opportunities in ocean finance at the national level for each of the POFP11, and 2) a summary paper articulating a regional path forward (Figure 1).

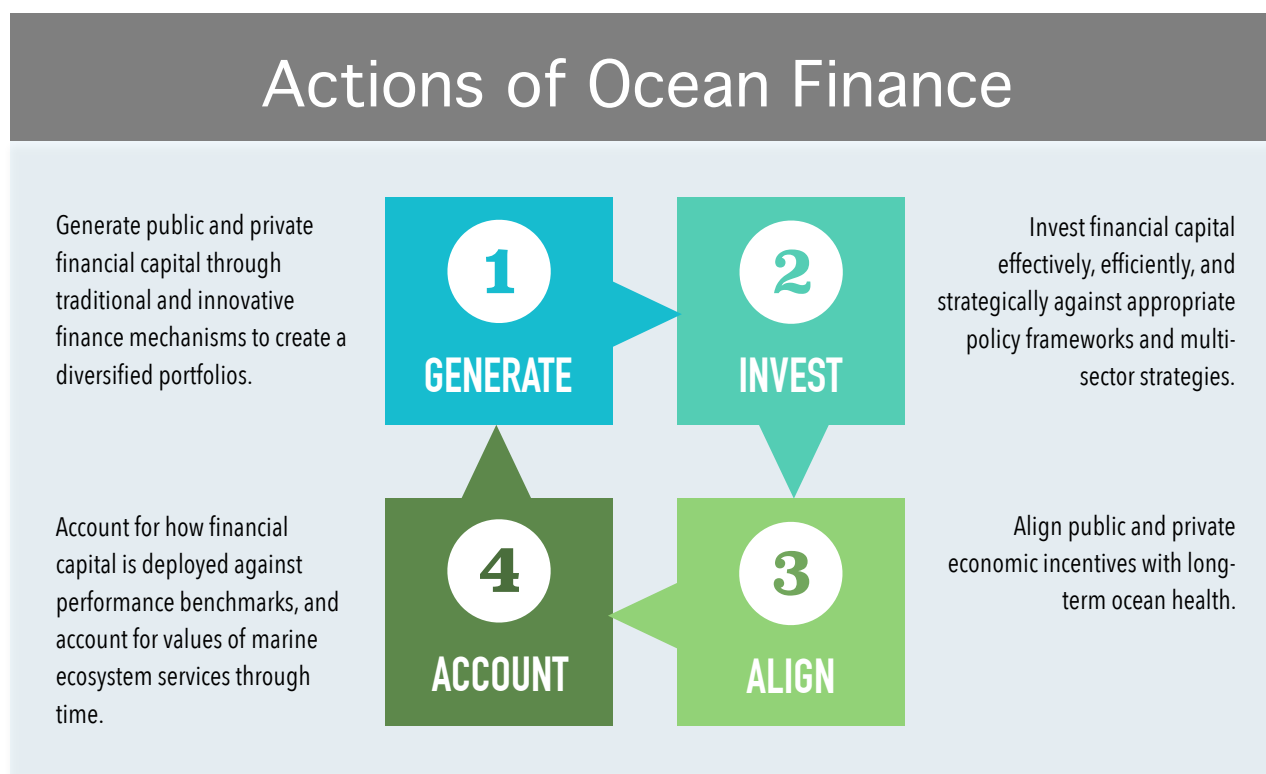
Figure 1. Relationship of POFP publications



Ocean Finance

The goal of ocean finance is to generate, invest, align, and account for financial capital to achieve sustained ocean health and governance (Walsh 2018; Figure 2). Sustained ocean governance includes management of inshore and offshore fisheries, coastal tourism and development, marine debris and plastic pollution, coastal agriculture, and any other activities and sectors that impact upon the oceans. Ocean finance considers public, private, and cross-sector financial instruments. "Sustainable funding" and "conservation finance" often focus on the goal of sustained revenue which is an elusive if not impossible goal. An evolution of this perspective is to focus on strategic and ongoing financial planning to support ocean governance goals. This paper is organised around the four actions of ocean finance and provides background information and context relative to the Pacific Ocean region.

Figure 2. Ocean Finance Actions (Walsh 2018)



Pacific Ocean Context

The Pacific Ocean is the largest and deepest ocean on earth - covering more than one-third of the earth's surface - and is the uniting element between diverse and remote Pacific island countries and territories (see Figure 3). The region stretches from the archipelagos of Southeast Asia to the remote atolls of Kiribati in the Central Pacific. This region encompasses 14 Pacific island states and 8 territories that include some of the world's smallest countries surrounded by a vast maritime estate. The combined exclusive economic zones of these island states cover roughly 30 million km² and include some of the world's most pristine and ecologically significant marine environments, and the world's most productive tuna fisheries. The region is heavily dependent upon this vast maritime estate for food security, livelihoods, revenue and development.

Figure 3. Map of the Pacific Ocean



The Pacific Islands Leaders appointed the Pacific Ocean Commissioner in 2011 to drive implementation of a world-leading and shared approach to ocean management. The Commissioner is working to unite Pacific countries and territories through sustainable ocean development, management, and conservation across the vast area. The Office of the Pacific Ocean Commissioner has been developed in the Pacific Islands Forum Secretariat and its role includes: enhancing coordination, collaboration, and integration - with a focus on development effectiveness and improving return on investment, assisting the Commissioner to undertake high level-advocacy and awareness activities, providing expertise and support on cross-jurisdictional ocean issues such as biodiversity in areas beyond national jurisdiction, developing coordinated approaches to measurement and reporting, promoting maritime boundaries, and analysis of the linkages between oceans and climate change.

1

GENERATE

Generate public and private financial capital through traditional and innovative finance mechanisms to create a diversified portfolios.

Achieving and maintaining effective ocean governance requires generation of funds from diverse investors flowing through both traditional and innovative finance mechanisms. For the Pacific ocean, estimates of the total cost of ocean governance, available funding for ocean governance, and the resulting funding gap are not yet known, but as the data below suggest, the gap is large and increasing. Generating new funds that target ocean governance is a priority for the region (Pratt and Govan 2010).

Investors

The **national governments** of the POFP11 are the primary investors in Pacific Ocean governance. The amount of money generated by national governments for ocean governance is not yet known, but will be analysed by the POFP at the national scale by 2020. The single largest source of POFP11 national government budgets for ocean governance comes from fishing license fees, which have significantly increased from US \$100 million to US \$430 million over the past 5 years, with projections of an additional US \$345 million per year by 2040 (UNDP 2017). In some countries, fishing license revenues contribute more than half of the total country GDP; yet underfunding of ocean governance remains pervasive. Domestic resource mobilisation (DRM) is essential to finance ocean governance (<http://www.worldbank.org/en/programs/platform-for-tax-collaboration>).

Foreign governments, acting as **development partners**, are the second largest source of finance for Pacific Ocean governance. Since 2011, over US \$136 million has been committed by foreign governments to POFP11 countries as Official Development Assistance (ODA) for projects related to ocean governance, yet this is only a meagre 2% of the total ODA to these countries. Australia (52%) is the largest development partner investor in ocean governance, followed by the United States of America (17%; new analysis based on data collected by Lowy Institute 2018; see **Appendix 1**). Foreign governments will always be an important investor in the Pacific ocean; the smallness, remoteness, and internal dispersion of the POFP11 gives rise to a structural financing gap which will require an ongoing collaboration for at least the next 25 years (Edwards et al 2016). The total amount of ODA received by Pacific Islands has doubled from 2000 to 2012 (UNDP 2017), yet recent data shows that total ODA in the region is decreasing (Lowy Institute 2018). ODA is necessary for regional growth and sustainability, yet carries risks such as political interruptions to the economy (McMah 2018), crowding out domestic investment (Feeney et al 2014), and creating "debt-traps" (Parker and Chefitz 2018). These risks must be tightly managed (see INVEST and ACCOUNT).

Multilateral organisations have contributed US \$68 million towards ocean governance since 2011, with Global Environment Facility being the largest donor (43%) followed by the Asian Development Bank (19%; new analysis based on data collected by Lowy Institute 2018; see **Appendix 1**).

National government and ODA finance is absolutely necessary for ocean governance, but will never be sufficient. The United Nations Conference on Trade and Development (UNCTAD) says achieving the Sustainable Development Goals (SDGs) will take between US\$5 to \$7 trillion, with an investment gap in developing countries of about US \$2.5 trillion (United Nations 2014). World Bank Group (2016) estimates that 50-80% of this gap will come from domestic government resources, and that scarce government resources must be leveraged with private investments to fill the remainder of the gap. The gap estimate for SDG 14 - Life Below Water - within the POFP11 is unknown. Private investments from **foreign corporations**, or Foreign Direct Investment (FDI), has increased in the Pacific region from US\$ 258 million in 2000 to US\$ 630 million in 2015 (UNDP 2017). FDI in the Pacific islands is projected to increase in the next decade - including from China - which brings opportunities for sustainable development but - in addition to the risks of ODA as described above - FDI also carries the risk that it is concentrated in extractive sectors that could harm the oceans (UNDP 2017). An online database of FDI per country can be found at www.unctad.org, but the proportion of FDI specifically aimed at improving ocean governance, or creating risks to ocean governance, remains unknown.

Institutional investors - including pension / superannuation funds, endowment funds, insurance companies, commercial banks, mutual funds and hedge funds - manage over US \$80 trillion dollars globally, which is projected to double by 2025 (Willis Towers Watson 2017, PWC 2017) and could generate significant new capital for Pacific Ocean governance. While there are strong business cases for private institutional investment into SDGs, investment in SDG 14 is the lowest of all of the SDGs (Douma et al 2017, Business & Sustainable Development Commission 2017, Eldrige and Libes 2018). Institutional investors are likely the largest source of untapped capital, but challenges remain in identifying appropriate investments (see INVEST).

Charitable foundations have committed US \$4 million in the Oceania region towards SDG 14 (Foundation Center 2018; UNEP 2018). Charitable foundations have historically provided critical funding for community-level ocean governance projects, yet many of the large charitable foundations are changing their geographic and topical focus away from Pacific Ocean governance and this amount is projected to significantly decrease by 2020. The trend is the same for **high net worth individuals** who have provided large donations to Pacific ocean governance historically, but are seeking new thematic and geographic priorities. Generation of funds from foundations and individuals may become an increasing gap in the Pacific ocean.

1

GENERATE

Generate public and private financial capital through traditional and innovative finance mechanisms to create a diversified portfolios.

Finance Mechanisms

There are numerous mechanisms that generate finance for ocean governance including but not limited to **grants, bonds, loans, payments for ecosystem services, taxes, fines and fees**. Fishing license fees, ODA grants, FDI loans, and philanthropic donations are the most common finance mechanisms for ocean governance in the Pacific. Identifying new finance mechanisms requires careful consideration of ecological, economic, socio-cultural, and political - legal feasibility. There is not one mechanism that fits all contexts; rather stakeholder-driven processes are necessary to identify the most appropriate and feasible finance mechanisms for a particular geography. Over-reliance on a few finance mechanisms creates risks that there will be insufficient and/or unsustainable funds for critical programs, and therefore a diversified portfolio of finance mechanisms is needed to support ocean governance (Bos et al 2015).

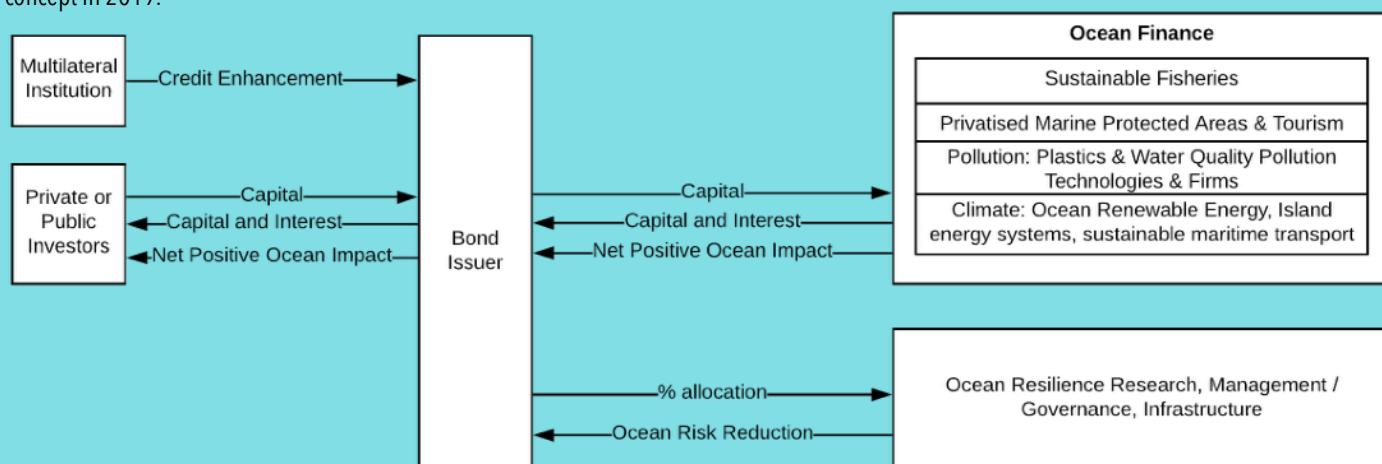
A comprehensive catalogue of finance mechanisms that are relevant to the Pacific Ocean governance context is included as **Appendix 2**. This catalogue is adapted from the United Nations Development Program - Biodiversity Finance Initiative (BIOFIN) catalogue of biodiversity finance solutions. First, finance solutions that do not generate revenue (e.g., economic incentives, certification programs, etc) were removed from the catalogue (see ALIGN for more information on these schemes). Second, the remaining finance mechanisms were analysed for their relevance to the Pacific Ocean context, and mechanisms with low relevance were removed. Third, new mechanisms identified through the literature review and stakeholder / expert consultations were added. Lastly, the mechanisms were categorised by appropriate scale: regional, national, or both.

A register of examples of ocean finance solutions is included as **Appendix 3**. Literature reviews and stakeholder / expert consultations generated a large number of examples of innovative finance solutions for conservation and sustainable development. These examples were used to create a register of ocean finance solutions. A draft register was circulated to key experts for feedback and omissions, which were then used to revise the register. The revised register was then published online and stakeholders were asked to review the register for any mistakes or omissions.

The POFP is supporting the development of Ocean Finance Profiles which will investigate and recommend potential novel finance mechanisms for each of the POFP11 countries. In addition, the POFP is developing three finance mechanism concepts by 2020 - a Pacific Ocean risk insurance product, a replicable Locally Marine Managed Area finance mechanism, and a Pacific Ocean Bond (see box below).

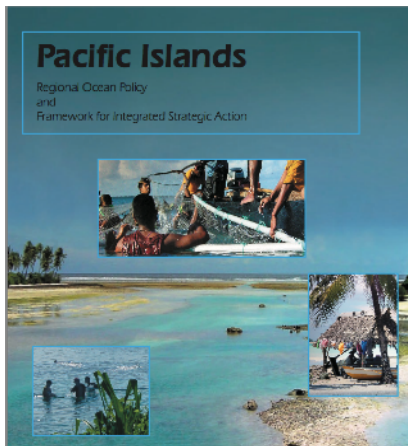
PACIFIC OCEAN BOND CONCEPT

Bonds are a form of debt. Investors pay capital to a bond issuer, who in turn returns the initial investment plus interest over a set period of time. Bonds are increasingly being used to generate finance for environmental and social programs. A novel "Pacific Ocean Bond" could be developed to provide investment into private companies operating in the Pacific Island region who can demonstrate a net positive ocean impact. The geographic and economic scale of the bond needs further assessment. The bond could be multi-sectoral including the many industries that impact upon and benefit from ocean resources such as fisheries, aquaculture, agriculture, technology, and tourism. Cross-sector finance will also allow for financing of concessional projects alongside above market rate projects. The POFP will support further analysis and financial modelling of the Pacific Ocean Bond concept in 2019.



Regardless of the investor or the finance mechanism, monies for ocean finance should be invested against regional and national frameworks for ocean governance in order to achieve strategic and effective change.

