



Emerging Good International Practices on Nature Conservation

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Stocktaking of Countries' NBSAPs Progress

A few new NBSAPs have been announced and more are expected by the time of COP-16.

China's NBSAP highlighted four priority areas:

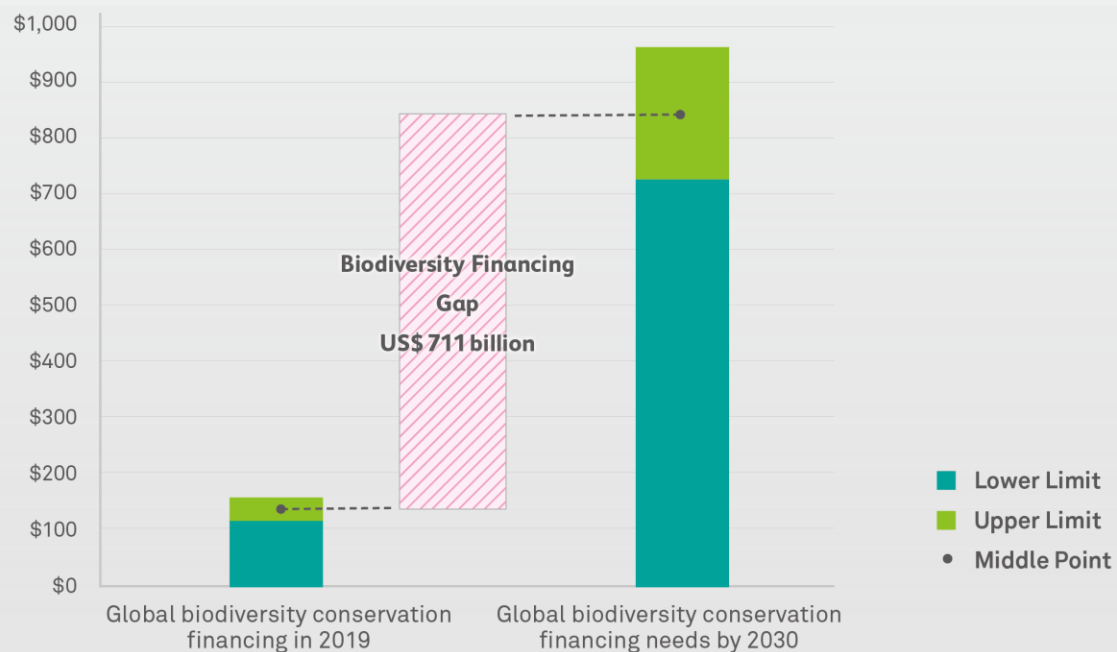
- (i) biodiversity mainstreaming
- (ii) addressing the threat of biodiversity loss
- (iii) sustainable use and benefit-sharing of biodiversity
- (iv) modernization of biodiversity governance capacity.

- As of 2021, the terrestrial area of nature reserves accounts for ~18% of China's land area.
- China has established a total of 32 conservation priority areas for biodiversity conservation, accounting for 28.8% of the entire national territory—very nearly attaining the 30% global benchmark for Target 3.

Country	Submission Time
Spain	January 30, 2023
Japan	July 7, 2023
Hungary	August 28, 2023
Luxembourg	November 7, 2023
European Union	November 14, 2023
France	December 11, 2023
China	January 25, 2024
Ireland	February 8, 2024
Austria	May 3, 2024
Uganda	May 18, 2024
Canada	June 21, 2024
Italy	July 9, 2024
Suriname	July 16, 2024
Afghanistan	July 28, 2024
Malaysia	July 31, 2024
Cuba	July 31, 2024
Republic of Korea	August 2, 2024
Jordan	August 11, 2024
Burkina Faso	August 15, 2024
Mexico	August 22, 2024

Actions Needed to Reach 30x30

Close the funding gap:



