CLOSING THE GAP
FINANCING AND RESOURCING OF PROTECTED AND CONSERVED AREAS IN EASTERN AND SOUTHERN AFRICA

ONLINE EVENT

CONSERVATION TRUST FUNDS

DECEMBER 09, 2020
15:30PM EAT
Agenda

WEDNESDAY
DECEMBER 9, 2020

15:30 PM
WELCOME
Opening Remarks
by Christo Henthal
BIOPAMA Eastern and Southern Africa

15:45 PM
PANEL DISCUSSION
Moderated by
Kathleen H. Fitzgerald
Conservation Capital

A comprehensive analysis of Conservation Trust Funds
Findings and trends from the past decade
Katy Mathias
Conservation Finance Alliance

Bwindi Mgahinga Conservation Trust (BMCT)
Mark David Muine
Trust Administrator and Executive BMCT

BIOFUND - Foundation for the Conservation of Biodiversity in Mozambique
Sean Nazareli
BIOFUND

KfW experience supporting design and development of Conservation Trust Funds in Africa
Martin Bostrom, KfW

16:30 PM
DISCUSSION
QUESTIONS & ANSWERS

16:50 PM
CLOSING REMARKS
The Biodiversity and Protected Areas Management (BIOPAMA) Programme

www.biopama.org
The Biodiversity and Protected Areas Management Programme (BIOPAMA) is an initiative of the Organisation of African, Caribbean and Pacific States financed by the European Union’s 11th EDF.

www.biopama.org
Closing the gap
Financing and resourcing of protected and conserved areas in Eastern and Southern Africa

www.iucn.org/resources/publications
Conservation Trust Funds

PANEL
Conservation Trust Funds
Overview and Trends

Katy Mathias
Wildlife Conservation Society and Conservation Finance Alliance
Conservation Trust Funds

- Private, legally independent, mission-driven institutions
- Conservation finance – not implementation
- Mobilize resources from diverse sources
- Direct resources, through grants and other mechanisms, to NGOs, CBOS, SMEs, and governmental agencies
- CTFs excel at translating global priorities to the local level
CTFs

- 108 worldwide
- 20-30 Years
- 40 new since 2010
- 14 closed
- Nearly USD$2 billion in invested assets

Key attributes

Legal independence

Government partnerships

Transparent reporting, administrative excellence

Long-term focus and continuity

Typical structure

Board of Trustees
- President
- Secretary
- Treasurer
- Trustees with a mix of experiences and expertise

Secretariat
- Executive Director
- Program Officer
- Finance Officer
- Fundraising, Communications, Admin, Logistics Staff

Committees:
- Grant-Making Committee
- Finance and Audit Committee
- Investment Committee
- Professional Investment Advisors
- External Auditors

Advisory Committee

Board of Trustees with a mix of experiences and expertise
CTFs use a variety of financing mechanisms

**Sources:**
- Multilateral agencies
- Bilateral donors
- National governments
- Private Sector
- NGOs
- Foundations

**Instruments:**
- Endowments
- Sinking Funds
- Revolving Funds (incl. taxes and levies)
- Pass-Through Funds (incl. Accreditation)
- Biodiversity Offsets
- Project funds
- Debt for Nature Swaps
- Bonds
- REDD+

**Programs:**
- Direct PA finance
- Small grants
- Capacity building
- Impact investing and Program Related Investing
- Payment for Ecosystem Services
- Incubators for Small Business Development
Comprehensive analysis of CTFs

Two important CTF publications by the Conservation Finance Alliance in 2020

cfalliance.org

Norms and best practices for CTFs
Programmatic evolution

- **Livelihood, economic and other incentives**: >66%
- **Land and/or water protection**: >45%
- **Species management**: >64%
- **External capacity building**: ~50%
- **Education and awareness**: >66%
- **Law and policy**: >45%
- **Land and/or water management**: >45%

