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The Blue Treasure

International commitment to clean oceans and coasts

Protecting the world's oceans – with the Blue Action Fund

In coordination with the Federal Ministry for Economic Cooperation and Development (BMZ), KfW Development Bank has founded a trust for international marine protection. It bears the name “Blue Action Fund” and promotes conservation areas, sustainable fishing and environmentally friendly tourism. The aim is for the Blue Action Fund to become an important promotional instrument for the world's oceans.

The oceans are the largest habitat in the world. They cover 70 percent of the Earth's surface, generate 50 percent of our oxygen, store carbon dioxide, regulate the climate and make an important contribution to the world's food supply. Furthermore, they are home to the greatest variety of species, they provide raw materials, they are used for trade routes, and they are a source of inspiration and recreation. Around half of the world's population live near a coastline, and in many respects are reliant on an intact marine ecosystem: for example, fish play a crucial role in developing countries as a source of protein and income. Mangrove forests and coral reefs provide protection from storm tides and flooding. In spite of their significance, coasts and oceans are under more pressure than ever before: their fish stocks are overused, while pollutants and solid waste often end up untreated in ocean waters. Then we have the economic interests, ranging from deep sea mining and oil extraction to tourism. All these factors impact on the seas and oceans, jeopardising this unique ecosystem: roughly one third of all fish stocks are now considered overfished, two thirds of the coral reefs – nurseries for fish – are severely under threat.

To counter these trends, KfW established the Blue Action Fund with the BMZ at the end of 2016. It supports non-governmental organisations in their coastal and marine protection work, and is thus a new funding instrument in development cooperation because it brings governmental and non-governmental players together. Together they can achieve more, and more quickly, inputting their different experiences: “KfW with its wide-ranging knowledge of nature conservation on land, among other things, and the NGOs with their expertise from working together with local fishermen”, said Stephan Opitz, Member of the Management Committee of KfW Development Bank, explaining one of the advantages of the new trust. The first project outlines have been

drafted; the actual work will start at the beginning of next year, probably in the oceans by Mozambique and Ecuador – both of which are marine hot spots for biodiversity. “We are well on the way”, said Opitz. By 2019, more than a dozen projects are to be financed from the Blue Action Fund. This non-profit trust with a start-up capital of EUR 24 million originating from BMZ funds is to attract new donors in the coming years and thereby gradually extend its reach. Sweden wants to invest roughly EUR 5 million, while other countries are weighing up their contributions too. “Our goal”, said Opitz, “is for the Blue Action Fund to become a major player in international marine conservation”.

Friederike Bauer

Rare turtles lay their eggs on the coast of Mozambique.



“Getting people on board”

The oceans are under threat: climate change, solid waste and overfishing are jeopardising the living conditions of millions of people, particularly in poorer countries. Stephan Opitz, Member of the Management Committee of KfW Development Bank, explains in an interview why KfW has become increasingly involved in marine conservation, and which strategies promise the greatest success.



Stephan Opitz
Member of the Management Committee of KfW Development Bank

The United Nations held its first international conference on the oceans in June. Has the global community recognised the need to take action?

I think so. When the Sustainable Development Goals were laid down in 2015, protecting the oceans was not even on the agenda, and was only

included after pressure from small island countries. Now we have a separate objective specifically for this with SDG 14. And the first global Ocean Conference took place recently in New York. These are all indications that something is changing here.

Why did it take so long? Overfishing is not exactly a new topic...

There are many reasons for this. In contrast to when on land, we do not immediately see what is happening in the oceans. Neither what is lost, nor what is preserved. In conservation areas on land we can look at elephants, lions and pandas. We can identify with these “key animals”; this increases the pressure. It's different with the oceans. Here, the

treasures are under the water: coral reefs, seagrass beds and fish can only be seen if you dive down. This makes it more difficult to convey information about marine conservation.

Nevertheless, something has to be done urgently.

Yes, that's the main message that we took from the conference in New York. The oceans are under severe threat – overfishing, solid waste, economic exploitation – and we have to take urgent action against this.

Can the whole thing actually still be reversed?

This was also asked with regard to nature conservation areas on land. Like in Amazonia, an area that is crucial for climate protection. It was argued back then that the pace of deforestation could not be stopped, and that there would be no more forests there within a few decades. But it is precisely in the Amazon rainforest that we see the deforestation rate has dropped, because here – also thanks to development cooperation – conservation strategies were launched in many areas. Strategies that involved the people, offering them economic prospects without destroying the forests. These are successes achieved using approaches that can be transferred in a very similar way to marine conservation.

