



GLOBAL FUND FOR  
**CORAL REEFS**

# **ANNUAL NARRATIVE REPORT: MIAMBA YETU PROGRAMME**

January – December 2022

**Report submitted by:**

Wildlife Conservation Society

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## Programme Overview

Programme Title & Project Number	Programme Duration
<b>Programme Title:</b> Miamba Yetu: Sustainable Reef Investments <b>Programme Number:</b> 00129654	<b>Start Date:</b> January 2022 <b>End Date:</b> December 2023
Programme Location	Co-recipient Organisation/s and Implementing Partners
<b>Country/ies:</b> Kenya and Tanzania  <b>Priority Coral Reef Site/s:</b>	<b>Co-recipient Organisation/s:</b> WCS, UNCDF  <b>Implementing Partner/s:</b> Okavango Capital Partners, Conservation Capital ( <i>Partner</i> )
Total Approved Budget	
<b>Total GFCR Budget:</b> USD 3,135,394 <b>WCS:</b> USD 1,320,000 <b>UNCDF:</b> USD 1,815,394	

**Total Approved co-financing from other sources:** USD 300,000

**GFCR Preparatory Grant awarded from proposal development:** Yes.

Programme-Level Indicators	Targets	2022 Progress
<b>Reef Fish Biomass</b>	550 kg/ha to >1000 kg/ha depending on starting point <sup>1</sup>	0
<b>Live Coral Cover</b>	>20%-40% depending on starting point <sup>1</sup>	0
<b>Proportion and Area (Ha) of reefs in associated ecosystems with effective management</b>	50 ha of protected reefs <sup>Error! Bookmark not defined.</sup> (based on improve patrolling & reduced number of violations per patrol)	0
<b>Investment capital leveraged</b>	1:3	1:0.1
<b>Grant co-financing leveraged</b>	1:1	-
<b>Beneficiaries</b>	1100 <sup>2</sup>	0 <sup>2</sup>

<sup>1</sup> These are baselines for the first project (Pemba) and will be updated (tracked and reported) with changes from M&E activities. The project area's inclusion in part of the TBCA is expected as it is within the climate refuge area. The ecosystem status and environmental conditions vary considerably in the TBCA and along the coastlines of Kenya and Tanzania. We will strive to improve coral cover and fish biomass, and levels feasible will depend on starting conditions (hence the range provided). In the case of fish biomass, 550 kg/ha is the threshold for sustainable fished biomass and >1000 kg/ha is what is expected in well enforced long-term fisheries closures. In terms of coral cover, we used 20% as the minimum desirable level for Kenya where cover tends to be lower, but in some cases, there are reefs at higher levels especially in Tanzania, and we seek to maintain or improve from existing status when above the minimum.

<sup>2</sup> Manta Resort and Kwanini Foundation. The funds were disbursed to the Kwanini Foundation in 2022 with the co-financing debt to Manta Resort pending deployment.

<b>Coral-positive Enterprises</b>	10 new SMEs	0
<b>Livelihoods Impacted</b>	5% of total households in the area <sup>3</sup>	0

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<sup>3</sup> The KPIs for the Kwanini project, are currently under revision to match the updated M&E Guidelines from GFCR



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## Executive Summary

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The Wildlife Conservation Society (WCS) has been working to conserve coastal and marine resources in Kenya and Tanzania for 30 years in partnership with governments and communities. As part of our efforts to conserve and protect coral reefs, WCS is implementing the Miamba Yetu: Sustainable Reef Investments programme which is funded by the Global Fund for Coral Reefs (GFCR).

The GFCR selected WCS as the 'Convening Agent' to spearhead the implementation of the Miamba Yetu: Sustainable Reef Investments Programme to support sustainable businesses and ventures that have a positive impact on coral reefs and the communities that rely on them. The programme covers Kenya and Tanzania including the Zanzibar archipelago, focusing on the proposed Transboundary Conservation Area (TBCA) between southern Kenya and northern Tanzania. The TBCA was identified by WCS as a coral climate refuge and is an area that the two governments are seeking to co-manage.

Eligible projects for funding support will include private sector organizations, individuals, and community associations that have positive impact on coral reefs and enhance resilience to climate change. Projects that also benefit marine livelihoods will be prioritized. Examples include ecotourism, community enterprises and fisheries, waste management, mangrove restoration, blue carbon and coastal development. The programme is focused on the TBCA but is also scoping necessary interventions along the coastlines of both Kenya and Tanzania. The programme has identified the Pemba deal, an ecotourism and co-managed area project which is expected to be included in the TBCA because it is part of the climate refuge area comprising southern Kenya, northern Tanzania and the Pemba channel. It is important to note that the broader interest area is the coastline given the interconnected nature of coral reefs. The programme has explored other interventions in the pipeline that could be brought into the TBCA such as the Sanivation, Mr Green Africa, a plastics recycling company and the Kuruwitu co-managed area concessions model.

In the proposal development stage, GFCR tasked the Miamba Yetu programme with conducting an evaluation of threats extent and impact within the TBCA and broader Kenya and Tanzania coastlines. WCS completed this for the TBCA and the results are summarised below and presented in Appendix B As part of the process to identify threats in the region. This work will be expanded in the next 6-months to include the broader coastlines of Kenya and Tanzania. The threats we considered were based on GFCR coral threats categories.

Based on the areal quantification of threats to reefs (Appendix X), the threats affecting most reef areas in the Kenya TBCA are overfishing (artisanal fishing), use of harmful fishing gears, poor wastewater treatment, harmful runoff and poor water quality, and coastal development. All coral reefs in the Kenya TBCA area (~9,000 ha) are affected by at least three threats. The same analysis in the Tanzania TBCA area and Zanzibar showed that the threats affecting the largest portion of coral reefs in the area are harmful runoff and poor water quality, overfishing and poor wastewater treatment. While the spatial extent of the threats can be estimated, it was challenging to quantify the level of damage caused by each of these threats due to lack of data or publications. Based on our expert knowledge, overfishing and use of harmful fishing gear are causing the most damage to reefs. The national marine parks in Kenya are highly enforced and serve to mitigate these threats but only over very small geographic areas. Based on our work in Kenya, virtually all fished reefs (including those in the TBCA) are well below sustainable fish biomass (<550 kg/ha). Kenyan reef cover ranges from 10-30% and this is the case in the



TBCA; most high coral cover areas are within national marine parks, but there are some fished reefs that have higher coral cover and some marine park sites with lower coral cover. In Tanzania including the TBCA, coral cover is generally high with multiple reefs in MPAs and community reefs with >40% of live hard coral. Low levels of coral cover are also present (below 10%) with also clear signs of use of destructive gear and bleaching. The level of fish biomass also varies significantly across reefs with some community reefs that present high values of fish biomass (above 700 kg/ha) but also reefs in MPAs that present very low levels of biomass (< 100 kg/ha). Overall, reefs are overly exploited in the areas of interest and the median fish biomass of the surveyed reefs is 280 kg/ha. With support from GFCR, we are filling gaps in data across the program range to identify key areas to focus on for each threat.

Further, WCS is undertaking this work in partnership with conservation finance experts - Okavango Capital Partners and Conservation Capital, as well as other stakeholders engaged in coral reef conservation and improved fisheries. Miamba Yetu will bring a significant investment of new resources into both coastal Kenya and Tanzania, helping the countries to realize their climate and SDG commitments. The programme also aims to empower entrepreneurs, coastal communities and fishers alike by incubating and scaling new and promising enterprises respectively. Towards this, GFCR approved a USD 323,211 grant to Okavango Capital Partners to establish a dedicated Special Purpose Vehicle (SPV) in the region as a co-investment vehicle to attract the private sector to co-invest in programme interventions. The funds will also be used to design a venture support mechanism for smaller scale enterprises that have reef-positive potential. These structures are expected to be operational within the first half of 2023.

Our ambition is to leverage US\$6 Million of GFCR's grant support for businesses to further mobilize co-investments of over US\$20 Million over the next 8 to 10 years. Towards this, several strides have been made in 2022. One of the first projects approved was a USD 350,000 grant to Blue Finance to support nature-based tourism initiatives, an underwater room tourism facility and MPA scientific and surveillance equipment for an ecotourism resort and Marine co-managed area on Pemba Island. This is the first investment in the TBCA, given that Pemba is expected to be included in the TBCA because it forms part of the climate refugia - the area that includes both southern Kenya, northern Tanzania and the Pemba Channel. The grant is blended with a USD300,000 senior debt. Implementation of the project is expected to start in 2023 once final approvals are secured. The programme has explored other funding opportunities and is creating a pipeline of projects focused on the TBCA. These include an investment in wastewater treatment and clean energy solutions (Sanivation), plastics recycling involving removal of plastics from coastal areas (Mr Green Africa), and a community-managed concessions program that would address issues related to overfishing and unsustainable fisheries (the Kuruwitu co-managed area concessions model)

With the onboarding of the Programme Director and Kenya Marine scientist, the programme has fast-tracked the development of a pipeline of bankable projects which will be considered for financing. This will be done through a Special Purpose Vehicle (SPV) which has been approved by the GFCR for establishment and will be a pioneer model for delivering sustainable finance and incubating smaller-scale investments that economically benefit local people while directly contributing to conservation outcomes for reef systems. Funding from GFCR will finance the establishment of that SPV and financing facility.

## I. Programme Objectives

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### **Outcome 1: Transform livelihoods of coral dependent communities**

*Community Marine Management and Sustainability:* We focus on GFCR investments that directly involve communities and that have the potential to be collectively scaled, thereby affecting change across the landscape. The direct involvement of communities will produce rapid and direct benefits to coral reefs specifically targeting mitigation from overfishing and habitat loss. Potential investments include improving community-level fisheries management, support for community-based fisheries closures (including joint eco-tourism with the private sector), blue carbon at community scales, aquaculture, fisheries value additions, and community recycling projects. In projects supported with communities, we will seek to reduce fishing pressure, create alternative livelihoods and food sources, and enhance community resilience.

### **Outcome 2: Protected priority coral reef sites and climate change refugia**

*MPA Sustainable Finance:* MPAs have the potential to provide ecological, social and economic benefits. However, financing is one of the leading limitations for managing MPAs. Most government MPAs and small-scale community closures lack the basic resources (human, infrastructure, and finances) for management due to inadequate revenue. Having sustainable revenue sources will enable MPAs to increase enforcement and community engagement in behaviour change processes, and thus lead to fully protected MPAs that provide the expected benefits to corals (coral reef recovery). Potential options being explored include a virtual reality visitor centre in an urban MPA (Kenya's Mombasa Marine Park and Reserve), plastic recycling, ecotourism (e.g., Kwanini Foundation), and blue carbon.

*Reef Threat Reduction:* Beyond the work within MPAs and communities, there are some measures that can be developed and implemented to reduce ecosystem-wide risks and threats to coral reef systems. The major threat in the TBCA to coral reefs is overfishing and use of destructive gears by artisanal fishers. This has been a historically challenging issue to tackle in the Kenya and Tanzania coastlines, however, we have identified at least some projects that can address this by supporting communities in eco-tourism that enables community fisheries closures. Other reef risk reduction measures include watershed-wide protection through water fund investments, reforestation in degraded areas, wide-scale plastic recycling and mitigation of emerging coastal development projects. For example, The Nature Conservancy (TNC) has established a mechanism (in place in Nairobi, Kenya) that enables companies to benefit from clean water by investing in watershed restoration and protection. The Nature Conservancy (TNC) is in the early stages of designing a Water Fund for Tanga that will contribute to improved upstream management of the watershed and contribute to reductions in sedimentation. The programme has received a concept from an agribusiness that offtakes spices from farmers sustainably and is working within the Tanga watershed. The firm came as a referral from TNC and will undergo review in early 2023. If a sedimentation link is found to the coral reefs off the shores of Tanga, the project may be recommended for financing benefitting reefs and the broader Tanga community.

There may be opportunities to partner in implementing sustainable fuel alternatives (e.g., Sanivation Project) and fuel-efficient stoves in concert with targeted reforestation (e.g., project kiboko – Komaza)) that will reduce erosion and thus sedimentation to reefs. The coastlines lack major infrastructure to process sewage and other waste products and this could also become an area for investment that would reduce pollutants from reaching reefs (e.g., Sanivation Project). Plastic recycling is a need throughout the TBCA (and indeed the Kenya and Tanzania coasts), and can both reduce waste, generate revenue



streams, and result in new products (e.g., TECA project). Finally, there are some major developments in progress in the TBCA including: a new port (of unknown scale) in Shimoni, Kenya; a new oil pipeline that has its outflow in Tanga, Tanzania; and a new large-scale port being developed in Tanga, Tanzania. All of these have needs for mitigation strategies and investments to ensure harm to reefs is minimized and that money is made available to contribute to reef conservation as part of company net gain commitments. Given these developments and both the threats and opportunities they provide, we will explore the potential for partnership and investments in the TBCA region.



