

# **Second Meeting of the Pacific Trust Fund Steering Committee**

## **Meeting Documents**

**2 – 4 May 2000  
Apia, Samoa**

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# **PACIFIC ISLANDS TRUST FUND FOR NATURE CONSERVATION**

## **AN OVERVIEW**

### **1. BIODIVERSITY CONSERVATION IN THE PACIFIC**

The Pacific Islands region has more endangered and threatened species per head of population than anywhere else on earth. Its national and international waters include the world's most extensive and diverse reefs, the largest tuna fishery, the deepest oceanic trenches and significant remaining populations of many globally threatened species including whales, turtles, dugongs and saltwater crocodiles. Its high islands support large blocks of intact rainforests, including many locally endemic species and communities of plants and animals.

The conservation and sustainable management of biodiversity is of fundamental importance to the Pacific Island countries. This is because in this oceanic region of small islands the interlinkages between social, cultural and economic well-being of people and biological diversity are most pronounced and intimate. In the Pacific region where, for the most part, the traditional community based land tenure and ownership system remains dominant, the conservation of biological diversity is an inherent aspect of peoples' livelihood and culture. Conservation of biological diversity must therefore be pursued with the highest priority and urgency.

### **2. WHAT HAVE WE LEARNED ABOUT BIODIVERSITY CONSERVATION IN THE PACIFIC?**

Over the last decade 17 community based conservation areas covering about 1.5 million hectares of land and marine areas have been established under the South Pacific Biodiversity Conservation Programme (SBPCP). A further 17 conservation areas have been established in the Pacific Island region by a range of other conservation initiatives involving similar partnership arrangements between governments, major NGOs, regional and international agencies.

A number of important lessons have been learned from these initiatives:

- The high level of effectiveness of the community-based approach in delivering conservation outcomes;
- Standard project funding is usually inadequate to support this approach;
- There are limits to the capacity of these projects to absorb large amounts of finance;
- The ongoing challenge is to mainstream these initiatives into national government development policies, plans, legislation and budget processes at all levels;
- There is a need to continue to build on established partnerships in the Pacific region to deliver on community-based conservation.

### **3. BACKGROUND TO THE REGIONAL TRUST FUND PROPOSAL**

Pacific Island governments, non-government agencies and regional and international agencies active in nature conservation in the Pacific Islands region have called for the establishment of a regional trust fund for nature conservation. At the Sixth Pacific Islands Conference on Nature Conservation and Protected Areas (1997), the following resolution was passed:

*The Sixth Pacific Islands Conference on Nature Conservation and Protected Areas:*

*NOTING the intent of Resolution 8 of the 5<sup>th</sup> Conference to encourage innovative funding mechanisms for biodiversity conservation in the region;*

*RECOGNISING that conservation trust funds are an excellent means of promoting and financially sustaining conservation initiatives;*

*AWARE OF the potential of a regional conservation trust fund to attract new sources of funding and to achieve economies of scale in management of fund capital;*

*CALLS ON SPREP to continue its efforts to establish a regional conservation trust fund that:*

- *Is developed through extensive dialogue with all potential stakeholders;*
- *Has the dual functions of funding national and local conservation initiatives; and*
- *Where appropriate, establishes or contributes "seed" funding to national conservation trust funds;*

*FURTHER CALLS ON SPREP and other regional agencies and organisations should continue to actively support initiatives to establish national and local conservation trust funds."*

There is a tradition within the Pacific Islands region of governments working together on conservation issues. This tradition has led to the development of the Action Strategy for Nature Conservation in the Pacific Islands Region 1999-2002 which has the participation and endorsement of all Pacific Island governments and major international non-governmental organisations active in the region.

The Action Strategy represents the Pacific Islands' consensus on the immediate steps that must be taken to meet the unique conservation and development challenges facing Pacific Islands small developing states. It is intended to be used widely by national and international agencies to plan and evaluate nature conservation and economic development activities throughout the region.