MARINE CONSERVATION INITIATIVES

Protecting the oceans is a question of survival for humankind. This is why Germany is pressing forward: by means of a 10-point action plan entitled “Marine conservation and sustainable fishing”, the Federal Ministry for Economic Cooperation and Development (BMZ) is strengthening its commitment towards the oceans. The BMZ has provided roughly EUR 440 million to implement the action plan. Yet having the right partners, good ideas and ambitious objectives are just as important as funding. The BMZ is combining all of this into two new marine initiatives: the Blue Action Fund together with KfW and the initiative to protect mangroves “Save our Mangroves now” with the WWF and the International Union for Conservation of Nature (IUCN). Because “keeping going” is not an option. “The oceans are on the brink of collapse – and without them, life as we know it is impossible”, explained Development Minister Dr Gerd Müller. www.bmz.de/themen/meeresschutz



Marine protection is also benefiting traditional fishermen, like this one in Vietnam.

How might this actually be achieved?

Swift results can be achieved in the oceans as well: where biodiversity is respected, protected and sustainably managed, the seas recover surprisingly fast. It is not too late yet, but we have to act consistently.

What do you think has to happen first?

Firstly, we need to make existing marine conservation areas functional. Some of these protected areas exist in theory only; this is why they are called paper parks. Planning these parks in a way that they have an effect and that fish stocks start to recover is crucial. Officially, we currently have about three percent under conservation; the international target is ten percent. This means we have to activate existing areas and set up new ones.

How can we ensure that there is no fishing in these areas, or only as much as is allowed?

We have to get the people on board. Just like with land-based initiatives. We now know that as soon as “no-take zones” are set up somewhere, and agreements are reached with the local fishermen, everyone profits in the end. What is important is that the fishermen know this is a protected area and certain rules

apply. If these rules are adhered to, the yield from the seas will increase again in the medium to long-term.

Many fishermen are poor. Do they not simply need the income today, even if this means they earn less?

This can create a conflict of interests. But often the fishermen simply no longer find anything because the fish stocks have been depleted. There is no short-term benefit for them anymore, and therefore they understand very well that protected zones offer them an opportunity.

You talk about sustainable fishing on a small scale in a sense. But frequently we see large trawlers that deploy unsustainable catching methods and empty the seas. What can be done to counter this?

Modern means of communication now offer good opportunities here to make checks, using satellite technology for example. This means the large trawlers can be located too, and we can determine which ships have fished illegally.

But we are still far from having a complete international control system for the world’s oceans...

Correct, we don’t have that yet, and it will not be a fast process either. Yet

controlling the protected zones better is an important objective I think.

Another problem is the growing volume of plastic waste in the oceans. Some hope that we will soon be able to remove this from the water with floating treatment plants or massive suction tubes. What is your take on such ideas?

I don’t think these technical solutions are very promising up to now because the particles are very small. And the waste is widely dispersed. We believe we have to start before that, and try to stop the waste from getting into the oceans in the first place by means of proper waste and recycling systems.

How significant is KfW’s involvement in coastal and marine protection?

It makes up roughly ten percent of our activities in the field of biodiversity, which we carry out on behalf of and with funding from the Federal Ministry for Economic Cooperation and Development (BMZ). But we consider it to be an emerging topic.

KfW has just set up the “Blue Action Fund” for marine conservation. Why?

By means of the Fund, we can implement projects more quickly, purposefully and on a broader scale because we are working together with large international non-governmental organisations. At the moment it has trust assets of EUR 24 million derived from BMZ funds; we are targeting an amount of EUR 100 million with the involvement of further donors. The need is there, and we are running out of time.

This interview was conducted by Friederike Bauer.

Preserving coral reefs and mangrove forests

The Caribbean islands are well known for their diversity of plants, fish and other animals – but these natural wonders are under threat. The increase in the oceans’ temperature is damaging coral reefs, the abundance of fish is declining and hotels are sprawling out along beaches. To support local marine conservation areas, KfW has financed the Caribbean Biodiversity Fund since 2010 on behalf of the German Federal Government.