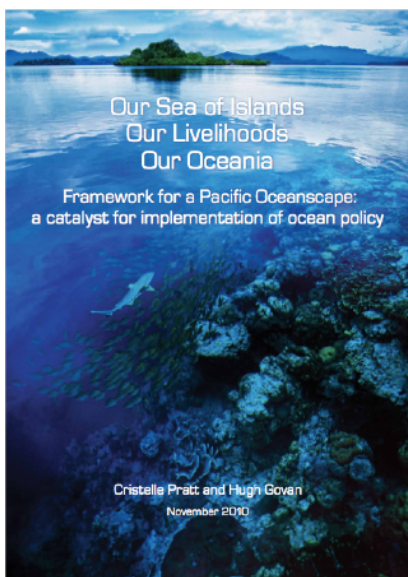
Pacific Ocean Governance Frameworks



Pacific Islands Regional Ocean Policy (SPC 2005). Defined a regional policy for ocean governance based on the “transboundary and dynamic nature of our ocean” and the need for improved regional cooperation. Included five principles supporting the goal “to ensure the future sustainable use of our ocean and its resources by Pacific Islands communities and external partners.”

Framework for the Pacific Oceanscape (Pratt and Govan 2010). Includes a policy analysis to provide the origin, context, and connections of the framework to other relevant policies and initiatives. Defines the vision as “A secure future for Pacific Island Countries and Territories based on sustainable development, management and conservation of our Ocean” and includes six strategic priorities:

1. Jurisdictional Rights and Responsibilities
2. Good Ocean Governance
3. Sustainable Development, Management, and Conservation
4. Listening, Learning, Liaising, and Leading
5. Sustaining Action
6. Adapting to a Rapidly Changing Environment.



SAMOA Pathway (2014). The Small Islands Developing States (SIDS) Accelerated Modalities of Action (SAMOA) Pathway, the outcome of the third international conference of SIDS, guides national and regional work towards United Nations commitments. The pathway defines priority actions for sustainable development of the oceans and seas (<http://www.sids2014.org/>).

SDG 14 - Life Below Water. Voluntary commitments towards SDG 14 also serve as an investment framework. Thousands of voluntary commitments by multilateral agencies, governments, non-profit organisations, and other entities are registered at <https://oceanconference.un.org/commitments/register/>. Ambassador Peter Thomson has been appointed as the Special Envoy for the Ocean to lead United Nations's advocacy and public outreach efforts to ensure the outcomes and the voluntary commitments are implemented, and nine “communities of ocean action” have been established to organise and coordinate implementation of SDG 14 commitments (<https://oceanconference.un.org/coa>).

The Blue Pacific (2017) & **Framework for Pacific Regionalism** (2014). The Pacific Islands Forum Leaders have endorsed a vision and framework for collective regional stewardship of the Pacific Ocean based on an explicit recognition of its shared “ocean identity”, “ocean geography”, and “ocean resources” (<https://www.forumsec.org/pacific-regionalism/>).

Pacific Possible (World Bank 2017) identifies transformative growth opportunities for the Pacific region over the next 25 years, including potential investments for all sources of ocean finance monies, particularly in fisheries, tourism, and deep sea mining.

National ocean governance policies and strategies should guide ocean investments for each POFP11 country. These will be identified during the development of the POFP11 Ocean Finance Profiles.



2

INVEST

Invest financial capital effectively, efficiently, and strategically against appropriate policy frameworks and multi-sector strategies.

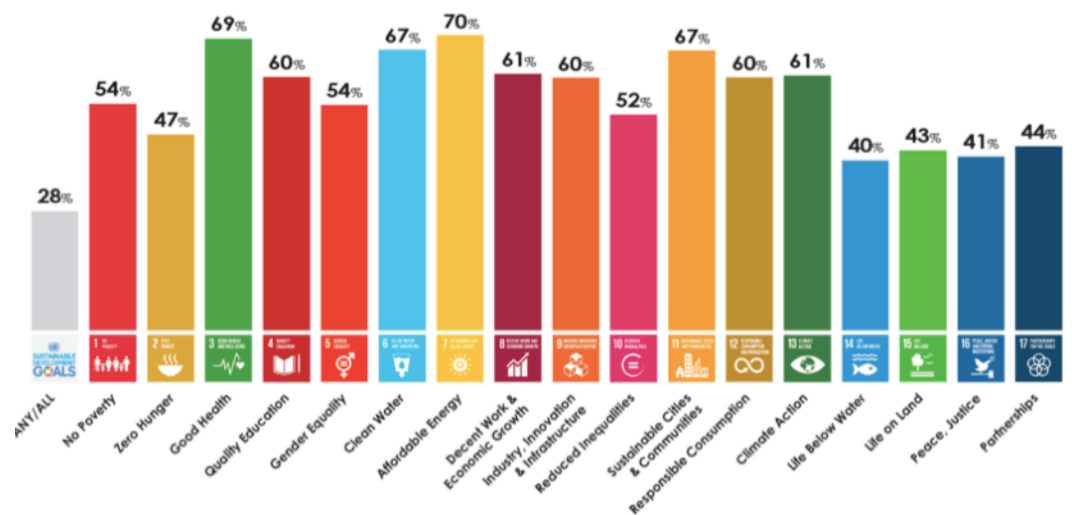
Return-Seeking Investments

For-profit investors should also invest against the ocean governance frameworks in close coordination with relevant institutions, but these investors have the added complexity of identifying investments that provide a financial return. In the last decade there has been an evolving concept of “impact investing” which is differentiated by the intention of a business investment to produce **net positive** environmental or social outcomes (Bugg-Levine & Emerson 2011, Brest & Born, 2013). Theoretically, there is a strong business case for profit-seeking investments in ocean governance, however there is an ongoing supply-side limitation of investible deals that deliver both ocean benefits and financial returns, concessional or market rate (Walsh 2016, Walsh 2017). In making the “SDG Investment Case,” Douma et al (2017) articulate that institutional investors must consider the SDGs as a framework for investment because their highly-diversified, long-term portfolios are reliant on the continuing health of the overall global economy, the micro and macro opportunities created by the SDG are profitable, and the micro and macro risks of not investing in alignment with the SDGs create inevitable exposure. The “Better Business Better World” paper estimates \$12 trillion in private investment opportunities for SDGs (Business & Sustainable Development Commission 2017). It is notable that within the SDG Investment Case and the Better Business Better World paper, despite numerous examples of private investment opportunities relative to the other SDGs, zero examples of investments for SDG 14 are provided. Similarly, a 2016 report by the Global Impact Investment Network (GIIN) highlighted how impact investment funds are targeting SDG, however all but two of their highlighted case studies are conspicuously missing SDG 14, and when the two firms were contacted in 2018, neither could provide detail about how they invest towards SDG14. A 2018 analysis highlights that SDG 14 receives the smallest impact investment capital of any of the SDGs (see Figure 4; Eldridge and Libes 2018). A comprehensive global review of impact investments for marine conservation identified only a handful of examples (notably entrepreneurial marine protected areas and sustainable fishing debt and equity finance), but indicated large opportunities exist if intermediation capacity is improved (Walsh 2016). Private investment for ocean governance appears to be both crucial and riddled with unknowns.

In the Pacific, return-seeking private investment in to SDG 14 and more broadly into ocean governance may take many forms. Investments in the fishery sector that improve local access and local food security, minimise bycatch and habitat damage, and maximise the sustainability of a fishery have the potential to both meet fisheries objectives and generate market-rate returns. In the tourism sector, private investments could be made into existing or new entrepreneurial marine managed areas, where profits from tourism finance the management of marine resources,

in areas where this is politically and culturally appropriate. New business ventures could create economic incentives to collect and recycle waste, sell ocean-friendly plastic alternatives, or harvest ocean-friendly aquaculture products. The SDG Voluntary National Reviews may serve as roadmaps for private investment at the national level (United Nations 2018). Public - private partnerships (PPP) may be the key to leverage all forms of capital together towards ocean governance priorities, but improved institutional capacity to create, manage, and evaluate PPPs is essential (Platz et al 2016, Jose Romero 2017). The International Finance Corporation (IFC) leverages public and private capital together towards SDGs through loans, the Asset Management Company, and the Managed Co-Lending Portfolio Program, which from FY2010-2017 included \$2.4 billion IFC funds leveraging \$3.9 billion in private investments (World Bank Group 2018). In the Pacific Islands, superannuation funds and sovereign wealth trust funds are valued at more than \$24 billion USD, yet most are not explicitly aligned with the SDGs (UNDP 2017), and this is a ripe opportunity to redirect capital towards ocean-friendly investments. Credit enhancements, e.g., guarantees, may be required to alter risk-return ratios for some private ocean investments.

Figure 4. Impact Investment by SDG (Eldridge and Libes 2018)



3 ALIGN

Align public and private economic incentives with long-term ocean health.

Generating and investing new monies will always be necessary, but unless incentives are aligned with ocean health, ocean finance will never be sufficient.

Economic Drivers & Incentives

Economic drivers and incentives motivate individual, corporate, and collective behaviour that can have a beneficial, harmful, or mixed impact on ocean finance and governance. Many of the finance mechanisms described in the section “GENERATE” and in Appendix 2 also act as economic incentives; some are potentially beneficial for ocean governance (e.g., rights-based fishery access fees or payments for ecosystem services in watersheds) and some are potentially harmful for ocean governance (e.g., poorly executed marine biodiversity offset schemes). When a substantial proportion of any government’s ocean management budget is derived from an extractive industry through finance mechanisms such as taxes or fees, the resulting economic incentives must be carefully considered.

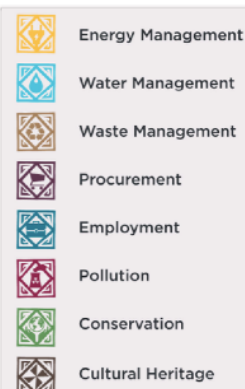
There are many economic drivers and incentives that do not directly generate revenue for ocean governance, but do act as economic incentives and therefore do affect the ocean finance gap. In the Pacific, the sectors driving the economy include tourism, knowledge economy, offshore tuna fisheries, deep sea mining, and labor mobility (World Bank 2017). Tourism, which is projected to generate an additional 1 million arrivals into the region by 2040, is likely to significantly increase jobs and per capita incomes (Perrottet et al 2016), however the sector can have direct and indirect impacts to the ocean including clearing or dredging of key biodiversity areas, increased land-based pollution and urban runoff, trampling and direct damage of coral reefs, and increased pressure on fisheries resources to supply hotels and restaurants. To reduce these risks, the South Pacific Tourism Organisation (SPTO) is developing the “Pacific Sustainability Monitoring Program” which evaluates tourism business relative to sustainability indicators (see box below); if this program evolves to enable a certification system for sustainable tourism operators, it will create an economic incentive for the tourism industry to be more aligned with ocean health. Similarly, **criteria and certification schemes** may incentivise more ocean-friendly practices in other sectors of the economy (e.g., Green Fins for marine operators, <http://greenfins.net>; Marine Stewardship Council Certification for fisheries, <https://www.msc.org/>; and Initiative for Responsible Mining Assurance for deep sea mining, <http://www.responsiblemining.net>).

Corporate sustainability and social responsibility can include a variety of actions to reduce impacts to the ocean. For example, a company may choose to only procure and sell MSC-certified seafood, put pressure on suppliers to reduce harmful plastic packaging, or reduce dependence on fossil fuels throughout their supply chain. Large multinational retailers can create significant economic incentives for entire industries through ocean-friendly procurement and supply chain management policies.

For new development projects, the “**mitigation hierarchy**” is a systematic approach to avoiding, minimising, mitigating, and offsetting impacts to biodiversity. In the Pacific Islands, mitigation hierarchy policies and practices vary significantly but there is need for improvement across all jurisdictions to minimise impacts to ocean health (Dutson et al 2016). Effective implementation of the mitigation hierarchy can act as an economic disincentive to developments that impact ocean health, but only when designed, costed, and implemented correctly (Bos et al 2014). The IFC requires clients to abide by **Performance Standard 6: Biodiversity**, which systematically considers the environmental and social impacts of new projects, providing an economic incentive for projects that are aligned with ocean governance (IFC 2012).

PACIFIC SUSTAINABILITY MONITORING PROGRAM

The SPTO is piloting a voluntary program for hotels to benchmark their performance against sustainability criteria in eight categories (see inset; <https://corporate.southpacificislands.travel/sustainable-tourism-development>). As part of the larger Pacific Regional Tourism Strategy, this initiative aims to collect data to drive regional improvements while also supporting individual businesses in becoming more resource efficient and cost effective. The program provides a pathway for tourism businesses to demonstrate sustainability to their clients and become regional sustainability champions. While the program does not have one category specific to ocean health, several indicators are relevant (e.g., “number of actions taken to improve the health of reef/coastal zones”). If successful, the pilot program will enable recognition opportunities such as sustainability awards and certifications, which could then become economic incentives driving additional improvements in the sector.



Taxes & Subsidies

Government taxes and subsidies act as economic incentives that can have a beneficial, harmful, or mixed impact on ocean finance and governance (see Table 1). For example, per capita access taxes may reduce the number of visitors to a marine protected area and thereby reduce potential human impacts, benefiting the management goals of the protected area as well as generating revenue. As an example of a harmful incentive, tax credits for deep sea mineral prospecting could incentivise new mining activities which could increase the negative impacts on ocean health, despite potential revenue from royalty payments. Some taxes and subsidies have an indirect but significant impact on ocean health, particularly fossil fuel subsidies which increase climate change impacts to the oceans.

Some subsidies have complex and mixed impacts. Globally, fisheries subsidies are estimated to be at least \$35 billion USD in 2009 dollars, including \$20 billion USD of subsidies that are labelled as “harmful” (Sumaila et al 2016). Only 16% of fisheries subsidies reach small-scale fishers, exacerbating the economic viability of this sector and harming food security and resilience for communities (Schuhbauer et al 2017; Bell et al 2018). Fisheries subsidies create perverse incentives that “reinforce the poverty trap” (Rangeley and Davies 2012). In the Pacific ocean, over half of fisheries subsidies come from external developed nations, and subsidised foreign fishing fleets can negatively impact both the ecology and the economy of the region (Sumaila et al 2014).

Environmental tax reform - in which government fiscal policies are revised to create a situation wherein “economic actors respond to the price signal created by a tax, polluting less and using resources and energy more efficiently” - is increasing in the Asia-Pacific region (Cottrell et al 2017). Several multilateral agreements include environmental tax reform: the Sustainable Development Goal (SDG) 12 aims to reduce inefficient fossil fuel subsidies, SDG 14.6 aims to prohibit harmful fisheries subsidies, the World Trade Organisation (WTO) Buenos Aires Ministerial Decision (December 2017) urges countries to prohibit subsidies that contribute to overcapacity and illegal fishing, however there is a proposed exclusion for developing and least developed countries, and the Convention on Biological Diversity (CBD), Aichi Biodiversity Target 3 seeks to eliminate or reform incentives harmful to biodiversity by 2020. The United Nations (2018) developed guidance on using tax incentives in developing countries for sustainable development.

In the Pacific islands, economic dependence on industries that may harm the ocean environment is a barrier to environmental tax reform (Watkins et al 2017). An analysis of taxes and subsidies impacting the environment was conducted for Fiji, Vanuatu, New Caledonia, and French Polynesia, alongside three regional workshops (Watkins et al 2017); **Appendix 4** tabulates the results of this analysis relevant to POFP11 and includes additional taxes and subsidies identified by the POFP. In 2019, the POFP is funding additional analysis of how POFP11 government taxes and subsidies impact ocean finance and governance, and recommendations for reform. If government dollars can be redirected away from harmful subsidies towards beneficial subsidies, it will reduce the ocean finance gap and incentivise long-term ocean health and governance.

Table 1. Examples of Taxes & Subsidies Affecting Pacific Ocean Finance & Governance

	Beneficial	Harmful	Mixed or Unknown
Energy	Renewable energy subsidies	Tax concessions for new power stations	Ocean energy industry concessions
Fishing	Bycatch reduction subsidies	Fossil fuel subsidies	Capacity-increasing taxes and subsidies
Resource Extraction		Prospecting tax deductions	Quarry registration fees
Agriculture	Tax credits for purchase of fertiliser - reducing equipment	Subsidies for purchase of fossil fuels	Agricultural investment tax credits
Tourism & Development	Per capita visitor and user taxes		Concessions for new construction
Water & Waste Management	Tax credits for recycling waste	Subsidies for raw materials	Water pricing schemes

4 ACCOUNT

Account for how financial capital is deployed against performance benchmarks, and account for values of marine ecosystem services through time.

