FINANCING TOOLS FOR MARINE CONSERVATION: OVERVIEW OF NEW FUNDING STRATEGIES?
PUBLIC VS PRIVATE SECTOR PAYING

This diagram shows the current and future estimated percentages of finance for biodiversity generated from the public and private sector. Within the private sector, the diagram also shows whether it is the polluter or the beneficiary that pays. As finance is scaled up in the future scenarios, more of the cost burden is shifted on to the polluter.

Main ecosystem services from coral reef

- Commercial fishery
- Subsistence fishery
- Recreational fishery
- Underwater tourism
- Protection against waves
- Research and education
- Bequest value
Economic instruments for coral reef

〜 Beneficiary payers, tourism user fees
Find a buyer and a seller for an ecosystem service

〜 Polluter payers:
Contamination tax, compensations (credits), penalties

〜 Property rights, private investments, impact investment

〜 Business plans:
Optimizing costs and revenues of management
Ecosystem service of coastal protection, beach formation and water quality

Beneficiaries
Buyers

- Land owners
- Tourism business

Intermediaries

To be determined

Sellers

- Local communities with fishing ground rights
- Management entities of MPA or similar
- Environmental institutions

Ecosystem Services:
- Herbivore biomass production
- Fish habitat complexity
- Wave energy absorption

Actions:
- Habitat management
- Fishery management
- Waste management
- Ridge-to-Reef management

Payment

Service
Concrete pilot sites:

**San Andres (Colombia)**
maritime PES project to maintain beach production and coral reef health. contribute to the overall financing of the Seaflower MPA implementation plan

Marine Ecosystem Services Program (MARES)

**RESCUE**: 8 instruments to be tested in the South Pacific

**OAS: Reefix**: Green tax: Cost recovery mechanisms such as hotel bed tax or tourism tax

**Bluefinance**: 4 countries - 8 sites in Wider Caribbean
Ecosystem services valuation of the Jeannette Kawas National Park - Integrating nature’s benefits into the management of protected areas and Honduras’ development (Honduras)
- 1,742 Ha of mangroves
- 19,900 Ha of tropical forest
- 7,500 ha of coral reef
- 400,000 beach tourists
- 3,000 households
2 main objectives

Inform and convince

Financing
Description:

Stakeholder implication:
*policy makers (env. agencies, finance, development...), local stakeholders (NGO,communities, associations, ...) and multilateral agencies*

Economic valuation:
*A minima valuation, Selection of ES
Observed values
Beneficiaries identification*

Communication strategy:
*Workshops, policy briefs, meetings, press, technical report*
Main ecosystem services from coral reef

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Quote from the policy brief:

“with an annual investment of US$ 529k, the park can contribute to maintaining ecosystems that each year produce US$46 million and close to 3,000 jobs”

“Almost 22,000 people depend on one or several of the JKNP’s ecosystem services”
Examples of concrete recommendations to policy level

- Governance category: support the setup of ICZM planning

- Regulatory: fishery regulation, compensation laws, EIA, regulation of users.

- Budget: adequate financial means (public budget allocations) for legal enforcement and management of resources (low success).

- Regulation of incentives/penalties for the setup of financial instruments.
Financing sources:

Financing gap identification

Net annual incomes that could be generated through 3 instruments to cover 60 to 70% of financial needs
Ecosystem service of coastal protection, beach formation and water quality

Beneficiaries/Buyers:
- Land owners
- Tourism business

Intermediaries:
- To be determined

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Payment

Service
Sale of the water quality service to tourism businesses: service of providing clean and uncontaminated beach water to the tourist industry through the sediment trap and bio-depuration capacities of the mangroves and lagoons.

**Instrumentos financieros**

**Prevenga la degradación ecológica** es de 9,5 millones de lempiras (USD 503.000).

**Necesidades financieras**

**Análisis de la financiación**

- **Indicadores químicos** (fertilizantes y plaguicidas), orgánicos (coliformes) y de turbidez del agua (Sólidos Disueltos Totales). Definir estaciones guicidas, otros cultivos.

**Buenas prácticas de la industria palmera** y razonable del turismo en el parque, el potencial anual se estimó entre: Lps. 0,3M and 1M.

**Viabilidad**

- Sobre la base de un crecimiento razonado y 3,5 M por año:
  - **Monto (potencial anual)**: 2,8 – 7,8 Millones de lempiras (USD 148.000 – 53.000)

**Destinos**

- **Monto a definir**:
  - **– 53.000)** (Usd 26.000)
  - **– 53.000)** (Usd 16.000)

**Observaciones**

- El parque es el garante de que los hábitats sean conservados y, en caso de consolidarse los bancos consolidados y, en caso de consolidarse los bancos, podrá ofrecer créditos de hábitats.

**Ingresos por usos pesqueros**.

**Más largo plazo**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 148.000)
  - **– 53.000)** (Usd 63.500)

**Corto plazo**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 16.000)

**Médano plazo (3-5 años)**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 63.500)

**Ingresos por usos**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 26.000)

**Producción agrícola**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 16.000)

**Servicio de calidad de agua**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 26.000)

**Industria hotelera**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 16.000)

**Empresas de construcción**

- **Potencial anual estimado**:
  - **– 53.000)** (Usd 26.000)