WWF for a living planet®

Resource Gaps and Sustainable Financing

Melissa Moye
Director, Conservation Finance, WWF
melissa.moye@wwfus.org

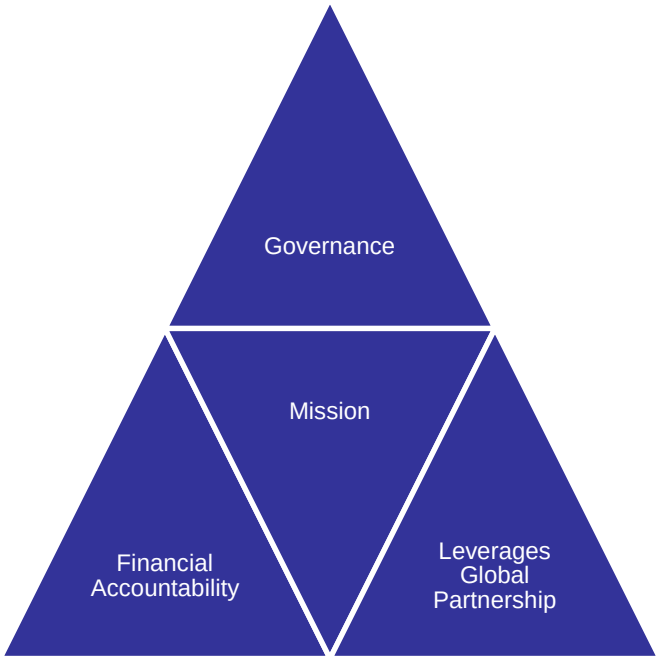
Global Tiger Initiative
Executive Leadership Forum
Washington, DC
April 19, 2010