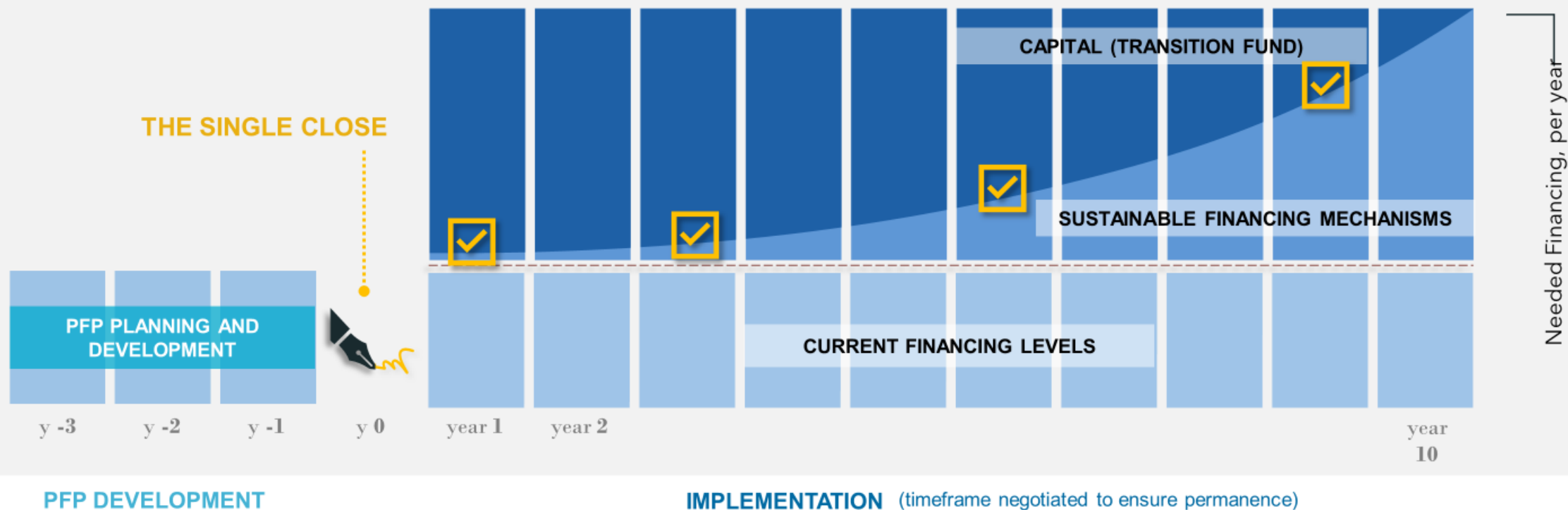
Note: Using midpoints of the current estimates and future needs, current global biodiversity conservation financing (upper graph) may need to increase by a factor of 5–7X to meet the estimated global need for biodiversity conservation (lower graph).

Conduct system planning and improve effectiveness:

- Improve management effectiveness
- Recognize OECMs
- Upload data to World Database on Protected Areas in a timely manner
- Include sustainable use
- Incorporate Broader aspects of 30x30, including greater stakeholder participation and influence, Indigenous peoples and local communities as appropriate, and a focus on both equity and gender equality

TNC's Powerful Mechanisms to Deliver 30x30 – PFP

- 1** A PFP begins by bringing people together to develop an ambitious conservation vision, which then guides a **comprehensive plan for conserving protected areas** and community development.
- 2** A rigorous **financial plan** is created to fund the project.
- 3** **Donors commit funds**, but funds are held back until the total fundraising goal is reached, other plan conditions are met, and the national government **approves and creates new revenue sources** to fund protection after the money from the donors is spent.
- 4** **All sign one agreement.** At closing, donations are put into a fund, governance of which is defined by stakeholders.
- 5** **Money within the fund is distributed** in accordance with the agreed financial plan.



PFP's Operation Structure

● **USD \$198 million of new investment over 15 years** will be unlocked to support Mongolia's ambitious goals. This includes a US \$71 million transition fund from private and other global donor sources, and commitments by the Government of Mongolia to invest a total of USD \$127 million in conservation activities over a 15-year period.

