



# ANALYSIS AND DEVELOPMENT OF A REPLICABLE COMMUNITY MANAGED MARINE AREA FINANCE MECHANISM

## What is available: overview of existing mechanisms

- The study follows guidance from the Framework for a Pacific Oceanscape on financing, strongly emphasizes on building self-reliance through nationally cost-effective solutions and the importance of sustaining support through achieving cost effectiveness
- The development of CMMA finance mechanisms requires balance of various factors, that in some instances may be competing/opposing, and sought approaches to at least reduce trade-offs and if possible, create alignment and synergies
- Literature review was the basis for understanding theoretical possibilities and lessons learned from other sites. However, the key tool for developing feasible mechanisms has been physical stakeholder consultations.

## Status of CMMA in the Pacific

- Defining community in the context of marine area management (and resource management more generally) proves to be difficult given ownership, customary rights, user rights and diversity of governance structures applied throughout the Pacific. More consistency seems to be possible by defining the resource managed (e.g. qoliqoli or customary fishing areas) and reproducing the various stakeholders involved in its management (e.g. resource owners and resource users).
- There are some terms that have similar meanings for marine resource management (Appendix 1) efforts (although there are others) depending on countries and/or organizations that have similar meanings. Alignment of definitions between regional stakeholders could contribute to transparency and information collection.
- Of the five community archetypes the majority receive little to no support, while being intrinsically motivated, which calls for approaches that empower communities rather than providing financial incentives.
- Community-driven MMAs cover small part of the total MMA area (largest part is top-down large-scale MPAs), but are of utmost importance to the majority of population and reef, seagrass, mangroves and their associated biodiversity. The success of CMMAs should therefore not be measured by area of coverage only.
- The complexity of land (and sea) tenure, decision making within the communities, dual ownership or resource use rights and physical assets in places, necessitates need to build up on existing structures and experiences within the communities, i.e. build-up on what works.
- Effective CMMAs address traditional/ community needs and communities must be involved, government and communities need to be aligned on how rights are shared; significant risks involved if that alignment is not there.
- Traditional split of work between men (sea, lagoon and near the reef) and women (rather in mangroves and close to the shore) is to be considered when developing integrated (e.g. ridge-to-reef) and gender sensitive management strategies,
- Attempts to support communities with short term interventions have mostly failed, however long-term partnerships have shown success.
- Cooperation with the private sector has been very fruitful to some, but detrimental to others. Communities may require support and mediation in their interactions with private sector operators, including finding partners with naturally aligned interests.
- Managing the marine area often requires limited incremental resources to what the community already has (although when faced with donor support communities will most likely accept it). The management actions are often more of a governance nature (i.e. decisions within the community to close down the area).
- Support to CMMA from government is necessary. Relevant government agencies must communicate with each other and their priorities aligned, with sufficient finances and allocated to that work, otherwise can have significant impact. Need for greater alignment between these government departments. In addition, policy for sustainable community businesses could create comparative advantages and spur community business.



## Towards governance for the support of local management

- Current regional approaches to local management have only achieved significant coverage in a few countries. For most other countries there is little likelihood of impact at scale under current strategies
- Overly concentrating on local engagement and localizing the global biodiversity agenda without considerations of wider strategies or cost effectiveness versus in-country logistic challenges has hindered progress
- This review cautions against the assumption that more funding for current strategies will achieve the overall desired outcomes of “mitigating risks to the Pacific Ocean health and increasing resilience of the Pacific’s communities”
- Availability and quality of information for the region is poor, limiting the potential for data-based analysis and decision making. Improved information could significantly improve the assessment and decision-making quality of programs targeting CMMA. Technology might be able to unlock efficient solutions for data collection.

