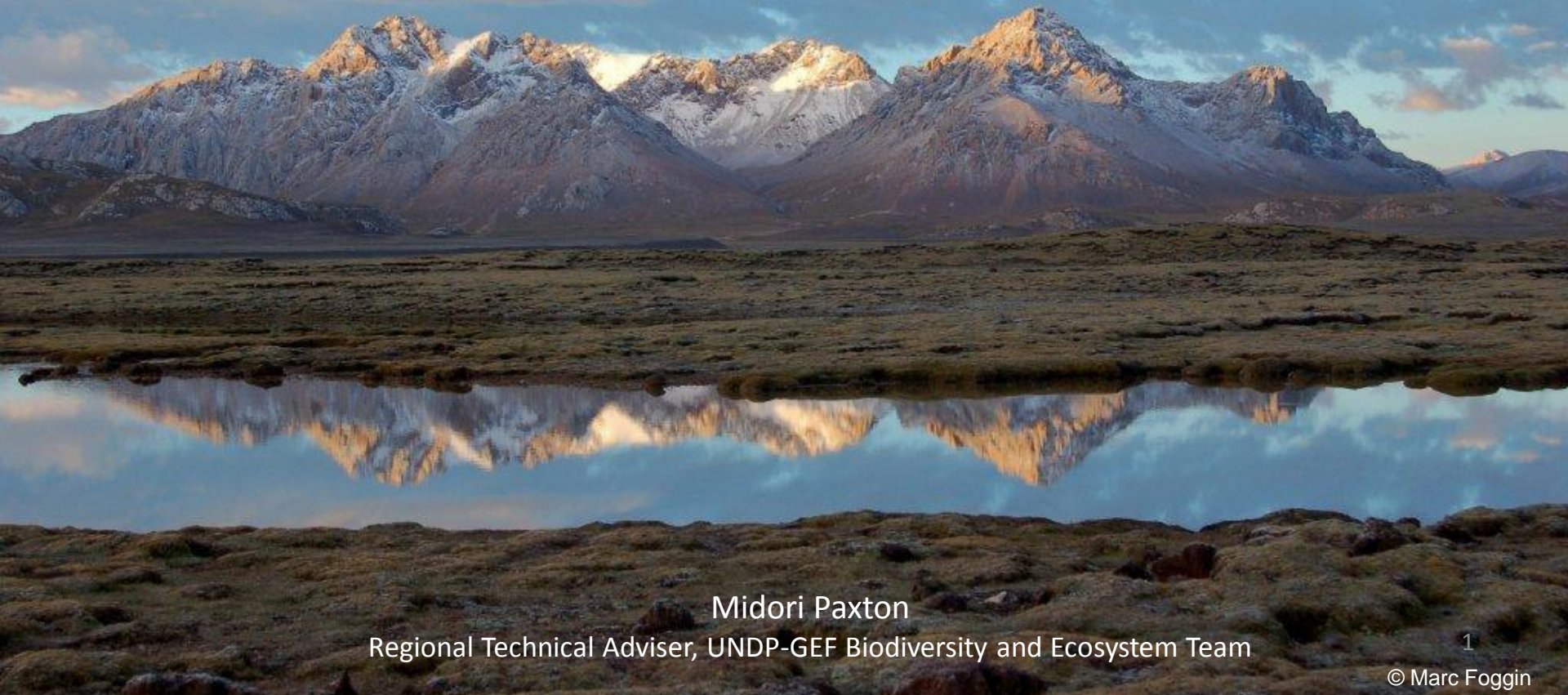


Innovative Sustainable Financing for Wetland Conservation

International Symposium on Conservation and Management of Wetland
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An aerial photograph of a large, irregularly shaped reservoir. The water is a mix of green and brown, suggesting some sediment or algae. A large, multi-story resort building with a curved facade is situated on the right side of the reservoir. The surrounding area is densely forested with green trees. The word "Outline" is written in large, yellow, sans-serif font in the upper right quadrant of the image.

