



FONDATION
PRINCE ALBERT II
DE MONACO



Report on Innovative Finance for Coral Reefs Workshop

4th December 2018
Oceanographic Museum, Monaco

Funded with the support of the Government of
Sweden



Government Offices of Sweden
Ministry of the Environment and Energy



Gouvernement Princier
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This report summarizes the workshop entitled Innovative Finance for Coral Reefs held in Monaco, on December 4th, 2018 at the Oceanographic Museum of Monaco. The workshop was sponsored by the generous support of the Prince Albert II Foundation, the Oceanographic Museum of Monaco, and the Government of Sweden. It was organized through a collaboration among the International Coral Reef Initiative (ICRI), the Conservation Finance Alliance (CFA) and the Wildlife Conservation Society (WCS) that hosts the CFA.

The Workshop on Innovative Finance for Coral Reefs aimed to provide an overview of opportunities and approaches for financing marine conservation with a focus on coral reefs and related ecosystems, enabling factors for the development of conservation finance mechanisms, and key steps for their establishment. The workshop included presentations and panel discussions on effective and innovative solutions followed by a hands-on exercise to prioritize and develop innovative finance solutions.

The one-day workshop (agenda in Appendix 1) was targeted towards conservation practitioners, professionals, planners and policy makers from governmental and intergovernmental agencies, civil society organizations, the private sector and academia eager to understand and discuss finance tools and solutions for effective management of marine and coastal environments. The workshop was preceded by an experts' meeting the previous afternoon.

Forty ICRI members and partners participated in the Workshop (list of participants in Appendix 2) and 9 experts participated in the preparatory meeting. The workshop included background presentations on the economic and financial context for coral reef finance followed by a series of technical panels on specific finance tools and concluded with an exercise on how to identify and prioritize finance tools to solve specific challenges.

The Presentations and additional material can be found by clicking on [this link](#).

The following brief descriptions provide a summary of the specific topics and associated resources available.

The Experts Meeting – in preparation of the full workshop a group of experts and specialists met at the Novotel for several hours on December 3rd to discuss emerging innovations in conservation finance for coral reefs and related systems. The meeting was very illuminating in regard to an emerging series of insurance related tools as presented by Simon Young. A range of other finance tools were also discussed – many of which were presented in the full workshop as cited below.

The Coral Reef Economy - Jerker Tamelander of UN Environment presented the results of a recent study¹ on the economic and business value of investing in coral reef conservation and sustainable use that can be found at the following link:

<https://www.icriforum.org/icri-documents/icri-publications-reports-and-posters/coral-reef-economy>

The global and local importance, financing needs, and current financing of coral reefs and related ecosystems - Hazel Thornton of the UNEP-WCMC presented an overview of the financial situation for coral reefs as essential context for the ensuing discussion. The recent report entitled: Analysis of International Funding for the Sustainable Management of Coral Reefs and Associated Coastal Ecosystems provides a summary of development assistance financing for coral reefs. It can be downloaded via the following link:

https://www.icriforum.org/sites/default/files/Funding_landscape_of_coral_reef_04-web-single_pages.pdf

¹ Citation: UN Environment, ISU, ICRI and Trucost 2018. The Coral Reef Economy: The business case for investment in the protection, preservation and enhancement of coral reef health. 36pp

Historical use of economic instruments and other finance solutions for coral reef management – David Meyers, PhD, Executive Director of the Conservation Finance Alliance presented a range of finance tools and opportunities that related to coral reef finance. The following topics and finance mechanisms were discussed, several of which were presented in detail:

- **Placing “Finance” in context**
 - National and local governance determines threats, costs, and opportunities
 - Management needs and costs are largely determined by outside threats
 - Marine Protected Areas / No Take Zones
 - Fishing gear rules
 - Environmental and Social Impact Assessment
 - Pollution Regulations
 - Damage Assessments and Compensation
 - Enforcement
- **Government Financing**
 - National Budgets
 - Subsidies – conversion to sustainable production
 - Subsidy Reform – reducing harmful impacts and unintended consequences
- Donor Financing / Philanthropy
- **Business Planning for Coral Reefs**
 - Marine Spatial Planning
 - Business Planning
- **Protected Areas Tourism Fees**
 - **Entrance fees** – Fees charged to tourists for access to or use of facilities inside a PA or natural site of interest
 - **Activity Fees** - Fees charged to tourists to participate in a recreational activity in a PA or natural site of interest e.g. scuba diving, snorkelling, camping, mooring a boat, wildlife viewing, etc.
 - **Other park-based fees** – licences, use-fees, accommodation, sale of goods
 - **Concessions** - is the right – granted by a government, company, or other controlling body – to undertake a tourism-related operation in a protected area or natural site, usually in exchange for a fee
 - **Visitor taxes**
 - **Volunteering**
- Conservation Trust Funds
- **Fisheries Fees, Licenses, and Quotas**
 - Landing Fees
 - Boat Licenses
 - Mooring fees
 - Tradable Quotas ~ 150 Fisheries
 - International Fishing Licenses and Fees
 - Penalties
- Green Taxes
- Biodiversity Offsets
- **Eco-Certification**
- Debt-for-Nature Swaps
- Public Private Partnerships

In conclusion, Dr. Meyers reflected on how coral reef conservation and sustainable use relies on a mix of finance solutions noting how it is important to build on existing solutions before seeking to establish new approaches that can be time consuming and risk failure. However, most MPAs are severely

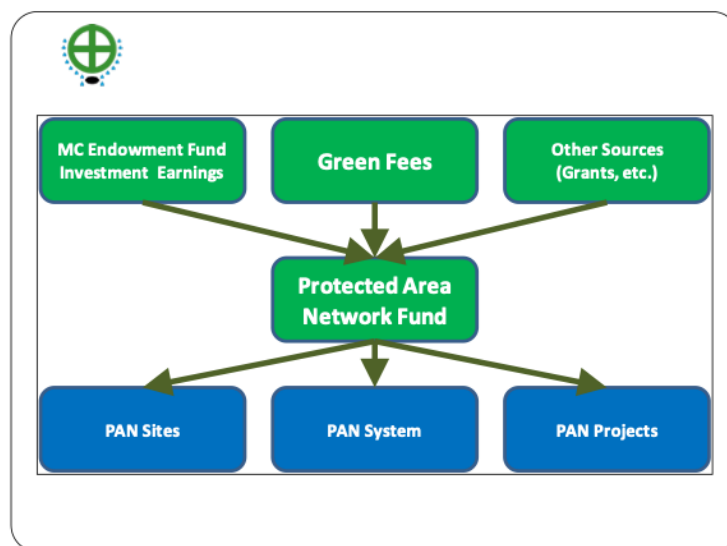
underfunded and could benefit from a mix of growing existing solutions and developing new solutions. Finally, solutions that reduce pressure are often the most cost effective – generating revenue or savings as well as encouraging sustainable behavior.

One valuable resource is the ICRI Report on Innovations for Coral Reefs Finance that can be found at the following link: <https://www.icriforum.org/news/2018/04/new-report-innovations-coral-finance>

The full presentation can be found together with all presentations [here](#).

Panel 1

Visitation Fees - Yimnang Golbuu, Ph.D. CEO of the Palau International Coral Reef Center presented on Palau’s approach to charging and disbursing visitation fees that are charged to all passengers arriving into the country. The fees are divided among a range of government programs including \$15 that goes to the Protected Area Network Fund. It is important to note that the fee is only one of several sources of finance for the fund which also includes earnings from the endowment fund as well as grants, etc.



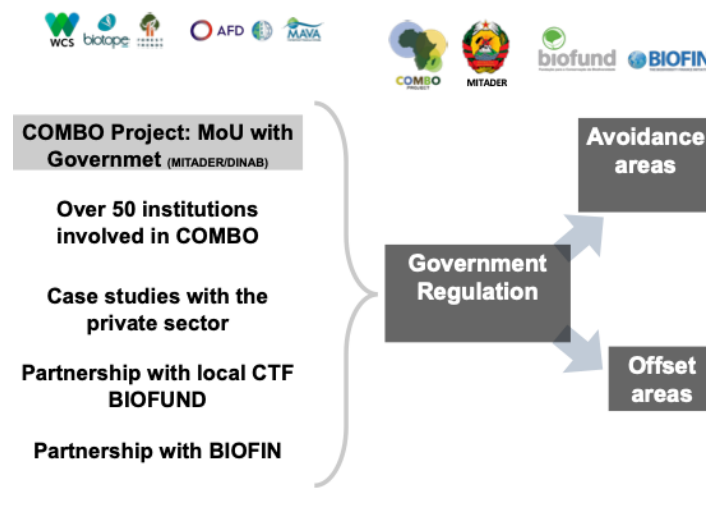
Conservation Trust Funds – Sylvie Goyet, SPC and CFA, presented an overview of Conservation Trust Funds which turned out to be an important element in many of the innovative conservation finance solutions that involve a combination of different tools.