## II. Programme Implementation & Results

### A. Programme Results Overview

In 2022, the programme successfully received approval and facilitated funding of one project in Pemba Island. We also built a solid pipeline of other bankable projects and have since supported the development of proposals which are ready for review before submission to GFCR and pending the programme governance and management structures being put in place (expected mid-2023). These are captured in more detail in section IV. Resource Mobilisation. Below is a summary table of the high-priority deals that were developed in 2022 and either approved or being considered for financing:

	<b>Applicant/Beneficiary</b>	<b>Grant (USD)</b>	<b>Capital (USD)</b>	<b>Status</b>
1	Blue Finance (Ecotourism in Pemba w/MPA finance)	350,000	300,000	Approved and funds deployed in Dec 2022
2	Sanivation (Project: mitigate solid waste and wastewater pollution)	21,000	540,000	Proposal received, pending review
3	Project blue (Ecotourism in Tanzania w/MPA finance stream)	430,000	1,000,000	Proposal received, pending review
4	Mr Green Africa(plastic recycling enterprise)	25,000	500,000	Proposal development stage
5	Trianon spices (Agribusiness - spice farming)	260,000	270,000	Concept received, pending review
6	Project kiboko (Forestry company)	250,000	1,000,000	Proposal development stage
	<b>TOTAL</b>	<b>1,336,000</b>	<b>3,610,000</b>	

The Programme Director and Kenya Marine scientist were onboarded which led to the refinement of the pipeline of bankable projects which will be considered for financing. Additionally, the baseline assessment is ongoing and threats assessment of the TBCA was conducted as part of the deliverables for the first tranche of funding and to pave way for implementation of projects through investments. Initial ecological baselines surveys were conducted and completed for the Kwanini project to set target values whilst the social assessments are ongoing and expected to be completed around June 2023.

Another achievement is the funding for the establishment of a Special Purpose Vehicle (SPV) which has been approved by the GFCR. This will be a novel approach for delivering sustainable conservation finance and incubating smaller- scale investments that economically benefit local people while directly contributing to conservation outcomes for reef systems. No dedicated SPV for coral reef conservation exists in the region and its establishment is expected to significantly attract and catalyse co-investments and blended finance transactions and scaling impact. Funding from GFCR has been disbursed to the implementing partner – Okavango Capital Partners - and will finance the establishment of that SPV and financing facility, expected to be completed in the first half of 2023.

WCS has conducted a baseline ecological survey within the Kwanini MPA in 2020 and will support Blue Finance in conducting a baseline social survey, fisheries patterns mapping, catch data survey and litter deposition survey once the project is launched. To fill gaps in our data on coral reefs status and threats, and ensure long-term data collection on reefs, we are establishing survey sites for fish biomass, coral cover, and sea urchin abundance. These have been completed with GFCR support for 4 priority sites in Kenya and 2 in Tanzania (both for the Kwanini project) and gap filling will continue in 2023 as a baseline and way to assess emerging risks and improvements to reefs (2 additional monitoring sites in Kenya and 4 in Tanzania). The sites extend to the coastlines of the two programme countries due to the interconnected nature of coral reefs. In 2023, we will be establishing 6 new sites to assess fish catch (by trained community members) in each nation to ensure comprehensive coastwide data on this key threat. To fill gaps in our understanding of overlapping and destructive gear use along the coastlines, we will be conducting fisheries patterns mapping at 5 new sites in Kenya (to add to data from 5 existing sites) and 8 in northern Tanzania (adding to data on 2 existing sites). In addition, as long-term datasets on coastal trash accumulation near reefs are limited in the region, in 2023, we will be establishing 10 new sites to assess waste accumulation levels at marine pollution hotspots using trained community members. For any new projects approved under GRCA, we will also conduct relevant baseline and follow-up ecological and social surveys (e.g., 2 sites likely in Kenya).

For the Sanivation Project (Malindi, Kenya) which is under financial evaluation, the WCS team established a water quality and reef assessment plan to evaluate coral reef exposure to sewage at likely input points. WCS worked with Sanivation to map out areas of high sewage concentrations and identify outflow points and locations to survey. Sampling will be done by Sanivation once the project launches (expected in the second half of 2023) for indicators of human fecal matter (using a WCS protocol) and WCS will conduct in-water surveys for bioindicators on reefs of pollution stress. Once approved and the project is implemented, sampling will occur during the rainy season when there are high flow rates from the coast to the ocean. Rainy seasons usually occur in late April to June and October to November; therefore, sampling will be completed during the latter season.

## **B. Monitoring and Evaluation**

Three types of monitoring and evaluation have been ongoing during this period:

- 1) A threats assessment based on existing data for the TBCA area (see [Annex 2](#))
- 2) Assessment of existing data on reef condition and stressors across Kenya and Tanzania and development of a gap filling plan (with implementation under way)
- 3) Baseline ecological assessment of the Blue Finance project Kwanini

### Threats Assessment Results

Based on a real quantification of threats to reefs (Appendix X), the threats affecting the most reef areas in Kenya and Tanzania are overfishing (artisanal fishing), poor wastewater treatment, harmful runoff and poor water quality, and coastal development. All coral reefs in the Kenya TBCA area (~9,000 ha) and Tanzania TBCA and Zanzibar (~64,500 ha) are affected by at least three threats. It is challenging to quantify the level of damage caused by each of these threats. Based on our expert knowledge, amongst the threats, overfishing and use of harmful fishing gear are causing the most damage to reefs. The national marine parks in Kenya are highly enforced and serve to mitigate these threats but over very small geographic areas. The programme intends to address this issue by mitigating additional threats in addition to the primary threats in the assessment. For the link between these threats and the portfolio



of potential deals, please refer to the beginning of section G: case studies. The threats analysis shows that reefs in both Kenya and Tanzania are exposed to multiple pressures that likely have cumulative impacts on reef systems.

#### Coral reef status evaluation and monitoring

WCS evaluated the last 5 years of existing data for coral reefs in Kenya (coastwide) for the following data types: coral and benthic cover, fish biomass, sea urchin biomass, fishing patterns maps, fish catch, and plastic trash on beaches. These data are critical to both understand the current status of reefs in Kenya and Tanzania and track key immediate threats, and to enable tracking of change in the system as GFCR projects are implemented. In Kenya, in the past 5 years of ecological surveys (coral and benthic cover, fish and sea urchin biomass), we identified 43 sites with data; for fish catch, we identified 24 sites with data; and for fisheries patterns mapping, 5 sites with data (all in southern Kwale County). All past monitoring sites were located in southern Kenya with limited or no data in the reef dominated areas of northern Kilifi County or Lamu County (~50% of the reef-dominated Kenya coastline; Figure 1), and as data collection is contingent on grant funding, no plans for continued monitoring of these sites. For plastic trash, we evaluated existing data sets from online sources and found that one-time trash collection has been done in the city of Mombasa (Mkomani, Kenyatta and Pirates beaches), Kwale County (Trade winds) and Kilifi County (Baobab), but that there is no reliable ongoing data collection of trash accumulation near reefs. In Tanzania, monitoring sites span across the coastline but with better coverage in the Zanzibar and northern Tanzania area. In the past 3 years, WCS has surveyed 74 sites for fish biomass and benthic substrate in these areas (36 sites in the Tanga region and 38 across Zanzibar). For fishery patterns mapping, we surveyed 2 sites, one in northern mainland and one in Pemba and for catch data, we are currently surveying 10 landing sites across Zanzibar (7) and mainland (3).

Based on the distribution of existing recent data and need to ensure long-term consistent monitoring of reefs across the coastline as we evaluate and implement projects, we conducted extensive stakeholder engagement and developed a plan to fill gaps and ensure continuity by establishing monitoring sites at 6 reef locations for ecological surveys and fish catch in Kenya (2 sites each in Lamu, Kilifi, and Mombasa Counties and 1 site in northern Kwale County) and 7 sites in Tanzania (4 sites in Pemba, 2 in Unguja and 1 in Pangani). This will ensure that we have a baseline and ongoing understanding of coral reef status and fishing pressure nationwide.

In Tanzania, a similar process took place, where consultations were organized with Government officials of mainland and Zanzibar Marine Conservation Areas, to align our monitoring effort to management priorities. The Government of Zanzibar, in particular, has started and is now advancing on the process of leasing to investors several of the small islands in Zanzibar. Also, the newly developed management plans for the Marine Conservation Areas in Zanzibar, include provisions to establish no-take-zones across several of the existing MCAs. In this context, WCS engaged with the authorities to prioritize our monitoring effort on the sites that will be leased for investments or declared as no-take-zones.

In Kenya, we have completed the ecological surveys at 4 of the priority sites (as of February 2023) with completion of the baselines expected by the end of 2023. In Tanzania we completed coral reef surveys at 4 sites and are expected to complete the ecological surveys by mid-2023. These will integrate the surveys already conducted in the area to cover more than 12 sites.

In addition, to help understand which reefs are at risk from harmful fishing gear or multiple gear types, we will conduct fishing patterns mapping at selected sites. In Kenya we will be conducting fishery patterns mapping in 5 sites to augment the 5 existing sites and give a comprehensive understanding of fishing threats in the nation (new sites will be: 1 site in Kwale county, 1 in Mombasa County, 2 in Kilifi County and 1 in Lamu County). In Tanzania, we will conduct fishery patterns mapping for 4 marine conservation areas (CHABAMCA, TUMCA, MBCA and parts of PECCA) to complement the surveys already conducted in the Boma-Mahandakini CFMA in the Tanga region and around Misali Island in PECCA. All fisheries patterns mapping will be done in 2023. In 2023, we will be establishing 10 sites to assess waste accumulation levels at marine pollution hotspots using trained community members. For any new projects approved under GRCR, we will also conduct relevant baseline and follow-up ecological and social surveys.

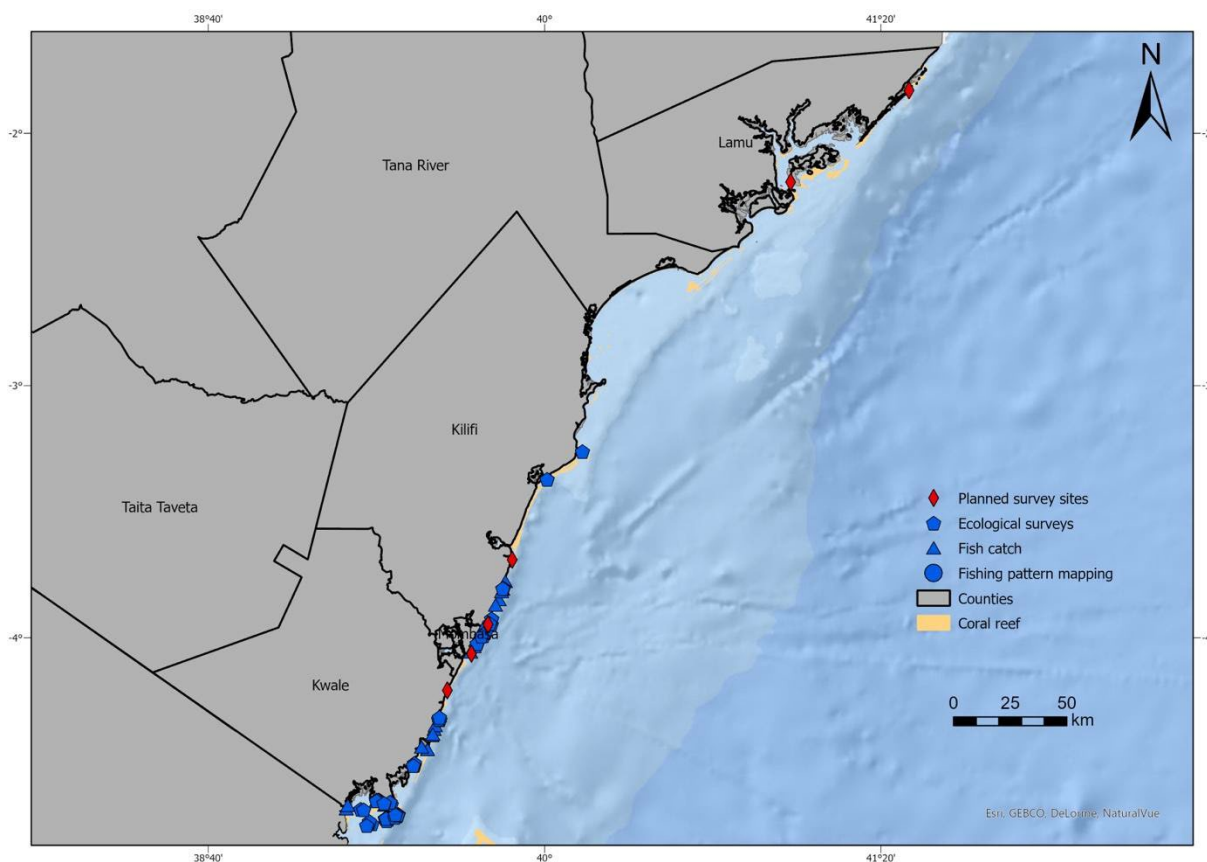


Figure 1: Map of Kenyan coastline showing sites with recent data on different variables and sites planned for long-term monitoring of threats and improvements. Planned surveys will include ecological, fish catch and fishery pattern mapping for all sites.