Outline

1. Value of Nature and Financing Gap
2. Financing Options
3. Eight Low hanging fruits



UNDP GEF Biodiversity Support in Asia-Pacific and Malaysia



- ✓ 24 country Offices in Asia and the Pacific
- ✓ Addressing 2 Key Factors: (1) weak environmental governance systems; (2) market failure – BD/ES not properly accounted for in market transactions

Malaysia

- Improving Connectivity in Central Forest Spine (IC-CFS)
- Protected Area Financing
- Access and Benefit Sharing for Genetic Resources (ABS)
- NBSAP Update and Biodiversity Financing
- Sabah - Multiple Use Forest Landscape Management



Financing Gaps

- ✓ Global BD investment in 2010:
US\$ 52 billion vs Needs = US\$ 290 billion per year (Global Canopy Programme 2010)
- ✓ CFS Master Plan Implementation = RM 4 billion (US\$ 1.3 billion)
- ✓ PA Financing Gap in Peninsular Malaysia:

DWNP	\$ 5.2 m – 8.7 m
JNPC	\$ 0.2 m
PSPC	\$ 1.5 m – 2.2 m

Total \$ 7-13 million per year



True Value of Johor's Ramsar sites

Sungai Pulai, Pulau Kukup, and Tanjung Piai

✓ USD 23 million per year in benefits; Net present value of USD 670 million

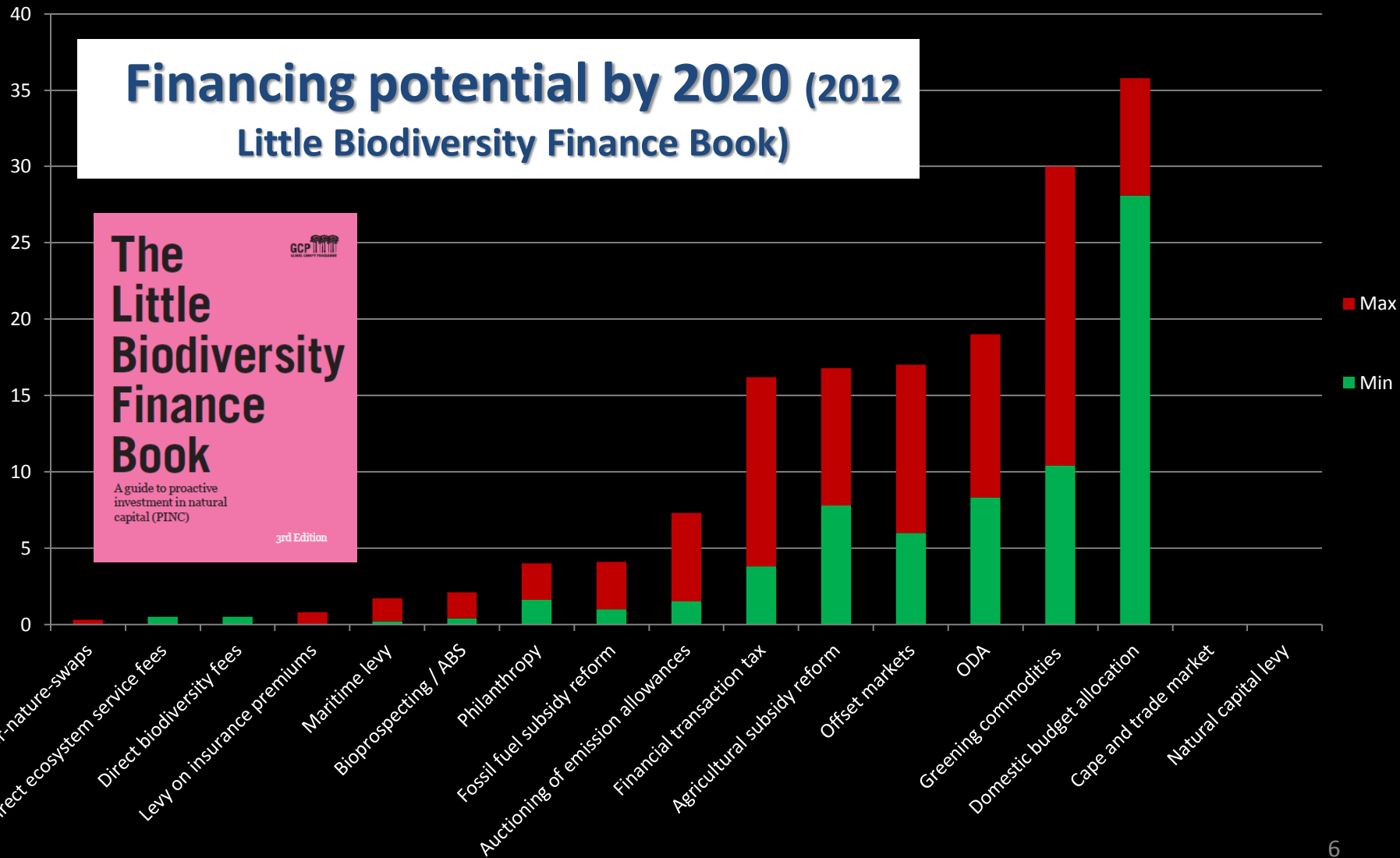
	S. Pulai (Thousand USD)	P. Kukup (Thousand USD)	T. Piai (Thousand USD)	TOTAL (Thousand USD)
Commercial fisheries	180,600	12,800	10,400	203,800
Coastal protection	0	40,700	108,500	149,200
Aquaculture	25,700	118,600	0	144,300
Biodiversity	102,500	7,200	5,800	115,500
Carbon storage	36,300	6,000	4,900	47,200
Tourism	200	2,000	2,200	4,400
Freshwater fisheries	2,600	0	0	2,600
Commercial timber	1,700	0	0	1,700
TOTAL	349,600	187,300	131,800	668,700

