



Potential Financing Measures and Mechanisms for Marine Conservation in Namibia – a focus on NIMPA



**NAMIBIA NATURE FOUNDATION
BLUE MARINE FOUNDATION
JUNE 2025**

Why does financing NIMPA matter?



As of July 2025, Namibia has only one designated Marine Protected Area (MPA), the Namibian Islands' Marine Protected Area (NIMPA), located within an Ecologically or Biologically Significant Area (EBSA). Covering roughly 9,500km², or 1.7% of Namibia's Exclusive Economic Zone (EEZ), NIMPA plays a critical role in marine conservation. It is, for instance, home to most of Namibia's seabird colonies, making it a vital sanctuary for biodiversity. However, funding for its effective management remains inadequate due to competing national priorities. At the same time, NIMPA faces growing threats from overfishing, mining, marine pollution, large-scale mariculture, and the harvesting of live marine mammals.

As Namibia's first and only designated MPA, establishing a sustainable financing model for NIMPA presents an opportunity not only to secure its future but also to serve as a blueprint for future MPAs, supporting Namibia's commitment to meeting Target 3 of the Kunming-Montreal Global Biodiversity Framework, which is to "Conserve 30% of Land, Waters and Seas".

This policy brief outlines viable financing mechanisms for ensuring the long-term, effective management of NIMPA.

What type of costs does NIMPA entail?

The key costs and expenditures related to NIMPA include, but are not limited to:

- **Investment costs** - one-off costs that include establishment of the MPA

- Equipment purchase
- Infrastructure building
- Remediation actions for degraded ecosystems

- **Recurrent costs** - costs that will need to be paid on a regular basis, from set up onwards

- Human resources for general management, fisheries, seabirds, marine mammal and oceanography management, research, threats monitoring, and enforcement
- Equipment maintenance and use, such as fuel and maintenance for vessels
- Infrastructure maintenance (e.g. jetty maintenance on specific islands within NIMPA).

Some essential costs - such as equipment and staffing - are already covered through government budgets. However, following stakeholder consultations, it has become clear that additional resources will be required to enable effective management of the NIMPA.



How can NIMPA be sustainably financed?

A sustainable financing plan for an MPA involves a mix of mechanisms functioning as a portfolio to support both initial setup and ongoing management needs. Potential funding sources and instruments are listed below with an indication of the typical types of costs they cover, though depending on their design, they may also address additional expenses.

Large-scale funding sources and mechanisms

Mechanisms and sources which can be at the core of financing for NIMPA

Government Funding

Definition: Public financing through national budgets often constitutes the core support of MPA operations. Public funds can be leveraged through traditional budget allocations, but also be raised through specific environmental levies, ringfenced towards MPA management.

Type of cost covered: Government funding can cover all types of costs, but priority should be placed on costs which cannot be sourced externally, in particular recurrent costs for human resources for management, research, monitoring, and enforcement.

Key Benefits:

- Ensures national oversight.
- Foundational funding stream for most MPAs globally.

Limitations:

- Competing national priorities.
- Often underfunded and rigid.

NIMPA Relevance: Government funding can serve as a baseline for key NIMPA functions, in particular human resources related costs. A share of the Marine Resource Fund, which gathers revenues from specific levies on marine resources harvesting could be earmarked for NIMPA management. If there is political interest, additional levies could be designed, with revenues dedicated to NIMPA management.

Official Development Assistance (ODA)

Definition: Multilateral or bilateral funding aimed at development, climate, and biodiversity goals. Namibia has had several successful ODA-funded projects implemented in the marine sector.

Types of costs covered: Capacity building for human resources, investment costs for infrastructure, dedicated remedial actions for degraded ecosystems, specific human resources costs, such as for research.

Key Benefits:

- Has the potential to provide large-scale funding.
- Can unlock private finance and investments by reducing risk and creating an enabling environment.

Limitations:

- Subject to foreign policy priorities.
- Conditional of ODA access criteria, with Namibia not listed as a priority for many key donors.
- Downward predictions in ODA globally.

