

Ocean Invest

Harnessing the next generation of economic valuation tools,
decision tools, and sustainable finance mechanisms
to expand investment in the Caribbean's
marine and coastal resources

A project concept for discussion

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Saint George's, Grenada
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Presentation Structure

- 1. Overview of TNC Caribbean, Caribbean Biodiversity Fund, Caribbean Sustainable Financing Architecture**
- 2. Overview of Ocean Invest Concept**
 - a) Links to MEAs, other projects
 - b) Socialization / awareness raising re: natural capital values
 - c) Sustainable Finance Mechanisms
- 3. Questions, Discussion**



TNC CARIBBEAN - STRATEGIC FOCUS

Marine-coastal environment, with three macro-strategies



HEALTHY,
PRODUCTIVE
OCEAN



CLIMATE
CHANGE
AND
COASTAL
RESILIENCE



CORAL REEFS

TNC CARIBBEAN

Working at multiple levels



Site-level
projects

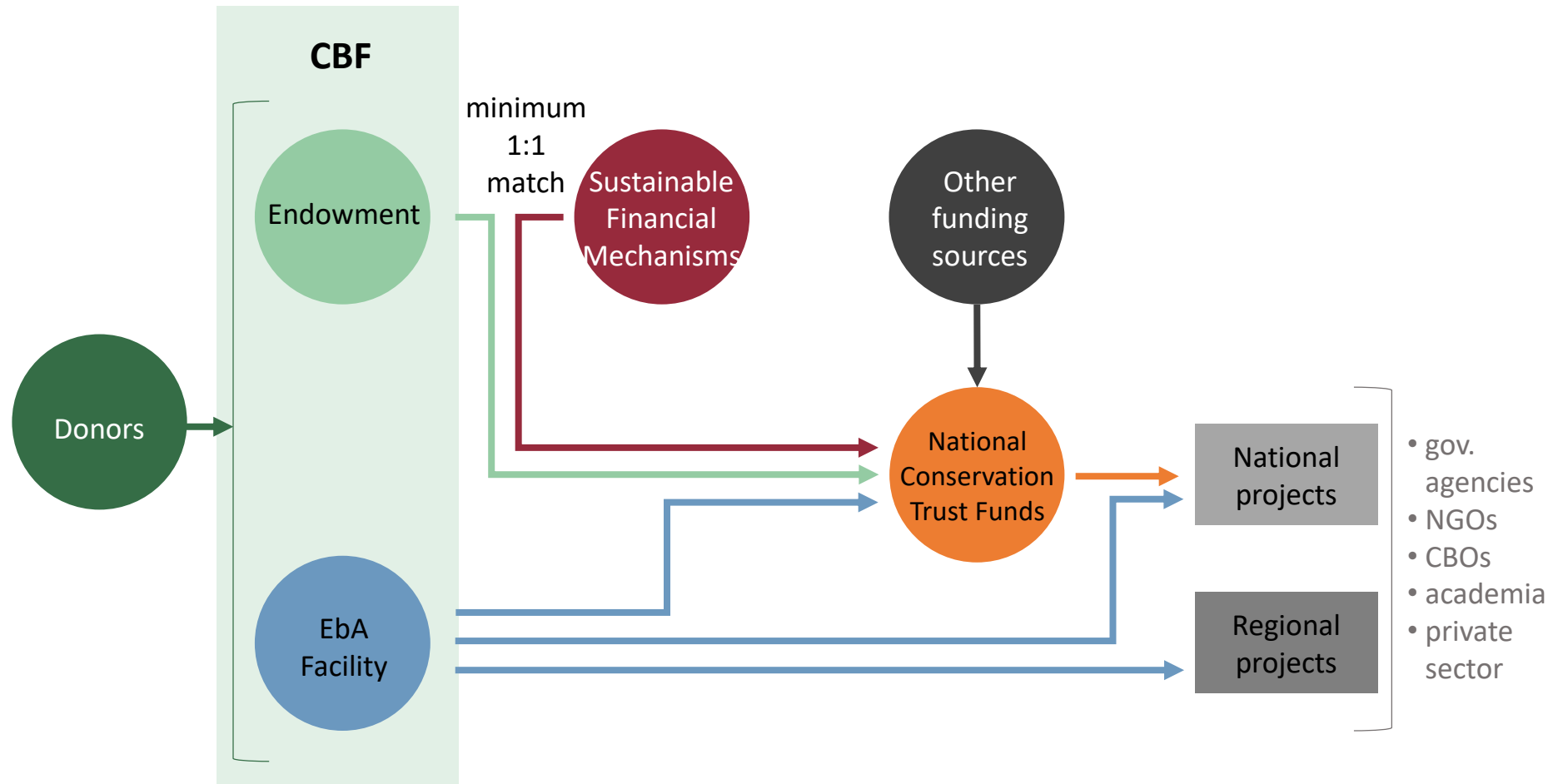


Higher-level
partnerships
with
governments
and companies

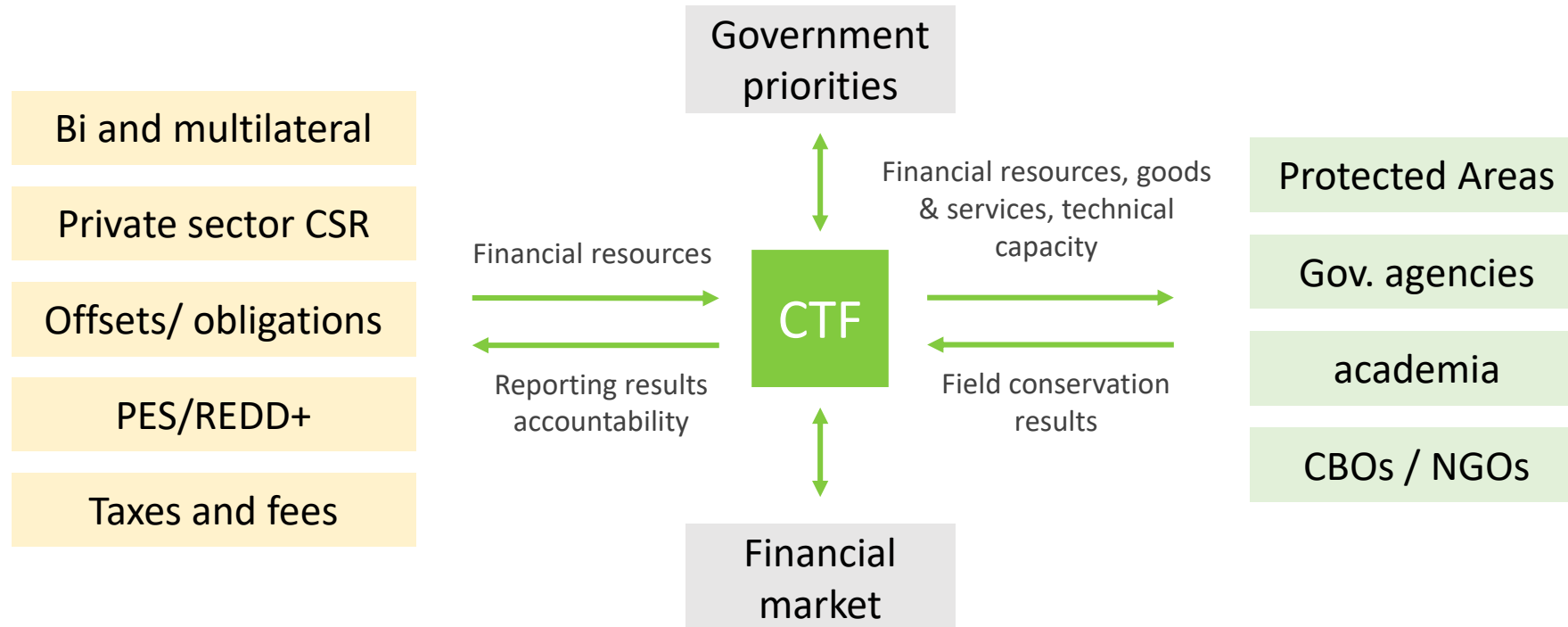


Sustainable
finance

Caribbean Sustainable Financial Architecture



Conservation Trust Funds



NCTFs Eligibility criteria

- **Purpose:** The purpose should be aligned with the purpose of the CBF
- **Board composition:** Broad composition and representation, majority civil society board membership
- **Civil society board members:** Should not be solely selected by the government
- **Asset control:** Well-designed and independent asset control
- **Audit requirements:** Well-defined audit requirements
- **Grants:** Ability to make grants to both government and civil society entities
- **Match:** Ability to generate 1:1 match funding

