Mfuko wa Kutunza Bahari (na Arthi)

‘Fund to Steward the Sea (and land)’

MKUBA

Community Eco-Credit/Fund

A promising EbA approach

Robert Wild

8th October 2025

Ecologic Institute EbA Finance Event

MWAMBAO COASTAL COMMUNITY NETWORK TANZANIA

Fauna & Flora
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Impulse statement

1. **Savings groups** widespread c. 1.3m. groups / c. 40 m. members,
2. **Community Eco-Credit** is a modest modification, including: Grant of funds, - Ecosystem restoration, NRM governance.
3. Positive ecosystem, governance and livelihoods impacts
4. Provides resilience and can be strengthened for EbA
5. Some further investment required to complete as a package, especially impact recording
6. Starting to be used in other geographies
7. Potential to package it as a ready made but flexible EbA tool for any Savings Group.
8. Cost of expanding to all Saving Groups c. $20-30 billion.

Community Eco-credit:

A community financing mechanism to support communities and ecosystems

About Mwambao

MWAMBAO Coastal Community Network founded, 2010

Vision: Healthy Tanzanian coastal & marine ecosystems where coastal communities are recognized as capable & effective resource managers with equitable benefits from their resources.

75 staff in Zanzibar and Tanga Region, Tanzania

What is Community Eco-Credit?

"credit, managed at the community level, conditional on ecological actions undertaken by the community member borrower required under the loan terms"
(Wild et al. 2021).

Intended to bolster the well-being and resilience of communities while increasing effective participation by community members in ecosystem management and restoration.

Wild R, Egaru M, Ellis-Jones M, Nakangu Bugembe B, Mohamed A, Ngigi O, Ogwok G, Roberts J and Kutegeka S. (2021) Using Inclusive Finance to Incentivize Climate Change Adaptation: An East African example ready for significant scale-up.

MULTI-DIMENTIONAL APPROACH

Especially important in area's with:

- high dependance on natural resources
- lack of formal employment opportunities and livelihood diversification
- degraded ecosystems
- vulnerable to the impacts of climate change
- No-access to formal finacing

BUILDING COMMUNITY ASSETS

- Builds on traditional knowledge
- High social capital
- Community ownership and engagement
- Local innovation

BUILDS ON SAVINGS GROUP INFRASTRUCTURE

- Widespread knowledge and capacity of savings groups
- Communities and third sector well used to the underlying model

The Community Eco-credit Concept

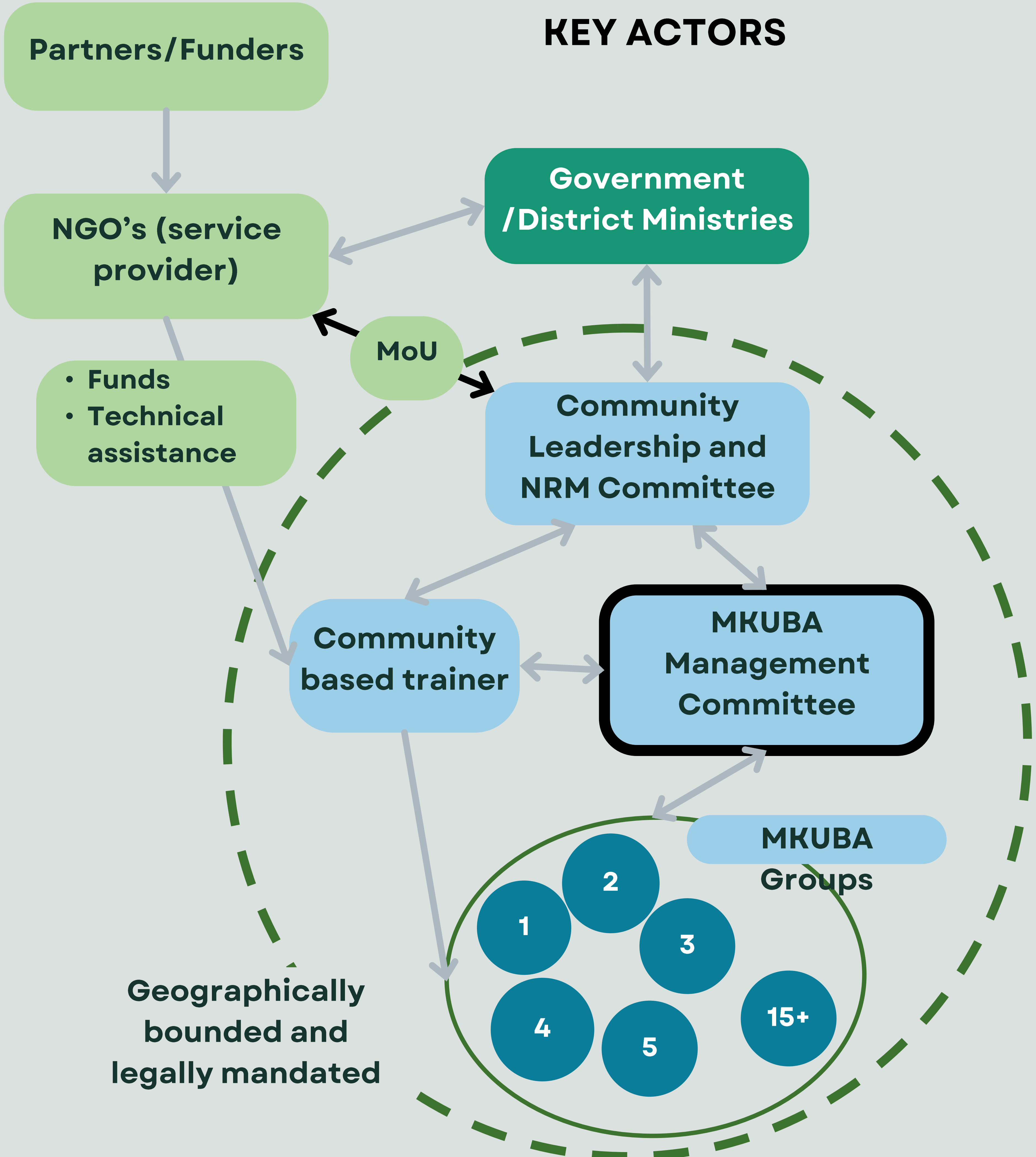
What makes it different?

