



Institute for Advanced Sustainability Studies IASS in Potsdam

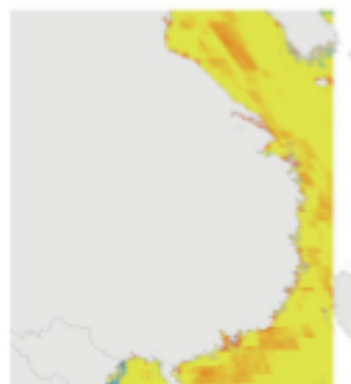
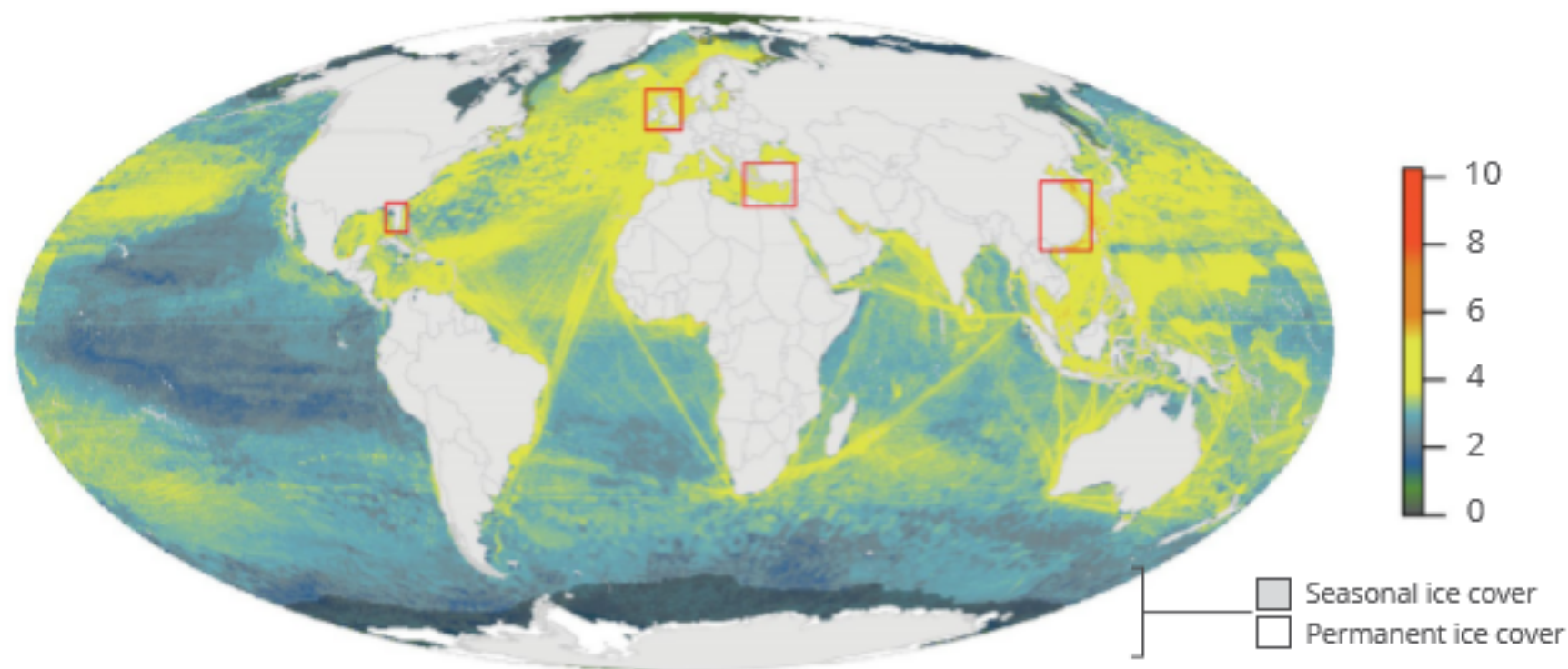
Financial Assistance for the Protection of the Marine Environment

Torsten Thiele, Senior Research Associate, IASS
International Conference on Regional Cooperation for the Protection of the Marine Environment
CIL Singapore 16 January 2019

- Finance and the Protection of the Marine Environment
 - Status and Challenges
 - Situation in South East Asia
- Existing Financial Assistance Mechanisms
 - Public sector financing
 - Trust funds
- The role of donors, including
 - Multilateral institutions
 - Philanthropy
 - International financial support for regional cooperation for the marine environment
- The Challenges in ABNJ
 - STRONG HIGH SEAS and other examples of region-based support
- Innovative Financing Mechanisms
 - Private Sector engagement
 - Public-Private Partnerships
 - Voluntary Commitments
 - Blue Bonds
- Conclusions