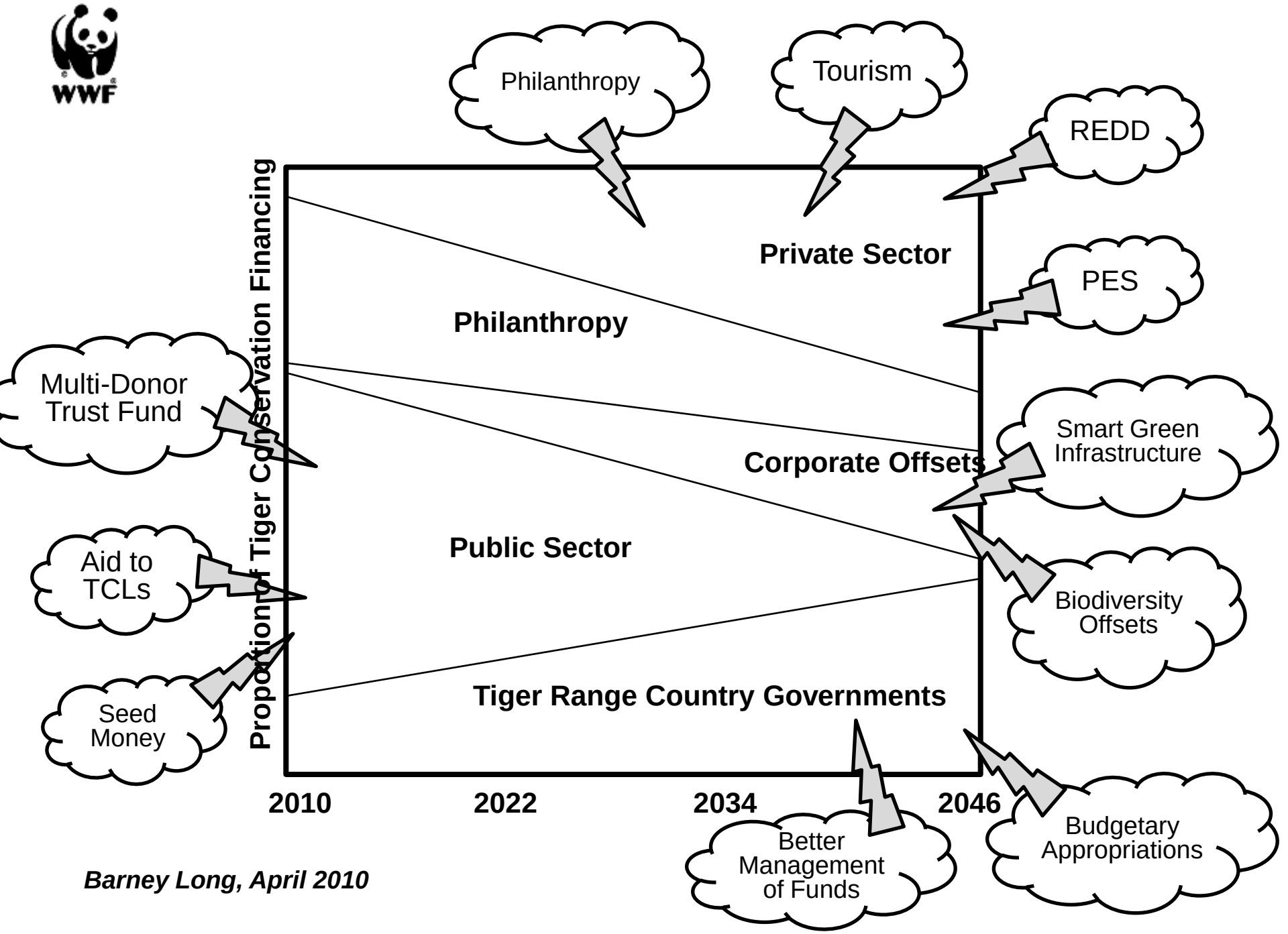




Financial Architecture: Building Blocks

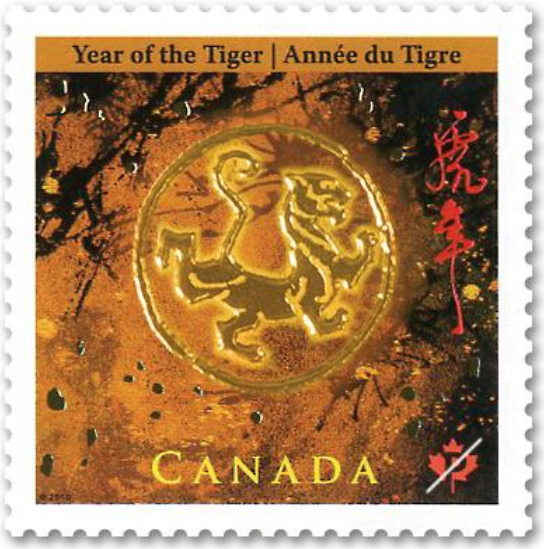


- Broad stakeholder representation
- Responds to short- and long-term funding needs
- Leverages global partnership to raise new funding
- Platform for coordinating diverse funding arrangements
- Aligned with existing aid architecture
- Cost-effective management
- Rapid disbursement
- Financial accountability



Barney Long, April 2010

Short-term versus Sustainable Financing



Short-term

- Project based
- Urgent
- Core costs

Sustainable financing

- Strategic program
- Long-term, stable
- Diversified
- Institutionalized
- Recurrent costs

Action Plan for Developing a Sustainable Financing Strategy

- Define Scope: national action plan for tiger conservation
- Create committee to guide development of the strategy, composed of key stakeholders and influential people with contacts and/or expertise
- Raise awareness to build political support for financing tiger conservation
- Conduct baseline feasibility research to identify most promising financing mechanisms
  - existing to be improved (e.g., Government budget allocations)
  - innovative financing (e.g., PES, biodiversity offsets)
- Develop a work plan and TORs for technical work to establish selected priority mechanisms

Tools for Developing National Sustainable Financing Strategies

- **Long-term financial planning:** project long-term financing needs based on tiger action plans (gap analysis)
- **Economic valuation:** map economic flows and values of ecosystem services in tiger landscapes
- **Feasibility research:** analyze institutional, legal and regulatory framework for mechanisms
- **Market analysis:** survey willingness to pay

