

Conservation Trust Funds

The role of GEF
in funding trust funds
and
perspectives for the future





Conservation Trust Funds

Presentation:

- i. GEF support for Conservation Trust Funds**
- ii. Added value of CTFs in general and of GEF support in particular**
- iii. Conditions for GEF support**
- iv. Perspectives for the future**

Conservation Trust Funds

- ◆ **The Global Environment Facility (GEF)** is currently the **major source** of international funding available for the capitalization of trust funds;
- ◆ Over the past decade more than **23 environment trust funds** have been created with **World Bank/GEF support and assistance**; **6** of which are in **Africa**.

GEF supported Conservation Trust Funds

- ◆ **Total of project costs supporting trust funds and creation of an enabling environment (WB/GEF projects only):**
 - **Globally: \$595.6 million, 23 projects**
 - **Africa: \$ 281.6 million, 6 projects**
- ◆ **Average GEF contribution into TFs globally:**
 - **\$ 5-10 million**



GEF supported Trust Funds in Africa

- ◆ **Total of GEF funds allocated into Trust Funds in Africa:**
 - **\$ 25.6 million**
- ◆ **Total of co-funding leveraged for Trust Funds in Africa:**
 - **\$ 18.8 million**

Conservation Trust Funds in Africa funded by GEF

Fund Name	Country	Established	GEF Funding	Co funding
Table Mountain Fund	South Africa	1993	\$ 5.0 million	\$ 2.0 million
Mgahinga-Bwindi Impenetrable Forest Conservation Trust	Uganda	1995	\$ 4.3 million	\$ 4.0 million operational
Mulanje Mountain Conservation Trust	Malawi	1994	\$ 5.5 million	\$ 1.7 million operational
Eastern Arc Mountains Conservation Fund	Tanzania	Feasibility	\$ 6.8 million	\$ 5.1 million operational
International TF for Biodiversity Conservation	Benin	Planned	\$ 5-6 million Expected	Fundraising underway
Protected Areas Fund	Cote d'Ivoire	2000	\$ 12 million expected	Fundraising underway

Fund raising innovations from MBIFCT in Uganda

Funds for operating costs of the Mgahinga-Bwindi Trust were raised from bilateral donors for the first 7 years of implementation and income from the endowment capitalized rather than spent.





GEF Conservation Trust Funds

When to create a Conservation Trust Fund:

- ◆ Threats to biodiversity are likely to remain or to increase overtime;
- ◆ Need for modest, but long-term funding for risk mitigation;
- ◆ Clear, agreed vision



Added Value of Conservation Trust Funds

1. **Broad-based participation and presentation** of multiple stakeholder and interest groups in governance structure;
2. **Ownership** is mostly reinforced in a way traditional project arrangements do not achieve;
3. Provision of **technical assistance** to community groups for biodiversity mgmt.



Added Value of Conservation Trust Funds

4. **Operational flexibility** in programs funded;
5. **Possibility to channel funds** to several implementation partners with comparative advantages for different activities supported;
6. **Low processing costs** for small sub-projects.



Added value of GEF support for Conservation Trust Funds

- ◆ **Asset management** of GEF supported trust funds meets **international standards**
- ◆ GEF contribution can **leverage substantial donor support** to allow a meaningful program

Conditions for GEF Support of Trust Funds

- ◆ Program objectives **consistent** with **GEF operational strategy and programs**
- ◆ **Active government support** for public-private sector mechanism outside direct government control;
- ◆ **Enabling environment**: basic fabric of legal and financial practices supporting trust fund operation;
- ◆ **Long-term commitment** of at least 10-15 years;



Conditions for GEF Support of Trust Funds

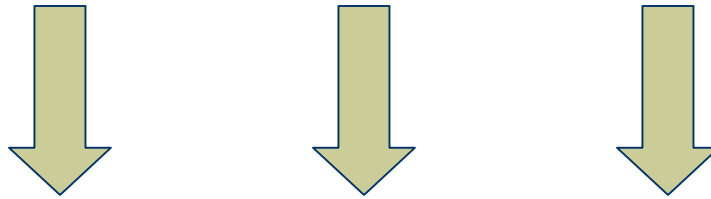
- ◆ **Critical mass of stakeholders** from different sectors with common goal;
- ◆ Consideration of the **production landscape and tenure issues** when focusing on protected areas
- ◆ **Phased programmatic approach** based on benchmarks

Conditions for GEF Support of Trust Funds

- ◆ **Initial capitalization** should allow **meaningful program** with operating costs at a range of :
 - 20-25 % of funds allocated to “small” project grants (\$50,000)
 - 10 % of funds allocated to “medium“ project grants (\$500,000)

Perspectives for the future

- ◆ Context: Institutional and policy frameworks for biodiversity conservation and management are established in several African countries;
- ◆ Several biodiversity programs in Africa are moving on to a 2nd and 3rd phase;



Increased demand for conservation trust funds

Perspectives for the future

Increased demand for trust funds will lead to:



Selectivity of GEF support for funding of conservation trust funds based on prospects for leveraging effects and biodiversity conservation impact on the ground.



Perspectives for the future

Prerequisites for GEF support for conservation trust funds will be:

- ◆ Reasonable amount of **co-funding**;
- ◆ **Good governance** structure for biodiversity conservation and management in place;
- ◆ **Long-term commitment** of government (Policies resulting in recurrent resource flow or other innovative financing approaches have been created, institutional framework have been established, etc.);



Perspectives for the future

Alternative and innovative financial arrangements for biodiversity conservation will be encouraged by GEF, e.g.:

Taxation mechanisms, environmental services, eco-tourism, user-fees, hunting, private concessions, contribution campaigns (“adopt-a-wetland-hectare”);