Building financial resilience

**US$1.9 billion**
Collectively managed

> **US$570 million**
Added to endowments since 2009

> **US$560 million**
Added to sinking funds since 2009

**Multilateral:** GEF, GCF, Adaptation Fund, etc.

**National Governments**

**Bilateral:** TFCA, German and French Gov.

**International NGOs**

**Private foundations**

## Resource mobilization

<table>
<thead>
<tr>
<th>Category</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Return-based investments</strong></td>
<td>Impact investment</td>
</tr>
<tr>
<td><strong>Economic instruments</strong></td>
<td>Biodiversity offsets</td>
</tr>
<tr>
<td></td>
<td>Green taxes</td>
</tr>
<tr>
<td><strong>Public financial management</strong></td>
<td>Earmarked user or tourism fees and taxes</td>
</tr>
<tr>
<td></td>
<td>Earmarked pollution taxes and environmental fees</td>
</tr>
<tr>
<td><strong>Business and markets</strong></td>
<td>Partnerships with financial sector</td>
</tr>
<tr>
<td></td>
<td>Financial intermediation between buyers and sellers of ecosystem services</td>
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<tr>
<td></td>
<td>Payment for ecosystem services</td>
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<tr>
<td></td>
<td>Carbon offsets</td>
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<tr>
<td><strong>Risk management</strong></td>
<td>Blended finance</td>
</tr>
<tr>
<td></td>
<td>Insurance schemes</td>
</tr>
<tr>
<td></td>
<td>Debt conversion</td>
</tr>
<tr>
<td><strong>Financial efficiency</strong></td>
<td>Partnerships with private sector (non-financial)</td>
</tr>
<tr>
<td></td>
<td>Flow through funds</td>
</tr>
<tr>
<td><strong>Grants and other transfers</strong></td>
<td>Donations to endowment funds</td>
</tr>
<tr>
<td></td>
<td>Donations to sinking funds</td>
</tr>
<tr>
<td></td>
<td>Donations to fund specific programs or expenses</td>
</tr>
<tr>
<td></td>
<td>Unrestricted donations</td>
</tr>
<tr>
<td></td>
<td>Other grants</td>
</tr>
</tbody>
</table>


### Diversification

- Business and markets
  - Risk management
    - Financial efficiency
  - Public financial management
  - Economic instruments
  - Return-based investments

(n=50)
Program related investment

Multi-annual grants (medium or large)

Multi-annual grants (small)

Annual grants (medium or large)

Annual grants (small)

Project-specific grants (medium or large)

Project-specific grants (small)

Loan guarantees or other de-risking

Risk capital to leverage other funds or investors

Direct investment in conservation SMEs

Business Financing / Equity Investments

Direct loans

Repayable seed funding

Micro credit

Payments for ecosystem services

Most CTFs are managing endowments and/or sinking funds, and rely on returns for funding.

Analysis of CTF endowments over 13 years using CTIS data compared performance to:
- Expectations
- External benchmarks
- Each other

Only about 21% of CTF endowments earned returns that enabled them to spend 3% per year and grow at the rate of inflation.

Top performers met expectations, met or exceeded benchmarks and consistently led peer group:

- Asset allocation: 50-60% equities, some alternatives, minimal cash, 20-30% fixed income
- Investments held in hard currencies
- External professional investment advisors
- Globally diversified portfolios

What’s next for CTFs: Building Blue and Green Economies

Debt solutions
Mainstream biodiversity into infrastructure investments
Compensation and offset mechanisms
Transforming agro/food production economies
   Water funds - Roundtables and certification programs - Insurance
Strengthen local organizations/businesses
   Incubators, equity investment, microfinance, loans
Support SDGs, NDCs and integration of ecosystem conservation and human well being

Conservation Trust Funds:
Case Study BIOFUND
December 2020
Who We Are

The **Foundation for Conservation of Biodiversity** is a private, independent Mozambican Foundation (founded 2011, officially launched 2015)

Public Utility Status

More than 50 members, Individuals and Institutions

Mozambique’s Protected Area network covers nearly 26% of the country
BIOFUND Pillars