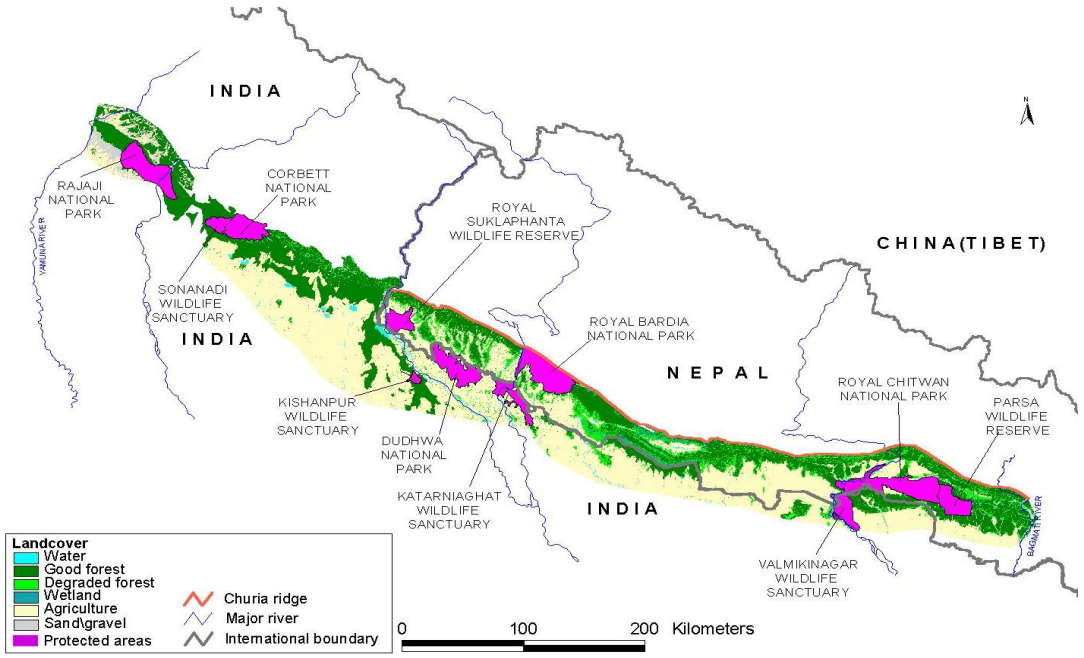
Long-term Financial Planning

- Estimate of costs, income and projected financing gaps
- Based on management plans or other program strategies
- Defined period of 5 or more years
- Establishes baseline for fundraising and sustainable financing

C	S	T	U	V	W	X
mary	Banke			Bara		
ions: Enter donation by partner first at t	Total Need	Contrib	Gap	Total Need	Contrib	Gap
Total Contribution with Management and	11,767,671	2,091,900	9,675,771	7,016,948	2,931,409	4,085,539
Total Contribution without Management	9,414,137	500,949	8,913,188	5,613,558	815,349	4,798,209
2. SUSTAINABLE FOREST MANAGEMENT	5,405,148	101,698	5,303,450	1,211,542	143,000	1,068,542
2.1 Restore Degraded Forest	4,251,898	52,800	4,199,098	627,513	18,667	608,846
Plantation by government agencies	1,345,132	-	1,345,132	176,042	-	176,042
Plantation by Communities	1,552,076	8,800	1,543,276	203,126	8,000	195,126
Natural Regeneration	1,278,180	28,500	1,249,680	167,280	-	167,280
Private Plantation	33,904	15,000	18,904	75,489	10,667	64,822
Restoration at Leasehold forest land	42,606	500	42,106	5,576	-	5,576

Nepal Terai Arc Landscape

- Multi-stakeholder process for determining financing needs through strategic planning and financial model
- Carbon financing options for REDD+, grasslands and biogas

