



Sustainable conservation financing in the Maldives

Dr Francis Vorhies



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MAP OF THE MALDIVES' PROTECTED AREAS



as of 2013²

² See: <http://boblme.reefbase.org/pdf/Marine%20Protected%20Areas%20-%20Maldives.pdf>

1. INTRODUCTION

The Republic of the Maldives is an Indian Ocean country located southwest of India. It consists of 26 atolls with nearly 1,200 islands surrounded by approximately 300 square kilometres of sea. The population of roughly 450,000 has a middle-income standard of living derived from a biodiversity economy based primarily on tourism and fishing.

This report supports the 4th aim the USAID-funded Project Regenerate in Maldives – Reefs Generate Environmental and Economic Resiliency for Atoll Ecosystems. The project is implemented by IUCN in collaboration with the Government of Maldives and is generously funded by USAID. The principle purpose of this project is to develop an operational framework for incorporating resilience into management decisions in the Maldives. The outcomes of this project are meant to contribute to identifying the steps necessary to enhance understanding of resilience and to promote tools that will increase capacity of local community islands to manage marine resources. In this context, the project is providing technical assistance to the Government of Maldives to establish sustainable financing mechanisms to support climate-resilient marine management.

Background research for this report includes an analysis of existing and potential financing mechanisms in Maldives and an analysis of global opportunities and practices. The report makes recommendations on selecting strategic financing mechanisms and on establishing a sustainable conservation financing system in the country. This includes securing finances for establishing, maintaining and enhancing core zones, buffer zones and marine managed areas (resort islands) within a planned national Biosphere Reserve.

2. CONSERVATION FINANCING CURRENTLY IN THE MALDIVES

This section provides an overview of the current state of conservation financing in the Maldives. It demonstrates that there is a solid basis of pilot programmes upon which the country can further develop is national conservation financing approach.

2.1 Conservation areas in the Maldives

There are at least two major types of conservation areas in the Maldives legally protected areas and resort island areas. There is also a third type of conservation area which is a temporary or permanent closure of sites necessary for fisheries such as grouper spawning sites or bait fishing sites under the fisheries law.

This report addresses the two major types of conservation areas with regard to scaling up conservation financing. As well, in this section, it highlights current international recognition for conservation areas in the Maldives.

2.1.1 Legally protected areas

There are currently 42 legally protected areas in the Maldives under the Environment Protection Law (4/93). As noted in the REEFS proposal (discussed further below) they cover "24,494 hectares (0.2% of Exclusive Economic Zone) designated under the Environment Protection and Preservation Act (Act No. 4/93)." For all of the protected areas, the Environmental Protection Agency (EPA) is the principal manager and regulatory authority. See Annex C for a complete list of the country's protected areas.

Furthermore, "Under the Law on The Maldives Fisheries (Act No. 5/87), 14 turtle nesting beaches and several grouper, bait fish and tuna spawning

areas are protected." The Government has also identified 247 'environmentally sensitive areas' which need to be protected. These areas are identified ecologically significant places for which specific permission from EPA to carry out development or other activities is required. Data on resource-use, existing biodiversity and connectivity of ecosystems of these marine sensitive areas have not yet been fully collected.

The long-term plan for these areas is to identify sustainable management options for these areas. Within the Ministry of Environment and Energy², the Environmental Protection Agency³ has overall responsibility for establishing and maintaining the country's system of protected areas:

The section develops and implements strategies to preserve the Maldives' biodiversity and declare protected areas; it manages coastal protection projects in coordination with the government, as well as the private and public sector. It researches and provides advice and technical assistance about environmental pollution, it gathers data for geographic information.

However, once established, most of the areas are under the authority of the Environmental Protection Agency⁴, an agency of the Ministry. The areas within the Baa Atoll Biosphere Reserve, however, are under the Baa Atoll Biosphere Reserve Office⁵, another agency of the Ministry.

2.1.2 Resort island areas

The Ministry of Tourism⁶ lists 126 resorts. See Annex D for the complete list. Most of these have direct

² See: <http://www.environment.gov.mv/v2/en/>

³ See: <http://epa.gov.mv/>

⁴ See: <http://www.broffice.gov.mv/en/>

⁵ See: <http://www.tourism.gov.mv/>

⁶ See: <http://www.tourism.gov.mv/facilities/resorts/?lang=resorts>

responsibility for conserving biodiversity in the areas in which they are situated. These include islands with sandy beaches, lagoons and house reefs – i.e. coral reefs between the resort island and deep ocean.

There are also 3 yacht marinas and 4 villas which will have some level of responsibility for biodiversity conservation. There are three islands or lagoons currently available for lease.

The Ministry of Tourism is responsible for setting and enforcing regulations for conserving biodiversity including the protection of house reefs from tourism impacts including land use and waste. From 2011-2015, its efforts in the regard were supported by a UNDP/ GEF Tourism Adaptation Project⁷.

The total size of the leased tourism areas including their offshore house reefs make up a significant component of the conservation areas in the Maldives. These areas are also tied directly to the financial resources made available from the tourism operations.

2.1.3 International recognition

Baa Atoll was designated in 2011 as a UNESCO Biosphere Reserve⁸. It covers 139,714 hectares of which the core areas include 66.2 terrestrial hectares and 3,850 marine hectares.

Baa Atoll has also been considered by the Conference of the Parties (COP) of the Convention on Biological Diversity (CBD) as an Ecologically or Biologically Significant Marine Area (EBSA).⁹

The CBD EBSA website also lists Rasdhoo Atoll Reef as an EBSA.¹⁰ It is "one of the few micro-atolls in Maldives

7 See: <http://www.tourism.gov.mv/projects/tap-project/?lang=tap-project>

8 See: <http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/asia-and-the-pacific/maldives/baa-atoll/>

9 <https://www.cbd.int/ebsa/ebsas> and <https://chm.cbd.int/database/record?documentID=237768>

10 See: <https://www.cbd.int/ebsa/ebsas> and <https://chm.cbd.int/database/record?documentID=237767>

and has special environmental features" and is located at the north-eastern end of the Ari Atoll.

2.2 Use of biodiversity in the Maldives

Maldives has a biodiversity economy. Both consumptive and non-consumptive use of biodiversity are key drivers of economic development as the REEFS proposal (discussed further below) highlights:

Maldives economy is dependent on biodiversity and ecosystem services where the economy directly benefits from marine and coastal biodiversity. A significant contributor to government revenue is through biodiversity dependent sectors.

Biodiversity based sectors' estimated contribution to the economy are as follows:

98% of exports
89% of GDP
71% of national employment
62% of foreign exchange
49% of public revenue

Tourism is the main contributor to GDP with 28.7% and the industry directly depends on biodiversity. For instance, snorkelling and diving form major tourist activities, where remarkable income is generated through shark and manta watching. In addition to this, the marine ecosystems and diversity is the basis for fisheries as well.¹¹

These figures come from the 2009 report on 'Valuing biodiversity: The economic case for biodiversity conservation in the Maldives'¹² 'This report includes the following figure on the economic importance of biodiversity to the national economy (Figure 1).

11 Note that we use bold italics to highlight key sections in the quotes in this report.

12 See: <http://broffice.gov.mv/en/files/valuing-biodiversity-report.pdf>

"Biodiversity based sectors' estimated contribution to the economy are as follows: 98% of exports, 89% of GDP, 71% of national employment, 62% of foreign exchange, and 49% of public revenue"

It states that:

- Tourism employs, directly or indirectly, 64,000 people or 58% of the workforce
- Tourism contributes public revenue of Rf 2.5 billion or 34% of all government

being the main drivers of economic growth. In the early 1980s, it was one of the world's 20 poorest countries, with a population of 156,000. Today, with a population of more than

financing must be linked to the sustainable management and use of the country's living natural resources.

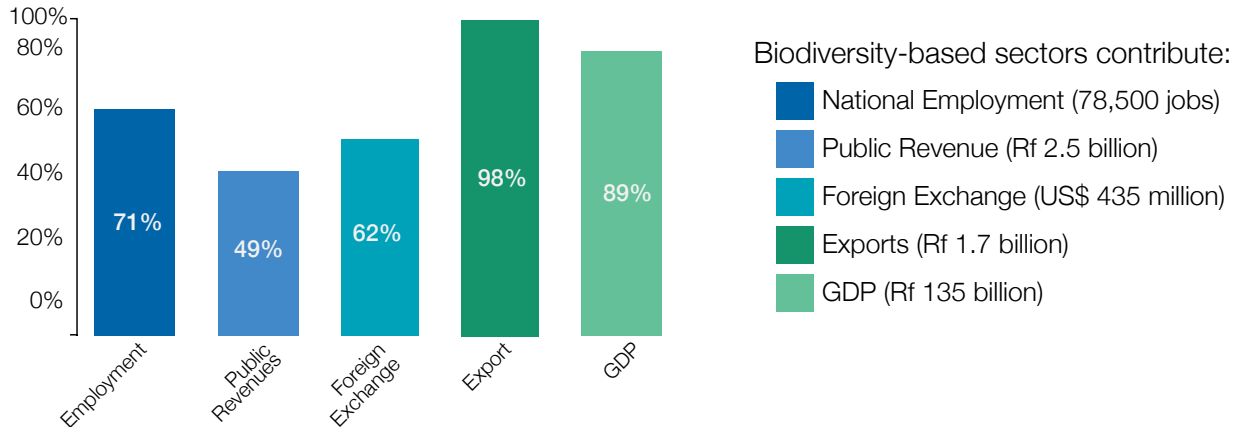


Figure 1. What biodiversity is worth to the National economy each year - direct values

receipts

- Tourism brings in US\$ 434 million in convertible currency or 70% of all foreign exchange earnings
- Tourism accounts for Rf 1,920 million in capital investments or 29% of all investment
- Tourism generates direct and indirect consumption and spending of Rf 9,413.2 million
- The current upstream contribution of tourism to the economy is US\$ 764 million or 67% of GDP
- Fisheries yield processed products worth Rf 960 million in company sales
- Fisheries add Rf 12 million to the public budget
- Fisheries create 14,500 jobs with wages worth Rf 510 million
- Fisheries produce export earnings worth Rf 1.7 billion or 99% of all exports

The World Bank reports online (accessed September 2017) as follows:¹³

For much of the last three decades, Maldives has been a development success story. With more territorial sea than land, marine resources have played a vital role in shaping the contours of economic development, with nature-based tourism and fishing

¹³ See: <http://www.worldbank.org/en/country/maldives/overview>

300,000, it is a middle-income country with a per capita income of over \$6,300.

However, the Bank goes on to say:

Environmental sustainability is the fundamental development challenge in the country... From an economic growth and development standpoint, the management of the country's natural resources and complex ecosystems will continue to determine the country's comparative advantage and growth prospects into the future. Biodiversity-based sectors contribute more than 70% of national employment, more than half of public revenues, almost the entirety of exports, and close to 80% of GDP.

Another use of the country's biodiversity is for disaster risk management. This is a tangible example of an ecosystem services. The REEFS proposal explains:

Based on the records, the common geological hazards in Maldives are; heavy rainfall (flooding), swell waves, tsunamis, storm surges, windstorms and earthquakes... The coral reef systems are the main ecosystems buffering the islands against disasters by offering coastal protection.

In short, sustainable conservation

2.3 The REEFS proposal

The Government of the Maldives has posted the Resilient Ecosystems to Energize Future Sustainability (REEFS) funding proposal on the CBD LifeWeb website.¹⁴ It provides a summary overview of the current state of conservation finance in the Maldives and the overall ambitions of the Government for whom this study is being prepared.

A key component of this proposal is to establish a Conservation Trust Fund (CTF):

A Conservation trust fund (CTF) will be developed to establish a financial mechanism to compensate costs and equitably share benefits of the financial funds received for this project. CTF will be a legally independent grant-making institution that provide sustainable financing for biodiversity conservation and often finance part of the long-term management costs of the Maldives biosphere reserve system. The predictability and security that CTFs provide as a source of sustainable financing increases managements' ability to do long-term environmental

¹⁴ See: <http://www.worldbank.org/en/country/maldives/overview>

planning, and increases stakeholder support by reassuring people that financial resources for conservation and sustainable development activities.

A resource mobilization strategy, a financial management strategy and a revenue generating mechanism will be developed to ensure that the Trust fund is efficient, equitable and transparent. The Baa atoll trust fund is a living example of this approach in the Baa Atoll Biosphere reserve.

Establishment of the CTF is to include the following activities:

1A Conservation Trust Fund (CTF) Establishment

- Seed money for trust fund establishment, used to create administrative and financial capacity and to initiate the operation of the Trust Fund.
- Establishing a board.

Strategic Plan for Operation and Financial Management

- Standard strategies for administrative and financial management of the CTF.
- Grant administration Manual - This manual covers procedures and criteria regarding; grant proposals, responding to applicants, grant reporting requirements, and grant monitoring and evaluation.

Establishing a Revenue Generating Mechanism

Resource Mobilization Strategy

- That comprises the mix of mechanisms the government will employ to mobilize the resources for project activities in a manner that is efficient, equitable and transparent for all the atolls with biosphere reserves.

Financial Management Strategy

- Training and implementing the recording and use of funds, including allocation processes, crediting and debiting of accounts, cash and investment

portfolio, controls that restrict use, and accounting and periodic financial reporting systems in each atoll.

1B CTF accountability and monitoring

Develop a Trust Fund Accountability Framework

- At Cooperate Level - Grand Reporting and Monitoring System, Annual report to donors, Periodic workshops for donor representatives, Trust Fund Quality and Compliance Report, Trust Fund Annual Report
- At Project level – Allocation of management fees to operational units, donor approval to individual grant proposals, Inspection visits by officials from an appropriate body.

1C Currently funded project linkages

- Create partnerships with bilateral agencies which are potential technical partners

The funding requested to implement these activities is \$260,000.

2.4 The Baa Atoll Conservation Fund (BACF)

As noted above, the Baa Atoll Biosphere Reserve secured UNESCO recognition in June 2011. The Baa Atoll Conservation Fund (BACF) established in 2013¹⁵ finances activities in the Reserve:

The Baa Atoll Conservation Fund is a trust fund established under the Public Finance Act of the Republic of Maldives.

The Fund is governed by the Fund Board of Directors and the Fund Managing Director in accordance with the provisions of the founding documents, TOR and Rules of

¹⁵ See: <http://www.bacf.gov.mv/en/>

Procedure and other applicable laws and regulations of the Republic of Maldives.

The purpose of the Fund is to co-finance activities that ensure that Baa Atoll is a world class model of atoll ecosystem conservation in accordance with its designation as a UNESCO World Biosphere Reserve. The objectives of the Biosphere Reserve are:

- Conserving and enhancing the natural beauty, biodiversity and cultural heritage of Baa Atoll
- Promoting opportunities for the understanding and enjoyment of the special qualities of Baa atoll by local communities and visitors
- Supporting the sustainable development of Baa Atoll, including fishing, tourism and the economic and social interests of those who live and work in the area.

The Fund managers have determined a specific set of activities to fund:

After consideration of maintaining a satisfactory operating reserve, at least 85% of the annual total Fund revenues shall be used for funding projects and programs in the following areas:

1. Management of Baa Atoll Biosphere Reserve;
2. Protection, conservation and management of biological and natural resources and biodiversity in Baa Atoll;
3. Livelihood improvements for Baa Atoll residents in line with sustainability and atoll ecosystem conservation policies;
4. Research, awareness raising and education related to protection, conservation and management of biological and natural resources, biodiversity and nature protection in Baa Atoll.
5. Other projects and programs as defined by the Fund's adopted and published annual and long-term spending policies, provided that such projects and programs are fully supportive and directly linked to the Fund's purpose.

"The Baa Atoll Conservation Fund provides an excellent in-country pilot from which to learn lessons in designing a national Conservation Trust Fund "

It has also established priority spending areas¹⁶ as follows:

- Baa Atoll Biosphere Reserve management program (30%);
- Program for the protection, conservation and management of biological and natural resources, biodiversity and nature protection in Baa Atoll (30%);
- Livelihood improvement program for Baa Atoll residents, focusing on projects that are in line with sustainability and atoll ecosystem conservation policies (30%); and
- Research, awareness raising and education program, focused on protection, conservation and management of biological and natural resources, biodiversity and nature protection in Baa Atoll (10%).

This general allocation of spending is appropriate, though over time the allocation to running the programme should drop so that more resources can be made available for conservation and livelihood programmes.

To date, the Fund is disbursing funds for conservation activities while maintaining its capital base. It is replenished regularly through contributions from the Government, the sale of permits, exam registration fees, and, importantly, partnership fees from the private sector.

¹⁶ See: <http://www.bacf.gov.mv/en/index.php/about-bacf/priority-spending-areas>

The published Financial Reports¹⁷ (with some minor numerical discrepancies) show an income exceeding expenditures yearly. In 2015, expenditures increased significantly from previous years because of grant payments to the amount of MVR 598,869.00 or \$38,471.34 at the current exchange rate (*Table 1*).

BACF (in MVR)	2013	2014	2015	2016
Opening balance	5,195,059.00	5,832,618.28	6,941,818.94	
Income	1,073,710.50	1,813,900.00	2,246,857.00	1,893,961.00
Expenditure	440,251.92	704,698.94	1,232,995.00	4,451,754.00*
Closing balance	5,828,517.58	6,941,819.34	7,958,130.64	

*Office management costs as per workplan

Table 1. Overview of BACF yearly expenditure from 2013 to 2016.

INCOME	2013	2014	2015	2016
Sales of Access Permits	137,330.00	352,412.00	614,375.00	777,421.00
Partnership Fees	154,780.50	663,115.00	826,990.00	287,765.00
Tour Guide Registration Fees	4,320.00	19,273.00	15,420.00	15,370.00
Photography and Videography Permits	6,280.00	8,100.00	19,072.00	42,405.00
Donations	771,000.00	771,000.00	771,000.00	771,000.00
Total	1,073,710.50	1,813,900.00	2,246,857.00	1,893,961.00

Table 2. BACF income sources from 2013-2016.

The sources of income include charges for tourism uses including access permits, tour guide registration, and filming permits. It also includes fees to be a partner and donations (*Table 2*).

The Baa Atoll Conservation Fund provides an excellent in-country pilot from which to learn lessons in designing a national Conservation Trust Fund. An assessment of its strengths and weaknesses can provide value insights for the further development of conservation financing mechanisms in the country.

¹⁷ see: <http://www.bacf.gov.mv/en/index.php/2013-05-29-05-08-06/2016-12-08-11-00-18>

The strengths or advantages of the BACF structure include:

- the focus on conservation-related activities;
- a clearly defined geographic scope; and
- the participation of key stakeholders, notably the private sector.

Its potential weaknesses or disadvantages, on the other hand, include:

- the potential for too much bureaucracy;
- the lack of participation from outside users of the Baa Atoll; and
- the sustainability of the funding flows, e.g. dependency on tourists.

Regarding the potential weaknesses, these can be mitigated by good management and by engaging users from the area in the scheme, e.g. through licensing fees for use.

The issue of financial sustainability requires further consideration of other possible sources of funding. One important source could be an allocated share of the government revenues generated from the tourism sector, e.g. a share of the green tax generated in the Baa Atoll area. Another source could be an allocated share of the government revenues generated from fishing and farming in the Baa Atoll. And, as discussed, further below, this atoll and others could share in internationally-sourced funds which are coordinated at the national level.

On paper, and indeed on the website, the BACF looks like a solid and well-thought-out structure for raising and disbursing funds for conservation in the Baa Atoll. However, because of the lack of transparency and public accountability about how the funds are being generated and used, stakeholders cannot judge whether the BACF is being effective.

As of 15 November 2017, the last annual report available publicly is for the year 2012.¹⁸ This report¹⁹ provides information on the Fund and on the sources of funds for 2012. The financial information, however, does not appear to have been audited. There are no publicly-available reports for the subsequent four years – 2013, 2014, 2015 and 2016. This situation makes accountability to stakeholders and, indeed, to the general public challenging.

Also, as of 15 November 2017, the minutes of only one BACF Board Meeting has been published.²⁰ These minutes²¹ are for the first meeting

18 See: <http://www.bacf.gov.mv/en/index.php/2013-05-29-05-08-06/bacf-annual-reports>

19 See: www.bacf.gov.mv/en/files/BAA_TOLL_CONSERVATION_FUND_Annual_Report.pdf

20 See: <http://www.bacf.gov.mv/en/index.php/2013-05-29-05-08-06/2013-06-09-06-48-05>

21 See: www.bacf.gov.mv/en/files/Baa_Atoll_Conservation_fund_Board_meeting_minutes_1_.pdf

which took place on 07 November 2012. What has the Board discussed and decided on since then? Has it, for example, asked for and reviewed any external evaluations on the effectiveness of the use of funds? In the interests of public accountability, these questions should be answered.

Financial reports, however, are publicly available for 2013, 2014 and 2015.²² The reports are one-page summaries of sources of funds and mostly administrative expenditures. In 2015, there is a budget line for BACF Grant Payments, but it is not itemised. Further, none of the financial reports are independently audited. Again, this makes it difficult to assess the effectiveness of the use of funds.

The lack of transparency and public accountability in the actual running of the BACF is a challenge for management effectiveness. It is not clear how the funds are being allocated and whether the Board is reviewing the effectiveness and efficiency of the use of these funds. It is also highly unlikely that stakeholders, and notably the private sector entities who are paying into the Fund, will be satisfied with the lack of transparency and accountability. This situation, of course, is a barrier which has to the potential to undermine the ability of the Fund to secure additional resources from international donors.

Thus, what looks quite good on paper, and even on the website, does not look terribly good in practice. As called for in SDG 16, there is still more to be done to “build effective, accountable and inclusive institutions at all levels” in the Maldives. The establishment of a conservation trust fund for the Baa Atoll is an important step forward, but it needs to secure the trust of stakeholders including investors, local communities, local businesses, and the public at large.

22 See: www.bacf.gov.mv/en/index.php/2013-05-29-05-08-06/2016-12-08-11-00-18

2.5 South Ari Atoll Marine Protected Area (SAMPA)

Declared in 2009, the South Ari Atoll Marine Protected Area (SAMPA) is 42 square kilometres, the largest Marine Protected Area in the Maldives. It is protected because it is a significant habitat for whale sharks. It is located south of the atoll from 1 kilometre off the shorelines of the islands and includes deep waters – 1,500 metres deep within 5 kilometres of the islands – which are ideal for large pelagic species.

With support from the IUCN REGENERATE project, a management plan is under development for SAMPA. A 2014 technical paper²³ prepared by IUCN for the Maldives Environmental Protection Agency (EPA) and Ministry of Environment and Energy concludes:

A successfully implemented management plan is a goal in its own right. It has the potential to attract funds and investments from global institutions that have an interest in the long term sustainable use of natural resources...

It is important to note that an MPA is an attractive resource that can be marketed to global donors such as international aid organizations, intergovernmental organizations, corporations and so on, provided that a good management plan and an effective governance and enforcement structure is in place.

The approach underway at SAMPA clearly links putting in place an effective management plan with the ability to mobilise resources. This is necessary as park-level funding will be needed in addition to funds available from the Government:

23 Paper available from the IUCN Maldives office

Regardless of the model, any governance and enforcement framework implemented in the MPA would require a mechanism to finance the costs of operations. Even where government involvement in the governance, enforcement and operations in the MPA is large, there needs to be a mechanism through which the MPA could supplement expenditure from the government budget.

An understanding of the challenges and opportunities for sustainable financing of SAMPA can provide insights into possible financing options at the park level. The paper identifies possible fees at the park including entrance fees or user fees on visitors, licensing vessels within the park, sharing income from private sector concessions and donations. It also questions about the possibility of providing incentives for stakeholders to contribute and about the possibility of investment income.

2.6 Fuvamulah and Hithadhoo Climate Change Adaptation Project

With support from the World Bank, the Climate Change Adaptation Project (CCAP)²⁴ has aimed "to demonstrate climate adaptive planning and management through the adoption of a multi-sectoral approach in Addu and Gnaviyani atolls." Project components are relevant to conservation financing including:

- The first component, wetlands conservation aims to establish a protected wetland management system to protect the wetlands and biodiversity in the Hithadhoo protected area (Eydhigali Kilhi and Koatthey) of Hithadhoo island, and Bandaara Kilhi, and Dhandimagu Kilhi in Fuvahmulah island; support the development of

²⁴ See: <http://documents.worldbank.org/curated/en/468281467986350615/Maldives-Climate-Change-Adaptation-Project-CCAP>

ecotourism and other sustainable activities that can contribute to the socio-economic development of the local community; and establish a model for management of the protected wetland area.

