

BNCFF

PROJECT IMPACT REPORTS

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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.

HIMA REDD+ Program, Zanzibar



BNCFF

Blue Natural Capital Financing Facility

Project in a snapshot

Title	HIMA REDD+ Program
Country	United Republic of Tanzania (Zanzibar)
Project Developer	Terra Global
Vision	Connecting financial capital to social and environmental capital through nature-based climate solutions
Overall Project goals	<ul style="list-style-type: none"> • Conserve and enhance 68 Community Forest Management Areas (COFMAs) on the islands of Unguja and Pemba off the coast of Tanzania in East Africa, covering 97,483 hectares of mangrove forests, high forests and coral rag forests. • Seek to create financial viability for the project which would require a grant (or concession loan) funding of USD \$1.6 million and carbon sale prices at USD \$15/ton growing at a rate of 2%. • Provide a gender-sensitive approach to ecosystem management thought sustainable development including promoting climate resilience. • Lead to a projected 2,820,996 tCO₂e emissions reductions and removals over 30 years with an average annual of 94,000 tCO₂e
BNCFF supported activities	Conduct activities to plan the revitalisation of the programme after initial funding ended and build the Investment Readiness Requirements to secure an upfront climate finance investor.
Main stakeholders	<ul style="list-style-type: none"> • Terra Global, a woman-owned, woman-run for profit social enterprise. • The Community Association Jumuiya ya Uhifadhi Mimitu ya Jamii Zanzibar (JUMIJAZA), representing COFMAs across both islands. • Ministry of Agriculture, Irrigation, Natural Resources and Livestock, notably the Department of Forestry Development (DFD – formally DFRNR).
BNC focus	Blue carbon - mangrove restoration
Duration	12 months (2020 - 2021)
Type of funding	Grant
Proof of concept	Terra Global has, since its founding in 2006, grown to become a leader in sustainable landscape programme development, land-use greenhouse gases quantification and finance. They provide technical expertise and investment to their global client base in a collaborative and innovative manner, and have already successfully managed several projects.
Links/synergies	<ul style="list-style-type: none"> • Contribute to UN SDGs 13 (Climate Action), 14 (Life Below Water), 15 (Life on Land), and 17 (Partnerships for the Goals) • Contribute to climate adaptation and mitigation • Conserve Biodiversity, coastal ecosystems, and the communities they support. • Create and opportunity to adhere to the IUCN Global Standard on Nature-based Solutions

1. Project summary

Terra Global runs the HIMA REDD+ Program, alongside the Government's Department of Forestry, the Community Association Jumuiya ya Uhifadhi Misitu ya Jamii Zanzibar and Community Forestry Groups. This programme aims to conserve and enhance 68 COFMAs on the islands of Unguja and Pemba off the coast of Tanzania in East Africa.

These COFMAs cover 97,483 hectares and include mangrove forests, high forests and coral rag forests, conserving life on land and reducing runoff-enhancing life below water. Through accessing climate finance, the programme will reach environmental, social and financial sustainability.

The main objectives of the project are three-fold:

1. Mitigate climate change by reducing carbon dioxide emissions from land use activities that result in deforestation and mangrove degradation;
2. Improve community livelihoods, especially for women, by strengthening community land use rights and through alternative livelihood activities and carbon finance; and
3. Contribute to biodiversity conservation by protecting standing mangrove and assisting in natural regeneration of forests as a means of improving wildlife habitat and estuaries in the project area.

2. Purpose of the engagement with BNCFF

The programme was initially funded by Norway but when the grant ended (2014) there were no funds for implementation or for verification under the Verified Carbon Standard (VCS) / Climate, Community & Biodiversity Standards (CCB). BNCFF thus supported Terra Global in conducting activities to plan the revitalization of the programme and build the Investment Readiness Requirements to secure upfront climate finance investors.

These activities include:

1. Rebuilding the JUMIJAZA by re-electing leaders, establishing functions and processes that will be undertaken upon start of programme implementation.
2. Re-engaging the COFMA communities.
3. Working with DFD, JUMIJAZA and COFMA community leaders to collaboratively refine and update the programme Implementation Plan.
4. Collaborating with DFD, JUMIJAZA and COFMA community leaders to develop a long-term revised budget based on the new Implementation Plan
5. Updating programme long-term cash flows and funding needs assessment
6. Reviewing and revising (as needed) the benefits allocation plan with communities and updating
7. Determining which of the institutional arrangements and agreements need to be updated for commercial viability
8. Reassessing carbon potential for the project by evaluating current forest and mangrove forest areas
9. Developing marketing materials to secure an investor through climate finance (one carbon buyer is already committed)
10. Presenting the HIMA Program to Terra Global's network of corporates who are committed to financing Nature-based Solutions to climate change.

3. Main outputs and results achieved with BNCFF support



BIODIVERSITY AND NATURE BENEFITS

- The addition of 23 new CoFMAs significantly increase the mangrove area of the project area and its potential to reduce environmental and economic losses of climate change.
- The development of both the long-term implementation workplan and the detailed long-term budget have helped define activities in the project areas to reduce deforestation and degradation, as well as help the HIMA REDD+ Blue Carbon Program increase access to alternative livelihood options, while implementing planting schemes to enrich the local mangrove forest cover.
- Land-use Change Analysis to assess deforestation hot-spots and risk have been updated determining Ex-ante Carbon Projections.