NIMPA Relevance: ODA can fund technical support and provide co-financing for specific NIMPA infrastructure investments or research mandates. Given the declining trends in ODA, ODA funds dedicated to NIMPA should, as a priority, support activities where funding cannot be leveraged elsewhere, as well as initiatives which focus on increasing private sector investments. The track record of successful ODA-funded projects in the Namibian marine sector can be leveraged to unlock further funds for NIMPA.

Project Finance for Permanence (PfP)

Definition: A financing model that sets out to secure the necessary funding and arrangements for specific conservation outcomes over a long timeframe, ahead of activities starting. PfPs often bring together different funders from the national public and private sector, as well as international donors.

Types of costs covered: Human resources for general management, fisheries management, research, threats monitoring, and enforcement. Recurrent infrastructure and vehicle costs.

Key Benefits:

- Provides financial security over decades.
- Fosters stakeholder collaboration.

Limitations:

- Complex to establish and manage due to the range of stakeholders involved.
- Requires significant upfront investment and planning, meaning finance flows may only materialize well after the start of activities.

NIMPA Relevance: A PfP model can be explored for long-term NIMPA management. Models from terrestrial PfPs currently being designed in Namibia can serve as a blueprint. The range of stakeholders brought together by the NIMPA+ project[1] can also be used as an initial scoping for participants.

Conservation Trust Fund (CTF)

Definition: An independent entity managing funds for long-term conservation. A CTF can be designed as an endowment, revolving or sinking fund. Under an endowment fund, initial capital gathered for the CTF is not spent, and only the returns made from the initial investment are used for dedicated activities. Revolving funds are fund spent and replenished continuously, through a dedicated mechanism (e.g. levy). Sinking funds benefit from an initial endowment, which is progressively spent on activities.

Types of costs covered: An endowment fund or appropriately funded revolving fund can cover recurrent costs, such as human resources for general management, fisheries management, research, threats monitoring, and enforcement, as well as current infrastructure and vehicle or vessel costs. Resources from a sinking fund can support investment costs, such remedial actions for degraded ecosystems or one-off activities, such as research project for a specific species.

Key Benefits:

- Long-term stability of financing streams, particularly for endowment funds.
- Can combine public and private funding sources.

Limitations:

- Market-dependent returns.
- Fundraising for initial capital can be lengthy and yield insufficient results.

NIMPA Relevance: If there is Ministry and stakeholder buy-in to support efforts in building a dedicated NIMPA CTF as a standalone institution or as a part of existing CTFs in Namibia, this could be an appropriate arrangement to ensure several dimensions of long-term management.

[1] The NIMPA+ project is a project implemented by the Namibia Nature Foundation and partners, through support from the Blue Action Fund, aiming to enhance NIMPA's management, focusing on the sustainable use and conservation of marine resources.

Blue Bonds

Definition: Bonds (debt) are issued by a public or large entity. Funds leveraged are to be used towards the sustainable use of marine resources, or related sustainable economic activities.

Types of costs covered: Investment costs for infrastructure development (e.g. jetties, eco-tourism facilities), equipment purchase (e.g. patrol vessel), ecosystem restoration, and research infrastructure.

Key Benefits:

- Provides potential for blended finance with investors and donors.
- Can mobilize large-scale, long-term funding at lower interest rates

Limitations:

- Significant institutional set up needed, such as creation of a Blue Taxonomy.
- Requires clear revenue generation plan, as the principal has to be paid back upon bond maturity.

NIMPA Relevance: If there is Ministry and stakeholder buy-in, a blue bond could be designed to and implemented for NIMPA

Debt-for-Nature Swap

Definition: National debt re-negotiation in exchange for conservation commitments. Restructured debt obligations include support to nature initiatives – in this case, ocean protection.

Types of costs covered: The design of the swap will determine what the funds can be used for – in most instances, both investment costs and recurrent costs can be covered.

Key Benefits:

- Supports debt sustainability efforts.
- Strengthens national sovereignty over environmental goals.

Limitations:

- Complex to set up, requiring high-level government engagement and lengthy process.

NIMPA Relevance: The relevant debt segment first has to be identified within Namibian holdings. With political will, this could unlock a significant scale of funding for NIMPA.

Medium to small-scale funding sources and mechanisms

Mechanisms meant to be complementary to core financing, potentially ring-fenced to specific activities

Marine Improvement District (MID)

Definition: A business-led and business funded body where each business pays a levy to participate. Resulting funds are ringfenced for investments within the district, with businesses contributing to management and conservation outcomes.