- The second component, coral reef monitoring aims to strengthen the coral reef monitoring framework for improved decision making and management of coral reefs and related ecosystems.

The Community-Based Wetland Management Plan for Fuvahmulah Island²⁵ includes the following objective:

General Objective 2 To propose and promote the development of new and alternative sustainable activities related to the protected area that can help contribute to the socio-economic development of the local community, in particular ecotourism.

Specific objective 2.1 To support the creation of new business and job opportunities linked to ecotourism, by using the protected area as the main natural tourist attraction.

Specific objective 2.2 To provide new visitor facilities that will support ecotourism activities and provide new recreational services and opportunities for the local population

Specific activities include renovating a Lake House as an information centre, building a small wooden platform for boat mooring, establishing a picnic area with facilities, and installing a boardwalk and a bird observatory.

The Community Based Wetland Management Plan for Hithadhoo Island has a similar objective on sustainable activities. In addition to eco-tourism activities, sustainable farming practices included organic agriculture and locally made handicrafts are planned.

²⁵ Management plans received from the Ministry of the Environment

The aim of these plans is to align economic activities with the conservation and sustainable use of biodiversity so as to ensure that livelihoods are secured, and income is generated in ways which ensure at net positive impact on the biodiversity of the islands.

"Tourism constitutes by far the biggest contributor to GDP at 28 percent, and is the greatest generator of foreign exchange earnings at more than 60 % in 2014"

2.7 Biodiversity-based public revenue

The sustainable utilisation of biodiversity – both goods and services – generates a significant percentage of the country's public revenue.

2.7.1 Tourism sector

In their October 2016 Maldives Country Snapshot,²⁶ the World Bank reports that:

Tourism constitutes by far the biggest contributor to GDP at 28 percent, and is the greatest generator of foreign exchange earnings at more than 60 percent in 2014. Revenue from the sector accounts for 38 percent of government revenue, derived from various taxes and lease of islands... This includes all tourism-related taxes: (part of) import duty, Tourism tax, GST on Tourism, Airport Service

²⁶ See: <http://documents.worldbank.org/curated/en/547601476772013083/pdf/109250-WP-MaldivesCountrySnapshots-HighRes-PUBLIC.pdf>

Charge, Royalties, land and resort rent, Business Profit Tax.

Today, there is also a Green tax²⁷ which is a tax payable by tourists who stay in tourist resorts, tourist hotels and tourist vessels." It is paid per day of stay and the current rate is \$8.

There are different explanations on how the revenues from this tax are to be used:

- The President of the Maldives has said that he is considering the introduction of a new environment tax on all tourists who use its resorts as a way of paying for the economic cost of global warming.²⁸ (Former President Mohamed Nasheed, September 2009)
- "Levying this tax is necessary given Maldives' fragile environment," [Former] Minister of Tourism Ahmed Adheeb told reporters. "Revenue generated from the tax will go in to managing the waste from local resorts and other islands."²⁹ (December 2014)
- Aim of this new tax is unclear at this point. Having it coincided with annual budget submission the main aim seems generating income to the government.³⁰(November 2014)

From the perspective of sustainable conservation financing in a country where tourism is the largest sector and this sector is based on biodiversity conservation, it would seem appropriate that a portion of the revenues collected could be used to capitalise the proposed Conservation Trust Fund.

2.7.2 Fisheries sector

Regarding fisheries, the World Bank's Country Snapshot reports:

27 See: <https://www.mira.gov.mv/GreenTax.aspx>

28 See: <http://www.dailymail.co.uk/travel/article-1211919/Maldives-plans-tourist-tax-help-climate-change-fight.html>

29 See: <http://maldives.net.mv/12120/maldives-introduces-green-tax/>

30 See: <https://maldivesfinest.com/new-green-tax-in-2015>

Fisheries remain a large source of employment, the largest source of physical exports, one of the few local industries supplying the touristic resorts, and a major source of food supply for the local market. In 2014, it accounted directly for 1.7 percent of GDP and, represents a much larger share of employment and livelihood.

The relative contribution of fisheries to the economy, as noted by the FAO,³¹ has decline in the face of the growth of the tourism sector:

Fisheries account for 6 % of GDP, 11% of employment and 98%

fisheries sector's contribution to the GDP has remained significant, both in terms of employment, value added production and export returns" (MPND, 2004).

However, a review of the 2015 Budget in Statistics³² indicates that the fisheries sector, as important as it is in the economy, is not a significant source of revenue for the government.

	2014 Approved	2014 Revised
Imputed duty	1,717.0	1,1717.0
Business profit tax	1753.4	2,376.4
Bank profit tax	327.1	482.4
Tourism goods & services tax	2,792.1	2,977.9
Goods & services tax	1,335.9	1,478.0
Airport service charge	347.6	436.5
Resort lease rent	1,1390.9	1,271.1
Other tax	220.4	968.2
Other non tax	1,789.7	2,772.5
Total	11,414.1	14,479.9

* In Million MVR

Table 3. Glance at 2014 Bbudget and revised estimates

of the country's physical export commodities (DPND, 2009).

The fisheries sector has traditionally been the major contributor to the country's economy. Nevertheless, since 1978, the fisheries contribution to the GDP has shown a continual declining trend. This is mainly due to the introduction and rapid growth of the tourism sector in the economy and diversification of the fishery related businesses into other economic sectors such as export and labour. However, "the

"...in a country where tourism is the largest sector and this sector is based on biodiversity conservation, it would seem appropriate that a portion of the revenues collected could be used to capitalise the proposed Conservation Trust Fund."

31 See: <http://www.fao.org/fishery/facp/MDV/en>

32 See: <http://www.fao.org/fishery/facp/MDV/en>

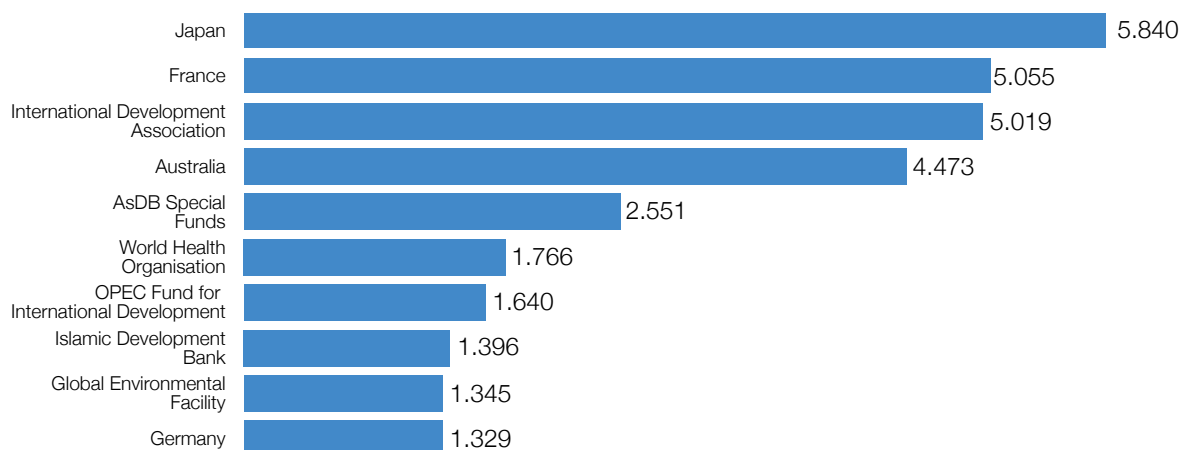


Figure 2. Top ten of gross ODA for Maldives, 2014-2015 average, USD million

2.7.3 Other sectors

The government raises revenues for across the economy through taxes, fees and leases. However, as indicated in the following table, most of its domestically-raised income is directly or indirectly related to the tourism sector (Table 3).

2.7.4 International donors

Though the Maldives now ranks as a middle-income country, it continues to receive significant development assistance, both in terms of grants and loans.

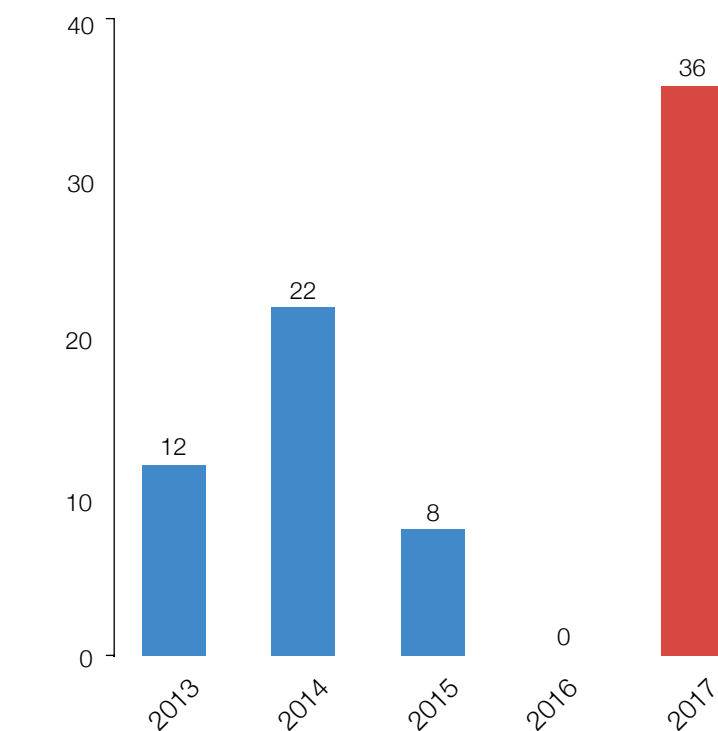
OECD³³ provides the follow table of its top donors (Figure 2).

The World Bank³⁴ shows an increasing level of borrowing (Figure 3).

The Maldives is also a recipient of other development assistance financing including loans and grants from the Asian Development Bank (ADB). ADB's

33 See: https://public.tableau.com/views/OECDDACaidataglancebyrecipient_new/Recipients?:embed=y&:display_count=y&:showTabs=y&:toolbar=no?&:showVizHome=no

34 See: <http://www.worldbank.org/en/country/maldives/overview>



* Amounts include IBRD & IDA commitments in Millions (US\$)

Figure 3. Maldives level of borrowing: Commitments by Fiscal Year (in millions of dollars)*.

current Fact Sheet³⁵ provides the following information (Figure 4).

Because of the nature of the Maldivian economy, much of this international assistance is directly or indirectly related to biodiversity.

35 See: <https://www.adb.org/sites/default/files/publication/27779/mlid-2016.pdf>

2.8 Other public-sector experiences in environmental financing

The Ministry of the Environment and Energy (MEE) of the Government of the Maldives also has experience and capacity in environmental financing which is pertinent to development of

2016 Approved loans, grants & technical assistance (\$ million)				
Loans				
Sovereign	Nonsovereign	Technical Assistance	Grants	Total
-	-	0.50	9.69	10.19

- = nil

Note: Grants & technical assistance include ADB-administered cofinancing

Cumulative lending, grant & technical assistance approvals ^{a,b,c}			
Sector	No.	Total amount (\$ million) ^d	% ⁴
Agriculture, Natural resources, & rural development	4	2.14	0.77
Education	8	14.25	5.12
Energy	15	88.56	31.84
Finance	6	12.93	4.65
Industry & trade	6	19.47	7.00
Public sector management	29	56.40	20.27
Transport	21	45.63	16.40
Water & other urban infrastructure & services	2	6.40	2.30
Multisector	5	32.40	11.65
Total	96	278.17	100.00

^a Grants & technical assistance include ADB-administered cofinancing

^b Includes sovereign & nonsovereign loans & technical assistance

^c Using primary sector in reporting of approvals

^d Numbers may not sum precisely because of rounding

Table 4. 2016 Approved loans, grants & technical assistance (\$ million).

a biodiversity financing strategy and action plan. This section highlights some of the relevant initiatives.

2.8.1 The proposed Maldives Green Fund (MGF)

A particularly important example is the proposed development of a Maldives Green Fund (MGF).³⁶ The purpose of this Fund was to:

36 See: <http://www.asiapacificadapt.net/sites/default/files/ppts/workshops/fy2013/cansa-august/Day%201/National%20Efforts%20on%20Climate%20Finance%20by%20Governments-%20Cases%20from%20Countries-%20Maldives%20.pdf>

- Facilitate, co-finance and enable investments;
 - + Renewable energy and energy efficiency
 - + Biodiversity and nature protection
 - + Waste management and water management
 - + Other sectors
- Leverage commercial and foreign finance for environmental and energy investments;
- Capacity development in project preparation, project appraisal and project finance;
- Create an enabling environment to absorb larger amounts of environmental and energy investment finance;
- Investment by the fund will support

the sustainable development in infrastructure, tourism, fishing and the economic and social interests of those who live and work in the country

The details of such a multi-stakeholder and multi-investor structure provide a basis for developing the Maldives Conservation Fund proposed later in this report. This is made clear in presentation from the Ministry which makes the following case for such a fund:

- Instrument to access donor funds after progressing out of LDC status;
- Roll out Baa Atoll Conservation Fund model to the entire country;
- One integrated Fund for the Maldives;
- Leverage co-finance from local partners (banks, private companies)
- Increase efficiency of public environmental investment expenditure; and
- Allow MEE to refocus on its role as policy developer/implementer.

Most importantly, the presentation states that “agreement should be reached to link the MGF closely with work dedicated on getting Maldives declared as UNESCO Biosphere Reserve.” Thus, as presented below, the proposal for a Maldives Conservation Fund made in this report is closely aligned with the thinking and experience within the Ministry to establish the MGF.

2.8.2 Fund for Renewable Energy System Applications (FRESA)

As part of its Renewable Energy Technology Development and Applications Project (RET-DAP), the Ministry conceptualised a Fund for Renewable Energy System Applications (FRESA). This initiative provides an example of establishing a national fund for another environmental issue – in this case, the application of renewable energy (RE) to “replace a portion of the future use of fossil fuel based systems effectively contributing to the reduction in the growth rate of Greenhouse Gas (GHG) emissions.”

FRESA envisioned “financing economically viable projects utilizing RE technologies” through loans to companies and households. A detailed set of criteria for loan eligibility as well as detailed modalities for financing have been prepared. The operational framework of this proposed fund is sound and provides a most useful reference point from within the Ministry for establishing a conservation investment fund as proposed later in this report.

Regarding the source of funds, FRESA was to be capitalised by a UNDP/GEF project. It would then sustain itself as a recurring investment fund through the repayment of loans with interest which in turn could be used to finance new RE projects. Again, for the investment component of a conservation financing strategy in the Maldives, FRESA offers a starting point for developing the operational framework of a conservation investment fund.

2.8.3 Green Climate Fund implementing agency

Currently MEE is undertaking an initiative to become a national implementing agency of an adaption fund and for the Bank of the Maldives to be accredited to the Green Climate Fund. The proposed project – Support of Vulnerable Communities in Maldives to Manage Climate Change-Induced Water Shortages³⁷ – envisions a

³⁷ See: https://www.greenclimate.fund/-/support-of-vulnerable-communities-in-maldives-to-manage-climate-change-induced-water-shortages?inheritRedirect=true&redirect=%2Fwhat-we-do%2Fprojects-programmes%3Fp_p_id%3D101_INSTANCE_Hreg2cAkDEHL%26p_p_lifecycle%3D0%26p_p_state%3Dnormal%26p_p_mode%3Dview%26p_p_col_id%3D118_INSTANCE_4ZRnUzRWpEqO_column-2%26p_p_col_count%3D1%26_101_INSTANCE_Hreg2cAkDEHL_delta%3D30%26_101_INSTANCE_Hreg2cAkDEHL_keywords%3D%26_101_INSTANCE_Hreg2cAkDEHL_advancedSearch%3Dfalse%26_101_INSTANCE_Hreg2cAkDEHL_andOper

\$28.2 million investment aiming at “providing safe and secure freshwater to 105,000 people on the outer islands of the Maldives, in response to climate change-induced water shortages” through “introducing integrated water supply systems, decentralized dry season water supplies, and improvements to groundwater quality.”

3. CONSERVATION FINANCING OPPORTUNITIES FROM ABROAD

Internationally, there are several active conservation financing policy frameworks and initiatives underway. These initiatives provide current and ongoing insights into options for sustainable conservation financing.

This section highlights some of more relevant international financing initiatives for the Maldives. Some of these may be directly applicable to the Maldives. However, most of them serve as examples from which the Maldives can learn.

3.1 Conservation finance in multilateral policy frameworks

Development finance as well as conservation finance is an increasingly important focus of international sustainable development policies and programmes. This section provides an overview of particularly relevant multilateral policy frameworks.

3.1.1 2030 Agenda for Sustainable Development

Conservation finance is integral to the 2030 Agenda for Sustainable Development³⁸ which is now widely

³⁸ See: <https://sustainabledevelopment.un.org/post2015/transformingourworld>

seen as the high-level policy framework for development assistance.

In the Maldives, sustainable finance is directly linked to the sustainable use of biodiversity. In the 2030 Agenda, sustainable development is aligned with the sustainable use of biodiversity:

We envisage a world in which every country enjoys sustained, inclusive and sustainable economic growth and decent work for all. A world in which consumption and production patterns and use of all natural resources – from air to land, from rivers, lakes and aquifers to oceans and seas – are sustainable... One in which development and the application of technology are climate-sensitive, respect biodiversity and are resilient. One in which humanity lives in harmony with nature and in which wildlife and other living species are protected....

" In the Maldives, sustainable finance is directly linked to the sustainable use of biodiversity."

We recognize that social and economic development depends on the sustainable management of our planet's natural resources. We are therefore determined to conserve and sustainably use oceans and seas, freshwater resources, as well as forests, mountains and drylands and to protect biodiversity, ecosystems and wildlife. We are also determined to promote sustainable tourism, to tackle water scarcity and water pollution, to strengthen cooperation on desertification, dust storms, land degradation and drought and to promote resilience and disaster risk reduction.

[un.org/post2015/transformingourworld](https://sustainabledevelopment.un.org/post2015/transformingourworld)

Biodiversity conservation is also the explicit focus of two of the Sustainable Development Goals (SDGs), of which SDG 14 is particularly relevant to the Maldives:

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

The targets for these goals set out a large agenda of biodiversity-related actions which are in the need of financing or which require a change in existing financial flows such as subsidies for unsustainable fishing. These include the following:

14.1 By 2025, prevent and significantly reduce marine pollution of all kinds...

14.2 By 2020, sustainably manage and protect marine and coastal ecosystems... and take action for their restoration in order to achieve healthy and productive oceans

14.3 Minimize and address the impacts of ocean acidification...

14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and... restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield...

14.5 By 2020, conserve at least 10 per cent of coastal and marine areas...

14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies...

14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources...

14.b Provide access for small-scale artisanal fishers to marine resources and markets

15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services...

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world

15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources...

15.7 Take urgent action to... address both demand and supply of illegal wildlife products

15.8 By 2020, introduce measures

to prevent the introduction and significantly reduce the impact of invasive alien species...

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management...

15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

Of significance to conservation finance, are the SDGs on accountability and implementation:

Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

These goals include several targets which are directly applicable to conservation finance, including the following:

16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime

16.5 Substantially reduce corruption and bribery in all their forms

16.6 Develop effective, accountable and transparent institutions at all levels

17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection

17.2 Developed countries to implement fully their official development assistance commitments...

17.3 Mobilize additional financial resources for developing countries from multiple sources

17.4 Assist developing countries in attaining long-term debt sustainability...

17.5 Adopt and implement investment promotion regimes for least developed countries

17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization...

17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020

17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries...

17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence

17.14 Enhance policy coherence for sustainable development

17.16 Enhance the Global Partnership for Sustainable Development, complemented by

multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources...

17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Finance, trade, and accountability and multi-stakeholder partnerships are all key means of implementation of the SDGs including SDGS 14 and 15 on biodiversity conservation. Hence, the 2030 Agenda provides the overarching policy framework for the Maldives to develop its strategic approach to conservation finance at local, national and international levels.

3.1.2 Addis Ababa Action Agenda

The financial dimensions of the 2030 Agenda and its SDGs are linked to the international negotiations on development finance which resulted in the Addis Ababa Action Agenda (AAAA) of the Third International Conference on Financing for Development³⁹. The 2030 Agenda specifically recognises the AAAA as "an integral part" and that its "full implementation... is critical for the realization of the Sustainable Development Goals and targets." Biodiversity conservation is likewise prioritised in the AAAA:

All of our actions need to be underpinned by our strong commitment to protect and preserve our planet and natural resources, our biodiversity and our climate. We commit to coherent policy, financing, trade and technology frameworks to protect, manage and restore our ecosystems, including marine and terrestrial ecosystems, and to promote their sustainable use, build resilience, reduce pollution and combat climate change, desertification and

³⁹ See: http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

land degradation... Public and private investments in innovations and clean technologies will be needed, while keeping in mind that new technologies will not substitute for efforts to reduce waste or efficiently use natural resources...

We acknowledge the critical importance of biodiversity and the sustainable use of its components in poverty eradication and sustainable development. We welcome the implementation of the global Strategic Plan for Biodiversity for 2011-2020 and its Aichi Biodiversity Targets by the parties to the Convention on Biological Diversity and we invite all parties to attend the thirteenth meeting of the Conference of the Parties, to be held in Mexico in 2016.

And AAA promotes conservation finance:

We encourage the mobilization of financial resources from all sources and at all levels to conserve and sustainably use biodiversity and ecosystems, including promoting sustainable land management, combating desertification, drought, dust storms and floods, restoring degraded land and soil, and promoting sustainable forest management. We welcome the commitment of States parties to the United Nations Convention to Combat Desertification to support and strengthen its implementation. We commit to supporting the efforts of countries to advance conservation and restoration efforts, such as the African Union Great Green Wall Initiative, and to providing support to countries in need to enhance the implementation of their national biodiversity strategies and action plans.

Importantly, AAAA also emphasises the importance of international trade and trade finance for sustainable development:

International trade is an engine for inclusive economic growth and

poverty reduction, and contributes to the promotion of sustainable development.

We acknowledge that lack of access to trade finance can limit a country's trading potential, and result in missed opportunities to use trade as an engine for development. We welcome the work carried out by the WTO Expert Group on Trade Financing, and commit to exploring ways to use market-oriented incentives to expand WTO-compatible trade finance and the availability of trade credit, guarantees, insurance, factoring, letters of credit and innovative financial instruments, including for micro, small and medium-sized enterprises in developing countries. We call on the development banks to provide and increase market-oriented trade finance and to examine ways to address market failures associated with trade finance.

3.1.3 CBD Strategic Plan for Biodiversity

As biodiversity is the basis of the Maldivian economy and as conservation financing is a central theme of the CBD, its policies are also directly relevant. Regarding biodiversity, both the 2030 Agenda and AAAAA build on the CBD's Strategic Plan for Biodiversity for 2011-2020⁴⁰ adopted at its 10th Conference of the Parties (COP10). Within this plan are the 20 Aichi Targets of which the last is explicitly about financing:

Target 20: By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties.

40 See: <https://www.cbd.int/sp/>

Target 20 aims to implement the CBD Strategy for Resource Mobilisation⁴¹ which was adopted at COP9. Key elements of this Strategy include the following Goals:

Goal 1: Improve information base on funding needs, gaps and priorities

Goal 2: Strengthen national capacity for resource utilization and mobilize domestic financial resources for the Convention's three objectives

Goal 3: Strengthen existing financial institutions and, promote replication and scaling-up of successful financial mechanisms and instruments

3.1. To enhance efforts in mobilizing co-financing and other modes of project financing for biological diversity.

3.2. To strive to increase official development assistance associated with biological diversity...

3.3. To mobilize public sector investments in biological diversity and its associated ecosystem services.

3.5. To establish, as appropriate, new and additional funding programmes through voluntary contributions...

3.7. To continue to support, as appropriate, domestic environmental funds...

3.8. To promote biological diversity in debt relief and conversion initiatives, including debt-for-nature swaps.

Goal 4: Explore new and innovative financial mechanisms at all levels with a view to increasing funding to support the three objectives of the Convention

4.1. To promote, where applicable, schemes for payment for ecosystem services, consistent and

41 See: <https://www.cbd.int/sp/>

in harmony with the Convention and other relevant international obligations.

4.2. To consider biodiversity offset mechanisms where relevant and appropriate while ensuring that they are not used to undermine unique components of biodiversity.