- Grant of capital to boost loan pot
- Functional link to Ecosystem Governance
- Ecosystem actions in loan terms
- Environmental screening of business
- Technical support for ecosystem management restoration and sustainable use

The Community Eco-Credit Development

How it works

KEY ACTORS



The Community Eco-Credit Development

How it works

INPUTS

Capital **Training & Mentoring**

Sytem **Knowledge co-generation**

OUTPUTS **Community-level**

Ecological

- Awareness & skills of ecosystem management by communities
- Ecosystem management & increased ecosystem services (in the long term)

Governance & social

- Improved community-level ecosystem governance
- Women empowerment and Men engagement
- Mutual support (micro-insurance) and social networks

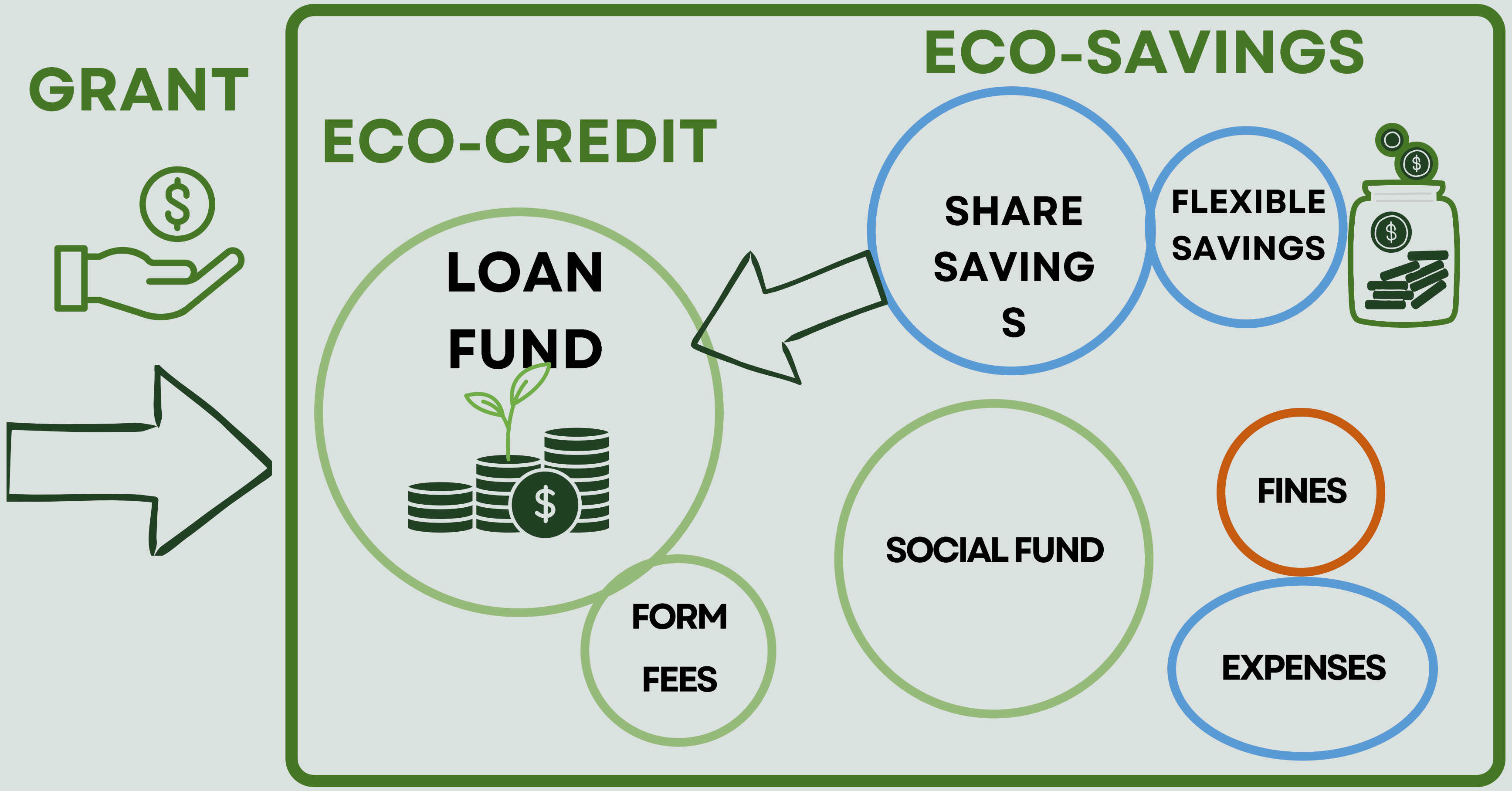
Financial

- Significant own savings
- Access to informal & equitable credit and increased HH finance
- Sustainable micro-businesses at community level
- Increased food security
- Increased household wealth
- (Funds for ecosystem governance)

The Community Eco-Credit Development

How it works

ECO- FUND STRUCTURE



ECO-ACTIONS IN LOAN TERMS

Level A: Mandatory eco-actions

- Use only legal fishing gear types
- Know & follow laws/ bylaws & plans.
- Attend Committee meetings
- Report the breaking of laws
- Carry out non-harmful businesses

Level B: Additional eco-actions: 1+ x per loan

- Patrol
- Plant mangroves
- Beach/Village clean-up

Eco-credit In Practice

Pilot Metrics (7 years)

- 39 communities of 96 (41%)
- 201 groups
- 6,062 members
- Women 69%, Men 31%
- Total initiation grants $141,169
- Default rate <2%
- Total loan volume $482,040
- Business training for all 6,062 members
- 30+ types of small business enhanced

Eco-actions In Practice

The Community Eco-Credit Pilot

Sample metrics

2021-2023.

- 135,709 mangrove propagules planted
- 344 hours of community patrols

2025

- Two villages cleaned 4.3 km of beach

