

Financing Opportunities for Conservation



André Aquino – adeaquino@worldbank.org

Senior Natural Resources Management Specialist

World Bank - Mozambique

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BIODIVERSIDADE E DESENVOLVIMENTO SUSTENTÁVEL

MozBio Program

Phase I – 2015 – 2018

\$ 46.3 million (\$40 million IDA, \$6.3 million GEF)

Objective

Increase the effective management of CAs and enhance the living conditions of communities living in and around CAs.

Component 1

Component 2

Component 3

Component 4

Component 5

Strengthening
Institutions for
Conservation Area
Management
(ANAC, BioFund
and CITES)

Promotion of
Tourism in CAs

Improving
Management of
CA

Piloting Support to
Sustainable
Livelihoods of
Communities
within and around
CAs

Project
Management,
Monitoring and
Evaluation

Endowment Funds for Conservation

- Successful endowment funds exist, are disbursing
- Partnerships critical for their succes
 - Enabling environment → attract more funds
 - Good use of the funds at the local level → important role of co-management
 - Capacity of managing funds at PA level critical for more endowment funds to be disbursed



biofund

Fundação para a Conservação da Biodiversidade

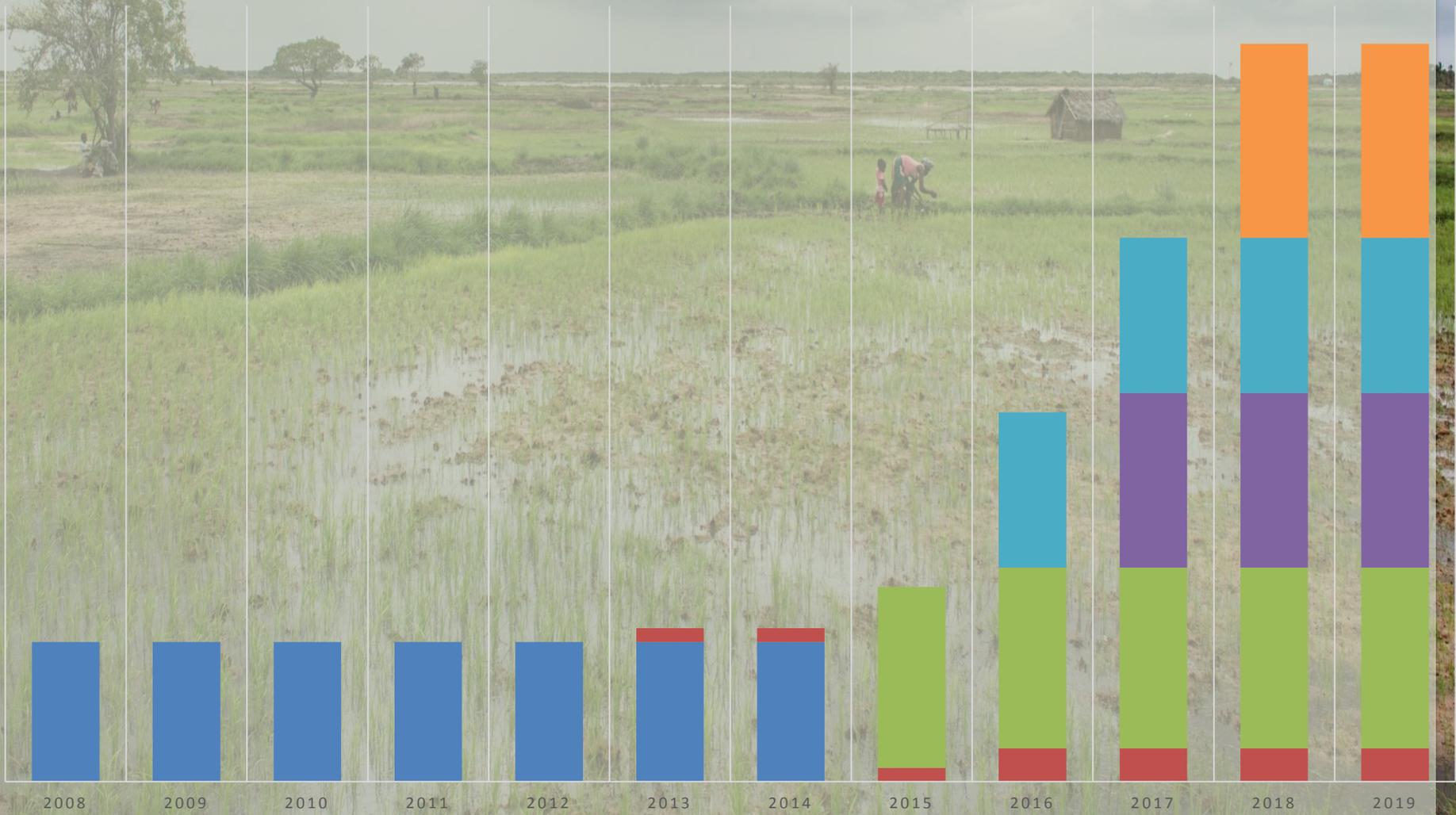
Fundos de Conservação no Mundo

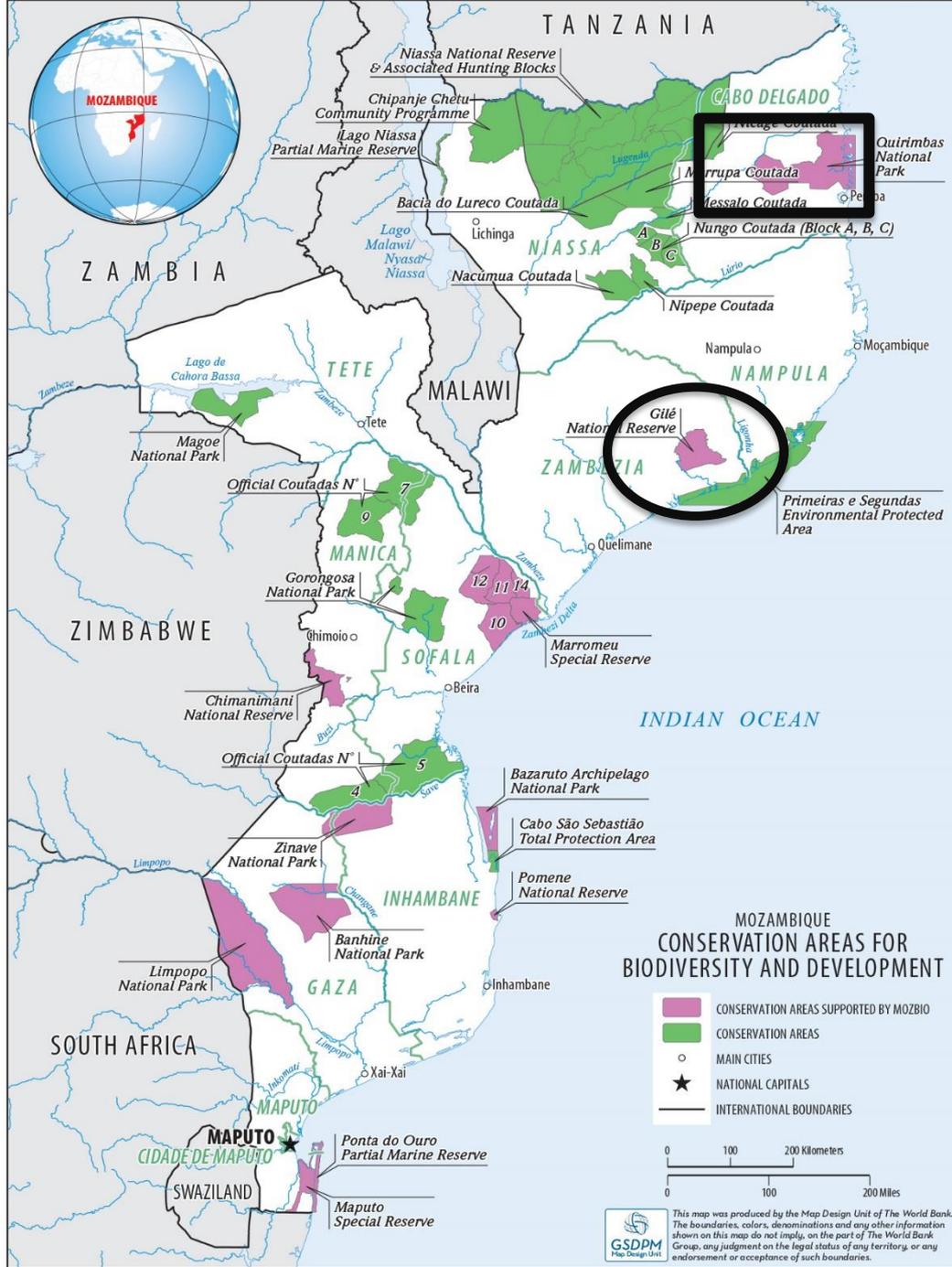
Número de FAC ~ 55



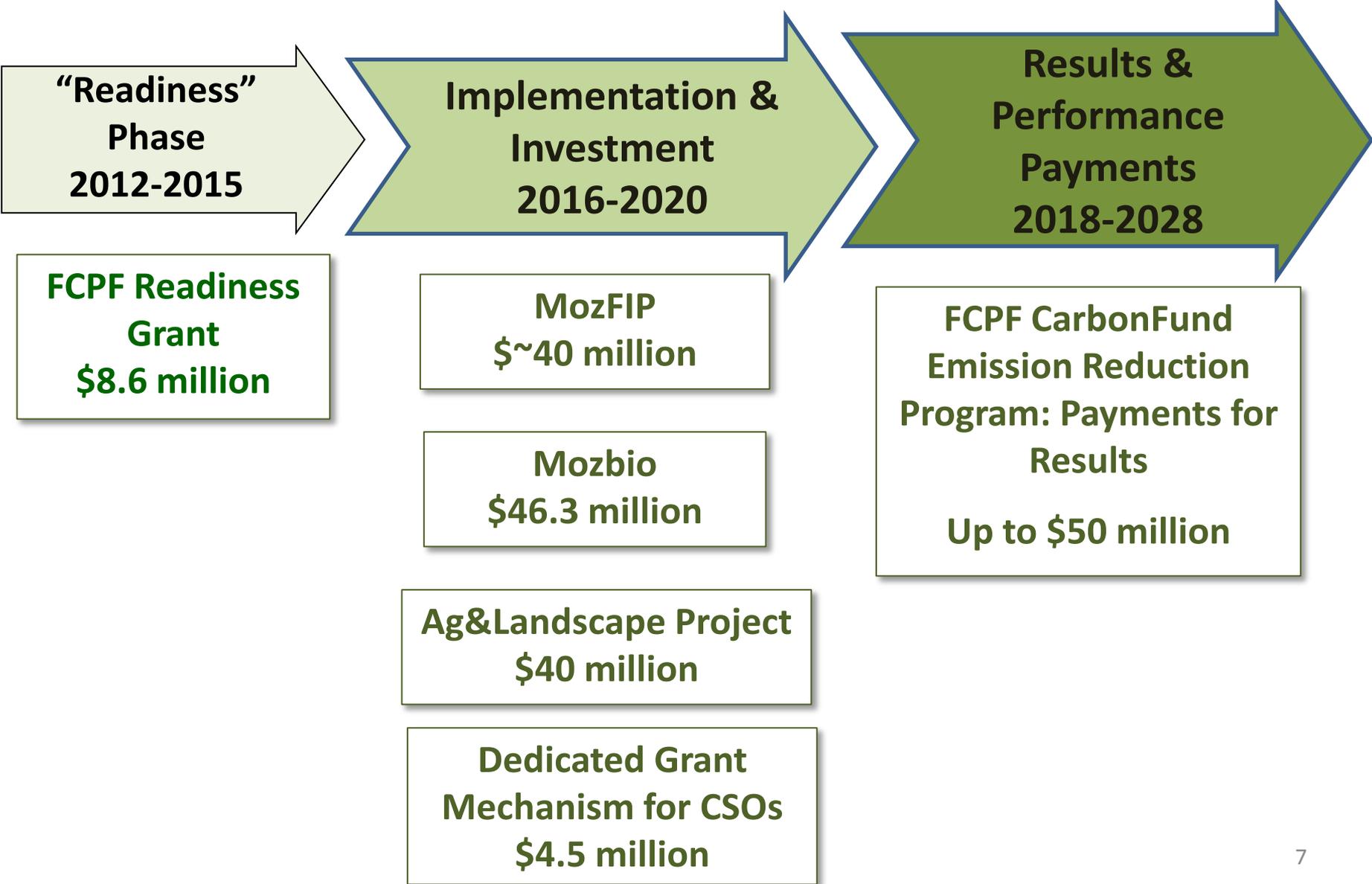
World Bank Environment & Natural Resources Management Portfolio in Mozambique

