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# FINANCIAL INSTRUMENTS IN CONSERVATION FINANCE





# What are Financial Instruments in Marine Conservation?

Refers to a specific arrangement designed to secure, allocate, or manage financial resources for the purpose of supporting conservation initiatives.

#### It has a.

- · Distinctive mechanism
- Transparency and Accountability
- Effectively manage resource
- Inbuilt impact evaluation mechanism

#### It can support,

- Marine ecosystems health
- Its biodiversity
- Overall sustainable ocean managment

## Commonly recognised instruments for MPA includes:

Conservation Trust Funds (CTFs)

Blue Bonds Blue Carbon Credits Debt for Nature Swaps



#### **Blue Carbon Credits**

Certificates representing the amount of carbon dioxide absorbed and stored by coastal and marine ecosystems, incentivising conservation through carbon seguestration.

Establishment	Fund Acquisition	Investment
Issuing Credits based on carbon sequestration	Trading credits to companies for offsetting their emissions	Utilizing funds from credit sales for conservation.

### **Debt-for-Nature Swaps**

Debt-for-Nature Swaps involve restructuring or forgiving existing debt in exchange for investments in conservation projects or Biodiversity protection.

Agreement Investment Oversight Negotiation
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Negotiating terms Investing the debt relief Ensuring compliance between debt holders amount in conservation with conservation goals and conservation entities. initiatives. and fund utilization.



#### **Conservation Trust Funds (CTFs)**

CTFs are dedicated financial mechanisms designed to support long-term conservation of natural resources

Establishment	Fund Acquisition	Effective Management
Forming the fund with contributions from various sources	Attracting endowments, donations, and grants.	Ensuring transparent and efficient use of funds

#### **Blue Bonds**

Blue Bonds are debt instruments issued by governments or private sectors, specifically directed towards financing marine conservation or climate adaptation projects.

Issuance	Fund Allocation	Governance
Governments or private sectors issue blue bonds to raise funds for conservation	Allocating funds to marine conservation and sustainable ocean projects.	Ensuring transparent use of funds & adherence to conservation goals.



### **Seychelles Blue Bond**

**Impact:** Raised \$15 million for expanding marine protected areas and enhancing fisheries governance, driving Seychelles' transition to sustainable fisheries.

# **SeyCCAT (Seychelles Conservation and Climate Adaptation Trust)**

**Impact:** Mobilized funding from diverse sources for marine conservation projects, supporting sustainable fisheries management and biodiversity conservation.

### **Pakistan's Indus Delta Capital**

**Impact:** Generated \$695 million in blue carbon credits over 15 years, reducing impacts of pollution on coastal ecosystems and creating jobs in ecosystem restoration.

### **Belize Debt-for-Nature Swap**

**Impact:** Restructured \$550 million debt, leading to marine conservation commitments and sustainable economic development in Belize