Challenges

The Community Eco-credt Evaluation

Work in progress

- Meeting High demand/growing popularity
- Capital to expand groups, ecosystems and communities
- Technical guidance on eco-actions
- Value chain development
- Strengthening climate change adaptation and resilience

Recording eco-actions

- Paper/pen/ledger records
- Forms and excel
- Kobo collect
- Integrating with Chomoka app

Learning

The Community Eco-credt Evaluation

Randomised Control Trial

- Collaboration with IIED and Max Planck Institute of Evolutionary Anthropology on RCT on the MKUBA programme
- RCT is in the early stages
- Expected to confirm impacts on ecosystems, livelihoods and governance.

Costs vs benefits & value for money

- CEC per person cost $ 120
- VSLA only $ 7-11
- VSLA + Layered programming $ 29-55
- ROI Savings VSLA: 6-22:1
- Demonstrating value
- Reducing per-unit costs
- Estimated cost to extend to all wards in Zanzibar c. $ 11.7 million
- $10m = GCF micro fund level

Enhancing EbA

A. Increase scope

- # groups per community, # ecosystems restored, # communities a landscape.

B. Adjust the model

- Linking vulnerability assessment & early warning systems
- Youth programme
- Resilience Fund in the box
- Food purchase business for food security
- Climate Resilience Plans at HH, Group and Community levels
- Information sharing networking and unlocking innovation

D. Broader partner collaboration & support

- Create a MKUBA Fund
- Partnerships for ecosystems coverage
- Linkages to mobile money, cash transfers, formal banking sector

Summary

- CEC/CEF is practical 'last mile' solution for EbA
- Builds on existing Savings groups and NGO infrastructure
- Significant scale up should be possible

Ideas for building out

- Community of practice development?
- Creating a MKUBA fund to structure funding?

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Thank You - Ahsanteni sana!

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