e.g. FUNBIO - Brazilian Biodiversity Fund

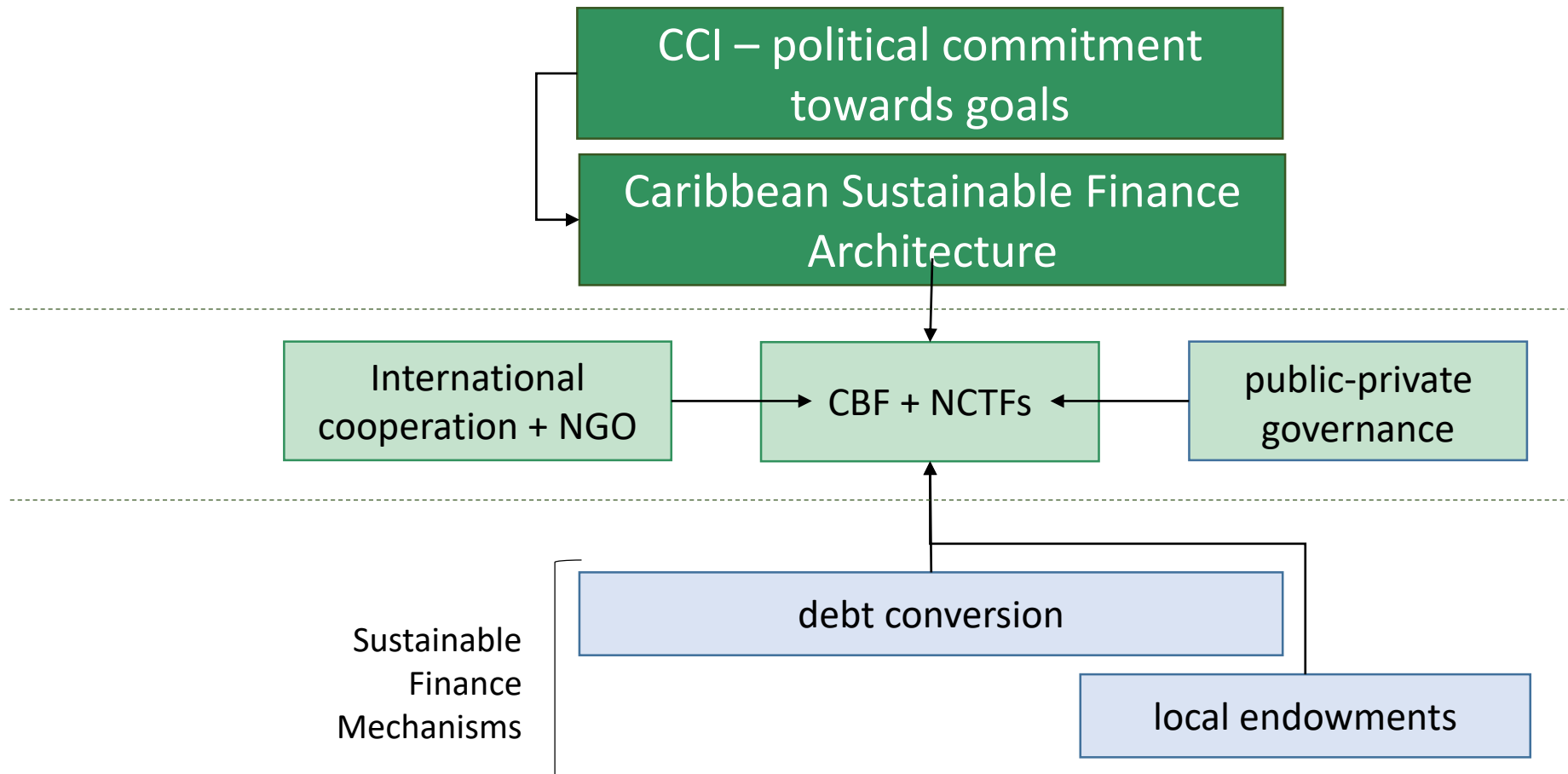


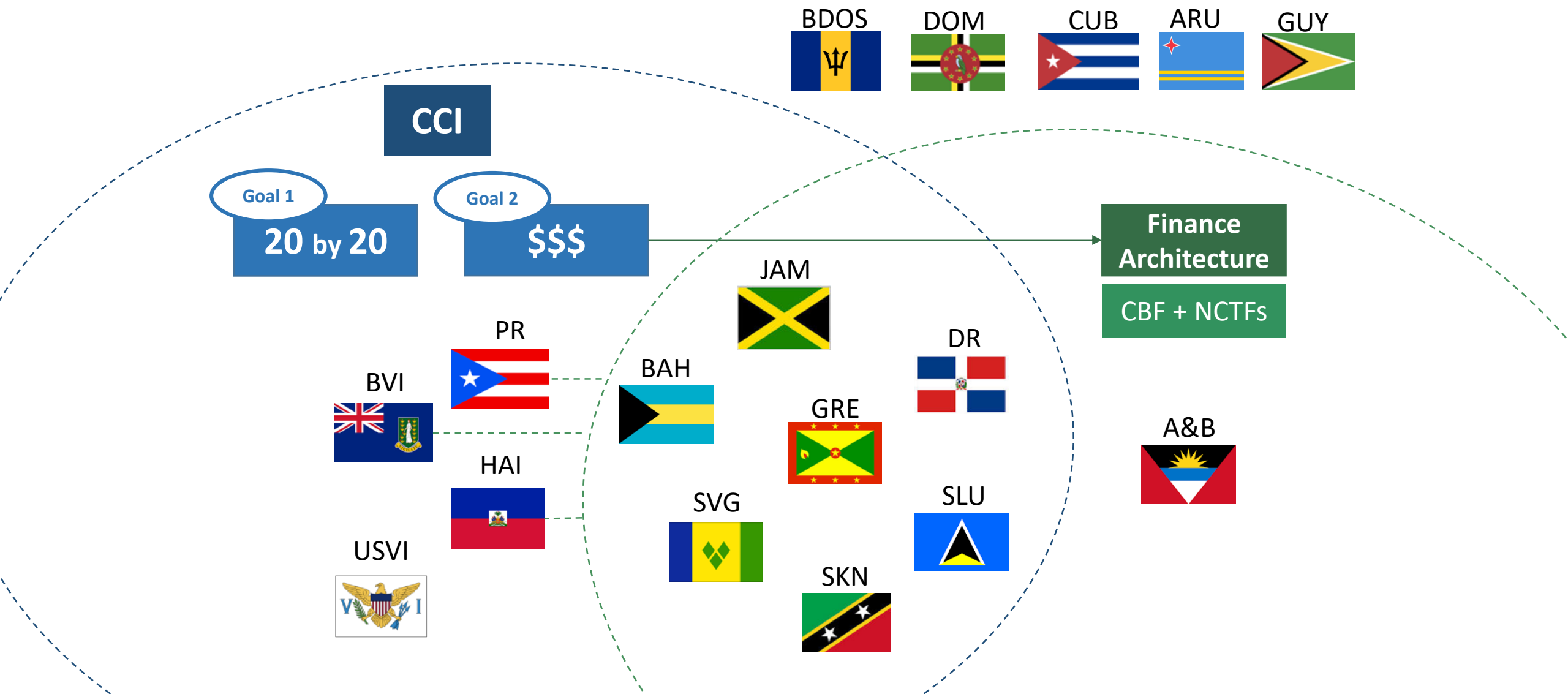
- Manages US\$578M in endowment & sinking funds
- Supports Protected Areas, including procurement
- Manages various calls for proposals for CSOs;
- Assists private sector in meeting legal environmental obligations;
- Executes environmental management and conservation projects;
- Designs and implements innovative mechanisms; and
- Acts as GEF Partner Agency