Further to the call from the Sixth Conference, the Action Strategy strongly identifies the establishment of a regional trust fund as a critical mechanism to secure long term support for conservation priorities in the Pacific Islands region from multilateral and bilateral donors (Objective 6).

Since the Pohnpei conference in 1997, SPBCP and SPREP have commissioned a number of reports which consider the need for a regional fund, and which examine a range of legal and design issues that will need to be addressed in establishing such a fund.

In October 1999 a regional trust fund workshop was held in Samoa which was attended by almost all SPREP Member States and a number of NGO representatives. The Workshop unanimously resolved that a Steering committee comprising several knowledgeable and experienced stakeholders be established and charged with the responsibility of completing a feasibility study on the fund's establishment, to progress an extensive consultation process about how the fund should be designed and operated, and to approach possible donors. The

Steering Committee which to date has met twice in Samoa, includes representation from SPREP, two member countries, a donor in the region, and an international NGO.

#### **THE PROCESS FROM HERE**

The Steering Committee is currently finalising a concept paper on the trust fund which will be submitted to UNDP as an implementing agency for GEF. Following GEF endorsement of the concept an application will be made to UNDP for a PDF Block B grant. That will enable the design of the trust fund to be progressed in consultation with all stakeholders.

Considerable effort has already been expended in building stakeholder consensus about the rationale and objectives of the regional trust fund. The New Zealand Government has provided some funding for the preliminary stages of the trust fund development. A list of potential donors has been prepared by the steering committee and initial meetings are being planned.

When further financial support for the development phase has been secured, the type of fund, the specific vision and strategy for the fund will be developed and refined in an open process in which all stakeholders can participate.

The detailed design of the trust fund in terms of stakeholder representation and participation, how funds are to be distributed and on what projects, etc will depend on outcomes from the consensus building process and discussions with potential donors.

#### **5. WHY A REGIONAL TRUST FUND?**

Conservation of the Pacific Island region's biodiversity requires a long term commitment. Without a guaranteed source of long term funding, competing budgetary needs within the countries and territories of the region will continue to accord biodiversity conservation with a lesser priority. There is therefore a need to provide a regular and reliable stream of financial and other support for community-based biodiversity management in the long term.

A regional trust fund will operate as a leverage mechanism to gain the necessary support for conservation priorities. It will add value by enabling Pacific Island states and territories to work together on conservation issues of mutual interest and concern and further enable lessons learnt to be shared. In doing so it will assist in achieving regional and global conservation benefits.

The Pacific Islands small island developing states have special needs and face particular difficulties in implementing the Convention on Biological Diversity. While most states and territories in the region are in the process of developing National Biodiversity Strategies and Action Plans, there is a need to make available resources for the early implementation of the BSAPs. The regional trust fund would provide a mechanism for addressing the national actions identified in BSAPs and would provide administrative and procedural efficiency in delivering donor assistance to activities in those states and territories. The regional trust fund would co-exist with, and complement, national or sub-national trust funds. One of the possible objectives of the regional fund could be to assist with establishing complementary mechanisms for long term and sustainable funding of conservation across the region, including national and sub-national funds.

There are a number of conservation and sustainable use issues of mutual interest and concern which are best addressed in a strategic manner at the regional level. They include migratory species, threats in the form of invasive species, and the regional prioritisation of efforts under the Convention on biological Diversity such as intellectual property rights, biosafety and access to genetic resources.

A regional trust fund is the most efficient and effective mechanism to support conservation initiatives that will build on the positive lessons learned from a range of conservation initiatives over the past decade across the range of Pacific Island countries and territories. Because community-based management of biodiversity is a common feature throughout the region, a regional fund would provide a more efficient mechanism over the longer term for direct support to community-based activities in a consistent and strategic manner.