The transition fund will develop sustainable finance mechanisms that will create durable funding for long-term conservation activities.

● Key components include **Natural Resource User Fees, increased Park Entrance Fees for foreign visitors, a Tourism Conservation Fee on international arrivals, and a robust Endowment Fund with expected growth through reinvestments.**

The transition fund will be managed by the Mongolian **Nature's Legacy Foundation**, an independent conservation trust fund established specifically to administer donor funds committed to Eternal Mongolia.

● Government Funding will be managed by Government according to the terms of the agreement **and reported on to the Foundation as a condition for transition funding to be released.**

● A detailed **Environmental and Social Management Framework and System** will guide the Foundation to ensure that negative environmental and social impacts deriving from the PFP sub-projects are avoided, reduced, and compensated, appropriate mitigation measures are developed, and benefits for local communities are maximized.

Eternal Mongolia

PROJECT FINANCE FOR PERMANENCE

What PFP Will Achieve

By 2030, **expand the National Protected Area network by an additional 14 million hectares (9%)** which will enable Mongolia to achieve the national target of protecting 30% of its lands and waters.

By 2035, **strengthen the management effectiveness of Mongolia's protected area system** supporting access to sustainable financing sources.

By 2040, support community-based natural resource management in up to **34 million ha of high biodiversity areas** outside of National Protected Areas across Mongolia, benefitting up to **24,000 herder households**.

Provide **substantial economic opportunities**, including new jobs as protected area rangers and staff as well as in an expanded community-based tourism sector. Tourism agreements with communities will result in **training and support for sustainable tourism business development. Traditional herd and pasture management will be improved** through training and development on sustainable methods, and through targeted projects on value chain improvements.

Eternal Mongolia

PROJECT FINANCE FOR PERMANENCE



Conservation Commitments

ACHIEVE CONSERVATION GOALS

- Government makes time-bound, measurable conservation commitments
- Commitments support Government's conservation, climate and sustainable development agenda
- Government works toward commitments with funding from CTF resulting from Debt Conversion
- Government receives advisory and technical support from conservation partners

Conservation Trust Fund

MANAGE RESOURCES

- CTF receives payments from transaction savings and manages disbursement
- A portion used to capitalize endowment to support future conservation
- CTF allows access to other sources of funding

Private Legal Entity

- Registered non-profit. Promoting financial sustainability
- Govt, TNC founding board members, no party has majority
- Own professional staff

Debt Conversion

GENERATE SAVINGS

- TNC organizes new financing from debt capital markets benefiting from credit enhancement
- High investment grade rating
- The new financing allows gov. to repurchase pre-existing commercial debt often at a discount

Terms include:

- 15–20-year terms
- Competitive interest rates lower than market yields
- Conservation commitments backed by conservation funding flowing through the CTF

Belize

BLUE BONDS AT SCALE

- **\$364M, Aa2-rated financial transaction closed Nov. 2021**

to reduce Belize's debt burden and increase its investment in conservation.

- Belize committed to expand Biodiversity Protection Zones to cover 30% of its ocean and complete a Marine Spatial Planning (MSP) process, with community engagement.

- Refinanced Belize's \$550M of distressed external commercial debt, reducing overall debt by \$189 M, lowered debt service payments, and extended repayment terms (from 2034 to 2040). Belize's credit rating was upgraded 4 notches to B-.