Caribbean Sustainable Finance Architecture





NCTFs Establishment Dashboard

(updated in Jan. 2019)

Country	NCTF	Legally Established	Functional Board	Pre-Financing Agreement	By-laws	OM (Board Approved)	Staff Hiring	CBF Eligibility Request	Partnership Agreement Negotiations	First CBF Payment
A&B	MEPA Trust	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
BAH	BPAF	Complete	Complete	N/A at the moment	In progress	In progress	Complete	In progress	Not initiated yet	Not initiated yet
DR	Fondo MARENA	Complete	Complete	N/A at the moment	Complete	Complete	Complete	Complete	Complete	Complete
GND	GSDTF	Complete	Complete	Complete	Complete	In progress	Complete	In progress	Not initiated yet	Not initiated yet
HAI	HBF	Complete	In progress	N/A at the moment	In progress	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet	Not initiated yet
JAM	NCTFJ	Complete	Complete	Complete	Complete	In progress	Complete	Complete	In progress	Not initiated yet
SKN	SCNCF	Complete	Complete	Complete	Complete	In progress	In progress	Not initiated yet	Not initiated yet	Not initiated yet
SLU	SLUNCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete	Complete
SVG	SVGCF	Complete	Complete	Complete	Complete	Complete	Complete	Complete	In progress	Not initiated yet

Complete
In progress
Not initiated yet
N/A at the moment

OceanInvest



Helping advance achievement of existing goals



I SUPPORT
GOAL 14
LIFE BELOW
WATER



I SUPPORT
GOAL 15
LIFE ON LAND



I SUPPORT
GOAL 17
PARTNERSHIPS
FOR THE GOALS



Convention on
Biological Diversity

Complementing other Regional Initiatives

- Caribbean Regional Oceanscape Project (CROP)
- CLME+ Project
- Sustainable Finance Architecture
- Caribbean Challenge Initiative

Why a regional approach?

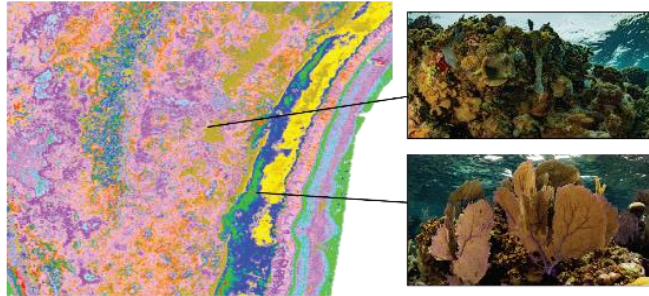
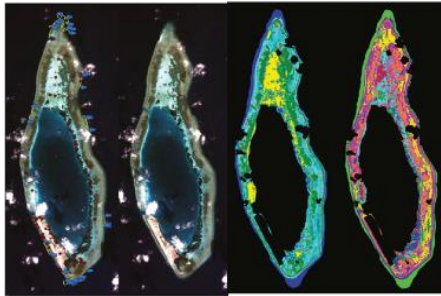
- Access to wider range of sources of GEF funding.
- Experiences and lessons-sharing
- Complements sustainable financing architecture, need for trusts around the region to develop revenue generation mechanisms
- Attractiveness to partners, e.g. donors and private sector partners, many of whom have regional operations

Project Components

- Implementation/operationalization project
- Promote increase in investment in coastal and marine environments
 - Public and private investment through awareness raising
 - Design & operationalization of mechanisms linked to trust funds' obligations to raise matching funding
 - Consolidate trust fund operations

Components 1 & 2:

Quantifying and Socializing
Ecosystem Services Values with
Public, Private Actors