## Analysis and development of finance mechanisms for CMMA

- While project level mechanisms are the focus of this study, we point to the fact that programmatic approaches might be a cost-effective option to raising capital and distributing benefits to communities for community managed marine areas
- While there are a number of mechanisms theoretically available to communities, these are applicable mostly to archetypes 3 to 5 communities. Creating a more significant coverage throughout the Pacific requires mechanisms tailored to the circumstances of communities in Archetypes 1 and 2
- Following feasibility criteria have been identified for the development of CMMA finance mechanisms:
  - Any feasible financing mechanism should therefore establish a clear link between ocean health and economic development and livelihoods mindful of gender, both short- and long-term
  - Any feasible financing mechanism will be able to ensure efficient and effective allocation of capital
  - Any feasible financing mechanism will build on the availability of sustainable financing, matching the needs of establishment and management of marine areas
  - Any feasible mechanism will match communities financing needs for upfront investment and running costs or be compatible with another mechanism able to do so
  - Therefore, feasible financing mechanisms should be able to accommodate communities' ecological objectives (whether internally set or negotiated).
  - A feasible financing mechanism will be open to locally feasible marine management and other actions and flexible enough to incorporate any lessons learned during its implementation.
  - Feasible financing mechanisms will consider land and marine ecosystems in an integrated manner and be centred around the active management of marine resources
  - Feasible finance mechanisms will empower communities, being flexible with regards to their social structures.

The 3 funding mechanisms identified:

**M1: Natural  
Capital  
Partnership**

**M2: Blended  
Finance for  
Community Based  
Organisations**

**M3: Island-  
wide/Provincial  
Mechanism**



## Three Funding Mechanisms Summary

### **M1: Natural Capital Partnership:**

- o There are successful examples of cooperation between tourist operators and communities, however communities are often rather passive participants. This mechanism attempts to improve community empowerment and participation
- o Some private sector business models have natural alignment of interest with communities. Seeking those is key to creating a synergetic partnership
- o The mechanism calls for formalising agreements between operators and communities, providing more transparency and accountability

### **M2: Blended Finance for Community Based Organisations**

- o While there are often operational synergies between CBO's activities (e.g. community business equipment being used for conservation activities) the financing streams are usually kept separate not exploring synergies between sources of financing
- o The value created by rethinking the financing structures of CBOs will be only magnified by rethinking and repositioning the CBOs business models to be better suited for serving the community long-term
- o A sustainable and profitable business model for the CBO is therefore a precondition for its long-term sustainability and ability to serve the community by managing its resource and distributing benefits to the community

### **M3: Island-wide / Provincial Mechanism**

- o The motivation to establish and manage CMMA's is intrinsic and currently requires no outside financial incentive. This calls for a mechanism that leverages that motivation by enabling and empowering community actions
- o Leveraging the enabling environment and choosing marine products that benefit from the sustainability of CMMA management could create a mutually beneficial / synergetic environment of public private partnership leveraging the capital sources of each
- o An integrated and collaborative approach could be achieved by applying the principles of the landscape/seascape approach bringing stakeholders together to reconcile social, economic and environmental objectives
- o As part of the enabling environment support special attention is given to the resource management planning process – especially to Ecosystem Based Management (EBM) and Ridge to Reef (R2R) approaches
- o The choice of marine products is to consider benefits of sustainable management under EBM or R2R to the quality of the marine environment and production and find positive correlations (e.g. such as with oysters).

## Pilot implementation and scaling

- This study suggests piloting each of the mechanisms in three locations each, focussing on sites at various stages of development, and potential sites have been identified.
- To create a system that can support the development of each of the three mechanisms at various stages of development it would be advisable to purposely select at least one pilot site at each development stage and support them with taking the next step of advancement
- Implementing the concept in a region as diverse as the Pacific requires considering local differences in culture, regulation, capacity etc. Therefore, it's advisable to identify the key elements of the concept that are prerequisite (~fixed elements) and other elements that can be observed as variable and adaptable to the local circumstances (~variable elements)
- Data driven monitoring against pre-defined key performance indicators and data-driven decision making are generally advisable. However, the costs of data collection shall be weighed against its benefits
- When it comes to running pilots and replicating in the region this study suggests providing deep technical assistance to pilot sites and transition to more cost-efficient mechanisms over time (benefiting from the accumulated knowledge and experienced local personnel)
- Engaging relevant stakeholders is key to the wider success of implementing the mechanisms. Political, financial, commercial and technical stakeholders will need to be engaged. Engaging various stakeholders requires a compelling narrative that could be provided by a regional technical agency (e.g. OPOC).



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