#### Baseline Assessment Kwanini Project

For the existing approved project (Kwanini Foundation) baseline ecological surveys for fish biomass and sea urchin biomass were conducted in 4 sites (2 within the MPA and 2 outside it as a control), while

benthic substrate was conducted in 3 sites (2 inside and one control site outside). This was conducted in 2022 in collaboration with PECCA (Pemba Community Conservation Area) staff in Tanzania. At each site, we conducted 6 replicates per site for benthic cover, 2 for fish biomass, and 9 for sea urchins' biomass. The initial data shows that average hard coral cover within the MPA sites was 20%, fish biomass was at 639 kg/ha averaged over the two sites, and sea urchin biomass was 6,879 kg/ha within the MPA ("Scorpions Secrets" and "House Reef" site). Initial data shows that average hard coral cover outside the MPA ("Pemba Paradise" site) was 30% while fish biomass and sea urchin biomass were 322 kg/ha and 5,819 kg/ha respectively. We will complete baseline monitoring of this project with the fishery patterns mapping, the catch data and trash surveys by mid 2023, once the project starts. Compared to the targets we have (see program level indicators), we expect that through the project, these values within the MPA will be maintained or improved.

### C. Protected Areas Management Effectiveness

Within the TBCA, major MPAs are the Tanga Marine Reserves System (51.8 km<sup>2</sup>) and the Tanga Coelacanth Marine Park in Tanzania (552 km<sup>2</sup>; managed by the same team under the Tanzania Marine Parks and Reserves Unit) and the Kisite-Mpunguti Marine Park and Reserve (39 km<sup>2</sup>) in Kenya (under Kenya Wildlife Service, KWS). There is an additional marine reserve in the Kenyan TBCA, the Diani-Chale Marine Reserve, but this has been a paper park for decades due to stakeholder opposition, though the KWS is indicating it will seek to start managing this area as a gear restricted zone in the next few years. In the past 2 years, we assessed management effectiveness of the Kisite-Mpunguti Marine Reserve and the Tanga Marine Reserve System under a Blue Action Fund project, which gives an indication of strengths, weaknesses, and need for improvement.

Management effectiveness is the degree to which the MPA achieves its goals and objectives. The IUCN management effectiveness tracking tool (METT) is used to track progress and monitor protected area management effectiveness (Stolton et al., 2003). The METT assessment is based on a series of questions which are scored from 0 (lowest score) to 3 (maximum score). Results of the METT assessment can reveal areas where the MPA can focus on to improve their management effectiveness. However, the METT scores rely on the opinions of MPA staff and do not require evidence. Thus, scores can be inflated and in a system with staff turnover (frequent in the Kenya Wildlife Service due to transfers), are not necessarily tracking change overtime and thus are difficult to interpret.

To seek to standardize METT scores, WCS developed a modified evidence-based METT based on 18 priority questions selected by a panel of WCS MPA experts (decades of experience), where for each existing score (0-3) documents would be submitted by the MPA staff to validate receiving that score. The evidence required was developed by a panel of WCS experts and then reviewed by the Kisite-Mpunguti and Tanga Marine Reserve System MPA staff and agreed upon prior to conducting the assessment.

In 2021 in Kenya and Tanzania, the MPA staff conducted the standard METT scoring approach for all METT4.1 questions and then did the evidence-based approach for the 18 priority questions. For the evidence-based approach, the MPA staff were given a two-week period and assigned responsibilities to gather the required evidence. The compiled evidence was then reviewed jointly by the WCS and MPA staff and scores agreed based upon evidence provided (Figure 2). In Kenya, the standard METT4.1 score was 36 out of 54 (67% of the maximum possible score) while the evidence-based METT score was notably lower at 12 out of 54 (23% of the maximum score). In Tanzania, the score for the standard METT was 19 out 54 (35% of the maximum possible score) and the score of the evidence-based METT was 8



(14% of the maximum possible score). Many of the differences in scores between the standard METT and evidence-based METT were attributed to lack of record keeping and documentation of actions taken. However, in addition, in both Kenya and Tanzania, the MPAs lacked measurable objectives or clear action plans. In 2022, WCS worked with the Kisite-Mpunguti MPA in the Kenyan TBCA and the Tanga Marine Reserves System in the Tanzanian TBCA to develop SMART (specific, measurable, ambitious, realistic, and timebound) objects and action plans through 2025. We are now tracking MPA progress. In both nations, we have also trained MPAs on marine monitoring, control, and surveillance, and are doing an assessment of options for sustainable finance that will inform future GFCR projects. WCS is has also developed management plans for a group of communities in the PECCA MPA in Pemba (area of approximately 200 km<sup>2</sup>). WCS has also done a training on SMART-systems Patrol in Zanzibar to rangers from the MCA CHABAMCA (area of 120 km<sup>2</sup>).

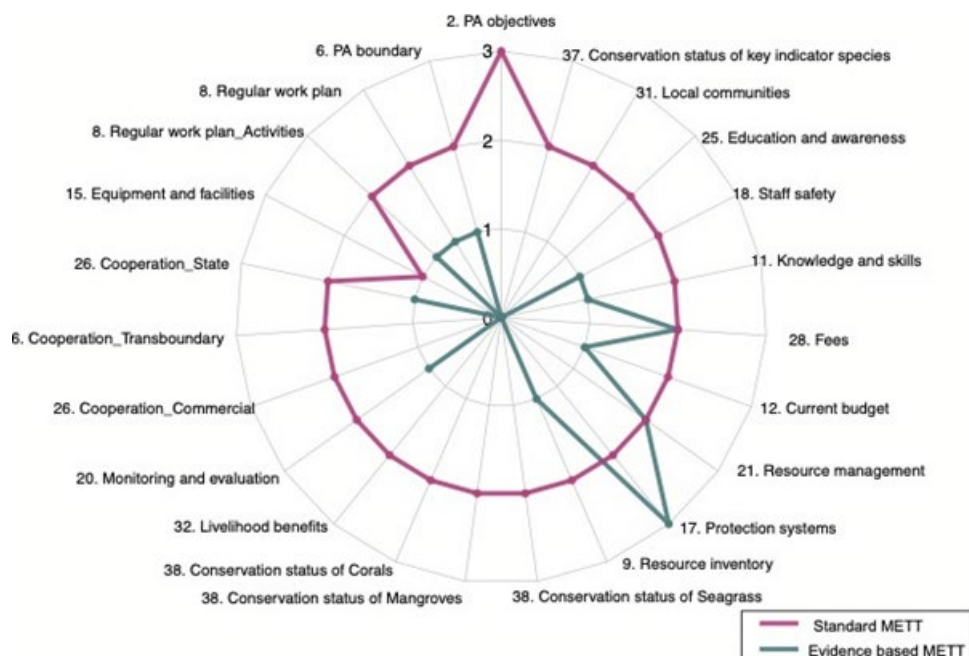


Figure 2. Comparison of scores of the standard METT4.1 assessment and evidence-based assessment for the Kenyan Kisite-Mpunguti Marine Park & Reserve. Questions are numbered as per the METT4.1 protocol and scored from 0 (center) to 3 (outward ring).

#### D. Enabling Policy Environment

The programme conducted a general review of policy to determine issues that could either enhance or detract from the objectives of the programme. In addition, the programme worked to put in place policies that would contribute positively to the programme outcomes.

On the Tanzania side, several projects contributed to the development of environmental policies. In particular, progress was made with the formal approval of the co-management plans for 3 Beach Management Units (BMUs) in northern Tanzania and for one Collaborative Fishery Management Area in the same area. The General Management Plan for the Tanga Marine Reserve System is also underway with a final draft that is ready to be presented to stakeholders for final approval. Nationally, WCS also supports the development of the Strategic Plan for Marine Parks and Reserves Unit which covers nationwide conservation priorities for the parks agency and the MPA in mainland Tanzania. One of the core issues that is experienced with the Marine Parks and Reserves Unit (MPRU) is lack of financial



sustainability. The programme has onboarded a consultant who is tasked with exploring options in the TBCA under the Blue Action Fund (BAF) project which WCS is implementing, the results of which are expected by the end of 2023 and which can be leveraged to find a fit for GFCR investments. In Zanzibar, we worked in collaboration with the World Bank team of the SWIOFish project, to support the piloting of a co-management agreements in the PECCA MPA in Pemba area.

Some large investment projects are scheduled for the region, especially around Tanga. Unfortunately, the Tanzanian Environment Act (2004) does not contain very strong mitigation targets and as a result projects may not investment in appropriate actions to limit and compensate for their impacts. Fortunately, the largest investor, EACOP is committed to following IFC Standards and will invest toward meeting net gain targets in these critical areas. The Independent Advisory Panel overseeing EACOP's biodiversity and social programs, and on which WCS has representation, hopes to engage with government to promote updating of regulations to include no net loss and net gain policies so that all companies would be required to adhere to best practices related to avoidance, minimisation and offsetting of impacts.

Kenya government Agenda 2030 prioritizes food and nutritional security, poverty alleviation and growth of the blue economy including all aspects that are also priorities of the County governments. Kenya is a signatory to several major international policy instruments including (amongst others): United Nations Convention on the Law of the Sea, International Maritime Organization, conventions, World Trade Organization, Convention on Biological Diversity, Convention on Climate Change, Convention on International Trade in Endangered Species of Wild Fauna and Flora, Convention on Migratory Species and Nairobi Convention. The country also subscribes to numerous non-binding and voluntary agreements such as the FAO Code of Conduct for Responsible Fisheries, Sustainable Development Goals (SDGs), and the International Coral Reef Initiative. Also, Kenya is actively engaged in on-going dialogue, consensus building and synergies at the international level for example through the high-level panel for sustainable ocean economy and at the regional level through the regional economic organisations. In the last decade, an understanding of the importance of ocean resources for Kenya's economy, livelihoods, and food security has led to a ramping up of actions and initiatives for the blue economy that the government recognized as the vehicle for sustainable ocean development. The government hosted the first global Sustainable Blue economy conference in Nairobi that resulted in the "Nairobi Statement of intent on advancing a sustainable Blue Economy". Actions to move the blue economy agenda, including the institutionalization of the blue economy secretariat, inclusion of a blue economy docket in the Ministry of Mining, Blue Economy and Maritime Affairs and establishment of a national committee on marine spatial planning. Management and research institutions (MKFRI, KWS, Maritime Authority etc) have also been reoriented towards planning and developing the capacity for the blue economy. The counties are also planning blue economy initiatives as detailed below.

The Kenya-Tanzania proposed Trans-Boundary Conservation Area (TBCA) has also been re-mobilized with support from WCS. The initial proposal for this area began through the Nairobi Convention in 2016, but due to inadequate funding support, after a legal and ecosystem scoping and reports, progressed slowed. Since 2019, with support from the Blue Action Fund and in collaboration with the Western Indian Ocean Marine Science Association (WIOMSA), we have been supporting marine spatial planning in the TBCA to agree on potential boundaries and zonation and supporting a renewed political process. There is an intergovernmental meeting planned on next steps in officialising the TBCA planned for mid-2023 that will be co-hosted by the Nairobi Convention. The TBCA will allow harmonization of policies,



monitoring, and enforcement in this critical ecological area that contains climate resilient coral reefs. The TBCA should contribute to reduced risks to coral reefs into the future and lead to improved MPA management by the Kenya Wildlife Service and Tanzania Marine Parks and Reserves Unit, both of which are responsible for MPA management.