4.3. To explore opportunities presented by environmental fiscal reforms including innovative taxation models and fiscal incentives for achieving the three objectives of the Convention.

4.4. To explore opportunities presented by promising innovative financial mechanisms such as markets for green products, business-biodiversity partnerships and new forms of charity.

4.5. To integrate biological diversity and its associated ecosystem services in the development of new and innovative sources of international development finance, taking into account conservation costs.

4.6. To encourage the Parties to United Nations Framework Convention on Climate Change and its Kyoto Protocol to take into account biodiversity when developing any funding mechanisms for climate change.

Goal 5: Mainstream biological diversity and its associated ecosystem services in development cooperation plans and priorities...

Goal 6: Build capacity for resource mobilization and utilization and promote South-South cooperation as a complement to necessary North-South cooperation

Goal 7: Enhancing implementation of access and benefit-sharing initiatives and mechanisms in support of resource mobilization

Goal 8: Enhance the global engagement for resource mobilization in support of the achievement of the Convention's three objectives

Though this Strategic Plan was negotiated nearly a decade ago, it sets out some of the main policies and instruments which the Maldives can consider in strengthening its strategic approach to conservation finance.

3.2 Conservation finance in multilateral institutions

Several multilateral institutions are active in conservation financing both as donors and as facilitators of financial flows. This section highlights some of the major initiatives at the multilateral level, some of which already finance biodiversity-related projects in the Maldives.

3.2.1 Global Environment Facility (GEF)

The GEF⁴² was set up just prior to the 'Rio+0 Conference' in 1992 which launched new multilateral conventions on biodiversity, climate change and desertification. It now serves as a financial mechanism for these and other conventions on persistent organic pollutants, and mercury.

In 2015, the GEF was restructured⁴³ with the following mandate:

The GEF shall operate, on the basis of collaboration and partnership among the Implementing Agencies, as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: (a) biological

diversity; (b) climate change; (c) international waters; (d) land degradation, primarily desertification and deforestation; (e) chemicals and wastes.

Regarding the CBD, the GEF is guided by and accountable to the CBD COP as follows:

The GEF shall be available to continue to serve for the purposes of the financial mechanism for the implementation of the CBD if it is requested to do so by the Conference of the Parties pursuant to its Article 21, paragraph 3. In such respects the GEF shall function under the guidance of, and be accountable to, the Conference of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the CBD pursuant to its Article 21, paragraph 1.

The current GEF-6 Biodiversity Strategy⁴⁴ continues to require co-financing for its funded projects, but now is taking a more strategic approach to attracting private sector co-financing "including capital providers, financial intermediaries, and other key partners (large corporations, small and medium enterprises, resource user groups, cooperatives, and individuals)." This is reflected in all four objectives of GEF6:

- Improve sustainability of protected area systems;
- Reduce threats to biodiversity;
- Sustainably use biodiversity; and
- Mainstream conservation and sustainable use of biodiversity into production landscapes/seascapes and sectors

IUCN is an official GEF Project Agency Office and could play a role in bringing GEF financing to the Maldives from the GEF-7 replenishment which is currently being negotiated.

3.2.2 Green Climate Fund (GCF)

The GCF⁴⁵ is a "stand-alone multilateral financing entity whose sole mandate is to serve the [Climate Change] Convention." It "aims to deliver equal amounts of funding to mitigation and adaptation" and its investment priorities are:

- Transforming energy generation and access;
- Creating climate-compatible cities;
- Encouraging low-emission and climate-resilient agriculture;
- Scaling up finance for forests and climate change; and
- Enhancing resilience in Small Island Developing States (SIDS).

As noted by the CBD Secretariat:⁴⁶

Many of the initial result areas of the GCF (October 2013) are of direct and indirect relevance to the global objectives of the CBD. The initial result areas of the Fund are: ... (g) Sustainable land use management to support mitigation and adaptation; (h) Sustainable forest management to support mitigation and adaptation including afforestation and reduction of forest degradation; (i) REDD+ implementation; (j) Adaptation activities to reduce climate-related vulnerabilities; ... (m) Scaling up of effective community-based adaptation (CBA) actions; and (n) Supporting the coordination of public goods such as "knowledge hubs".

For example, the GCF has funded a project on in Vietnam which include "strengthening storm and flood protection for coastal communities in Viet Nam through... planting and rehabilitation of mangrove forests"⁴⁷ and another in Senegal on "increasing

45 See: <http://www.greenclimate.fund/home>

46 See: <https://www.cbd.int/financial/gcf.shtml>

47 See: <https://www.greenclimate.fund/-/improving-the-resilience-of-vulnerable-coastal-communities-to-climate-change-related-impacts-in-viet-nam>

42 See: <https://www.thegef.org/gef/>

43 See: https://www.thegef.org/gef/sites/thegef.org/files/publication/GEF_Instrument-Interior-March23.2015.pdf

44 See: https://www.thegef.org/sites/default/files/publications/GEF6-BD-Strategy-9162014-final-lores_0.pdf

resilience of ecosystems and communities through restoration of the productive bases of salinized lands.”⁴⁸ IUCN is an Accredited Entity and could support efforts from the Maldives to secure financing from the GCF.

3.2.3 International Finance Corporation (IFC)

The IFC – the private sector arm of the World Bank – has had an investment focus on biodiversity for over 20 years. This has included managing GEF projects on small and medium enterprise and on biodiversity investment funds. The IFC also has a long-standing online Guide to Biodiversity for the Private Sector.⁴⁹

Most importantly, however, is the prominence of biodiversity in the IFC Environmental and Social Performance Standards.⁵⁰ The IFC Standards have been adopted by major investment banks worldwide – notably by the Export Credit Agencies of OECD member countries and by the Equator Principles Financial Institutions which are responsible for more than 70% of the international project finance in developing countries. These are discussed further below.

The core standards for biodiversity are set out in Performance Standards 1 and 6 (PS1 and PS6). IFC PS1 sets out the overall framework for the assessment and management of environmental and social risks and impacts as follows:

- Identify and evaluate environmental and social risks and impacts;
- Adopt a mitigation hierarchy to anticipate

48 See: <https://www.greenclimate.fund/-/resilience-increase-of-ecosystems-and-communities-through-restoration-of-the-productive-bases-of-salinized-lands>

49 See: http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/learning+and+adapting/knowledge+products/publications/biodiversityguide

50 See: <http://www.ifc.org/performancestandards>

and avoid, or where avoidance is not possible, minimise, and, where residual impacts remain, compensate/offset for risks and impacts; and

- Promote improved environmental and social performance through the effective use of management systems.

IFC PS6 sets out the specific objectives for biodiversity conservation and the sustainable management of living natural resources as follows:

- Protect and conserve biodiversity;
- Maintain the benefits from ecosystem services; and
- Promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities.

PS6 identified key issues to address in biodiversity assessment and management. These include habitats, legally protected areas, invasive alien species, ecosystem services, and production of living natural resources. It also includes a mitigation hierarchy for biodiversity which includes avoiding and minimising negative impacts, restoring habitats, and offsetting like-for-like or better. These need to be “designed to achieve no net loss of biodiversity” and “preferably a net gain of biodiversity.” Thus, IFC financing ensured that the funding they make available conserves biodiversity and even to enhances it.

For the Maldives, the IFC Performance Standards and the related standards of other multi-lateral financial institutions – such as the Asian Development Bank⁵¹ or the New Development Bank⁵² – provide a base for ensuring that private sector investment in the country has a net positive impact on biodiversity. This is, of course, particularly relevant for the tourism and fisheries sectors. It is also relevant for the development of harbours, bridges, artificial islands and other projects which have an impact on biodiversity.

51 See: <https://www.adb.org/site/safeguards/environment>

52 See: <http://www.ndb.int/wp-content/uploads/2017/02/ndb-environment-social-framework-20160330.pdf>

3.2.4 World Bank

In addition to hosting the GEF and being a lead implementing agency for the GEF, the World Bank has been actively engaged in conservation financing for many years. This includes the integration of biodiversity into its recently revamped Safeguard Policies into a new Environmental and Social Framework which includes 10 Environmental and Social Standards (ESSs).⁵³

ESS6 on biodiversity is very closely aligned with the IFC PS6 and ensures that biodiversity is addressed in all the World Bank’s investments. As well, the World Bank “is one of the largest international financiers of biodiversity conservation, with a portfolio of 245 projects worth US\$1.058 billion in the 10 years from FY2004 to FY2013.”

The World Bank’s biodiversity programme⁵⁴ also features two partnerships on biodiversity grant finance. These are:

Save Our Species – a partnership with IUCN and GEF to disseminate “funds from donors to existing frontline conservation actors working to protect from extinction some of the world’s most threatened species of plants and animals”

Critical Ecosystem Partnership Fund – a joint initiative with l’Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, and the MacArthur Foundation to provide grants funding for “the development and engagement of civil society in Earth’s biodiversity hotspots, the most biologically rich and threatened areas”

53 See: <http://documents.worldbank.org/curated/en/383011492423734099/pdf/114278-REVISED-Environmental-and-Social-Framework-Web.pdf>

54 See: <http://www.worldbank.org/en/topic/biodiversity>

With respect to the Maldives, the World Bank is very clear about the importance of biodiversity conservation for the country's development. In the country snapshot on the Maldives⁵⁵ released in October 2016, the Bank states:

Biodiversity-based sectors contribute more than 70 percent of national employment, over half of public revenues, almost all exports, and close to 80 percent of GDP. Indeed, the new constitution mandates the protection of the environment as a key citizen's right, demonstrating its importance to the future development and prosperity of the country. From an economic growth and development standpoint, the management of the country's natural resources and complex ecosystems will continue to determine the Maldives' comparative advantage and growth prospects into the future. Both the government and its development partners realize the importance of environmental sustainability and are placing a high priority on work in this regard.

3.2.5 Asian Development Bank (ADB)

The ADB⁵⁶ is a regional multilateral financial institution and works alongside the World Bank, the IFC and others in the Asia region. Biodiversity conservation is addressed in the Bank's Safeguard Policy Statement.⁵⁷ ADB's approach is similar to the approaches take by the World Bank and the IFC:

The borrower/client will assess the significance of project impacts and risks on biodiversity and natural resources as an

55 See: <http://documents.worldbank.org/curated/en/547601476772013083/pdf/109250-WP-MaldivesCountrySnapshots-HighRes-PUBLIC.pdf>

56 See: <https://www.adb.org/>

57 See: <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf>

integral part of the environmental assessment process... The assessment will focus on the major threats to biodiversity, which include destruction of habitat and introduction of invasive alien species, and on the use of natural resources in an unsustainable manner. The borrower/client will need to identify measures to avoid, minimize, or mitigate potentially adverse impacts and risks and, as a last resort, propose compensatory measures, such as biodiversity offsets, to achieve no net loss or a net gain of the affected biodiversity.

In their 2016 fact sheet⁵⁸ on the Maldives, ADB reports that:

The Asian Development Bank (ADB) has been supporting the Government of the Maldives since 1978. It has approved 29 loans and grants totaling \$248.53 million for the Maldives, and has funded 67 technical assistance projects totaling \$29.65 million.

In recent years, ADB operations in the Maldives have focused on energy, transport, public sector management, and private sector development. ADB has committed resources to help upgrade the country's commercial and domestic harbors, ensure reliability of power supply to the capital and outer islands, boost economic growth, and reduce regional disparities in living standards.

The Bank's support to commercial and domestic harbours in the Maldives and related compliance with their Safeguard Policy Statement provides a direct link to the topic of conservation finance.

58 See: <https://www.adb.org/sites/default/files/publication/27779/mld-2016.pdf>

3.2.6 United Nations Development Programme (UNDP)

UNDP is currently implementing a Biodiversity Finance Initiative (BIOFIN)⁵⁹: BIOFIN currently works in 30 countries supporting governments in reviewing policies and institutions relevant for biodiversity finance, determining baseline investment and assessing the costs of implementing National Biodiversity Strategies and Action Plans, quantifying the biodiversity finance gap. BIOFIN aims to implement comprehensive national resource mobilization strategies at national level.

BIOFIN is supported by the EU, Flanders, Germany, Norway, Switzerland and the GEF with a current budget of \$28 million. It may areas of work are as follows:

- i. Globally-led development of a new methodological framework

An entirely new methodological framework is being developed and piloted for undertaking national-level "bottom-up" analyses of the finance-relevant enabling context; for determining the current / baseline investment in biodiversity; for quantifying the full cost of meeting national biodiversity conservation targets and the resulting finance gap; and for assessing the suitability of financial mechanisms and developing national resource mobilisation strategies that are fully appropriated by national governments and other key in-country stakeholders. The methodologies applied in the project will be refined through regional and global learning, and made available more widely.

- ii. Adaptation and implementation of this new methodological framework at national level

To help countries increase the importance attributed to biodiversity and in consequence bridge the financing gap, the work at national level will be led by Ministries of

59 See: <http://biodiversityfinance.net/>

Finance, Economics or Planning and the Ministry of Environment. It is articulated through the following components:

1. Analyze the integration of biodiversity and ecosystem services in sectoral and development policy, planning and budgeting
2. Assess future financing flows, needs and gaps for managing and conserving biodiversity and ecosystem services
3. Develop comprehensive national Resource Mobilization Strategies to meet the biodiversity finance gap
4. Initiate implementation of the Resource Mobilization Strategy at national level

An important tool of the Initiative is the BIOFIN Assessment Workbook⁶⁰ which provides guidance to countries on how to assess financial needs and how to mobilize the financial resources required to fully implement their revised NBSAPs.

Though BIOFIN is not active in the Maldives, its work in other island countries such as Cuba, Fiji and the Seychelles provides a useful reference point for work to be undertaken in the Maldives.

3.2.7 United Nations Environment (UNEP)

UNEP⁶¹ is a core implementing agency of the GEF and over the years has implemented many GEF biodiversity projects.⁶²

The UNEP Finance Initiative⁶³ has a work stream on ecosystems which has been active in promoting the concept of natural capital and in promoting the inclusion of natural risk in the cost of capital. A recent working paper, "Towards Including Natural Resource Risks in Cost of Capital, State of

60 See: http://www.biodiversityfinance.net/sites/default/files/content/publications/undp-biofin-web_0.pdf

61 See: <http://unep.org>

62 See: <http://unep.org/dgef/Biodiversity/tabid/1697/Default.aspx>.

63 See: <http://www.unepfi.org/work-streams/biodiversity/>

play and the way forward,"⁶⁴ aims to accomplish the following:

This study represents a working paper to evaluate current and potential approaches for banks and asset managers to understand and assess natural capital risks in portfolios...

Part 1 of this Working Paper provides a business case for both banks and asset managers to incorporate natural capital factors in their lending and investment decision-making processes. It reviews the current understanding of natural capital and illustrates its economic and financial market risks...

Part 2 of the study provides an independent assessment of existing capabilities to manage natural capital risk in order to inform the research and development phase of the NCD project to map financial sector risks from natural capital dependencies and impacts...

Part 3 of the study provides a conceptual framework for the implementation of the further stages of the project to develop effective natural capital-adjusted financial risk assessments.

The UNEP TEEB (The Economics of Ecosystems and Biodiversity) Division works on valuation which has relevance to conservation finance. They have a programme on Natural Capital Accounting and a partnership with the CBD Secretariat on "advancing the System of Environmental-Economic Accounting⁶⁵ (SEEA) Experimental Ecosystem Accounting (EEA)." TEEB also maintains an ocean and coasts information portal⁶⁶ which aims to

64 See: <http://www.unepfi.org/fileadmin/documents/NCD-NaturalResourceRisksScopingStudy.pdf>

65 See: <http://www.teebweb.org/areas-of-work/advancing-natural-capital-accounting/>

66 See: <http://teebcoceans.org/>

"monitor, over the long term, the changes in value of ocean and coastal ecosystem services around the world."

3.2.8 CBD LifeWeb

Managed by the CBD Secretariat, LifeWeb⁶⁷ aims to "facilitate financing that helps secure livelihoods and address climate change through supporting the implementation of the Strategic Plan for Biodiversity 2011-2020 and the CBD Programme of Work on Protected Areas."

The LifeWeb website services as a 'crowd funding' platform for CBD Parties and donors. The Parties can post their biodiversity-related funding requests which, in turn, provides funding information for public and private donors. The funding requests are submitted by a national CBD focal point as a LifeWeb Expression of Interest in accordance with a standardised template.

Since 2008, LifeWeb has facilitated roughly \$1.65 billion in conservation financing from 80 donors to roughly 110 projects in 80 countries. The major donor in the initiative has been the Government of Germany.

As noted above, the Maldives currently has a project listed on the website – Resilient Ecosystems to Energize Future Sustainability (REEFS)⁶⁸ – for which they are seeking €18 million of funding to complement \$13 million of funding securing from UNDP, the World Bank, the GEF and USAID. The project contains several elements with the overall aim of designating the Maldives as a UNESCO Biosphere Reserve by 2017.

67 See: <https://lifeweb.cbd.int/>

68 See: <https://lifeweb.cbd.int/project?id=4B3FAC3D-C4E9-8180-DB2C-588876BC8523>

3.2.9 IUCN

IUCN has been active in the field of conservation finance since the 1990s. In 1995, it hosted the first international workshop on the topic in support of financing the implementation of the CBD. The report of this workshop⁶⁹ set out the following categories of financing, which are still relevant today:

- External financing mechanisms
 - Mechanisms for donor funding
 - Mechanisms for loan capital
 - Mechanisms for equity investment
- Internal financing mechanisms
 - Using revenue as a source of finance
 - Efficient use of funds
 - Reducing loss-creating distortions

Over the next decade, IUCN actively managed many stakeholder consultations on conservation finance, notably through sessions of the Global Biodiversity Forum before CBD COPs. It also actively engaged in CBD policy discussions on the topic. This work ultimately influenced the COP9 decision on a Strategy for Resource Mobilisation which is embedded in Aichi Target 20 on financing.

Conservation investment funds

In the early 2000s, IUCN's work on conservation finance included a partnership with the IFC to develop biodiversity business investment funds. One of these was known as the European Conservation Farming Initiative (ECFI). Its aim was to invest in biodiversity-friendly businesses in the buffer zones of protected areas in central and eastern Europe. The flagship investment programme was the proposed IFC-IUCN-GEF Kijani Initiative⁷⁰ which "aimed to develop and invest in sustainable African biodiversity business." The 2003

69 See: <https://www.cbd.int/doc/reports/fin-harare-ws-en.pdf>

70 See: <http://earthmind.org/kijani/>

project proposal⁷¹ explains the proposal as follows:

The Kijani Investment Project is a 12 year, \$35 million project which will support biodiversity business investment processes for in rural Africa. It will be implemented as a joint initiative of the International Finance Corporation (IFC) and IUCN – The World Conservation Union and will be financed by the Global Environment Facility, the World Bank Group and others. The Project will work with some 80 investment opportunities taking these through various steps of a bio-business investment process from identification to exit.

About \$19 million will be invested in up to 20 small and medium enterprises, primarily in the agriculture and tourism sectors, that will be guided by \$16 million in technical biodiversity business tool inputs and related activities. The project timeline will commence with identifying some 800 candidate opportunities and providing technical inputs to about 10% of these in the form of more detailed development of integrated biodiversity business plans. From this pipeline of 80 deals, up to 20 of investment quality will be financed and managed through to a sustainable exit.

The project will be successful if it (a) develops a portfolio of sustainable biodiversity investments; (b) mainstreams biodiversity objectives into African investment processes for small and medium enterprises; and/or (c) leads to the establishment of an integrated bio-capital facility for biodiversity businesses in rural Africa.

Though Kijani was endorsed by 25 GEF national focal points in Africa, it was never implemented. In fact, it was a bit ahead of its time. Senior management in both the IFC and IUCN at the time felt that the risks were too high. Today, however, insights from Kijani can help to shape a conservation investment fund in the Maldives.

71 See: <http://earthmind.org/files/kijani/2015/10/kijani-mar2003.pdf>

Building biodiversity business

In 2008, IUCN and Shell jointly released a report on Building Biodiversity Business⁷² which explored various opportunities for establishing profitable biodiversity business in the following sectors:

- Agriculture
- Forestry
- Non-timber forest products
- Fisheries and agriculture
- Biocarbon
- Payments for watershed protection
- Bioprospecting
- Biodiversity offsets
- Biodiversity management services
- Ecotourism
- Recreational hunting and sport fishing

The report also advocated the established of a Biodiversity Business Facility (BBF) which would include a funding mechanism for debt and equity investments:

'Funding Mechanism' Access to capital is a critical factor for any business, including biodiversity business. This component of a BBF would invest in (or lend to) businesses that demonstrate the potential to deliver both financial returns and biodiversity benefits. It would seek to attract co-investors from both the public / philanthropic and commercial sectors, targeting especially those who are keen to see this market develop. The Funding Mechanism would provide loans and / or grant finance to deliver ongoing business development assistance and biodiversity management support to selected businesses. Specialist skills would be required to match the level and type of finance with potential investment opportunities, using a combination of debt, equity and other instruments.

72 See: <https://portals.iucn.org/library/efiles/documents/2008-002.pdf>

For the Maldives, this report outlines potential areas for investing in conservation-friendly enterprise. It also provides additional guidance for setting up a conservation investment fund.

Global business and biodiversity

Today, IUCN's Global Business and Biodiversity Programme (GBBP)⁷³ is actively exploring biodiversity conservation financing opportunities, particularly with respect to private sector financing discussed further in the section below on the Coalition for Private Investment in Conservation. GBBP is also involved in the Credit Suisse exploratory work on conservation finance mentioned below.

With respect to its work on 'net positive impact' with Rio Tinto, the Business and Biodiversity Offsets Programme and others, GBBP aims to ensure that large landscape-based projects, such as mines, delivers a net positive impact on biodiversity. This aim links directly to investment decision-making in terms of IFC PS6.

Marine conservation finance

The Global Marine and Polar Programme (GMPP)⁷⁴ has piloted one of the first registered Verified Conservation Areas in an industrial harbour of a gas factory in Yemen. This VCA registration encourages internal financing for marine conservation activities over the lifecycle of the project. The VCA Approach is discussed further below.

GMPP has also been promoting 'blue carbon' policies to support financing coastal and marine conservation. A revised guide on financing mechanisms for coastal blue carbon was released in January 2016.⁷⁵

73 See: <http://iucn.org/about/work/programmes/business/>

74 See: <https://iucn.org/about/work/programmes/marine/>

75 See: <http://cmsdata.iucn.org/>

Today GMPP is currently exploring opportunities to develop 'blue' financial mechanisms enabling investments in marine conservation. This includes discussion with the Government of Luxembourg and others on establishing a Blue Natural Capital Financing Facility and developing selection criteria for investing in coastal zone restoration and protection.

GMPP is most keen to continue its support to the Maldives in its development of a sustainable conservation financing strategy.

Conservation financing in Asia

The IUCN Asia Regional Office (ARO)⁷⁶ manages and co-chairs the Mangroves for the Future (MFF)⁷⁷ initiative which is "a unique partner-led initiative to promote investment in coastal ecosystem conservation for sustainable development." MMF has a grants facility which offers grants of various sizes for demonstration projects:

- Small Grant Facility (SGF) - SGF Projects are the mechanism through which funds are provided for small-scale projects. Each member country receives funds to establish a Small Grant Facility to deliver projects under two categories: less than US\$10,000, and between US\$10,000 to US\$25,000. MFF also encourages co-financing of these projects, especially by the private sector.
- Medium Grant Facility (MGF) - Medium projects were introduced at the 7th meeting of the MFF Regional Steering Committee held in November 2010. The budget range for medium projects is USD 50,000-100,000. These projects go through a multiple-stage approval process.
- Large Grant Facility (LGF) - The budget range for large projects is up to USD 300,000. MFF Large projects were implemented between 2008-2011.

[downloads/wetlands_carbon_finance_paper_final_lr.pdf](http://cmsdata.iucn.org/downloads/wetlands_carbon_finance_paper_final_lr.pdf)

76 See: <https://www.iucn.org/about/union/secretariat/offices/asia/>

77 See: <http://www.mangrovesforthefuture.org/>

The MMF is active in the Maldives and the ARO is overseeing the work of the IUCN office in the country.

3.3 Conservation finance in bilateral financial institutions

This section overviews the important role that biodiversity assessment and management is now playing in the decisions of official Export Credit Agencies. It also highlights the conservation-related financing of a selection of bilateral development assistance agencies as well as government-owned biodiversity bank in France.

