

## Instructors' Notes

### Finance Tools for Coral Reef Conservation: A Training Guide

#### Overview

The deck of slides has been prepared by the Conservation Finance Alliance for the International Coral Reef Initiative, based on “Finance Tools for Coral Reef Conservation: A Guide,” 2018, by Venkat Iyer, Katy Mathias, David Meyers, Ray Victurine and Melissa Walsh.

The slides cover 13 finance mechanisms, along with an introductory context-setting section. They can be used as one entire set, or in any combination. Each finance mechanism section can also be used as a stand-alone module.

The following finance mechanisms are included:

- Entrance Fees
- Special Use Permits
- Concessions
- Green Taxes
- Payments for Ecosystem Services (PES)
- Biodiversity Offsets
- Nature Bonds
- Impact Bonds
- Debt for Nature Swaps
- Reef Insurance
- Conservation Enterprise Incubators
- Impact Investing
- Conservation Trust Funds

#### Intended Audience

The training deck is designed to provide an introductory overview on finance mechanisms to protected area managers, government employees, conservation biologists, NGO staff and others working in the field of biodiversity conservation. It does not assume the audience has any prior experience in conservation finance or background in economics or finance. The training deck is not intended to serve as a detailed “how-to” guide on implementing any single mechanism, but rather to provide an introduction and give participants a framework for evaluating the suitability of different mechanisms to a specific conservation context.

#### Trainer Background

The slides have been designed with the assumption that the person conducting the training sessions has a well-informed to expert level understanding of the content, and as such should be able to teach the material with no more than a few hours of preparation. Each section has added detail in the notes section of the slides to provide additional context, clarification or examples. While case studies are provided to illustrate the use of the finance mechanism in a real-world setting, trainers are encouraged to use their own examples when possible.

## Overview Section

The introductory overview section is designed to provide context and framing. It includes an overview of the business planning process. The key message of the introduction is to emphasize the importance of planning, analysis and diversification – no single finance mechanism will be successful in a vacuum, but must be part of a comprehensive and context-specific plan.

## Finance Mechanism Sections - Structure

Each finance mechanism is presented using the following structure:

**Overview** – Definition of the finance mechanism, Value (benefits) of using the mechanism, Economic Model on which the mechanism is based, and other relevant high-level content

**How Does It Work** – what are the mechanics of collection and distribution; how does the mechanism link to conservation outcomes?

**Pros and Cons** – what are the strengths and challenges of the finance mechanism, when is it best used, and what are potential design pitfalls to avoid

**Elements model** – using the structure illustrated in the introductory overview, what are the finance sources, intermediary, beneficiary/recipient and conservation results of the mechanism, what instruments are used, and what are the conservation actions and measurement and evaluation tools involved.

**Conservation Activity Relevance** – how does the finance mechanism yield conservation benefits?

**Stakeholders** – who is engaged in the finance mechanism? What are their motivations and how and when do they need to be approached and engaged?

**Feasibility Assessment** – what key questions need to be asked and answered when deciding if the finance mechanism is viable in a specific context

**Revenue Potential** – what are key considerations that affect revenue, and what scale or range of revenue might be possible.

**Case Study** – example(s) of the finance mechanism in use. Successes and lessons learned; practical considerations and specific context

## Designing a Training Session

Each finance mechanism section is expected to take 20-40 minutes, depending on how much time is allowed for questions and discussion. The introductory section will likely take about 30 minutes.

Presenters are encouraged to use at least part of the introductory section in any training session, to provide an overview and context.

The amount of material that can be covered will depend on the time allotted. In general, a 3-4 hour session should be able to cover the introductory slides and 3-5 finance mechanisms. Use of small group discussions, extended full group discussion, and/or personal reflection workbooks will reinforce the participants' grasp of the material, but will shorten the amount of content that can be covered. A one-day workshop should be able to cover 4-8 mechanisms.

Wherever possible, providing "Finance Tools for Coral Reef Conservation: A Guide" as pre-reading will help to give participants an introduction to the material. This can be especially helpful if English is not the participants' primary language, as some of the terms may be new or unfamiliar.

Feedback and suggested improvements on the Training Guide should be sent to [secretariat@cfalliance.org](mailto:secretariat@cfalliance.org).