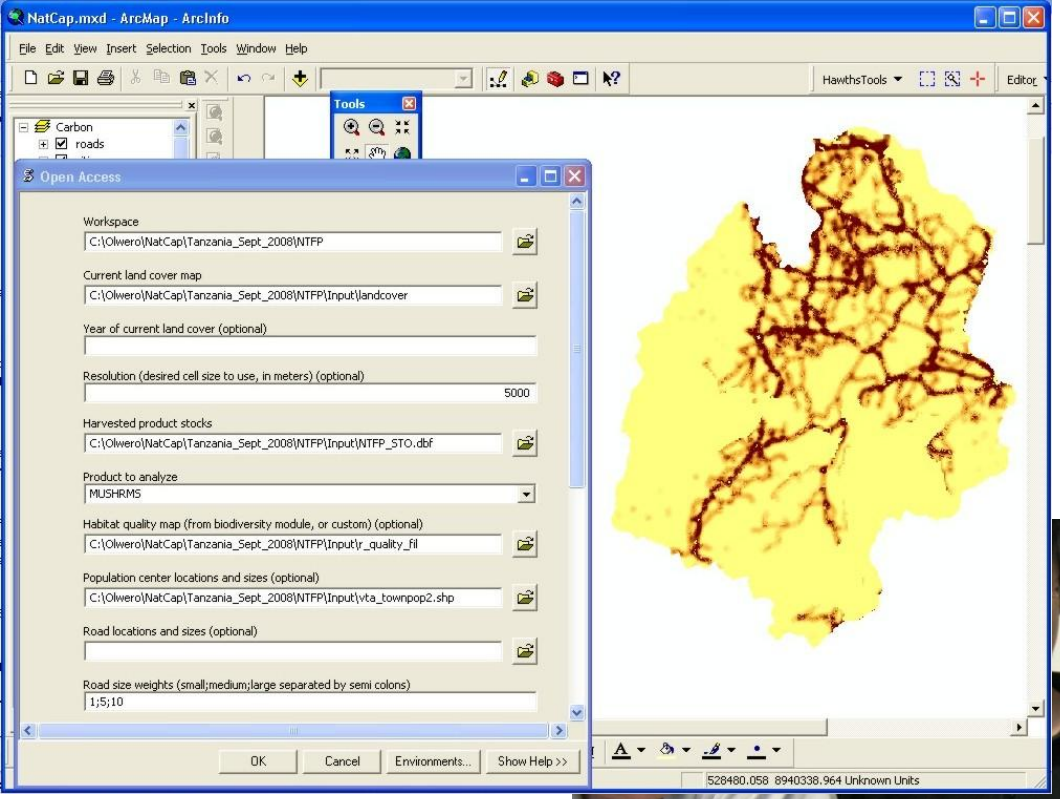


GAP ANALYSIS

The commitments by each of the partners is organized in the model by districts and by PA, and also by year. A gap analysis can be carried out based on the total cost required and total contribution by partners for each district and PA, and also by year. Tiger conservation costs were added later.

			Ten Year Total			
7	Years 1-5		Sukhaphanta Wildlife Reserve	Bardia National Park	Chitwan National Park	Parsa Wildlife Reserve
375	3.6.10		-	-	-	-
376	3.7	3.7 Tiger Conservation	30,000,000	525,000,000	75,000,000	30,000,000
377	3.7.1	Declare and Manage Bardia Extension Area	-	450,000,000	-	-
378	3.7.2	Establish National Tiger Authority	-	-	-	-
379	3.7.3	Establish National Wildlife Crime Bureau	-	-	-	-
380	3.7.4	Mobilize special anti-poaching squads	20,000,000	40,000,000	40,000,000	20,000,000
381	3.7.5	Establish and operationalize MIST	10,000,000	10,000,000	10,000,000	10,000,000
382	3.7.6	Conduct scientific monitoring of tiger	-	25,000,000	25,000,000	-
383	3.7.7	Prepare landscape level landuse plan	-	-	-	-
384	3.7.8	Pilot REDD project including carbon assessment and monitoring	-	-	-	-
385	3.7.9	Restore and manage grasslands in corridors	-	-	-	-
386	3.7.10		-	-	-	-

Ecosystem Services Mapping Tools



natural capital PROJECT

Financing Mechanisms: Menu of Options

Financing Mechanism	Country Experiences
Government budget and earmarked taxes	All?
Conservation Trust Funds	Bangladesh, Bhutan, Indonesia, Nepal, Vietnam
Debt-for-Nature Swaps	Bangladesh, Indonesia (US, Germany)
Payments for Ecosystem Services (PES)	Vietnam
REDD+ (projects under development)	Bangladesh, Cambodia, Indonesia, Laos, Nepal, Thailand
Tourism-based revenues	India, Nepal
And more….	