TFCA II REDD+ Readiness MozBio 1 FIP / MDTF AG-NRM Landscape ER Payments





Integration and scaling up of financing for ENRM Portfolio: How does it all fit together?



PILOT INTEGRATED LANDSCAPE MANAGEMENT PROGRAM: ZAMBÉZIA



Total Project Area:
3.8 million hectares (seven districts)
of which 59% is forests



The Population in Project Area:
1.2 million, 70.5% of the population
is under the poverty line



Area includes globally important biodiversity:
Two Conservation Areas (CAs) areas with endemic
and endangered species, and mangrove forests

Quirimbas
Landscape Program
(under development)



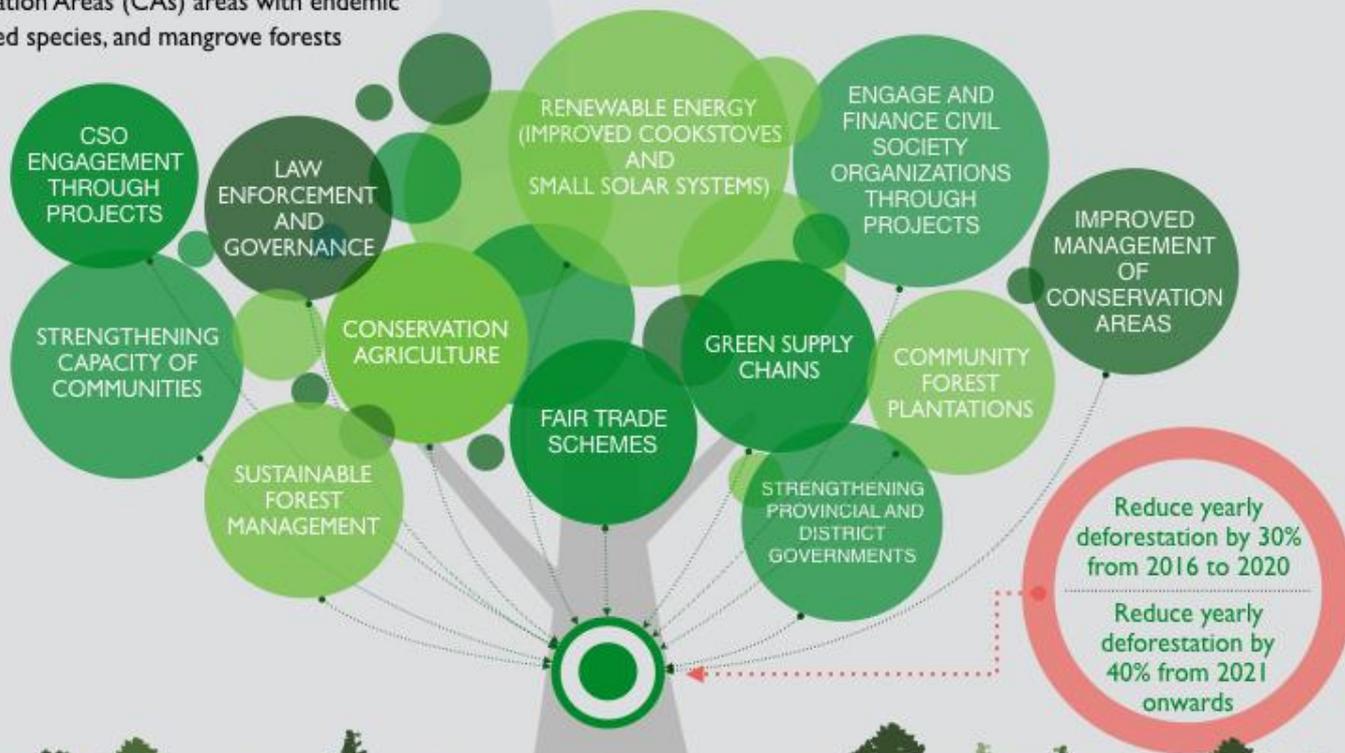
Zambézia is the fourth most
deforested Province in Mozambique,
as well as the most densely populated:

- It accounts for 13% of
Mozambique's forest and
- 8% of its deforestation

Zambézia
Landscape Program

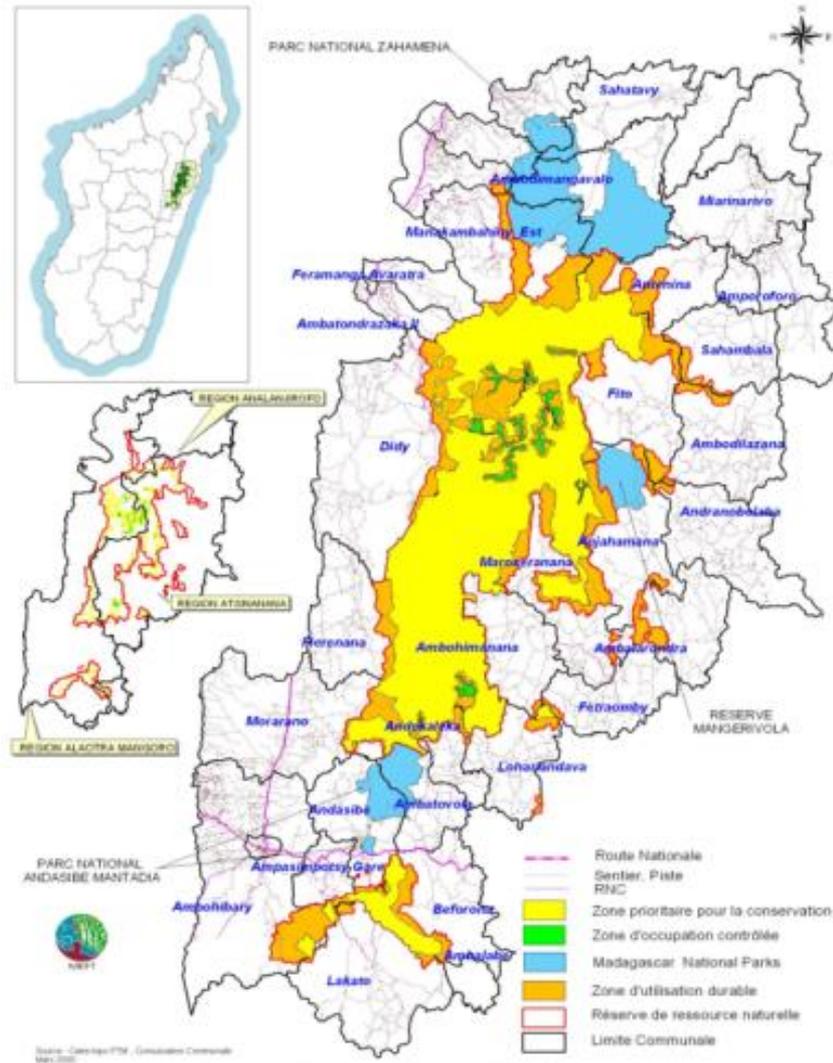


Deforestation rate:
0.68% which
represents 18,000
hectares per year



Payment for Ecosystems Services – Carbon

Madagascar - Ankeniheny-Zahamena Corridor



Payments for Ecosystem Services - Water

- PES made to PA budgets directly
 - Or indirectly: Quito's FONAG (hired park rangers to PA managers – 3 PAs providing 85% of water to the city).
- Costa Rica and Mexico use PES to compensate people with land inside PAs
- Costa Rica's water tariff - 25% channeled to PAs

Biodiversity Offsets

- Properly done offsets can improve the conservation outcomes from large-scale, private or public sector development projects
 - Ideally to the point of Net Gain
- Can provide much-needed additional funding for protected areas and similar conservation efforts.
- Last resort
- National or sub-national biodiversity offset systems offer advantages *X ad hoc* project-by-project approaches.

Wealth Accounting and the Valuation of Ecosystem Services (WAVES)

- Natural capital accounts (land, forests, water, etc.)
 - Help the government determine the true value of those natural resources, optimize their use, and determine how they can be used to diversify the economy and reduce poverty.
- Botswana and Madagascar currently engaged

Blue Bonds - Seychelles

- *What is it:* Seychelles would like to raise US\$10-15 million from private sources through a bond issuance, to finance the sustainable development of its blue economy.
- *What for:* Expansion of sustainably managed marine areas, implementation of fisheries management plans
- *Why Blue Bonds:* Seychelles has difficulties accessing affordable financing to sustainably develop its blue economy
- *World Bank (and GEF) potential support:* Lower the cost of the bonds, (providing partial guarantees). The objective would be to lower the interest cost to approximately 3%-3.5%. In addition, the World Bank provides technical expertise on the issuance of the bonds, and the preparation of the activities to be financed.