The policy environment highlighted in this review can be connected to specific deals in the pipeline of potential projects. In Tanzania, the government approvals of co-management and strategic plans will enable the programme to support the eco-tourism sector in sustainable fisheries and co-management initiatives similar to the Pemba project. Project blue is a pipeline deal that stands to benefit from additional protection that these enabling policies provide. With regard to the Agenda 2030 in Kenya, co-managed areas such as Kuruwitu which wants to develop the concessions model, stand to benefit from food and nutritional security and poverty alleviation from complementary revenue streams. The programme is currently setting up an expert advisory panel that will not only contribute to reviews of pipeline deals, but also contribute towards linking future deals to relevant policies.

#### **E. Complementary Initiatives**

Across Kenya and Tanzania, WCS engages with communities and government across multiple levels. At our field sites, we evaluate management capacity and needs, work to support communities in experiential learning, help them develop a vision for what they what future marine ecosystems and their community to look like, and help them develop and carry out action plans to improve systems. In 2022, we deeply engaged with 9 communities in the Trans-Boundary Conservation Area (TBCA) in Kenya and in 14 communities in Tanzania. The work WCS does with communities allows us to understand from a bottom-up level what community needs are in relation to coral reefs and what types of solutions could be applied. For example, we hired a consultant to identify feasible pathways to value chain solutions within the TBCA that could increase community income without increasing fishing. As this consultant finalizes the evaluating in 2023, we will evaluate pathways through which GFCR might be able to invest in some of these solutions.

WCS also engages with community management processes nationally to identify needs and opportunities. For example, in Kenya, WCS is working with all 90 fishing communities, all marine NGOs, and local and national government to prioritize locations for community fisheries closures based on ecosystems and community governance capacity as part of the national MSP. Results will be linked to future GFCR community ventures. WCS also holds a Kenyan annual Fishers Forum with representatives from all fishing communities as well as government representatives, which will be an opportunity to present on GFCR and generate community ideas. In Tanzania, WCS worked with the national government to develop a management strategy for groups of fishing communities to co-manage resources and is thus able to review GFCR pipeline proposals considering community needs in target areas.

From a national policy standpoint, WCS has engaged in developing management plans for several MPAs (including the key MPAs in the TBCA region) and co-developed the Tanzania Marine Parks & Reserves Unit Strategic Plan. As part of this, we hired a consultant to develop sustainable business plans for the TBCA MPAs in 2022, with results expected in 2023. We will review results considering how GFCR





investments can support implementation of the sustainable business plans to ensure financial security for MPAs to enable strong reef protection.

As mentioned, WCS plays a role on the Independent Biodiversity and Livelihoods Advisory Committee for the EACOP project and will review the mitigation efforts related to the marine impacts in the area. This advice will benefit from input from the stakeholders in the region, particularly from the WCS Tanzania, Kenya and regional teams to identify the most effective long-term mitigation-related investments.

Below, we provide details on some of the areas in which we have engaged communities and stakeholders and their linkage with the GFCR Miamba Yetu work.

#### *Our Blue Future*

In December 2022, Miamba Yetu joined a new initiative in the Southwestern Indian Ocean (SWIO) region called Our Blue Future (OBF) which aims to bring multiple stakeholders working in the region towards a Sustainable Blue Economy. This collaboration would help position WCS and the Miamba Yetu programme as a leading organization in the blue financing space amongst the OBF partners who comprise a majority of the active development organizations in the region including GIZ, WWF, Finance Earth and SWIO-TUNA. Miamba Yetu is currently engaged with the OBF consortium to identify future opportunities with mutually beneficial outcomes.

#### *GoBlue Project (Kenya)*

The Go Blue Project (valued at EUR24.75M) is an initiative funded by the European Union that will focus on building the capacity for integrated participatory and sustainable economic growth, the conservation of coastal marine environments and effective governance in all six coastal counties in Kenya. The project will be implemented in partnership with Jumuiya ya Kaunti za Pwani (JKP), Kenya's coast regional counties Economic Development Organization, and the relevant government ministries. Project components include enhancing sustainable economic growth, integrated planning and land-sea management, and enhancing maritime security. There are opportunities here for learning from this project. For example, there is potential to collaborate on constructed wetlands for wastewater treatment in various areas of the coastal region with a fee-based system of management.

GoBlue is also providing capacity building for access to finance which would be useful for Miamba Yetu to leverage for communities and fishers. Finally, they are piloting a blue carbon plan that if successful, has the potential to scale up. There is a possible interest to look into the potential of fisheries value chains if the coral reef connection exists. Although all these are currently pilots to test feasibility, Miamba Yetu has reached out for potential collaboration on waste management for coastal resorts and is looking to market the programme to investor-ready companies and blue economy stakeholders.

#### *Venture Studio*

In Q4 2022, the programme further engaged IUCN, Ocean Hub Africa and TechnoServe - who have been collaborating on a regional venture studio concept – however, that was terminated and the programme proceeded to explore more options to support smaller-scale business initiative including identifying new partners to collaborate with on the venture model which is expected to be completed in early 2023. The programme will be able to fund start-up ventures coming out of the Venture Studio and by identifying a partner organization with solid experience in incubating new initiatives. We will continue to explore



opportunities in the future with regional actors to leverage the technical strengths of supporting institutions, scale impact and replicate successes across the two programme countries.

#### *KEMFSED (Kenya World Bank project)*

Kenya Marine Fisheries and Socio-Economic Development (KEMFSED) project is being implemented by the State Department for Agriculture, Blue Economy and Fisheries with support from the World Bank. Project Component 1 will focus on strengthening governance of marine fisheries and Component 2 will focus on coastal livelihoods. As a large proportion of coastal communities rely on inshore small-scale fisheries that predominantly occur in coral reefs, seagrass bed and mangroves, there is an opportunity for synergies and learning from this project.

Component 1 of the KEMFSED project - Governance and Management of Priority Marine Fisheries - aims to improve the management of small-scale marine fisheries in Kenyan waters and has the potential to generate outcomes that are of interest for future support under the GFCR. Currently, Small Scale Fisheries (SSF) are managed through Beach Management Units (BMUs) in Kenya. However, the areas of jurisdiction of BMUs are typically small and are not selected taking ecological considerations in the planning. In addition, there are historical conflicts of overfishing and overfishing rights as several BMU share fishing grounds. Spatial planning at a larger scale by combining adjacent BMUs into larger management units called Joint Co-Management Areas (JCMAs) not only allows management at a larger scale but is more likely to capture ecological benefits and provide a more effective means of resolving conflicts between BMUs. The target areas for the KEMFSED JCMA implementation include Kwale and Kilifi Counties that are also focus areas of the GFCR project in Kenya. Once JCMAs are established, they provide the opportunity to reduce the threats of SSF on coral reefs (and linked seagrass and mangrove habitats) at a larger and more effective scale in these areas. The final national objective is to ensure that all BMUs on the entire Kenyan coast are managed within JCMAs.

#### *NORAD/Lenfest assessment of optimal locations for community closures (Kenya)*

Through support from NORAD and the Pew Lenfest program, WCS is developing ecological models and undertaking community governance assessments to prioritize coral reef, seagrass, and mangrove areas nationally that if protected in voluntary community closures will lead to improved fish stocks and climate resilience. WCS is doing this project as a contribution to ongoing national marine spatial planning initiative and are working on the project in collaboration with the 90 national fishing communities (Beach Management Units, (BMUs)) and all relevant marine NGOs as well as county and national government institutions. Results of this project will help prioritize areas for GFCR investment in community closures and fisheries/ecosystem management. In particular, as we are scoping the possibility of developing a concessions model with the Kuruwitu community to support fisheries management there., We will use the results of the NORAD/Lenfest project to determine priority places to replicate the model trialled and developed with Kuruwitu. Ultimately, we hope we can find ways to financially support a network of community closures in optimal places to support coral reefs.

#### *Blue Carbon (TBCA)*

In Kenya and Tanzania, we are working with several communities on evaluating the potential for blue carbon projects at community levels. In Kenya, this relates to the Vanga Blue Forest initiative, and we are supporting communities in adding seagrass closures to existing mangrove-based carbon sales schemes to increase community willingness to protect marine space. In Tanzania, we are scoping high priority areas north of Tanga where we can develop community-run mangrove and seagrass management areas as we evaluate the potential for carbon sales. We have a regional blue carbon



coordinator joining WCS (under other funding) to further evaluate suitable sites, costs, and return on investment for blue carbon projects in communities and MPAs and make recommendations for investment. We will use this work as the basis for future GFCR investments in blue carbon projects.

#### *MACP (Kenya)*

In Kenya, we are working together with the South African NGO Abalobi and a community in a hotspot area known for its opposition to marine conservation (Diani-Chale Marine Reserve) in the TBCA, to co-develop smart phone technology that helps them better manage their fisheries as businesses and can thus increase community income without adding additional pressure to reef fish stocks. Through this project, we are building a conservation ethic and the community has already agreed to eliminate the use of harmful dragnets in their fishing grounds over the next 2 years. Specifically, we are working to co-design smartphone technology with communities and Fisheries agencies that empowers Kenya fishing communities to collect and summarize their fisheries and income data and link this information to improved management, fish markets, business decisions, and sustainable fishing practices. Communities and government agencies have a shared knowledge base that enables co-management. If this approach is successful, we will scale up the use of the smart phone application broadly in the TBCA and in Kenya and will explore through GFCR if there are ways to support communities in value chain additions in related to fisheries that are coupled with coral reef protections.

#### *Small-scale Fisheries Management (TBCA)*

In Kenya and Tanzania, we are working with communities in the TBCA and elsewhere to support them in sustainable fisheries management of coral reef-based fisheries. To do this, we first build understanding of reef challenges through experiential learning and then work with them to establish their values and vision for the future. Based on this, we then work on (SMART = specific, measurable, ambitious, realistic, and time-bound) objectives that create a roadmap for activity planning. This process has resulted in major conservation change for coral reefs including communities voluntarily giving up harmful gears and improving community-level reef and seagrass enforcement, as well as focusing on gender equity and improved fisheries value chains. We have worked in the last few years with 9 TBCA communities in Kenya.

#### *SWIOFish (Tanzania)*

SWIOFish is the World Bank funded 'South-west Indian Ocean Fisheries Governance and Shared Growth Project' for the Africa region with the aim to improve the management effectiveness of selected priority fisheries at the regional, national and community level. The project developed over a period of 15 years in 3 phases and had a regional scope. In Tanzania the project resulted in development of GMPs for Zanzibar (still pending approval), strengthening deep sea fishing with facilities and equipment, and supporting development of a co-management framework with the implementation of the Collaborative Fishery Management Areas on the mainland and the Collaborative Management Groups in Zanzibar.

#### *USAID (Tanzania)*

USAID is supporting the Heshimu Bahari project, of which WCS is a partner, to strengthen the existing network of MPA across the Pemba channel. The project will focus on developing ecological baselines across the Zanzibar seascape and parts of the mainland to advise community consultations on the optimal location of no-take-replenishment-zones (NTRZ). The project will then work in collaboration with stakeholders to identify opportunities to establish NTRZ and to offset the loss of access through alternative livelihood solutions. The project will also explore solutions involving the private sector in the management of MPAs.