Who was really born in the Berlin Zoo?

Criteria for Assessing Financing Options

Feasibility

- Legal, institutional and regulatory framework required
- Political support
- Cost and time frame for implementation
- Stability and predictability of revenues

Impact of financing

- Scale: amount of funds
- Additional funds: diversifies funding sources
- Equitable allocation
- Matches tiger conservation objectives
- No adverse environmental impacts

Rich Bitch

Save the Tiger Fund

- Established in 1995 as a partnership between the ExxonMobil Foundation and the National Fish and Wildlife Foundation (USA)
- 336 grants totaling $17.3 million between 1995 and 2009

- Mission: *Sponsors effective efforts to stop the killing of wild tigers and to enable wild tigers to recover and flourish, while empowering local people to live in balance with natural resources and providing tangible benefits to them whenever possible*

Multi-Country Regional Conservation Trust Funds

CAUCASUS PROTECTED AREAS FUND

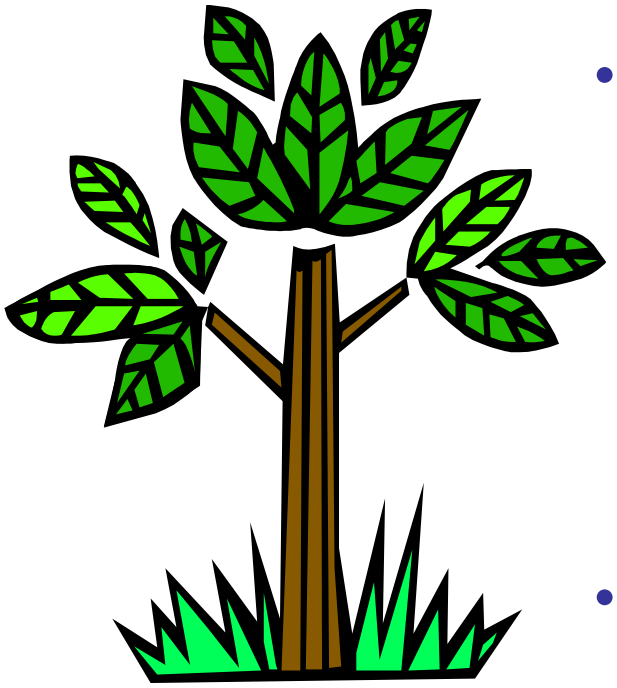
- Rationale: common purpose
  - Trans-boundary natural resources management
  - Based on high-level political commitment
- "Offshore" legal registration, board and secretariat
- "Windows" approach to funds management

Payments for Ecosystem Services (PES)

Concept: *those who receive ecosystem services should pay to protect the services they use (global or local).*

- Tourism fees for access or scenic beauty
- Payment for watershed services
- Bioprospecting and research agreements