ProcewaterhouseCoopers and Khazanah Nasional Berhard (2012)



Conservation Finance Options

**Financing potential by 2020 (2012
Little Biodiversity Finance Book)**



Market or Non-Market ?

“Source/options/mechanism”*:	“Source”:	Trad. FM	Innov. FM	Non market	Direct market	Indirect market	Other market
National public allocations		X		X			
ODA bilateral & multilateral		X		X			
Non-ODA public funding, debt for nature swaps, agri & fuel subsidy reform		X		X			
Philanthropy		X		X			
1. Payment for ecosystem services			CBD**		X		
2. Biodiversity offset mechanisms (habitat banking, etc.)			CBD**		X		
3. Environmental fiscal reforms (natural capital levy, etc.)			CBD**	?	?	?	X
4a. Markets for green products (green commodities, etc.)			CBD**		X		
4b. Business-biodiversity partnerships			CBD**		X	?	
4c. New forms of charity			CBD**	?	?	?	?
5. Biodiversity in international development finance			CBD**	?	?	?	?
6. Biodiversity in CC funding (REDD, LULUCF/CDM, voluntary C market)			CBD**	?	X	?	?
ABS (estimated finance generation potential 0.4-2.0 billion/yr by 2020*)			ADDED		X	?	?
Financial Transactions (Tobin) Tax			ADDED				X
?							
?							

Domestic or International, Public or Private?