Equally important to generating, investing, and aligning financial capital, it is essential to account for how effective ocean investments are at achieving ocean governance objectives. Frequent and ongoing accounting will enable rapid manoeuvring if required. Accounting needs to be conducted at multiple scales: individual investments, national and multilateral budgets, and corporate activities and investments. In addition, estimating and monitoring changes to the economic valuation of marine ecosystem services can serve as a check on ocean investments.

Investment Accounting

At the scale of each finance mechanism and each ocean governance investment, accounting is required to understand if the financial capital is achieving ocean governance objectives in an efficient and cost-effective manner, without creating perverse economic incentives. Performance indicators should be developed and measured for every ocean investment. Monitoring performance of investments improves accountability and traceability, reduces corruption and inefficiencies, and enables learning about which investments are most efficient and effective at improving ocean health and governance.

Government budget transparency and accounting is “crucial” to achieving the SDGs but varies considerably by country (Martin and Walker 2015). The **SDG Reporting Initiative** supports countries in reporting on progress towards SDGs, and this could be one valuable step towards ocean investment accounting. According to the initiative, “There are many options for reporting on the SDGs to meet the needs of countries. Countries typically adopt one of three models to reporting on the SDGs: 1) incorporating SDG reporting within an existing national website or platform, 2) developing an entirely new platform dedicated to providing data on the SDGs, 3) providing their data to a regionally-maintained platform” (www.sdgreporting.org). If and how the POFP11 countries are accounting for progress towards SDG 14 will be examined during the development of the Ocean Finance Profiles.

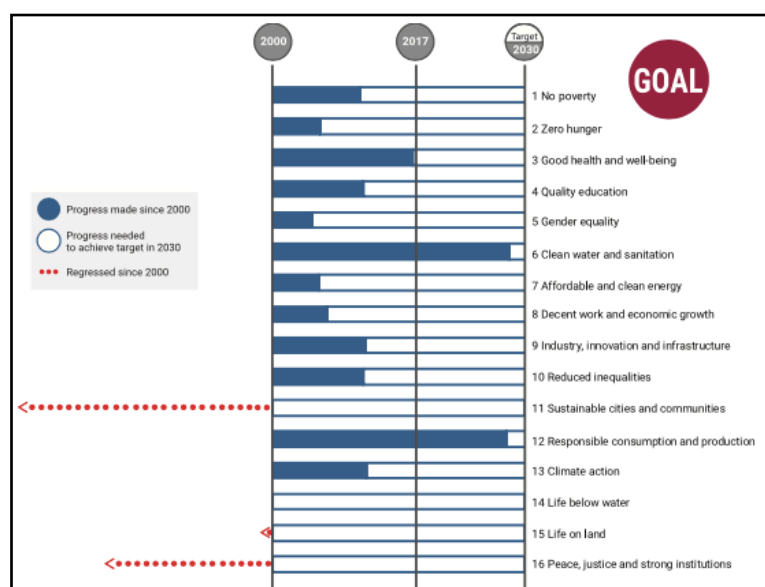
Regionally, UNESCAP (2018) is reporting on progress towards the SDGs. According to the 2017 report, there has been no significant progress towards SDG 14 in the Pacific Islands (UNESCAP 2018; **Figure 5**). Another global reporting initiative highlights that Palau’s declaration of marine protected areas is helping to achieve SDG 14 (<https://unstats.un.org/sdgs/report/2017/goal-14/>). SDG accounting is only part of the picture. For ocean governance more broadly, accounting must be done relative to the policy frameworks described above. A **results framework has been developed for the Framework for a Pacific Oceanscape**, which provides a multi-staged approach to account for progress towards regional ocean governance objectives (OPOC 2016). The results framework includes eleven high-level indicators (e.g., “status of four main tuna stocks against target and limit reference points”) along with baseline data sources and contacts. It is proposed that OPOC will collect and report on investments against this framework.

For private corporate investments that impact the ocean - for positive, negative, or mixed impacts - it is essential to account for these

interactions against a global standard. The **Global Reporting Initiative** and the United Nations Global Compact created a system and guidelines for corporate reporting

against the SDGs. This system is voluntary and businesses are motivated by their desire to market a green or social brand, to identify and reduce material risks, and to gain a market advantage over competitors (www.globalreporting.org). In a 2017 review of 470 companies in 17 countries, over 62% of companies included SDGs in their annual reports; yet SDG 14 was given the lowest priority of all of the SDGs because many companies did not understand how SDG 14 was material to their bottom line (PWC 2017). It is not known how many companies in the Pacific region report against SDG 14, nor is it known how many companies understand the materiality of oceans to their profits. Corporate knowledge sharing in this area, and the analysis of corporate reports in the Pacific region, would be very useful next steps.

Figure 5. Pacific Island Progress towards SDGs (UNESCAP 2018)



4 ACCOUNT

Account for how financial capital is deployed against performance benchmarks, and account for values of marine ecosystem services through time.

Valuation of Marine Ecosystem Services

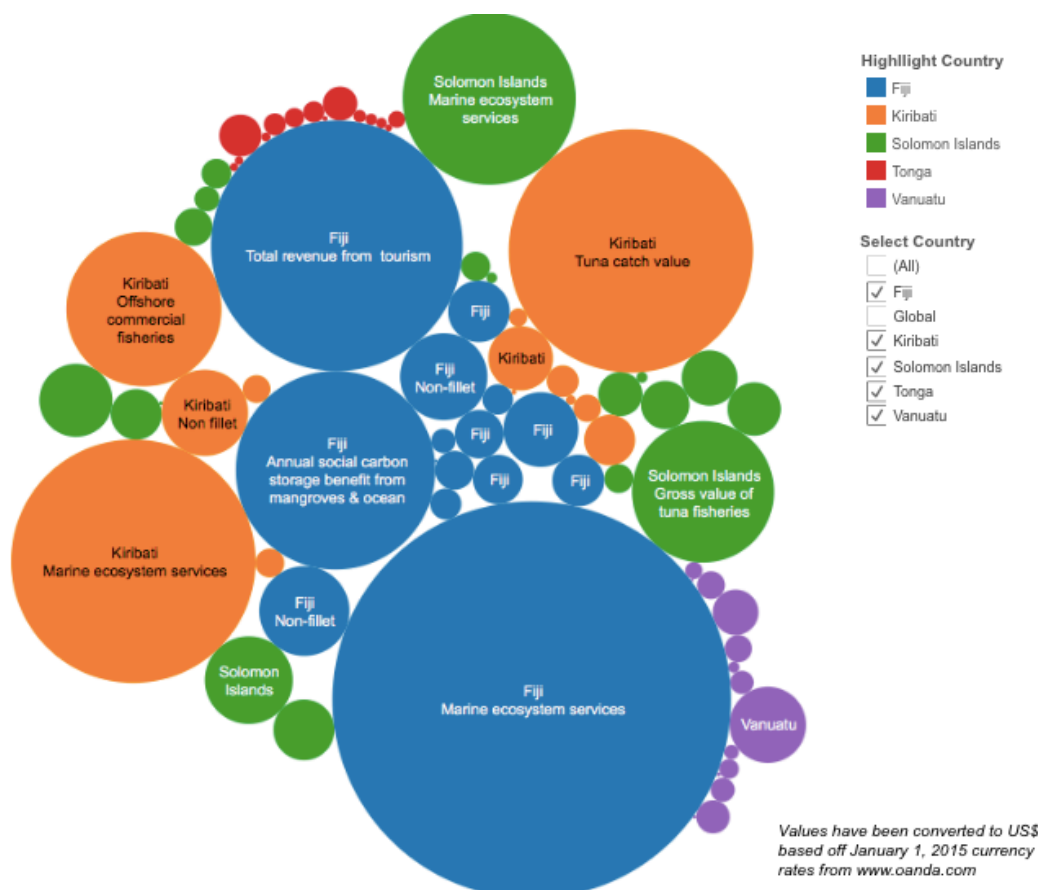
Ocean governance investments should also be accounted for by estimating and monitoring the values of marine ecosystem assets and services. Values of the marine environment include numerous non-monetary benefits including existence values, bequest values, cultural values, and many more; understanding both the monetary and the non-monetary values of the marine environment is an essential exercise for sustained ocean governance. Economic valuation methods allow managers to translate all monetary and non-monetary values into the common language of money for the purposes of increasing awareness, costing trade-off decisions, and supporting improved ocean finance. Theoretically, if ocean investments are achieving sustained ocean governance, this will increase the total economic value of an oceanic system, but it may or may not increase the economic value of individual components of the system, depending on ocean governance objectives. The total economic value includes both non-use values (e.g., existence) and use values (direct, indirect, and future uses), and the direct use values include both extractive (e.g., fisheries) and non-extractive (e.g., tourism).

Methods for economic valuation of natural capital and ecosystem services are debated in the scientific literature and there is not one globally-accepted methodology. Some oceanic systems have existing baseline data, but most of these require better resolution of data and monitoring of economic values through time, and many systems still need baseline estimations. In the Pacific Islands, at least one marine ecosystem economic valuation has been conducted in Fiji, Kiribati, Solomon Islands, Tonga, Vanuatu, Hawaii, American Samoa, Commonwealth of the Northern Mariana Islands, Guam, RMI, French Polynesia, Papua New Guinea, Palau, FSM, and New Caledonia (all studies included in reference database at www.pacificoceanfinance.org). Due to the variety of methods, time frames, and specific ecosystem services that were valued, it is extremely difficult to collate these studies into global and regional values, but current best estimates are that the oceans are worth at least **US \$24 trillion globally** (Hoegh-Guldberg et al. 2015.) and coral reefs of the Pacific Islands region are valued at **US\$4.11 billion or \$79,000 per kilometre squared per year** (MacBio 2015). MacBio also

conducted the most recent and comprehensive valuations in five countries: Fiji, Kiribati, Solomon Islands, Tonga, and Vanuatu (see Figure 6; <https://macbio-pacific.info>). More detail on the economic valuations of each country's marine assets and ecosystem services will be explored during the development of the Ocean Finance Profiles.

Comprehensive and updated estimates are needed for the remaining POFP11 countries that were not valued by MacBio: Samoa, Kiribati, Nauru, Palau, RMI, FSM and Tuvalu. Ongoing monitoring of the economic values are required for all POFP11. To allow for regional estimates and temporal monitoring, methods need to be further standardised.

Figure 6. Screenshot of Interactive Map of Economic Values of Pacific Marine Ecosystem Services (<http://macbio-pacific.info>)



Conclusions

Generating new funds that target ocean governance is a priority for the region. National governments are the primary investor in ocean governance, with the largest source of funding from the collection of foreign fishing license fees. The second largest source is official development assistance by bilateral development partners (USD \$20 million annually) and multilateral partners (\$10 million annually). Charitable foundations donate USD \$500k annually yet this is projected to significantly decrease. Foreign Direct Investment provides significant capital to the region, but the proportion of FDI that impacts ocean finance (positively or negatively) is not yet known. Institutional investors are a source of untapped capital, but challenges remain in identifying investment-ready deals. Innovative finance mechanisms worth evaluating include a Pacific Ocean Bond, Pacific Ocean Risk Insurance, and a replicable community marine area finance mechanism.

Regardless of the investor or the finance mechanism, monies for Pacific Ocean finance should be invested against regional and national frameworks for ocean governance in order to achieve strategic and effective change, notably the Pacific Islands Regional Ocean Policy, Framework for a Pacific Oceanscape, and the Sustainable Development Goal (SDG) 14: Life Below Water. For-profit investments have the added challenge of identifying investments that produce financial returns. While the theoretical business case for private investment in SDG 14 is strong, SDG 14 receives the smallest amount of impact investment of all SDGs. Private investment in Pacific Ocean governance is essential yet limited by the number of demonstrated business cases.

Equally important to generating, investing, and aligning financial capital, it is essential to account for how effective ocean investments are at achieving ocean governance objectives. A results framework has been developed for the Framework for a Pacific Oceanscape and several initiatives exist to assist countries and corporations with reporting against SDG 14. The Pacific has not yet made enough progress towards SDG 14. In addition, estimating and monitoring changes to the economic valuation of marine ecosystem services can serve as a check on ocean investments. Recent valuations have been done in Fiji, Kiribati, Solomon Islands, Tonga, and Vanuatu; the remaining countries require baseline economic valuations, and all countries require ongoing accounting for changes of values through time.

Generating and investing new monies will always be necessary, but unless incentives are aligned with ocean health, ocean finance will never be sufficient. Many finance mechanisms both generate monies and also act as economic incentives (e.g., rights-based fishery access fees). Certification schemes (e.g., Marine Stewardship Council) and the appropriate application of the mitigation hierarchy - including biodiversity offsets - can act as economic incentives to align Pacific economies with ocean governance. Government taxes and subsidies act as economic incentives that can have a beneficial, harmful, or mixed impact on ocean finance and governance. Environmental tax reform is needed, but complicated in the region due to economic dependence on extractive industries.

The POFP will develop the second part of this series by June 2020, combining regional and national analyses to develop "Finance for Pacific Ocean Governance, Part 2: A Path Forward." Learn more at www.pacificoceanfinance.org.

PACIFIC OCEAN FINANCE PROGRAM OBJECTIVES

1

NOVEL FINANCE MECHANISMS

Pacific Ocean Bond
Pacific Ocean Insurance
Replicable Community-Managed Area Finance

2

OCEAN FINANCE PROFILES

Status & Opportunities for
Ocean Finance for Pacific
Island Countries

3

CAPACITY

Pacific Ocean Alliance
Pacific Ocean Finance
Fellowship
Workshops & Trainings

Contact: Dr. Melissa Walsh
Manager, Pacific Ocean Finance Program
melissa.walsh@ffa.int
www.pacificoceanfinance.org



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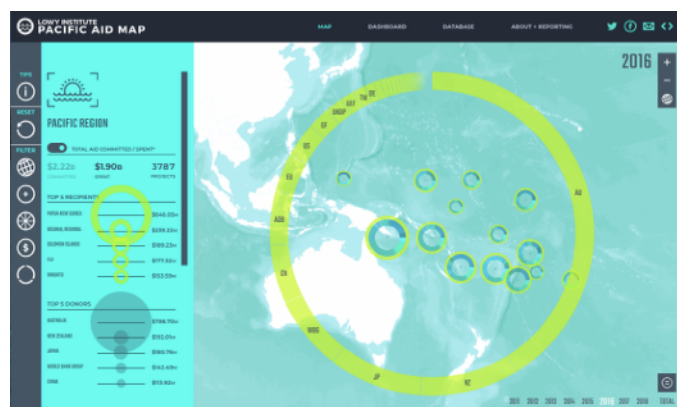
Appendices

Appendix 1. Official Development Assistance for Pacific Ocean Governance

Overseas Development Assistance (ODA) is a key source of finance for the Pacific region, including for ocean governance. The Lowy Institute (2018) published a map and database detailing ODA in the Pacific (see Figure 1-1; <https://pacificaidmap.lowyinstitute.org>). This data has been analysed relative to ocean finance in the POFP11. ODA projects were assessed for relevance to ocean governance and assigned weightings of 0% (low relevance), 50% (medium relevance; e.g., environmental or climate adaptation projects), or 100% (high relevance; e.g., fisheries management projects). The committed funds, weighed by relevance, were then summed for each of the POFP11 and for regional projects (see Table 1-1). It is important to note that this analysis is preliminary and caution should be used with the preliminary results. During the development of the Ocean Finance Profiles for the POFP11, stakeholders from each country will closely review the weighting methodology and the preliminary assessment. After the finalisation of the country profiles, the regional estimates will be updated (expected by mid-2020).