Cumulative human impact to marine ecosystems

Total Stressor Intensity



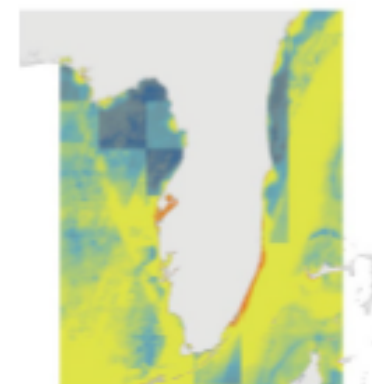
A: China Sea



B: North Sea



C: Mediterranean Sea



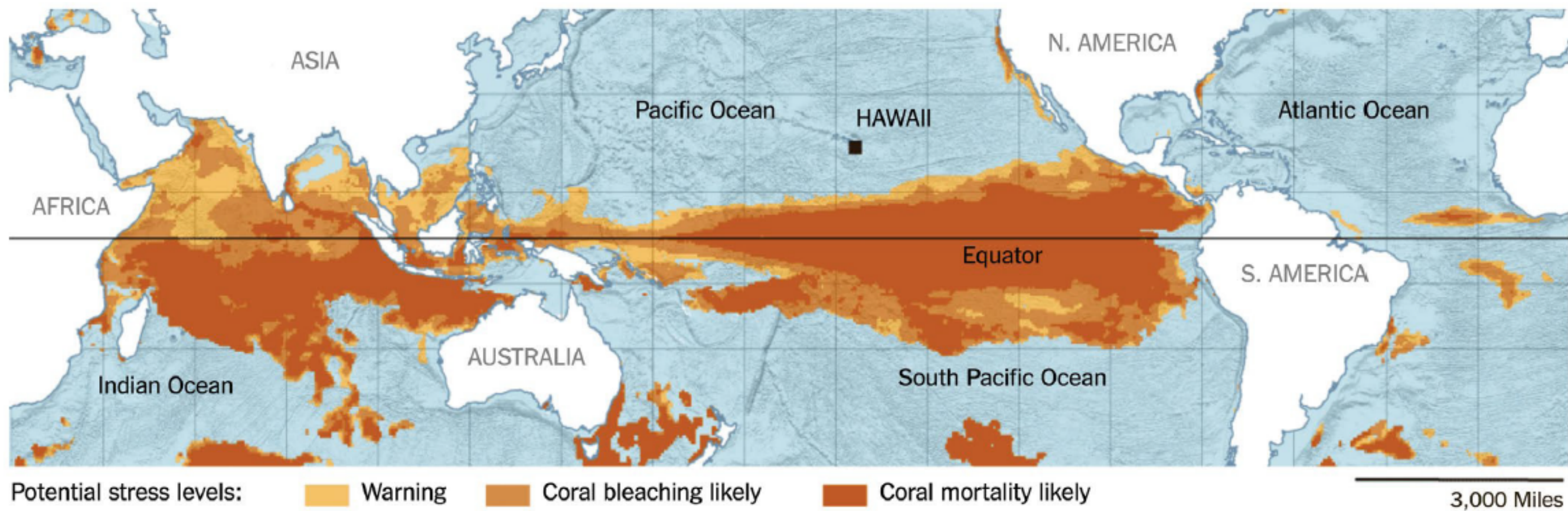
D: Florida coast

- Up to 90% of coral in South and South-East Asia will suffer severe degradation, i.e. frequency of disease, bleaching and death by 2050 due to overfishing, pollution, land run-off, sea level rise, ocean warming and acidification .
- 8 of the 10 rivers around the globe carrying the highest amounts of plastic waste are located in Asia. This waste accounts for up to 95% of the global load of plastics in the oceans.

Source: IPBES. 2018. Assessment Report on Biodiversity and Ecosystem Services for Asia and the Pacific.

Coral reefs in decline

Reports of damaged or dying coral reefs



Key points: 1



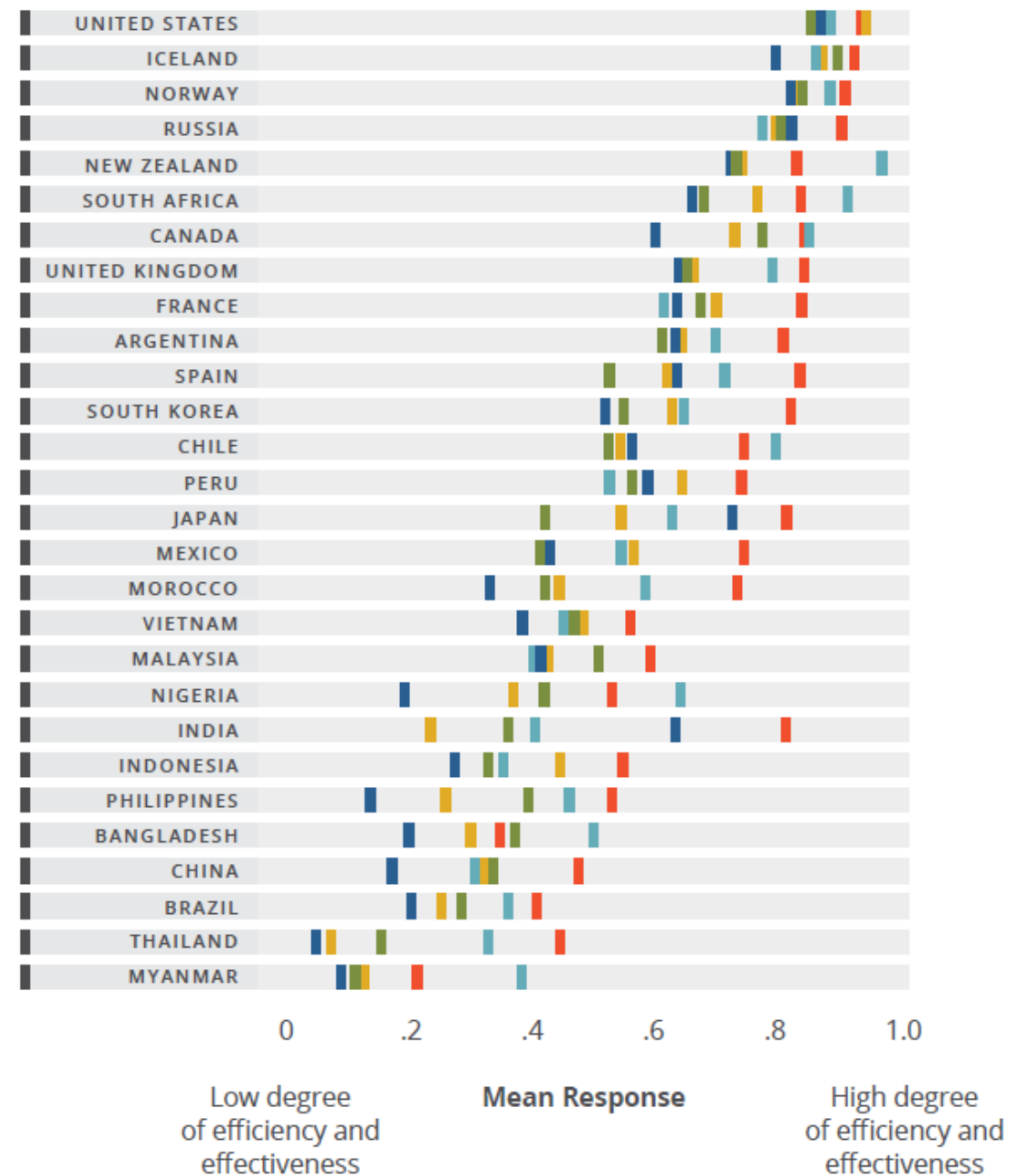
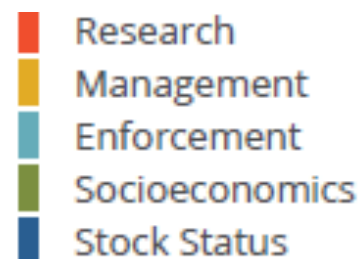
- Degradation of the marine environment is a serious challenge
 - With particular challenges for South-East Asia
-

- Finance can help to address specific governance issues
- Awareness is growing
- Which offers the chance for funding