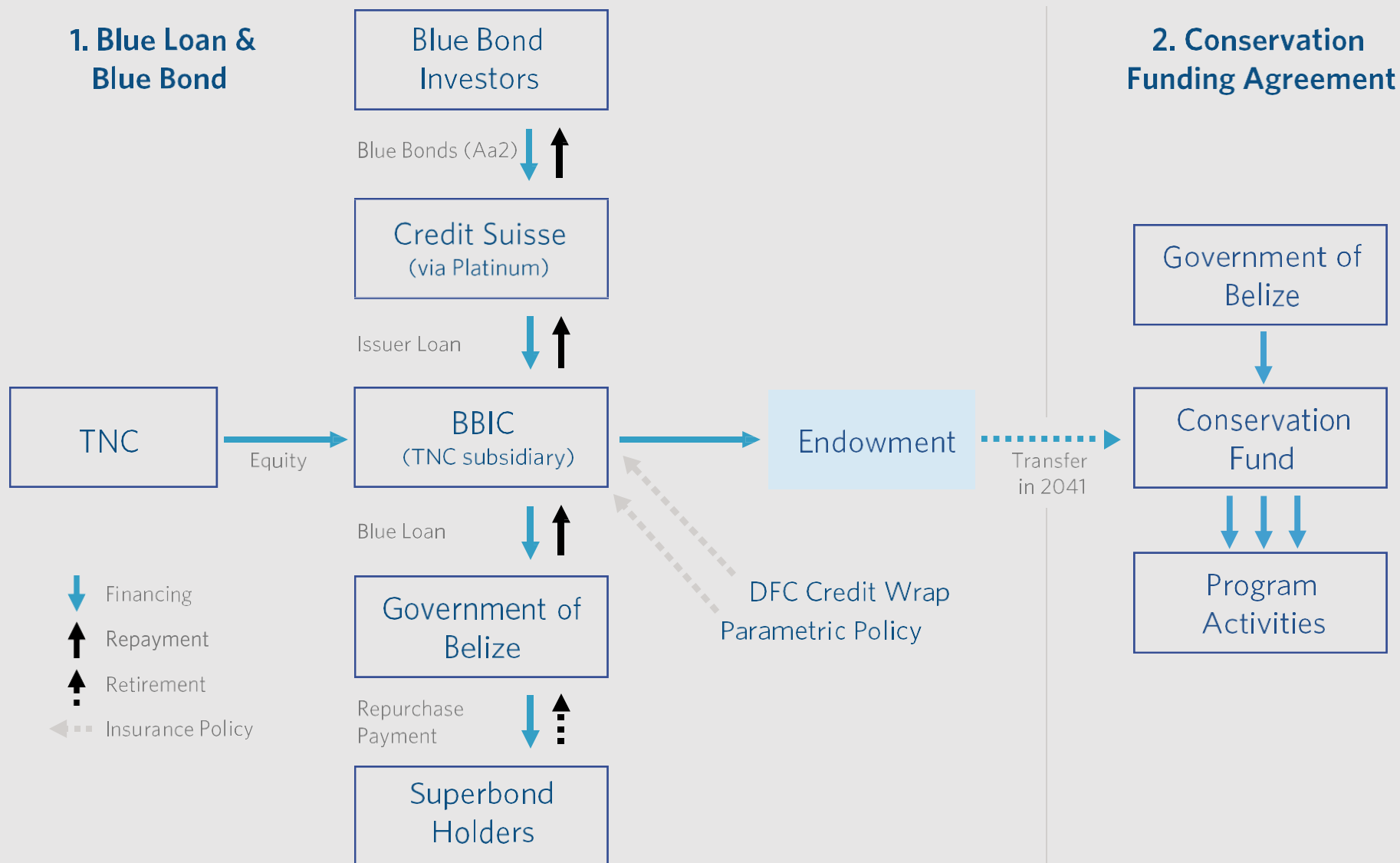
- Belize committed to making conservation payments of \$4.2M/year for 20 years into an independent Conservation Trust Fund. This effectively triples Belize's annual conservation budget.

- Transaction funded \$23.5M to an endowment, anticipated to grow to more than \$90M over the next 20 years.

Belize Blue Loan/Blue Bond & Conservation Funding Agreement Structure

Belize

Deal Structure:
PRI



Belize Progress to Date

As of March 31, 2023, the Government of Belize is **in compliance with all obligations** under the Blue Loan and Conservation Funding Agreements.

The Government has completed the first 3 milestones.