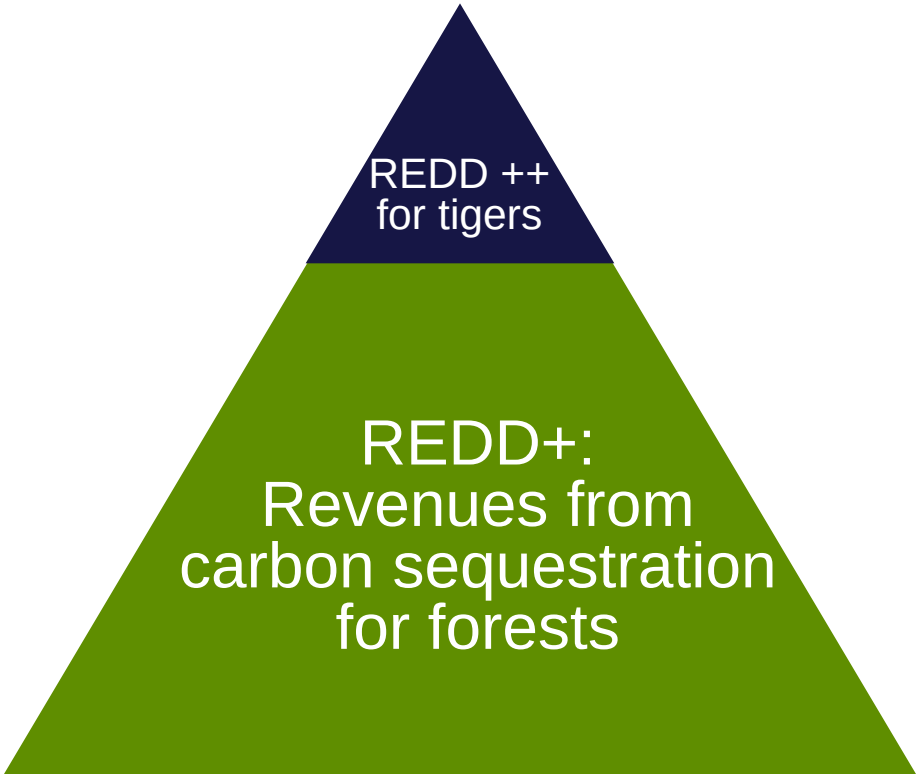
Carbon Markets



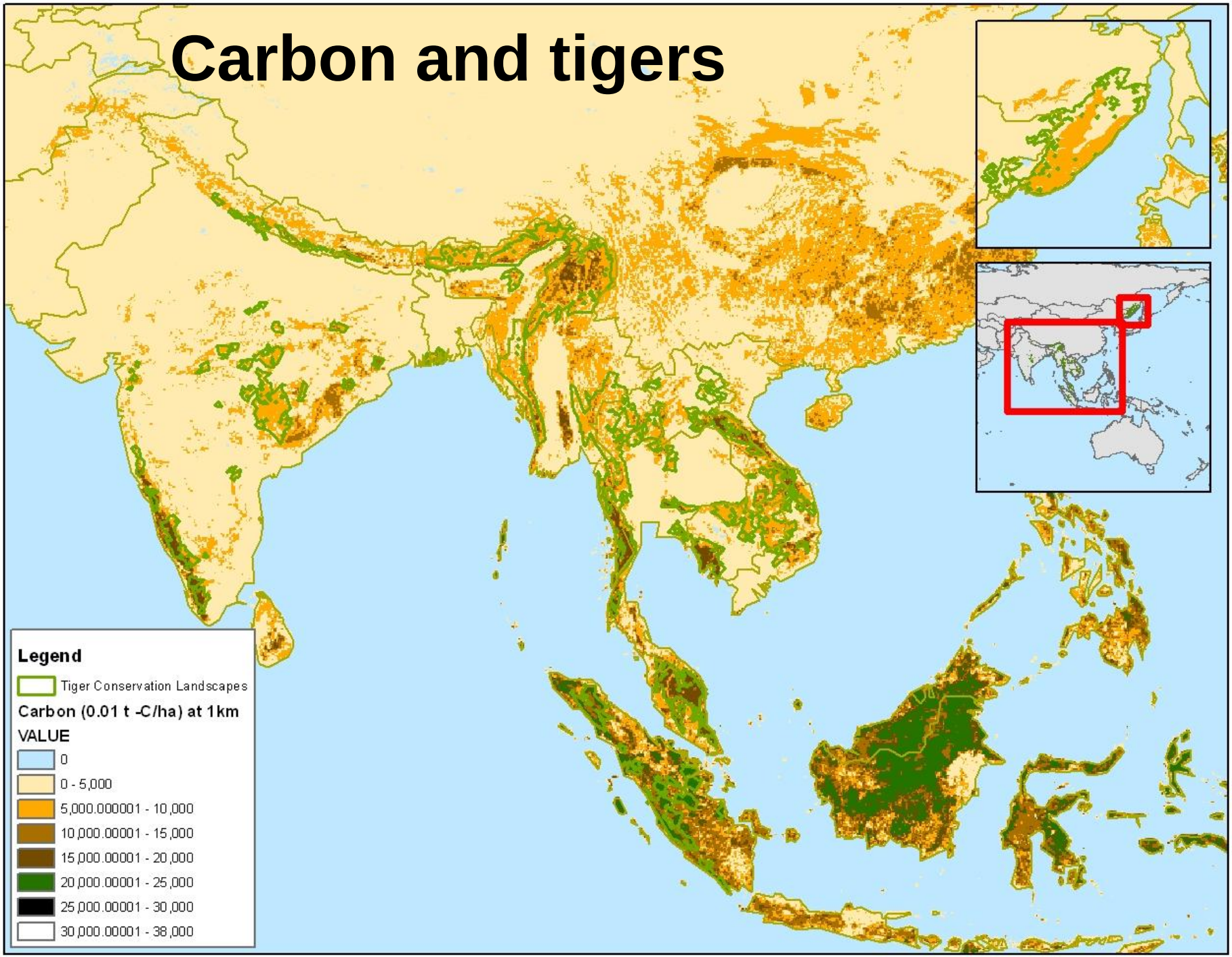
- Public funds and private financing can be used to “purchase” carbon credits that offset emissions. Funds can be used to protect or restore forests or agricultural land that retain carbon, including payments to communities.
- Reduced Emissions from Deforestation and Degradation (REDD) being introduced through development of national REDD strategies