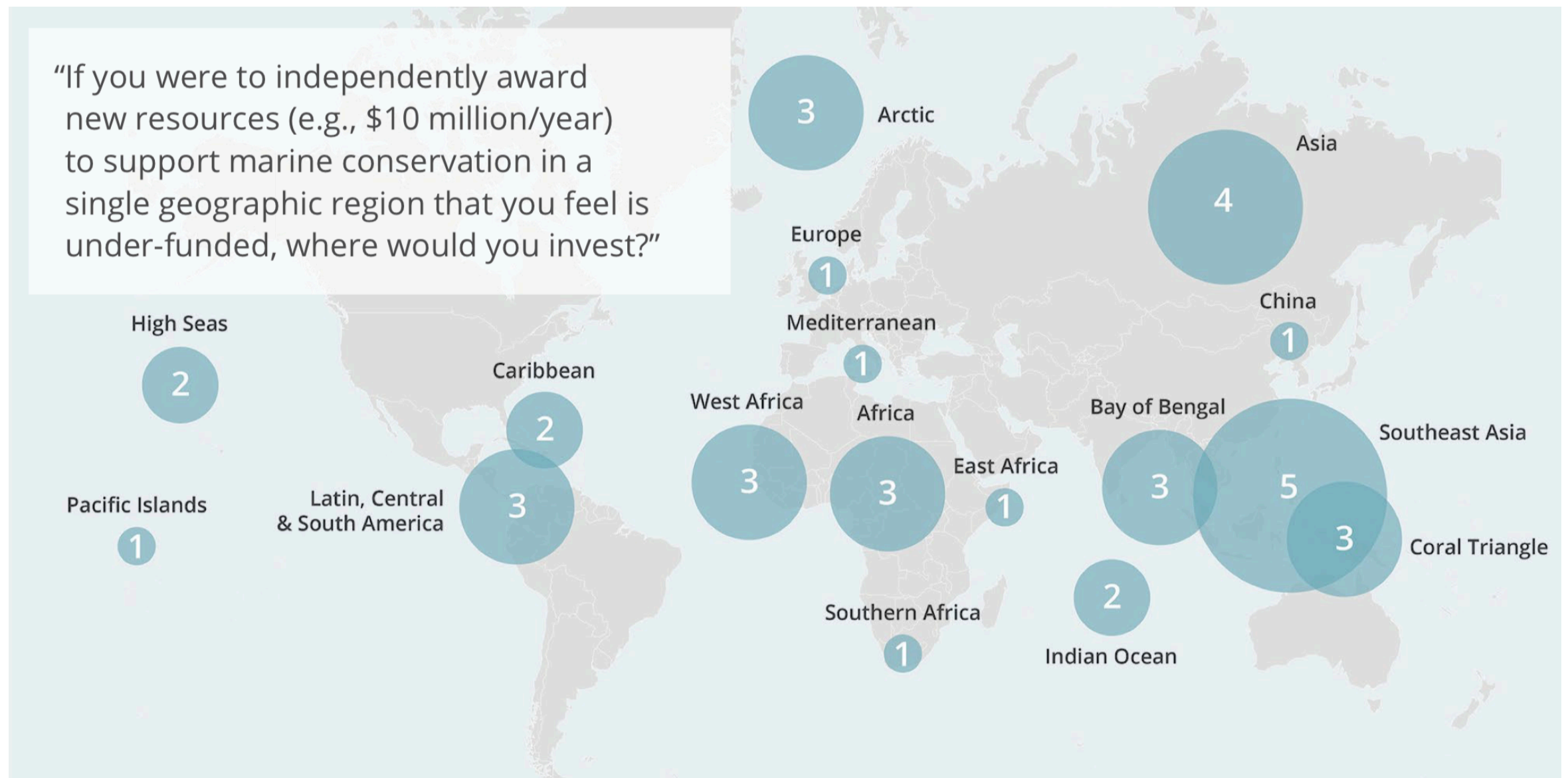
Trends in fisheries governance

Fisheries Management Index

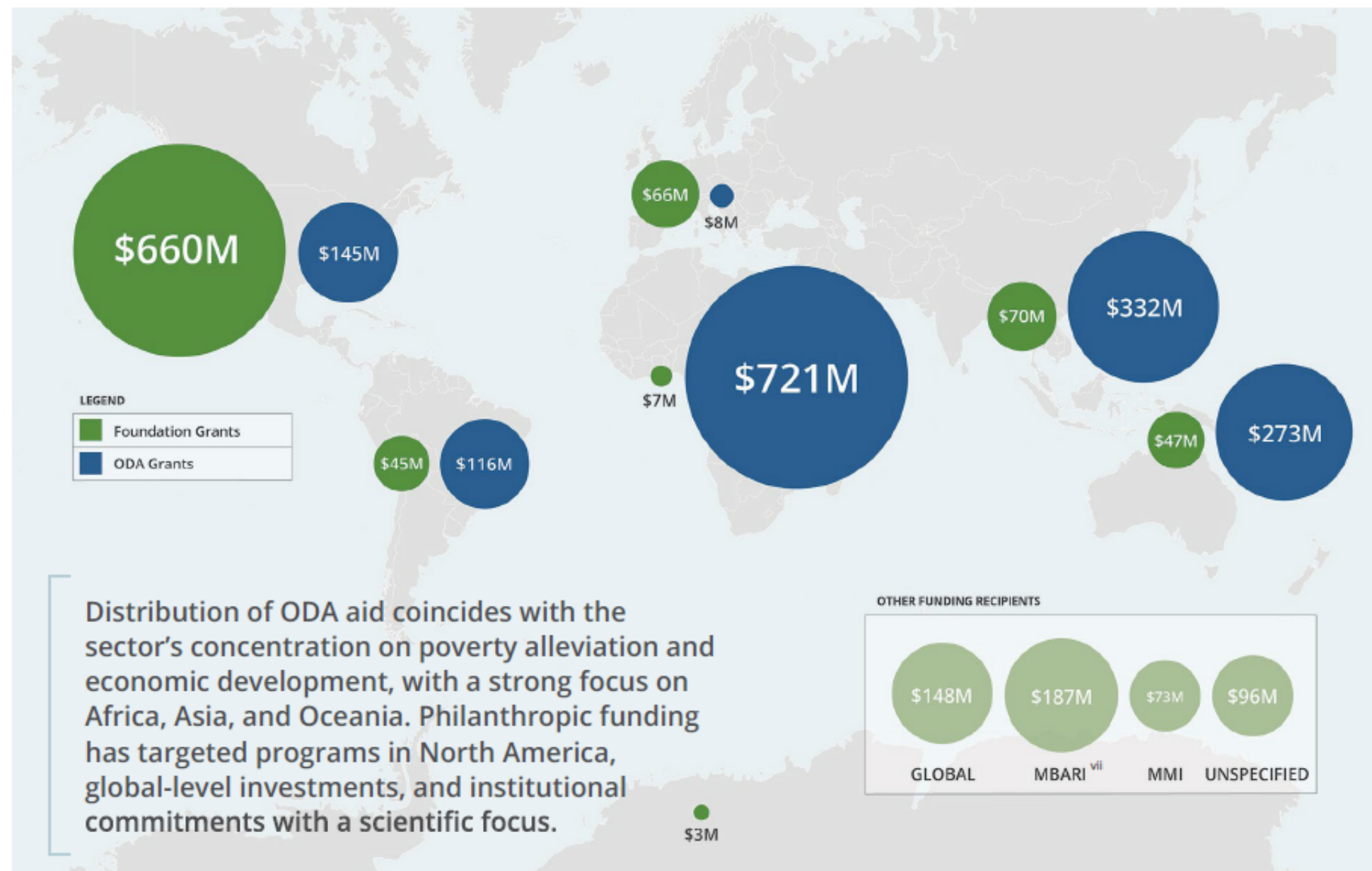
Self-evaluation survey of 28 countries on the state of fisheries management



The relevance of Southeast Asia (Save our Seas)