“Source/options/mechanism”*: “Level”*:	Private Domestic	Private international	Public Domestic	Public international
National public allocations			X	
ODA bilateral & multilateral				X
Non-ODA public funding, debt for nature swaps, agri & fuel subsidy reform			X	X
Philanthropy	X	X	X	X
1. Payment for ecosystem services	X	X	X	?
2. Biodiversity offset mechanisms (habitat banking, etc.)	X	X	X	?
3. Environmental fiscal reforms (natural capital levy, etc.)			X	?
4a. Markets for green products (green commodities, etc.)	X	X	X	X
4b. Business-biodiversity partnerships	X	X	?	?
4c. New forms of charity	X	X		
5. Biodiversity in international development finance		X		X
6. Biodiversity in CC funding (REDD, LULUCF/CDM, voluntary C market)	X	X	X	X
ABS (estimated finance generation potential 0.4-2.0 billion/yr by 2020*)	?	X	?	?
Financial Transactions (Tobin) Tax				
?				
?				

*Governments must
invest enough in BD/ES
maintenance*

*Natural Capital - Essential pillar for
sustainable, inclusive and equitable
development*

Site Level Sustainable Fund Generation

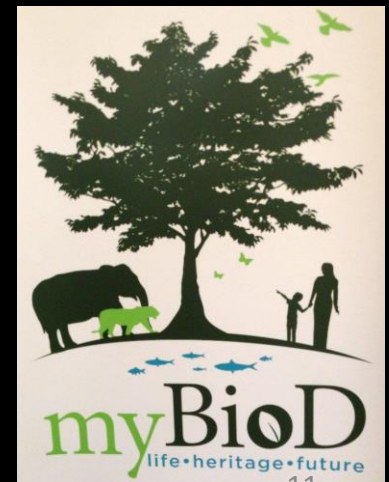
1. Visitor fee/Conservation fee
2. Ecotourism Venture –Birdwatching, mangrove cruise, mud skiing, inner tubing,
3. Adoption Programme
4. Tourism/conservation Concessions
5. Habitat Banking
6. Paludiculture -e.g. birds nest Tengkwawan (illipe nuts), sagu, Jelutung, rattan etc.
7. Bio-rights – Micro-grant
8. Carbon project
9. Payment for Ecosystem Services



System Level Financing Mechanisms

1. Taxes and Levies
2. Bonds
3. Subsidy Reform / Incentive creation
4. Conservation Vehicle Licensing Plate

Need to Combine System and Site Level Sustainable Financing



Low Hanging Fruits?





Awesome at the Top

Exceptional



Spectacular at the Bottom

Discovery

LHF 1. Taxes and Levies



Departure Tax

- Belize **Conservation Fee** \$ 3.75 per person in combination with a departure tax (\$ 11.25)
- Reinvested into the PAs through the Belize PA Conservation Trust (PACT) grant programme - 2010 revenue = \$ 905,979
- Malaysia – 10th largest tourism arrival 25.72 million! US\$ 1 departure tax = \$25.72 million!



SABAH

3.38 million arrivals
RM 3 per person =
RM 9.9million !!

Bed Tax

No. of Beds: 195,445
Average occupancy
rate: 62.4%
RM 1 Bed Tax = RM
44.5 million per year!

SABAH:
No. of Beds: 17,903
RM 3 Bed Tax = RM 12
million per year!



Natural Capital Tax

- ✓ Put on the environmental price on the extraction of natural resources (e.g timber, oil, minerals) – based on polluter pay principal, try to internalize the cost of ecosystem degradation
- ✓ Raises revenue that can then be used for investments in BD and ES preservation – increase profit capture by the government
- ✓ Reduces overall direct use (or degradation)



LHF 2. Habitat Banking

MALUA BIOBANK
IS AN INNOVATIVE ECO-INVESTMENT
AIMING TO PRESERVE **34,000** HECTARES
OF BORNEO'S RAINFOREST AND
ENDANGERED ORANG-UTAN HABITAT

Protect Malua Forest Now

YOU CAN HELP!

The rainforests of Borneo are home to some of the world's last wild orang-utans. Logging and the development of plantations have threatened much of Borneo's important wildlife.