Conservation Trust Funds (CTFs) share certain key characteristics:

- Private, legally independent institutions that provide sustainable grant funding for biodiversity conservation.
- Can support long-term management costs and recurrent costs
 - o Protected Area (PA) systems and outside PAs.
- CTFs raise and invest funds to make grants
 - o Non-governmental organizations (NGOs),
 - o Community based-organizations (CBOs)
 - o Governmental agencies (such as national protected areas agencies)
- CTFs are financing institutions and generally do not implement biodiversity conservation.

Biodiversity Offsets - Ray Victurine, WCS, presented an overview of how biodiversity offsets can be valuable as a tool for coral reef management and conservation focusing on the sound use of the


mitigation hierarchy. The example used is a system in development in Mozambique that is being supported by the COMBO project and if successful may provide significant private sector financing for marine protected areas with valuable coral reefs. Note in the diagram below, that government regulation and enforcement are keys to successful biodiversity offset systems.



Panel 2

Reef Insurance – Claudia Ruiz, Reef Rescue Initiative Coordinator, MARFund presented on an emerging program to work with insurance companies and other organizations such as Willis Towers Watson to develop insurance products for reef conservation. The program presented included an insurance product that provides for the rapid restoration of reef following a destructive storm through parametric insurance. Other options are also being explored to encourage proactive reef conservation by hotels and other beneficiaries of the protective services of reefs.

Why is the insurance for reefs important?



- 1. **Immediate funds for rapid response and restoration**
- 2. Leverages funds for conservation
- 3. Incentivizes preparedness and prevention
- 4. Helps to mitigate risk
- 5. Planning & planting for the future
- 6. Increases coastal resilience
- 7. It promotes regional cooperation (four countries)

Public Private Partnerships – Nicolas Pascal, Blue Finance, presented information on the use of private finance in combination with government and NGO collaboration. The approach shows that it is possible to use private capital to fund up front conservation efforts if the right financial arrangements can be made and tourism fees have strong enough potential for future revenue generation.

THE APPROACH

Agreement between government and a non-profit Entity (the NGO) to co-manage the MPAs.



Debt Conversion for Marine Conservation – Robert Weary, The Nature Conservancy – NatureVest, presented on the use of debt swaps for conservation purposes using the example of the recent debt swap in Seychelles.

Seychelles Debt Swap & Commitments



Deal summary

- Create a permanent funding source for local conservation & climate change adaptation through **\$22 M of sovereign debt restructuring**, via the Paris Club
- Blend grants & impact capital to purchase & restructure foreign debt into a domestic obligation to invest in conservation & adaptation.
- Deal results in upwards of \$8 M to fund activities (over 20 years) and \$6.6 M endowment capitalized for conservation

Government's Conservation/Policy Commitments

- 30% of waters in protected areas (400,000 Sq. Km)
- 15% of waters in no take fish replenishment zones (200,000 Sq. Km)
- Adopt recently completed Marine Spatial Plan to guide updating of Coastal zone management/fisheries/marine policies

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Exercise – Identifying and Prioritizing Finance Solutions

Following a detailed introduction, the exercise involved the division of workshop participants into different groups. Each group focused on a specific area and went through a process of identifying a list of potential finance solutions that could be used to either capture revenue, improve the alignment of incentives for different key actors, or improve the efficiency or effectiveness of conservation actions.

Then these ideas were evaluated through a two-step process including a rapid assessment and a more detailed checklist of 20 points. Each group presented their ideas to the participants.

Supporting information and presentation can be found in the [linked folder along with all presentations](#).