**F. Indicator-Based Performance Assessment (Logical Framework)**

OUTCOME	OUTPUT	TARGET INDICATORS (BY PROGRAMME CLOSE)	BASELINE MEASUREMENT (YEAR COLLECTED)	BASELINE SOURCE / COLLECTION METHOD	MILESTONE AS OF DECEMBER 2022	REMARKS
Protected priority coral reef sites and climate change refugia	Completed scientific/feasibility studies to gain greater understanding of key hot spots and of the value of ecosystem services provided.	Number of target sites with socioeconomic and/or ecological assessment	<ul style="list-style-type: none"> <li>2022-2023</li> </ul>	<ul style="list-style-type: none"> <li>Benthic, fish, and sea urchin surveys</li> </ul>	<ul style="list-style-type: none"> <li>1 study in Tanzania (2 sites for the Kwanini project inside and outside the MPA)</li> <li>1 study in Kenya (4 sites)</li> </ul>	Completed baseline at first approved project for ecological status (socio-economic evaluation pending). Other sites surveyed to fill gaps in national threats assessments.
	Triage evaluation of the economic and coral reef benefits of the projects prior to investment.	Business Opportunities evaluated financially and ecologically	<ul style="list-style-type: none"> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>Expert evaluation on whether there are clear links to improvement in coral reefs at appropriate scales and potential for return on investment for submitted projects</li> </ul>	<ul style="list-style-type: none"> <li>1</li> </ul>	Kwanini Foundation project was reviewed both ecologically and financially and proposed for grant funding which it received from UNCDF in December 2022.
Transform livelihoods of coral dependent communities	Develop facilities for the implementation of sustainable financing and ecologically viable business ventures	SPV developed  Venture Studio developed	<ul style="list-style-type: none"> <li>0</li> <li>0</li> </ul>	<ul style="list-style-type: none"> <li>SPV incorporation in the country domiciled.</li> <li>Venture Studio/Incubator manager identified and onboarding documents executed</li> </ul>	<ul style="list-style-type: none"> <li>Funds disbursed, pending incorporation in early 2023.</li> <li>Funds disbursed, pending onboarding technical manager in early 2023.</li> </ul>	Funds disbursed to Okavango in Dec 2022.
	Leveraging of GFCR grants to attract private sector	Ecological and financial evaluation	<ul style="list-style-type: none"> <li>Ecological 0</li> <li>Financial 0</li> </ul>	<ul style="list-style-type: none"> <li>Proposals from applicants</li> </ul>	<ul style="list-style-type: none"> <li>Ecological 1</li> <li>Financial 1</li> </ul>	Received proposal reports from Kwanini foundation, Sanivation, Project blue and

	capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.	report on selected deals				Trianon. Trianon did not submit financials.
	Successful early-stage investments to test and implement the approach.	Financial support deployed to selected initiatives	<ul style="list-style-type: none"> <li>● 0</li> </ul>	<ul style="list-style-type: none"> <li>● Co-Financing Commitment indicated in the proposal</li> </ul>	<ul style="list-style-type: none"> <li>● 1</li> </ul>	Kwanini foundation deal included a senior debt of \$300k, pending disbursement.

### G. Reef Positive Solution Case Studies

Based on the areal quantification of threats to reefs (Annex 2), the threats affecting most reef areas in the TBCA region between southern Kenya and northern Tanzania including Zanzibar are overfishing (artisanal fishing), use of harmful fishing gears, poor wastewater treatment, and harmful runoff and poor water quality. Based on WCS’s extensive research in this region, the threats with the highest impact to coral reefs are overfishing through artisanal fishing and use of harmful fishing gears.

In our solutions (proposed and approved), 2 of the 5 projects are directly addressing the primary threats of overfishing/destructive gears. The Kwanini project below uses ecotourism revenues to support a community fisheries closure to improve coral reef condition, and Project Blue (case study 3) creates financial sustainability for a critically important marine protected area in highly biodiverse reef area in Zanzibar. One of the 5 solutions (Sanivation Project - case study 2) addresses the threat of poor wastewater treatment by preventing release of human sewage in pit latrines in a coastal area adjacent to reefs, and repurposing that waste into sustainable fuels for industry, thus also mitigating climate change. One of the 5 solutions being evaluated (Trianon, case study 5) addresses sedimentation to reefs in a major watershed by sustainable forestry that prevents erosion and is linked to the TNC Tanga Water Funds project that reduces watershed pollution to reefs. Thus, 4 of the 5 proposed or funded solutions directly address the major threats identified, and all proposed solutions will be evaluated for impact to reefs with key performance indicators.

However, in working to promote reef resilience, we need to address all threats to reefs and use creativity to identify other solutions. The fifth project (Mr. Green Africa, case study 4) addresses a major coastal issue of plastic trash, and WCS will work with Mr. Green to identify pathways through which recycling revenue is generated that goes towards coastal Marine Protected Areas or communities and is used to improve MPA management or monitoring, control, and surveillance. Therefore, this solution addresses multiple threats and will support reduction of overfishing and harmful gears. Further, with GFCR support, WCS is launching an effort to identify trash accumulation hotspots where we can work to reduce trash in coral reef areas through projects like Mr. Green.

Below are the 5 case studies. Note that Case study 1: Kwanini has been approved and fund disbursed to the implementing partner whilst the remaining 4 case studies are high priority projects in the programme pipeline.

Case Study #1: Kwanini	
<b>Programme Solution</b>	<b>Linked Programme Output/s</b>
<b>Coral Reef Protection through marine area management and development of ecotourism and improved livelihoods (USD 350,000 grant).</b>	Output 2.2: Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.
<b>Location Implemented</b>	<b>Implementing Partner/s</b>
<b>Project is located in the north-west of Pemba Island, Zanzibar -Tanzania, encompasses the Makangale &amp; Tondooni Management Zones (approx. 6,500 ha), including the Kwanini Marine co-management area, a 45ha no-take zone.</b>	Blue Finance
<b>Driver/s of Degradation</b>	<b>Target Stakeholder/s or Beneficiary/ies</b>

Case Study #1: Kwanini	
<p>(i) Reduction of overfishing and destructive fishing;            (ii) Reduction of land-based pollution via improved enforcement of regulations by engaging the communities and companies responsible;            (iii) Increased sustainable tourism (avoiding overcrowding, anchor damage, etc.)</p>	<ul style="list-style-type: none"> <li>● Kwanini Foundation</li> <li>● Manta Resort</li> <li>● Community members organized in local management unit (Shehia)</li> <li>● Pemba Channel Conservation Area (PECCA)</li> </ul>
Actual Results to Date	
<p>Project approved with funds disbursed to implementing partner, Blue Finance. Project is awaiting final government approval before implementation can begin. WCS is working with Blue Finance to ensure approval is secured.</p>	
Expected Results and Outlook	
<p>Improved management of a Marine co-managed Area with the aim of improving the sustainable use of 6,500 ha of marine biodiversity, enhancing livelihoods and increasing climate change resilience. Grant financing will support nature-based tourism initiatives and marine scientific and management equipment. Loan financing will support the construction of an underwater room for hotel guests, with contributions from the hotel and hotel guests supporting Kwanini foundation.</p>	
Stakeholder Testimonials	
<p>Kwanini foundation has a strong history of collaboration with the communities around the Manta resort and the protected area. A fraction of the revenues generated through the operations of the business activity is used to support educational programs in schools in the neighbouring villages. Kwanini foundation also employs local communities to manage the operations of the protected areas and the Manta resort thus providing material benefits to the stakeholders in the area.</p> <p>A community member from Makangale village reports that:</p> <p>"My name is Asha Juma Khamis; I live in Makangale village and I am a mother and head of my family, so my salary helps me to ensure that my children are getting good health and education. I am among the nine rangers in Kwanini Marine Protected Area also the first female ranger in Pemba. My job to me means a source of income and is important because the salary I get helps me to run my family. I like my job and am proud of it because I love my environment, protect the area from destruction to allow good yield of marine resources available at Kwanini Marine Protected Area (KMPA). Also learning to swim without fear! Things that can improve my work are to have enough adequate working tools, more conservation and protection education, and diving. In the last five years I have become a good teacher to the community on conservation and protection of reefs and become a role model. The community has changed their behaviour and the KMPA remains a "no take zone"."</p>	
Related Initiatives	Co-Financing and Capital
<p>The ongoing Heshimu Bahari project supported by USAID and implemented by WCS and TNC, will aim at establishing a new set of no-take-zones across Zanzibar and mainland and could benefit from improved capacity of Kwanini in managing the resources in the area.</p>	<p>USD 300,000 senior debt to Manta Resort by Mirova Capital</p>



Case Study #1: Kwanini	
<p>A new project is also under development to establish a new MPA on the eastern side of Pemba that will also possibly improve the capacity of the PECCA MPA thus potentially contributing to better management in the area of the Kwanini project.</p>	
Best Practices and Lessons Learned	
<p>The approach aims to protect a locally managed marine area through grant financing linked to investments in tourism that will contribute to the long-term management of the area offers a useful mechanism to secure the conservation of coral reefs. Creating more sustainable economic opportunities will be a crucial element of the program and success will be necessary to meet the long-term conservation objectives of the project.</p>	
Links to supporting media	
<p><b>Kwanini Foundation Face Book page:</b> <a href="https://www.facebook.com/kwaninifoundation">https://www.facebook.com/kwaninifoundation</a>  <b>Manta Resort Face Book page:</b> <a href="https://www.facebook.com/themantaresort/">https://www.facebook.com/themantaresort/</a></p>	

Case Study #2: Sanivation	
Programme Solution	<b>Linked Programme Output/s</b>
<p>Sanivation - mitigate solid waste and wastewater <b>pollution.</b>            Since 2014, Sanivation has worked with local governments to ensure waste is safely managed by developing projects for public financing, largely in partnership with The World Bank, African Development Bank and other development partners. They have mobilized USD 12M of public financing, ensuring 5,000 tons of waste can be safely managed and are currently interested in being financed by Miamba Yetu to mitigate solid waste and wastewater pollution from damaging Kenya’s coral reefs.</p>	<p>Output 2.2: Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.</p>
Location Implemented	<b>Implementing Partner/s</b>
<p><b>Malindi &amp; Watamu, Kilifi, and Kwale (in that order), Kenya</b></p>	Sanivation
Driver/s of Degradation	<b>Target Stakeholder/s or Beneficiary/ies</b>
<p>Approximately 80% of marine and coastal pollution originates on land – including untreated sewage. Wastewater discharged into nearshore waters threatens the health of humans and marine life, including coral reefs.</p>	<ul style="list-style-type: none"> <li>● County Government of Kilifi</li> <li>● Malindi Water &amp; Sewerage Company</li> <li>● World Bank</li> </ul>
Actual Results to Date	
<p><b>Client proposes a USD 540K debt</b> to support mobilizing public financing to enable waste to be safely managed with Sanivation’s existing project pipeline, along with TA support (USD 20,000) to quantify the impact of waste being safely managed on the reefs. <b>Waste to value treatment plants in Malindi and Watamu under construction.</b>  <b>Recommended by the programme in principle. Presentation to Blue Bridge for financing expected in early 2023.</b></p>	
Expected Results and Outlook	



Case Study #2: Sanivation	
<p>Point-source sewage is easier to manage because there are technologies that can be applied e.g., faecal sludge and on-site treatment technologies. Further, Sanivation has submitted an investment memo, detailed budget and survey plan for coral reefs to integrate into their city-wide inclusive sanitation plan. GFCR's inclusion in their USD 2.8M round of funding will help them focus on and highlight reduced wastewater pollution at sewage dumping sites in <b>Kilifi County</b>, beginning with <b>Malindi and Watamu towns</b>.</p>	
<b>Stakeholder Testimonials</b>	
-	
<b>Related Initiatives</b>	<b>Co-Financing and Capital</b>
-	<p>USD 540k debt + USD 21k TA grant in USD 2.8M round.</p> <p>Capital use is to improve impact evidence of the value sanitation investments have on coral reefs in Malindi, Kilifi and Kwale through relevant waste management pipeline development. Uses:</p> <ol style="list-style-type: none"> <li>1) Integration of sanitation into utility business plans (USD 130k);</li> <li>2) Structuring of projects, including feasibility reports (USD 140k);</li> <li>3) Infrastructure Design + Technical Backstopping (USD 70k); and</li> <li>3) Marketing of projects to public financiers (USD 200k).</li> </ol>
<b>Best Practices and Lessons Learned</b>	
<b>To be updated following implementation</b>	
Links to supporting media	
<b>Project page and resources available at: <a href="https://sanivation.com/malindi">https://sanivation.com/malindi</a></b>	

Case Study #3: Project Blue	
<b>Programme Solution</b>	<b>Linked Programme Output/s</b>
<p><b>Project Blue - ecotourism in Tanzania with MPA finance stream</b></p> <p>For decades, Blue has been managing a Marine Protected Area (MPA) whilst operating an eco-lodge. Manages coral reef sanctuary on island and closed forest reserve.</p> <p>Eco-lodge of less than 10 bungalows support coral reef conservation efforts. Cost of conservation form part of business model.</p>	<p>Output 2.2: Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.</p>
<b>Location Implemented</b>	<b>Implementing Partner/s</b>
The company fully funds protected area management and conservation activities at a reef sanctuary in Zanzibar	Okavango Capital Partners
<b>Driver/s of Degradation</b>	<b>Target Stakeholder/s or Beneficiary/ies</b>