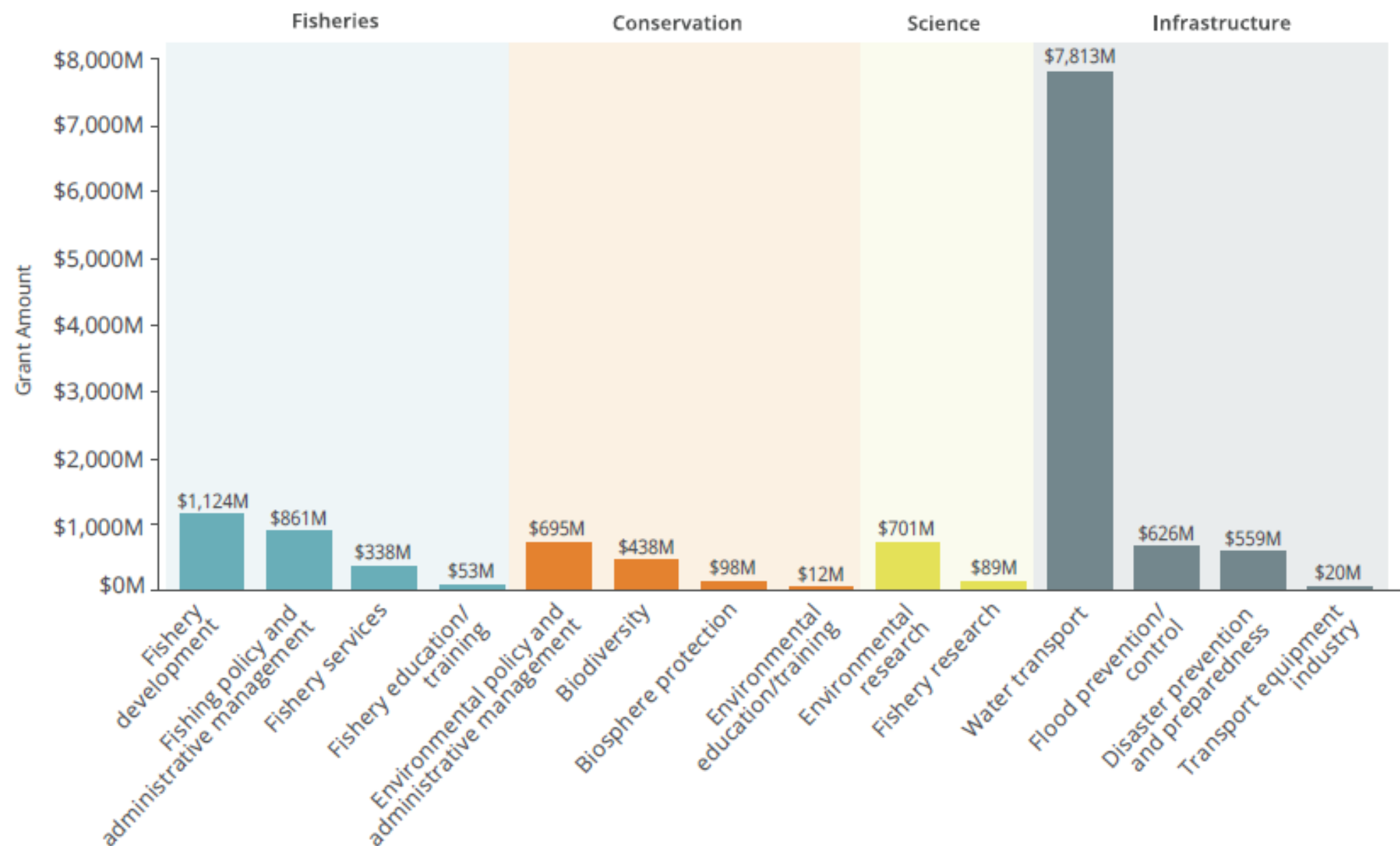
Total ocean-related grants from philanthropic versus ODA funding, 2010-2014 (in USD millions)



^{vii} Grants related to the Monterey Bay Aquarium Research Institute (MBARI) and Marine Microbiology Initiative (MMI) were differentiated as they encompass cross-cutting geographies and are heavily science-oriented.