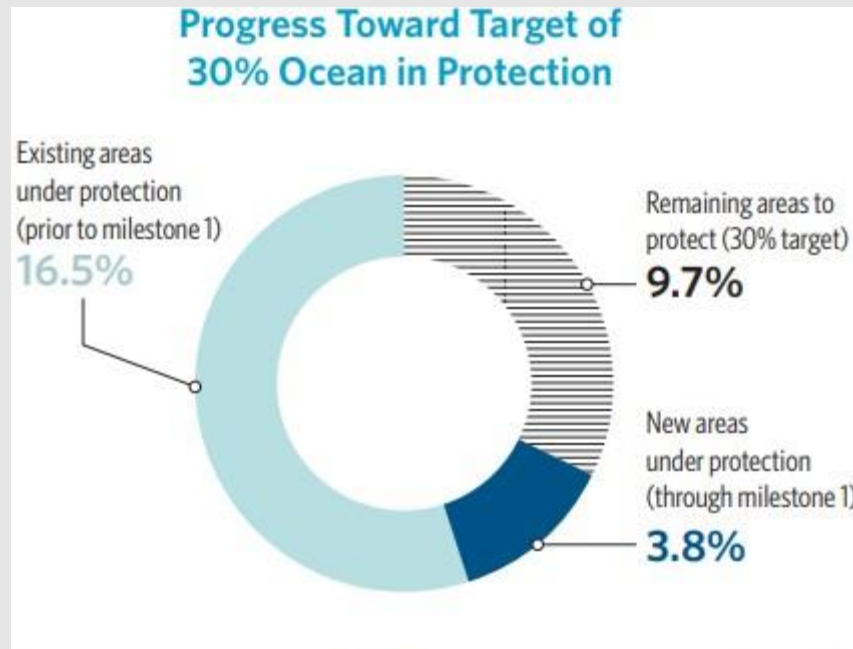


Figure 2: Progress towards 30 percent ocean protection goal.

Progress on Conservation Commitments

Milestone	Milestone Description	Due Date	Status
1	Expand Biodiversity Protection Zones to 20.5% of Belize's Ocean	5/4/2022	Complete
2	Designate Public Lands within the Belize Barrier Reef Reserve System as Mangrove Reserves	5/4/2022	Complete
3	Initiate the process of developing a Marine Spatial Planning (MSP) for Belize's Ocean	11/4/2022	Complete
4	Expand Biodiversity Protection Zones to 25% of Belize's Ocean	11/4/2024	In progress
5	Approve, sign into law, and gazette the revised Coastal Zone Management Act and Integrated Coastal Zone Management Plan	11/4/2025	
6	Expand Biodiversity Protection Zones up to 30% of Belize's Ocean; MSP completed, approved, signed into law, gazetted and implemented	11/4/2026	
7	Apply to have at least 3 designated marine protected areas in Belize listed as IUCN Green List Areas	11/4/2027	
8	Approve Management Plans for the Biodiversity Protection Zones	11/4/2029	

Belize Conservation Trust Fund

The **Belize Fund for a Sustainable Future** (the Belize Fund) has been established as a non-profit company, with a non-government majority Board of Directors that includes representatives from government and non-government sectors.

The Belize Fund is distributing funds generated through the Conservation Payments from the Government of Belize through **2 main programs**:

- **The Grants Award Program (GAP);**
- **The Government Strategic Allocation (GSA)**

