



GEF LESSONS NOTES

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*The GEF recently completed an evaluation of **Experience with Conservation Trust Funds**. The evaluation sought to determine the extent to which potential advantages of trust funds have been realized, how concerns expressed about them have been addressed, what conditions are necessary for funds to function effectively, and what can be said about their impact to date on biodiversity conservation. The evaluation found that the most successful trust funds were more than just financial mechanisms. They were able to act as independent organizations to influence their environment to build effective, responsive, and focused programs. They were the product of broad consultative processes. They had governance structures that involved people from different sectors, credible and transparent operational procedures, and sound financial management practices. The creation of such a trust fund requires a substantial investment of time and resources, and long-term commitment to building a new institution.*

This is the second of three issues of GEF Lessons Notes that draw on the findings and conclusions of this evaluation. It emphasizes the importance of concentrating trust fund programs on a manageable set of activities. Lessons learned by conservation trust funds in developing a focus in the face of competing demands for their resources will hopefully prove useful to other trust funds, and possibly to designers and implementers of other programs addressing broad national or regional issues through targeted application of limited resources.

—Jarle Harstad

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BUILDING STRATEGIC FOCUS IN A CONSERVATION TRUST FUND

Conservation trust funds have been set up in many developing countries during the past decade as a way to provide long-term funding for conservation of biological diversity. They are typically created in and managed by private organizations, and are capitalized by grants from governments and donor agencies, the proceeds of debt-for-nature swaps, and, less often, from taxes and fees specifically designated for conservation. The funds examined in the evaluation of *Experience with Conservation Trust Funds* seek to provide more stable funding for national parks and other protected areas, or grants to private organizations and community groups to expand understanding of conservation and to conserve biodiversity by using resources more sustainably.

The Importance of Focus

The amount of money that conservation trust funds can disburse to support projects to conserve and sustainably use biodiversity is small in relation to the scope of the needs. Trust funds that lack a focused strategy run the risk of spreading their resources too thinly, financing many discrete efforts but cumulatively failing to achieve any significant impact. Funds that have developed such a strategy, and targeted their grant programs to have an identified impact, have been successful at reducing the number of funding proposals that have to be turned down and at identifying partners to help strengthen the kinds of

The **Mgahinga-Bwindi Impenetrable Forest Conservation Trust** (MBIFCT) dedicates 60 percent of its grant-making program to projects benefiting the communities surrounding Mgahinga Gorilla National Park and Bwindi Impenetrable National Park in western Uganda. When MBIFCT issued its first call for community proposals in 1996, it expected to finance about 50 projects that would develop alternative sources of income for residents of these communities who used to rely for their living on extracting resources from the two parks. In the event, 4,750 proposals were submitted, for activities ranging from road construction to farming and livestock enterprises.

MBIFCT's Local Community Steering Committee (LCSC) decided that it would need to refine the eligibility criteria in order to reduce the proposals to a manageable number. After some deliberation, the committee decided that for the first two years, MBIFCT should finance infrastructure projects benefiting entire communities (road reconstruction, school building repairs and construction, health clinics) plus a limited number of income-generating projects that would demonstrate to the community residents the most promising types of activities (poultry cooperatives, beekeeping). Although there was some objection from the Fund's Trustees (board of directors) and donors to this change in the Fund's objective of promoting alternative livelihoods, the LCSC held firm, and the Trustees eventually agreed. Two years later, the residents of the communities benefiting from MBIFCT support clearly identified their projects as a result of park conservation, and had emphasized this point by developing environmental education, tree planting, and wildlife clubs as part of school projects.

organizations and prepare the kinds of projects they seek to support.

Approaches Used by Conservation Trust Funds

Generally, funds that support one or more natural protected areas ("parks funds") are better equipped than those that finance conservation or research projects ("grants funds") to target program activities. "Parks funds" have a pre-defined geographic focus. Activities are usually linked to management plans for the specific area or the protected area system. Even in this context, however, funds have had to define specific priorities within the system to assure that the resources they make available are catalytic and achieve impact. For example, "parks funds"

in Mexico and Peru have limited support to only a few protected areas within a national system, and have used their grants to assure that basic staffing and operating costs are covered, allowing park managers to concentrate on conservation activities. "Grants funds", on the other hand, are more likely to seek to finance innovative activities and reach out to a diverse community of recipients. This makes focusing more difficult, especially at the outset. Nevertheless, several "grants funds" have been successful in selecting niches not being served by others—thematic or geographic—within which they can concentrate their programs.

The evaluation of *Experience with Conservation Trust Funds* identified a number of strategies employed to develop program focus, including:

- **Support of, and linkages to, national or regional priority-setting.** The Mexican Nature Conservation Fund (FMCN) and Bolivian National Environment Fund (FONAMA) provided financial support to and participated in national planning and priority-setting processes. Although the Bolivian plan was never adopted (the government changed before it was completed), FMCN's involvement in setting priorities for biodiversity conservation in Mexico played an important role in establishing criteria for its selection of grants. The objectives of the Bhutan Trust Fund for Environmental Conservation are nearly synonymous with those of the national environmental strategy, and the Fund has helped to finance key activities of the strategy.
- **Use of community or technical advisory committees to identify priorities in particular geographic or thematic areas.** Many funds have established broadly representative advisory bodies to make input on their allocation of resources. Uganda's Mgahinga-Bwindi Impenetrable Forest Conservation Trust (MBIFCT) initially received almost 100 times more proposals for small grants than it had planned to finance, but relied on its Local Community Steering Committee to respond to the

deluge by first setting clearer priorities and then screening the proposals according to those criteria (see box).