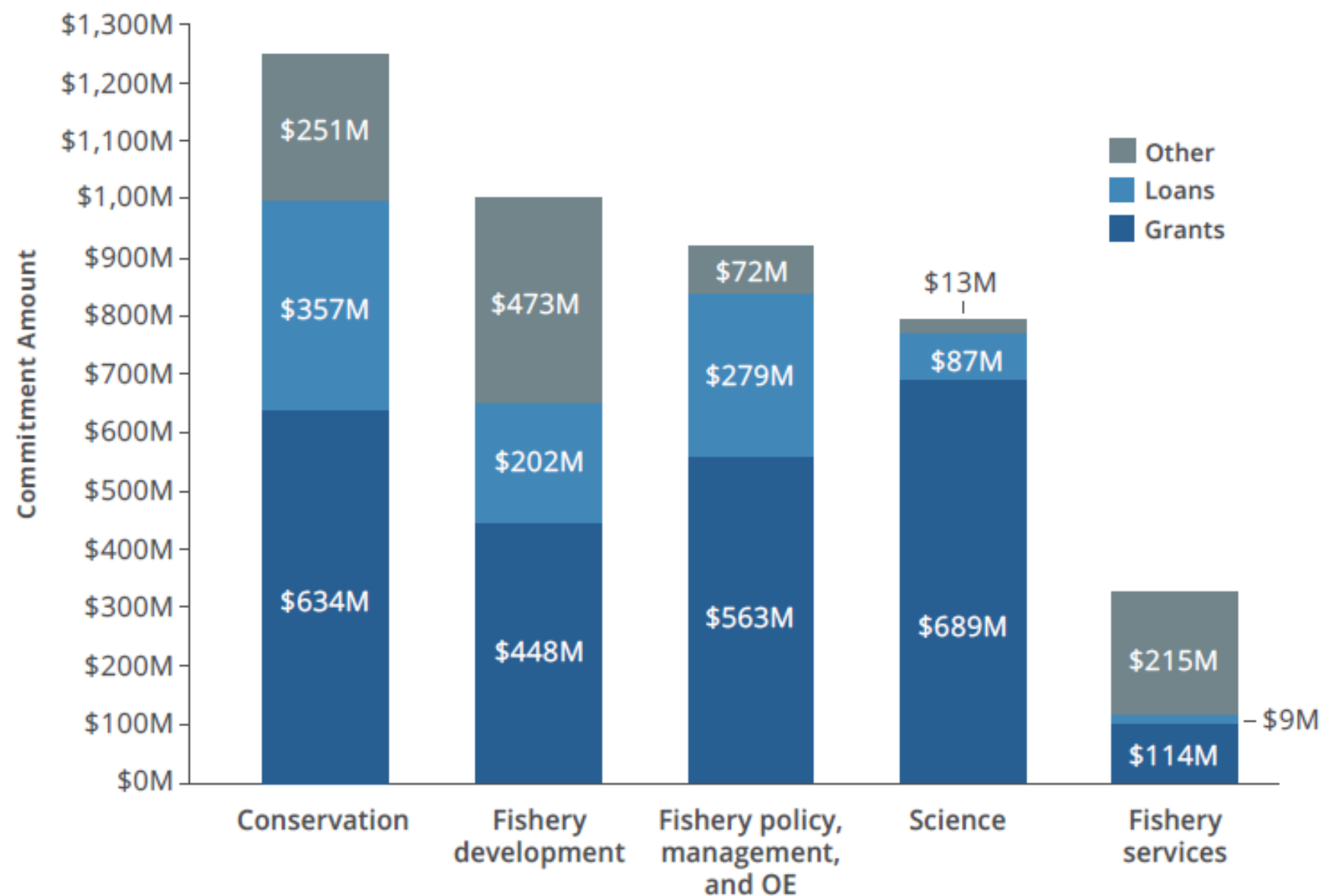
Ocean-related development aid funding

Marine ODA funding by purpose, 2010-2015



Ocean-related development aid funding

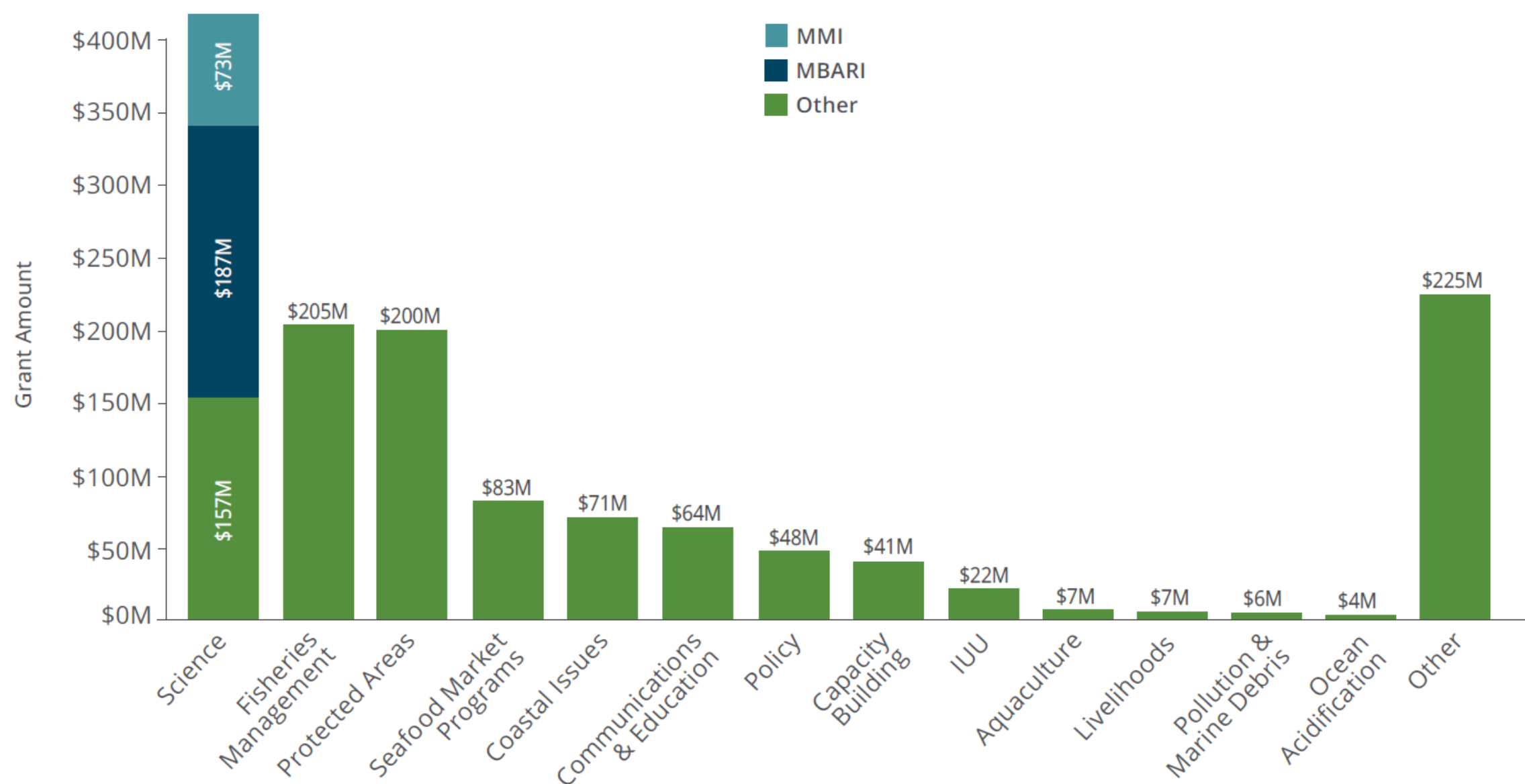
Relevant marine ODA funding by category and flow type, 2010-2015



- A very large variety of trust funds exist in the UN system
- Mainly established under GA resolution after SG report on administrative and financial implications
- Financing can be channeled to variety of intimates, liaising via focal points
- Governance through a Board
- Secretariat (13% overhead) housed within relevant UN agency
- Multi-donor trust funds office manages nearly 100 pooled financing mechanisms