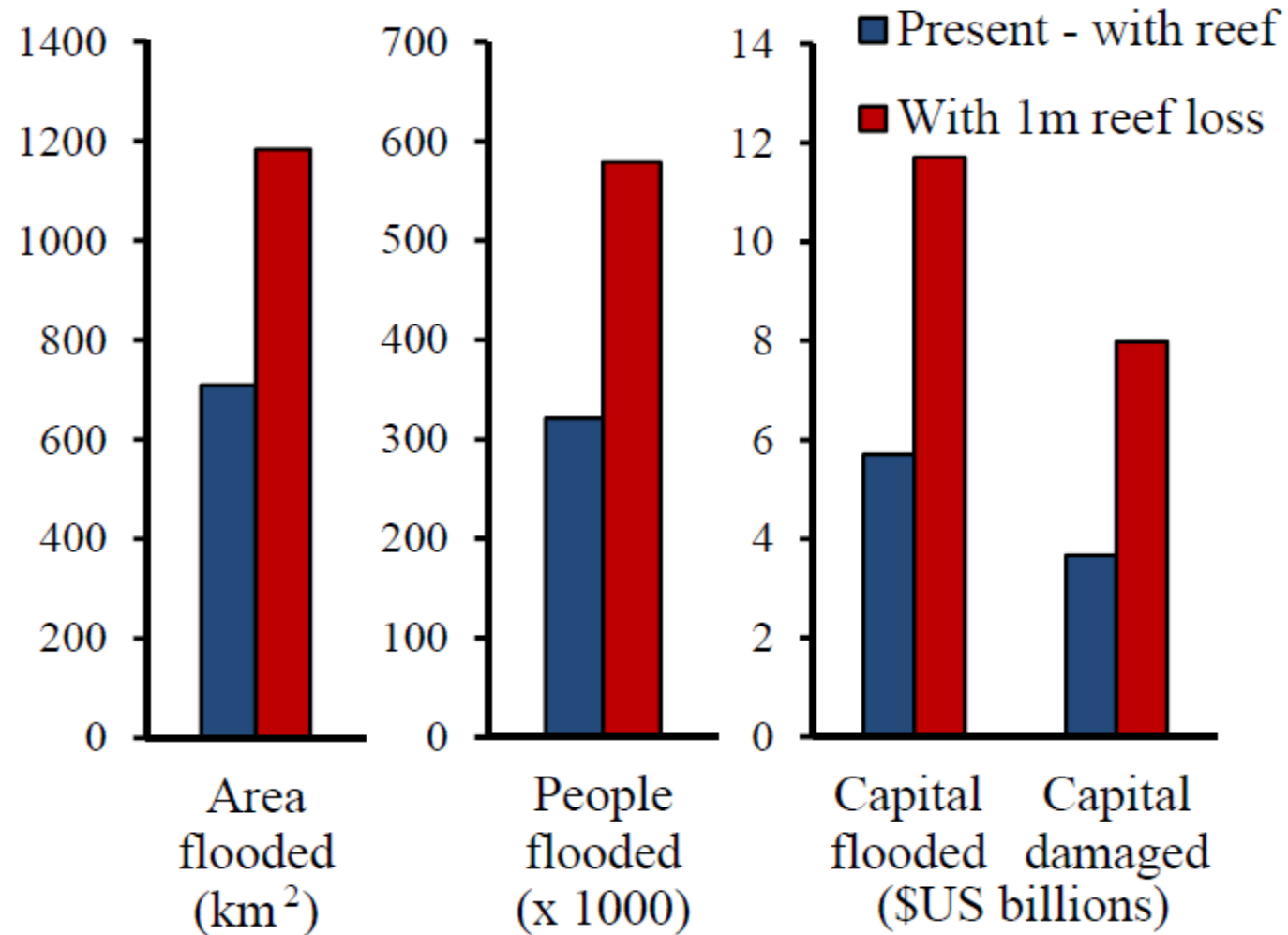
Satellite Mapping
~12 foot resolution
~200,000,000 mi²/day

Carnegie Airborne Observatory
~3 foot resolution
~20 mi²/day

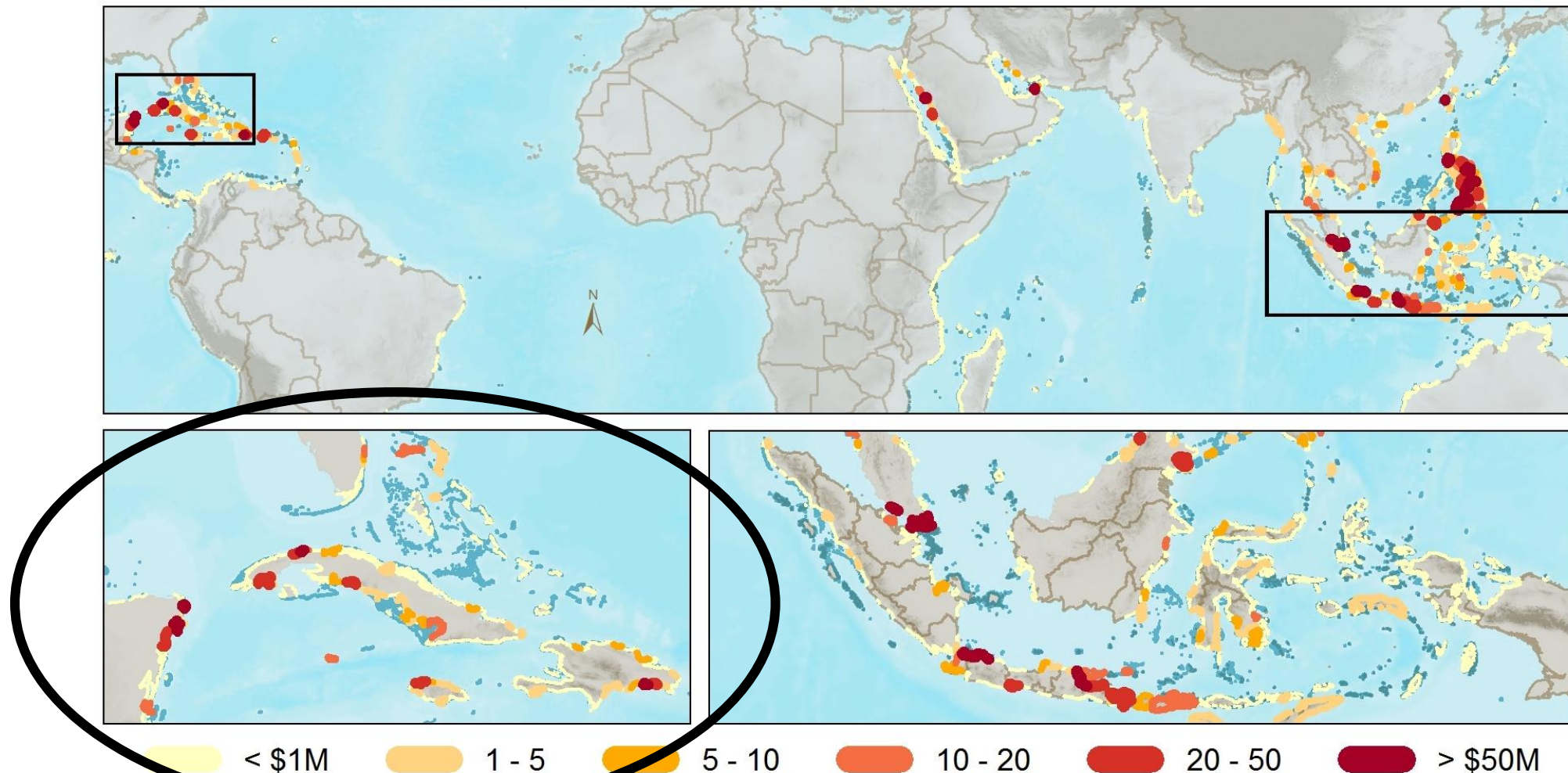
Field Validation
<.03 foot resolution
~0.0002 mi²/day