Coral reefs with a total size of two million hectares, extensive mangrove forests and more than 1,400 species of fish make the Caribbean islands one of the world’s five most important hot spots for biodiversity. The Caribbean Sea also offers protection for many migratory animals. For example, six out of the seven endangered species of sea turtle live here. Biologists have counted 300 bird and mammal species that are only found here. The Caribbean Biodiversity Fund was established to protect this biological diversity and the natural resources in the Caribbean. Its

Secretariat is based in the Bahamas, and one representative each from the non-governmental organisation The Nature Conservancy and from KfW have been delegated to the supervisory board.

The Caribbean Biodiversity Fund needs at least USD 40 million to be able to designate new and preserve existing conservation zones. KfW alone provided EUR 20 million on behalf of the BMZ, while The Nature Conservancy and other donors made further contributions.

Eleven countries and territories have already set up national conservation funds that receive funding

from the Caribbean Biodiversity Fund to promote their respective national conservation zones, for example to buy patrol boats, revitalise habitats or extend the zones. The countries involved are Antigua and Barbuda, the Bahamas, the Dominican Republic, Grenada, Haiti, Jamaica, Puerto Rico, St. Kitts and Nevis, St. Lucia as well as St. Vincent and the Grenadines, which joined the Caribbean Challenge Initiative in 2008 with the purpose of placing 20% of their coastal areas under protection by 2020.

KfW will follow the fortunes of the fund during the start-up phase before retreating and handing responsibility over to the trust that runs the fund. It is assumed that by then the fund will be generating sufficient returns to cover the needs of the marine conservation areas together with further proceeds from the national conservation funds, such as entry fees.

Last but not least, protecting biological diversity benefits the local economy too, and therefore people. Throughout the Caribbean, income from fishing and tourism amounts to an annual USD 80 billion. Many people are dependent on these sources of income that are based on the natural diversity of the Caribbean islands.

Charlotte Schmitz

Tropical fish and coral reefs in the Red Sea



Anything but waste

The rapidly growing megacities and urban conurbations in developing countries and emerging economies in particular have to find solutions for their ever-increasing amounts of waste. However, developing sustainable waste management systems is a huge challenge and a laborious process. KfW Development Bank is planning to intensify its efforts within German development cooperation, which includes working on new concepts to mobilise the potential of the sector. One example here is Tunisia.

If waste is not disposed of, it is not just a nuisance, it entails many risks. Landfills spoil the landscape and contaminate usable space. They become breeding grounds for disease carriers and a source of food for rats and vermin. The poorer population is particularly exposed to these kinds of risks. “Uncontrolled” waste dumps contaminate drinking water and threaten water bodies, air, soil, flora and fauna. The climate suffers too. Ten to 15% of a country’s overall greenhouse gas emissions can be prevented by good waste management and recycling.

The municipalities – generally responsible for waste disposal – are barely up to this complex task. Waste disposal “devours” a large part of their frequently scarce funds. Municipalities in developing countries spend between 20 and 50% of their budgets just on collecting waste. Nevertheless, many residents do not have access to proper disposal services. Some of the waste – mainly in the poorer settlements – is not taken away at all, and remains in the residential area.

One country that KfW Development Bank has supported since the end of the 1990s in setting up a proper waste management system is Tunisia. Since 2002 and via its own national executing agency “ANGed”, this country has gradually estab-



For recycling purposes, it is very important to sort waste diligently: plastic caps in Tunisia.

lished a basic disposal infrastructure that reaches around 85% of the population. It mainly consists of waste transfer stations and properly

regulated landfills, and fulfils the basic requirements for environmentally friendly waste disposal. In 2008, the first concepts were drafted

to turn the Tunisian waste disposal system into a recycling economy, explained Wolfgang Pfaff-Simoneit, Technical Expert in the Water and Waste Management Team for MENA (Middle East/North Africa) at KfW. A recycling economy means that the raw materials used are returned in their entirety to the production process, and besides the recycling of products, emphasis is placed on reusing organic waste, which makes up 60% of the volume. The upheaval stemming from the Tunisian revolution that began in 2010 radically changed the general conditions for designing and implementing disposal plants. The population questioned local governance, and acceptance of disposal facilities fell dramatically. ANGed is now adapting to the new requirements. It is accountable to the general public for its actions and has to employ democratic forms and procedures of civil society participation. KfW is thus supporting ANGed and the Tunisian authorities in developing participatory forms of local governance (“change management”) and conducting national dialogue on waste disposal.

“Acceptance of disposal facilities improves if the volume of waste is reduced as much as possible,” explained Pfaff-Simoneit. Then the areas needed for disposal facilities can be scaled back and the environmental risks minimised. In Tunisia, the previous concept of regulated landfills failed on account of the waste properties and the climate conditions, added the KfW expert.

