

# Protected Areas Fund of Bulgaria



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## Major points

- The Need for a Protected Areas Fund (PAF) in Bulgaria
- Advantages of a PAF
- Basic Features of the new PAF
- Establishment and management mechanism for PAF
- Management and fundraising goals
- Difficulties, lessons learned, next steps

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## The Need for a PAF in Bulgaria

- Development of a sustainable funding mechanism that can ensure ongoing financial support for the capital development and projects associated with a system of protected areas in the country;
- Capital investments and infrastructure costs to date, have largely been paid for by the National Environment Protection Fund, bilateral international donors and the National Trust Ecofund.
- International donor strategies for support to national parks and biodiversity conservation are presently examining new ways to finance long-term conservation, and to disengage from more direct project activities.

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## The Need for a PAF in Bulgaria .....continued

### Protected Areas in Bulgaria:

- Total number - **736**
- Total area – **541 681 hectares**,
- representing **4,9 %** of the total territory  
of the Republic of Bulgaria

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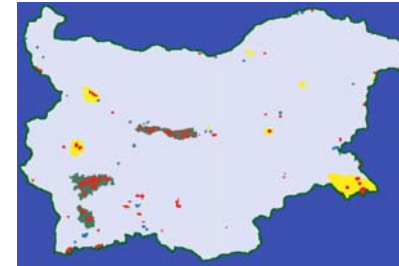
## The Need for a PAF in Bulgaria .....continued

### Types of Protected Areas:

- 3 National Parks
- 55 Strict Reserves
- 35 Maintained Reserves
- 11 Nature Parks
- 457 Natural Landmarks
- 175 Protected Localities

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## Protected Areas in Bulgaria - 736 .....continued



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## Advantages of a Protected Areas Fund

- A PAF is a more attractive mechanism for international donors and private sector sources than pledging monies to a national government fund;
- The Protected Areas Fund represents a strong donor option for financially supporting the national parks without creating new projects to support "in-situ" biodiversity conservation through protected areas;
- Provides a direct incentive for Parks and other protected territories to develop and use innovative commissions for goods, services, and facilities that directly benefit parks management actions and multi-year plans.

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## Basic Features of the New *Protected Areas Fund*

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## Basic Features .... the Strategy

- The PAF **Strategy** was developed by a multi-stakeholder group, including representatives of:
  - donors.
  - government,
  - park directorates,
  - NGO's

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## Stakeholder Vision for the PAF:

- An independent sustainable funding mechanism that collaborates in a transparent and efficient manner with government and other stakeholders in the improved management of Bulgaria's protected areas

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## The Mission Statement for the PAF:

- To support the protection of the landscapes, natural habitats and biodiversity of Bulgaria's protected areas as envisioned in the **National Strategy for the Conservation of Biological Diversity**, through sustained funding that complements normal government expenditures and co-financing from donor projects for protected areas

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## PAF Financing Areas:

- Biodiversity conservation;
- Development of infrastructure within protected areas;
- Management plan development;
- Sustainable economic use of protected areas;
- Communication and education;
- Institutional strengthening of PA administration.

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## Establishment and Management

- Rather than creating this management structure from scratch, the proposal was to employ the management structure and legal mandate of the **National Trust EcoFund (NTEF)** as an effective alternative to development of a new management mechanism;
- This is considered more timely, and less time-consuming and costly than development of a new funding mechanism;
- The NTEF have already demonstrated satisfactory management capacities on internationally-financed projects;
- NTEF can open and operate the PAF within its existing charter, with only minor modifications.

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## Establishment and Management ... continued

- According to the **Environment Protection Act**, the NTEF is one of the national sources for financing environmental protection projects in Bulgaria;
- As part of its mandate, the NTEF has already financed investment projects for biodiversity conservation in the protected areas;
- Management, training, and office establishment costs of the PAF are largely absorbed already within the existing structure and function of the Executive Bureau of the NTEF;
- Annual reports, performance metrics, and international accounting standards are already functions of the NTEF. Their operations already meet international donor requirements;
- The NTEF also offers creative alternatives and flexibility for attracting international/national private and donor funding.