## **6. WHAT ARE THE TRUST FUND'S OBJECTIVES?**

The proposed objectives of the trust fund have been discussed and developed through a participatory process to date. They will continue to be refined through that participatory process, building on the existing consensus.

The overall objectives of the regional trust fund are fourfold. First, to provide a secure mechanism for long term financial and other support to activities that promote or achieve biodiversity conservation, or that manage the use of natural resources in a sustainable way, within the Pacific region.

Secondly, to promote the adoption of innovative conservation and sustainable use practices and lessons learned across the region and to assist with their incorporation into ongoing national conservation programmes.

Thirdly, to assist Pacific Island states and territories to develop, as appropriate, national trust funds as implementation mechanisms for NBSAPs, or their equivalent.

Fourthly, to enable Pacific Island states and territories to work together on conservation and sustainable use issues of mutual interest and concern.

## **7. HOW WILL THE TRUST FUND BE ADMINISTERED?**

The fund should be administered by an independent Board of Trustees or a Board of Directors established in accordance with a legally binding trust deed. The final design of the governance structure is dependent on extensive input from stakeholders, but the board will need to be small enough to be efficient while maintaining balance between groups represented. Experience gained from other relevant trust funds will be drawn upon during the design process.

The trust should be an independent legal entity. The board structure, the administration and technical services and operating procedures may also need to be independent of other entities, including SPREP. If that were the case, SPREP would be in the same position as all other applicants for funding. Any relationship between the fund and any other organisation for administrative or other purposes would need to be clearly specified in an Operations Manual.

The board will not be government controlled. However, because of the conservation role of both national governments and SPREP and the limited capacity of local NGOs in the region, a mixed government and NGO board membership offers advantages over a primarily NGO/IGO controlled fund.

Technical, scientific and financial advisory support will be required to advise the Board. Incorporating representatives from the business sector will be important in helping the fund tap into private sources of funding.

#### **8. HOW WILL FUNDS BE ALLOCATED?**

In addition to the overall objectives, the trust deed should set out in greater detail the types of activities eligible and likely to receive funding.

The trust deed should also require an Operations Manual or Manuals setting out in detail the organisational structure of the fund, capacities and responsibilities of the various parts of the structure, initial funding priorities, the grant making programme and procedures, policies and procedures for handling donations, the investment policy, and policies and procedures for administration and financial management.

Separate sub accounts for donors with distinct requirements is likely to be necessary. This is particularly so for GEF sourced funds which will not be available for all activities and all recipients likely to receive funding support.

#### **9. HOW MUCH MONEY WILL BE REQUIRED?**

A range of donors is crucial to the successful establishment and operation of the regional fund. While GEF is likely to be the principal donor, GEF funds will only be available to contribute to activities that support conservation of globally significant biodiversity in GEF eligible countries. Activities that fall outside the GEF criteria will need to be supported by funds from other donors.

In order to operate the trust fund successfully, there needs to be sufficient income from the money invested in the fund to allow a meaningful conservation programme. What can be achieved will depend upon the focus of the fund, but because of the number of countries involved and the range of necessary actions it is likely that a fund of at least US\$30 million will be needed.