Preliminary results indicate that approximately US \$204 million in ODA has been committed for ocean governance projects in the POFP11 and regional projects benefiting the POFP11 since 2011. This represents only 2% of the total ODA for those countries during the same time period. Almost all of the ODA projects were grants, with only two ODA loans for ocean governance projects. The largest donor for Pacific ocean governance is Australia at US \$70 million or 34% of the regional total (see Table 1-2 and Figure 1-2).

**Figure 1-1 Lowy Institute ODA Spatial Database
(Lowy Institute 2018)**



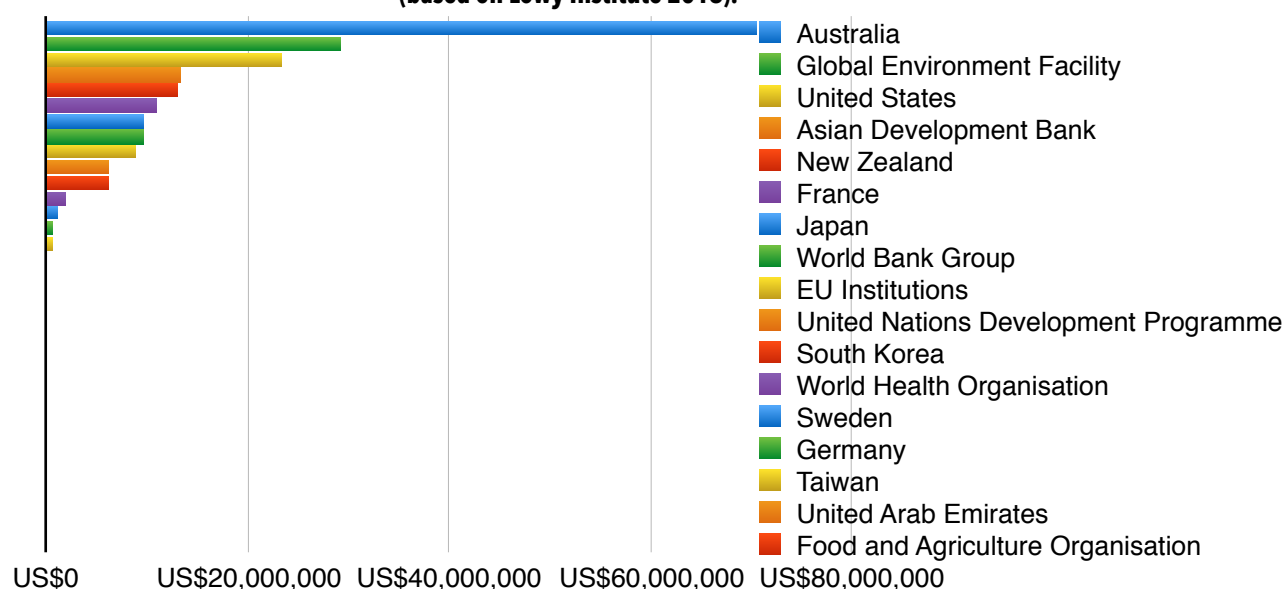
**Table 1-1. Draft Estimate ODA committed for Pacific Ocean Governance between 2011-2018 by Recipient Country
(based on Lowy Institute 2018).**

Country	Total ODA	ODA for Ocean Governance	%
Regional Projects	\$1,643,649,505	\$66,105,809	4%
Fiji	\$1,196,313,314	\$7,036,504	1%
Kiribati	\$556,083,459	\$9,562,307	2%
RMI	\$591,968,795	\$9,090,163	2%
FSM	\$997,812,517	\$19,216,275	2%
Nauru	\$97,655,332	\$7,825,542	8%
Palau	\$213,487,490	\$4,466,663	2%
Samoa	\$1,008,246,056	\$6,285,996	1%
Solomon Islands	\$1,414,604,413	\$19,320,744	1%
Tonga	\$607,448,648	\$14,661,172	2%
Tuvalu	\$287,111,934	\$29,390,659	10%
Vanuatu	\$1,059,300,076	\$11,477,222	1%
TOTAL	\$9,673,681,539	\$204,439,054	2%

**Table 1-2. Draft Estimate ODA committed for Pacific Ocean Governance between 2011-2018 by Donor
(based on Lowy Institute 2018).**

Donor Name	ODA for Ocean Governance	Percent
Australia	US\$70,372,053	34%
Global Environment Facility	US\$29,266,321	14%
United States	US\$23,294,246	11%
Asian Development Bank	US\$13,300,000	7%
New Zealand	US\$13,026,423	6%
France	US\$10,972,957	5%
Japan	US\$9,646,330	5%
World Bank Group	US\$9,470,000	5%
EU Institutions	US\$8,654,216	4%
United Nations Development Programme	US\$6,177,004	3%
South Korea	US\$6,065,038	3%
World Health Organisation	US\$1,936,716	1%
Sweden	US\$1,186,339	1%
Germany	US\$539,846	0%
Taiwan	US\$496,884	0%
United Arab Emirates	US\$34,352	0%
Food and Agriculture Organisation	US\$331	0%
Total	US\$204,439,054	100%

**Figure 1-2. Draft Estimate ODA committed for Pacific Ocean Governance between 2011-2018 by Donor
(based on Lowy Institute 2018).**



Appendix 2. Pacific Ocean Finance Mechanism Catalogue

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Bilateral ODA	ODA may be provided bilaterally, from donor to recipient. Biodiversity may be featured in bilateral donor strategies (e.g. Germany or Norway) but priorities vary greatly and change frequently among donors. Additional allocation usually requires the provision of evidence for results and political lobbying. Priorities can be negotiated both nationally and internationally.	Bilateral ODA is currently a very large source of ocean finance in the region. The amount, use, and efficacy of this funding could be evaluated at both the regional and country level.	Both
Biobanking (habitat/species)	Measurable conservation outcome resulting from an exchange system (or market) where offset credits can be accumulated and sold to developers to compensate for their species or habitat impacts. Credits are tradable units of exchange defined by the ecological value associated with intentional changes or management of a natural habitat. Biobanking shares certain features with tradable permit schemes whereby an objective of no net loss of biodiversity is established and provides developers with flexibility to determine either to invest in their own compensation or offset or to purchase a credit that has been developed by others (environmental banks). Biobanking includes habitat banking and species banking and is usually focused on endangered habitats and species.	Not yet implemented in the PROP PICT. Biobanking requires highly advanced offset regulations and also a strong, long-term market demand for offset credits. While this mechanism may be part of a longer term objective, it is not likely to be feasible at this time in most PICT. See Dutson et al 2015 for an analysis of the mitigation hierarchy and offset regulations in select PICT.	National
Biodiversity business incubator	Business incubators are institutions that provide services to enterprises as startup and early stage. They can host companies in their premises and facilitate the matching with capital from angel investors, state governments, economic-development coalitions and other investors. The number and typology of these institutions grew systematically, covering acceleration, innovation, export or technology orientations, etc. The possibility of supporting start-ups in biodiversity friendly businesses maybe considered.	Not yet implemented in Pacific Ocean finance but could be considered. Two recently announced initiatives could be considered for fitness (Conservation International's Blue Accelerator and/or Conservation Finance Alliance), and/or a novel incubator program could be developed.	Regional
Biodiversity enterprise funds	Biodiversity Enterprise Funds are highly flexible investment funds that are structured to cover the typically unmet capital needs (debt, equity, quasi-equity) of a wide range of biodiversity-related businesses. They are for-profit investment vehicles that provide financial returns to their investors. While the first generation of such funds is operation, the business model is still evolving. The Corporation Financier Ambiental (Latin America) is one of the most mature examples.	Not yet implemented in Pacific Ocean finance but could be considered. One potential option is the Ocean Foundation and Rockefeller Foundation's fund, which is available to publically-traded companies operating in the Pacific.	Regional
Biodiversity friendly subsidies	Government subsidies that favor biodiversity by supporting individuals and organizations acting in biodiversity friendly ways. This can include biodiversity businesses such as ecotourism, sustainable use, reduced impact forestry, fisheries, and agriculture, etc.	Government subsidies can have a harmful, beneficial, or mixed impact on ocean outcomes. The SPC RESCUE program has assessed subsidies relevant to the marine environment for Fiji, Vanuatu, New Caledonia, and French Polynesia. Further work is needed to implement the recommendations of their assessment, and assessments are required for the remaining PICT.	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Biodiversity Offsets	Measurable conservation outcomes resulting from actions designed to compensate for significant residual biodiversity loss arising from project development after appropriate prevention and mitigation measures have been taken. Offsets can, for example, deliver biodiversity benefits (e.g. reforestation) through a transaction, where offset sellers (e.g. a conservation NGO) sell offsets to developers (e.g. a mining company) who seek to compensate the residual biodiversity loss. Offsets have been established in the agriculture, forest, construction, manufacturing and mining sectors. The aggregating of offsets under a policy framework can optimise the biodiversity benefit by increasing ecosystem connectivity, preventing future habitat fragmentation and creating large contiguous sites.	See Dutson et al 2015 for an analysis of the mitigation hierarchy and offset regulations in select PICT. Recommendations from that assessment require implementation, and the remaining PICT require assessment.	National
Bioprospecting	Bioprospecting is the systematic search for biochemical and genetic material in nature in order to develop commercially-valuable products for pharmaceutical, agricultural, cosmetic and other applications. The rationale is to extract the maximum commercial value from genetic resources and indigenous knowledge, while creating a fair compensation system that can benefit all.	There are a few examples of bioprospecting contracts in the Pacific Islands and additional contracts could be considered but with strict environmental assessment and safeguards	National
Biosafety fee	The fee charged to the importer of biological material into a country. It is used to recover the expenditures of the national agency mandated with preventing alien invasive species (AIS) entering certain geographical areas. Mostly used in island states. It can also be part of an import duty or fee.	Unknown - trying to find examples	National
Blue bonds	Green bond financing projects related to the blue economy, i.e. sustainable fishery and conservation of maritime resources.	Highly relevant for consideration; see example in the Seychelles. Concept paper in development.	Regional or Multi-country
Carbon Markets	Carbon markets aim to reduce greenhouse gas (GHG) emissions cost-effectively by setting limits on emissions and enabling trading of emission units (instruments representing emission reductions). Trading enables entities that can reduce emissions at low cost to be paid to do so by high-cost emitters, thus lowering the economic cost of reducing emissions. Carbon markets can include emission allocation credits as well as emission reduction credits such as carbon offset credits. In various carbon markets, forest or agricultural based offset credits may be used to offset industrial emission	Blue carbon markets could be considered; Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable. Unclear if price for carbon is high enough for private investments, but public sector finance and grant monies viable options to build the market.	Regional and select national

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Change subsidies harmful to biodiversity	<p>Reform, green or phase out a subsidy that directly or indirectly harms biodiversity. Subsidies can take the form of direct transfers, tax credits, and regulatory advantages that generate economic or financial benefits to the recipient. A wider definition may include implicit subsidies which are defined by the failure of internalize negative externalities to the environment (e.g. pollution).</p> <p>Subsidies are usually set and organized within economic sectors. Subsidies harmful to biodiversity include various measures in agriculture, fisheries, transport and infrastructure, construction, land used change, forestry and energy. Reforming or reducing these harmful subsidies can result in government savings and reduced future environmental costs.</p>	<p>Government subsidies can have a harmful, beneficial, or mixed impact on ocean outcomes. The SPC RESCUE program has assessed subsidies relevant to the marine environment for Fiji, Vanuatu, New Caledonia, and French Polynesia. Further work is needed to implement the recommendations of their assessment, and assessments are required for the remaining PICT. Combine wit above.</p>	National
Climate aid	<p>Official public assistance provided for climate change mitigation and adaptation. Public climate finance is counted separately from general ODA due to the promise of additionality made by developed countries in climate agreements. Biodiversity may be featured in climate donor strategies more prominently (e.g. Germany or Norway) as clear co-benefits exist with climate adaptation and in many cases with mitigation measures as well. Additional allocations to biodiversity require evidence for climate results out of biodiversity focused interventions (e.g. ecosystem based adaptation) and political lobbying. Climate finance is delivered bilaterally (e.g. German International Climate Initiative- IKI) and multilaterally (e.g. the Green Climate Fund).</p>	<p>Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable. Discussions underway with Pacific Climate Change Assessment Framework and various climate finance facilities in the region for collaborations.</p>	Both
Climate bonds	<p>Green bond financing projects related to climate adaptation and mitigation, e.g. renewable energy projects.</p>	<p>Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable. Discussions underway with Pacific Climate Change Assessment Framework and various climate finance facilities in the region for collaborations.</p>	Both
Climate Credit Mechanisms	<p>Climate crediting mechanisms, like other carbon market mechanisms, enable entities, for which the cost of reducing emissions is high, to pay low-cost emitters for carbon credits that they can use towards meeting their emission-reduction obligations, or for voluntary or trading purposes. These mechanisms-e.g. the Clean Development Mechanism (CDM)-put a price on carbon, helping to internalize the environmental and social costs of carbon pollution, and permit trading, which lowers the economic cost of reducing emissions.</p>	<p>Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable. Discussions underway with Pacific Climate Change Assessment Framework and various climate finance facilities in the region for collaborations.</p>	Both
Climate, carbon and forestry funds	<p>Legal vehicle (trust) that supports climate priorities by mobilizing, blending, and overseeing the allocation of financial assets. It is a country-driven solution that should feature a clear focus, a rigorous project approval and implementation process, solid monitoring and evaluation frameworks, and strict control over asset/financial management and investment. The term encompasses carbon sequestration funds. Climate and biodiversity are strongly related with well known ecosystem-based solutions for both mitigating and adapting to climate change.</p>	<p>Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable. Discussions underway with Pacific Climate Change Assessment Framework and various climate finance facilities in the region for collaborations.</p>	Both

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Community finance	Community finance-often considered part of microfinance-is of particular relevance for the communities living in or in the proximity of protected areas, including indigenous communities. Financial providers have a stated mission to deliver financial solutions for people in a defined community. Lending practices include community revolving funds and credit unions. The community itself is often the main shareholder of those institutions and can be the sole source of capital such as in village savings and loans.	Many examples of community and microfinance in the region for development objectives including but not limited to healthy oceans. Many failures due to high default rate, expensive cost of due diligence and therefore high interest rates, and relative abundance of loan capital in the region as compared to investable projects. Could be considered with specific objectives, effective program design, and clear safeguards.	Both
Compensation for planned environmental damage	Financial or other compensation paid by companies, private individuals, or governments for planned or unplanned environmental damage. Compensation levels and forms of compensation are usually determined by law and can be fixed amounts, calculated relative to investment or company sizes, or based on remediation costs and economic damages. Compensation can include intentional or unintentional environmental crimes but may also be an acceptable form of environmental offsets.	See Dutson et al 2015 for an analysis of the mitigation hierarchy and offset regulations in select PICT. Recommendations from that assessment require implementation, and the remaining PICT require assessment.	National
Conservation Easement	A conservation easement is a restriction placed on a piece of property to protect its associated resources. The easement is voluntarily donated, can generate tax credits, or can be sold by the landowner. It limits certain types of uses or prevents development from taking place on the land in perpetuity while the land remains in private hands. Easements protect land for future generations while allowing owners to retain certain private property rights. Conservation easement are traditionally incentivised with tax breaks.	Relevant for lands that are ecologically connected with oceans, which is most land in the Pacific Islands. See examples. Could be considered as part of a more holistic ridge-to-reef financing approach.	National
Conservation impact bond (payment for results)	A social and development impact bond where resources are linked to a conservation outcome.	Relevant and needs assessment. See Blue Bond.	Regional or Multi-country
Conservation incentives	Direct or indirect incentive to businesses for advancing conservation outcomes, e.g. utilising less natural capital such as land or water.	Relevant and needs assessment	National
Conservation notes	Fixed income product that channels capital to conservation-critical lands and waters. The interest rate can be lower than market rates (i.e. concessional). Examples include property being resold to a government agency, institution, or conservation buyer, with easements or restrictions in place to ensure that the organization's long-term conservation objectives for the project are met. See TNC Conservation Notes: https://www.nature.org/about-us/conservation-note-brochure-1.pdf	Relevant and needs assessment	Regional