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## Establishment and Management ... continued

The **Protected Areas Fund** was formally constituted within the structure of the NTEF with a **Resolution of the Board of Directors of the NTEF on 5 October, 2004**

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## Management and Fundraising

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## Funding and Financial Management Issues

The PAF should be able to mobilize funds from national and international sources, including but not limited to:

- the Government of Bulgaria;
- multi-lateral and bi-lateral donors;
- foreign private foundations;
- interest on loans;
- businesses and individuals.

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## Funding and Financial Management Issues ...continued

- The PAF is designed to be **predominantly** and *endowment fund*. The corpus (principal) of funds will be invested in securities and only the net proceeds from such investments will be used for financing of projects and for administrative expenses;
- The target for minimum *annual grants* and loans to the protected areas from the Fund is recommended to exceed *500 000 EURO*;
- The PAF should also be capable of administering “**pass-through**” funds, provided by some donors for financing certain specific projects (as *sinking funds*);

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## Difficulties and Lessons Learned

### Government Involvement

- It is hard to get strong commitment on behalf of the government to establish and effectively use a Conservation Trust Fund;
- The best proof for the government's commitment to support the PAF is putting in funds to match donors' funding;
- Government officials would be more comfortable to see such Fund directly dependant and managed by a ministry or a government agency, rather than being an administratively and politically independent entity;
- The donors would like to see the fund set as an independent from the government entity;
- The donors also want to have better control over the Fund's performance and to defend their interest as the sources of financing;
- With regard to the above, achieving a balance in the fund's governance (including the Board of Directors), becomes a very delicate issue.

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## Difficulties and Lessons Learned

### Attracting donors' interest

- There should be no illusions with regard to willingness on behalf of donors to bring funds to such a new institution, without a record, such as the PAF;
- Potential interested donors need to be identified and convinced to provide their funds;
- The donors will be looking for different ways to minimize their risks, including:
  - have the Government involved by providing its own matching funds,
  - investigate in detail the governance procedures and capacity of the fund to effectively and transparently manage their money;
- The NTEF has to be able to demonstrate to potential donors its capacity to manage PAF as a reliable mechanism for financing of protected areas projects.

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## Important Next Steps

- Further develop technical capacity of NTEF, including:
  - Development of NTEF and PAF financial management, accounting and reporting system;
  - Development of PAF communication and fundraising capacity;
  - Development of grants/projects management capacity specifically in the field of biodiversity protection;
  - Align NTEF's governance guidelines with donor requirements;
  - Endowment management?
- Secure funds from variety of sources

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## Fundraising Events

### *Rila Eco-Tour '03*

- **2 hours** of aired TV and Radio broadcasts in prime time
- **7 articles** published in newspapers and magazines with the biggest circulation



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## Fundraising Events

### *Rila Eco-Tour '03*



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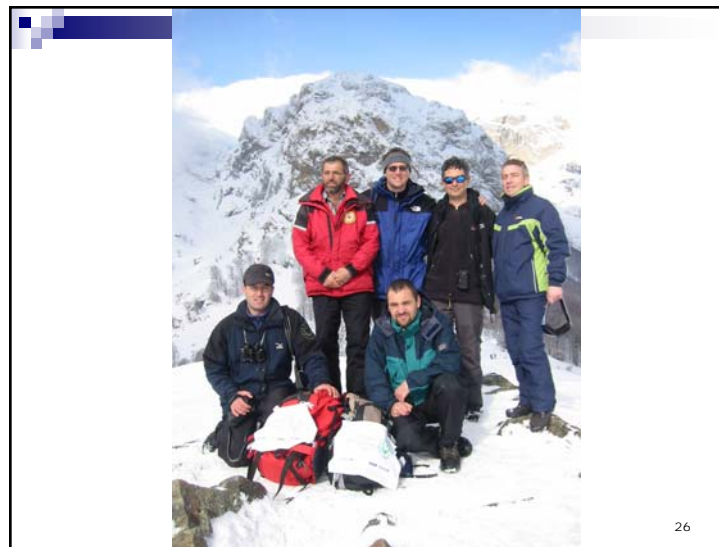
## Fundraising Events

### *Central Balkan Eco-Tour '04*

- Logos and names of the sponsors advertised
- Publicity through local and national press
- Media Coverage of the National Ecotourism Forum



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## Contact

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