Distribution of philanthropic funding by issue area

Marine philanthropic funding by issue area, 2010-2014



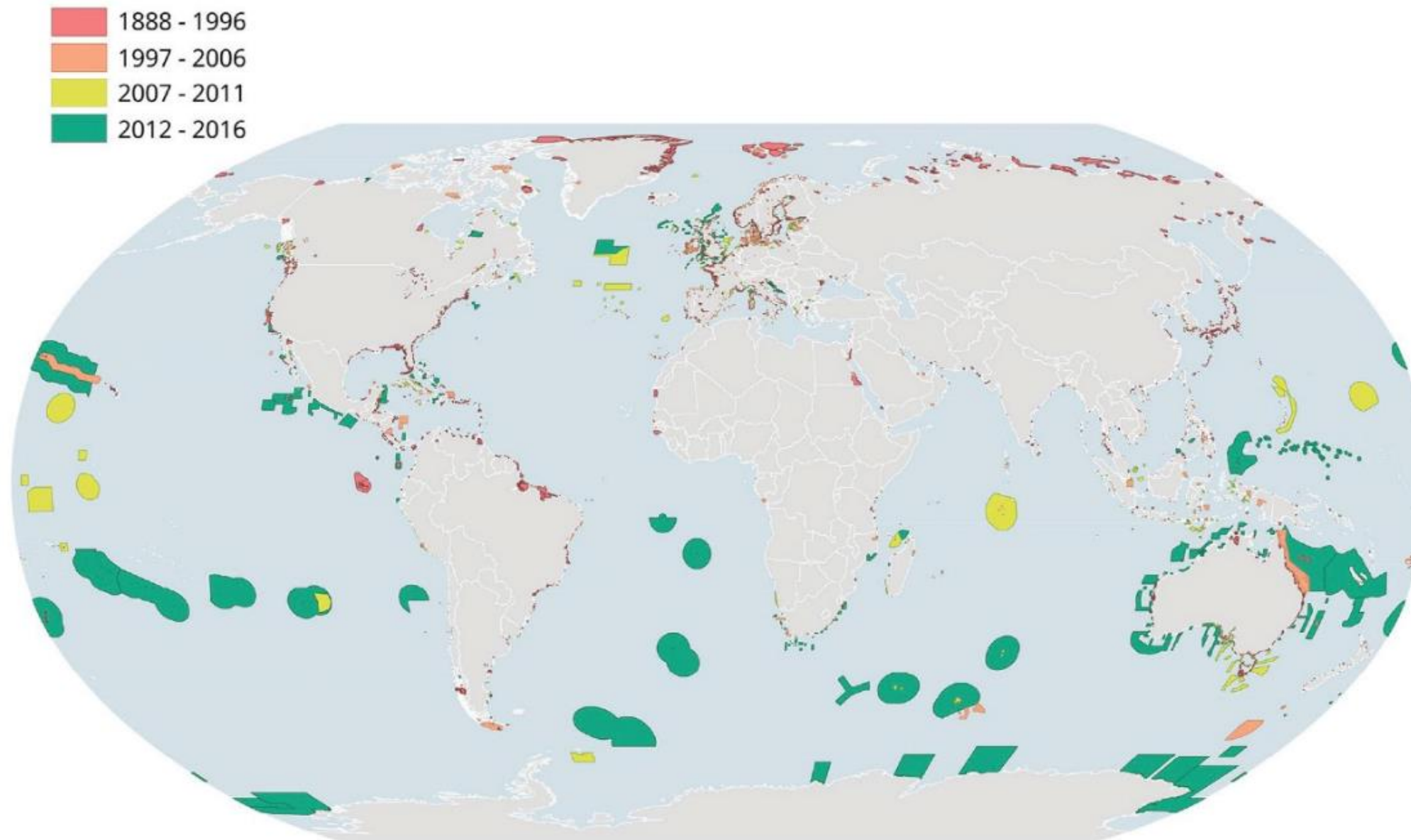
- **Philanthropic and development aid grant making for marine conservation have been roughly comparable in size though they have targeted different regions**
During 2015, roughly US \$800 million in grant funding was directed toward ocean conservation. Half originated from foundations, primarily in the US, and half came in the form of official development assistance (ODA) grants. Philanthropy has invested heavily in fisheries and protected area work in North America, Europe and the Coral Triangle, as well as in cross-cutting science and market priorities. ODA funding is primarily directed toward Africa and parts of Asia, with an emphasis on poverty alleviation and economic development in low- and middle-income countries.
- **Between 2010 and 2015, the philanthropic sector contributed about US \$1.9 billion to ocean-related issues, while ocean-related ODA amounted to approximately US \$2.4 billion in grants, a total of US \$4.3 billion, or over US \$700 million per year.**

Key points: 2



- Funding is not always targeted at key challenges
 - In particular for South-East Asia
-
- As specific governance proposals and structures are required
 - Sectoral and regional approaches need to be linked to global efforts
 - Examples of efforts for other regions

MPA coverage by recentness of implementation



The GEF Partnership could consider (www.stapgef.org) :

- 1.** Enhancing knowledge about ABNJ.
- 2.** Supporting the collective identification of key environmental projects in ABNJ.
- 3.** Supporting further development of innovative area- based tools for integrated ecosystem protection and management and a blue economy in ABNJ.
- 4.** Building technical capacity amongst Small Island Developing States (SIDS) and other GEF recipient countries to participate in ABNJ management.
- 5.** Enhancing the ability of flag and port states to implement their existing rights and obligations under UNCLOS.

276. A global trust fund could be established to perform the following functions:

- Fund the participation of developing States Parties in the instrument's processes.
- Assist developing countries in meeting their commitments under the instrument, including through conduct of EIAs.
- Fund capacity - building activities.
- Fund technology transfer - related activities and programmes, including training.
- Support the conservation and sustainable use programmes by holders of traditional knowledge in local communities, including in areas within national jurisdiction, so as to support coherence in ocean management.
- Support public consultations at the national and regional levels.

For an implementing agreement to be effective... adequate funding will be crucial to give all States access to sufficient technical and scientific knowledge and tools to match their needs, but also to address global concerns.strengthening ecosystem resilience.....delivering economic benefits for all.

In addition to traditional donor models innovative financing will be needed to support international cooperation, development of technologies and collaborative research

One example where all four initiatives (i.e. innovative financing, international cooperation, development of technologies and collaborative research) ... would be the development of a global sensor infrastructure. has the potential to deliver a long term economic return....

New ocean sustainability finance toolsdelivering innovation, scalability and standardization through a "blue finance hub" as a knowledge, skills and project preparation center, for instance ... an "Ocean Sustainability Bank" ...

New initiatives such as the Coalition for Private Investment in Conservation when developing further participation Additional funding by structuring blended financial instruments

..... establish a multilateral fund to support regional scientific and technological centers with pooled global resources

..... a mechanism to monitor the impacts of the capacity building and technology transfer programs with a periodic review to assess funding needs,..... tracked and coordinated

STRONG High Seas:

Strengthening Regional Ocean Governance for the High Seas

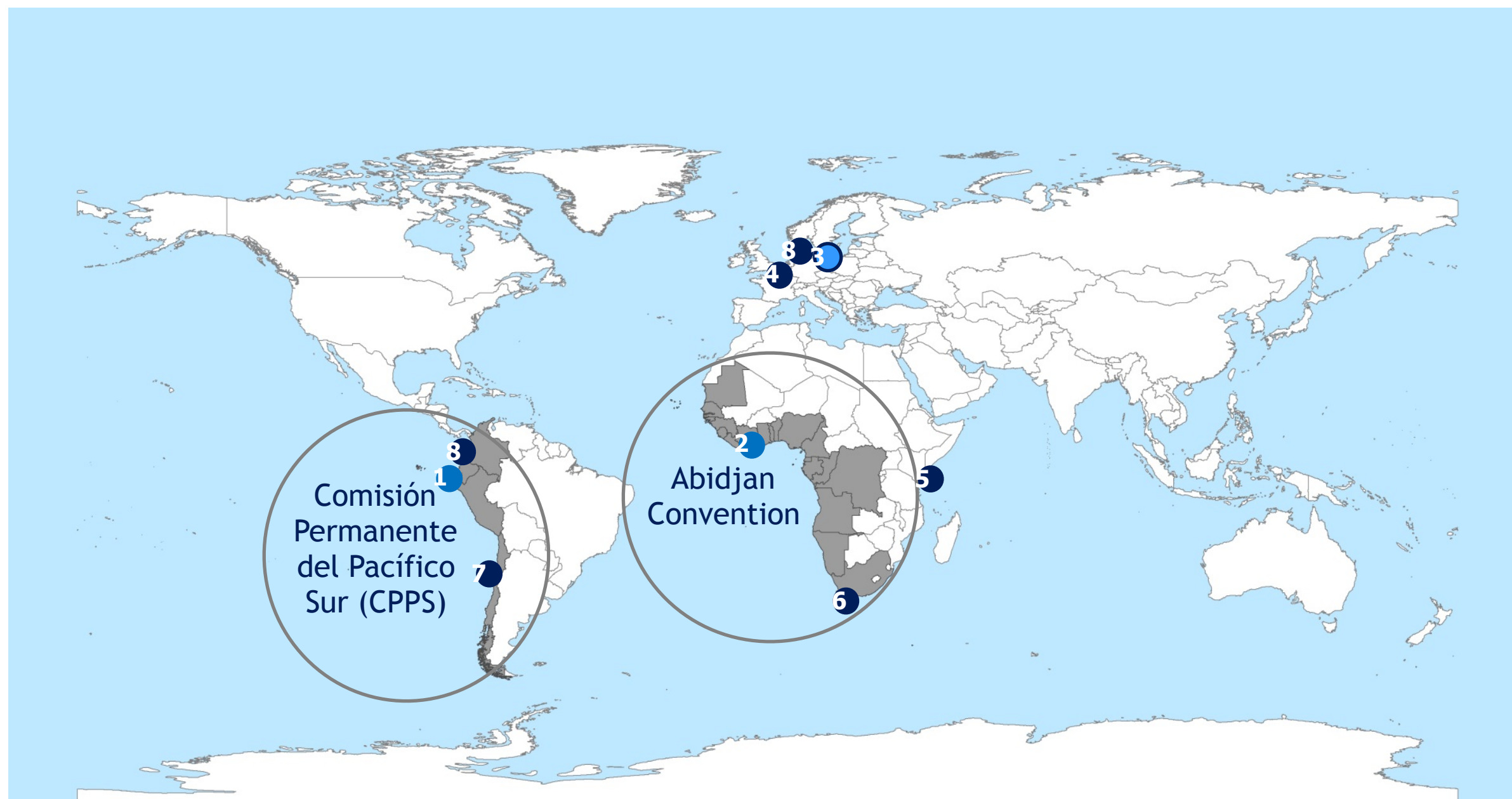
- 5-year project (June 2017 – May 2022)
- Funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) through the International Climate Initiative (IKI)
- Objective: To strengthen regional ocean governance for the conservation and sustainable use of high seas biodiversity