**SECOND MEETING OF THE TRUST FUND STEERING COMMITTEE  
2 – 4 MAY, 2000**

**PROPOSED AGENDA**

- 1. Opening of the meeting**
  - **Opening prayer**
  - **Welcome address by UNDP and SPREP**
  - **Introduction of members and participants** (an opportunity for participants to introduce themselves and become familiar with other members of the Committee)
- 2. Consideration of report of the first meeting** (SC to consider the report of its first meeting and discuss any issues arising therefrom)
- 3. Progress report since the first meeting** (Chair will report on progress achieved to date on recommendations and suggestions of the first meeting)
- 4. Finalisation of the concept paper** (Latest revised version of the concept paper has been circulated to members who will now be required to finalise and approve the paper for submission to UNDP and others)
- 5. Consideration of draft “overview” paper** (The first draft of the overview paper has been circulated to members for comments. SC will need to approve the final version for wider distribution to all stakeholders)
- 6. Consideration of process for preparation of PDF Block B Grant Application** (If necessary, SC may wish to consider a process for the preparation and submission of a PDF Block B application to UNDP for further development of the TF)
- 7. Finalising membership of Eminent Persons Groups** (Following the report of the Chair under item 3 above, SC may wish to revisit membership of the Eminent Persons Groups and advise the Secretariat accordingly)
- 8. Draft programme for Eminent Persons Groups** (There is a need for the SC to discuss and agree on a programme (country visits and donor negotiations) for the Eminent Groups)
- 9. Programme and plans for design phase** (SC may wish to discuss how it should proceed with the design phase of the Trust Fund. This is considered to be the critical stage in the development of the TF and may require greater commitment from some members of the Committee)
- 10. Draft programme for the Steering Committee for next six months** (It will be necessary for the SC to organise its own work, at least for the next six months so that members could see how this affects their own work at home)
- 11. Next meeting** (SC to decide date and venue for its next meeting)
- 12. Other matters** (SC may wish to raise other matters of relevance to its work)
- 13. Close**

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**DRAFT MEETING REPORT**

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**PARTICIPANTS:**

Joe Reti (SPREP), Trevor Ward (SPBCP-TMAG), Roger Cornforth (NZODA), Web Kanawi (TNC), Mark Christensen (Resource Person), Tom Twining-Ward (UNDP), Sailimalo Pati (Samoa Government), Sam Sesega (SPREP), Serge Ducasse (UNDP-Res Rep).

**OPENING:**

Joe Reti called the meeting to order. He conveyed to the Meeting apologies on behalf of the SPREP Director who was not able to attend. The Meeting was then properly underway following an opening prayer by Sailimalo Pati, after which Serge Ducasse, UNDP Res Rep, delivered his opening remarks.

Mr. Ducasse noted the long-standing commitment of UNDP and GEF to biodiversity conservation in the region and stressed the need for commitment by all stakeholders to the funding and sustainability of biodiversity conservation initiatives. He recognized the expected outputs of the meeting, which is a revised concept proposal, and pledged UNDP's support for the Trust Fund initiative, reassuring the Meeting of UNDP's continued commitment to work with all partners and with SPREP in particular. (Ducasse's opening remarks are appended).

Joe Reti also made brief welcoming remarks on behalf of SPREP, thanking the UNDP Res Rep for his expression of support. Reti also thanked the NZODA representative, Roger Cornforth, for NZODA's unwavering faith and support for the establishment of a regional conservation TF manifested in the substantial financial contributions made for the further development of the Trust Fund concept.

**APPOINTMENT OF OFFICERS & NEW MEMBERS**

The Samoa representative (Sailimalo Pati) nominated Iosefatu Reti (JR) as chairperson. This was carried with Web Kanawi as the seconder.

Joe Reti, as chairman then proposed the appointment of additional members, to make the Committee more representative of the wide array of stakeholders with interest in the Regional Conservation Trust Fund. This issue was agreed to as important but detailed discussion was deferred to later in the Agenda. (This issue is reported under Agenda Item 6 of this report).

Web Kanawi noted that TNC is keen and willing, if necessary, to assist the committee in its work by reviewing documentation and reports of the Committee. (TNC is known in the committee for its wide experience in Conservation Trust Fund arrangements). Mark Christensen noted his appreciation and support for this expression of assistance.

The Meeting also charged Sam and Mark with keeping a record of the Meeting. Roger noted the need for the record of the meeting to be widely circulated to other interested and relevant people.

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**Item 3: ADOPTION OF AGENDA**

The agenda was adopted unchanged.