Case Study #3: Project Blue	
(i) Reduction of overfishing and destructive fishing; (ii) Increased sustainable tourism	TBD
Actual Results to Date	
<b>Project approved with funds disbursed to implementing partner, Blue Finance. Project is awaiting final government approval before implementation can begin. WCS is working with Blue Finance to ensure approval is secured.</b>	
Expected Results and Outlook	
<p>With the <b>aftershocks</b> of COVID, the integrity of <b>the</b> pristine coral reef sanctuary <b>is</b> at risk due to cash flow limitations <b>of the eco lodge</b>. The business model requires considerable business technical support to be bankable but is currently at risk of compromising conservation efforts due to financial difficulty. Grant Support is required to ensure standards of conservation are maintained as business technical support is provided for the business to move it towards being investable. Additionally, the lease renewal for the island is critical to ensure continuity, <b>however, the cost of the lease is expected to be several multiples higher than it was, further crippling the business if not supported to be operationally efficient, improve model and scale if necessary to meet revenue demand.</b></p>	
Stakeholder Testimonials	
<b>To be updated in 2023</b>	
Related Initiatives	<b>Co-Financing and Capital</b>
-	<p>To be determined following technical support grant by Okavango Capital Partners in first half of 2023</p> <p>Expected capital use: Recovery of Business &amp; Enhanced Revenue followed by long-term security for Biodiversity Conservation and Education Services through 10-year land-lease renewal.</p>
Best Practices and Lessons Learned	
<p>Focus on coral reef conservation, preserving pristine ecosystem.</p> <p>Impact is inherent in the business model.</p> <p>Fundamentally conservation-based and key area to protect coral reef site.</p> <p>Renowned site makes good case for co-funding (grants) from public sources.</p> <p>Would benefit from Business TA to improve operational efficiency, management style and marketing.</p> <p>Reef management depends on revenues from the eco-lodge and the eco-lodge requires business <b>technical</b> support to improve operational efficiency, management style and marketing to turn it around to profitability and continue its conservation of the ecosystem.</p>	
Links to supporting media	
<b>To be updated in 2023.</b>	

Case Study #4: Mr Green Africa	
Programme Solution	<b>Linked Programme Output/s</b>
<p><b>Mr Green Africa – plastic waste management/recycling</b></p> <p>Tech-enabled plastic recycling company that tackles waste management problems. This company incorporates the concept of shared value—creating economic value while addressing social and environmental challenges- into its</p>	<p>Output 2.2: Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.</p>

Case Study #4: Mr Green Africa	
core, by harnessing the untapped potential of an existing informal waste management industry. The business sells pre-processed recycling materials with a traceable social and environmental impact.	
Location Implemented	<b>Implementing Partner/s</b>
<b>Mombasa, Kenya</b>	Mr Green Africa Limited
Driver/s of Degradation	<b>Target Stakeholder/s or Beneficiary/ies</b>
Reduction of land-based pollution. <b>Marine ecosystems threatened by plastic pollution or associated biodiversity loss. Communities not part of sustainable efforts to curb plastic pollution and need to be encouraged towards environmental stewardship.</b>	Kenya Wildlife Service (potential)
Actual Results to Date	
<b>Proposal currently under review with programme recommendation to be made to Blue Bridge in first half of 2023.</b>	
Expected Results and Outlook	
Not only will the business reduce the impact of plastic pollution by doubling plastic waste collection and processing in Mombasa in key hotspots such as the Mombasa Marine Park and Reserve, but also create income opportunities for the marginalized workers who will collect the plastic for a fee. It will also inspire a transformation mindset that encourages awareness of plastic pollution in the ocean and critical coral reef ecosystems. Long list of potential buyers – could be attractive for a regional and multinational concerns which consume significant quantities of plastic packaging in their production process. Possibility of being acquired by a global waste management company looking to enter the East African region.	
Stakeholder Testimonials	
<b>To be updated in 2023</b>	
Related Initiatives	<b>Co-Financing and Capital</b>
-	Investment ask is USD 500k debt in a USD 9M round of mixed instruments.
Best Practices and Lessons Learned	
<b>The company has a track record in Nairobi and has been expanding since its inception in 2014. Lessons learned from inland operations will partially inform expansion activities in Mombasa where operations are to be scaled up.</b>	
Links to supporting media	
<b>Company website: <a href="https://www.mrgreenafrica.com/">https://www.mrgreenafrica.com/</a></b>	

Case Study #5: Trianon Spices	
Programme Solution	<b>Linked Programme Output/s</b>
Trianon spices - agribusiness - spice farming, <b>regenerative sustainable agriculture</b> <b>WCS has engaged The Nature Conservancy which is spearheading the Water Funds initiatives across Africa to participate in the Tanga Water Fund in Tanzania. We identified potential areas of collaboration in reducing</b>	Output 2.2: Leveraging of GFCR grants to attract private sector capital and other funds to address growing threats to reefs from coastal development, unsustainable fishing and other key threats.

Case Study #5: Trianon Spices	
<p>sedimentation upstream through financing riparian activities, beekeeping, agroforestry and agriculture. We have identified a spice exporter called Trianon that works with communities to grow spices and are currently reviewing a proposal for possible financing of sustainable practices in the watershed area covered by the Tanga Water Fund. Since 2019, Trianon exports black pepper, cardamom, clove and cinnamon sourced from ~1,500 small farmers to Europe and India. The company has registered approximately 300 farmers and processes produce at its factory in Muheza, Tanga. The parent investor is Grounded International (Cape Town).</p>	
<p>Location Implemented</p>	<p><b>Implementing Partner/s</b></p>
<p>Company based in Tanga whilst agriculture undertaken in East Usambara water shed.</p>	<p>Trianon Spices</p>
<p>Driver/s of Degradation</p>	<p><b>Target Stakeholder/s or Beneficiary/ies</b></p>
<p><b>Reduction of upstream, land-based sedimentation from agricultural practices within watershed.</b></p>	<p>-The Nature Conservancy Grounded -Eastern Arc Mountains Conservation Endowment Fund (EAMCEF) -UWAMAKIZI Community-based organization (a local indigenous community organization facilitating on ground community engagement, tree seedlings raising and distribution as well as equity across various village communities).</p>
<p>Actual Results to Date</p>	
<p>TBD after implementation</p>	
<p>Expected Results and Outlook</p>	
<p>Supporting Trianon Spices will enhance organic, regenerative spice agroforestry that improves soil health, biodiversity and helps prevent surrounding forest degradation will help prevent downstream reef degradation.</p>	
<p>Stakeholder Testimonials</p>	
<p>To be updated in 2023</p>	
<p>Related Initiatives</p>	<p><b>Co-Financing and Capital</b></p>
<p><b>Tanga Water Fund</b></p>	<p>Grants USD 530k (repayable grant USD 270k, non-repayable grant USD 260k). Co-financing TBD Capital use: -Farmer pre-financing, endowment/revolving fund (repayable grant): USD 270k -Village buying, processing &amp; training hubs (non-repayable grant): USD 160k</p>

Case Study #5: Trianon Spices	
	-Farmer training (non-repayable grant): USD 100k
Best Practices and Lessons Learned	
Success cases from other water funds implemented by TNC: -the Upper Tana-Nairobi Water Fund -The Greater Cape Town Water Fund	
Links to supporting media	
TNC Water Funds: <a href="https://www.nature.org/en-us/about-us/where-we-work/africa/stories-in-africa/water-funds-overview/">https://www.nature.org/en-us/about-us/where-we-work/africa/stories-in-africa/water-funds-overview/</a>	
Grounded website: <a href="https://grounded.co.za/operating-companies/trianon-spices/">https://grounded.co.za/operating-companies/trianon-spices/</a>	
Trianon website - <a href="https://www.trianonspices.com/">https://www.trianonspices.com/</a>	

## H. Gender Mainstreaming

The programme's gender mainstreaming strategy speaks to the GFCR Global Gender Policy by adopting the gender responsive approach starting from deal origination. Specifically, Miamba Yetu is adopting a 3-tier strategy to address gender equity:

- 1) During project scoping: in the open calls, special consideration will be given to enterprises that are women-led or support development of women in business. Further, for the venture initiative, women entrepreneurs will also be given special consideration for support.
- 2) As projects are evaluated in the review checklist, we have specific criteria for women in leadership positions and development of women-led enterprises.
- 3) For projects that are funded or financed, we will work with them to amplify how we can promote women in leadership positions within the project and advance gender equity.

The Programme is designed to ensure participation in the decision-making phase by representative members from all sectors of each community. In line with SDG 5: achieve gender equality, the programme will use WCS' existing social safeguards to build on efforts towards social equity through investments that improve livelihoods and assure access to opportunities and benefits for women. WCS has a regional social safeguards coordinator who will work with the GFCR program who has experience with the private sector. The regional social safeguard coordinator - with the support of both WCS Africa and WCS global rights and community directors - will support the programme by developing, implementing and where necessary updating environment and social safeguard policies and procedures and plans. The coordinator will also participate in project screening and work together with project implementers in making sure that all social safeguard aspects are included and complied to throughout the project cycle.

The coordinator will also help to monitor project implementor's compliance to safeguards and where gaps identified, work with them in developing course of action to address them, Support in community and stakeholder engagement to make sure that all the necessary feedback are collected and considered to enhance achievement of project goals. The coordinator will also help in making sure that gender mainstreaming, strategies and action plans are incorporated and monitored throughout the projects.

In its activities in the region, WCS has implemented a participatory approach where fair gender and age representation is required in all stakeholders' meetings (including 50% women across older and younger

age groups). WCS will also ensure that women participate in the decision-making process and project development using the 1/3 rule which is a relevant policy in Kenya given the context where women are grossly underrepresented. Kenya’s 2010 constitution states that no more than two-thirds of the members of elective and appointive bodies shall be of the same gender. Therefore, achieving the 1/3 is fairly ambitious given the culture, although the overall aim is 50% representation in both Kenya and Tanzania where feasible.

It is WCS’s standard procedure, and in accordance with the GFCR Gender Policy's programme-level requirements, to record gender in attendance lists which ensures traceability and allows to monitor impact. The number of women and female fishers benefiting from the business venture will be determined as part of the evaluation process and will contribute to the overall scoring of a project thus favouring projects that promote female participation. Further, WCS seeks to create new leadership opportunities for women through training and establishment of management committees in communities we work in. Thus, for projects approved, we will work with the project organizers to implement similar pathways for women to advance to leadership positions.

As the programme draws closer towards financing specific interventions in 2023 and beyond, specific issues of gender and social inclusion will be addressed appropriately, guided by clear metrics, timelines, and delivery routes as shown in the action report below.

**Miamba Yetu Programme: Gender Action Report**

Linked Programme Outcome	Objective	Action	Indicator	Milestone – 2022	Remarks
Outcome 1: Protected priority coral reef sites and climate change refugia	<i>Seek to strive &gt;1/3 female representation in leadership.</i>	<i>Ensure that meetings have equal gender representation, that elections of leaders follow the 1/3 rule, and promoting the importance of gender equity in businesses that are financed by the program,</i>	<i>No. of women and men attending project meetings, and in leadership positions</i>	<i>The Kwanini Foundation has employed methods to ensure gender equity within its proposal and we will work with them to strengthen the approaches.</i>	<i>The project supported is on a positive trajectory and will monitor progress over time.</i>
Outcome 2: Transform livelihoods of coral dependent communities	Women have improved opportunities for sustainable livelihoods in coastal communities	Ensure distribution of finance flows equitably towards women-led businesses in coral reef dependent communities	● Number of women and men supported financially in reef positive business ventures	● Currently 30% (10 men, 4 women) of people employed by Kwanini Foundation are women	The project will seek to reach 30% of women in the MPA staff at Kwanini

### III. Programme Governance & Management

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#### A. Programme Governance

Over the course of programme implementation, the WCS and Okavango Capital Partners team has worked to both strengthen and expand the governance and management systems to deliver positive outcomes for the project.