Here's your chance to help turn things around - Find out more >>

CORPORATIONS & BRANDS >>

*Creating opportunities to offset **unavoidable** biodiversity impacts of developments/ production activities through financing of rehabilitation and conservation of similar habitats nearby or within related natural systems (within corridors or flyways).*

LHF 3. Community Based Mechanisms

Cambodia – Community Based Ecotourism

Kulen Promtep Wildlife Sanctuary: Agreement between PA authorities, WCS and the village – tourism revenue subject to village's agreement to stop hunting key species and follow the land use plan.

Outcome: Village development fund from tourist bird sighting fees (\$30 if key species are seen, \$15 if not), payment to individual households, 10% employment, improved bird population.



Indonesia – Bio-right

Step 1. Local communities receive micro-credits to develop sustainable income generating activities.

Step 2. Communities repay their loan and the associated interest in the form of conservation services, such as reforestation, habitat protection and refraining from unsustainable landuse practices.

Step 3. Once the conservation measures prove successful and sustainable, micro-credits are converted into definitive payments and subsequently put into community-based revolving funds for sustainable development.



© Marcel Silvius

LHF 4. Tourism Concession

Skeleton Coast National
Park, Namibia



LHF 5. Conservation Concessions

Timber concession - fees for rights to log in an area

Conservation Concessions - fees for rights to preserve the natural habitat

National/State authorities or local resource users agree to protect natural ecosystems in exchange for a steady stream of structured compensation from conservationists or other investors.

CI, WI, TNC – Indonesia: (Siberut, Central Kalimantan), Ecuador, Mexico etc



LHF 6. Carbon Credit through Voluntary Market

New Tool could Flood Louisiana Wetlands with Private Financing!

The new Verified Carbon Standard (VCS) requirements for Wetlands Restoration and Conservation (WRC)

- Methodology for Coastal Wetland Creation
- Methodology for Rewetting Drained Tropical Peatlands

Wetlands Carbon Credits Could Swim Into California Market

Louisiana: carbon credit generation \$5-15 billion from coastal wetland restoration over the next 40 years.....?

LHF 7. Conservation Easement

- Landowner transfer/donate the rights to carry out certain activities to "qualified" land protection organization – e.g. rights to drain wetland, convert grasslands /mangrove etc. – no ownership change
- Tax incentives – income /estate tax deduction
- “Runs with the land” - it is applicable to both present and future owners of lands → Conservation in perpetuity
- A form of financing mechanism; creating free volunteer guardians = private landholders;!



LHF 8. Conservation Vehicle License Plate

In US and Canada conservation license plates generate millions \$ for conservation each year

Sea Turtle Conservation number plate costs \$25 additional
Generates **\$1.3 million** per year + awareness!



70% to Florida Wildlife Conservation Commission's Marine Turtle Protection Programme
30% to grants programme



Conservation Vehicle License Plate

No. of registered passenger cars in Malaysia	9 million
Lowest – highest percentage uptake based on US/Canada experiences	0.3 – 2.8 %
Lower est no vehicle uptake Malaysia	27,000
Upper est no vehicle uptake Malaysia	252,000

Conservation plate fee RM 100 extra per year

0.3% uptake	RM	2.7 million
2.8% uptake	RM	25.2 million
5%	RM	45.0 million

Motorbikes,
trucks, taxies,
government
vehicles,
buses etc



WVG 2828



When you are stuck in traffic.....



Thank you!



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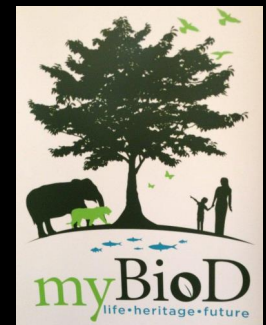


www.undp.org/biodiversity

www.ecosystemmarketplace.com/

<http://conservationfinance.org/>

www.globalcanopy.org/materials/little-biodiversity-finance-book



*Empowered lives.
Resilient nations.*