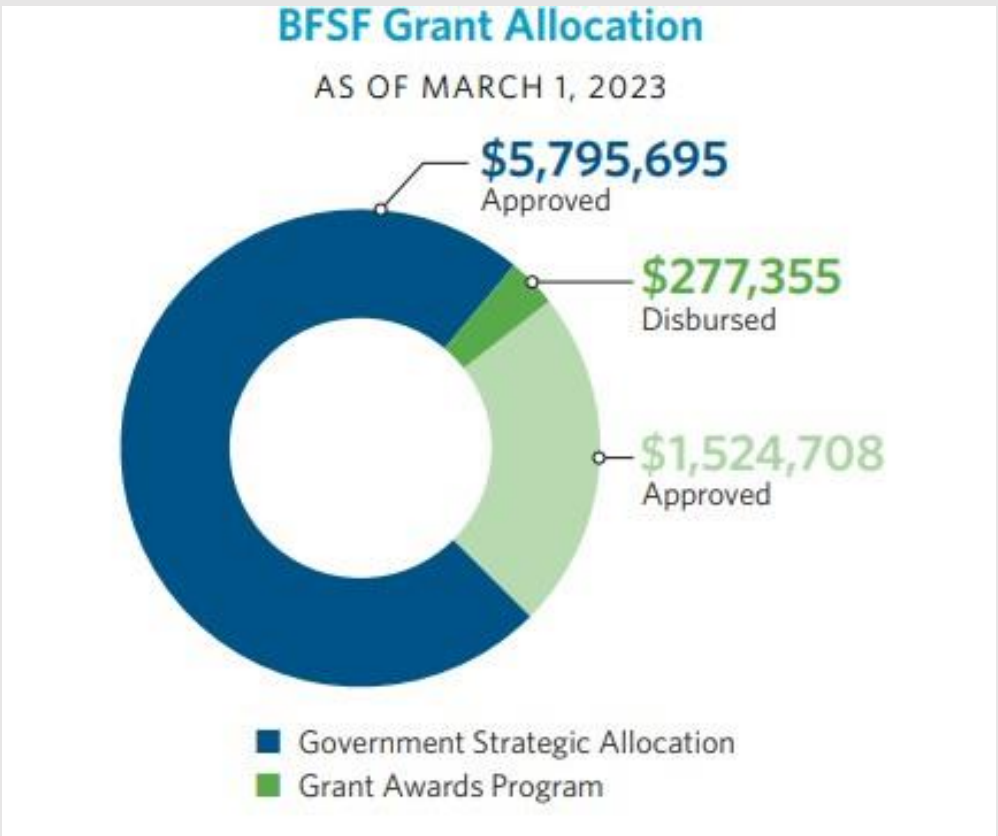


Figure 6: Allocation of approved and disbursed funding between the Grant Awards Program and Government Strategic Allocation

A Glance of TNC's Nature & Finance Portfolio

Global Portfolio

Initiatives

- Report: *Financing Nature* (TNC, Paulson Institute, Cornell University)
- TNC's 10 Point Plan for Financing Biodiversity
- TNC's nomination on the Convention on Biological Diversity (CBD) Advisory Committee on Resource Mobilization
- Supporting MDBs in aligning portfolios to be nature-positive

Instruments

Nature Bonds

- Debt conversion for nature - Seychelles (2016), Belize (2021), Barbados (2022)

NatureVest

- Australia Murray Darling Basin Balanced Water Fund (2015)
- United States Alaska Local Fish Fund (2019)

Carbon Finance

- United States Cumberland Forest Fund (2019)
- United States BTG TIG-TNC Collaboration (2021)

Climate Adaptation

- Mexico Coral Reef Insurance (2016)
- Hawaii Coral Reef Insurance (in-progress)

Corporate Engagement

Acting as strategic partner with leading corporates on their water, climate change and biodiversity strategies by deploying NbS – i.e. Dow biodiversity strategy

China Portfolio

Financing NCS

- In-progress research on financing NCS, demand, innovative and funding sources
- Partnership with Syngenta to promote soil health
- Low carbon dairy development with Starbucks
- Supporting AB InBev on scope 3 emission reduction via NbS
- Promoting Chinese green investment to support sustainable agriculture in Latin America

Carbon Finance

- CCER methodologies & trade on carbon credits
- Carbon market incentives project, aiming at enhancing market share of NCS carbon credits

Debt Conversion for Nature

- Raise stakeholders' awareness, engage key stakeholders, TA on potential projects

Water Fund (Zhejiang & Qiandao Lake)

- Innovative conservative trust fund with beneficiary-pays principle
- Water replenishment mechanism



Thank you!