“Mechanical biological treatment of waste is particularly suitable for Tunisia”, said Pfaff-Simoneit, as proven by a pilot project in 2014/2015. The surface area required for waste disposal can be drastically reduced, and greenhouse

gas emissions can be avoided almost completely. Given the positive results, the Tunisian government decided at the end of 2016 to equip all landfills with mechanical biological waste treatment facilities, while new plants will be fitted with this technology from the outset.

“Waste collection also provides jobs for people with low qualifications.”

Dr Wolfgang Pfaff-Simoneit

Another important finding on waste management was confirmed in

Tunisia: it does not make sense in developing countries to collect and separate waste with as few people and as many machines as possible. Collecting and sorting waste offers huge opportunities for permanent jobs, even for those with low qualifications. “It generally does not cost any more if many people are employed”, explained Pfaff-Simoneit, because labour is not expensive in contrast to the purchase of imported waste disposal vehicles and other machinery. To be able to recycle waste permanently and efficiently it is very important to sort early, and to record the recyclable parts by type as precisely as possible. Recycling is mostly carried out by informal waste collectors in Tunisia at the moment. Action in the waste sector should therefore always be aimed at improving the working and living conditions of informal workers at the same time.

Sabine Balk

DEG COMMITMENT: RECYCLING WASTEWATER

Tourism and farming are key economic sectors for Egypt. Both industries use a lot of water, which is a scarce resource in Egypt. Hotels on the Red Sea and on the Sinai Peninsula rely on expensively treated water from desalination plants, but for farming this is too expensive. TIA, a company from Breitenfelde in Schleswig-Holstein, and MFT Membran from Cologne, have developed a solution for this: a facility that processes wastewater from hotels. The treated water can then be used for irrigation purposes. Last year, a pilot plant was launched in a hotel in El Quesir. Training was organised at the same time with the aim of creating a service and maintenance network with local partners. The Egyptian authorities and other hotel operators are also being made aware of the potential and the advantages offered by wastewater treatment and reusing treated wastewater. Universities and research institutions are to facilitate knowledge transfer. DEG, a subsidiary of the KfW Group, co-financed the pilot plant using funds from the developPPP.de programme of the BMZ. DevelopPPP.de is aimed at companies which are committed to developing countries and emerging economies on a long-term basis and want to shape their business commitment in a sustainable way.

A life for the wilderness

South African environmentalist and human rights activist Andrew Zaloumis received the 2017 Bernhard Grzimek Award by KfW Stiftung for his services related to the iSimangaliso Wetland Park. This park, which stretches over 330,000 hectares, also has 220 kilometres of untouched coastline. In addition to wetlands, its landscape comprises hills and savannahs. The conservation park is the first UNESCO World Heritage Site in South Africa.

Andrew Zaloumis is an enthusiastic supporter of Nelson Mandela, the first president of a free South Africa. He paved the way for the protection of the iSimangaliso Wetland Park (which means “wonder” in Zulu). Zaloumis played a leading role in elaborating the UNESCO treaties and embedding the area’s protected status in South African law.

Nature has always fascinated him. Right after he was born in Johannesburg in 1961, his family moved to a remote region of Zambia. “I grew up in the wilderness”, explained the reserved man. Later on, he studied economics in South Africa, and then decided to study spatial planning to avoid compulsory military service. “The apartheid state is responsible for my education”, he said ironically. During the first democratic elections in South Africa in 1994 he organised a polling station in a rural region.

Thereafter, Andrew Zaloumis focused solely on the environment.



In Frankfurt Zoo, Andrew Zaloumis learned about the offspring of wild African animals.

He was involved in cross-border conservation in the region of Lubombo, before taking over the management of the iSimangaliso Wetland Park in 2002. He promptly launched the restoration of plantations and wetlands, but his work comprises much more than that: “We always focus on three things: environment, supporting the local population and tourism.” Today, the park provides jobs for thousands of local people.

The measures that succeeded in resettling species such as giraffes, lions and the African wild dog were

spectacular. “The wild dogs are particularly dear to my heart”, said Zaloumis. He marvelled at how the animals – of which there are now only 6,000 – travel many kilometres every day and hunt over massive territories.

Zaloumis lives in the middle of the park with his wife and two children. “Our nearest neighbour is 15 kilometres away.” Zaloumis is satisfied. The wilderness has him back.

Charlotte Schmitz

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