The existing governance system represents a slight modification to the one presented in the original proposal. Given the focus on Kenya and Tanzania, the WCS role on the Board has been assigned to the East Africa Regional Director, who has extensive experience on small scale enterprises and financing. Otherwise, the management team does not differ significantly. Overall governance involves the active participation of Okavango Capital Partners, including a representative from Conservation Capital, the WCS Regional Marine Programme Director, the marine program country directors for Kenya and Tanzania, as well as the Conservation Finance Specialist from the Markets Team from WCS Global. In addition, Emily Darling from WCS Global is also participating as an advisor regarding programme implementation and especially around M&E. The WCS MIAMBA YETU Programme manager, coordinates the operation of the governance systems and ensure effective information sharing, communication, and organization.

In addition to management, the governance system includes mechanisms for the review and decision-making regarding the activities that will be supported by the programme. The system is designed to ensure that the projects demonstrate technical and financial feasibility, and that they contribute to coral reef conservation as well as local economic well-being. The programme has established two filters through which a project must pass in order to receive approval. One of the filters is represented by the Ecological and Communities Assessment Team. This team is comprised of experts from the two WCS countries (country directors and scientists) as well as outside experts who will be invited to review proposals. The Committee will be meeting quarterly to review discuss proposals and review expert feedback. Once a year all Committee members will attend an in-person meeting build rapport and get updates on project progress. All proposals must meet both ecological and social criteria to be eligible for funding.

The second filter is the I Partners (3), the WCS Conservation Finance Specialist, the WCS Programme Director, and additional reviewers who will be invited to review proposals based on their expertise. This Committee will meet at least once every two months but could meet more often depending on the pipeline and the specific issues that the team may want to address.

Once the projects are approved by the two technical teams, the recommendations are forwarded on to the management team for final discussion before submission to the GFCR funding process. The system is designed to ensure that only those projects that are financially sound and which can deliver on positive social and reef conservation goals are forwarded on to the GFCR for final approval and funding.

As part of the programme implementation, and in an effort to attract co-financing/external capital and facilitate the funding of the various activities, WCS and Okavango Capital Partners (OCP) are in the



process of establishing a Special Purpose Vehicle (SPV). This mechanism has been designed to create an effective blended finance mechanism, that will not only attract additional investment, but which will allow the creation of partnerships to support project incubation and loan financing. We believe that the proposed structure could be an important model for a blended finance facility aimed at funding conservation-related ventures. In the region, this will be a game changer as a long-term/sustainable financing solution. The governance system will exactly mirror the system described above to ensure the ecological, social and financial integrity of all MIAMBA YETU project, with the Board, receiving input and recommendations from the social-ecological and finance teams. Currently the team is carrying out a feasibility study to determine the optimal legal structure, and operational approach for the operation of the SPV. The final structure will need to consider a variety of legal and tax issues that need to be resolved to ensure the effective operation of the SPV and its ability to attract and disburse resources. Once the feasibility study is completed, and details finalized for the SPV, the Miamba Yetu team will hold a strategic planning retreat in the first quarter of 2023 to agree to operationalization of the governance system and operational structure of the SPV. This information will be shared with GFCR to ensure that effective mechanisms for both disbursements and investments through the SPV can be established for operation of the program within the first half of 2023.

## **B. Programme Management**

- The programme onboarded its Programme Director and the GFCR Kenya Marine Scientist during the reporting period. This led to several goals being achieved including the development of a robust pipeline which have resulted in several proposal submissions being received for financing. The updated Results-Based Framework and Threats Assessment exercises have also been fast-tracked during this period and submitted in the annex.
- Our Implementation has prioritized the establishment of the Special Purpose Vehicle, a corporate entity which will be a regionally unique mechanism to channel capital to businesses in the region. This SPV, once established, is expected to comprise a management unit that will work together in reviewing and managing the portfolio – specifics of which will be determined during the feasibility stage (currently ongoing). Funding for the SPV setup was received by Okavango Capital Partners (Implementing Partner) in December 2022, therefore, with regards to timelines, the first set of projects will be reviewed and potentially financed from 2023.
- In December we learned that Pegasus had not been able to secure signatures of authorization from the Government authorities in Kenya and Tanzania to be able to operate in the countries. WCS has agreed to aid Pegasus in securing those agreements. Once the bureaucratic hurdle is cleared, the team will engage with Pegasus to explore modalities for engagement, including exploring potential portfolio investments that would facilitate Pegasus’ need to make larger-scale investments.

## **C. Programme Operations**

- Human resources
- The programme received funding that commenced implementation in early 2022 with the onboarding of the Programme Director and Kenya Marine scientist in July 2022. This meant that the orientation and stakeholder engagements needed to be fast-tracked to ensure that the gains were made in



pipeline development and administration. Even so, the new recruits were able to achieve objectives by completing baseline and threats assessments fieldworks (GFCR Kenya Marine Scientist) and developing a solid pipeline of potential bankable projects amongst other deliverables (Programme Director).

- The programme is yet to onboard a Tanzania Marine Scientist as the search was challenging, but a potential candidate has now been identified. To mitigate this drawback, the WCS marine team, together with the Kenya Marine Scientist have worked together to collect and analyse field data in lieu of the recruit being onboarded.
- The WCS WIO Regional Marine Director and Marine Directors for Kenya and Tanzania are all working extensively on the GFCR project in helping to develop the program structure, developing frameworks for ecological and social project reviews, reviewing existing proposals, developing plans for and conducting field surveys, analysing field data, and contributing to project reports. These staff are also serving as a linkage to WCS's broader marine programs in the two nations and the WIO.
- The WCS Global Director of Business and Conservation is supporting and advising on project structure and identification and review of pipeline deals from a financial perspective.
- WCS recently hired a Social Safeguards Coordinator for the WIO and East Africa region who will work with the programme team. He will - with the support of both Africa and Global Directors of Rights + Communities - support the team in developing and implementing and where necessary updating social safeguard related policies, plans, and procedures. He will also be participating in project screening and work together with project implementers in making sure that all social safeguard aspects are included and complied with throughout the project cycle. Further, he will be supporting community and stakeholder engagement to make sure that all the necessary feedback are collected and considered to enhance achievement of project goals and monitor project implementor's compliance to safeguards and where gaps are identified - working with them in developing a course of action to address them.
- The programme has received tremendous complementary support from WCS staff in ensuring it runs efficiently and all bottle necks (if any) are addressed promptly. Thus far, administration of the programme with regard to human resources has been satisfactory given the historically robust global, regional, and national resources and networks that form WCS.

- Knowledge sharing and capacity building

To ensure that coral reef data is secured, standardized and available to scientists and stakeholders, WCS has led the development of the coral reef data collection and sharing platform MERMAID. MERMAID has >1,000 global user sites and >39,000 transects in 29 countries. WCS is contributing to the MERMAID global dashboard storing data from coral reef surveys conducted as part of this project as well as disseminating data summary with partners and stakeholders. MERMAID will be used as support for our monitoring and evaluation work in the Miamba Yetu project.

To ensure that our WCS team maintains the capacity to monitor climate change, study fish and fisheries, and ultimately better support local stakeholders in protecting and managing marine resources, we organized a five-day workshop in Zanzibar to share insight on coral reef monitoring methods and their applications, targeting WCS regional field biologists. Dr Tim McClanahan and Dr Nyawira Muthiga trained participants from Mozambique, Kenya, Madagascar, and Tanzania in coral reef fish identification, fish field sampling methods, data entry in MERMAID, basic fisheries modelling and yield estimates, and fisheries stock assessment theory. A key part of the training was the practical application of the methods at four of WCS's long-term monitoring sites that have different levels of protection and fishing pressure, to enable consistent comparison over long time series of data.

In October 2022, the 12<sup>th</sup> WIOMSA Scientific Symposium was held in Port Elizabeth, South Africa during which the Miamba Yetu programme had an exhibition booth which attracted various interested visitors, from NGOs and CSOs, scientists and stakeholders in the blue space. The booth featured the Miamba Yetu programme – a roll-up banner and newly-designed trifold flyers which were handed out to visitors. At this meeting, WCS also gave a keynote talk on sharks and rays and gave 8 scientific presentations on our marine work in Kenya and Tanzania.

- Processes and Procedures
- The program has adopted a process of transparency whereby we will communicate with government to inform them of the project activities we are undertaking as part of the GFCR programme in their jurisdictions. However, for Tanzania, a no objection or support letter may be required for interventions that the programme finances or funds. Our first approved project is the Pemba-based Kwanini Foundation/Manta Resort eco-tourism intervention which funds the foundation with co-financing of senior debt for the resort. In this case, a no objection letter from the government of Zanzibar is required to finalize the deal and the programme is awaiting the same from the beneficiaries. This procedure will be formalized in the programme’s governance and management arrangements and to fast-track implementation, will now be a requirement before submission of proposals to the Blue Bridge for funding approval.
- Systems and Technology

Ongoing work has been continuing with MERMAID to have all WCS TBCA data stored in a consistent and easily shareable format. Over the last year, we ensured 7 sites (4 in Tanzania and 3 in Kenya) surveys were entered in the MERMAID database.

- COVID-19 response
- Both Kenya and Tanzania have relaxed COVID-19 restrictions to a bare minimum and 2022 saw the domestic workforces and mobility revert to normalcy. This notwithstanding, meetings are conducted with emphasis on wearing masks as a preventative measure. Social distancing is also practised whenever feasible whilst programme staff conduct and travel continue to adhere to WCS’ COVID-19 guidelines.
- Similarly, some of the businesses in the ecotourism industry have begun recovering from the financial implications of COVID-19 and report gradual recovery with tourism numbers improving. This is important because the resorts that also rely on marine/coral reef conservation require financing to continue their operations and have approached the programme for such financing. Proposals will be reviewed and recommended in 2023 for financing, as we fast-track the establishment of the programme’s Investment Vehicle.

## IV. Resource Mobilisation

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### A. Resource Mobilisation Efforts - Grants

The programme will strive to leverage its network of development partners to leverage the 1:1 grant co-funding target. WCS has long history of strong partnerships in both Kenya and Tanzania with international and local development partners and the respective governments. One example of a possible grant partnership could be the Tanga Water Fund spearheaded by The Nature Conservancy.



This will be explored further as the proposal is reviewed and assessment conducted to determine coral reef relevance.

#### **B. Resource Mobilisation Efforts - Investment**

The grant to Blue Finance is blended with a private capital injection of USD300k in the form of a committed senior debt from Mirova Capital which is awaiting disbursement. This is a 1:1 ratio of grant to debt committed for this project.

As part of our pipeline development work in 2022, the programme secured 5 high-priority proposals seeking approximately USD 5M in investments against grants of USD 1.5M to be considered for approval and deployment in tranches between 2023 and 2025.

#### **C. Resource Mobilisation Efforts - Revenue**

The programme is currently moving from the administrative structuring, ecological assessment and pipeline development phase in its first tranche of funding towards reviewing and implementing bankable projects beginning 2023. Hence the revenue generation/stream ambitions and targets will be incorporated with the development of the SPV and with each deal that successfully passes the review process. OCP is working to raise a fund that could be invested through the SPV. As the program evolves WCS could attract additional philanthropic funding to improve the pot of funding available for de-risking, project incubation and grant program expansion.

WCS is currently evaluating nationally community fisheries closures that are created voluntarily to prevent overfishing and use of destructive gears. As part of this effort, we are determining where these community closures have been successful and seeking to identify pathways to support these successful cases into the future (e.g., Kuruwitu Community Conservation Area). Further, we are working with all national fishing communities, marine NGOs and government agencies (NORAD & Pew Lenfest Project) to determine the reef, mangrove, and seagrass areas that need to be protected to create a climate resilient closure network that can improve fish stocks. We will use the results of this national modelling effort to identify places where GFCR can support communities in creating and sustaining community fisheries closures.

## **V. Communications and Visibility**

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#### **A. Communications**

We outlined our overall communications objectives, target audiences, key messages, most impactful channels of communication for the remainder of 2022 and in readiness for 2023 when implementation would be expected to have progressed substantially. The main communication and visibility objectives that we have identified include:

- Keeping stakeholders engaged with and well informed of the project aims and outputs, through community outreach and meetings, local communications and local media.
- Disseminating lessons learned to the public and policymakers to showcase successful approaches to conserving coral reefs through revenue-generating projects
- Ensuring the GFCR and other donors receive appropriate visibility and recognition. GFCR support for the project will be displayed in an appropriate manner in all communication activities, per GFCR's requirements.

- Keeping donors, partners, supporters and other interested parties regularly updated on the project's progress, by, for example, the organization of events, progress reporting to GFCR, dissemination of updates, etc.