Supported by:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

Partners of the STRONG High Seas Project



Credit: ESRI (2008): World countries 2008. ESRI Data & Maps

1



3



5



7



2



ABIDJAN CONVENTION
CONVENTION D'ABIDJAN

4



6



International Ocean Institute
African Region

8



Regional Challenges

- **Limited Capacity**
 - Financial
 - Human resources
 - Scientific & technical
- Different:
 - geographical **coverage**
 - organisational **mandates**
 - **State membership**
 - **Participation** of non-regional States
 - **Decision-making** processes
- **Limited cross-sectoral coordination and collaboration** between organisations

STRONG High Seas

Component I

Southeast Pacific

Southeast Atlantic

Focus on strengthening ocean governance in the focal regions

Component II

Southeast Pacific

Southeast Atlantic

Region

Region

Region

Focus on strengthening dialogue between marine regions

Component III

UN BBNJ Process

Southeast Pacific

Southeast Atlantic

Linking regional and global governance

SAVE THE DATE

PROG

1st PROG Marine Regions Forum

30 September – 2 October 2019
Berlin, Germany

- A participatory, multi-stakeholder and cross-sectoral dialogue to:
- Advance dialogue and joint learning;
 - Exchange good practices
 - Facilitate the development of integrated ocean approaches
 - Support cooperation and coordination between marine regions
 - Facilitate collective strategies

Implementing partners



IDDRI



The Marine Regions Forum is co-funded by

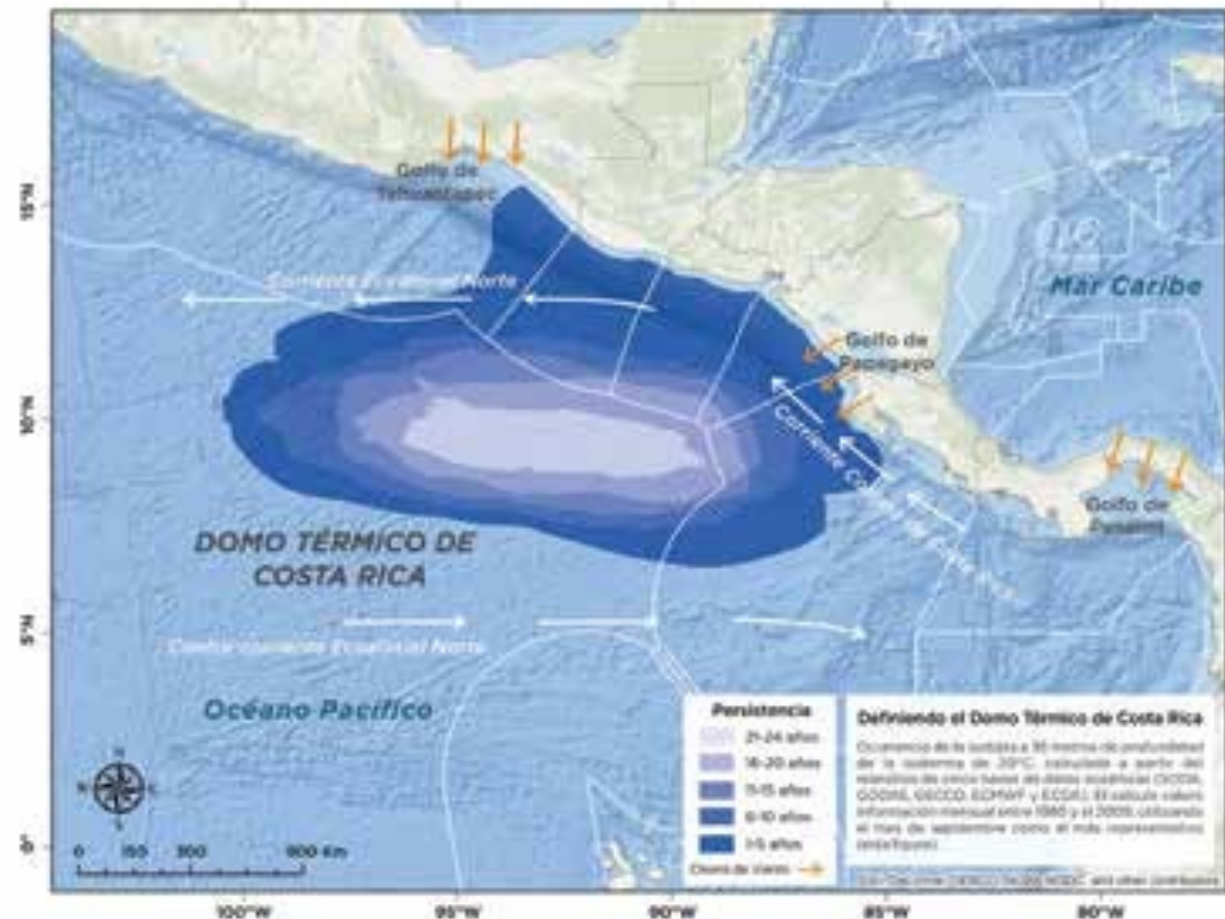


European Union
European Maritime and
Fisheries Fund

- Costa Rica Thermal Dome.

