

BNCFF

PROJECT IMPACT REPORTS

3

The Blue Natural Capital Financing Facility (BNCFF) supports the development of sound, investable Blue Natural Capital (BNC) projects with clear ecosystem service benefits, multiple income streams and appropriate risk-return profiles.

This score card is part of the final assessment of the projects supported by BNCFF (2019-2021). Each score card provides an overview of a particular project, details its achievements, its success and challenges, before presenting the way forward.

Selva Shrimp, North Kalimantan, Indonesia



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Blue Natural Capital Financing Facility

Project in a snapshot

Title	Selva Shrimp Kalimantan Mangrove Shrimp Program (KMSP)
Country	Indonesia
Project Developer	Blueyou
Vision	Roll out of the Selva Shrimp model ¹ to the entire Southeast Asia region to conserve mangroves while growing a resilient local economy that helps feed the world.
Overall Project goals	<ul style="list-style-type: none"> • 150,000 hectares of mangrove on shrimp ponds conserved and restored • Change of existing shrimp farming practices to zero-input systems with integrated mangroves (no antibiotics, no feed, no chemicals) • Tripling of income for local farmers • A conscious seafood choice for consumers
BNCFF supported activities	<ul style="list-style-type: none"> • Out of a 100ha of existing aquaculture territory, increase mangrove coverage from less than 5% to a minimum of 60% (+ 55ha of mangroves) to make the case for a roll-out of the Selva Shrimp sustainable shrimp farming approach in the wider region. • Develop methodology to implement seafood certification scheme that incentivize local farmers to supply to sustainable conscious markets. • Applicability of carbon credit accreditation as an additional revenue stream to the Selva Shrimp model to be explored.
Main stakeholders	<ul style="list-style-type: none"> • Blueyou • Shrimp farmers and Tarakan shrimp farmer community • Shrimp processing company (Mustika Minanusa Aurora (MMA)) • Local traders and middlemen • Government and local entities
BNC focus	Sustainable aquaculture – shrimp farming with mangrove restoration
Duration	15 months (2020 - 2021)
Type of funding	Grant
Proof of concept	Model already successfully implemented and active in Vietnam
Links/synergies	<ul style="list-style-type: none"> • Contributes to UN SDGs 1 (No Poverty), 2 (Zero Hunger), 5 (Gender Equality), 8 (Decent Work and Economic Growth), 13 (Climate Action), 14 (Life Below Water) and 15 (Life on Land) • Contributes to climate adaptation and mitigation • Opportunity to adhere to the IUCN Global Standard on NbS
BNCFF Blue Print	Sustainable shrimp farming and mangrove restoration

¹ “Selva Shrimp™” is a certified approach to aquaculture that combines small-scale farming with active nature conservation, thereby creating livelihoods for local communities while reviving heavily degraded ecosystems.

1. Project summary

BNCFF supported the Swiss seafood consulting and trading company Blueyou to expand its socio-environmentally successful “Selva Shrimp” initiative from Vietnam to Kalimantan (Indonesia) under the Kalimantan Mangrove Shrimp Program (KMSP). Selva Shrimp is a certified silvofishery approach integrating no-input aquaculture (black tiger shrimps, mud crabs) with mangrove conservation and restoration. The project implements this approach in regions of the Sesayap River Delta in North Kalimantan where unsustainable shrimp farming has been taking place.

Participating farmers receive professional support that increases seafood production output and

are offered above market prices for their products in return for compliance with strict farming practices and conservation standards. Those include increasing mangrove coverage from less than 5% to a minimum of 60% within the farming area and ensuring, through regular monitoring, a zero-input policy for the aquaculture activities (no supplemental feed, fertilizer, antibiotics or any sort of chemicals). The seafood trader in turn, receives a premium especially on the European market, making this certified approach (Aquaculture Stewardship Council (ASC), EU organic, Ocean Wise approved) a viable business undertaking.

2. Purpose of the engagement with BNCFF

Focusing on 100ha of existing aquaculture territory, the support from BNCFF helped to make the case for a roll-out of the Selva Shrimp model in the wider region that comprises 150,000ha of shrimp farming/mangrove area. Such expansion will require funding through a mixture of public and private sector

sources. The proven business model absorbs the ongoing conservation costs, which makes protection of that critical ecosystem a financially viable and inclusive business undertaking benefitting local communities.



3. Main outputs and results with BNCFF support



BIODIVERSITY AND NATURE BENEFITS

- Basic baseline (pH, Dissolved Oxygen, water salinity) established for selected pond areas.
- Planting of mangroves on the farmers' ponds initiated in July 2021.



SOCIAL AND LIVELIHOOD

- Regional Shrimp Production analysis (assessment of shrimp farming methods in North Kalimantan) and Regional Shrimp Productivity Assessment completed.
- Methodology to serve as the basis for future site-specific improvement plan developed.
- Three local farmers who own and operate two farms with multiple ponds covering an area of roughly 20 ha have signed up to the project.
- A certification strategy is being developed directly with the ASC to reward small-scale farmers for positive farming practices.



LEGAL AND FINANCIAL

- A local investible entity has been formed to manage implementation and to coordinate capacity building for farmers.
- The entity also serves as the basis for a cooperative farmer structure.



GOVERNANCE AND TRANSPARENCY

- Initial consultation with local and international NGOs and agencies to establish synergies in related projects.



4. Success and challenges

Signing of formal agreements with pond owners has proved more difficult than expected due to resistance in adapting current farming methods without first seeing the proof of concept on a local shrimp farm. The enrollment of three local experienced and influential farmers to the KMSP should foster further local engagement and help gain traction with other farmers. To this end, an informative leaflet intended for local farmers was developed and is being distributed widely.

The COVID-19 pandemic also brought its share of challenges to the project, notably with travel restrictions limiting interactions on the ground. The project implementation was severely hampered through the initial stages and to this day due to these restrictions.

In spite of the above challenges, the project laid the foundation and gained momentum for scaling up the KMSP approach in the Southeast Asia region.

5. Looking beyond BNCFF



BIODIVERSITY AND NATURE BENEFITS & SOCIAL AND LIVELIHOOD

The KMSP is hoping to continue increasing the number of participating farmers to reach the project's coverage to 100ha of existing aquaculture territory as per the initial objectives.



SOCIAL AND LIVELIHOOD

The ASC certification will also be pursued using the strategy currently being developed jointly with the Aquaculture Stewardship Council and local processor.



LEGAL AND FINANCIAL

Finally, the project team is working on adding carbon credits as a potential second, long-term revenue stream. Given COVID-19, the in-depth feasibility analysis and potential carbon sequestration upscale analysis have been delayed.



Disclaimer: The BNCFF provides assistance to projects on their path to becoming sound, investable Blue Natural Capital (BNC) businesses with clear ecosystem service benefits, multiple income streams and appropriate risk-return profiles. Beyond the support provided, IUCN and the BNCFF donor(s) bear no responsibility for the development of these projects, their ultimate bankability or sustainability, their investors, donors, and funding arrangements, unless otherwise noted.

Photo courtesy by the Project Developer.

Since its launch in 2018, the BNCFF has become a global brand name in Ocean Impact Finance. After screening over a hundred proposals, it has supported a suite of blue Nature-based Solutions (NbS) pioneer projects with grant funding.

<https://bluenaturalcapital.org/supported-projects/>

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