3.3.1 Export Credit Agencies (ECAs)

Under a set of Common Approaches⁷⁸ agreed in 2012 through the Organisation for Economic Cooperation and Development (OECD), the Working Party on Export Credits and Credit Guarantees agreed the following:

When undertaking a review, Members should benchmark ... all eight IFC Performance Standards, in particular where justified and/or practicable due to the size and/or structure of the transaction...

This means that the 38 Official Export Credit Agencies (ECAs)⁷⁹ all need to address IFC PS6 on biodiversity in their financing decisions. This agreement is critical as the ECAs play an early and key role in syndicated financing of overseas projects, for many of which biodiversity conservation is material.

78 See: <http://www.oecd.org/officialdocuments/publicdisp/laydocumentpdf/?cote=TAD/ECG%282012%29&doclanguage=en>

79 See: <http://www.oecd.org/tad/xcred/eca.htm>

3.3.2 US Agency for International Development (USAID)

USAID⁸⁰ is a major bilateral donor for biodiversity projects:

USAID invests about \$200 million each year to conserve biodiversity in more than 50 countries, making us one of the world's largest funders in this sector. Our programs work in partnership with foreign governments, civil society, the private sector, and local communities to comprehensively address both direct threats and the underlying drivers of biodiversity loss. While most effort is focused on biologically significant areas, we also work in cities to strengthen policies, raise public awareness, and tackle challenges like wildlife trafficking.

USAID is also a Government Member of IUCN and, as noted above, has funded the project in the Maldives which is producing this report.

3.3.3 Agence Française de Développement (AFD)

AFD supports the Critical Ecosystem Partnership Fund and the French Facility of the Global Environment (known as the French GEF).⁸¹ In this regard, it has a particular interest in innovative financing mechanisms such as conservation trust funds and biodiversity compensation mechanisms. They are now also increasingly interested in biodiversity offsets:

For ten years now, Agence Française de Développement and the French Facility for Global Environment have supported the structuring and capitalization of several conservation trust funds in Africa. In addition, these

80 See: <https://www.usaid.gov/biodiversity>

81 See: http://www.afd.fr/lang/en/home/projets_afd/AFD-et-environnement/Biodiversite/innover-pour-mieux-protoger-la-nature

two institutions are now planning to provide support for the implementation of offset mechanisms in four African countries (Madagascar, Mozambique, Uganda, Guinea) that are experiencing considerable growth in extractive industry projects and where there are major biodiversity conservation challenges. The introduction of offset mechanisms should facilitate the involvement of private companies in terms of conservation under a sustainable partnership with local civil society and the competent authorities.⁸²

Regarding the Maldives, through the French GEF, they are providing support for climate change related activities.⁸³

The 1.5 million € grant is intended to support assessment and monitoring of the consequences of climate warming on the Maldives Archipelago, by acquiring environmental data, implementing operational tools and developing monitoring and assessment indicators.

3.3.4 Japan International Cooperation Agency (JICA)

In 2010, Japan hosted CBD COP10, JICA made an effort to promote its biodiversity funding. A position paper at the time was titled: "Achieving Poverty Alleviation through Biodiversity Conservation."⁸⁴ It highlighted several their conservation-related grant and technical cooperation projects.

Today, JICA has a thematic area call Natural Environment Conservation which focuses support in three areas:

1. Climate Change Measures through Sustainable Forest Management

82 See: <http://ideas4development.org/en/innovating-to-protect-nature-offset-a-new-source-of-financing/>

83 See: <http://www.ffem.fr/lang/en/site/ffem/accueil-FFEM/projets?actuCtnId=40300>

84 See: http://www.jica.go.jp/english/our_work/thematic_issues/environment/pdf/position_paper_01.pdf

2. Sustainable Utilization of Natural Resources for Improvement of Livelihoods in Vulnerable Communities
3. Biodiversity Conservation through Management of Protected Areas and Surrounding Buffer Zones

This includes a Japan Public-Private Platform for REDD+⁸⁵ which aims "to facilitate REDD+ activities that aim to contribute towards addressing climate change, conservation of biodiversity, sustainable development, and poverty reduction."

JICA is providing support to the Maldives on several activities including education, water resources, disaster management, natural resources and energy, and environmental management.⁸⁶

3.3.5 CDC Biodiversité

CDC Biodiversité⁸⁷ is an innovative government-owned French bank that was created by two Caisse des dépôts (CDC) divisions which focused on forestry and the environment. It works in the general area of biodiversity compensation including biodiversity offsets and payments for ecosystem services.

The bank is an example of a commercial public bank investing in biodiversity conservation. It provides one example of how a conservation investment fund might function in the Maldives.

3.4 Conservation finance in private financial institutions

Though there has been considerable interest within private financial institutions to engage in conservation financing, actual financial flows appear

85 See: http://www.jica.go.jp/english/our_work/thematic_issues/environment/c8h0vm0000011kf3-att/PPP_leaflet.pdf

86 See: <https://www.jica.go.jp/maldives/english/activities/index.html>

87 See: <http://www.cdc-biodiversite.fr/>

to be small. The one exception is the private investments that are compliant with the IFC Performance Standards which aim to ensure at least no-net-loss at the project level.

This section looks at several the initiatives underway to scale up private conservation financing.

3.4.1 Equator Principles Financial Institutions (EPFIs)

The Equator Principles⁸⁸ is framework for financial institutions “for determining, assessing and managing environmental and social risk in projects.” There are currently over 80 EPFIs worldwide which are responsible for 70% of the debt financing in developing countries which are called Non-Designated Countries. Most importantly the Principles are based directly on implementing the IFC Performance Standards:

For Projects located in Non-Designated Countries, the Assessment process evaluates compliance with the then applicable IFC Performance Standards on Environmental and Social Sustainability and the World Bank Group Environmental, Health and Safety Guidelines.

Note that the Maldives is a non-designated country and, thus, foreign direct investment should comply with the Equator Principles and IFC PS6.

The Equator Principles Association is also involved in the Cross-Sector Biodiversity Initiative (CSBI)⁸⁹ along with the mining and oil and gas sectors. CSBI aims “to develop and share good practices and practical tools” for implementing the IFC Standards. These include a recent guide for implementing the biodiversity mitigation hierarchy which is central to

88 See: <http://equator-principles.com/>
89 See: <http://equator-principles.com/index.php/cross-sector-biodiversity-initiative>

IFC PS6. This guide is equally useful for other construction projects relevant to the Maldives such as harbours, bridges and artificial islands.

3.4.2 UN-supported Principles for Responsible Investment (PRI)

PRI⁹⁰ is “an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact.” It has almost 1,500 signatories including asset owners, investment managers and professional service partners. These signatories “believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios” and have committed to the following six principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Biodiversity loss is highlighted as an example of an environmental issue. Thus, the principles are a high-level commitment which encourages biodiversity-responsible financing including “proactively seeking investment opportunities which offer solutions.”

90 See: <http://www.unpri.org/>

In the Maldives, it would be useful to check whether national or international financial institutions have signed up PRI, the Equator Principles or other such responsible financing initiatives.

3.4.3 Credit Suisse

Credit Suisse⁹¹ is currently exploring opportunities for conservation finance. Their starting point is as follows:

In order to preserve the natural habitats and processes that are vital for the survival of human beings, animals and other species, significantly more capital will be required than has so far been deployed. To generate more private capital for this purpose, it is essential to extend the existing range of financial products and make investors more aware of investment opportunities that not only generate financial returns but also have a measurable positive impact on the environment.

The bank has hosted several workshops and produced several reports on the topic of conservation finance.⁹² For example, a recent report⁹³ was released in January 2016 alongside an NGO workshop which took place in New York City. It is titled “Conservation Finance. From Niche to Mainstream: The Building of an Institutional Asset Class.” The report sets out four core challenges which are holding back the growth of the market for conservation finance market”

- Little commercial support for early-stage project ideas with scale-up potential;
- Substantial search and transaction costs in connection with the identification and implementation of conservation projects;

91 See: <https://www.credit-suisse.com/ch/en/about-us/responsibility/environment/biodiversity-natural-capital.html>

92 See: <http://www.conservationfinance.ch/>

93 See: <https://www.credit-suisse.com/media/assets/corporate/docs/about-us/responsibility/banking/conservation-finance-en.pdf>

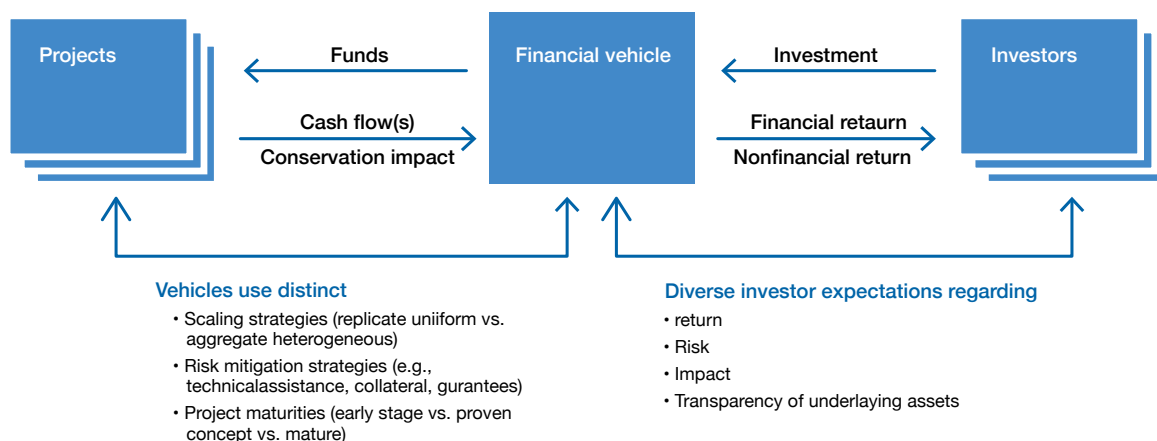


Figure 5. Demand and supply side of conservation finance.

- High perceived risk; and
- The lack of scalability and replicability models for existing projects.

To address these challenges, it proposes that “three paradigm shifts will be essential to overcoming some of the key market barriers and enable faster growth.” These shifts or phases are described as follows:

- **Incubating** – moving from idiosyncratic and disaggregated early-stage testing efforts to a business curation approach that brings together business, conservation, and technical know-how and provides the necessary infrastructure and engagement to rapidly prototype and test promising new ideas with scale-up potential. This approach addresses how to move from a concept to a commercial business model.
- **Scaling** – moving from ad hoc attempts to scale proven projects along a standardized and mainstream scaling approach, including – where necessary and available – risk mitigation levers. This phase emphasizes steps that can be taken to remove barriers to scale.
- **Mainstreaming** – moving from tested, medium-scale project implementation models to large-scale and established conservation finance products that are attractive to the mainstream investment market. This phase focuses on putting together financial products that have already overcome the scaling barriers, with an emphasis on aggregation.

Importantly, the report emphasises the need to mitigate the perceived risk of investing in conservation projects:

Identifying, deciphering, quantifying, and – where possible – mitigating the risks involved in conservation projects will make investors much more comfortable with the emerging asset class.

It also makes clear, as indicated in the following *Figure 5*, the conservation projects must generate cash flow to attract investors.

The conservation finance approach being developed by Credit Suisse and its partners, including IUCN, is most appropriate to the situation in the Maldives. The country has two established sectors of biodiversity-based economic activity – tourism and fisheries. Through bringing together ‘business, conservation, and technical know-how’ in a national strategic approach, these sectors could be recognised and encouraged as key partners in financing the conservation of the country’s biodiversity.

3.4.4 Althelia Ecosphere

Althelia⁹⁴ Ecosphere is an example private conservation investment fund. It aims:

to invest in sustainable land use activities that generate environmental assets, such

⁹⁴ See: <https://althelia.com/>

as carbon credits and certified commodities.

In so doing, its investments will:

reduce deforestation, mitigate climate change, protect biodiversity and provide a fair and sustainable living to rural communities through activities that offer investors competitive returns.

The overall approach is to invest in “real assets (certified commodities and agricultural produce) and environmental services (verified emissions reductions and other ecosystem services)” which generate cash flows for the investors. Investments to date include the following:

- Taita Hills Conservation and Sustainable Land Use Project – Kenya
- Tambopata-Bahuaja REDD+ and Agroforestry Project – Peru
- Cordillera Azul National Park REDD+ Project – Peru
- Guatemalan Caribbean Forest Corridor – Guatemala
- Amazon Sustainable Beef - Brazil

In January 2016, Althelia Ecosphere announced plans to launch a new \$100 million Sustainable Oceans Fund in partnership with Conservation International and the Environmental Defense Fund. Once launched, this Fund may be a tangible source of funding for conservation-related invested in the Maldives:

The Sustainable Ocean Fund will make investments into real assets and management improvements in coastal fisheries, sustainable aquaculture projects, the seafood supply chain and other select coastal projects, whilst applying best-in-class social and environmental governance. Target impacts include improved food and climate security, livelihoods and ecological biodiversity.

3.4.5 Conservation Capital

Conservation Capital⁹⁵ focuses on supporting and investing in 'conservation enterprise.' A conservation enterprise is:

any commercial venture that generates economic and social benefits in ways that actively support meaningful conservation outcomes.

"The conservation finance approach being developed by Credit Suisse and its partners, including IUCN, is most appropriate to the situation in the Maldives."

They aim to work with commercial business in conservation landscapes to achieve the following:

- **Generate Conservation Finance:** that directly supports the development or management of a conservation area or initiative, for example via lease, concession or entry fee structures;
- **Build Conservation Incentives:** by creating or increasing ownership of nature-based revenue flows to relevant stakeholders, typically local communities and public sector agencies;
- **Optimize Environmental**

⁹⁵ See: <http://www.conservation-capital.com/>

Sustainability: by promoting sustainable alternatives to damaging commercial or livelihood activities that threaten critical natural resources;

- **Mitigate Habitat Conversion:** by increasing the economic productivity of surrounding buffer areas to reduce the need for encroachment into core conservation landscapes and marine areas;
- **Stimulate Conservation Engagement:** by facilitating educational and inspirational experiences with nature that foster increased engagement of relevant constituencies in its conservation.

Case studies of Conservation Capital's work which are available on their website include the following:

- Wild Carpathians: Developing Europe's Largest Private Sector Wilderness Reserve in Romania
- Building Pioneering Public-Private Partnerships for Significant Conservation Landscapes in Kenya and Mozambique
- Sustainable Business Models for National Parks & Reserves: Kenya, Zimbabwe, Ethiopia & Rwanda
- New Conservation Economies: Pioneering Conservation Tourism in Ethiopia's National Parks
- Opening all the Doors: Diversified Conservation Finance through Hybrid Corporate Structures
- Innovative Financial Incentives for Tourism: Linking Cost of Investment Capital to Conservation Performance

Though they focus on terrestrial ecosystems, their approach to supporting and investing in conservation enterprises is fully appropriate to marine ecosystem economy of the Maldives.

3.4.6 EcoEnterprises Fund

The EcoEnterprises Fund⁹⁶ was one of the first funds to invest in biodiversity-friendly businesses in developing countries. It describes itself as follows:

⁹⁶ See: <https://www.ecoenterprisesfund.com/>

EcoEnterprises Fund offers tailored growth capital and strategic guidance to innovative impact businesses in order to scale and optimize their financial, environmental and social performance. For nearly 20 years, we have successfully proven our unique approach, managing two funds that have financed over 30 companies across 11 countries. In early 2017, we will launch our 3rd fund, building on our track record of delivering portfolio results while generating fair and sustainable livelihoods for local communities, and preserving our most important asset: Planet Earth.

There may be opportunities for tourism and fishing businesses in the Maldives to seek funding from their 3rd fund.

3.4.7 Livelihoods Fund

The Livelihoods Fund⁹⁷ grew out of a wetland carbon partnership between Danone, IUCN and Ramsar.⁹⁸

In 2008, Danone, the Ramsar Convention on Wetlands and the International Union for the Conservation of Nature (IUCN) created the Danone Fund for Nature with the following objectives: restore degraded ecosystems, redevelop local economies and combat climate change...

A successful mangrove restoration pilot project in Senegal motivated Danone to open the fund to outside investors. The Danone Fund for Nature thus evolved into an independent entity in 2011 and was rebranded as the Livelihoods Carbon Fund. Other companies have since joined the fund including Schneider Electric, Crédit Agricole S.A., Michelin, Hermès, SAP, CDC Climat, La Poste, Firmenich, Voyageurs du Monde.

⁹⁷ See: <http://www.livelihoods.eu/>

⁹⁸ See: <http://earthmind.org/wetcarbon/>

The Livelihoods Carbon Fund delivers carbon offsets as a return to its investors. In other words, it essentially invests in the supply of carbon credits. Of relevance to the Maldives are their mangrove planting carbon projects in India and Malaysia.

More recently, a new fund for family farming has been launched with a focus on sustainable agriculture and integrated landscape management. This fund provides a finance return to investors through “a coalition of off-takers (companies, institutions, governments) that will pay a fee for the raw materials, public goods and environmental services generated from the fund’s projects.”

3.4.8 Coalition for Private Investment in Conservation (CPIC)

CPIC⁹⁹ was launched at the 5th IUCN World Conservation Congress in 2016 In Hawaii. It is a “global multi-stakeholder initiative focused on enabling conditions that support a material increase in private, return-seeking investment in conservation.” Its mission is as follows:

CPIC aims to facilitate the scaling of conservation investment by creating models (“blueprints”) for the successful delivery of investable priority conservation projects, connect pipeline providers of such projects with deal structuring support, and convene conservation project delivery parties with investors to execute investable deals.

Though the coalition is just getting underway, it has already secured commitments of support from many institutions reviewed in this report including Althelia, Conservation Capital, the Conservation Finance Alliance, the Conservation Finance Network, Conservation International, Credit Suisse, Earthmind, Forest Trends, the

99 See: <http://cpicfinance.com/>

Global Environment Facility, IUCN, NaturVest, and Rare.

Of relevance to the Maldives will be the working groups on coastal resilience and sustainable coastal fisheries. Other working groups are possible, and the Maldives may want to encourage a working group on conservation tourism.

3.4.9 Natural Capital Coalition

The Natural Capital Coalition¹⁰⁰ was formally called the TEEB for Business Coalition and grew out of the TEEB Studies. Today its “activities focus on global stakeholder engagement, focused research and development of methods for natural capital accounting.”

Natural capital is defined as “the stock of natural ecosystems on Earth including air, land, soil, biodiversity and geological resources” which “underpins our economy and society by producing value for people, both directly and indirectly.” The benefits of valuing or accounting for natural capital in business are to reduce risk, cut costs, enhance brand reputation; and generate revenue.

A key initiative of the Coalition is the Natural Capital Protocol (NCP)¹⁰¹ which is currently open for stakeholder feedback. The aim of the NCP is described as follows:

The purpose of the Protocol is to help businesses systematically integrate their relationship with nature into their strategy and operations. The Protocol is intended to encourage those companies that may not have yet fully realized the benefits of valuing natural capital to get started, and ultimately empower all businesses to understand their natural capital risks and opportunities so that they can help reduce environmental decline and

100 See: <http://naturalcapitalcoalition.org/>

101 See: <http://naturalcapitalcoalition.org/protocol/>

start rebuilding the precious natural capital upon which we all depend.

If successful, the NCP will ensure that biodiversity considerations are mainstreamed into business financing and account practices. For the Maldives, the concept of natural capital is another tool for promoting conservation finance.

3.5 Conservation finance in private foundations and NGOs

This section provides a selection of private foundations and non-profit/ NGO initiatives related to conservation finance. Most foundation and NGO programmes operate at the national. However, as indicated in this section, there are some with larger institutions with an international focus which may of relevance to the Maldives.

3.5.1 Mava Foundation

The Mava Foundation¹⁰² is an example of a charitable private foundation which focuses primarily on philanthropic financing for biodiversity conservation. It was established in 1994 with the support of a high net worth individual, Luc Hoffmann, and the name comes from the first initials of his four children – Maja, André, Vera, and Daria. Currently André Hoffmann is the President.

The Foundation funds programmes in three regions – the Mediterranean, the Alpine Arc countries and coastal West Africa – and works supporting a sustainable economy. Regarding the latter, they state:

Our Sustainable Economy portfolio explores how to ensure economic prosperity, within the resources of one planet, addressing the issue of overconsumption of natural resources beyond their capacity to regenerate.

102 See: <http://mava-foundation.org/>

With respect to biodiversity conservation, the Maldives is an example of a sustainable economy which may be of interest to Mava.

3.5.2 Oak Foundation

The Oak Foundation¹⁰³ is another example of a foundation set up by a high net worth individual, Kristian Parker, to provide philanthropic financing for biodiversity as well as other social causes. Regarding biodiversity, it has a special focus on marine conservation. Its support for climate change projects is also relevant.

The regional focus of its support for marine conservation is the North Pacific, Arctic, Central America and Europe. For example, over the years, Oak has funded a lot of work in support of sustainable fisheries. More recently, it has become interested in the challenge of keep plastics out of the oceans.

Their support for work on small-scale fisheries and plastic waste are of relevance to the Maldives.

3.5.3 The Nature Conservancy (TNC)

TNC¹⁰⁴ has a long history in the United States, and, as well, in Canada and Australia, securing philanthropic funding to buy lands for conservation:

In the United States, The Nature Conservancy uses land acquisition as a principal tool of its conservation effort. The Conservancy has helped protect approximately 21 million acres in the United States and more than 103 million globally. We currently own nearly 2 million acres in the US and hold more than 3 million acres in conservation easements in the US.

103 See: <http://www.oakfnd.org/>

104 See: <http://www.nature.org/>

The EcoEnterprises Fund, noted above, was set up by TNC as an early innovator in biodiversity business financing. Building on this experience, in 2014 in partnership with J P Morgan Chase, TNC set up NaturVest¹⁰⁵ as a “dedicated and more comprehensive conservation finance platform.” It aims to secure over \$1 billion in impact investments for conservation. NaturVest will get involved in potential conservation deals which meet the following five criteria:

1. **Support for The Nature Conservancy's global strategies.** Does the deal help achieve a critical conservation priority of a region and a global priority?
2. **Conservation activities that generate cash flows.** Does the conservation activity generate economic value? Does the transaction's success rely on the participation of impact capital? Does the participation of such capital allow for more efficient deployment of other capital resources (e.g., philanthropy or government funding)?
3. **Size of the conservation impact and investment opportunity.** If successful, will we move hundreds of millions of dollars toward conservation outcomes through this deal and related efforts?
4. **Replicability of the individual deals.** Can we replicate the transaction using similar legal structures, capital structure and collaborators to quickly get similar deals done in different places?
5. **Readiness to deploy capital.** Can we get the deal done in the near-term without major policy, political or investment barriers? What needs to be accomplished to close the deal (e.g., fundraising, stakeholder approvals, structuring)?

TNC has significant programmes in the Asia/Pacific region, notably in Indonesia. NaturVest has implemented an innovative debt restructuring for marine conservation and climate adaptation deal for the Seychelles.¹⁰⁶ This deal is particularly interesting to the Maldives:

105 See: <http://www.naturevesttnc.org/>

106 See: <http://www.naturevesttnc.org/business-lines/debt-restructuring/seychelles-debt-restructuring/?intc=nvest.header.projects>

The agreement introduces impact investing to debt restructuring and provides proof of concept for other Small Islands Developing States (SIDS)—or more accurately Large Ocean Developing States (LODS)—to replicate...

The restructuring will provide funding to support adaptation to climate change through improved management of coasts, coral reefs and mangroves.

The financing will promote implementation of a Marine Spatial Plan for the entire Seychelles Exclusive Economic Zone, a territory approximately 3,000 times the size of their land mass. The deal will also ensure approximately 400,000 km²/98.9 million acres (an area larger than the size of Germany) will be managed for conservation as marine protected areas (MPAs) within five years.

The debt restructuring uses a combination of investment capital and grants to protect and reduce the vulnerability of the marine and coastal ecosystems of the Seychelles. It also provides Seychelles with an innovative financial tool to restructure its debt and allow its national government to free capital streams and direct them toward climate change adaptation and marine conservation activities that benefit their fisheries and tourism industries, and ultimately the livelihoods of their citizens

As the Maldives moves forward with its conservation financing strategy, it may wish to explore whether such a debt restructuring deal may provide the needed capital for implementing an effective system of marine protected areas.