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Conservation or wildlife themed items	Special commercial products featuring wildlife are sold at an extra price to costumers. The extra cost is channelled to environmental causes and projects illustrated by the product/item, mostly related to conservation and the protection of wildlife. Examples include, licence plates, special ringtones and screensavers (mobile communication), etc.	Potentially relevant in more developed economies	National
Conservation tax credits	Tax credits can be offered to land owners in exchange for a range of conservation and restoration activities on private land that contributes to established conservation objectives. Systems can be established at a national or local level. Tax credits may be transferable to other entities and thus hold a higher value for land owners lacking large tax liabilities.	Relevant and needs assessment	National
Corporate and corporate foundations' donations	Corporations provide support to nonprofits through direct-giving programs, private foundations, and/or public charities. They can also offer their employees' time. A foundation can be established as part of a company's corporate social responsibility (CSR) strategy and be funded via the allocation of a percentage of accrued profits, an endowment or other means. Annual giving could range from a few hundreds thousands of dollars to hundreds of millions. They may or may not have a specific mandate or geographic coverage. Some focus on biodiversity and conservation.	Relevant in some but not all Pacific Island countries	National
Corporate social responsibility tax	Special form of government taxation that requires (usually large) companies to spend a percent of their profits every year on corporate social responsibility (CSR). The main difference from traditional taxations is that the companies will be able to decide where to invest and implement programs. This solution has been piloted in only a few countries (e.g. India), with limited documented evidence of its effectiveness relative to other approaches.	Relevant in some but not all Pacific Island countries	National
Crowd funding	The practice of securing funding for a project or business venture by a dispersed group of people: the crowd. It takes places via online platforms that connect the investor or the donor with the project owner without the intermediation of a financial organization. Different platforms coexist: reward-based where individuals support campaigns and receive some kind of reward in return; donation-based where there is no expectation to receive a tangible benefit; equity-based where individuals invest and receive equity-like shares in return; and lending-based where individuals lend money and expect the repayment of a principal with or without interest.	Relevant for global campaigns that invest in Pacific Island countries and for select PICT	Both
Debt-for-Nature Swaps	Through debt restructuring agreements, governments are able to write off a proportion of their foreign held debt. The savings accrued will be channelled into domestic conservation initiatives and climate adaptation programmes. This often entails the establishment of a conservation trust fund to channel the funds. Debt-for-nature swaps can target both official and commercial lending, with the former being the most common scheme.	Could be relevant for countries with high debts and strong governance	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Developer fees / water infrastructure	Development or "Tap" fees are fees charged for new housing or industrial developments to cover the cost of infrastructure to serve the new development and can include requirements for water supply permits (in markets with water supply controls) or in lieu payments to cover the costs of acquiring additional supply permits. These one time fees are often integrated into the building permitting process.	Relevant for coastal development	National
Development impact bond (payment for results)	A social and development impact bond where resources are linked to a development outcome.	Relevant for coastal development	National
Disaster risk insurance	Insurance schemes that cover– against a premium– financial losses due to extreme weather and natural disasters (i.e. such as earthquakes, floods). If the event occurs, the insurer refunds a percentage of the loss. Insurance is widely used to increase households' and enterprises' resilience to shocks. Forests and other natural assets can be insured.	Highly relevant and is being considered by many Pacific Island countries; could be expanded to coral reef insurance as per the Mexico example (TNC and Swiss Re)	Regional or Multi-country
Diving fees	Fees charged for a permit to snorkel or dive in a certain local, marine park or protected area.	Many examples in the Pacific	National
Earmarking of taxes on currency transactions	Tax placed on a specific type of currency transaction. The most frequently discussed version is the Tobin tax which is intended to put a penalty on short-term financial speculation in the forex (foreign exchange) market. The revenues obtained may be earmarked or ring-fenced for biodiversity or related spending.	No known examples in the PICT	National
Earmarking of taxes on financial transactions	Tax placed on a specific financial transaction, e.g. buy/sell equity instruments, options and forward contracts, or foreign currency transactions. The revenues obtained maybe earmarked or ring-fenced for biodiversity or related spending. For example, a share of the French financial transaction tax will be allocated to the capitalization of the Green Capital Fund. The ring-fencing of innovative taxation for social and environmental outcomes can be pursued.	No known examples in the PICT	National
Ecological Fiscal Transfers	Intergovernmental fiscal transfers redistribute tax revenues across government levels-from national and regional to local jurisdictions-according to agreed principles and priorities. Integrating ecological services means including conservation indices (e.g. size/quality of protected areas) in the fiscal allocation formula-thus rewarding investments in conservation and incentivizing the expansion of protected areas, forests or other natural capital.	Relevant for consideration at the national level	National
Ecosystem green bonds	Green asset-backed bonds linked to self-sustained cash-flow generating initiatives from ecosystem related services.	see Blue Bonds	Regional or Multi-country
EIA Performance Bonds	Bonds provided by the project developer - usually for long term mining projects - that provide financial guarantees and financing if the developer does not comply with their environmental management plan as accepted in an approved EIA	Highly relevant and should be investigated for all coastal developments, tourism developments, and resource extraction industries interacting with ocean health	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
EIA Permitting and Review Fees	Fees charged to developers for the EIA process in a country. They are often targeted at cost recovery for the governmental expenditures required to successfully conduct consultation and EIA reviews.	Relevant for consideration at the national level.	National
Enterprise Challenge and Innovation Funds	Funding instrument that distributes grants (or concessional finance) to profit-seeking projects on a competitive basis. It subsidizes private investment in developing countries where there is an expectation of commercial viability accompanied by measurable social and/or environmental outcomes. Challenge funds can mitigate market risks, while spurring innovation to fight poverty and reduce environmental degradation.	Highly relevant and needs further exploration; consider expanding Fish 2.0 beyond fisheries	Regional
Entrance fees	Fees charged to tourists for entering a park or protected area. It can include a parking fee.	Many examples in the Pacific	National
Environmental risk insurance	Insurance schemes that cover against environmental liabilities (i.e. the financial risk associated with environmental pollution and contamination) in exchange for a premium. In addition to preventing future expenditures and thus reducing business risks, they can provide contingent resources for immediate remedial action in the event of an environmental disaster.	Highly relevant, consider Mexico example (TNC and Swiss Re) and connecting to Disaster Insurance	Regional or Multi-country
Fee on international travel (air/ cruise)	Fees charged to the consumer when buying an international air ticket or cruise package. Fees can also be charged by a country or locality for disembarking. The revenue is ring-fenced for conservation or carbon offsets. It is common to charge higher fees for business and elite travel packages.	Relevant and needs assessment	Regional
Fees, penalties, and management expenditures for Environmental (and Social) Impact Assessment	Environmental and Social Impact Assessments are conducted to evaluate the environmental and social risks of a development project including mining, hotels, and other large infrastructure projects. A range of fees are associated with the EIA process including permitting fees, expenditures for the assessment itself, expenditures for implementation of the environmental and social management plans, performance bonds, insurance products, etc. Additionally, penalties may be applied for a range of environmental non-compliance issues stemming from the EIA and its associated management plans.	Unsure if this is already occurring in the Pacific - need to research	National
Filming and photography fees	Fees charged for taking photos in a certain park or protected area. The fee might be charged for commercial or personal photography and filming.	Unsure if this is already occurring in the Pacific - need to research	National
Finance for Permanence	Package of donor support - usually in a single "closing" - coupled with a long term plan by governments to provide sustainable finance for an entire system of protected areas. Piloted in Costa Rica, Bhutan, Columbia, etc.	Relevant and needs assessment	Both

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Financial guarantees	A financial guarantee is a financial instrument that encourages financial institutions, i.e. commercial and development banks, to offer loans to new companies, new sectors, or new geographic areas. Guarantee programs are specially designed to help entrepreneurs obtain bank financing by dealing with collateral constraints and can be used as well in trade finance. The guarantee functions as a promise by the guarantor to the lender that, in the event that the borrower defaults on payment, the guarantor will repay the lender a specified proportion of the foregone principal. This allows traditional lenders to take risks and learn new markets outside current risk profiles. The scheme can be attached to biodiversity related businesses.	Relevant as part of a package with other finance mechanisms	Both
Fisheries landing fee	As an alternative from quotas the fisherfolk pays a fee to an authority based on the quantity of fish caught. The landing fee ensures that the true economic price is paid for the fish, thereby removing any incentive for overfishing. The money raised by the landing fee could be allocated to sustainable fishery or marine conservation activities.	Highly relevant and many Pacific examples	Bot
Fisheries licensing fee	National and international fisheries licenses for boats, access to fish in specific locations, sports fishing, fishing association fees, etc. Earmarking of this revenue or local retention is often part of the local license system but less so for international licenses. Non "fishing" related licenses may also be included such as port licenses, general ship licensing, etc. Licenses for fishing "support" vessels is also an important consideration as they have a massive impact on a fishing boats' capture potential.	Highly relevant and many Pacific examples	Both
Green banks	State or donor-sponsored financial entity that works in partnership with the private sector to increase investments into green businesses and markets that are underserved by commercial finance. The backing from a Government (or donor) guarantee the Bank can catalyze private investments and introduce new financial products. While the emphasis has traditionally been on renewable energy, the focus of green banks can extend to other environmental areas including conservation and biodiversity.	Relevant to industries that interact with ocean health including fisheries, tourism, agriculture and aquaculture	Regional and select national
Green Bonds	Green bonds can mobilize resources from domestic and international capital markets for climate change adaptation, renewables and other environment-friendly projects. They are no different from conventional bonds, their only unique characteristic being the specified use of proceeds which are invested in projects that generate environmental benefits. In its simplest form, a bond issuer (public or private) will raise a fixed amount of capital, repaying the capital and accrued interests over a set period of time. The issuer will need to generate sufficient cash flows to repay interest and capital.	see Blue Bonds	Regional or Multi-country

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Green lending	Lending facility by a development or commercial bank or a microfinance institution that positively screens or actively encourages environmentally beneficial loans. The facility or fund may have specific requirements for loan approval or allocation in the form of environmental criteria and assessments. Criteria can include an identified sub-sector (e.g. climate change adaptation) or reference to certain best practices (e.g. via certification of sustainable agricultural/forest management practices).	Relevant to industries that interact with ocean health including fisheries, tourism, agriculture and aquaculture	Both
Green measures to reduce insurance premiums	Companies operating in fishing and other economic sectors with risk of high impact on natural assets need to insure their operations to better manage commercial risks. The insurance companies can offer those enterprises discounts on premiums if they adopt green measures that both contribute to mitigating the risks incurred by the insurers and produce environmental benefits. These green measures can effectively realign company investment to more sustainable practices.	Relevant and needs assessment	Both
Green microfinance	Microfinance programmes that integrate green or environmental principles, criteria and/or assessments into lending policies. Criteria can include sustainable agricultural practices (e.g. organic agriculture) and measurement of environmental benefits associated with the economic activities.	Relevant to industries that interact with ocean health including fisheries, tourism, agriculture and aquaculture	Both
Impact Investment	Investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. Impact investors invest in innovative but commercially viable business in sectors like sustainable agriculture, affordable housing, affordable and accessible healthcare, clean technology, and financial services for the poor. Along with health and inclusive finance, the protection of the environment is a core area of impact investment.	Relevant and needs assessment	Both
Incentives for sustainable business	Direct or indirect incentive to business for the adoption of sustainable business practices that help to improve biodiversity management. Explicit subsidies, financed either on-budget or off-budget (e.g. through a State Owned Enterprises), comprise monetary transfer -including income support (producer), market price support (consumer and producer); export subsidies (producer); public procurement above the market price; foregone taxation including reduced taxation, tax breaks, tax rebates, accelerated depreciation of assets; in-kind provision of inputs and services, including extension services; in-kind provision of infrastructure; provision of capital at concessional rates.	Relevant to industries that interact with ocean health including fisheries, tourism, agriculture and aquaculture	Both

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Increasing Official Development Assistance (ODA)	Official agencies, including state and local governments, or their executive agencies channel aid to recipient countries with the objective to address environmental challenges. The donor(s) transfers financial resources to awarded programmes and projects directly or indirectly through accredited agencies, private companies, and civil society organizations (NGOs). Although the most common disbursement is grant financing, funding may come in a variety of forms, including concessional loans, guarantees and equity. For the latter modalities in particular, OECD guidelines can be applied to define the type of aid provided. ODA flows can be increased through better programming and delivery as well as training on grant preparation.	Relevant and needs assessment	Both
Lower cost of capital for conservation investments	Set of policy interventions that can lower the barriers that hold back private investment in biodiversity-friendly sectors. The aim is to lower the capital costs of investment and achieve a better risk-return profile for investors and for companies receiving financing. The analytical framework and model developed for renewable energy may be adapted to conservation investments.	Requires assessment	National
Mobilization of private donations	Nature and conservation receive large amount of resources from private donations and philanthropies. Different fund-raising strategies and marketing campaigns are used by non-governmental organizations and conservation societies to raise funding from private citizens including memberships, fundraising events, etc.	Highly relevant and many Pacific examples	Both
Mooring Fees	Fees charged for marine vehicles to moor inside or near a protected area	Highly relevant and many Pacific examples	National
Multilateral ODA	When ODA is channeled through a multilateral development agency such as the United Nations or the World Bank. Biodiversity may be featured in multilateral donor strategies. Additional allocation requires the provision of evidence for clear results and political lobbying. Priorities are negotiated both nationally and internationally. The Global Environment Facility and the Green Climate Fund are among the largest multilateral providers.	Highly relevant and many Pacific examples	Both
Non-State Protected Areas	Formal protected areas governed (and in many cases owned and managed) by a non-state entity such as indigenous peoples and/or local communities; private individuals or organisations; or a combination of these with state involvement. This model allows for the state to forego costs of land purchase in order to establish a protected area, and often results in the management costs of the protected area to be shared between the state and the non-state entity, or carried entirely by the non-state entity.	Highly relevant and good case studies of community -level and SME-level investments including Entrepreneurial Marine Protected Areas (EMPAs)	National
Other PA and tourism fees	Fees and charges other than those listed in other categories	Highly relevant and many Pacific examples	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Payment for Ecosystem Services	Beneficiaries/users of an ecosystem service, such as water regulation, make a direct or indirect payment to the provider of that service in exchange for service provision and maintenance. This "user pays" concept is that whoever preserves or maintains an ecosystem service should be paid for doing so. Beneficiaries/users of an ecosystem service can make a direct payment to the provider of that service through a private contract or an indirect payment through the intermediation of the State who charges the users through a tax or fee. Payments for ecosystem services are mostly found in the water, forest, agriculture and energy sectors. Also known as "Payment for Environmental Services"	Highly relevant and needs further exploration	Both
Payment for Ecosystem Services- private to private	Beneficiaries/users of an ecosystem service make a direct payment to the provider of that service. The system can be voluntary when beneficiaries/users of an ecosystem service make a direct payment to the provider of that service through a private contract. Payments are mostly found in the water, forest, agriculture and energy sectors. For example, Nestle (formerly Vittel) pays farmers to refrain from using chemicals in north-eastern France and the City of New York pays farmers and other land owners to protect watersheds in the Catskill mountains, thus saving billions of dollars by avoiding the construction of major water treatment systems.	Highly relevant and needs further exploration	Both
Payment for Ecosystem Services- state intermediation and/or fee	Beneficiaries/users of an ecosystem service make an indirect payment to the provider of that service through an intermediary such as the state. The narrow definition of PES as a voluntary negotiation among private contractors has been surpassed by the implementation of related but broader schemes characterized by the intermediation of the Government between those who benefit and those who preserve the ecosystems. A public authority disburses the compensation for conservation. To fund these expenditures, countries either rely on the general budget or introduce PES-like taxation systems with special-purpose taxes and fees, targeting the tourism, water, electricity, transport and extractives sectors (i.e. the beneficiaries of the ecosystem services). Mexico has a national level scheme that also encourages the establishment of private to private PES systems.	Highly relevant and needs further exploration	National
Penalties and other compensation for unplanned environmental damage	Compensation paid by a company and/or individual condemned for an environmental crime and/or unintentional damages to the environment. The compensation is usually determined by the law and the assessment of the damage including economic loss and remediation costs. Environmental crimes for which charges are prevalent include illegal wildlife trade, illegal waste practices, man made disasters and spills, etc. Charges can include fixed fines, remediation costs, and economic damages.	Highly relevant, regulations vary between countries and a legal analysis of how to improve effectiveness of these policies could be considered	National
Penalties for illegal hunting and collecting	Penalties and fines for illegal hunting and collecting can generate revenues and discourage loss of rare and valuable species if adequately priced and enforced.	see Fishing	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Private guarant	A private loan guarantee is a financial instrument that encourages financial institutions, i.e. commercial and development banks, to offer loans to new companies. Guarantee programs are specially designed to help entrepreneurs obtain bank financing by dealing with collateral constraints and can be used as well in trade finance. The guarantee functions as a promise by the guarantor to the lender that, in the event that the borrower defaults on payment, the guarantor will repay the lender a specified proportion of the foregone principal. This allows traditional lenders to take risks and learn new markets outside current risk profiles. The scheme can be attached to biodiversity related businesses and can be implemented by civil society organisations receiving funding from diverse actors including private individuals.	Relevant as part of a package with other finance mechanisms	Both
Products sold for conservation or wildlife	A range of products from chocolate, water bottles, toys, cloths, etc. are developed and sold to help generate profit for conservation and endangered species. A significant percentage of profit should go to target NGOs or conservation efforts or the product may be seen as benefitting from marketing nature while not actually contributing (green washing).	Relevant and needs assessment	National
Protected Areas Trust Funds	Environmental Trust Funds established for the financing and support of individual protected areas, regional groupings of protected areas or entire protected areas systems. Funds can be local, national, or include several countries.	Highly relevant and many Pacific examples	Both
Public Guarantees	A public guarantee is a financial instrument that encourages financial institutions, i.e. commercial and development banks, to offer loans to new companies. Public guarantee programs are often part of bilateral or multi-lateral development assistance and seek to address market failures without unintentional distortion of existing banking systems and financial markets. The scheme can be attached to biodiversity related businesses.	Relevant as part of a package with other finance mechanisms	Both
REDD+	Reduced Emissions from Deforestation and Degradation (REDD+) can secure financing for protecting forests and for enhancing sustainable forestry practices. Currently available through voluntary carbon markets, REDD+ projects may be part of national compliance mechanisms in the near future. These projects seek to include biodiversity and social criteria in their design and implementation and are a very cost effective means to climate mitigation.	Blue Carbon	Both
Refining incentives and other regulations in the fishery sector	A wide range of supporting policies and regulations can have an economic impact on the fishery sector including regulating the number of support vessels per fishing vessel, reducing subsidies for fuel and equipment, boats, ice etc. The sector and specific fisheries should be explored from a systems perspective to identify underlying policy, subsidy, and regulatory opportunities.	Highly relevant and many Pacific examples	Both