TOOLS TO MAP CORAL REEFS AND MANGROVES AT MULTIPLE SCALES

Annual Benefits of Reefs for Flood Reduction



Annual Expected Benefits from Reefs: Avoided flood damage in \$M/20 km coastline



Component 3 & 4:

Sustainable Financing Mechanisms
& Consolidation of Architecture

Innovative Insurance Products



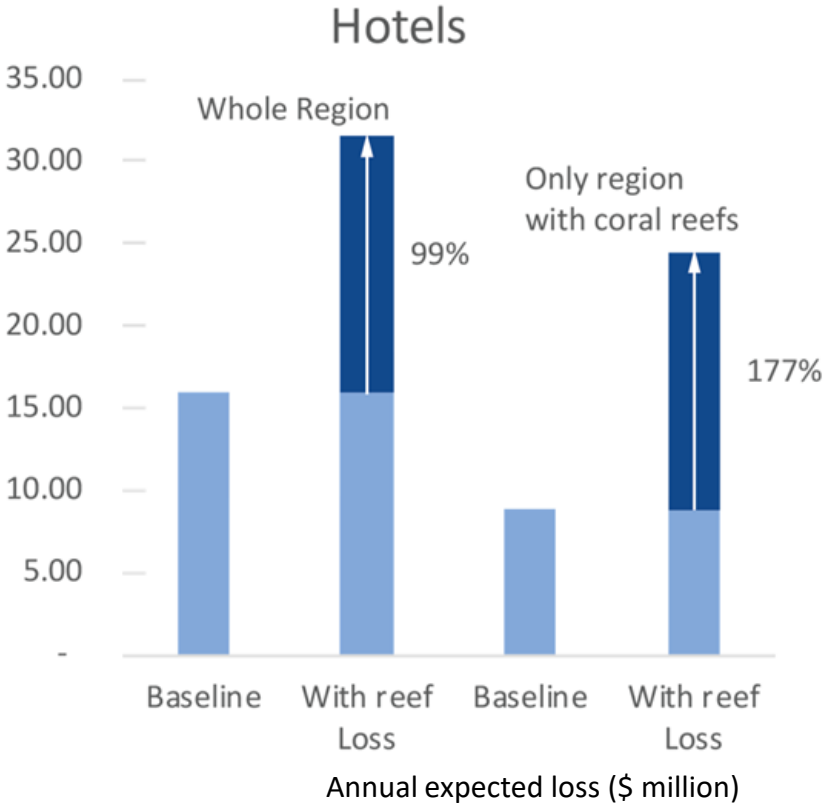
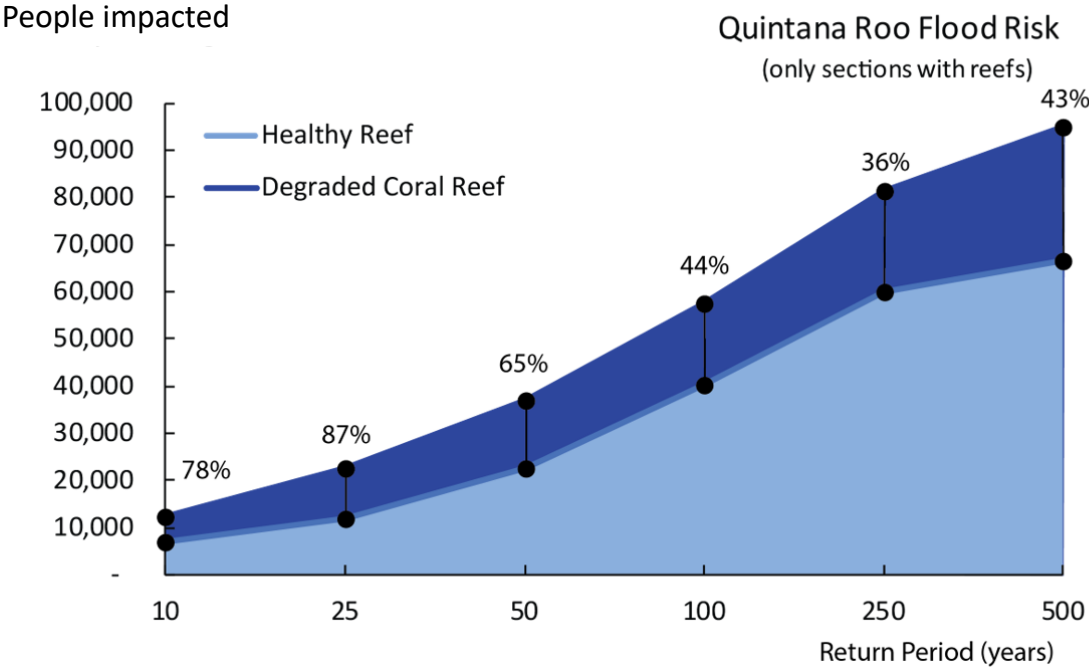
Reef Insurance