- *Timeline:* It is expected that the Bonds could be issued in mid-2017, depending on the pace of preparation
- Blue Bonds discussion still very preliminary

Debt-for-Adaptation Swap

- Seychelles

- *What is it:* The Nature Conservancy (TNC) supported a debt-swap deal between the Government of Seychelles and its Paris Club creditors in exchange for the Government of Seychelles' commitment to enhance marine conservation and climate adaptation.
- *What for:* Seychelles reduced the burden of its debt and will use the extra money to finance an ambitious Marine Spatial Planning exercise that will lead to the protection of 30% of its huge maritime territory.
- *How it works:* The debt restructuring converts a portion of Seychelles' debt (\$21.6 million) to other countries into more manageable debt held by a local entity
 - Cash flow is managed by an independent, nationally based, public-private trust fund called - Seychelles Conservation and Climate Adaptation Trust (SeyCCAT).
 - It funds: i. improved management of coasts, coral reefs, and mangroves; ii. repay impact investors; iii. capitalize SeyCCAT's endowment (to support conservation work into the future).
- The World Bank is not directly involved in this scheme. Indirectly, we will help Seychelles implement part of their commitments, including through the Blue Bonds. And Seychelles might use SeyCCAT to manage the Blue Bonds proceeds.

Conclusions

- Important sources
 - Donor financing – WB committed to programmatic financing
 - CA capacity to generate financing: tourism
- Sources of financing beyond ‘usual suspects’
 - Endowment funds
 - Payment for ecosystem services
 - Carbon / REDD+
 - Water
 - Biodiversity offsets
 - Rural development
 - Community development is critical part of CA management
- TFCAs are ‘landscapes’ par excellence
 - They could tap into increased financing for integrated landscape management
 - Things get more ‘messy’ – matching grants, endowment funds, etc.
- Co-Management: Promising venue to raise more funds

Obrigado!

