

sky ocean
rescue



Working together to safeguard
Marine Protected Areas

UK SEAS: Developing sustainable finance mechanisms

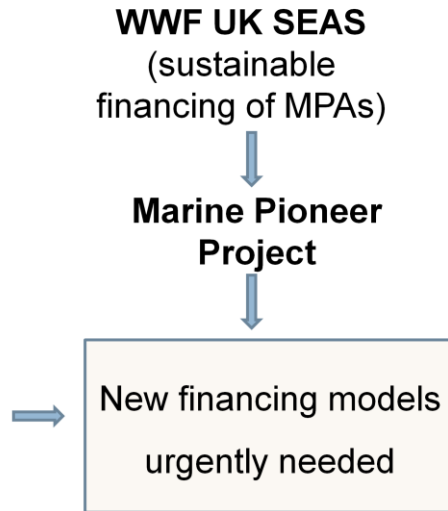
Marine Pioneer conference, June 2018
Jenny Oates and Toby Roxburgh
WWF



5 year project is funded through a partnership between WWF and Sky Ocean Rescue. This is one of the demonstration projects for the North Devon Marine Pioneer

Why do we need sustainable finance?

- Marine areas deliver substantial benefits to the economy and communities
- However, marine natural assets continue to decline under increasing pressure from human activity
- Public funding is likely to be squeezed further over time
- Many uses of and damages to marine areas are not being paid for



Opportunities

- Mounting evidence that protecting, enhancing and sustainably managing marine natural assets would generate multiple benefits
 - ✓ *Increased fishery productivity, tourism revenues, reduced coastal erosion, enhance biodiversity etc.*
- Targeted investments could generate revenues and/or reduce costs
 - ✓ *Could contribute towards marine management and mitigate threats*
- Increasing public/private investment in marine industry
 - ✓ *Potential to build on / link with existing structures and investments*
- Substantial amounts of private financial capital looking for new/alternative market opportunities (e.g. UK forestry investment market = £82.6m in 2016)
 - ✓ *Strong potential to attract new forms of finance and for growth*

UK SEAS sustainable finance work

Objective: Identify and trial up to two innovative sustainable financing mechanisms in case study areas

Outcomes

1. Feasibility of sustainable financing demonstrated in North Devon MPAs through innovative new solutions
2. Project findings influence policy, through identifying sustainable finance mechanisms that can be applied elsewhere and policy changes required to support these.
3. Public and private sector stakeholders demonstrate commitment and actively participate



Sustainable finance mechanisms which integrate ecosystem services derived from natural capital into MPA management

UK SEAS sustainable finance work

1. Scoping report to identify sustainable finance models which could be applied to MPAs in North Devon (*Vivid Economics and Environmental finance*)
2. Natural Capital assessment for North Devon Marine Pioneer area to identify key assets and the threats/opportunities (*Plymouth University*)
3. Understand current levels of spend on marine environment in North Devon and additional funds required to achieve good management of MPAs (*Eftec and others*)



The scoping report has just been published on the UK SEAS project website, there is a link on the sheets on the tables and we also tweeted about it today so you can see our twitter feed.

Not going to go into much detail but will show a few highlights

Scoping- global review of best practice

Mexico launches pioneering scheme to insure its coral reef

Hotels and local government in Cancún will pay premiums, and insurance industry will pay out if the reef is damaged by storms



Tropical fish swim among the coral in the Caribbean sea, Yucatán, Mexico. Photograph: Seaphotoart/Alamy

Seychelles Plans Blue Bonds to Develop Sustainable Fisheries

By Paul Richardson

January 24, 2016, 10:00 PM GMT Updated on January 25, 2016, 12:30 PM GMT

- Government planning initial sale of \$10 million this year
- Securities modeled on green bonds, target impact investors

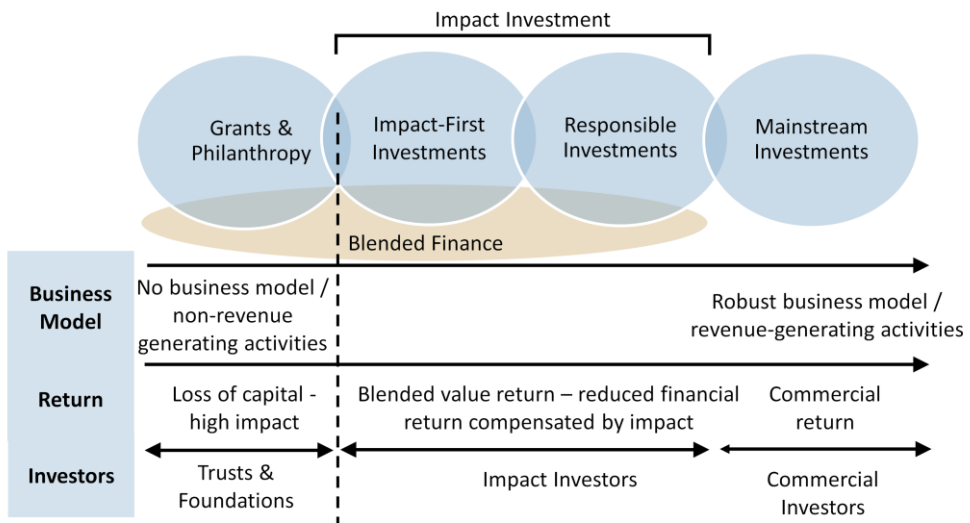


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Here are a couple of examples that have been in the press but the report summarises a lot of case studies

- government budgets and philanthropy
- user fees,
- licenses,
- crowdfunding,
- taxes,
- fines
- payments for ecosystem services.

Spectrum of financing options



There are a range of financing options- we are looking to develop options in the middle

‘blending’ of private and public/philanthropic capital

Potential financing opportunities



- Branding and certification of fisheries
- Lobster hatcheries
- Fishing infrastructure



- Removal of litter from beaches through concession payments
- Developing marine net gains for offshore development/infrastructure



- Agri-environment schemes to control runoff from agriculture
- Blue Impact Fund to invest in enhancement of stocks, opportunity to extend quota to non-quota species
- Ecotourism

Funding models

1. Place-based portfolio
2. Marine improvement District
3. Blue impact fund
4. Net gain fund
5. Blue carbon fund
6. Nutrient trading scheme



Place-based model

Funding models

Place-based portfolio

- MPAs transferred to a charitable trust
- Trust manages the assets
- Funds generated through an endowment which is placed in an investment fund

Marine improvement District

- Secure a voluntary levy from businesses operating in the area
- This is used to invest in MPA assets
- Importance of businesses understanding how they benefit

Place-based model

Policy implications

- Important for Defra, HM Treasury and other departments to develop new markets for marine and coastal assets
- Important to put 25 Year Environment Plan on a statutory footing
- Include marine and coastal assets in the UK's national infrastructure portfolio
- Some specific pieces of legislation which could help MPAs attract sustainable financing

Specific pieces of legislation

Thanks for listening!

