

MPA NEWS

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Financing spotlight: Blue Abadi, a \$38-million trust fund to support MPAs in the Bird's Head region of Indonesia

In September 2016, several institutions — Conservation International (CI), The Walton Family Foundation, the Global Environment Facility, The Nature Conservancy (TNC), and World Wildlife Fund (WWF) — announced a joint effort to support long-term protection of Indonesia's Bird's Head region, a highly diverse marine area in West Papua, Indonesia. The centerpiece of the effort is a new trust fund called Blue Abadi, for the Indonesian word for "forever".

Once fully capitalized with a target of US \$38 million, the fund will be among the largest dedicated marine conservation funds in the world. Its goal is to provide self-sustained financing for the region's MPA network, which covers 36,000 km² of locally managed sites. The first money is already arriving. In February of this year, CI, TNC, WWF, and the Indonesian government announced their initial capitalization of the fund with \$23 million.

For insights on how the fund is structured and what drove its development, MPA News speaks with Laure Katz, director of the Seascapes Program at CI.

MPA News: Some conservation funds are designed to provide financing in perpetuity, while others spend down their money (or capital) over time. Which model does the Blue Abadi Fund use?

Laure Katz: The Blue Abadi Fund is a multi-account fund, with both a sinking component and an endowment component. The sinking portion will be spent during the initial 3-5 years of fund operation, allowing the endowment capital to grow. Revenues generated from investing the Blue Abadi endowment capital on a yearly basis will be disbursed to local grantees to ensure adequate protection of the Bird's Head Seascape in perpetuity.

What drove the development of the fund, aside from wanting to sustain MPAs in the Bird's Head region?

Katz: For several years, the primary anchor donor for the Bird's Head Seascape has been the Walton Family Foundation. After 12 years of extremely generous support for MPAs in the Bird's Head Seascape, the foundation has embarked on an exciting new strategy for Indonesia that focuses on fisheries reform. The establishment of the Blue Abadi Fund was motivated in part by this anticipated transition and to incentivize other long-term sustainable funding sources for the seascape so as to not be reliant on international philanthropy forever.

Who will be in charge of managing the Fund?

Katz: The Blue Abadi Fund will be governed by a multi-stakeholder governance committee, with representation from local and national government, local indigenous communities, conservation NGOs, donors, the private sector, and the finance sector. In turn, the governance committee will be supported by three expert committees, including a science and conservation technical advisory committee, a Papua advisory committee, and a financial advisory committee.

The day-to-day administration of the fund will be led by the Indonesian Biodiversity Foundation (KEHATI). KEHATI brings over 20 years of experience administering conservation trust funds in Indonesia and is excited to work on its first ocean project.

Grants from the Fund will be available to Bird's Head communities and agencies to support local stewardship of protected areas. When will communities and agencies be able to apply for such grants, and how should they do that?

Katz: The Blue Abadi Fund will have two granting tracks — a primary granting facility and INOVASI, a small grants facility — to support smaller local Papuan organizations actively participating in the conservation and sustainable development of the seascape. For the primary granting facility, KEHATI will issue requests for proposals on an annual basis to targeted local agencies and organizations filling core functions within the seascape, such as MPA management, monitoring and science, or environmental education. The first round of requests for proposals was in April 2017. For the INOVASI small grants facility, KEHATI will issue an open call on an annual basis. The first open call for proposals is expected to be in September 2017 for grants starting in January 2018.

For more information:

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