- ***Use of a logical framework methodology to identify planned impacts and measures to be used to evaluate progress toward achievement of those impacts.*** Several funds require the individual projects they finance to prepare logical frameworks. FMCN in Mexico also uses a logical framework at the overall program level to identify impacts and indicators for its grant portfolio as a whole and its protected areas program.
- ***Identification of specific types of innovations or catalytic actions that the fund wishes to promote.*** The Brazilian Biodiversity Fund (FUNBIO) set as its priority projects that significantly involve the private sector (businesses or private foundations) in conservation activities. This was seen as a key way to attract private contributions to long-term biodiversity conservation and sustainable use.

Program Focus Develops Incrementally Based on Experience

Several funds have developed a strong program focus incrementally, learning from each experience of soliciting and reviewing proposals and incorporating lessons into the next round. FMCN's experience (see box) shows how a conservation trust fund can implement a strategy step by step, focusing its program more tightly with each call for proposals.

Another example comes from FUNBIO's experience in Brazil. FUNBIO used evaluations of its first round of project selection to point out how its program could be better focused to meet its objectives. It initiated its grant program with pilot or demonstration projects in five categories: sustainable management of conservation units, natural forest areas, and fisheries; agricultural biodiversity, and conservation of ecosystems on private property. Selection criteria gave special emphasis to activities that “fell between the cracks” of other national programs, such as agrobiodiversity, a program area not addressed by ministries of environment or agriculture. However, this range of activities proved too broad in relation to the demand for project funding and the amount that FUNBIO had available.

The first round gave FUNBIO a good idea of the demand for small biodiversity projects in Brazil. Some projects filled important gaps, for example, developing replicable models of private reserve management.

The **Mexican Nature Conservation Fund** (FMCN) has a broad mission—“to conserve the biodiversity of Mexico and ensure the sustainable use of natural resources through the promotion of strategic actions and medium to long-term financial support.” A principal vehicle to achieve this is a small grants program totaling about \$2 million per year.

Civil society organizations compete for grant awards on an annual basis. The first call for proposals (1996) brought in more than twice as many proposals from research institutions as from NGOs and community groups, which FMCN wanted to support. In part, this reflected ambiguous eligibility criteria and the fact that research institutions had more access to the media used to announce the grants program. In addition, proposals received from NGOs and community groups often fell short of FMCN's standards. To change this balance, the second call focused on field-level activities and looked for linkages to conservation priorities established in a national process partially funded by FMCN and led by the National Council for Knowledge and Use of Biodiversity (CONABIO). In the intervening period, FMCN also funded organizations that could help NGOs and community groups prepare better projects in priority areas.

When the third call for proposals was issued in 1998, it reflected an increased linkage to national conservation priorities, FMCN's new strategic plan, and feedback from the first two cycles. The Fund was also developing a logical framework for the grants program identifying biodiversity conservation and institutional strengthening objectives and how to measure results, and was coordinating actively with CONABIO and others to avoid duplication of projects and share information about proposing organizations.

However, FUNBIO's most important objectives were not being met because its grants were too small to be attractive to the businesses and foundations it was trying to target. So FUNBIO is changing its program to focus on larger grants carried out *in partnership* with other foundations and private businesses. This is expected to trigger matching funds and build stronger support for conservation in Brazil.

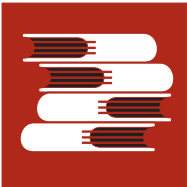
A third example is Belize's Protected Areas Conservation Trust (PACT), which chose thematic areas for its program. These priorities were developed during the consultative process of fund design. The original concept, presented in a study financed by an international donor, was for a fund to cover recurrent costs of protected areas capitalized by a tourist tax. Both the proposed tax and the purposes for which it would be used aroused discussion and some controversy. It took several years of consultations and consensus building before the program was enacted. As a result of this process, PACT's focus was defined as protected area conservation through promotion, identification and conservation of both natural and cultural (archeological) sites, development of environmentally and culturally oriented tourism, and support for activities benefiting surrounding communities. However, with a relatively small amount of funding (less than half a million dollars a year) it still has to determine clearer priorities within those categories.

FEEDBACK AND SUGGESTIONS



We hope the *GEF Lessons Notes* series will be a catalyst for an on-going dialogue on what is working, what is not, and how people involved in the GEF have found solutions to challenges that face all of us. We welcome your reactions to this edition. We would also like your suggestions of topics of interest to you. Please send us an email at geflessons@gefweb.org—or contact us at the coordinates listed below.

OTHER GEF MONITORING AND EVALUATION PUBLICATIONS OF INTEREST



The full report and an *Evaluation Summary Report* of the evaluation of *Experience with Conservation Trust Funds* are available on the GEF web site (www.gefweb.org) or from the GEF Secretariat monitoring and evaluation team. Earlier issues of *GEF Lessons Notes* can be also obtained from the GEF web site or by writing to us. If you would like to be on the mailing list for regular receipt of *GEF Lessons Notes*, please contact our email address or the address below. Please let us know whether you wish to receive an electronic version or a hard copy, and which language (English, French, or Spanish) you would prefer.

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