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Regional Trust Funds	Legal vehicle (trust) that supports biodiversity by mobilizing, blending, and overseeing the allocation of financial assets at the regional level. Examples of regional environmental funds are found in the Caribbean, Central Africa and Pacific regions.	Highly relevant and Pacific examples	Regional
Remittances	Private transfers from a migrant worker (i.e. living in a foreign country for one year or longer) to a receiver (often but not limited to family) in his/her country of origin. When remittances are not used to respond to immediate consumption needs, they can be saved and invested at the benefit of the local economy/ community/ environment of the worker's country of origin. Diaspora bonds, saving products and investments are all available instruments to channel resources towards conservation and other sustainable development investments.	Relevant for seamen?	Both
Social and development impact bonds	A public-private partnership or performance-based financial tool that allows private (impact) investors to provide upfront capital for traditionally public projects that deliver social and environmental outcomes. If the project succeeds, the investors are repaid by the Government (Social Impact Bonds), an aid agency, or other philanthropic funder (Development Impact Bonds) with capital plus interest. If the project fails, the interest and part of the capital is lost. While commonly referred to as a "bond", the solution replicates in essence a payment-for-results scheme. It cannot be compared to commercial bonds, green bonds or other impact bonds as an instrument except in that it seeks to repay capital and provide interest. The approach is also referred to as pay-for-success in the United States and as a social benefit bond in Australia. It can be applied to conservation.	see Blue Bonds	both
Sovereign Wealth Funds	State owned investment funds capitalized from balance of payments surpluses, foreign currency operations, royalties on extractive industries and other transfers and economic rent. Available resources are generally invested in capital and equity markets often through intermediaries to achieve returns. These returns are either re-invested or distributed to the Government or other recipient entities. Their investment policies can be oriented towards sustainable standards and practices-for example by investing a percentage of the capital in green bonds or impact investing. Similarly the distribution of annual transfers may be earmarked to the environmental-particularly if the sovereign fund is capitalized from natural resource royalties.	Highly relevant and needs further assessment	National
Sovereign Wealth Funds-Oil and Gas Funds	State owned investment funds capitalized from royalties on oil and gas. Available resources are invested in capital and equity markets to achieve returns. These returns are either re-invested or distributed to the Government or other recipient entities. Their investment policies can be oriented towards sustainable standards and practices-for example by investing a percentage of the capital in green bonds or impact investing. Similarly the distribution of annual transfers may be earmarked to the environment and climate change-particularly due to the fact of the negative impact of oil and gas on the environment and climate.	Highly relevant and needs further assessment	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Stormwater runoff fees and incentive systems	Increasing impermeable infrastructure and the loss of habitats and ecosystems that absorb stormwater creates problems for urban areas during heavy rain events. Urban areas have established increased stormwater runoff fees based on surface area of impervious surface by owner to generate revenue to address infrastructure issues (i.e. build additional water treatment plants) and encourage inclusion of permeable structures in design and new construction. Some cities have been testing offset systems that allows trading of water absorption credits among urban and periurban areas operating in the same watershed.	Relevant as part of a holistic ridge to reef finance program	National
Tarrifs, fees and taxes in the water sector	The category includes general (local and national) taxes and special levies charged in exchange for a service, for example water and wastewater bills, property assessments, fees/charges to improve the quality of the water and developer fees which may fund water infrastructure rehabilitation, etc.	Relevant as part of a holistic ridge to reef finance program	National
Taxes and fees in the tourism sector	The collection of taxes and fees (or comparable instruments such as the sale or auctioning of concessions) from the tourism sector and/or tourists can provide ring-fenced financing for conservation either through retaining fees, revenue sharing agreements with communities, or receiving earmarked transfers from the central government.	Highly relevant and many Pacific examples	National
Taxes and fees in the wildlife sector	Taxes, fees, royalties, quotas, and permits for wildlife capture, hunting, and trade. These mechanisms can be used to generate revenue and to support the sustainable use of wildlife including wild animals, plants, and fungi.		National
Taxes on fuel (detailed review)	Sale tax on fuel (i.e. on coal, gas, oil). Any individual or firm who purchases fuel for his/her automobile, home heating, or any other purpose, is charged. Fuel taxes can reduce the consumption of fossil fuels and greenhouses emissions (i.e. a carbon tax) and price other negative externalities (e.g. air pollution and congestion) while generating public revenues. Revenues maybe allocated to environmental purposes.		National
Taxes on natural resources (non-renewables)	Tax placed on the consumption or economic use of non-renewable natural capital. Sometime they are also referred to as natural capital levies. This broad category includes taxes on fuels and carbon.		National
Taxes on pesticides and fertilizers (detailed review)	Taxes on certain pesticides and fertilizers can both generate resources while simultaneously improving the state of the environment. The introduction of taxes and import duties on certain pesticides and mineral fertilizers can both reduce the overuse of harmful substances and generate fiscal revenues in the short term. This mechanism is a simple implementation of the polluter-pays-principle. Revenues maybe allocated to environmental purposes.	Relevant and needs assessment	National

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Taxes on renewable natural capital (detailed review)	Any fee, charge or tax charged on the extraction and/or use of renewable natural capital (e.g. timber or water). Following the polluter-pays or user-pays principles, these levies help to capture the production value of nature and internalize the true cost of ecosystem degradation by influencing the price of the natural capital "consumed". Note: this solution is also captured in more specific solutions for Forestry sector and Water sector independently. (This is a general category captured elsewhere as well).	See Fisheries	National
Taxes, fees and quotas in the fishery sector	The taxation of the fishery sector and/or the introduction of fees and quotas can provide ring-fenced financing for conservation as well as influence market behavior in order to reach a biologically and economically sustainable level of fish stocks and harvests (i.e. reduce over-fishing).	Highly relevant and many Pacific examples	National
Tourism, real estate and commercial concessions	Fees charged for the permit of opening or running a business in a protected area, e.g. hotel, restaurant or artisanal shop. The right to open a business maybe also auctioned. The category also includes fees charged for private homes, rights of way for electrical lines, communication infrastructure, pipelines, etc.	Highly relevant and many Pacific examples	National
Trust funds (detailed review)	Legal vehicle (trust) that supports biodiversity by mobilizing, blending, and overseeing the allocation of financial assets. It is a country-driven solution that should feature a clear focus, a rigorous project approval and implementation process, solid monitoring and evaluation frameworks, and strict control over asset/financial management and investment. The term encompasses conservation funds, carbon funds and other environmental funds. They can be regional, national or sub-national. Common type of capital structures include endowment, sinking and revolving funds.	Highly relevant and many Pacific examples	Both
Venture capital	Type of equity financing that responds to the need of companies that due to size, assets or stage of development cannot seek capital from more traditional sources, such as public markets and banks. Venture capitalists play a more active role in the companies they invest in, mostly small, early-stage and high-growth companies. They are also ready to face higher risks on a longer investment horizon. Venture capital strategies are suitable for higher-risk developing countries' markets or for targeting business opportunities in new and innovative niches and products. Conservation investment may become of interest to venture capitalists.	Relevant and needs assessment	Both
Voluntary climate financing	Voluntary markets exist for a variety of climate mitigation actions including sustainable forestry (see REDD+), agriculture, and rangelands. Companies and individuals purchase voluntary carbon credits for moral, public relations, and internal policy purposes.	Blue carbon markets could be considered; Analysis of the nexus between climate finance and ocean finance in the Pacific context would be valuable	Both

Solution Type (From BIOFIN)	Description (from BIOFIN)	Relevance to Pacific Ocean Finance	Regional and/or National Scales (Pacific Region)
Wastewater fees	Where separate from water fees, wastewater fees include basic sewer and waste water discharge fees meant for cost recovery and can include differential fees for private vs commercial users. Wastewater discharge permit fees may include some economic costs of damage.	Relevant as part of a holistic ridge to reef finance program	National
Wetland banking	Measurable conservation outcome resulting from a trading system (or market) where offset credits are tradable units of exchange defined by the ecological value associated with verifiable changes and management of a natural wetland habitat. A mitigation bank is a wetland, stream, or other aquatic resource area that has been restored and preserved for the purpose of providing compensation for expected adverse impacts to similar ecosystems nearby. The value of a bank is defined in compensatory mitigation credits that can be traded or sold. Most systems are designed for no net loss of wetlands even following residual development impacts.	Highly relevant, regulations vary between countries and a legal analysis of how to improve effectiveness of these policies could be considered	National
Wetland use fees	Fees and permit expenses allowing access to use wetlands	Depends on customary tenure and ocean governance system of the country	National
Wildlife impact bond (payment for results)	A social and development impact bond where resources are linked outcomes featuring the protection or conservation of wildlife.	Highly relevant and needs further assessment	Regional or Multi-country

Appendix 3. Ocean Finance Solution Register

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Pacific Resilience Facility	Oceania		Grants and loans	In development by PIFS	Proposed	https://www.forumsec.org/2018-femm-the-pacific-resilience-facility/	
Antigua and Barbuda Protected Area	Caribbean	Antigua and Barbuda	Non-State Protected Areas	Proposed private public partnership between Blue Finance (intermediary), investors, and the government to improve the finance and management of an existing protected area using private monies.	Proposed	http://blue-finance.org/?page_id=45	
EPBC Biodiversity Offsets & Reef Calculator	Oceania	Australia	Biodiversity Offsets	Marine biodiversity offsets for approved damage to the Great Barrier Reef.	Active	http://www.environment.gov.au/marine/gbr/reef-trust/offsets	Walsh et al 2017
Great Barrier Reef Marine Park - Environmental Management Charge	Oceania	Australia	Entrance fees	The environmental management charge (EMC) is a charge associated with most commercial activities, including tourism operations, non-tourist charter operations, and facilities, operated under a permit issued by the Great Barrier Reef Marine Park Authority (GBRMPA). For most tourism operations, Marine Park visitors participating in a tourist activity are liable to pay the charge to the permittee, who then remits the charge to GBRMPA. Other operations in the Marine Park such as those involving the hire of equipment, installation and operation of tourist facilities, underwater observatories, sewage outfalls and vending operations, must pay fixed quarterly charges to GBRMPA. The funds received from the EMC are vitally important in the day-to-day management of the Marine Park and in improving its long-term resilience. All funds received as EMC payments are applied directly to management of the Marine Park.	Active	http://www.gbrmpa.gov.au/zoning-permits-and-plans/environmental-management-charge	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Reef Recovery Program - Magnetic Island	Oceania	Australia	Not a biofin category - Voluntourism	The Reef Recovery program for Magnetic Island is a research project with 3 parts: Knowledge, Field Research and Communication. Incorporating international students, local businesses, community members, national government and global conservationists doing regenerative work on inshore reefs, making this program the first of its kind on the Great Barrier Reef.	Active	https://scistarter.com/project/17446-Great-Barrier-Reef-Recovery-at-Magnetic-Island#sthash.Rs0JKLij.dpbs	
Reef Rescue Loan Fund	Oceania	Australia	Green lending	Concessionary debt for agricultural landowners who meet water quality and nutrient criteria.	Proposed	http://www.environment.gov.au/marine/gbr/reef-trust/partnerships	Walsh et al 2016
Arannayk Foundation	Indian Ocean	Bangladesh	Trust funds	Arannayk was established through a debt reduction programme under the provisions of the US Tropical Forest Conservation Act (TFCA) of 1998. But since 2007, Arannayk has received US\$4 million from the World Bank, US\$1 million from GIZ, and financial and technical support from other development partners, and it has invested this together with the remaining debt reduction balance to create a tax-exempt endowment (currently US\$3.5 million).	Active	www.arannayk.org/	http://pubs.iied.org/pdfs/16574IIE D.pdf
Barbados Marine Management Area	Caribbean	Barbados	Non-State Protected Areas	Proposed private public partnership between Blue Finance (intermediary), investors, and the government to improve the finance and management of an existing protected area using private monies.	Proposed	http://blue-finance.org/?page_id=53	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
The Protected Areas Conservation Trust	Americas	Belize	Trust funds	Initial capital was provided by USAID (US\$72,000), but PACT is primarily financed through a revolving fund generated through tourism taxes or conservation fees, including a 20 per cent commission on cruise ship passenger fees and a US\$3.75 visitor departure fee (about 10 per cent of total departure fees). Five per cent of total revenues are now deposited in an endowment fund, to be used in extreme circumstances and is currently approximately BZ\$6 million. PACT also manages a sinking fund created through a small debt-for-nature swap with the US government under the TFCA.	Active	https://www.adaptation-fund.org/ie/protected-areas-conservation-trust	http://pubs.iied.org/pdfs/16574IIE D.pdf
Bonaire Marine Park	Caribbean	Caribbean	Entrance fees	Entrance fee for the marine park. Current rate is \$25 per person.	Active	http://stinapabonaire.org/bonaire-national/	(Dixon & Scura 1993); (de Groot and Bush 2010).
Environment Protection Fund	Oceania	Cook Islands	Taxes and fees in the tourism sector		?	?	
Marae Moana Sustainable Finance Mechanism in development	Oceania	Cook Islands	TBD	TBD	Proposed	https://oceanconference.un.org/commitments/?id=20139	
Curacao Marine Parks	Caribbean	Curacao	Entrance fees	Past entrance fees for the park. According to references, not successful possibly due to private sector involvement.	Past		Uyarra 2010; de Groot and Bush (2010);