Fundación MarViva analysed the road towards establishing a governance model for the Dome.

This is an example of an Ecosystem-based multi-country and ABNJ based governance structure Proposed by a Foundation and Eventually potentially funded as a Public-private partnership.



www.marviva.net/es/biblioteca/hacia-el-establecimiento-de-un-modelo-de-gobernanza-para-el-domo-termico-de-costa-rica. Source: Ross Salazar, E. Towards a governance model for the Costa Rica Thermal Dome, GOBI Autumn 2018

Key points: 3

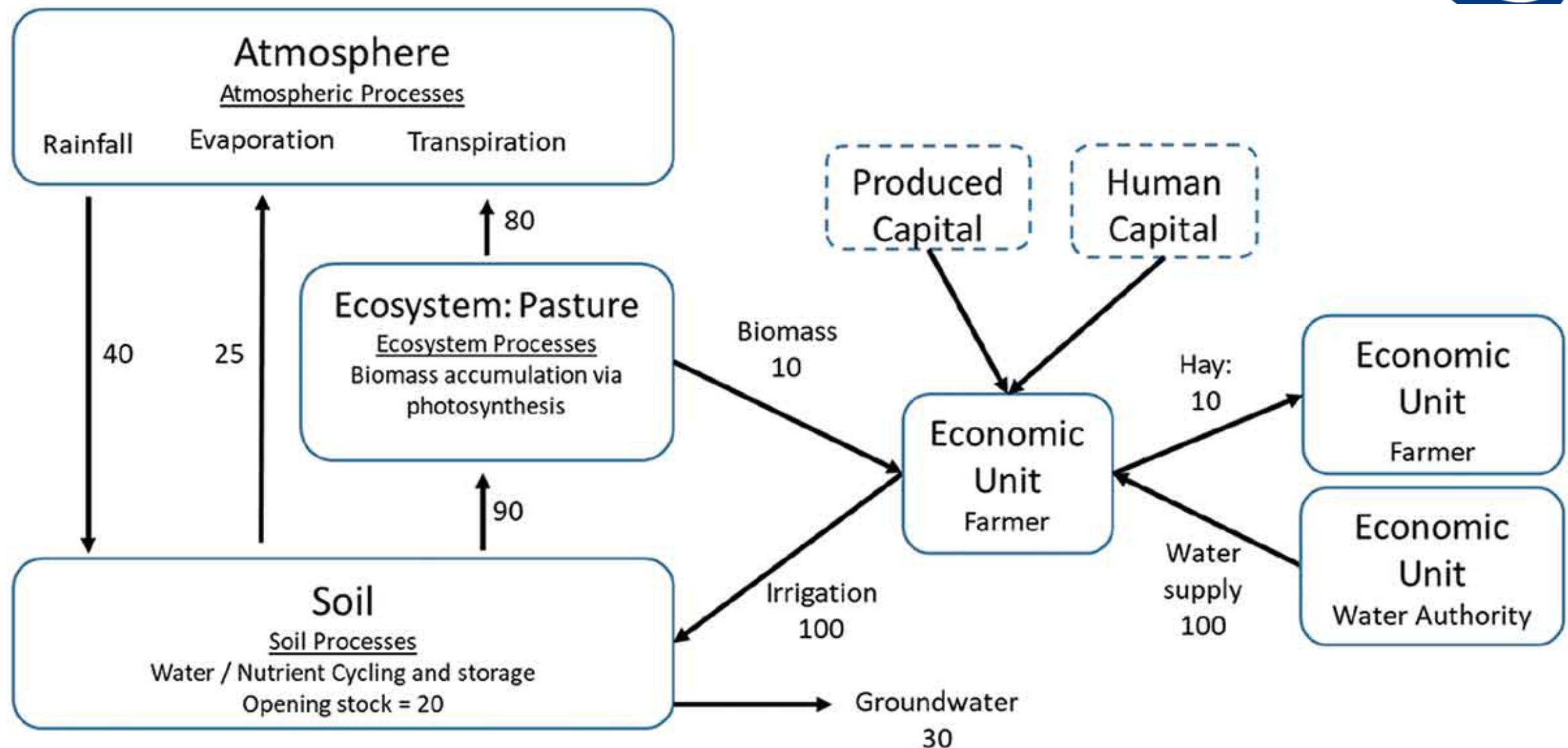


- Clear regional priorities are required
 - In particular for South-East Asia
-

- These need to be supported by innovative funding structures
- Engaging the private sector and applying economic and societal arguments
- Linking with broader global finance approaches, in particular climate adaptation

- Dedicated funds and clearing house mechanisms
- Trust funds and endowments
- Institutions providing blended and catalytic finance
- Liability funds, managing user and service fees and penalties
- Impact investment for ocean technology solutions

- Voluntary Commitments made at UN SDG14 and at the OurOcean conferences
- Ecosystem-based accounting and mandates
- Multilateral development banks and sustainable infrastructure
- Coordination of environment, development and climate agendas
- Sustainable Blue Economy, Blue Growth and Blue Natural Capital
- Economist World Ocean Summit and other upcoming events
-



Source: Eigenraam, M and Obst, C (2018) Extending the production boundary of the System of National Accounts (SNA) to classify and account for ecosystem services. [Mark Eigenraam](#) & [Carl Obst](#) PUBLISHED ONLINE: 4 November 2018

- The \$8.3 billion Climate Investment Funds (CIF) is providing 72 developing and middle income countries with resources to manage the challenges of climate change.
- Giving priority to highly vulnerable least developed countries, including SIDS, the \$1.2 billion Pilot Program for Climate Resilience (PPCR) provides grants and highly concessional financing for a wide range of activities, such as...water resources, landscape and coastal zone management...
- Two emerging innovations could prove crucial in GCF resilience to fulfil its role in Paris Agreement implementation: (1) interlinkages with other UNFCCC bodies, especially the Technology Mechanism; and (2) engagement with non-Party stakeholders, especially private sector actors such as large US investors and financiers
(Megan Bowman & Stephen Minas (2018) Resilience through interlinkage: the green climate fund and climate finance governance, Climate Policy, DOI: 10.1080/14693062.2018.1513358)

- Capital Markets instruments for Marine Sustainability
- The Seychelles Blue Bond
- Purpose: Marine recovery through MPAs
- Process: Marine Spatial Planning
-
- Beneficiaries: Funding for local sustainable businesses
- Issuers and Guarantors, Investors and Supporting Mechanisms

- External funding can support progress for the region
- Yet donor and financing agendas may differ and not deliver continuity
- Therefore credible bodies and formats are required
- These can include innovative finance and public-private partnerships
- Allowing science, economics and technology innovation and non-state actors to support regional marine environment resilience and recovery



Torsten Thiele, IASS
Senior Research Associate, Ocean Governance
torsten.thiele@iass-potsdam.de

Institute for Advanced Sustainability Studies e.V.
Berliner Straße 130
D – 14467 Potsdam
Web: www.iass-potsdam.de