3.5.4 Conservation International (CI)

CI has a programme focusing on 'Funding Conservation' which is also called 'Investing in nature.'¹⁰⁷ It includes

107 See: <http://www.conservation.org/>

the following components:

- **Global Conservation Fund (GCF)**
- Since 2001, the GCF has protected more than 80 million hectares (197 million acres) around the world and contributed more than US\$ 1 million in wages to local economies.
- **Carbon Fund** – The Carbon Fund has become a leader in the field by channeling nearly US\$ 20 million in carbon finance since 2009, resulting in emissions reductions that are the equivalent of taking more than 1 million cars off the road for a year.
- **Conservation Stewards Program (CSP)**– CI's CSP works with locals who agree to protect their natural resources and the benefits they provide, in exchange for a steady stream of compensation from investors.
- **Critical Ecosystem Partnership Fund (CEPF)** – CI is one of seven donors in the CEPF. This organization, founded in 2000, provides grants to communities, nonprofits and private sector partners that can help protect Earth's most biologically rich, yet threatened, regions.
- **Verde Ventures** – CI's Verde Ventures program provides access to funding in the form of loans and grants to small and medium-sized business around the world.
- **Conservation Leadership Programme (CLP)** – The CLP, a partnership of three of the world's leading biodiversity conservation organisations, gives funding to early-career conservationists in developing countries.
- **Althelia Climate Fund (noted above)**
– A great example of how CI supports partners with technical support and funding is the Althelia Climate Fund, which brings much-needed private sector investment to projects that reduce deforestation as an integral part of global efforts to reduce CO2 emissions... In early 2015, Althelia repaid its loans totalling US\$ 1.05 million, bringing CI's largest and most successful monetary investment in a private sector partner to a close. The loans, extended by CI's Global Conservation Fund, helped Althelia raise over US\$ 120 million in investment capital.

Except for Verde Ventures and the loan to Althelia, most of CI's conservation

[how/pages/funding-conservation.aspx](http://www.conservation.org/how/pages/funding-conservation.aspx)

financing is in the form of grants. However, even the funding behind these two schemes is grant based. For example, Verde Ventures¹⁰⁸ is supported by Fonds Français pour l'Environnement Mondial (FFEM), also known as the French GEF.

CI works across the globe, but has not yet really invested in the Indian Ocean. The Maldives may be able to encourage CI to direct some of the funding from its many initiatives for marine conservation.

3.5.5 Rare

Rare¹⁰⁹ focuses on "locally-led, sustainable resource management solutions rooted in behavior change." A good deal of the work addresses sustainable coastal fisheries with field projects in Indonesia, Mozambique and elsewhere.

Rare is about to launch its first impact investment fund:¹¹⁰

The Meloy Fund¹, expected to launch in early 2017, is a \$20M impact investment fund created to demonstrate the potential for financial returns in the coastal fisheries sector, thereby de-risking the market for later-stage investment. The Meloy Fund will make loans and equity investments in fishing-related enterprises that support sustainable coastal fisheries and critical marine habitat conservation in Indonesia and the Philippines.

This fund may at a later stage be a source of financing for the Maldives. It will also serve as a model for developing a conservation fund in the Maldives.

¹⁰⁸ See: <http://www.conservation.org/projects/pages/verde-ventures.aspx>

¹⁰⁹ See: <https://www.rare.org/>

¹¹⁰ See: <https://www.rare.org/meloy-fund#.WYV1a0puKwc>

3.5.6 Forest Trends

Forest Trends¹¹¹ works on several conservation financing initiatives. The approach is described as follows:

Forest Trends seeks to shift the economic paradigm towards recognizing the value in all natural ecosystems, connecting policy-makers, businesses, communities, and investors to develop new financial tools to help carbon, biodiversity, and water markets work for conservation and sustainability.

One of most well-known initiatives is the Ecosystem Marketplace¹¹² which is "a leading source of news, data and analytics on markets and payments for ecosystem services (such as water quality, carbon sequestration and biodiversity)." It includes a section focusing on developments in Biodiversity Markets which covers such topics as "biodiversity offsets, conservation easements, certified biodiversity-friendly products and services, bioprospecting, payments for biodiversity management, hunting permits, and ecotourism."

Another well-known initiative is the Business and Biodiversity Offsets Program (BBOP)¹¹³ which is "an international partnership of some 80+ leading conservation organizations, companies, governments, and financial institutions developing, testing and implementing best practice on biodiversity offsets." BBOP aims to support corporate biodiversity mitigation management to halt the loss of biodiversity and, where possible, bring about a positive biodiversity outcome. It revised approach¹¹⁴ as of January 2016 which includes the following mission statement:

¹¹¹ See: <http://www.forest-trends.org/>

¹¹² See: <http://www.ecosystemmarketplace.com/>

¹¹³ See: <http://bbop.forest-trends.org/index.php>

¹¹⁴ See: http://www.forest-trends.org/documents/files/doc_5091.pdf

BBOP's mission is to provide leadership in the mitigation of impacts on biodiversity by developing and encouraging transparency, accountability and the wide application of best practice, science and the highest standards to strengthen avoidance, minimization, restoration and finally offsetting, based on agreed principles.

This mission statement reflects a growing interest to address the entire mitigation hierarchy and not just offsets. From a conservation financing perspective, relevant and in some cases substantive financing for biodiversity can result from avoidance, minimisation and restoration, irrespective of whether an offset is also undertaken. In this regard, their work is closely aligned with the IFC PS6 and relevant to engaging large scale development projects in the Maldives to ensure net gains for biodiversity.

3.5.7 Verified Conservation Area (VCA) approach

The VCA approach¹¹⁵ is hosted by Earthmind¹¹⁶ and supported by an international network of government and non-government partners, including several listed in this report. VCAs are a new transparent, and inclusive asset class of natural capital. In terms of the CBD Aichi Target 11, VCAs are an effective area-based conservation measure encouraging stakeholders to supply and finance conservation beyond legally protected areas.

An audited conservation management plan is required for VCA registration and, according to the requirements set out in the VCA Standard, this plan must be aligned to the conservation issues and approaches set out in IFC PS6. As well, to remain on the VCA Registry, an annual audited conservation performance report is required.

115 See: <http://ConserveAreas.org>

116 See: <http://earthmind.org>

VCAs –through their transparency and public accountability – can potentially attract a range of financing ranging from government support to private grants to impact investment to revenues from the sale of goods and services. In this respect, VCAs provide a natural capital foundation for sustainable production and consumption.

For the Maldives, the VCA approach may provide a useful tool for recognising and accounting for conservation on the resort concession including the management of their house reefs.

3.5.8 Conservation Finance Alliance (CFA)

CFA has recently started up again and its website has been relaunched.¹¹⁷ They describe themselves as follows:

The CFA is a global and collaborative network of volunteer members, who take part in CFA's Working Groups (WG), Task Forces (TF), Executive Committee (ExCo) and Secretariat. The network's mission is to promote sustainable financing for biodiversity conservation worldwide.

Of interest to the Maldives is the excellent online library and, in particular, their guidance on environmental funds. CFA's Environmental Funds Tool Kit¹¹⁸ contains a wealth of publicly available information including the reports of the RedLAC Capacity Building workshops.¹¹⁹ For example, Workshop 10 was on 'Extractive Industries – Opportunities for Environmental Funds' and is backed up by a guidance document in three languages and a full reference library development by Earthmind.¹²⁰

117 See: <http://www.conservationfinancealliance.org/>

118 See: <http://www.conservationfinancealliance.org/environmental-funds-toolkit/>

119 See: <http://redlac.org/>

120 See: <http://earthmind.org/redlac10/>

3.5.9 Conservation Finance Network (CFN)

CFN¹²¹ is an active US-based network of "leading resource for practitioners, investors, conservationists, students, and others interested in using innovative finance to further environmental conservation." CFN is maintained through a partnership of the Yale Centre for Business and the Environment (CBEY),¹²² and the Conservation Fund (TCF) (see below) and the Island Press.¹²³

Their website is another excellent source of information on the topic. This includes a succinct and up-to-date introduction to conservation finance which is reproduced in an annex to this report. There is also a glossary of terms¹²⁴ and list of conservation finance videos.¹²⁵ The section on Oceans¹²⁶ is of particular relevance to the Maldives.

3.5.10 The Conservation Fund (TFC)

TFC¹²⁷ is a US-based NGO which "devotes 96% of its annual budget directly to conservation programs and just 1% to fundraising." It has "protected more than 7.5 million acres across the country" through "support from individuals, foundations, corporations and government agencies."

121 See: <http://conservationfinancenetwork.org/>

122 See: <http://cbey.yale.edu/>

123 See: <https://islandpress.org/>

124 See: <http://www.conservationfinancenetwork.org/lexicon/13>

125 See: <http://conservationfinancenetwork.org/2016/01/12/explore-our-conservation-finance-video-playlists>

126 See: <http://www.conservationfinancenetwork.org/forum-topic/oceans>

127 See: <http://www.conservationfund.org/>

Though much of TCF's funding is grant based, it also operates a Natural Capital Investment Fund (NCIF)¹²⁸ which helps "innovative entrepreneurs build locally-owned enterprises that create lasting jobs and community wealth, while using natural resources responsibly." Focus areas for loans include energy and water conservation, local food systems, recycled materials, and essential services to distressed communities.

The structure of this Fund – partly grant based for core conservation activities and partly investment based for conservation-friendly enterprise – can provide insights to structuring such a national fund in the Maldives.

3.6 A summary list of grant makers

The Terra Viva Grants Directory¹²⁹ provides a useful list of grant makers and current funding opportunities relevant to the conservation and sustainable use of biodiversity. It includes the following funding organisations, some of which were reviewed in the preceding sections. One of the tasks of a newly established Maldives Conservation Fund, as further discussed below, could be to work through this Directory, funder by funder, to create a short list of current prospective donors.

Group 1 Agriculture, Fisheries and Forestry

- Common Fund for Commodities
- Consultative Group on International Agricultural Research
- European Commission — Maritime Affairs and Fisheries
- Food and Agriculture Organization of the United Nations
- International Fund for Agricultural Development
- International Treaty on Plant Genetic

¹²⁸ See: <http://www.conservationfund.org/what-we-do/natural-capital-investment-fund>

¹²⁹ See: <http://terravivagrants.org/>

- Resources for Food and Agriculture
- International Tropical Timber Organization
- Australia — Australian Center for International Agricultural Research
- Brazil — Brazilian Agricultural Research Corporation
- Japan — Japan International Research Center for Agricultural Sciences
- United States of America — Department of Agriculture
- Agropolis Foundation
- Archer Daniels Midland Company
- Cargill
- CS Fund and Warsh-Mott Legacy
- Ekhaga Foundation
- French Committee for International Solidarity
- Fruit Tree Planting Foundation
- Global Forest Watch
- Innocent Foundation
- International Tree Foundation
- Nestlé Foundation
- Program for the Endorsement of Forest Certification
- Rabobank Foundation
- Right Sharing of World Resources
- Rothamsted International
- Sea Pact
- SEED Foundation

Group 2: Biodiversity, Conservation, Wildlife

- Convention on Biological Diversity
- Convention on Migratory Species
- Ramsar Convention on Wetlands
- United Nations Educational, Scientific, and Cultural Organization
- Spain — Biodiversity Foundation
- United Kingdom — Darwin Initiative
- United States of America — Tropical Forest Conservation Act
- United States of America — U.S. Fish and Wildlife Service
- Aeon Environmental Foundation
- Audubon Naturalist Society
- Blue Action Fund
- British Ecological Society
- Conservation International
- Conservation Leadership Programme
- Critical Ecosystem Partnership Fund

- Disney Conservation Fund
- Earthwatch Institute
- EcoPix Conservation Photography
- Emerging Wildlife Conservation Leaders
- Ernest Kleinwort Charitable Trust
- European Outdoor Conservation Association
- Fondation Nature & Découvertes
- Fondation Segré
- Ford Motor Company
- Future for Nature Foundation
- Hermès Enterprise Foundation
- Holohil Systems, Ltd.
- Idea Wild
- Inter-Research Science Center
- Jana Robeyst Trust Fund
- J.M. Kaplan Fund
- J.R.S. Biodiversity Foundation
- John D. and Catherine T. MacArthur Foundation
- John Ellerman Foundation
- Keidanren Nature Conservation Fund
- Lawrence Foundation
- Lighthouse Foundation
- Liz Claiborne and Art Ortenberg Foundation
- Marisla Foundation
- Marsh Christian Trust
- Mava Foundation
- Mitsubishi Corporation
- Mohamed bin Zayed Species Conservation Fund
- Monarch Butterfly Fund
- Morris Animal Foundation
- Nagao Natural Environment Foundation
- Nando and Elsa Peretti Foundation
- National Fish and Wildlife Foundation
- National Geographic Society
- Neotropical Grassland Conservancy
- Ocean Foundation
- Ocean Park Conservation Foundation
- Overbrook Foundation
- Pacific Asia Travel Association
- PADI Foundation
- Panthera
- Paul M. Angell Family Foundation
- People's Trust for Endangered Species
- Prince Bernhard Nature Fund
- Pro Natura Fund
- Rainforest Trust

- Rapid Response Facility
- Rare
- Rufford Foundation
- Save Our Species
- Save Our Seas Foundation
- SavingSpecies
- SeaWorld and Busch Gardens Conservation Fund
- Shared Earth Foundation
- Smithsonian Tropical Research Institute
- Total Foundation
- Trust for Mutual Understanding
- Van Tienhoven Foundation
- Waitt Foundation
- Walton Family Foundation
- Weeden Foundation
- Western Indian Ocean Marine Science Association
- Whitley Fund for Nature
- Wildlife Conservation Network
- Wildlife Conservation Society
- World Conservation Union (IUCN)
- World Land Trust
- World Wide Fund for Nature (WWF)
- Yves Rocher Foundation

Group 3: Energy, Climate Change

- Asia-Pacific Network for Global Change Research
- Climate for Development in Africa
- Green Climate Fund
- Nordic Climate Facility
- United Nations Framework Convention on Climate Change
- United Nations Industrial Development Organization
- World Meteorological Organization
- Finland — Energy and Environment Partnership
- Germany — German Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety
- Ashden Trust
- AXA Research Fund
- Belmont Forum
- Charles Stewart Mott Foundation
- Climate and Development Knowledge Network
- DOEN Foundation
- EKOenergy
- Energy Foundation

- ENGIE Corporate Foundation
- Future of the Carbon Market
- Governors' Climate and Forests Task Force
- KR Foundation
- Livelihoods Funds
- Minor Foundation for Major Challenges
- Renewable Energy and Energy Efficiency Partnership
- Stiftung Mercator
- System for Analysis, Research, and Training
- William and Flora Hewlett Foundation
- Wuppertal Institute
- Zayed Future Energy Prize

Group 4: Water Resources

- Asian Development Bank
- Akvo
- Blue Planet Network
- Coca-Cola Foundation
- Eable Foundation
- FEMSA Foundation
- France Libertés Foundation
- Global Nature Fund
- Heineken Africa Foundation
- Japan Water Forum
- Kurita Water and Environment Foundation
- Prince Sultan bin Abdulaziz International Prize for Water
- Rabobank Employees Fund
- Royal Bank of Canada
- Stockholm International Water Institute
- Suez
- Swiss Re Foundation
- Well Aware
- Women for Water Partnership
- World Water Council

Group 5: Cross-Cutting Funders

- Arab Fund for Economic and Social Development
- Caribbean Development Bank
- Commission for Environmental Cooperation
- Commonwealth Foundation
- Development Bank of Latin America (CAF)
- European Commission — Development and Cooperation
- European Commission — Environment

- European Commission — Humanitarian Aid and Civil Protection
- European Commission — Research and Innovation
- Global Environment Facility
- OPEC Fund for International Development
- United Nations Development Program
- United Nations Environment Program
- World Bank
- Australia — Australian Agency for International Development
- Austria — Austrian Development Agency
- Belgium — Belgian Development Cooperation
- Belgium — Flanders Department of Foreign Affairs
- Brazil — Brazilian Cooperation Agency
- Canada — Department of Foreign Affairs, Trade, and Development
- Canada — International Development Research Center
- Chile — Chile International Cooperation Agency
- Cyprus — CyprusAid
- Czech Republic — Czech Development Agency
- Denmark — Ministry of Foreign Affairs
- Estonia — Ministry of Foreign Affairs
- Finland — Ministry for Foreign Affairs
- France — French Development Agency
- France — French Global Environment Facility
- France — French Research Institute for Development
- Germany — German Federal Ministry for Economic Cooperation and Development
- Greece — Hellenic Aid
- Hungary — Ministry of Foreign Affairs and Trade
- Iceland — Icelandic International Development Agency
- India — Indian Technical and Economic Cooperation Program
- Ireland — Development Cooperation Ireland
- Italy — Italian Development Cooperation
- Japan — Japan Fund for Global Environment
- Japan — Japan International Cooperation Agency
- Latvia — Ministry of Foreign Affairs

- Lithuania — Lithuanian Development Cooperation
- Luxembourg — Ministry of Foreign Affairs
- Malta — Ministry for Foreign Affairs
- Mexico — Mexican Agency for International Development Cooperation
- Netherlands — Ministry of Foreign Affairs
- New Zealand — New Zealand Aid
- Norway — Norwegian Agency for Development Cooperation
- Poland — Polish Aid
- Portugal — Portuguese Institute for Cooperation and Language
- Slovakia — Slovak Aid
- Slovenia — Ministry of Foreign Affairs
- South Korea — Korea International Cooperation Agency
- Spain — Spanish Agency for International Development Cooperation
- Sweden — Swedish International Development Agency
- Switzerland — Swiss Agency for Development and Cooperation
- Taiwan — Taiwan International Cooperation and Development Fund
- Turkey — Turkish International Cooperation and Development Agency
- United Arab Emirates — Dubai International Award
- United Kingdom — Department for International Development
- United Kingdom — Newton Fund
- United Kingdom — Scottish International Development Fund
- United States of America — African Development Foundation
- United States of America — Environmental Protection Agency
- United States of America — Inter-American Foundation
- United States of America — National Oceanic and Atmospheric Administration
- United States of America — U.S. Agency for International Development
- Addax and Oryx Foundation
- Aga Khan Foundation
- Alcoa Foundation
- Alstom Foundation
- Associated Country Women of the World
- Atkinson Foundation
- Avina Stiftung
- Beit Trust
- Bestseller Foundation
- Bill & Melinda Gates Foundation
- Both ENDS
- Bromley Trust
- Building and Social Housing Foundation
- Caterpillar Foundation
- Charles Hayward Foundation
- Chrysalis Trust
- Conservation, Food, and Health Foundation
- Conservation Strategy Fund
- CRDF Global
- David and Lucile Packard Foundation
- DigitalGlobe Foundation
- Donner Canadian Foundation
- Draper Richards Kaplan Foundation
- Earthwatch Institute
- Ecologia
- Energy Globe Foundation
- Eppley Foundation
- Erbacher Foundation
- Eurasia Foundation
- Explorers Club
- Fondation Ensemble
- Ford Foundation
- G. Unger Vetlesen Foundation
- Gadfly Project
- German Federal Environmental Foundation
- Global Development Network
- GlobalGiving
- Google Dot Org
- Hongkong Bank Foundation
- International Foundation for Science
- Jephcott Charitable Trust
- King Baudouin Foundation
- Kitchen Table Charities Trust
- Kopernik
- Korea Green Foundation
- La Caixa Foundation
- Lemelson Foundation
- Lush Retail, Ltd.
- McKnight Foundation
- Melania Development Foundation
- Misereor
- Monsanto Fund
- Network for Social Change
- NextWorldNow
- Nippon Foundation
- Noel Buxton Trust
- Oak Foundation
- One Percent for the Planet
- Orskov Foundation
- Patagonia Environmental Grants Program
- Paul K. Feyerabend Foundation
- Polden-Puckham Charitable Foundation
- Prince Albert II of Monaco Foundation
- Purley Overseas Trust
- Rainforest Action Network
- Rescued Tools Foundation
- Right Livelihood Award Foundation
- Rockefeller Brothers Fund
- Rockefeller Foundation
- Roddenberry Foundation
- Rolex SA
- Royal Geographical Society
- Royal Society
- Sahee Foundation
- Saint Andrews Prize for the Environment
- Seeding Labs
- Soest Third World Group Foundation
- South Asian Network for Development and Environmental Economics
- Stockholm Resilience Center
- The Big Give
- The International Foundation
- The Pollination Project
- Thousand Currents
- Tiffany & Co. Foundation
- Tinker Foundation
- Tools with a Mission
- Toyota Foundation
- Toyota Motor Corporation
- Triodos Foundation
- Turing Foundation
- Tyler Prize for Environmental Achievement
- Urgent Action Fund for Africa
- Vibrant Village Foundation
- V. Kann Rasmussen Foundation
- Virginia Gildersleeve International Fund
- Volkswagen Foundation
- Volvo Environment Prize Foundation
- Wallace Global Fund
- Waterloo Foundation
- Whole Systems Foundation
- William A. Cadbury Charitable Trust

- Woodard and Curran Foundation
- World Academy of Sciences
- XminusY
- Xperedon
- Zayed International Foundation for the Environment

3.7 Prioritising sources of funding

The preceding sections have covered a vast array of potential sources of international funding for biodiversity conservation in the Maldives. How can one prioritise these possible sources of funding?

A pragmatic way to assess the various funding sources is to ask two questions. First, is the use of the funds likely to have a high or a low impact? Second, is the process of sourcing the fund relatively straightforward or highly complex? This is reflected in the following matrix (Figure 6).

If the impact is high and the complexity low, then one should quickly try to secure this funding. If the impact is low, but the complexity is also low, this provides an opportunistic possibility to secure funding. However, if the impact is high but the complexity is also high, this should signal a cautious approach to this source of funds. And, finally, a funding opportunity with low impact and high complexity should be deferred until later or avoided.

In other words, based on the potential conservation impacts and on the complexity of the funding process, various funding opportunities should either be prioritised or deferred. Such a prioritisation exercise should be undertaken by the fund-raising team who will be most familiar with their funding needs and also with their capacity to engage with particular funding sources.

By way of example, we would initially list some of the funding sources listed above as follows (Figure 7).

Impact	High	Quickly	Cautious
	Low	Opportunistic	Defer
		Low	High
		Complexity	

Figure 6. Funding Opportunities Matrix

This listing indicates the best prospects are probably with some bilateral development organisations (e.g. JICA and AFD), some foundations (e.g. OAK) and some international NGOs (e.g. RARE, CI and TNC). However, this list would then need to be backed up by a review of actual funding possibilities from these organisations as presented on their websites or on sites such as the Terra Viva Grants Directory.

The national conservation financing fund-raising team in the Maldives could use this approach first to review their existing sources of funding (e.g.

USAID or UNDP) to determine whether further funding from them will have the desired impact and whether securing this funding will be complex. Once existing donors have been assessed new donors, such as the ones highlighted in this report could be assessed. From this process, possible sources of funding could be prioritised and a programme of work to approach them put into action.

Impact	High	JICA AFD OAK RARE CI TNC	GEF USAID MAVA LIVELIHOODS IUCN CBD LIFEWEB
	Low	ADB UNEP UNDP	GCF IFC WORLD BANK
		Low	High
		Complexity	

Figure 7. Funding Opportunities Matrix

4. OPTIONS FOR CONSERVATION FINANCING IN THE MALDIVES

Building on its own conservation financing experiences and drawing on insights from conservation financing experiences and sources internationally, the Government of the Maldives has an opportunity to develop an efficient and effective approach to enhancing conservation financing measures in the country. Which options for conservation financing it chooses, however, will depend very much on actual financing needs, possible financing sources, and the opportunity to develop strategic approaches at the national, atoll or site levels. This section reviews these issues to establish the basis for proposing a strategic approach to conservation financing presented in the following sections.

4.1 Financing needs – national, atolls, and sites

The most fundamental question regarding conservation financing are the same as for all questions regarding all types of financing – financing for what? At the national, atoll and site levels, what financing is required? Conservation planning and management is needed to answer this question in detail, but we can provide some general observations here on why financing is needed.

At the national level, there is need to finance the establishment, implementation and maintenance of the country's overall policy and regulatory framework and management system for the conservation of its marine biodiversity. This includes both the protection of marine biodiversity and its sustainable use. In the case of the Maldives, the uses include a significant export-focused tourism sector and a large fisheries sector. Thus, there is a need to align and harmonise conservation, tourism and fisheries

policies and regulatory frameworks and to establish a harmonised management system.