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Curacao Marine Parks	Caribbean	Curacao	Entrance fees	Proposed entrance fees for the marine park.	Proposed	http://waittinstitute.org/wp-content/uploads/2016/11/Curacao-Literature-Review-2016.pdf	Waitt Institute 2017
Curacao Marine Parks	Caribbean	Curacao	Taxes and fees in the tourism sector	"Given that tourism is a crucial part of Curaçao's economy and relies heavily on the health and aesthetics of Curaçao's ocean ecosystems, Curaçao should identify opportunities to impose reasonable taxes and fees on island visitors. Such taxes and fees should target cruise-ship passengers, divers, snorkelers, and non-resident recreational sport-shers, as well as fees accompanying hotel stays."	Proposed	http://www.researchstationcarmabi.org/wp-content/uploads/2017/08/Waitt-2017-Status-of-Curacaoan-reefs_Low-Res-1.pdf	Waitt Institute 2017
Easy Divers	Caribbean	Curacao	Entrance fees	?	?	?	?
Galapagos National Park	Americas	Ecuador - Galapagos	Entrance fees	All tourists visiting the Galapagos Islands must pay an entry tax to visit the archipelago. The amount of this entrance fee depends on the age and nationality of the tourist. Most foreign tourists over the age of 12 pay \$100, while children pay \$50. Funds from the entry tax for tourists are used to finance the conservation of biodiversity of flora and fauna, terrestrial and marine, and benefits the local community by improving basic services, education projects, sports, health, environmental sanitation, environmental services and services directly related to tourists.	Active	https://www.galapagosislands.com/travel/transportation/entry-fees.html	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Drua Incubator - Pacific Climate Finance and Insurance Incubator		Fiji		bring together leaders in finance, investment and insurance to develop and "incubate" transformational and scalable financial and insurance products that meet the specific requirements of Pacific Small Island Development States	Proposed	https://cop23.com.fj/initiative-develop-pacific-finance-insurance-products-launched-e1-million-support-luxembourg/	
Reef Explorer Fiji Ltd	Oceania	Fiji	Ecotourism enterprise	Ecotourism enterprise including reef restoration and education	Active	https://www.facebook.com/Reef-Explorer-Fiji-Ltd-1655531604714267/	
Waitabu Marine Park	Oceania	Fiji	Non-State Protected Areas	Locally managed marine area funded by entrance fees	Active	http://www.waitabu.org	
Ba Province	Oceania	Fiji	Fishing License Fee	\$2500 per licence	Active		SPC funded feasibility report
Bega Adventure Divers	Oceania	Fiji	Non-State Protected Areas	Established in 2003 with the intent to fund the establishment and management of a new shark-protection MPA and in October 2014 the MPA was granted National Marine Park status.	Active	http://fijisharkdive.com	(Brunnschweiler 2009; Brunnschweiler & Barnett 2013; Brunnschweiler et al. 2014; Brunnschweiler & Ward-Paige 2014), Walsh 2017
Bioprospecting	Oceania	Fiji	Bioprospecting	Strathclyde Institute of Drug Research (broker for Japanese firms; 1997; \$35k; and PharmaMar (Spain; \$50k 2007)	Past		

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Environmental Levy	Oceania	Fiji	Taxes and fees in the tourism sector	Environmental levy in Fiji. Intended for conservation but it is not currently ringfenced for conservation.	Active	Fiji Revenue & Customs Authority 2016. Environmental levy. www.frca.org.fj/environmental-levy-2/	
Lawaki Beach House MPA (Beqa Island)	Oceania	Fiji	Non-State Protected Areas	Tourism accommodation and adjacent marine protected area. Raises \$7-8k per year for the Naceva community to use for community projects.	Active	http://www.lawakibeachhousefiji.com	
Leleuvia Island Resort	Oceania	Fiji	Non-State Protected Areas	Eco resort that funds adjacent marine protected area	Active	http://www.leleuvia.com	
Namena Marine Reserve (Kubalau District, Vanua Levu)	Oceania	Fiji	Non-State Protected Areas	Community-managed MPA in Fiji that charges access fees to offset funding from international nonprofit organisations and other philanthropic sources.	Active	http://www.namena.org	(Goetze & Fullwood 2013; Weeks & Jupiter 2013).
Vatu-I-Ra seascape voluntary contribution	Oceania	Fiji	Entrance fees		Proposed		SPC funded feasibility report
Vatuvara Private Island Resort and Foundation	Oceania	Fiji	Non-State Protected Areas	Eco resort that funds adjacent marine protected area	Active	https://www.vatuvara.com	
Yela Forest Easement	Oceania	FSM - Kosrae	Conservation easements	First conservation easement outside continental USA for a forest in Kosrae	Active	https://blog.nature.org/conservancy/2014/03/31/protecting-the-yela-forest-a-new-and-improved-conservation-tool-for-micronesia/	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Althelia Sustainable Ocean Fund	Global	Global	Green lending	Althelia is raising funds for its Sustainable Ocean Fund, backed by the European Investment Bank and AXA Investment Management, in partnership with Conservation International.	Active	https://althelia.com/initiatives/oceans-fund/	
Blue Natural Capital Financing Facility	Global	Global			Active	www.bluenaturallcapital.org	IUCN
CI Ventures	Global	Global	Green lending	Up to \$500k USD concessional debt for deals where CI has active presence	Proposed		
Credit Suisse Green Bond	Global	Global	Green lending	Allows for conservation finance deals, no minimum benchmark	Active		
Fish Tracker Initiative	Global	Global	Green lending	aims to help align global capital markets with the sustainable management of fisheries and aquaculture	Active	http://fish-tracker.org/approach/	
Global Ecosystem Resilience Facility (GERF)	Global	Global		Risk, resilience bonds, insurance	Active		Willis Towers Watson
Global Environmental Fund	Global	Global	Green banks	Global Environment Fund (GEF) is a global alternative asset manager established in 1990 that has grown into one of the leading investment firms dedicated to the energy, environmental, and natural resources sectors. We use our sector knowledge and core values to identify and partner with leading companies, and experienced management teams, whose business models deliver energy and resource efficiency by "lightening the footprint" of traditional industries. To date, GEF has invested approximately \$1.0 billion in companies operating in these sectors worldwide.	Active	http://gefcapital.com	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Oceanis Partners	Global	Global	Green lending	Oceanis Partners was a past organisation that provided advice to investors on how to capitalise on the transition to sustainable seafood and aquaculture	Past	Nil	
Oceans 5	Global	Global	Philanthropy	Donors collaborative	Active	www.oceans5.org	
Gili Trawagan - Biorock coral restoration and PADI course	Coral Triangle	Indonesia - Bali	Non-State Protected Areas	Entrepreneurial Marine Protected Area	Active	http://trawangandive.com/diving-and-courses-at-trawangan-dive-gili-trawangan/trawangan-dive-reef-restoration-program-on-gili-trawangan-lombok-indonesia.html	Bottema and Bush 2013
Yayasan Karang Lestari (Foundation for Protected Coral)	Coral Triangle	Indonesia - Bali	Non-State Protected Areas	Entrepreneurial Marine Protected Area	Active	founded by owner of Taman Sari Resort; http://karanglestaribali.com/about/	Bottema and Bush 2012
Komodo PPP	Coral Triangle	Indonesia - Komodo	Non-State Protected Areas	Past private public partnership for the management of the national park	Past	https://ifcextapps.ifc.org/ifcext/Pressroom/IFCPressRoom.nsf/0/7B5F1CD246F58BA18525702D004B681E?OpenDocument	Agardy et al 2014
Kri Eco Resort	Coral Triangle	Indonesia - Raja Ampat	Non-State Protected Areas	Eco resort that works closely with NGO partners in the management of the protected area	Active	https://papua-diving.com/kri-eco-resort-2/	
Misool Resort	Coral Triangle	Indonesia - Raja Ampat	Non-State Protected Areas	Eco resort and marine protected area that were established with private funding to protect sharks and provide local community livelihoods.	Active	https://www.misool.info/our-mission/	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Raja Ampat Marine Park	Coral Triangle	Indonesia - Raja Ampat	Entrance fees	Visitors at Raja Ampat Marine Park pay 1,000,000 Rupiah	Active	https://www.stayrajaampat.com/ultimate-raja-ampat-guide/information/raja-ampat-marine-park-entry-permit-tag/	Stay Raja Ampat 2016
Phoenix Islands Protected Area (PIPA)	Oceania	Kiribati	Trust funds	PIPA Trust's Endowment Fund (PTEF), which will be capitalized by private and public contributions. The disbursement of funds by the PIPA Trust to the government will be outlined in a contract between the two parties. The revenues from the endowment will go to cover (1) the annual fixed and variable costs associated with managing PIPA in accordance with the Management Plan, and (2) payments to the Government of Kiribati for ensuring that exploitation of all or part of PIPA remains limited or prohibited. The funds of the Trust (PTEF) will be professionally managed by a private third party.	Active	http://www.phoenixislands.org	
Madagascar Biodiversity Fund	Indian Ocean	Madagascar	Trust funds	The Foundation will provide financial support for all major management activities such as conservation, ecotourism, education, and to a lesser extent, research. Development activities in protected area buffer zones, however, will not be a priority as there are already national development programs which reach these regions. One part of the Foundation's endowment fund is earmarked for the creation of new protected areas, including MPAs	Active	http://www.fapbm.org/en	https://www.wiomsa.org/mpatoolkit/Themesheets/E4_Environmental_trust_funds.pdf
Lankayan Island Dive Resort	Coral Triangle	Malaysia	Non-State Protected Areas	Eco tourism resort that funds management of surrounding marine park. They have produced significant reduction in illegal fishing and turtle egg poaching.	Active	http://lankayan-island.com	Teh et al. 2008

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
	Oceania	Marshall Islands	Fines	Shark finning enforcement fines	Active	https://allislandscommittee.org/abouta/jurisdictions/rmi/	
Blue Fee	Oceania	Marshall Islands	Ecological fiscal transfer	internal financial initiative that uses a percentage of the islands tuna fund for financing national biodiversity conservation effort and climate adaptation efforts	Active	http://www.sprep.org/biodiversity-ecosystems-management/qblue-fee-to-fund-conservation-and-climate-adaptation-efforts-in-the-marshall-islands	
Fees for Japan-based longliner	Oceania	Marshall Islands	Fisheries licensing fee	US \$8000 per trip; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Fees for locally-based foreign longliner	Oceania	Marshall Islands	Fisheries licensing fee	US \$8000 per trip; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Fisheries transshipment fees	Oceania	Marshall Islands	Fisheries licensing fee	US \$547,000 in 2014; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016; MIMRA 2015

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Fishing violation fines	Oceania	Marshall Islands	Fisheries licensing fee	US \$ 825,000 in 2014; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016; MIMRA 2015
Marshall Islands Bilateral fisheries agreement with Japan	Oceania	Marshall Islands	Fisheries licensing fee	Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Marshall Islands fisheries agreement with Federated States of Micronesia	Oceania	Marshall Islands	Fisheries licensing fee	Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Marshall Islands fisheries agreement with United States	Oceania	Marshall Islands	Fisheries licensing fee	Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Observer fees	Oceania	Marshall Islands	Fisheries licensing fee	US \$561,924 in 2014; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016; MIMRA 2015
Pole-and-line access fees	Oceania	Marshall Islands	Fisheries licensing fee	Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Purse seiner fees	Oceania	Marshall Islands	Fisheries licensing fee	US \$5000 per trip; Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Vessel Day Scheme	Oceania	Marshall Islands	Fisheries licensing fee	Total government revenue from fisheries access fees: in 2014 was US\$102.9 million (Graduate School 2015). The access fees given in the table above therefore represent 16.4% of government revenue during the year.	Active		Gillet 2016
Waliwa Marine Managed Area	Caribbean	Martiniqu e	Non-State Protected Areas	Proposed private public partnership between Blue Finance (intermediary), investors, and the government to improve the finance and management of an existing protected area using private monies.	Proposed	http://blue-finance.org/?page_id=53	
Banc d'Arguin Coastal and Marine Biodiversit y Trust Fund	Africa	Mauritania	Trust funds	BACoMaB was established in 2009 with the aim of ensuring long term financing for Banc d'Arguin national Park (PnBA), a UnESCo World Heritage Site and the largest marine park in Africa.	Active	www.bacomab.org/	http://pubs.iied.org/pdfs/16574IIE D.pdf
Mexican Fund for the Conservati on of Nature	Americas	Mexico	Trust funds	Seed capital was provided by the US and Mexican governments and a group of US private philanthropic donors, and FMCn now manages an endowment of US\$120 million, which is complemented by a stream of earmarked sinking funds raised from diverse sources at a rate of US\$3-4 million per year.	Active	https://fmcn.org/?lang=en	http://pubs.iied.org/pdfs/16574IIE D.pdf

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Root Capital	Americas	Mexico	Green lending	Root Capital is a nonprofit social investment fund that grows rural prosperity in poor, environmentally vulnerable places in Africa and Latin America by lending capital, delivering financial training and strengthening market connections for agricultural small and growing businesses. Previous marine investment: \$6 million USD in subsidised loans to a crab processing company in Mexico to improve the sustainability of that fishery.	Active	www.rootcapital.org	Ormeno 2013
Solidaridad Eco Tax	Americas	Mexico	Taxes and fees in the tourism sector	Mexico's Municipality of Solidaridad has implemented a new eco tax that will be payable at hotels effective October 1 2017. Designed "to help maintain the beaches and ecosystem in Riviera Maya" and "maintain and conserve the natural beauty of the destination," the tax of 10 Mexican pesos per room per night will be collected through December 31, 2017. As of January 1, 2018, the tax will increase to 20 Mexican Pesos per room per night. The funds raised will be deposited in an environmental trust fund.	Active		
Reef and Beach Resilience and Insurance Fund	Americas	Mexico - Cancun and Puerto Morelos	Environmental risk insurance	The fund features the first-ever insurance policy on nature– a stretch of coral reef and beach–based on its protective service– that will pay out to repair and restore the reef in the event of a major storm. The fund is designed to bring new private capital to coral reef and beach protection and restoration– and demonstrate a replicable way to monetise the protective services of the reef to the tourism and hotel sectors of Cancún and Puerto Morelos, Mexico– through a public-private collaboration.	Active	https://global.nature.org/content/insuring-nature-to-ensure-a-resilient-future	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Mesoamerican Reef Fund	Americas	Mexico, Belize, Guatemala, Honduras	Trust funds	MAR was created in 2004 to help support financing of the conservation and sustainable use of the marine and coastal ecosystems of the Mesoamerica reef, an ecoregion shared by four countries (Mexico, Belize, Guatemala and Honduras). Endowed fund.	Active	marfund.org/en/	http://pubs.iied.org/pdfs/16574IIE D.pdf
Micronesia Conservation Trust	Oceania	Micronesia	Trust funds	Created in 2002, the Micronesia Conservation Trust (MCT) supports biodiversity conservation and related sustainable development for the people of Micronesia. MCT accomplishes this by providing long-term, sustained funding through a grants program that encourages people to adopt sustainable and appropriate solutions to local environmental challenges. The MCT is a private corporation that is working to mobilise funding from a variety of public and private sources to build an endowment of US \$20 million to provide long-term support for sustainable biodiversity resource management in Micronesia.	Active	http://www.ourmicronesia.org	
Caribbean Biodiversity Fund	Caribbean	Multiple	Trust funds	Established in September 2012, The Caribbean Biodiversity Fund (CBF) is a regional fund whose objective is to provide a sustainable flow of resources to support activities that contribute substantially to the conservation, protection and maintenance of biodiversity within the national protected areas systems or any other areas of environmental significance of its participating countries. The CBF channels support to multiple National Conservation Trust Funds (NCTFs) established in the participating countries.	Active	www.caribbeanbiodiversityfund.org/en/about-cbf	http://pubs.iied.org/pdfs/16574IIE D.pdf