STRATEGIC PILLAR 1
Consolidate BIOFUND

STRATEGIC PILLAR 2
Finance Conservation

STRATEGIC PILLAR 3
Create an Enabling Environment
**ENDOWMENT**

*IN MILLIONS OF DOLLARS

USD 50M+
End 2020

10.6
14.4
21.2
24.7
32.5
37.2
PAs FUND DISBURSEMENT (cumulative to Nov ‘20)

USD 6.6 million

more than 74% of Publically managed Parks and Reserves in Mozambique

BENEFICIARIES

31

PROJECTS

40
Innovative Finance

Biodiversity Offsets

Ranger Support Fund (Carlos Lopes Pereira)

Emergency BIO-Fund (COVID-19)

Cartão BIO

PES
Mozambique – Where Conservation IS Development!

Obrigado

biofund.org.mz
Established under the Uganda Trust Act in 1994, as a registered Conservation Trust mandated to work in a radius of two parishes surrounding Mgahinga Gorilla National Park and Bwindi Impenetrable National Park.

Two critical ecosystems: **habitat to half of the world's population of mountain gorillas in South Western Uganda**, today stands above 500 individuals in Uganda.

**Vision:** The biodiversity and ecosystem health of Bwindi Impenetrable NP and Mgahinga Gorilla NP conserved in harmony with development needs of the surrounding communities.

Through investments in sustainable tourism, collaborative community development projects livelihoods improvement and income generation, grants for research and ecological monitoring, funding for park management.

Wednesday, December 9, 2020
Achievements

- Funding for conservation from proceeds of the endowment with perpetual savings annually.
- Since 2014-2019, profits of 5.7m USD from a fund between 5.5m - 6.3 m and we have used 2.7m.
- Community development projects supported by donors based on our reputation as a Trust that is accountable to conservation-leveraging founding opportunities.
- Infrastructure development for health, water, schools, protected area authorities and contribution to knowledge creation.
- Community grants to men, women and youth.
- Climate change.
Community Grants Projects

60% support – women
Soil & Water Conservation

Reduced run-off thus increased productivity

Banyara Gravity Flow Scheme

30,000 people benefited, 72 tap stands installed
Batwa Education & Housing

✓ 127 (57 males and 63 females) pupils supported in primary schools, two (males) in secondary school.
✓ 11 (8 males & 3 females) in a vocational institutes.
✓ 3 (2 males & 1 female) in secondary school (Comboni).
✓ One female has completed University.

Improved performance, Reduced absenteeism, improved health, and active in class

Wednesday, December 9, 2020
Rushashara Baskets

Jewelry/Beads training

30 (29 females & 1 male)

15 (14 females and 1 male)

Wednesday, December 9, 2020
Thank You
KfW experience supporting design and development of Conservation Trust Funds in Africa

Martin Bostroem, KfW Development Bank
### Protected Areas financed by KfW around the world (2019)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Africa</th>
<th>Asia</th>
<th>Europe</th>
<th>Latin America</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Protected Areas</td>
<td>602</td>
<td>104</td>
<td>94</td>
<td>33</td>
<td>367</td>
</tr>
<tr>
<td>No. of Countries</td>
<td>66</td>
<td>23</td>
<td>14</td>
<td>6</td>
<td>23</td>
</tr>
<tr>
<td>Total area (in .000 km²)</td>
<td>1.618</td>
<td>601</td>
<td>197</td>
<td>10</td>
<td>810</td>
</tr>
<tr>
<td>Forests (esp. rainforests)</td>
<td>988</td>
<td>146</td>
<td>155</td>
<td>5</td>
<td>682</td>
</tr>
<tr>
<td>Steppes and savannas</td>
<td>425</td>
<td>403</td>
<td>16</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Coasts and oceans</td>
<td>189</td>
<td>49</td>
<td>26</td>
<td>0</td>
<td>114</td>
</tr>
<tr>
<td>High Mountains</td>
<td>15</td>
<td>3</td>
<td>0,1</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Inland water</td>
<td>1</td>
<td>0,3</td>
<td>0,2</td>
<td>0,5</td>
<td>0,0</td>
</tr>
<tr>
<td>Number of projects</td>
<td>108</td>
<td>51</td>
<td>18</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Project volume (in millions of EUR)</td>
<td>1.295</td>
<td>571</td>
<td>225</td>
<td>167</td>
<td>256</td>
</tr>
<tr>
<td>Disbursements in 2019 (in millions of EUR)</td>
<td>170</td>
<td>51</td>
<td>29</td>
<td>21</td>
<td>43,9</td>
</tr>
</tbody>
</table>