At the atoll level, there is a need to finance the capacity to develop and implement conservation management plans which address atoll-specific issues related to the protection and sustainable use of marine biodiversity. While the national government sets the policy and regulatory framework, its implementation can most effectively be done at the atoll level. Each atoll will have its own set of opportunities and challenges to address.

At the site level – e.g. a marine protected area or a critical habitat – there is the need to finance site-specific actions to conserve and sustainably use marine biodiversity. For the island resorts and their house reefs, the financing and the management is aligned and integrated with their tourism leases. For public areas such as the open waters of the marine national parks, however, there is a need to regulate and control access – both tourism and fisheries. Also, in some cases, there is a need to manage the relationship between the economic sectors – such as tourists on the island side of a house reef and the fishers on the other side. Site-specific management needs targeted financing.

4.2 Funding sources – national, international, and local

The overall conservation of the Maldives' marine biodiversity is a public good for public benefit. A fundamental role of public finance is to ensure that public funds are allocated to cover the costs of maintaining this public benefit. In the Maldives, the source of these funds is the Ministry of Finance and Treasury. A conservation finance priority at the national level is to secure an allocation of the national budget for conservation.

Importantly, the marine biodiversity of the Maldives is also an important

source of private revenue for private benefit, particularly with respect to the tourism and fisheries sectors. Thus, in addition to an allocation of general public funds from the Treasury, there is an opportunity to earmark funds generated from these sectors to conservation. This might include an allocated share of the lease payments for island resorts, a share of the per-tourist green tax, or a share of the taxes generated in the fishing sector.

Regarding the myriad of international sources of funding reviewed in this report, there are broadly two options for tapping into some of these sources. The first option is to let any institution at the national, atoll, or site level whether public, private or NGO solicit funds from international sources. The second option is to facilitate or coordinate international fundraising through a national capacity. For a country such as the Maldives with a large, mostly marine territory and a small population, a national capacity to manage international fundraising would most probably increase its chances of success. Such a capacity would, of course, need to set high standards for transparency and accountability to build the trust of the international funders.

At the local level where there are atoll-specific or site-specific funding needs, specific ear-marked financing facilities

"The overall conservation of the Maldives' marine biodiversity is a public good for public benefit. A fundamental role of public finance is to ensure that public funds are allocated to cover the costs of maintaining this public benefit."

may be appropriate. For example, where there is an open-access tourism pressure to be managed, such as whale shark watching in the South Ari Atoll, an access fee could be implemented to both regulate access and finance the management of the area. In the fisheries sector, fees for the usage of a public fish landings could be another source of revenue. As well, a portion of the lease payments and the green tax levied on the tourism sector could be allocated proportionately to the atolls.

4.3 The case for a national approach

For the Maldives, the challenge is not so much about selecting the 'best' methods for financing conservation, but rather about establishing and operationalising an institutional framework to best capture the funds which may be available, i.e. funds available nationally, internationally or locally. With a such an institutional framework – described in the next section as a national conservation fund – the country can maximise its ability to seek financing for conservation from all sources.

The alternative to a national approach would be to have an un-coordinated myriad of conserving financing initiatives at the national, atoll and local levels. One good example of this is the Baa Atoll Conservation Fund. On its own, as noted, it is a fine initiative, but on its own it does not address or even encourage conservation financing for the rest of the country. Likewise, the internal conservation financing of house reefs by the island resorts may be effective, but there is little public learning from these efforts to encourage similar approaches, particularly for small, community-based tourism ventures.

A national approach to conservation financing, however, does not mean that innovative financing mechanism cannot be implemented at the atoll or site level. Quite to the contrary, a national

conservation fund can facilitate and encourage financing at the local level. Thus, the advantages of promoting financing at the atoll and local levels can be integrated into a national approach. This is discussed in more detail in the following section.

Finally, as the Maldives aims to establish the entire country as a UNESCO Biosphere Reserve, this implies a need to a conservation financing strategy for the country as a whole which includes financing modalities and innovations at the atoll and site level as appropriate to enhance the level of resources available to support the conservation of the country's marine biodiversity. The following sections also address how to utilise the Biosphere recognition to establish a national approach to sustainable conservation finance.

5. STRATEGIC CONSERVATION FINANCING IN THE MALDIVES

Building on this report's review of the current situation in the Maldives and the review of relevant international developments and processes, this section sets out a strategic approach to establishing a sustainable conservation financing system in the Maldives. The ideas presented here are intended to be used as a starting point for the Ministry of Environment in consultation with other Ministries and other stakeholders, including representatives from the private sector and local communities, to further explore possible ways forward.

As discussed in the previous section, the proposal for a national strategic approach to conservation financing present here enables innovative financing mechanisms to be established as needed and as feasible at the national, atoll and site levels. In this respect the coordinating structure of a national conservation fund and subsidiary atoll conservation

funds presented in this section provide a framework for adopting a range of measures and mechanism to finance conservation from national, international and local sources.

5.1 A national conservation fund

The Maldives is a small island country with an economy – notably tourism and fisheries but also agriculture – substantially based on its biodiversity assets. It has a population of less than 500,000 people of which about 30% live in the capital city, Male', and the balance live throughout its hundreds of islands.

Given its geography, the nature of its economy and its population, it would be most efficient and effective to establish an overarching national conservation fund with subsidiary funds for the atolls and for private sector investments.

Such a 'Maldives Conservation Fund' would complement the government's pledge to establish the entire country as a Biosphere Reserve.¹³⁰ Its mission would be to fund activities that support the conservation of the country's biodiversity assets including preservation, maintenance, restoration, sustainable utilisation and the enhancement of ecosystems, habitats and species populations.

5.1.1 Management and use of national funding

The Fund should be established as not-for-profit entity with a multi-stakeholder governing board, including representatives from government, the private sector, and communities and so on. The Government probably should have a majority of the board seats.

The governing board would be

¹³⁰ See: <https://www.seeker.com/entire-maldives-nation-becoming-biosphere-reserve-1767251221.html>

responsible for approving the annual workplan and budget of the Fund and its annually audited financial accounts. The board would also appoint the Fund's director who in turn would be responsible for implementing the annual workplan and securing the necessary human resources and infrastructure. The director would also have a non-voting ex-officio seat on the board.

To assist it with its work, the governing board may also want to establish a cross-disciplinary technical advisory committee. Such a committee could be tasked with reviewing project proposals, monitoring projects and providing implementation guidance.

5.1.2 Sources of funds – national and international

As the Maldivian economy is primarily based on its biodiversity assets, public revenues from taxes, fees, leases and other sources are also primarily based on the revenues generated from the utilisation of these biodiversity assets. To maintain and enhance these assets, it is necessary that a portion of the public revenues are earmarked for the Fund. The portion – whether an absolute amount or a percentage – will need to be determined based on an overall assessment of funding needs, the ability of the Fund to raise funds internationally, and the capacity of the government to allocate public revenues to the Fund vis-à-vis other public expenditure needs.

As a middle-income country with a strong and growing economy, the ability of the Maldives to secure development assistance – either in the form of grants or loans – is likely to diminish in the coming years. Nevertheless, and particularly with respect to environmental challenges, the country should be able to continue to raise funds internationally. Key environmental challenges include climate change adaptation, endangered and threatened species conservation, marine ecosystem integrity, and the mitigation of ocean risks including ocean

warming, overfishing, plastics and land-based sources of pollution. There is and will be international support for efforts in the Maldives to address these challenges.

Thus, in addition to securing a share of national public revenues, the Fund should have the capacity and the acumen to secure funding internationally in regard to key themes of concern that are of particular relevance to the country's environmental situation. This includes seeking funding from multilateral agencies such as the Global Environment Facility and the Green Climate Fund, from national development assistance agencies such as USAID and DFID, and from private foundations such as the Mava Foundation and the Oak Foundation.

"Given its geography, the nature of its economy and its population, it would be most efficient and effective to establish an overarching national conservation fund with subsidiary funds for the atolls and for private sector investments."

5.2 Subsidiary atoll conservation funds

The proposal to establish a national Maldives Conservation Fund aligned with the country's forthcoming status as a UNESCO Biosphere Reserve does not mean that funds should not also be raised, managed and used at the local level. Rather the national Fund needs to develop subsidiary atoll funds within the national fund to support local conservation activities. Subsidiary funds could be set up for individual atolls or, in some cases, for groups of atolls.

Existing atoll funding structures such as the Baa Atoll Fund or planned funding capacities for SAMPA or the islands of Fuvamulah and Hithadhoo can be incorporated into the national Fund system as subsidiary funds. The current model of the Baa Atoll Fund where the funds are actually deposited with the Ministry of Finance offers an example of how this arrangement can be managed.

5.2.1 Management and use of atoll funding

The subsidiary atoll funds, similar to the national fund, should be overseen by a multi-stakeholder advisory board. The stakeholders – government, private sector, communities and so on – would come from the atoll or atolls covered by the subsidiary fund. The national Fund's director or his/her representative would have an ex-officio seat on the advisory board.

As a norm, the advisory board for a subsidiary atoll fund would act like a normal board. However, oversight and ultimate authority would rest with the governing board of the national Fund. An atoll fund's advisory board would be responsible for approving the annual workplan and budget of the fund. It would also advise on the appointment of the fund's director who would be responsible for implementation. This director would have a non-voting ex-officio seat on the atoll fund's board.

5.2.2 Sources of funds - International/national and local

Subsidiary funds could develop local mechanisms for securing funds. The Baa Atoll experiences in this regard provide evidence of the potential for local fund raising. Plans for SAMPA or the islands of Fuvamulah and Hithadhoo provide further evidence that innovative resource mobilisation at the local level is a promising option.

The atoll funds, however, would in most cases need to or desire to seek funds from the national government and as well as from international sources. Again, as evidenced by the various international funding sources for Baa Atoll, SAMPA and the islands of Fuvamulah and Hithadhoo, different international donors may be interested in supporting conservation activities in different parts of the country. To ensure a coordinated approach, however, it will be important for national and international fundraising efforts by atoll funds to be coordinated and, as needed, facilitated by the national Fund.

5.2.3 A financing mechanism for the South Ari atoll and SAMPA

In the case of the South Ari atoll and the South Ari Atoll Marine Protected Area (SAMPA), a conservation fund like Baa Atoll could be established and similar sources of funding could be sought. The funding sources could include sales of access permits, partnership fees, tour guide registration fees, photography and videography permits, and donations.

For SAMPA, a funding mechanism based on permits and access fees to visit open water whale shark viewing areas would be particularly pertinent. As there is a conservation need to regulate access to these areas, a permit fee system could both regulate access and generate revenues to finance the monitoring and enforcement of tour boat visits. Also, such a permit fee could be levied both on tour operators from within the atoll as well as on those coming from outside the atoll.

Further, in exchange for access, SAMPA could require monitoring by the tour operators visiting SAMPA. This would provide privately-financed in-kind support for enhanced management of the marine protected area. Such monitoring, of course, could be integrated into the tourism offering, thus further aligning the income generated

within the sector to conservation of the marine biodiversity. This is an example of a public-private partnership which could be fostered by a South Ari conservation fund.

5.3 A subsidiary conservation investment fund

The fund system proposed above – a national fund with subsidiary atoll funds – will most likely be based on a normal grant financing modality. The funds will receive international grants, a share of national public revenues, and/or various fees at the local level. The allocation of these funds will normally be through grants to deliver specific conservation activities.

As the Maldives economy consists of biodiversity-based enterprises, notably in the tourism and fisheries sectors, it may also be appropriate for the national Fund to establish a subsidiary conservation investment fund.

5.3.1 Management and use of funds

The investment fund would aim to align biodiversity conservation with financial returns. Hence, it would require a board and management team with the capacity to make profitable investment decisions.

This fund would provide equity or loan capital to enterprises who conserve, sustainably use and enhance the country's biodiversity assets. In so doing, for example, it could encourage the development of economic activities in less developed parts of the country in line with the overall aims of managing the Maldives as a UNESCO Biosphere Reserve.

5.3.2 Sources of funds - international and national/local

Investment capital could be sourced nationally both from public revenues and from private investors. The Government may even consider offering a tax incentive to private investors who invest in the fund.

As a vehicle for foreign investment in biodiversity-based sectors in the Maldives, this fund could also attract investments from development banks such as the International Finance Corporation, from private banks, and from private investors.

5.4 The overall structure of the Maldives Conservation Fund

The proposed Maldives Conservation Fund would have the following structure:

Such a structure will allow for national coordination and local innovation. It will also align with plans to declare the country as a whole as a UNESCO Biosphere Reserve.

As an alternative, the various structures – a national fund, atolls funds, and an investment fund – could be developed as independent institutions as and when there is an interest and capacity to do so. However, as previously discussed, for a country or such a large size and small population, a unified structure is more likely to establish the capacity needed to raise additional funding for conservation from national, international and local sources.

5.5 Potential barriers to implementation

Regarding the establishment and implementation of an integrated Maldives Conservation Fund, as proposed in this report, there are several potential barriers which will need to be addressed. These include the following:

- Political will and public commitment;
- Legislation and legal structures;
- Institutional capacity and know-how;
- Stakeholder buy-in – tourism, fisheries, and communities; and
- Donor and investor interest.

However, the experience that the country has to date with conceptualising and implementing innovative fund structures provides it with a solid basis from which to address such barriers. Of note are the government's experiences with the Baa Atoll Conservation Fund, the Fund for Renewable Energy System Applications (FRESA), and the licensing agreements with the island resorts. These structures demonstrate that the country has the know-how and capacity to implement a nationwide conservation financing system which engage both the public and the private sector at the national

and local levels and is capable of attracting substantive international donor and investor interest.

In this regard, perhaps the major barrier to implementation is a strong enough reason to get going and move forward. For the Maldives, however, there is a strong and compelling reason to move forward – the declaration of the country as a UNESCO Biosphere Reserve. This declaration can drive the process to overcome potential barriers and implement a national conservation financing mechanism.

6. TOWARDS SUSTAINABLE CONSERVATION FINANCING IN THE MALDIVES

Crucially, the development of a national conservation financing system in the Maldives must be aligned with the country's national plans for biodiversity conservation. These plans are articulated in the country's current 2016-2025 National Biodiversity Strategy and Action (NBSAP)¹³¹ and in

¹³¹ See: <https://www.cbd.int/doc/world/>

the Maldives as a Biosphere Reserve Implementation Plan 2013-2017.¹³²

At the Rio+20 Conference in 2012, the Government of the Maldives committed to making the entire country a UNESCO Biosphere Reserve by 2017. Though the 2017 date is not possible, the commitment remains.

6.1 A national system of conservation areas

The NBSAP sets out key elements of a national system of conservation areas as follows:

Maldives has continued to increase protected as well as managed areas. Under the Environmental Protection and Preservation Act, 42 areas, 103 bird species and 14 marine species have been declared protected...

In addition to the legally protected areas, the house reefs of 112 resort islands in Maldives are well

[mv/mv-nbsap-v2-en.pdf](http://www.mv/mv-nbsap-v2-en.pdf)

¹³² See: <http://www.indiaenvironmentportal.org.in/files/file/Maldives-as-a-Biosphere-Reserve---Implementation-Plan-2013-2017.pdf>

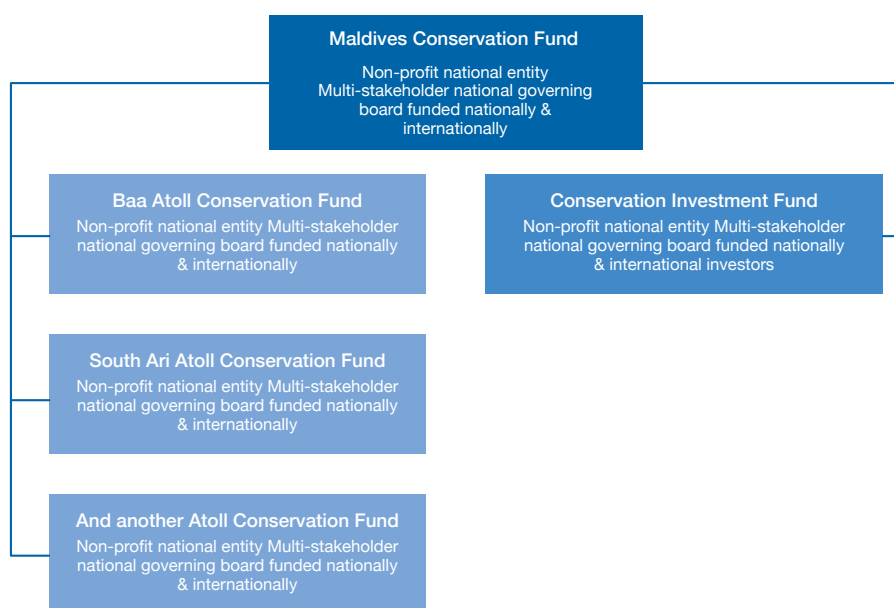


Figure 8. Proposed structure for the Maldives Conservation Fund.

managed with certain activities restricted, and in most cases limited to snorkelling. These areas extend to 1000 metres from the beach line where possible. The total reef and lagoon area of the 112 resorts, although not yet calculated, represents a significant area of well-managed territorial waters...

Contribution of biodiversity to the national economy and human wellbeing of the country demonstrates the need for sustainable use, conservation and equitable access and sharing of benefits of biodiversity. Efforts are underway to create awareness among people on the values of biodiversity.

A conservation financing system will need to support these elements.

6.1.1 Propose the national Maldives Biosphere Reserve

Further, the Implementation Plan for the Maldives Biosphere Reserve includes a strategic set of ambitions at the national and local level including the following:

- New fit-for-purpose governance and institutional mechanisms and legislation will be in place, supporting a decentralised, integrated environmental management system which empowers atoll and island communities to look after their own natural resources
- Offshore marine protected and marine managed areas (MPAs/MMAs) covering more than 10% Of the territorial waters and EEZ will be supporting recovery of fish stocks and fisheries
- The Maldives tourism sector will be top-ranked globally for its sustainability leadership and contribution to the Maldivian environment and society
- A Maldives Green Fund will be supporting atoll communities to manage their own environment
- New partnerships between atoll and island councils, resorts, NGOs and international partners will have emerged (and be formalised as Environmental Advisory Boards) to deliver this vision

- Local communities will be taking responsibility for managing their environmental resources, supported by an Environment Office within each Atoll administration
- Atoll and island development plans and land use plans will be securing sustainable development through conservation and restoration of the environment
- Coherent networks of coastal and terrestrial protected and managed areas (MPAs/MMAs) covering at least 17% of each atoll will be safeguarding the most important biodiversity and ecosystem services, helping fisheries and tourism to thrive, and providing new opportunities for employment, including jobs such as rangers
- The Maldives Green Fund will be providing grants for conservation, livelihoods and education/ outreach projects
- New businesses on many islands will be supplying coconut products, food, handicrafts, jewellery and other services to the resorts

Within these ambitions is the establishment of a Maldives Green Fund which, as noted, is similar in scope and mission to the Maldives Conservation Fund proposed above. However, the Green Fund has become inactive and so the proposed Conservation Fund could incorporate some of its ambitions and objectives.

6.1.2 Develop a national conservation areas plan

Though there are now 42 protected areas as well as over 100 house reefs conserved by private resorts, an overarching national conservation areas plan needs to be developed. Implementation of the Maldives Biosphere Reserve can deliver such a plan which will provide the framework for conservation management and financing. The financing mechanism proposed in this report is to establish a Maldives Conservation Fund.

6.1.3 Determine resources and financing required

As almost all of the protected areas are lacking management plans and there is little collective information on how the island resorts are managing their house reefs, there is little information on what conservation actions are needed and, in turn, what resources and financing are required. In this respect, a national 'business plan' for the conservation areas – public and private – needs to be developed to guide resource mobilisation and utilisation.

The management plans for Hanifaru in Baa Atoll, and the management regime in the Addu and Fuvahmulah protected areas could provide a basis for lessons learned in developing area-based conservation management plans. Conservation plans for house reefs may also provide additional insights and information.

6.2 Subsidiary atoll systems of conservation areas

Both the proposed Maldives Biosphere Reserve and the proposed Maldives Conservation Fund will need to have national platform as well as a network of atoll platforms for conserving areas and financing conservation activities. A 'federal' conservation system will link national aims and financial flows to local action.

6.2.1 Propose subsidiary atoll 'Biosphere Areas'

The Baa Atoll Biosphere Reserve and its associated fund provide excellent role models for the establishment of similar systems in other atolls. However, to ensure a coordinated national system, the Baa Atoll Biosphere Reserve probably should be rebranded as a 'Biosphere Area' within the national Biosphere Reserve.

6.2.2 Develop conservation areas management plans

To become a full-fledged component of the national Biosphere Reserve, conservation areas – both public and private – should establish area-based conservation management plans and performance reporting systems. Building on best international practice, a common framework for planning and reporting should be established.

For the legally protected areas, the framework could recommend that these areas aim to be listed on the IUCN Green List¹³³ which recognises protected areas which “measure, improve and maintain their performance through globally consistent criteria that benchmark good governance, sound design and planning, effective management, and successful conservation outcomes.”

For the house reefs managed by the island resorts and other privately and community managed areas, the framework could recommend that these areas aim to be listed on the Earthmind Conservation Area List¹³⁴ which aims to recognise and celebrate conservation efforts outside of legally protected areas.

Financing from the national Conservation Fund or its subsidiary atoll funds as well as investment funding could be aligned with the development and implementation of internationally-recognised area-based conservation management plans.

¹³³ See: <https://www.iucn.org/theme/protected-areas/our-work/iucn-green-list>

¹³⁴ See: <http://conserveareas.org/>

6.3 Launch the Biosphere Reserve and Conservation Fund

As the Government of the Maldives moves forward with launching the Maldives Biosphere Reserve, it should at the same time move forward with designing and establishing its national Maldives Conservation Fund.

As proposed in this report, for both the Reserve and the Fund, there will be national and atoll components, as well as public and private sector components. The Fund will be structured to receive and allocate international grant and investment flows, public finance, private investment, and locally-generated revenues. By the end of 2018, Maldives could be internationally recognised as a UNESCO Biosphere Reserve with an associated fully functional Conservation Fund to ensure the conservation, maintenance, sustainable utilisation and enhancement of the country's magnificent biodiversity assets.

ANNEX A. ACKNOWLEDGEMENTS

We would like to thank the many people who shared their knowledge and insights to help us prepare this report. In particular, we are thankful the time spend with the following people:

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Mr Ibrahim Fikree	Assistant Director	Ministry of Tourism
Mr Nizam Ibrahim	Senior Research Officer, Coral Reef Monitoring and Research	Marine Research Centre
Mr Abdulla Shibau	Managing Director, Baa Atoll Conservation Fund	Ministry of Environment and Energy
Mr Aishath Farhath Ali	Project Coordinator	Climate Change Adaption Project

ANNEX B. KEY STAKEHOLDERS

This list of stakeholders is from the REEFS proposal. It provides a starting point for identifying whom should be consulted in

Stakeholders	Roles
Ministry of Environment and Energy	Lead institution with Project Coordination Unit
Environmental Protection Agency	Protected areas management
Atoll Council	Environmental Unit overseeing atoll operations; Report to PCU
Island Council	Environmental Unit management; Report to Atoll Environmental Unit
Ministry of Fisheries and Agriculture	Implementation of Fisheries Master Plan, sustainable fisheries and sustainable agricultural methods
Marine Research Centre	Capacity Building for National implementation of Coral Reef Monitoring Framework
Ministry of Tourism	Management of resort house reefs as core areas, Implementing the Waste Management Plan
Ministry of Finance and Treasury	Supporting the Conservation Trust Fund and financial mechanisms
Maldives Police Service	Support the atoll environmental unit for compliance operations
Coast Guard/ Maldives National Defence Force	Support the atoll environmental unit for compliance operations
Ministry of Education	Conservation education and awareness for school children
Ministry of Housing and Infrastructure	Assist in incorporating Conservation Management Plan into Island Development Plan.
Civil Service Commission	Establishing an environmental unit in the island and atoll council's structure.
Prosecutor General's Office	Make necessary amendments to legal frameworks.
International Union for Conservation of Nature(IUCN)	REGENERATE project phase two will compliment this project by establishing Ecosystem Based Management in North Ari Atoll
United Nations Development Programme (UNDP)	LECRd project will compliment this project by enhancing capacity of climate resilient development through local developmental planning in Laamu Atoll.

the development of a conservation financing system for the Maldives.