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Pacific Development and Conservation Trust	Oceania	Multiple	Trust funds	The Trust provides grants for a range of conservation, cultural heritage, development and goodwill projects and activities in the Pacific. Managed by NZ government.	Active	https://www.communitymatters.govt.nz/pacific-development-and-conservation-trust/	
OneReef	Oceania	Palau	Enhanced Land or Marine Stewardship	With support from us, communities and local partners protect 350,000 acres of reef for an annual cost of \$3/acre. We finance stewardship functions, provide immediate benefits to key stakeholders, and foster a measurable ecological response that produces community-wide benefits. When we invest, communities receive jobs, new skills, and healthy reefs.	Active	http://onereef.org	
Palau PAN Fund	Oceania	Palau	Entrance fees	Fund that manages monies raised from the entrance fee that generates \$3 million USD annually to offset government costs of managing the marine resources	Active	http://www.palaupanfund.org	(Agardy and Pascal 2014)
Purse Seine License	Oceania	Palau	Fishing License Fee	\$2.1M per year (purse seine)	Active		
Stand with Palau	Oceania	Palau	Crowd funding	Crowdfunding campaign hosted by Indiegogo that raised funds towards Palau's marine sanctuaries.	Past	https://www.indiegogo.com/projects/stand-with-palau#/;	https://www.scientificamerican.com/article/island-nation-sets-up-worlds-first-crowdfunded-marine-protected-area/

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Mama Graun Conservation Trust Fund	Oceania	Papua New Guinea	Trust funds	Endowed at \$150k in 2006 by David and Lucille Packard Foundation	Active	https://www.facebook.com/pages/Mama-graun-conservation-trust-fund/159389817427007	
Local community whale shark ecotourism venture	Coral Triangle	Philippines - Donsol Bay	Diving fees	Donsol Bay, in the Philippine province of Sorsogon, attracts huge numbers of whale sharks. WWF supports local community groups in operating a successful ecotourism venture around whale shark tourism. The majestic creature, known locally as butanding, has provided a steady source of income for the community, and is now zealously protected by the locals.	Active	http://wwf.panda.org/what_we_do/where_we_work/coraltriangle/solutions/tourism/	
Tubbutaha MPA	Coral Triangle	Philippines - Tubbutaha	?	Located in the Sulu Sea, southern Philippines, it is a UNESCO World Heritage Site and a recently declared ASEAN Heritage Park. The park is considered the country's premier scuba-diving destination. As an MPA, Tubbutaha, which covers over 97,000 ha of reefs, attracts tourists from all over the world on live-aboard dive trips, while helping support the nearby municipality of Cagayancillo.	Active	http://wwf.panda.org/what_we_do/where_we_work/coraltriangle/solutions/tourism/	
Meloy Fund	Coral Triangle	Philippines and Indonesia	Green lending	Equity to sustainable coastal fishing-related enterprises in the Philippines and Indonesia; Above market rate	Active	https://www.rare.org/meloy-fund#.WhODTcbMwgc	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
SeyCAT	Indian Ocean	Seychelles	Debt-for-Nature Swaps	The first ever climate adaptation debt restructuring that also includes a strong marine conservation component was finalized between the Government of Seychelles and its Paris Club creditors. The financing will promote implementation of a Marine Spatial Plan for the entire Seychelles Exclusive Economic Zone. The deal will also ensure approximately 400,000 km ² will be managed for conservation as marine protected areas (MPAs) within five years. The debt restructuring uses a combination of investment capital and grants.	Active	http://www.naturevesttnc.org/business-lines/debt-restructuring/seychelles-debt-restructuring/	
Seychelles Blue Bond	Indian Ocean	Seychelles	Blue bonds	Government of the Seychelles plans to issue a \$15 million 'blue bond', guaranteed by the World Bank and the Global Environment Facility, the proceeds of which will be used to support the island nation's transition to sustainable fisheries	Active	http://www.naturevesttnc.org	
Arnavon Community Marine Conservation Area Trust Fund	Oceania	Solomon Islands	Trust funds	Visitor fees and donations	Active	http://www.arnavons.com/landscape	
Conservation Agreement Fund	Oceania	Solomon Islands	Trust funds	Tetepare Island is the largest uninhabited island in the South Pacific and one of the last remaining unlogged islands in the Solomon Islands. In 2002 the island's customary landowners formed the Tetepare Descendants' Association (TDA) to avoid imminent commercial logging of the island. The Conservation Agreement Fund supports both SICCP and TDA through a dedicated project endowment established in partnership with the Conservation International's Global Conservation Fund (www.conservation.org/gcf) through a generous contribution from AusAID.	Active	http://www.conservationagreementfund.org/?page_id=21	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Longline License Fee	Oceania	Solomon Islands	Fisheries licensing fee	Approx \$200 million SBD per year to Solomon Islands Government	Active		Gillet 2016
West 'Are'Are Rokotani ke ni Association (WARA)	Oceania	Solomon Islands	Microfinance	Women's savings clubs that allow loans to be taken out for investments that meet eco-criteria	Active		Dr. Alice Pollard
WWF - Microfinance - Western Province	Oceania	Solomon Islands	Microfinance	Women's savings clubs that allow loans to be taken out for investments that meet eco-criteria	Active		Shannon Seeto - WWF
St. Kitts and Nevis Marine Management Area	Caribbean	St. Kitts and Nevis	Non-State Protected Areas	Proposed private public partnership between Blue Finance (intermediary), investors, and the government to improve the finance and management of an existing protected area using private monies.	Proposed	http://blue-finance.org/?page_id=53	
Chumbe Island Coral Park Ltd	Africa	Tanzania / Zanzibar	Non-State Protected Areas	Private ecotourism resort and nature reserve. Established in 1991 as arguably the world's first entrepreneurial MPA. The reserve includes a fully protected Coral Reef Sanctuary and Forest Reserve that harbour rare wildlife, a Visitor and Education centre, a small eco-lodge, nature walks and historical monuments. The overall aim is to create a model of financially and ecologically sustainable park management, where ecotourism supports conservation, research and comprehensive Environmental Education programs for local schools and other benefits for local people.	Active	http://www.chumbeisl and.com	Nordland et al 2013
Agricultural conservation easements	Oceania	US-affiliated Pacific Islands	Conservation easements	Geospatial database of existing easements	Active	https://datagateway.nrcs.usda.gov ; http://gdwweb1.ftw.nrcs.usda.gov	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Compensatory Mitigation - USACE Wetland Rule	Americas	USA	Biodiversity Offsets	Regulation in the United States required approved damages to protected wetlands - including coral reefs - to be offset.	Active	https://www.epa.gov/cwa-404/compensatory-mitigation	
Hanauma Bay Marine Life Conservation District	Oceania	USA - Hawaii	Entrance fees	Entrance fees cover the cost of management for the government-managed protected area	Active	https://hanaumabaystatepark.com	(Mak 1995, 1998).
California Fisheries Fund	Americas	USA - West Coast	Green lending	Since 2008, the California Fisheries Fund has provided \$2.5 million dollars in subsidised loans for "sustainable commercial fishing" businesses on the west coast of the United States.	Active	http://www.californiafisheriesfund.org	
Sea Change Investment Fund	Americas	USA - West Coast	Green lending	SeaChange Fund is a private equity firm that invests in "seafood companies that expand the market for environmentally preferable seafood."	Past	Nil	
Domestic licenses	Oceania	Vanuatu	Fisheries licensing fee	"domestic licences (VT 28 million in 2014"	Active		Gillet 2018
Foreign fishing access fee - longline	Oceania	Vanuatu	Fisheries licensing fee	From Gillet 2016: "Longline fishing: Fisheries Department (2015) states that foreign long- line fleets from Fiji (3 vessels), China (49), Taiwan (5), and Vanuatu ³ (7) fished in Vanuatu waters, in 2014, for tuna and tuna-like species under bilateral access agreements. According to the Fisheries Department's Principal Surveillance Officer, Vanuatu received VT 280 million for fishing licences. Of this amount, 10% is for domestic licences (i.e. game fishing and deep-slope fishing) and 90% is for fishing access to the Vanuatu zone and authorisations to fish (ATFs) (W. Obed, per. com. August 2015). ATFs are for Vanuatu-flagged fishing vessels to fish outside Vanuatu waters and are not for fishing access to the Vanuatu zone. "	Active		Gillet 2017

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Foreign fishing access fee - purse seine	Oceania	Vanuatu	Fisheries licensing fee	From Gillet 2016: "Purse seine fishing: Under the terms of the US multilateral tuna treaty, Vanuatu and other Pacific Island countries receive payments from the US government and the US tuna industry that are associated with fishing access by US purse seine vessels. Some Pacific Island countries consider that all payments under the US treaty are for fishing access, while others treat some components as aid. ² Fishing by the US purse seiners has not occurred in Vanuatu waters since the 2003/04 licensing period, when 217 mt of tuna was caught (US/NMFS unpublished public domain data). According to unpublished data from the US government and the Forum Fisheries Agency, in 2014 Vanuatu received US\$555,815 (VT 56,976,596) by way of treaty payment. "	Active		Gillet 2016
Lelepa Island Tours	Oceania	Vanuatu	Non-state protected area	Community-run enterprise that brings tourists from Efate to Lelepa Island. Tour includes snorkeling, bush walk, lunch, and village visit. Marine protected area was designated by the community for the tour. The customary owner of the MPA site is paid monthly. The company is working on the paperwork with the government to officially register the MPA.	Active		Pers comm Aaron Peter
Moso Island - GVI	Oceania	Vanuatu	Not a biofin category - Voluntourism	Volunteers pay per week to do eco-volunteer holiday	Active	https://www.gviaustralia.com.au/volunteer-overseas/	

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFEREN CES
Naiwe Beach Turtle and Shark Tour	Oceania	Vanuatu	Ecotourism enterprise	Community run ecotourism enterprise featuring turtles and sharks in enclosures along a small lagoon. Turtles are collected when they hatch and then kept until they are a few years old and released. The "mother" turtle is also held for up to two years at a time. Large lemon shark and black tip reef sharks are collected and kept in other enclosures. Tourists pay a fee to view the animals, swim with the turtles, and have a BBQ lunch. The business employs 12 local villagers and profits are shared with the local school and church. Since the government banned eating sea turtles, they feel that the community supports the enterprise. Costs are VT 1700 per adult and VT 800 per child. On cruise ship days they receive 300+ tourists and on other days, approx 150 tourists. Controversial regarding animal welfare	Active	None	Pers. comm. Hammond David.
Various - individually negotiated dive operator and communities	Oceania	Vanuatu	Diving fees		Active		see SPC report
Worsiviu (Pele Island) snorkel fee and also Australian Steiner school eco-tours	Oceania	Vanuatu	Entrance fees		Active		SPC report

NAME	REGION	COUNTRY	MECHANISM	DESCRIPTION	STATUS	WEBSITE	REFERENCES
Con Dao MPA	Asia	Vietnam	Entrance fees	Marine protected area that charges an entrance fee and uses the funds for management	Active	https://www.mangroveforthefuture.org/assets/Repository/Documents/MPA-MEE-final-report-22-Sep-Final-TA.pdf	Walton et al 2015
Cu Lao Tram MPA	Asia	Vietnam	Entrance fees	Marine protected area that charges an entrance fee and uses the funds for management	Active	https://www.mangroveforthefuture.org/assets/Repository/Documents/MPA-MEE-final-report-22-Sep-Final-TA.pdf	Walton et al 2016
Ha Long MPA	Asia	Vietnam	Entrance fees	Marine protected area that charges an entrance fee and uses the funds for management	Active	https://www.mangroveforthefuture.org/assets/Repository/Documents/MPA-MEE-final-report-22-Sep-Final-TA.pdf	Walton et al 2017
Nha Trang MPA	Asia	Vietnam	Entrance fees	Marine protected area that charges an entrance fee and uses the funds for management	Active	https://www.mangroveforthefuture.org/assets/Repository/Documents/MPA-MEE-final-report-22-Sep-Final-TA.pdf	Walton et al 2018
Arrecifes del Surest	Americas	Dominican Republic	Non-state protected area	PPP for MPA; capital by Althelia Sustainable Oceans Fund, announced Feb 2018	Active		Blue Finance, Althelia
Portugal Blue Fund	Americas	Portugal					
Nicho Marine Park	Oceania	FSM	Non-state protected area	Ecotourism and protected area	Active		

Appendix 4. Taxes and Subsidies Affecting Pacific Ocean Finance and Governance

Name	Country	Impact	References
Mineral prospecting expenditures tax deductible	Fiji	Harmful	Watkins et al 2017
Royalty payments	Fiji	Beneficial	Watkins et al 2017
Environmental bonds, rehabilitation funds, EIA payments, Environmental Monitoring & Environmental Management Plan (EMP)	Fiji	Beneficial	Watkins et al 2017
Import tax exemptions for specialised machinery	Fiji	Unknown	Watkins et al 2017
Fuel concession for fishing industry	Fiji	Harmful	Watkins et al 2017
Fishing licence and registration fees	Fiji	Beneficial	Watkins et al 2017
Tax relief for biofuel production, duty free imports for equipment & chemicals*	Fiji	Mixed	Watkins et al 2017
Sugar Development Programme	Fiji	Unknown	Watkins et al 2017
Foreign import tariffs, subsidies & tax breaks for dairy	Fiji	Unknown	Watkins et al 2017
Drainage levy and drainage subsidies*	Fiji	Mixed	Watkins et al 2017
Tax concessions/credits for development & operation of tourism facilities*	Fiji	Unknown	Watkins et al 2017
Increased VAT on hotels	Fiji	Unknown	Watkins et al 2017
Environmental Levy on tourism-related businesses	Fiji	Unknown	Watkins et al 2017
Entrance fees for access to conservation areas	Fiji	Beneficial	Watkins et al 2017
Fiscal duty & import excise exemptions for hybrid & electric vehicles	Fiji	Beneficial	Watkins et al 2017
Airport departure tax	Fiji	Unknown	Watkins et al 2017
Tax Incentives RMI	RMI	Harmful	https://www.state.gov/e/eb/rls/othr/ics/2017/eap/269832.htm
Green Fund accrues revenue from tourism	RMI	Beneficial	Watkins et al 2017
Fisheries subsidy Vanuatu	Vanuatu	Harmful	Gillett
Registration fees and conditions for small-scale quarrying permits	Vanuatu	Mixed	Watkins et al 2017
Exemptions from trade taxes on materials & equipment; tax exemptions on production inputs & exports	Vanuatu	Unknown	Watkins et al 2017
Fishing licence fees	Vanuatu	Beneficial	Watkins et al 2017
Subsidies for fossil fuel (diesel, LNG, petroleum) used in sector*	Vanuatu	Harmful	Watkins et al 2017
Support for agricultural adaptation to climate change/ extreme weather events	Vanuatu	Unknown	Watkins et al 2017
Tax concessions/credits for development & operation of tourism facilities*	Vanuatu	Unknown	Watkins et al 2017
Hotel and premises tax on tourism- related businesses	Vanuatu	Unknown	Watkins et al 2017
Variable duties on imported fuels	Vanuatu	Mixed	Watkins et al 2017

Green Fee from departure tax	Palau	Beneficial	Watkins et al 2017
Fuel subsidy	Kiribati	Harmful	Watkins et al 2017
Hotel turnover tax	Kiribati	Unknown	Watkins et al 2017
Departure tax	Kiribati	Unknown	Watkins et al 2017
Cruise ship head tax	Kiribati	Unknown	Watkins et al 2017
Cruise ship levy	Tonga	Beneficial	Watkins et al 2017
Hotel occupancy tax	Samoa	Unknown	Watkins et al 2017
Entrance fees for access to conservation areas	Samoa	Beneficial	Watkins et al 2017
Nauru Business Tax Reform 2016	Nauru	Unknown	http://www.naurugov.nr/media/54869/nauru_bulletin__14_18aug2017__162_.pdf
Tax credits & fiscal advantages for mining investments	New Caledonia	Harmful	Watkins et al 2017
Fiscal advantages for construction & operation of factories for treatment of nickel or associated ores	New Caledonia	Harmful	Watkins et al 2017
Financial guarantee for rehabilitation of mining sites	New Caledonia	Beneficial	Watkins et al 2017
Access fees for foreign vessels to fish in PICT waters	Pacific Region	Mixed	Watkins et al 2017
Fuel imports for electricity generation by power utility exempt from import duties and other taxes	Tuvalu	Harmful	Watkins et al 2017
Global fisheries subsidy estimate	Global	Data / Reference	http://unctad.org/meetings/en/SessionalDocuments/U14ditc_d16_FishSub_Statement_en.pdf