Type of costs covered: Recurring and investment costs in infrastructure and equipment. Selected human resources costs.

Key Benefits:

- Engages coastal industries.
- Encourages private sector accountability.

Limitations:

- Unproven in marine contexts.
- Requires trust and administrative capacity and interest from private sector.

NIMPA Relevance: A Lüderitz MID pilot could build on the newly established NIMPA+ Corporate Social Responsibility (CSR) Platform. Hosted by the Lüderitz Town Council, the platform brings together CSR teams from key maritime industries to address community vulnerabilities through joint social upliftment initiatives.

Carbon Credits

Definition: Tradable units representing CO2 reductions from conservation of carbon-sequestering ecosystems. In the marine environment of Namibia, kelp forest habitat is a potential candidate.

Types of costs covered: Investment costs for ecosystem restoration (e.g. kelp forests), scientific equipment; recurrent costs for long-term monitoring, and human resources for restoration, research, and verification.

Key Benefits:

- Monetizes climate co-benefits.
- Access to global carbon markets.

Limitations:

- Kelp forests not yet recognized under mainstream carbon standards.
- Additional scientific verification on the carbon capture of kelp is needed.

NIMPA Relevance: Emerging relevance; research on kelp carbon sequestration and storage could support eligibility in the future.

Biodiversity Credits

Definition: Tradable units that represent verifiable improvements or maintenance in biodiversity. A pre-defined unit of biodiversity is protected or restored and sold to market actors. Currently, biodiversity credits are only purchased on a voluntary basis.

Type of costs covered: Investment costs for habitat restoration; Recurrent costs for biodiversity monitoring, community stewardship, and human resources for conservation and ecological assessments.

Key Benefits:

- Can efficiently mobilize private capital.
- Small-scale product can be designed in a relatively short timeframe.

Limitations:

- No existing compliance market in Namibia.[2]
- Voluntary market is at very early stages of development and demand remains uncertain.
- Requires strong monitoring, reporting and verification, and regulatory support for large scale.

NIMPA Relevance: High potential given the high biodiversity within NIMPA waters. Iconic species of critically endangered seabirds could be leveraged.

Crowdfunding

Definition: Fundraising from many individuals, usually online, for specific conservation initiatives.

Type of costs covered: Investment costs for rehabilitation of degraded ecosystems; Limited recurrent costs for research and monitoring.

Key Benefits:

- Public awareness
- Potential ease of implementation

Limitations:

- Limited scalability
- Unpredictability of funding

NIMPA Relevance: Could be leveraged for one-off projects (e.g. seabird rehabilitation)

[2] Compliance markets refer to markets regulated by governments or international institutions binding companies to certain targets, requiring them to purchase credits. Voluntary markets instead rely on actors's willingness to purchase credits or not.

What are the next steps to ensure NIMPA is sustainably financed?

As outlined above, there are numerous mechanisms available to complement traditional government budget allocations for MPA financing. However, to operationalise sustainable financing for NIMPA, the following key steps must be taken:

1. Approval of the NIMPA Operational Management Plan (OMP)

The OMP serves as the foundational framework that defines the mandates, objectives, and activities critical to the effective management of NIMPA. Its formal approval is a prerequisite for unlocking financing opportunities and designing appropriate funding mechanisms.

2. Validation of NIMPA Costing Framework

A detailed and validated costing of both investment and recurrent expenditures required to implement the OMP is essential. This framework provides a basis for identifying financing needs and tailoring mechanisms to address them effectively.

3. Assessment of Baseline (Traditional) Financing

Some aspects of NIMPA's management are already supported by existing government budgets. Assessing the current level of funding—and projecting future budgetary trends—is necessary to identify the financial shortfall that innovative or complementary mechanisms must address.

4. Identification of Context-Appropriate Financing Instruments

In collaboration with partners, the Government must determine which financing options are most feasible and suitable for Namibia's legal, institutional, and ecological context. Prioritising these options is key to moving from concept to implementation.



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THIS WORK WAS MADE POSSIBLE THROUGH THE SUPPORT
OF OCEANS 5. OCEANS 5 IS A SPONSORED PROJECT OF
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