**Item 4: CONSIDERATION OF RECOMMENDATIONS FROM THE OCTOBER WORKSHOP**

M. Christensen (MC) took the Committee through the Recommendations. Discussions, however, focused mainly on how to improve on the draft concept paper. The following issues were raised in the morning session:

- *Strengthening the rationale/justification for the RTF (beyond national trust funds and the work of SPREP).*
  - ⇒ There is some suggestion that WB would have difficulties with a regional CTFs as long as national TFs are working. The justification for a regional TF should address this notion.
  - ⇒ Consideration be given to how a regional CTF would interact with national TFs.
  - ⇒ The justification for a regional CTF originated from the SPBCP where CA's established under SPBCP were noted to need longer time frames to set up CA before they can stand-alone. If the rationale is to expand to include other issues, e.g. invasive species, the concept should then define more clearly the purpose and scope of assistance the CTF will be used for. The concept should expand more on the types of activities that are national and regional in scope.
  - ⇒ Important part of a regional justification are issues such as invasive species that are transboundary in nature and of threatened migratory species which require regional action or national actions that can only be efficiently coordinated regionally.
  - ⇒ Integrating the concept of incremental costs into the justification.
- *The RTF concept vs. the SPBCP*
  - ⇒ UNDP expressed the view that the concept should not make mention of the SPBCP at all or the 17 CA's established under this programme, observing that this is not going to work with GEF. JR clarified that the proposed regional CTF is not intended to support a continuation of SPBCP. Rather, mainstreaming the experiences and lessons learned from SPBCP are important elements for justifying the regional CTF. He noted that this issue (lessons learned from SPBCP and CTF) was discussed extensively in the previous workshop.

The Meeting concluded the morning session by reaffirming the need to strengthen the justification taking into accounts the comments received. The need to spell out and discuss openly the issue of how a regional CTF will interact with national mechanisms was reiterated and emphasized, because not doing so would only strengthen persistent reservations against a regional CTF in lieu of national CTF's which appear to be favored by the World Bank. Some suggestions on how this 'strengthening' may be done include devoting some discussion in the concept paper to each of the existing PIC trust funds, highlighting their differences and purposes etc.. The

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Meeting also noted the need to highlight the lessons learned from SPBCP as an important part of the justification.

In the afternoon session, the Committee further reviewed earlier comments. It recognized the importance of having a stronger 'regional' argument, and decided to devote time to further sharpening the arguments already made. The following comments were made in this context.

- ⇒ Conservation Areas needs time frames longer than traditional funding can provide.
- ⇒ It is important to take the case beyond the community base argument.
- ⇒ Mainstreaming the lessons learned over the years – “we’ve done the pilots now we need to mainstream it universally...”
- ⇒ We need to make the case as to what a RTF can do that 22 NTFs cannot do. One issue relevant in this case is that of the protection of migratory species, either invasive or threatened. This line of argument needs further elaboration – what are the threats; invasive species which can only be dealt with regionally and not on a country-by-country basis; etc..
- ⇒ Focus on why a TF is better than short term focused funding; (refer to p.34 table).
- ⇒ We need to clarify and define a common vision. Is a regional CTF driven by a common vision? If there is, then there should be 2 factors – first the technical need for why a trust fund is necessary, and secondly, a political justification for CTF. As part of the political justification, we need to ask: who does not want a RTF and why? WK suggested exploring this question and preparing contingency arguments against it or trying and turning them into positives.
- ⇒ Who pays the bill for protecting a conservation value of truly international significance that is hosted by an individual country? If the host country refuses to meet the cost, or is willing to forego benefits for itself for the international interest, is a RTF a modality for supporting interventions in this kind of situation? Part of the incremental cost argument.
- ⇒ Need to better define the objectives. TW proposed the objectives as consisting of the following three: (1). To be able to deliver a modest flow of funds to community-based conservation projects in the region in the long term; (2). To develop the capacity to coordinate and focus on transboundary species, migratory species, etc.; (3). To support the implementation of an efficient uptake of best practices from the conservation experiences in the region; lessons including but not restricted to SPBCP lessons. JR observed that the proposed objectives may be better expressed and used as part of the CTF justification.
- ⇒ Global biodiversity values – need to deal with that quite explicitly. Need to address these issues in the concept paper. Additional issues to consider for the concept paper:
  - the issue of human use of biodiversity is missing; this needs to be in the abbreviated version of the concept paper.
  - high dependence of PICs on biodiversity – sustainable sustenance (protection of community food sources)