As an initial media step, the programme management unit worked closely with the WCS Communications Coordinator to develop and deploy roll-up banners, trifold leaflets and updated factsheets. The team also created social media posts to essentially market the programme in Tanzania and in Kenya to potential investors. The content was country specific to be as relevant as possible to that country's context and was posted in the fourth quarter of 2022 to keep the global audience up to date on the programme.

## **B. Visibility**

### *Highlights of Programme Representation and Visibility*

One of the Programme Director's roles is to develop strong networks with partners and stakeholders in areas of marine conservation in addition to conservation finance and strengthen relationships by ensuring regular participation in relevant conferences, forums and workshops which serve as opportunities for marketing the programme and adding value through collaborations. These are summarized below:

- [1] The programme received a significant audience at the Western Indian Ocean Marine Science Association (WIOMSA), Sustainable Seas Trust (SST), and Nairobi Convention's 12th Scientific Symposium in South Africa in October 2022. The Symposium is the premier regional scientific event on the coastal and marine environment and Miamba Yetu had set up an exhibition booth with banners and distributed flyers to visitors.
- [2] Miamba Yetu was also represented by the Programme Director at a networking reception in October 2022 in Nairobi, hosted by the Aspen Network of Development Entrepreneurs (ANDE) and UNCDF. The event further strengthened relationships and fostered new partnerships with conversations focused on topics of blended finance and the strategic use of development finance to mobilize additional finance towards sustainable development.
- [3] In Q4 2022, WCS, OCP and Conservation Capital held joint discussions with IUCN, Ocean Hub Africa and TechnoServe - who have been collaborating on a regional venture studio concept - to clarify how the program may operate in relation to the initiative.
- [4] In November 2022, Miamba Yetu joined the Southwestern Indian Ocean (SWIO) region called Our Blue Future (OBF) which aims to bring multiple stakeholders working in the region towards a Sustainable Blue Economy. This will position the programme as a leading organization in the blue financing space.
- [5] Finally, Miamba Yetu was showcased virtually by the Programme Director in November 2022 during the UNFCCC COP27 at an event hosted by The International Alliance to Combat Ocean Acidification (OA Alliance) and GFCR. The event - "Harnessing Finance for Addressing Climate-Ocean Change" - focused on climate finance flows towards oceans, coral reefs and coastal projects and included reflections from the Secretariat of the Pacific Regional Environment Programme, Global Environment Facility, UNEP, GFCR and the Prince Albert II of Monaco Foundation. Watch the discussion [here](#).

*Highlights of programme content and tools used:*

- Miamba Yetu Fact Sheet disseminated to government agencies and stakeholders.
- Miamba Yetu Roll-up banner for display events
- Miamba Yetu programme progress included in WCS Tanzania newsletter.
- GFCR Q4 2022 Newsletter inclusion on Miamba Yetu 2022 progress ([link](#))
- Miamba Yetu 2022 update posted on WCS LinkedIn ([link](#))
- Miamba Yetu 2022 update posted on Fishers' Forum WCS-Kenya Marine Program Facebook page ([link](#))
- Miamba Yetu 2022 update posted on WCS Tanzania Facebook page ([link](#))
- Miamba Yetu 2022 update posted on WCS Twitter Kenya page ([link](#))
- Miamba Yetu 2022 update posted on WCS Twitter Tanzania page ([link](#))
- Miamba Yetu Programme trifold flyer for distribution at events
- Booth at WIOMSA Regional Science Symposium in Port Elizabeth, South Africa
- Miamba Yetu webpage live on GFCR's REEF+ Knowledge and Finance Accelerator Website ([link](#))
- WCS Miamba Yetu Web Page currently under development

*2023 Communications Strategy*

During the first year of implementation (2022) and with the onboarding of the Programme Director, Miamba Yetu has been working on building a communications and visibility strategy that includes our priorities, scope of work, reporting, approvals and budget coverage in line with GFCR requirements. The overall coordination of the communication and visibility activities will be ensured by the Programme Director, and we will utilize the skills of WCS's in-house Communications Coordinator for the region to develop communication materials for a range of audiences. Some of the key elements of our communications and visibility strategy include the following actions:

- Selection of the WCS regional Communications Coordinator (East Africa, Madagascar Western Indian Ocean) as the focal/lead person for GFCR communications and visibility initiatives. The communications Coordinator's role is to work closely with the GFCR Strategic Engagement and Communications Lead on programme-related marketing initiatives including but not limited to:
  - With the support of the Programme Director, regularly (at least quarterly) update GFCR communications content such as:
    - Programme fact sheet;
    - WCS quarterly newsletters;
    - GFCR quarterly newsletters; and
    - WCS Miamba Yetu webpage (in development).
  - Develop online and print artwork for marketing as and when necessary, including banners, flyers and posters.
  - Support the management of the Reef+ Knowledge and Finance Accelerator for coral reef-positive action by disseminating information on our revenue-generating reef-positive solutions which have been approved. Additionally, leveraging its vast resources to find relevant solutions to challenges faced in project structuring and possibly attracting co-financing;
  - Develop and manage webpage for the programme on the WCS website; and
- Write and disseminate programme news/updates/content on social media platforms.



## VI. Risk Management and Mitigation

The programme takes cognisance of the potential risks that can negatively impact the programme and projects. Consequently, Miamba Yetu is developing a strategy to ensure risk is minimized and managed appropriately. First, a thorough proposal template for funding and/or financing applicants is being developed. This includes a risk section that allows them to identify the various potential risks and indicate how the project will mitigate these risks. Thereafter, the programme is developing a robust evaluation criterion for reviewing project proposals. All proposals will be vetted using a checklist that ranks applications on various criteria including risk and risk mitigation. Projects that do not demonstrate adequate risk mitigation will be asked to further develop their strategies prior to funding. Finally, implemented projects will have risk assessments conducted as part of the Monitoring and Evaluation (M&E) exercises to ensure risks are being monitored and addressed.

### Risk log

Event	Risk Level	Likelihood	Impact	Risk Management, Treatment	Risk/Treatment Owner	Risk Valid From/To
<b>Contextual Risks</b>						
<b>Political instability</b>	Medium	1	4	The projects implemented will align with the objectives of the local governments.	WCS/OCP	Project start to end
<b>Recessions and global economic contingency</b>	High	3	3	The project will ensure revenue margins to account for some degree of financial instability. Sound financial monitoring will help economic resilience. Tourism projects will need particular attention and will need to include appropriate sensitivity analyses to ensure assumptions take into account recession of other factors	OCP	Project start to end
<b>COVID/ other pandemic</b>	Medium	1	3	The programme implementation will consider the potential for a persistent COVID pandemic thus implementing measures to allow stakeholder meetings and field missions. Projects such as tourism requiring visitation to generate revenue will be especially vulnerable if another pandemic were to occur	WCS/OCP	Project start to end
<b>Climate change</b>	High	4	3	The technical teams will assess each project in terms of vulnerability to climate change and assess the specific risks associated with each project. At the same time, project	WCS	Project start to end



				development will take into account opportunities for investment and income related to specific climate change mitigation and adaptation measures.		
Programmatic Risks						
<b>Failure to reach ecological sustainability</b>	High	3	4	The programme will carefully select and monitor implementation and provide a mechanism to halt implementation and support in case of failing to provide ecological sustainability.	WCS	Project start to end
<b>Failure to reach financial sustainability</b>	High	3	3	The financial assessment team will carry out effective due diligence and take a cautious approach to project assessment and approval so that there is a relatively high level of confidence in the success of the project. At the same time, the programme will carefully monitor implementation to ensure compliance and to spot any red flags as early as possible in the implementation process. Where serious concerns exist, the program could halt implementation and support in case of failing to provide financial sustainability.	OCP	2023 to end
<b>Conflict with communities</b>	Medium	2	4	The programme will ensure that communities are consulted at all stages of a project implementation and development and will be included in design, where appropriate. All projects will be screened for ecological as well as livelihood/social benefits and priority given to those that address local issues and concerns.	WCS	Project start to end
Institutional Risks						
<b>Implementation of environmentally damaging projects</b>	Medium	1	4	To the extent feasible WCS will engage with the private sector to promote early mitigation and help coordinate the use of funds available by the private sector to compensate for impacts. EACOP offers an example of a company that is committed to meeting IFC Performance Standards, and relationships are already established; other projects will need follow-up.	WCS	2023 to end
Fiduciary Risks						





<b>Funds not used for the intended purposes</b>	Medium	2	4	The program will build in systems to track the use of funds; the monitoring system will track outcomes against milestones to identify any abnormalities early in the process	WCS/OCP	2023 to end
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**Key:**

Risk Level: *Very high, High, Medium, Low*

Likelihood: *Almost Certain – 5, Likely – 4, Possible – 3, Unlikely – 2, Rare – 1*

Impact: *Extreme – 5 Major - 4 Moderate - 3 Minor - 2 Insignificant - 1*

**Assumptions:** The programme assumes that the decision process and framework implemented is adequate to identify ecologically sound and financially sustainable projects and that the monitoring plan can detect positive and negative effects on the environment, communities, and financial status of a project.

The management structure as it relates to grievances is being developed as part of the governance and management structure in parallel with the establishment of the SPV. However, the programme is guided in part by the WCS Global Grievance Redress Mechanism policies and procedures which apply to projects or activities undertaken or sponsored by WCS that are reasonably believed to contribute to or cause human rights abuses, safeguarding violations, or violation of the human rights of individuals or communities. Grievances can be submitted either through email or verbally to WCS staff who must submit it to the WCS Social Safeguards Management Team (“SSMT”), which develops a grievance review plan and undertakes investigation, documentation, monitoring and communication steps. Parties are encouraged to communicate reports of grievances to the Programme Director who coordinates the day-to-day management of the Miamba Yetu programme.



## VII. Adaptive Management

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One of the key take-aways from our first year of implementation is the importance of ensuring stakeholders understand the uniqueness of the programme in that it is not merely a conventional grant-based fund but rather an investment vehicle to catalyse coral reef positive activities in the region. More emphasis is required on the investment aspect to potential beneficiaries who may be accustomed to grant funding. With the onboarding of the Programme Director who is experienced in conservation finance, we have enriched our engagement with stakeholders to clearly portray the benefits of the programme and further emphasized this in our communication material such as our revised fact sheet.

As a well-established marine research organization in the region, WCS's 30 years' experience is being leveraged together with the financial expertise of our partner Okavango Capital Partners to identify novel finance solutions that address both ecological and financial aspects of interventions. This collaboration is further being adapted through the establishment of a Special Purpose Vehicle which will merge our efforts to ensure the programme is managed efficiently and effectively for the next 8 to 10 years. By establishing long-term coral reef and reef threat monitoring sites across Kenya and northern Tanzania, we are ensuring that WCS is able to track emergent threats and progress on reducing ongoing reef threats.

Building new partnerships will be an important component and collaborations are key to the success of the programme in ensuring efforts are streamlined. WCS already has extensive partnerships regionally and nationally with governments, scientific institutions and NGOs (many of which are included in the collaborative initiatives section). We are now also building new partnerships in the financial sector and private business. These stakeholders possess expertise that the Miamba Yetu program is tapping into to ensure efficient implementation of identified projects. We are participating in ongoing initiatives and forums that align to the programme objectives, some of which are highlighted in the communications and visibility section of this report.

Blue carbon has received significant interest in the region and has attracted increasing funding from donors to scope out potential in the Western Indian Ocean region. This could be a potential beneficial investment for community livelihoods, while meeting conservation objectives. Although the opportunities have not been explored sufficiently, WCS has been engaged in scoping exercises in the region to flesh out blue carbon opportunities and has been working with 6 TBCA communities to identify seagrass and mangrove areas for protection and inclusion in blue carbon projects. Further, WCS is onboarding a blue carbon specialist to be based at our Mombasa office starting in March 2023. This person will create a national roadmap and strategic plan for WCS's for blue carbon conservation and finance opportunities in Kenya, Tanzania, Mozambique, and Madagascar.

**We are also cognizant of regional interest and synergies around the development** of incubator and accelerator facilities that aim to enable community-level projects to be taken to scale and to attract enterprises for blended finance solutions. WCS will build on these experiences to identify efficiencies in building pipelines and to identify financing mechanisms at scale such as aggregation to ensure measurable impact for coral reefs.



## Annexes

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### **Annex A: Financial Report**

*Refer to separate file.*



## **Annex B: Threats Assessment**

*Refer to separate file.*