Exercise on Finance Solutions for Coral Reefs

- ▶ What is a Finance Solution?
- ▶ Review Existing Solutions
- ▶ Identify New Opportunities
- ▶ Rapid Screening
- ▶ Detailed Screening - Prioritization
- ▶ Feasibility Study
- ▶ Implementation Plan for Mix of Solutions

The slide also features a photograph of a man in a dark jacket presenting at a podium. Behind him is a screen displaying a map of the Pacific region with text: 'Pacific Paradise Environmental Fee', '100% Revenue Reinvested in Reef Conservation', '100% of Reef Conservation', '100% Revenue Plan', '100% of Revenue to Support Reef Conservation', and '100% of Revenue to Support Reef Conservation'. Logos for CFA and ICRI are visible at the bottom of the slide.

Conclusion and next steps

The workshop was well appreciated by the participants and several interesting ideas emerged from the exercise. A presentation was made by David Meyers (CFA) to the ICRI Assembly Plenary that was well received and together with the workshop resulted in some of the following planned next steps.

The International Coral Reef Initiative together with the Conservation Finance Alliance are planning to establish a working group on coral reef and marine conservation finance.

ICRI will seek to identify resources that allow the working group to provide specific assistance, training and webinars to ICRI members and partners for coral reef sustainable finance opportunities, mechanisms, and sources.

Establish web based and other resources to support the training, capacity development, and awareness of ICRI members and key partners for conservation finance including both innovative and proven scalable solutions.

Some potential additional related initiatives that have been suggested include:

- Assessment of existing finance mechanisms in ICRI countries and organizations.
- Developing pilot sites for conservation finance actions for specific coral reef conservation areas.

Appendix

Appendix 1: List of participants

First Name	Last Name	Country / Organization
Ihando Niaina	Andrianjafy	MADAGASCAR
Amanda	Brigdale	AUSTRALIA - Assistant Director - International, Great Barrier Reef Marine Park Authority
Chuck	Cooper	Managing Director, Government Affairs Vulcan Inc.
Raphael	Cuvelier	Prince Albert II of Monaco Foundation
Christine	Dawson	US / Department of State
Rili	Djohani	Coral Triangle Center (CTC)
Julius	Edward Salema	TANZANIA - Environmental Management Officer / National Environment Management Council (NEMC)
Beatrice	Ferreira	BRAZIL / Federal University of Pernambuco
Anne-Claire	Goarant	Government of New Caledonia / Senior advisor for multilateral cooperation and regional organisation / Office of Regional cooperation and external relations
Yimnang	Golbuu	Palau International Coral Reef Center / Chief executive officer
Maria Jose	Gonzalez-Bernat	Interamerican Association for Environmental Defense (AIDA)
Sylvie	Goyet	Pacific Community
Chloe	Harvey	The Reef-World Foundation
Jane	Hawkridge	UK - Joint Nature Conservation Committee
Siry	Hendra	The Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security (CTI – CFF)
Elsa	Jantet	Chargée de mission financement politique milieux marins au MTES
Margaret	Johnson	AUSTRALIA / General Manager - Reef Strategy, Great Barrier Reef Marine Park Authority
Tadashi	Kimura	JAPAN / Chief Researcher / Japan Wildlife Research Center
Jennifer	Koss	U.S. Department of Commerce / National Oceanic and Atmospheric Administration / Coral Reef Conservation Program International Lead
Claudia	Lorena del Rosario Ruiz Alvarado	The Mesoamerican Reef Fund (MAR Fund)
Caleb	McClennen	Wildlife Conservation Society / Vice President, Global Conservation
Mauricio	Méndez Venegas	COSTA-RICA / Director Técnico, Área de Conservación Tempisque, SINAC
Ricardo	Meneses	COSTA-RICA / Ministry of Environment and Energy and Technical Secretary Marine Corridor in the Eastern Tropical Pacific Ocean
Julie	Miller	BNP Paribas / Chargée de mission RSE
Sivaji	Patra	South Asia Co-operative Environment Programme / Senior Programme Officer (Regional) - SASP
Jason	Philibotte	U.S. Department of Commerce / National Oceanic and Atmospheric Administration / Coral Reef Conservation Program International Lead
Carol	Phua	WWF International / Global Coral Reef Initiative Manager