SOCIAL AND LIVELIHOOD

- The process of community-based participatory mapping occurred from May to June 2021 and demarcated the new 23 CoFMAs. This process was directly facilitated by local partners at JUMIJAZA and DFD, which empowered community members and CoFMA leaders.
- Terra Global's Local Program Coordinator, JUMIJAZA elected officials, DFD staff members, and the CoFMA leaders provided the necessary local input to the HIMA long-term workplan to build the budget and Benefit Allocation Plan.



LEGAL AND FINANCIAL

- Terra Global's Local Program Coordinator assisted the community leaders in building the detailed long-term budget which was developed based on their inputs from the long-term implementation workplan.
- Communities saw the benefits of conservation through this programme and worked hard to get 23 new CoFMAs included. Through this process new COFMAs were registered with DFD to conserve these forest areas and have secured land-tenure.
- After getting updated local data from communities in the project area, Terra Global completed the investment model in the final portion of this grant.



GOVERNANCE AND TRANSPARENCY

- The Community Association JUMIJAZA increased their operational capacity and fiscal management. Terra Global trained JUMIJAZA on documented fiscal procedures for use of grant funds, and all future funds.
- A new process for COFMA engagement has been defined and documented, as well as a Standard Operating Procedure (SOP) for participatory mapping of COFMAs was created, so all community members know how the area was demarcated.
- The long-term implementation workplan was drafted in a transparent and equitable manner, where COMFA leaders participated in meetings across both islands.
- With feedback from partners, Terra Global created a gap analysis in terms of institutional agreements, programme agreements and legal documents which was presented to partners.

4. Success and challenges

Without the project, the baseline conditions of Zanzibar's forests would have continued i.e. they would be subject to widespread exploitation. The communities in this project are largely rural, poor and dependent on forests for their livelihoods. For the last few years there has been minimal engagement between CoFMA members and their representative Community Association JUMIJAZA, due to lack of funding and little direct benefits to communities. CoFMAs are expected to pay membership fees to JUMIJAZA to facilitate operations, but many COFMAs have not been consistent with this support, causing a decline in the institutional capacity of JUMIJAZA.

The BNFCC grant funding has been valuable in revitalising this programme and has generated interest from multiple stakeholders to recommit to the programme and develop even more reach to communities, notably through the CoFMA

Engagement Meetings. This revitalising led to the interest of 23 new communities joining the programme to form new COFMAs.

Throughout the timeline of the grant funding from BNCFF, Terra Global has applied to various forms of follow up funding for the HIMA REDD+ Blue Carbon Program and will continue to search for private investors for this unique programme.

Based on the current carbon estimates that were completed for this grant (only including REDD+ for deforestation and are limited by the remote sensing data that was freely available), the project does not appear to be able to fully fund itself with carbon revenue under current market conditions. Creating financial viability for the project to cover the costs of implementation of activities and quantification of the GHG and co-benefits will require a grant (or concession loan) funding.



5. Looking beyond BNCFF



BIODIVERSITY AND NATURE BENEFITS

- JUMIJAZA will encourage sustainable natural resource use and engagement with CoFMAs to protect mangrove forest to avoid further degradation. This strengthening of communication and governance was possible through this grant, but the project proponents know that JUMIJAZA may again lose participation due to lack of funding.
- The newly established CoFMAs will follow their agreed upon bylaws to support forest conservation activities.
- Terra Global will continue to communicate with and support JUMIJAZA until a new investor is found or further grant funding is obtained to support the programme.



SOCIAL AND LIVELIHOOD

- Terra Global will maintain constant communication with its local programme coordinator, JUMIJAZA and any DFD staff to capitalise on work achieved.
- In addition to mangrove conservation activities, CoFMA leaders say they will continue to promote:
 - Specific livelihood projects including:
 - Beekeeping and cookstoves to directly reduce timber harvesting
 - Livestock support, including developing fish production practices to support food security rather than hunting
 - Conservation agriculture to combat expansion from low yield soils
 - Tree planting and woodlot development would directly combat degradation, while congruently encouraging the use of LP gas
 - Crab fattening, sea cucumber farming, and forest and fruit trees planting programmes.
 - The use and building improved cookstove technology to reduce deforestation and degradation.
 - Establishing woodlots for wood fuel production in CoFMA sites based on CoFMA leaders' estimates.
 - Environmental tourism projects.



LEGAL AND FINANCIAL

- Terra Global will continue to seek funding (grant or concession loan) to create the financial viability for the project to cover the costs of implementation of activities and quantification of the GHG and co-benefits.



GOVERNANCE AND TRANSPARENCY

- If there is future funding, all partners will support implementation of the designed project activities, monitoring of the workplan, budget, benefits sharing.
- Terra Global will continue to engage investors and keep partners JUMIJAZA and DFD informed of funding prospects in an open and transparent way.



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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