Pilot recently launched in
Mexico (Quintana Roo)
with Swiss Re, state government
and tourism sector

Insuring nature to ensure its protective value

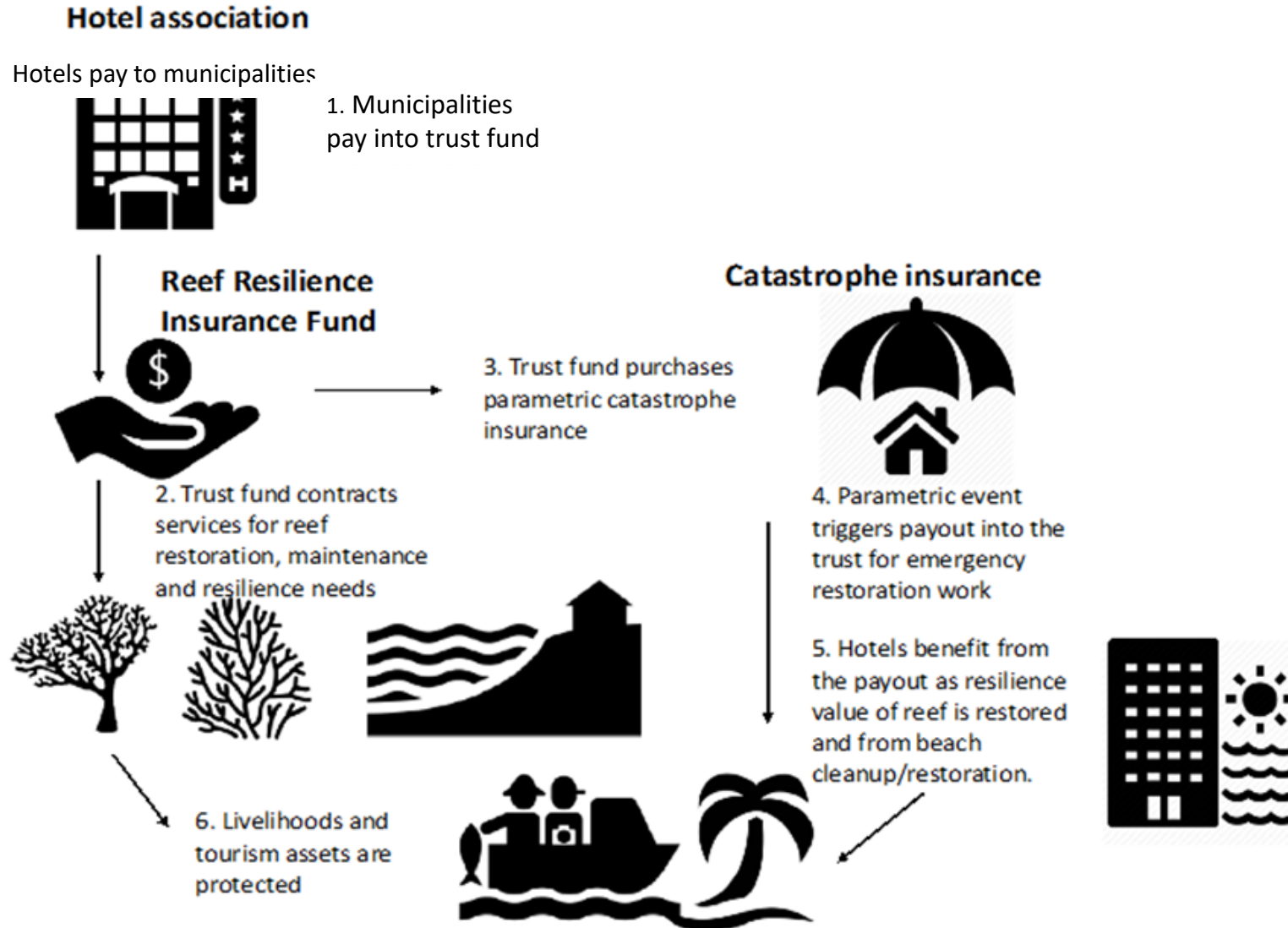


Expected increase in damage with a 1m loss in reef crest height



The Coastal Zone Management Trust

A trust fund for nature and insurance



Other Approaches

- **Blue Marinas**
 - Voluntary, opt-out
 - Guests pay a modest amount per night they stay in participating marinas
- **Green Lodging**
- **Tourism Enhancement Fund**
 - Collected by Hotel & Tourism Associations
 - Voluntary, opt-out, ~\$2USD
 - Road signage, studies, water management, Rainforest Trails, etc.