Brahmantya Satyamurti	Poerwadi	INDONESIA / Director General of Marine Spatial Management/Ministry of Marine Affairs and Fisheries
Heidi	Prislan	AUSTRALIA / Assistant Director - Environment Unit, Department of Foreign Affairs and Trade
Claire	Rumsey	IYOR
Gerlinde	Schaeffter	UK / Department of Environment Food and Rural Affairs
David	Souter	AUSTRALIA / Chief Research Officer / Australian Institute of Marine Science
Francis	Staub	ICRI
Jerker	Tamelander	UN Environment / Coral Reef Unit
Aurelie	Thomassin	FRANCE
Hazel	Thomton	Programme Officer, UN Environment World Conservation
Arthur Omondi	Tuda	Kenya Wildlife Service / Head of Ecosystems and Landscapes Conservation and Management
Ray	Victurine	Wildlife Conservation Society / USA
Grimaldo	Vjorn Christian	Philippines / Ecosystems Management Specialist of BMB-CMD and Point Person for IYOR Philippines
Robert	Weary	The Nature Conservancy / USA

Appendix 2: Workshop Agenda

Topic	Time
Welcome <i>H.E Bernard Fautrier, co-chairman, International Coral Reef Initiative (ICRI)</i>	9h
Background / Setting the scene	
The Coral Reef Economy <i>Jerker Tamelander, UN Environment</i>	9h15
The global and local importance, financing needs, and current financing of coral reefs and related ecosystems <i>Hazel Thornton, UNEP-WCMC</i>	9h30
Historical use of economic instruments and other finance solutions for coral reef management <i>David Meyers, CFA</i>	9h45
Panel 1: Effective Scalable Solutions Moderator: Caleb McClennen, WCS	10h
- Visitation Fees <i>Yimnang Golbuu, Ph.D. CEO, Palau International Coral Reef Center</i>	
- Conservation Trust Funds <i>Sylvie Goyet</i>	
- Biodiversity Offsets <i>Ray Victurine, WCS</i>	
Coffee Break	11h
Panel 2: Emerging Tools and Opportunities Moderator: David Meyers, CFA	11h30
- Insurance <i>Claudia Ruiz, Reef Rescue Initiative Coordinator, MARFund</i>	
- Public Private Partnerships <i>Nicolas Pascal, Blue Finance</i>	
- Debt Conversion for Marine Conservation	

<i>Robert Weary, The Nature Conservancy – NatureVest</i>	
Address by Robert Calcagno, CEO of the Oceanographic Museum of Monaco	12h50
Lunch	13h
Short Interventions: Next Steps	14h
- ICRI Incubator Launch and call for proposals <i>Francis Staub, David Meyers</i>	
- Plans to share innovative finance ideas at World Ocean Summit <i>Ray Victurine, WCS</i>	
- A Global Fund for Coral Reefs <i>Chuck Cooper, Vulcan</i>	
Exercise on Finance Solutions for Coral Reefs	
Introduction and Methodology <i>David Meyers</i>	14h30
Group Work – ID and Prioritization	14h45
Coffee Break	15h45
Group Work – Feasibility and Design	16h15
Plenary Sharing	17h15
Closing	18h

Appendix 3: Online resources

Specific Reports:

- ICRI Innovative Finance for Coral Reefs: <https://www.icriforum.org/news/2018/04/new-report-innovations-coral-finance>
- UN Environment, ISU, ICRI and Trucost 2018. The Coral Reef Economy: The business case for investment in the protection, preservation and enhancement of coral reef health. 36pp <https://www.icriforum.org/icri-documents/icri-publications-reports-and-posters/coral-reef-economy>
- Solutions in focus: Financing Sustainable Management of Marine and Coastal Biodiversity https://bluesolutions.info/wp-content/uploads/Solution-in-Focus_Financing-marine-and-coastal-biodiversity-management.pdf
- Ocean Finance: Definition and Actions https://www.icriforum.org/sites/default/files/Ocean_Finance_Definition_Paper_Walsh_June_2018_1_.pdf
- Finance for Pacific Ocean Governance - Part 1: Background <https://www.icriforum.org/sites/default/files/Finance%20for%20Pacific%20Ocean%20Governance.pdf>

Websites:

- ICRI Website : <https://www.icriforum.org/>
- CFA Website: <https://www.conservationfinancealliance.org/>
- Conservation Finance Guide (Legacy Site): <http://conservationfinance.info/Guide/index.htm>
- UNDP Biodiversity Finance Initiative (BIOFIN): <http://biodiversityfinance.net/index.php/>
- Coral Funders : <https://coralfunders.com>
- 50 Reefs : <https://50reefs.org>