Source: own calculations

KfW Development Bank / Financial cooperation with developing and emerging countries
FZ-finanzierte Naturschutzstiftungen

Mit einem FZ-Beitrag von 628,5 Mio. EUR unterstützen wir weltweit 19 Partner. Diese engagieren sich in 183 Schutzgebieten, welche zusammen eine Fläche von über 690.755 km² ausweisen.

1. Blue Action Fund, BAF (SF/TF) global
   FZ-Beitrag: 80,1 Mio. EUR

2. Fondo Mexicano para la Conservación de la Naturaleza, FMCN (SF)
   Mexiko
   FZ-Beitrag: 15 Mio. EUR

3. Fondo para el Sistema Arrecifal Mesoamericano: RFM (SF/TF)
   Mexiko, Belize, Guatemala, Honduras
   FZ-Beitrag: 27 Mio. EUR

4. Fondo de Biodiversidad Sostenible, FBIS (SF)
   Costa Rica
   FZ-Beitrag: 6 Mio. EUR

5. Caribbean Biodiversity Fund, CBF (SF/TF)
   Karibische Inseln (8 Staaten)
   FZ-Beitrag: 45 Mio. EUR

6. Fondo de Inversión Ambiental Sostenible, FINAS (SF/TF)
   Ecuador
   FZ-Beitrag: 53,7 Mio. EUR

7. Fondo Control de Especies Invasoras de Galápagos, FEIG (SF)
   Ecuador
   FZ-Beitrag: 2,5 Mio. EUR

8. Peruvian Trust Fund for National Parks and Protected Areas, PROFONANPE III (SF)
   Peru
   FZ-Beitrag: 9,8 Mio. EUR

9. Amazon Region Protected Areas for Life, ARPA (SF)
   Brasilien
   FZ-Beitrag: 51,7 Mio. EUR

10. Fondo Amazonía (SF/TF)
    Brasilien
    FZ-Beitrag: 33,9 Mio. EUR

11. Fonds Fluidele de Banc d’Arguin et de la Biodiversité Côtière et Marine, BACOMAB (SF)
    Mauritänien
    FZ-Beitrag: 25,5 Mio. EUR

12. Fondation, Parcs et Réserves de Côte d’Ivoire, FPRCI (SF/TF)
    Côte d’Ivoire
    FZ-Beitrag: 24,5 Mio. EUR

13. La Fondation des SAVANES Ouest-Africaines, FSOA (SF)
    Benin, Burkina Faso, Niger
    FZ-Beitrag: 31,9 Mio. EUR

14. Fondation pour le Tri-National de la Sangha, FTNS (SF/TF)
    Kongo, Kamerun, ZAR
    FZ-Beitrag: 17,1 Mio. EUR

15. Fonds Okapi pour la Conservation de la Nature, FOCON (SF)
    Dem. Rep. Kongo
    FZ-Beitrag: 15 Mio. EUR

16. Fundação para Conservação da Biodiversidade, BIOFUND (SF)
    Mosambik
    FZ-Beitrag: 25 Mio. EUR

17. Fondation pour les Aires Protégées et la Biodiversité de Madagascar, FAPBM (SF/TF)
    Madagaskar
    FZ-Beitrag: 31,5 Mio. EUR

18. Prespa Ohrid Nature Trust, PONT (SF/TF)
    Albanien/Mazedonien
    FZ-Beitrag: 20,6 Mio. EUR

19. Caucasus Nature Fund, CNF (SF/TF)
    Georgien, Aserbaidschan, Armenien
    FZ-Beitrag: 55,7 Mio. EUR

Thank you very much for your attention!