ANNEX C. THE PROTECTED AREAS OF THE MALDIVES

#	NAME	TYPE	ATOLL	DECLARED	HA
1	Makunudhoo KanduOlhi	MPA	K	01 Oct 1995	240
2	Rasfari island, lagoon and the surrounding reef	Island/MPA	K	01 Oct 1995	2,466
3	Thamburudhoo Thila	MPA	K	01 Oct 1995	57
4	Gaathugiri/Aiydhashugiri	MPA	K	01 Oct 1995	50
5	Kuda Haa	MPA	K	01 Oct 1995	200
6	Dhekunu Thilafalhuge Miyaruvani	MPA	K	01 Oct 1995	150
7	Gulhifalhu Medhugai onna kohlavaanee	MPA	K	01 Oct 1995	55
8	Emboodhoo Kanduolhi	MPA	K	01 Oct 1995	450
9	Guraidhoo Kanduolhi	MPA	K	01 Oct 1995	245
10	Mayaa Thila	MPA	AA	01 Oct 1995	200
11	Orimas Thila	MPA	AA	01 Oct 1995	200
12	Mushimasmigili Thila	MPA	AA	01 Oct 1995	200
13	Kudarah Thila	MPA	AA	01 Oct 1995	200
14	Miyaru Kandu	MPA	V	01 Oct 1995	390
15	Fushivaru Thila	MPA	F	01 Oct 1995	450
16	Vilingili Thila	MPA	R	21 Oct 1999	200
17	Dhigali Haa/Horubadhoo Thila	MPA	B	21 Oct 1999	200
18	Kuredhu Kanduolhi	MPA	Lh	21 Oct 1999	315
19	Lankan Thila	MPA	K	21 Oct 1999	200
20	Karibeyru Thila/	MPA	AA	21 Oct 1999	4.5
21	Faruhuruvalhibeyru	MPA	ADh	21 Oct 1999	900
22	Vattaru Kandu	MPA	V	21 Oct 1999	1,000
23	Lhazikuraadi	MPA	M	21 Oct 1999	200
24	Filitheyo Kandu	MPA	F	21 Oct 1999	830
25	Fushee Kandu	MPA	Dh	21 Oct 1999	2,000
26	Eidhigali Kilhi and Koatthey Area	Mangrove/MPA	S	07 Dec 2004	905
27	Huraa Mangrove Area	Mangrove	K.	14 Jun 2006	4
28	Hurasdhoo	Island/MPA	ADh	14 Jun 2006	600
29	Olhugiri	Island/MPA	B	14 Jun 2006	430
30	Hithaadhoo	Island/MPA	Ga	14 Jun 2006	645
31	South Ari Atoll MPA	MPA	ADh	05 Jun 2009	4,000
32	B. Hanifaru Area	MPA	B	05 Jun 2009	1,397

#	NAME	TYPE	ATOLL	DECLARED	HA
33	B. Angafaru Area	MPA	B	05 Jun 2009	1,600
	Mendhoo Region	Island/MPA	B	05 Jun 2009	1,172.8
34	Goidhoo Koaru Area	Mangrove	B	06 Jun 2011	13.9
35	Maahuruvalhi Reef Region	MPA	B	07 Jun 2011	1,872.6
36	Bathalaa Region	Island/MPA	B	08 Jun 2011	702
37	Mathifaru Huraa Region	Island/MPA	B	09 Jun 2011	55.6
38	The wrech of "Corbin"	MPA	B	10 Jun 2011	3.14
39	Dhigali Giri	MPA	B	11 Jun 2011	91.44
40	Bandaara kilhi and surrounding wetland area	Mangrove/ Wetland	Gn	21 Jun 2016	26.62
41	Dhandimagu kilhi	Mangrove/ Wetland	Gn	22 Jun 2012	37.11
42	Thundi Area- Fuvahmulah	Terrestrial	Gn	23 June 2012	35.18

Key biodiversity assets of the country can be found in the country's network of protected areas. All of these areas need to be better managed and their conservation activities need to be financed.

ANNEX D. ISLAND RESORTS IN THE MALDIVES

Name	Atoll	Island	Operator	Lessee
aaaVeee Nature's Paradise	Dhaalu	Dhoores	Dhoores Retreat Pvt Ltd (C-0145/2013) Aimirani, 2nd Floor Boduthakurufaanu Magu Male', Rep. of Maldives	Dhoores Retreat Pvt Ltd (C-0145/2013) Aimirani, 2nd Floor Boduthakurufaanu Magu Male', Rep. of Maldives
Adaaran Club Rannalhi	Kaafu	Rannalhi	Jetan Travel Services Company Pvt Ltd #7-A, STO Aifaanu Building, Boduthakurufaanu Magu Male', Republic of Maldives	Jetan Travel Services Company Pvt Ltd #7-A, STO Aifaanu Building, Boduthakurufaanu Magu Male', Republic of Maldives gm@aitkenspence.com.mv
Adaaran Prestige Vadoo	Kaafu	Vaadhoo	Unique Resorts Pvt. Ltd. 7th Floor, STO Aifaanu Building Boduthakurufaanu Magu Male', Republic of Maldives	
Adaaran Select Hudhuranfushi	Kaafu	Lhohifushi	A.D.S Resorts Pvt. Ltd. (C-0468/2006) 7th Floor, STO Aifaanu Building Boduthakurufaanu Magu Male', Republic of Maldives	Altaf Enterprises Pvt. Ltd.(C-0484) 6th Floor, Marina Building Koli Umaru Maniku Goalhi Male', Republic of Maldives
Adaaran Select Meedhupparu	Raa	Meedhupparu	Cowrie Investment Pvt. Ltd. #7-A, STO Aifaanu Building, Boduthakurufaanu Magu Male', Republic of Maldives	Cowrie Investment Pvt. Ltd. #7-A, STO Aifaanu Building, Boduthakurufaanu Magu Male', Republic of Maldives gm@aitkenspence.com.mv

Name	Atoll	Island	Operator	Lessee
Alidhoo Island Resort	Haa Alif	Alidhoo	Yacht Tours Maldives Pvt. Ltd. H. Vilares Male', Rep. of Maldives yachtour@dhivehinet.net.mv	
Alimatha Aquatic Resort	Vaavu	Alimatha	L.A Resorts Pvt Ltd (C-0907/2007) M.Opera Building Chaandhaneer Magu Male', Republic of Maldives	Safari Tours Pvt. Ltd (C-0035/1986) Opera Building, Chaandhaneer Magu Male', Republic of Maldives safari@dhivehinet.net.mv
Amari Havodda Maldives	Gaaf Dhaalu	Havodda	Crystal Plaza Resorts Pvt Ltd (C-0008/2013) 2nd Floor, MF Building Chaandhaneer Magu Male', Republic of Maldives	
Amaya Kuda Rah Maldives	Alif Dhaalu	Kudarah	Luxury Resort Pvt Ltd (C-0671/2015) G.Sosaneer, 3rd Floor Male', Rep. of Maldives	
Anantara Kihavah Villas	Baa	Kihavah Huravalhi	Minor International (Labuan) Ltd Level 15 (A2), Main Office Tower Financial Park Labuan, Jalan Mereedeka, 87000 FT Malaysia	Maldives Tourism Development Corporation Plc 01st Floor, Fathuruvehi Buruzu Magu Republic of Maldives
Anantara Resort and Spa Maldives	Kaafu	Dhigufinolhu	Eutopia Holdings Pvt Ltd 1st Floor, H. Meerubahurugeaage Ameeru Ahmed Magu Male', Republic of Maldives	Deep Blue Private Limited M.Sahkeyodhoshu Ge 39 Orchid Magu Male', Republic of Maldives.
Angaga Island Resort and Spa	Alif Dhaalu	Angaga	Angiri Resorts Management and Operations Pvt Ltd (C-0183/2001) 2nd Floor, M.New Plot Ameeneer Magu.(02-10-05) Male', Rep. of Maldives	Angiri Resorts Management and Operations Pvt Ltd (C-0183/2001) 2nd Floor, M.New Plot Ameeneer Magu.(02-10-05) Male', Rep. of Maldives
Angsana Resort & Spa Maldives - Velavaru	Dhaalu	Velavaru	Maldives Bay Pvt Ltd Watheenigasdhoshuge Majeedhee Magu Male', rep. of Maldives	Sancturay Sands Maldives Pvt. Ltd H. Aage, 02nd Floor Boduthakurufaanu Magu Male', Rep of Maldives
Angsana Resort & Spa Maldives Ihuru	Kaafu	Ihuru	Banyan Tree Investment Holdings (HK) Ltd, c/o 211 Upper Bukit Timah Road Singapore 588182	Ihuru Investments Pvt Ltd, Male' Ground Floor, Ma.Rimkha Dhilbahaaru Goalhi, Male'

Name	Atoll	Island	Operator	Lessee
Asdu Sun Island	Kaafu	Asdhu	Polycom Investments Pvt. Ltd (C-0627/1980) H. Benety, No. 23, Kashimaa Hingun 18, Rahdhebai Magu Male', Maldives	Polycom Investments Pvt. Ltd G. Lifadhoo (Reg. Address) 18, Rahdhebai Magu Male', Maldives
Atmosphere Kanifushi Maldives	Lhaviyani	Kanifushi	Kanifushi Investment Pvt. Ltd M. Rowville, 5th Floor Fareedhee Magu Male, Rep of Maldives	Kanifushi Investment Pvt. Ltd M. Rowville, 5th Floor Fareedhee Magu Male, Rep of Maldives
Ayada Maldives	Gaaf Dhaalu	Magudhdhuvaa	Ahmet Aydeniz Maldives Pvt. Ltd M. Linkia, 07th Floor Shaheed Ali Hingun Male', Republic of Maldives	Maldives Tourism Development and Corporation Fathuruvehi Building, 1st Floor Buruzumagu Male', Republic of Maldives
Bandos Maldives	Kaafu	Bandos	Mohamed Waheed Deen, H. Deens Villa, Male', Republic of Maldives info@bandos.com.mv	Mohamed Waheed Deen, H. Deens Villa, Male', Republic of Maldives info@bandos.com.mv
Banyan Tree Maldives Vabbinfaru	Kaafu	Vabbinfaru	Vabbinvest Maldives Pvt. Ltd, K. Vabbinfaru c/o 211 Upper Bukit Timah Road Singapore 588182	Vabbinvest Maldives Pvt. Ltd, K. Vabbinfaru c/o 211 Upper Bukit Timah Road Singapore 588182
Baros Maldives	Kaafu	Baros	Universal Enterprises Ltd. 39, Orchid Magu Male', Republic of Maldives sales@unisurf.com	Universal Enterprises Ltd. 39, Orchid Magu Male', Republic of Maldives sales@unisurf.com
Bathala Island Resort	Alif Alif	Bathala	B Resorts Investment Private Limited (C-0542/2011) 3rd Floor, Neem Building, Majeedhee Magu, Galolhu, Male' 20-119, Republic of Maldives, Tel: 00960 3317373, Fax: 00960 3316016, 3321862	B Resorts Investment Private Limited (C-0542/2011) 3rd Floor, Neem Building, Majeedhee Magu, Galolhu, Male' 20-119, Republic of Maldives, Tel: 00960 3317373, Fax: 00960 3316016, 3321862
Biyaadhoo Island Resort	Kaafu	Biyaadhoo	Sunland Hotels Pte. Ltd. #04-01, STO Trade Center, Orchid Magu Male', Republic of Maldives	Sunland Hotels Pte. Ltd. #04-01, STO Trade Center, Orchid Magu Male', Republic of Maldives sunland@dhivehinet.net.mv
Canareef Resort Maldives	Seenu	Herethere	Canaries Resorts Maldives Pvt Ltd (C-0169/2014) Marina Building, 05th Floor Koli Umaru Manik Goalhi, Male, Republic of Maldives	Canaries Pte. Ltd. Marina Building, 05th Floor Koli Umaru Manik Goalhi, Male, Republic of Maldives
Centara Grand Island Resort & Spa Maldives	Alif Dhaalu	Machchafushi	R.M.L Leisure Pvt. Ltd. c/o Shah, Hussain & Co. 2nd Floor, (West Wing) H. Aage 12, Boduthakurufaanu Magu Male', Republic of Maldives	Sioux Investment Pvt. Ltd. 2nd Floor, Filla Building Boduthakurufaanu Magu Male', Republic of Maldives

Name	Atoll	Island	Operator	Lessee
Centara Ras Fushi Resort & Spa	Kaafu	Giraavaru	Centara Maldives Pvt.Ltd (C-0479/2011) M. Row Ville, 04th Floor Fareedhee Magu Male', Rep of Maldives	Mr. Abdul Rauf M. Snow Rose Male', Republic of Maldives rauf@tbi.org.mv
Cheval Blanc Randheli	Noonu	Randheli	I & T Management Pvt Ltd M. Bageecha Keneree Magu Male', Rep of Maldives	I & T Management Pvt Ltd M. Bageecha Keneree Magu Male', Rep of Maldives
Cinnamon Dhonveli Maldives	Kaafu	Kanuoiy Huraa	Tranquility Pvt. Ltd. (C-0344/2004) 2nd Floor H. Maizan, Sosun Magu Male', Republic of Maldives	Tranquility Pvt. Ltd. 2nd Floor H. Maizan, Sosun Magu Male', Republic of Maldives jkmr@keells.com.mv
Cinnamon Hakuraa Huraa Maldives	Meemu	Hakuraahuraa	Fantasea World Investments Pvt. Ltd. C/O John Keells Maldivian Resorts Pvt. Ltd. 2nd Floor, H. Maizan Building Sosun Magu Male' 20-05, Republic of Maldives	Global Pvt Ltd Champa Building, 3rd Floor Kandi Dhon Manik Goalhi Male', rep. of Maldives
Club Med Finolhu Villas	Kaafu	Gasfinolhu	Maldivian Holiday Villages Private Ltd c/o Club Med Hong Kong Limited PO Box 2051 Male' City Republic of Maldives	Fantasea World Investments Pvt. Ltd. 2nd Floor, H. Maizan Building Sosun Magu jkmr@dhivehinet.net.mv
Club Med Kanifinolhu	Kaafu	Kanifinolhu	Maldivian Holiday Villages Ltd (On Behalf of Club Mediterranee S. A) (FC-0007/2012) 11 Rue De Cambrai 75957 Paris Cedex 19, France	Cyprea Pvt. Ltd. (436) 66/17 Boduthakurufaanu Magu Male', Republic of Maldives
Coco Bodu Hithi	Kaafu	Boduhithi	Sunland Hotels Pte. Ltd. H. Moonlit Villa Medhuziyaaray Magu Male', Republic of Maldives	Shinetree Holdings Pvt Ltd.(C-0198/1994) Oceanic Building No.7 Boduthakurufaanu Magu Male', Republic of Maldives
Coco Palm Dhunikolhu	Baa	Dhunikolhu	Sunland Hotels Pte. Ltd. #04-01, STO Trade Center, Orchid Magu Male', Republic of Maldives	Sunland Hotels Pte. Ltd. #04-01, STO Trade Center, Orchid Magu Male', Republic of Maldives sunland@dhivehinet.net.mv
Coco Privé Kuda Hithi Island	Kaafu	Kudahithi	Sunland Hotels Pte. Ltd. #04-01, STO Trade Center, Orchid Magu Male', Republic of Maldives	Kudahithi Investments Pvt Ltd. Opera Building Chaandhane Magu, No.02 Male', Republic of Maldives

Name	Atoll	Island	Operator	Lessee
Cocoa Island	Kaafu	Makunufushi	Orchid Resorts Management Pvt. Ltd.(C-0063/1999) H. Deens Villa, Meheli Goalhi Male', Republic of Maldives	Ahmed Fayaz Waheed Shaamilaa Abdulla Mohamed Niyaz Waheed Aminath Riyaza Waheed Aishath Shiyaza Waheed Fathmath Shifaza waheed Hawwa Hifaza Waheed Ibrahim Shiyaz Waheed Hassan Mafaz Waheed mariyam Ali M. Sosunmaage, Male' (Legal Heirs of the late Abdulla Waheed, M. Sosunmaage)
Cocoon Maldives	Lhaviyani	Ookolhu Finolhu	Cocoon Investments Pvt Ltd (C-0441/2011) H. Sonary, 2nd Floor Boduthakurufaanu Magu Male', Republic of Maldives	Cocoon Investments Pvt Ltd (C-0441/2011) H. Sonary, 2nd Floor Boduthakurufaanu Magu Male', Republic of Maldives
Conrad Maldives Rangali Island	Alif Dhaalu	Rangalifinolhu	Crown Company Pte. Ltd. 30 Boduthakurufaanu Magu PO Box 2034 Male', Republic of Maldives	Crown Company Pte. Ltd. 30 Boduthakurufaanu Magu PO Box 2034 Male', Republic of Maldives crown@dhivehinet.net.mv
Constance Halaveli Resort	Alif Alif	Halaveli	Waterfront Pvt. Ltd. H. Thandiraiymaage, 02nd Floor Roashanee Magu Male', Republic of Maldives	Eastinvest Pvt. Ltd. H. Akiri, Boduthakurufaanu Magu Male', Republic of Maldives halaveli@dhivehinet.net.mv
Constance Moofushi Resort	Alif Dhaalu	Moofushi	Moofushi Development Ltd. (076295) 10, Frere Felix de Valois Street Port Loius, Mauritius c/o Shah Hussain & Co. 12, Boduthakurufaanu Magu 2nd Floor (East Wing) H.Aage Male', Rep. of Maldives	Moofushi Investments Pvt.Ltd (C-0793/2007) Yaagoothuge, Muniyaa Magu Male'Republic of Maldives
Dhevanafushi Maldives Luxury Resort, Managed by Accorhotels	Gaaf Alif	Meradhoo	CDL HBT Oceanic Maldives Pvt Ltd (C-0717/2013) Orchidmaage, 2nd floor ,Ameer Ahmed Magu Male'-20095, Republic of Maldives	CDLHT Oceanic Maldives Pvt Ltd (c-0716/2013) Orchidmaage 02nd floor, Ameer ahmed magu Male'-20095, Republic of Maldives shahyd@suoodanwar.com
Dhigali Maldives	Raa	Dhigali	Coral Edge Pvt Ltd (C-0192/2014) 39, Orchid Magu Male', Republic of Maldives	Coral Edge Pvt Ltd (C-0192/2014) 39, Orchid Magu Male', Republic of Maldives

Name	Atoll	Island	Operator	Lessee
Dhiggiri Tourist Resort	Vaavu	Dhiggiri	Dhiggiri Investment Pte Ltd. (C-0203/1994) Opera Building, Chaandhane Magu Male', Republic of Maldives	Dhiggiri Investment Pte Ltd. Opera Building, Chaandhane Magu Male', Republic of Maldives mmtours@dhivehinet.net.mv
Dhigufaru Island Resort	Baa	Dhigufaruvinagandu	Dhigufaru Investments Pvt Ltd (C-0348/2014) M. Huraa Fareedhee Magu Male', City, Republic of Maldives	Dhigufaru Investments Pvt Ltd (C-0348/2014) M. Huraa Fareedhee Magu Male', City, Republic of Maldives
Diamonds Athuruga Beach & Water Villas	Alif Dhaalu	Athurugau	Voyages Maldives Pvt. Ltd. M. Narugis, Chaandhane Magu, PO Box 2019 Male', Republic of Maldives	Voyages Maldives Pvt. Ltd. M. Narugis, Chaandhane Magu, PO Box 2019 Male', Republic of Maldives info@voyages.com
Diamonds Thudufushi Beach & Water Villas	Alif Dhaalu	Thudufushi	Seagull Group Pvt.Ltd Narugish, Chaandhane Magu Male', Republic of Maldives	Seagull Group Pvt.Ltd Narugish, Chaandhane Magu Male', Republic of Maldives E-mail: info@seagull.com.mv
Dusit Thani Maldives	Baa	Mudhdoo	DMS Property Investment Pvt. Ltd (C-0492/2011) H. Sonary Building, 7th Floor Boduthakurufaanu Magu (PO BOX 2188) Male', Republic of Maldives	DMS Property Investment Pvt. Ltd (C-0492/2011) H. Sonary Building, 7th Floor Boduthakurufaanu Magu (PO BOX 2188) Male', Republic of Maldives
Ellaidhoo Maldives By Cinnamon	Alif Alif	Ellaidhoo	Travel Club Pvt. Ltd. (C-121/1992) H. Maizaan, 2nd Floor Sosun Magu Male', Republic of Maldives	Ellaidhoo Investments Pvt Ltd (C-202/1994) 5A STO Aifaanu Building, Boduthakurufaanu Magu
Embudhu Village	Kaafu	Embudhu	Kaimoo Travels & Hotels Services Pvt. Ltd. H. Maagala, Meheli Goalhi Male', Republic of Maldives	Kaimoo Travels & Hotels Services Pte. Ltd. H. Maagala, Meheli Goalhi Male', Republic of Maldives kaimoo@dhivehinet.net.mv
Eriyadhu Island Resort	Kaafu	Eriyadhu	Platinum Capital Holdings Pvt. Ltd. 2nd Floor, M. Mahi Boduthakurufaanu Magu Male', Republic of Maldives	Platinum Capital Holdings Pvt. Ltd. 2nd Floor, M. Mahi Boduthakurufaanu Magu Male', Republic of Maldives info@pch.com.mv
Fihaalhohi Island Resort	Kaafu	Fihaalhohi	Fehi Moorithi Pvt Ltd (C-0159/2012) 6th Floor, Moorithi Buiding Chaandhane Magu Male' City, Republic of Maldives	Fehi Moorithi Pvt Ltd (C-0159/2012) 6th Floor, Moorithi Buiding Chaandhane Magu Male' City, Republic of Maldives
Filitheyo Island Resort	Faafu	Filitheyo	A.A.A. & Trading Company Pvt. Ltd. G. Neem, Majeedhee Magu Male', Republic of Maldives	A.A.A. & Trading Company Pvt. Ltd. #17 & 19 Chaandhane Magu Male', Republic of Maldives admin@aaa.com.mv

Name	Atoll	Island	Operator	Lessee
Finolhu Baa Atoll Maldives	Baa	Kanufushi	Kanufushi Investments Pvt Ltd (C-0763/2012) M.120, Majeedhee Magu Male', Republic of Maldives	Kanufushi Investments Pvt Ltd (C-0763/2012) M.120, Majeedhee Magu Male', Republic of Maldives
Four Seasons Private Island Maldives at Voavah	Baa	Voavah	Landaa Giraavaru Pvt. Ltd. (FC-0154/2004) 2706,RBS Tower, Times Square 1 Matheson Street, Causeway Bay Hong Kong	Landaa Giraavaru Pvt. Ltd. (FC-0154/2004) 2706,RBS Tower, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Four Seasons Resort Maldives at Kuda Huraa	Kaafu	Kuda Huraa	Four Seasons Hotel & Resorts BVI (On behalf of HPL Resorts (Maldives) Pvt. Ltd. C-0179/1993) Aurora Building, 7th Floor, Stadhouderskade 2 1054 Es Amsterdam, Netherlands	HPL Resorts (Maldives) Private Limited.(C-0179/1993) M. Lux Lodge, 2nd Floor Orchid Magu Male', Republic of Maldives
Four Seasons Resort Maldives at Landaa Giraavaru	Baa	Landaa Giraavaru	Landaa Giraavaru Pvt. Ltd. 50, Cuscaden Road #08-01 HPL House Singapore 249724	Landaa Giraavaru Pvt. Ltd. 50, Cuscaden Road #08-01 HPL House Singapore 249724
Fun Island Resort & Spa	Kaafu	Bodufinolhu	Villa Shipping & Trading Company Pvt.Ltd. Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives	Villa Shipping & Trading Company Pvt.Ltd. Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives info@villa.com.mv
Furaveri Island Resort & Spa	Raa	Furaveri	NAID Investments Pvt Ltd (C-0939/2007) M.Newton, 3rd Floor Dhanbu Goalhi Male', Republic of Maldives	Ahmed Ibrahim Didi (A032894) Ma. Niyazvilla, 10th Floor Buruzumagu Male', Rep. of Maldives
Gangehi Island Resort	Alif Alif	Gangehi	Noomadi Resorts Pvt. Ltd. 1st Floor, H. Filimaage Dheyliyaa Hingun Male', Republic of Maldives	Gangehi Invesments Pvt Ltd M. Nifea, 50/1 Orchid Magu Male', Republic of Maldives
Gili Lankanfushi	Kaafu	Lankanfushi	Promus Pvt. Ltd. 2nd Floor, 3/4 Famudheyri Magu Male', Republic of Maldives	Transco Pvt Ltd 2nd Floor, H. Marvel Male', Republic of Maldives
Grand Park Kodhipparu Maldives	Kaafu	Kodhipparu	CES Park Kodhipparu Pvt Ltd (C-1023/2016) H. Aage, 6th Floor Male', Republic of Maldives	CES Park Kodhipparu Pvt Ltd (C-1023/2016) H. Aage, 6th Floor Male', Republic of Maldives
Holiday Inn Resort Kandooma Maldives	Kaafu	Kandoomafushi	Lesiure Holidays Pvt Ltd Premier Chambers 2nd Floor, M.Lux Lodge Orchid Magu, Male'.	Kandooma Holdings Pvt Ltd H.Aagadhage Building, 5th Floor Boduthakurufaanu Magu Male', Republic of Maldives kandooma@dhivehinet.net.mv