REDD++ for tiger conservation

- Voluntary vs. compliance markets
- Synergies between forests and tiger conservation
- Interim financing required
- Issues: political, institutional, legal uncertainties for compliance market
- Will carbon investors pay more for tigers?



Carbon and tigers



Above and Below Ground Living Biomass, Ruesch, Aaron, and Holly K. Gibbs. 2008. http://ediac.ornl.gov/

Forest Carbon Partnership Facility (FCPF)

- ## Readiness Mechanism

  Assisting 37 countries preparing for REDD.

  i. REDD strategy and policy framework

  ii. Reference scenario for emissions

  iii. National monitoring, reporting and verification system

- ## Carbon Finance Mechanism

  Approximately five pilot countries.

Biodiversity Offsets

- Biodiversity offsets are designed to compensate for significant residual adverse biodiversity impacts arising from project development.

- Offsets apply to those impacts that persist after appropriate prevention and mitigation measures have been implemented.

- Their goal is to achieve no net loss, or preferably a net gain, of biodiversity.

Biodiversity offsets and impact mitigation

The mitigation hierarchy:

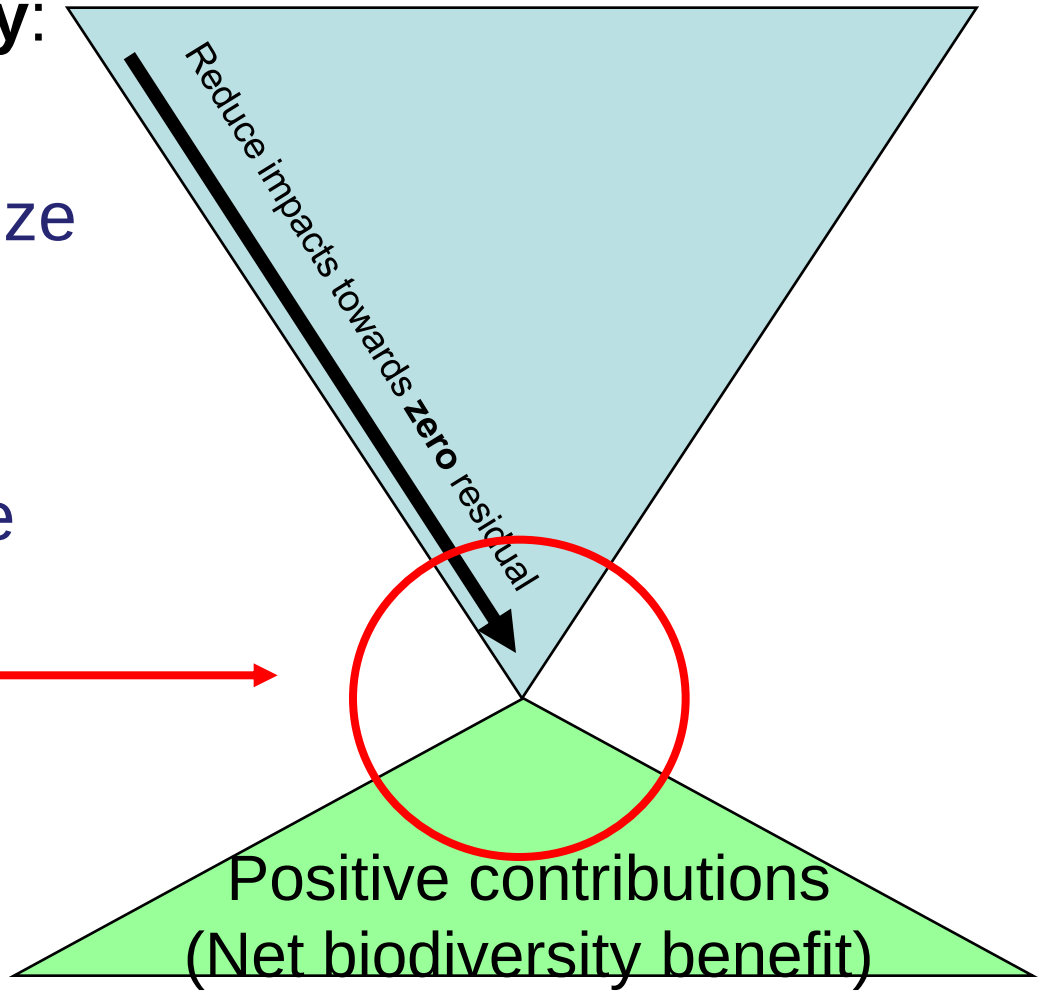
Avoid

Reduce, moderate, minimize

Rescue (relocation, translocation)

Repair, reinstate, restore

Compensate/offset



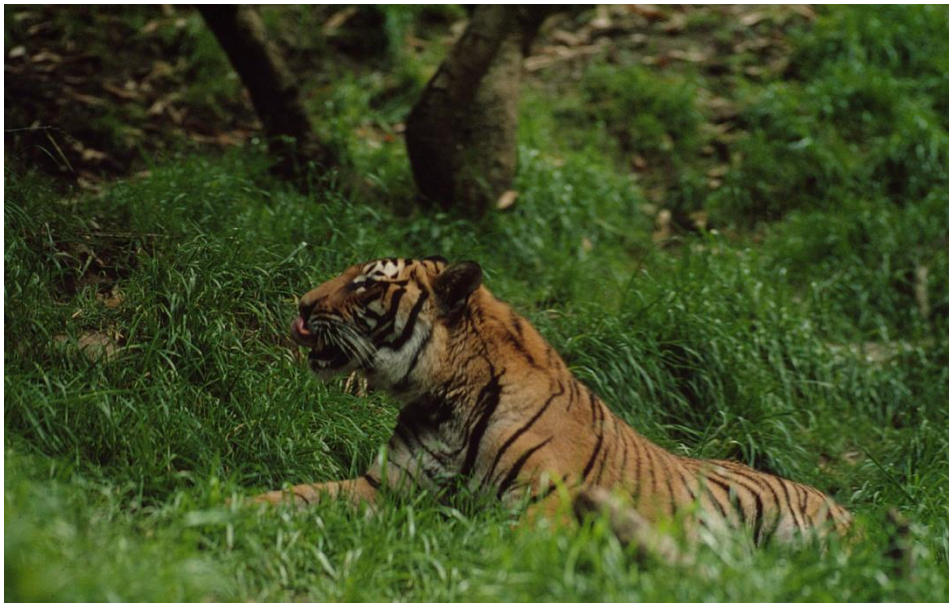
By Martin Hollands, Josh Bishop, from BBOP website

Offset/Compensation Categories

Category

- One-off offsets (compliance or voluntary) based on Environmental Impact Assessment process
- Compensation Funds
- Mitigation Banking: based on government set limit (cap) on impact to species and habitat

Need for pilots to test



Recommendations for Generating Sustainable Financing

- Systematically assess countries' financing needs and develop long-term sustainable financing strategies
- Test and implement pilots
  - REDD+
  - offset mechanisms
  - other innovative finance mechanisms.
- Create a long-term source of financing (e.g., endowment fund)