A photograph of a mangrove tree, likely a Rhizophora species, growing in a sandy, wet environment. The tree has a dense canopy of green leaves and several prominent, thick, brown prop roots that arch out from the base of the trunk and descend into the sand. The background is a blurred expanse of green mangrove forest and a body of water.

Debt Conversion

Seychelles Debt Swap

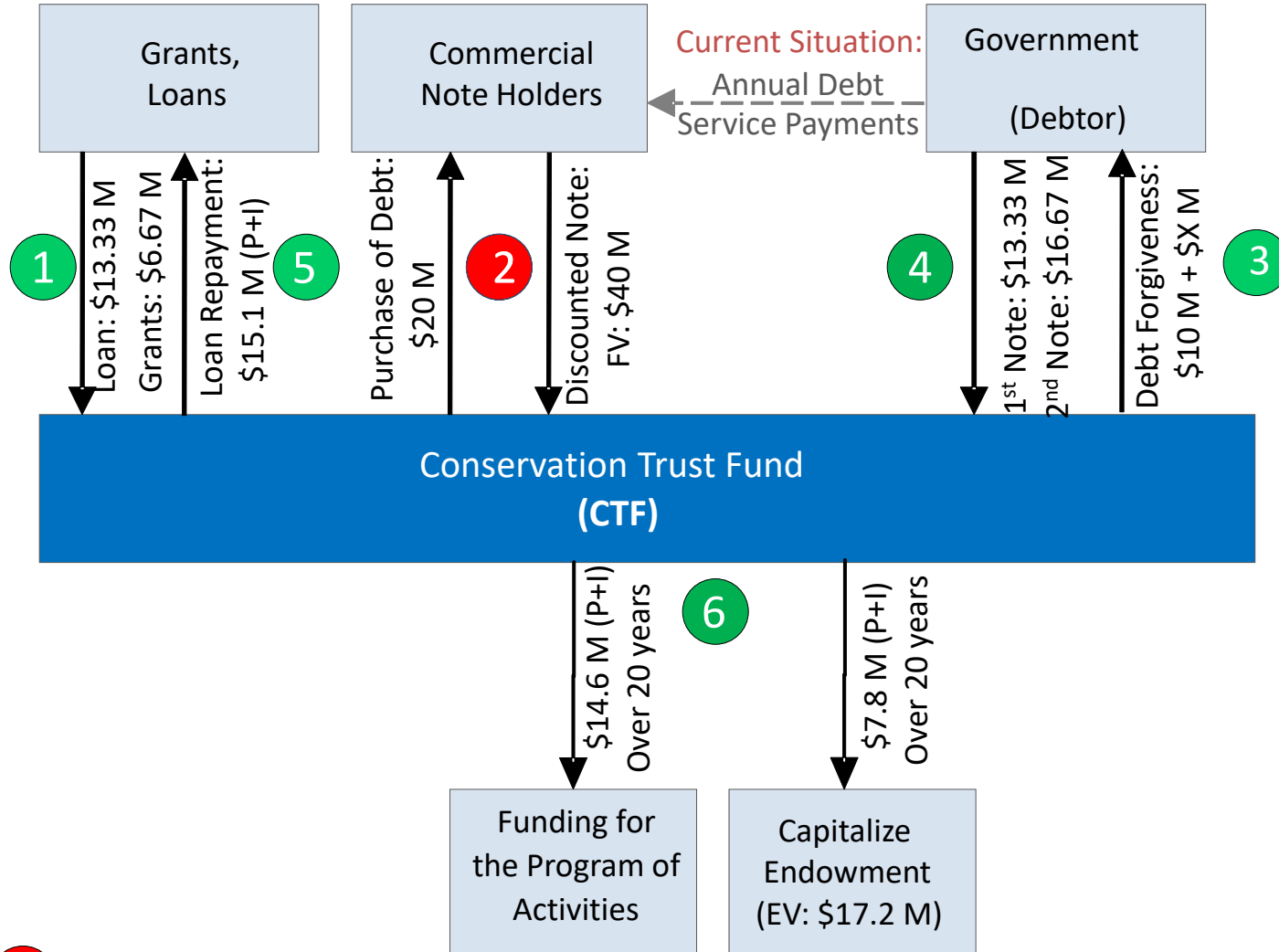


Deal summary

- Create a permanent funding source for local conservation & climate change adaptation through **\$22 M of sovereign debt restructuring**
- Blend grants & impact capital to purchase & restructure foreign debt into a domestic obligation to invest in conservation & adaptation.
- Deal results in upwards of \$8 M to fund activities (over 20 years) and \$6.6 M endowment capitalized for conservation

Government's Conservation/Policy Commitments

- 30% of waters in protected areas (400,000 Sq. Km)
- 15% of waters in no take fish replenishment zones (200,000 Sq. Km)
- Adopt recently completed Marine Spatial Plan to guide updating of Coastal zone management/fisheries/marine policies



Debt Conversion Transaction Structure

 Debt Transaction

Discussion