Name	Atoll	Island	Operator	Lessee
Holiday Island Resort and Spa	Alif Dhaalu	Dhiffushi	Villa Shipping & Trading Company Pvt.Ltd. (C-0017/1986) Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives	Villa Shipping & Trading Company Pvt.Ltd.(C-0017/1986) Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives info@villa.com.mv
Hurawalhi Island Resort	Lhaviyani	Hurawalhi	Champalars Holdings Pvt Ltd (C-0461/2014) M. Champa Building, 4th Floor Kani Dhonmaniku Goalhi Male', Republic of Maldives	Champalars Holdings Pvt Ltd (C-0461/2014) M. Champa Building, 4th Floor Kani Dhonmaniku Goalhi Male', Republic of Maldives
Huvafenfushi Resort and Spa	Kaafu	Nakatchafushi	Universal Resorts Pvt. Ltd. 39, Orchid Magu Male', Republic of Maldives	Universal Resorts Ltd. 39, Orchid Magu Male', Republic of Maldives unientmv@dhivehinet.net.mv
JA Manafaru	Haa Alif	Manafaru	Jarh Maldives Pvt Ltd (C-0146/2014) Marina Building, 7th Floor Koli Umar Maniku Goalhi Male', Republic of Maldives	Jarh Maldives Pvt Ltd (C-0146/2014) Marina Building, 7th Floor Koli Umar Maniku Goalhi Male', Republic of Maldives
Jumeirah Vittaveli	Kaafu	Bolifushi	SPH Pvt. Ltd. 2nd Floor, (East Wing) H. Aage 12, Boduthaluru faanu Magu Male', Republic of Maldives www.jumeirah.com	Gateway Maldives Pvt. Ltd. H. Mirihi, Abadhah Ufaa Magu Male', Republic of Maldives gateway@dhivehinet.net.mv
Kandima Maldives	Dhaalu	Kadinma	Kandinma Holdings Pvt Ltd (C-0512/2014) H. Thuniya Building Boduthakurufaanu Magu Male', Republic of Maldives	Kandinma Holdings Pvt Ltd (C-0512/2014) H. Thuniya Building Boduthakurufaanu Magu Male', Republic of Maldives
Kandolhu Island Maldives	Alif Alif	Kandholhudhoo	Kandholhudhoo Holdings Pvt Ltd (C-0685/2013) 39 Orchid Magu, Male'	Kandholhudhoo Island Investment Pvt Ltd. (C-0685/2013) 39 Orchid Magu, Male'
Kanuhura	Lhaviyani	Kanuhuraa	SRL Management Ltd Suite 15, Oliaji, Trade Center Fracis Rachel Street, Victoria Mahe', Seychelles	SRL Kanuhura Limited 4th Floor DMK No.2 Fihaara Chandhane Magu, Male' Republic of Maldives
Kihaa Maldives	Baa	Kihaadhuffaru	Coral Island Resort Maldives Pvt Ltd (C-1236/2016) H.Thuniya Building, 3rd Floor Boduthakurufaanu Magu Male', Republic of Maldives	Athama Marine International Pvt Ltd H.Thuniya Building, 3rd Floor Boduthakurufaanu Magu Male', Republic of Maldives
Komandoo Maldivian Island Resort	Lhaviyani	Komandoo	Komandoo Holdings Pvt. Ltd. (C-0079/1999) CHP-3 Kandi Dhon Manik Goalhi Male', Republic of Maldives	Komandoo Holdings Pvt. Ltd. (C-0079/1999) CHP-3 Kandi Dhon Manik Goalhi Male', Republic of Maldives

Name	Atoll	Island	Operator	Lessee
Kudafushi Resort & Spa	Raa	Kudafushi	Silver Drift Maldives Pvt Ltd (C-1042/2015) H. Minha, 2nd Floor Karankaa Magu Male', Republic of Maldives	Ali Zahir (A028106) H. Iruvelige Moonimaa Hingun Male', Republic of Maldives
Kuramathi Maldives	Alif Alif	Kuramathi	Universal Enterprises Ltd. 39, Orchid Magu Male', Republic of Maldives	Universal Enterprises Ltd. 39, Orchid Magu Male', Republic of Maldives sales@unient.com.mv
Kuredu Island Resort	Lhaviyani	Kuredu	Kuredhu Holdings (Pvt) Ltd. (C-0009/1988) 4th floor, Champa Building Ahmadhee Baazaar Male', Republic of Maldives	Kuredhu Holdings (Pvt) Ltd. (C-0009/1988) 4th floor, Champa Building Ahmadhee Baazaar Male', Republic of Maldives main@cnt.com
Kurumba Maldives	Kaafu	Vihamanaafushi	Vihamanaafushi Holdings Pvt Ltd (C-0448/2011) 39, Orchid Magu Male'/City, Republic of Maldives	Mr. Mohamed Umar Manik (A053530) M. Rukkara Male', Republic of Maldives
Lily Beach Resort	Alif Dhaalu	Huvahendhoo	Lily Hotels Pte. Ltd. 2nd Floor, H. Fasmeeeru Building Boduthakurufaanu Magu Male', Republic of Maldives	Lily Hotels Pte. Ltd. 2nd Floor, H. Fasmeeeru Building Boduthakurufaanu Magu Male', Republic of Maldives lilyhtl@dhivehinet.net.mv
Loama Resort Maldives at Maamigili	Raa	Maamigili	Loama Maamigili Resort & Spa Pvt Ltd (C-0443/2011) Uniya Building, 01st Floor Fareedhee Magu K.Male', Rep. of Maldives	Ahmed Waheed (A055598) G.Vaffushi, Male' Rep. of Maldives
Lux South Ari Atoll, Maldives	Alif Dhaalu	Dhidhdhoofinolhu	White Sands Resort and Spa Pvt Ltd Jazeera Building, 5th Floor Boduthakurufaanu Magu Male', Republic of Maldives	Ari Beach Co Pvt Ltd M.Kinbidhooge Izzudheen Magu Male', Republic of Maldives
Maalifushi by Como	Thaa	Male'fushi	I.V.P.L Investment Ventures Pvt. Ltd (C-0822/2011) H. Sea Side, 01st Floor Boduthakurufaanu Magu Male', Rep of Maldives	I.V.P.L Investment Ventures Pvt. Ltd (C-0822/2011) H. Sea Side, 01st Floor Boduthakurufaanu Magu Male', Rep of Maldives
Maayafushi Tourist Resort	Alif Alif	Maayafushi	Maayafushi Resort Management Pvt Ltd (C-0132/2011) M. Omadu Fanu Building, 2nd Floor Haveeree Hingun Male', Rep. of Maldives	I.R.T.S Private Limited M.Merry Gold, 6th Floor Male', Republic of Maldives
Makunudhoo Island	Kaafu	Makunudhoo	Sunland Travel (Pvt) Ltd. G.Shafaq, 7th Floor Rah Dhebai Magu Male', Republic of Maldives	Sunland Travels (Pvt) Ltd. H.Millenia Ameeru Ahmed Magu Male', Republic of Maldives sunland@dhivehinet.net.mv

Name	Atoll	Island	Operator	Lessee
Malahini Kuda Bandos	Kaafu	Kuda Bandos	Malahini Holdings Pvt Ltd (C-0479/2013) 3rd Floor, Jazeera Building Boduthakurufaanu Magu Male', Republic of Maldives	Malahini Holdings Pvt Ltd (C-0479/2013) 3rd Floor, Jazeera Building Boduthakurufaanu Magu Male', Republic of Maldives
Medhufushi Island Resort	Meemu	Medhufushi	Medhufushi Investment Pvt. Ltd. G. Neem, Majeedhee Magu Male', Republic of Maldives	Medhufushi Investment Pvt. Ltd. G. Neem, Majeedhee Magu Male', Republic of Maldives admin@aaa.com.mv
Meeru Island Resort	Kaafu	Meerufenfushi	KASA Holdings Pvt. Ltd. (C-40/2001) Champa Building 3rd Floor Male', Republic of Maldives	KASA Holdings Pvt. Ltd. Champa Building 3rd Floor Male', Republic of Maldives
Milaidhoo Island Maldives	Baa	Milaidhoo	Universal Enterprises Pvt Ltd (C-0467/1978) 39, Orchid Magu K.Male', Republic of Maldives	Universal Enterprises Pvt Ltd (C-0467/1978) 39, Orchid Magu K.Male', Republic of Maldives
Mirihi Island Resort	Alif Dhaalu	Mirihi	Manta Maldives Pvt. Ltd. (C-124/2001) 03rd Floor, Champa Building Kandi Dhon Maniku Goalhi Male', Republic of Maldives	Manta Maldives Pvt. Ltd. 3rd Floor Champa Building Male', Republic of Maldives male@mirihi.com.mv
Naladhu	Kaafu	Veligan'du Huraa	Eutopia Holdings Pvt Ltd 1st Floor, H. Meerubahurugeaage Ameeru Ahmed Magu Male', Republic of Maldives	Deep Blue Private Limited M.Sahkeyodhosu Ge 39 Orchid Magu Male', Republic of Maldives.
Nika Island Resort and Spa	Alif Alif	Kudafohudhoo	Nika Maldives Pvt.Ltd. G. Nafaa, Raadhafathi Hingun M. West House, Chambeylee Magu Male', Republic of Maldives	Nika Maldives Pvt.Ltd. M. West House, Chambeylee Magu Male', Republic of Maldives nika_htl@dhivehinet.net.mv
Niyama Maldives	Dhaalu	Embudhufushi and Olhuveli	O Plus E Holding Pvt. Ltd H. Thuniyaa Building, 08th Floor Boduthakurufaanu Magu Republic of Maldives	Maldives Tourism Development and Corporation Haage, 4th Floor Boduthakurufaanu Magu
Oblu By Atmosphere at Helengeli	Kaafu	Helengeli	S.P.C Pvt Ltd (C-0173/2014) (East Wing) Aage, 2nd Floor 12 Boduthakurufaanu Magu Male, Rep. of Maldives	Helengeli Island Resort Pvt Ltd (C-0554/2014) H.Orchid Maage Ameer Ahmed Magu Male', Rep. of Maldives
Olhuveli Beach and Spa Maldives	Kaafu	Olhuveli	Emerald Resorts Pvt. Ltd. (C-0058/2005) H.Maley-Thila, Meheli Goalhi Male', Republic of Maldives	Hotels and Resorts Holdings Pvt. Ltd.(C-0066/1992) G. Sunset, Husnuheenaa Magu Male', Republic of Maldives
One & Only Reethi Rah, Maldives	Kaafu	Medhufinolhu	Reethi Rah resort Pvt. Ltd. 1st Floor, Fasmeeru Building 25, Boduthakurufaanu Magu Male', Republic of Maldives	Reethi Rah resort Pvt. Ltd. 1st Floor, Fasmeeru Building 25, Boduthakurufaanu Magu Male', Republic of Maldives

Name	Atoll	Island	Operator	Lessee
Outrigger Konotta Maldives Resort	Gaaf Dhaalu	Konotta	O.K.M Private Limited (C-0535/2014) H. Orchidmaage 2nf Floor, Ameer Ahmed Magu K. Male', Rep of Maldives	O.K.M Private Limited (C-0535/2014) H. Orchidmaage 2nf Floor, Ameer Ahmed Magu K. Male', Rep of Maldives
Ozen By Atmosphere At Maadhoo	Kaafu	Maadhoo	D.P.C Private Limited (C-0705/2013) H.Aage, 3rd Floor 12, Boduthakurufaanu Magu Male', Rep. of Maldives	M.T.R Holdings Pvt Ltd (C-0586/2013) Premier Chambers M. Lux Lodge, 02nd Floor Orchid Magu Male', Rep. of Maldives
Palm Beach Resort & Spa Maldives	Lhaviyani	Madhiriguraidhu	Ibrahim Ali Manik, Ma. Nooree, Male'. Ibrahimalimaniku@yahoo.com	Ibrahim Ali Manik, Ma. Nooree, Male'. Ibrahimalimaniku@yahoo.com
Paradise Island Resort and Spa	Kaafu	Lankanfinolhu	Villa Shipping & Trading Company Pvt.Ltd. (on behalf of Diza Trade & Travels Pvt. Ltd.) Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives	Diza Travel & Trade Pvt. Ltd. Villa Building, Ibrahim Hassan Didi Magu Male', Republic of Maldives info@villa.com.mv
Park Hyatt Maldives, Hadahaa	Gaaf Alif	Hadahaa	Driftwood Maldives Pvt.Ltd. M. Vaarey Villa Izzudeen Magu Male', Republic of Maldives	Driftwood Maldives Pvt.Ltd. M. Vaarey Villa Izzudeen Magu Male', Republic of Maldives E-mail: gm@driftwoodmaldives.com.mv
Ranveli Island Resort	Alif Dhaalu	Villingilivaru	Ms. Khadheeja Hassan (A035734) M.Maalimeege, Fiyaathoshi Goalhi Male, Rep of Maldives	Ms. Khadheeja Hassan (A035734) M. Maalimeege, Fiyaathoshi Goalhi Male', Republic of Maldives
Reethi Beach Resort	Baa	Fonimagoodhoo	Mahogany Private Limited G.Rosary View, 06th Floor Husnuheena Magu Male', Republic of Maldives	RBRM Pvt Ltd (C-0316/2015) Orchid Maage Ameer Ahmed Magu Male', Republic of Maldives
Rihiveli	Kaafu	Mahaana elhi Huraa	Castaway Maldives Pvt Ltd 3rd Floor, Dalina Building Orchid Magu Male; 20183 Republic of Maldives	Mahal Tours Ltd. No.02 Ocean View Male', Republic of Maldives
Robinson Club Maldives	Gaaf Alif	Funamauddua	Robinson Club Maldives Pvt Ltd (C-196/2009) c/o Premier Chambers 2nd Floor, Lux Lodge Orchid Magu Male', Republic of Maldives	Robinson Club Maldives Pvt Ltd (C-196/2009) c/o Premier Chambers 2nd Floor, Lux Lodge Orchid Magu Male', Republic of Maldives

This long list demonstrates that there is many of the country's biodiversity assets are being managed and used by private companies, mostly by island resorts. These companies need play a role in both the implementation of the Maldives Biosphere Reserve and in the establishment of the Maldives Conservation Fund.

ANNEX E. USE OF TERMS – BIODIVERSITY AND CONSERVATION

Agreed use of terms will be important in establishing a conservation financing system in the Maldives. This appendix discusses some of the challenges we face in how we use words such as biodiversity.

The biodiversity conservation community uses several terms, often interchangeably. These include terms such as nature, living natural resources, biodiversity, ecosystems, landscapes, seascapes, wildlife, wilderness, and, more recently, natural capital. This mix of terms also appears in this report. Thus, it is important to clarify how we approach these terms. Our starting point is the definition of biodiversity set out in the text of Article 2 of the 1992 Convention on Biological Diversity (CBD):

The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

From this definition and its use by the CBD Parties over the years, we understand that ecosystems, species and genetic resources are components of biodiversity. Thus, terms such as 'biodiversity and ecosystem services' are somewhat redundant as an ecosystem service is actually a biodiversity service at the ecosystem level.

We also take note of the concept of 'ecological complexes' in the definition which, though not a term which the Parties have decided to use, is reflected in the interest in broader landscapes and seascapes. In the Maldives, of course, seascapes with their complex compositions of ecological systems, habitats and species are source of the country's natural wealth.

In Article 1, the CBD sets out what to do about biodiversity:

The objectives of this Convention, to be pursued in accordance with its relevant provisions, are the conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources...

Unfortunately, this wording has separated the concept of conservation from the concepts of sustainable use and equitable sharing. Thus, it is common today to see expressions such as 'conservation and sustainable use' or 'equitable and sustainable use.' Prior to the launch of the CBD, however, its three objectives were also expressed in the meaning of conservation as defined by IUCN and its partners in the 1980 World Conservation Strategy:

Conservation is the management of human use of the biosphere so that it may yield the greatest sustainable benefit to present generations while maintaining its potential to meet the needs and aspirations of future generations. Thus, conservation is positive, embracing preservation, maintenance, sustainable utilization, restoration, and enhancement of the natural environment.

Social equity, sustainable use and, indeed, management are integral components of the IUCN definition of conservation. Hence, for our purposes, we use the term 'conservation' to encompass the environmental, economic and social dimensions of the three objectives of the CBD.

ANNEX F. INTRODUCTION TO CONSERVATION FINANCE

This annex is included to provide some background information on conservation finance. It is a succinct introduction from the Conservation Finance Network website:¹³⁵

Conservation Finance 101

What exactly is conservation finance? Why is it increasingly relevant to environmental conservation today? Which sectors does it involve? How does it work?

If you are new to conservation finance, these may be some of the questions you find yourself asking. Here, we attempt to answer some of these questions and give a brief overview.

This overview is not meant to be all-inclusive or in-depth. Rather, it seeks to paint a picture of the field with broad-brush strokes so that newcomers may gain an understanding of some basic concepts and orient themselves within this evolving and exciting field.

What is conservation finance?

Conservation can be broadly defined as the stewardship, protection and restoration of nature and the environmental services on which people depend. It encompasses a diverse set of subjects including forestry, agriculture, fresh water, open

¹³⁵ See: <http://conservationfinancenetwork.org/conservation-finance-101>

space, oceans and cities.

The practice of conservation finance is far from new. In the United States, it dates back to the 1634 creation of the Boston Common, the first example in the English-speaking world in which a self-governing people taxed themselves to purchase open space for the provision of public and private benefits (Levitt, 2005).

Although its boundaries are somewhat fuzzy, in the most general sense conservation finance can be considered to be the practice of raising and managing capital to support environmental conservation (Clark, 2007). It includes the set of financial structures that can be employed to invest in the conservation and restoration of ecosystems and the services they provide over the long term (Huwler, Kaeppli, Serafimova, Swanson, & Tobin, 2014).

At the core of conservation finance is the underlying belief that it is possible to align environmental, social and economic returns: the so-called triple bottom line. New strategies that rely on market-based mechanisms to stimulate positive environmental and social outcomes, as well as financial returns, have emerged. These strategies complement the traditional funding models, which remain critical, particularly for leveraging private-sector conservation investments.

Sources for conservation financing include public, private and non-profit entities. Structures include tax incentives, loans and investments, ecosystem-services markets, and catalytic grants and donations.

What challenges does conservation finance address?

There is a need for enormous increases in the financial resources deployed for conservation and increasing recognition that conservation finance has the potential to address this need while generating significant financial returns.

(Clark, 2007; Huwler et al., 2014; NatureVest & Eko Asset Management Partners, 2014).

Annual funding across the globe is estimated to be approximately \$50 billion, provided primarily by philanthropic, multi-lateral, and governmental sources (Parker, Cranford, Oakes, & Leggett, 2012). This falls far short of the estimated \$300-\$400 billion needed annually (Credit Suisse, World Wildlife Fund, & McKinsey & Company, 2014).

With flat and sometimes shrinking government support and limited philanthropic dollars, filling this gap from current funding sources is highly unlikely (NatureVest & Eko Asset Management Partners, 2014).

Private investment capital offers enormous potential to help fill this gap. Even if only 1% of the global assets under management (money currently invested across the globe) were allocated for private conservation investments, it would provide enough capital to fill this annual shortfall (NatureVest & Eko Asset Management Partners, 2014).

What fields have contributed to this growing specialty?

Conservation finance is strongly interdisciplinary by nature. It bridges the gap between the banker and the biologist, finance and ecology, and Wall Street and the Catskills Mountains.

Professionals in the field have a wide range of backgrounds including investment banking, environmental science, law, conservation biology, and management consulting. They work in for-profit, non-profit, and public organizations. They collaborate with stakeholders ranging from local communities to international development finance institutions (DFIs) to national, state and local governments (World Wildlife Fund, 2009).

How is the field combining tradition and innovation?

Traditionally, conservation has been funded by non-market mechanisms such as public-grant programs, private foundation grants, donations from wealthy individuals and families, and government budget allocations (World Wildlife Fund, 2009). These funding streams can be volatile over time, as they are often affected by the state of the economy and shifting donor interests. As a result, the availability of funding does not always align with the highest conservation priorities at the right time.

This can result in piecemeal outcomes as conservationists protect what they can with limited funding. However, conservationists have been and continue to be very successful in achieving enormous results in the face of these challenges.

Conservation finance presents the opportunity to complement traditional funding and form more diversified and dependable funding streams. Such sustainable funding enables organizations to engage in more proactive, strategic conservation and execute holistic programs with long-term, scaled-up goals and objectives.

Conservation finance vehicles primarily include innovative market-aligned mechanisms that generate double-and/or triple-bottom-line returns. These include:

- Direct earned income via the sustainable production of food and fiber, recreation, hunting or ecotourism;
- Environmental services markets (such as a market for watershed protection in which downstream water users pay upstream communities to preserve watershed health); and
- Impact investing seeking to maximize a double or triple bottom line (investments with financial, environmental, and/or social objectives) (World Wildlife Fund, 2009).

Public and/or philanthropic grants often are used to catalyze the process by helping to shape conditions that enable conservation investments and increasing the appeal of such deals to private-sector investors.

How is the market expanding?

A November 2014 study by NatureVest and Eko Asset Management Partners found that the market is undergoing rapid growth and increasing interest. Private investment in conservation doubled from 2004-2008 and again from 2009-2013. \$23.4 billion in conservation impact investments were made from 2009-2013. 92% of this total came from international DFIs, which expect to increase these investments by 50% by 2018 (NatureVest & Eko Asset Management Partners, 2014).

While private investments only accounted for about 8% of the total, they grew by an average annual rate of 26% and are projected to total \$4.6 billion from 2014-2018. DFI funders primarily invested in water quantity and quality conservation projects while private investors focused on sustainable food and fiber production projects (NatureVest & Eko Asset Management Partners, 2014).

The capital available for conservation projects is rapidly increasing and ready to start filling the gap in global funding. However, only time will tell if the conservation finance market will be able to mature and better structure itself to effectively absorb this growing capital.

What challenges lie ahead?

The conservation finance community is adept at working with the traditional funding vehicles described above, but these funding sources are not projected to increase significantly in years to come.

It appears that much of the future of conservation lies with the rapidly growing investments market (NatureVest & Eko Asset Management Partners, 2014). However, this market has not reached maturity. It faces several significant barriers that must be overcome in order to take advantage of the increasing capital available.

- There is a shortage of investable deals with an appropriate risk/return profile, a clear exit strategy, and a skilled management team with a track record of success (NatureVest & Eko Asset Management Partners, 2014).
- Short-term valuation of natural ecosystems encourages disregard for the public goods they provide, such as the provision of water quality and quantity (Huwler et al., 2014).
- Most investable conservation deals are too small to attract investment at scale (Huwler et al., 2014; NatureVest & Eko Asset Management Partners, 2014).
- Conservation finance asset classes are undeveloped and unstandardized (Huwler et al., 2014).
- Institutional investors lack familiarity with environmental issues and conservation deals.
- The conservation community has a dearth of the financial skills needed to structure investable deals.
- There is a lack of effective and standardized impact measures (NatureVest & Eko Asset Management Partners, 2014).

Some of these issues may need policy interventions to tweak market conditions to allow for increased investments. Others will be addressed as management teams gain experience and develop new tools and techniques.

If current trends continue and the conservation finance market is able to overcome these challenges, it will surely play an increasingly important role in providing the capital needed for environmental conservation around the world.

Conservation Finance Network was developed to help both seasoned professionals and those just entering the field navigate these challenges and to stimulate innovation by highlighting successful case studies, building a community of practice, and bringing the potential of conservation finance to a wider audience.

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