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- need to advocate a view of biodiversity conservation that is more expansive than the old paradigm of protecting sites that are rich in diversity rather than sites where the human use interaction is critically important, regardless of the richness in diversity.

*'Lessons learned' as part of the Justification*

- The importance placed on highlighting lessons learned in the justification prompted the Meeting to identify and list them. The following resulted:

**Stakeholder**

**Reasons for a regional CTF**

Donors

- Deals better with invasives
- Need for transparency
- Can separate funds from national treasuries
- Enables independence from govts.
- Transparency re capability
- Ensures stakeholders buy-in at widest level
- Does not compete with govt funding
- Able to specify % spent on admin costs.
- More beneficiaries by RTF
- More accessible to NGOs (independent of government control)
- Foster collaboration and implementation of lessons learnt (facilitate cross-fertilization of experiences and lessons learnt.
- Less susceptible to shifting country priorities
- Adds value by pooling donations
- Addresses migratory species issues
- Fosters wider partnerships
- Lack of capacities for national trust funds
- Better linkages to conventions
- Better address issues related to biodiversity values of international significance that are not covered by current conventions.
- Provide resources for addressing gaps in Conventions.

*Comments on M Christensen's revised draft:*

The Meeting in its second day received M Christensen's revised draft produced overnight and incorporating elements and comments from the previous day's deliberations. The Meeting reviewed and commented on the revised draft. Most comments were editorial in nature. The substantive comments are noted below:

- ⇒ It is appropriate that the paper supports the national activities to ensure buy-in of national agencies.
- ⇒ The use of statistics such as those from Lu Eldridge et al's recent paper listing the extinct species in the region to better support and substantiate trends and claims in the concept paper.

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- ⇒ Need to capture and highlight the issue of transboundary and migratory spp. of high biodiversity value or invasives and the innovative approaches for addressing them including funding mechanisms.
- ⇒ Revisions to para 5 - needs to be rewritten to be more general, speaking more of the mechanisms in the region for coordinating nature conservation activities, the Action Strategy and its review process etc rather than the specific details now in the draft.
- ⇒ Need to highlight mainstreaming and the lag time between pilots and mainstreaming.
- ⇒ Need to make mention of the 'incremental costs' issue in section 7.
- ⇒ Heritage Convention and other conventions need to be mentioned.
- ⇒ JR suggested that paper should not be seen to be selling the Action Strategy too much, nor should the fact that the AS's call for RCTF be a strong part of the rationale for the RCTF initiative. The argument should be based more on the lessons learned rather than that the AS called for it; that the AS is based on proven experience.
- ⇒ The concept should reflect that the Action Strategy provides the link between regional and int'l actions and national actions and this should not be lost from the document. BSAP is important in this regard because it identifies national priorities but the AS provides the links back to regional actions.
- ⇒ Good to give an example especially related to CBD. E.g. IPR issues, biosafety issues.
- ⇒ It may be important and advantageous to mention that there is a major interest amongst other donors in the region to explore the option of a regional trust fund.
- ⇒ Expected Outcomes: the regional trust fund is the expected outcome of the concept proposal as opposed to biodiversity benefits.
- ⇒ TT-W noted that there are 4 GEF conditions for CTF and these should be reflected in the justification.
- ⇒ The flow diagram on the process for developing the CTF will be part of the supporting documents.
- ⇒ The activities in the flow diagram will be summarized and restated into activities.

**Agenda 5: Consideration of other issues raised in the Mark Christensen report 1999.**  
***PNG experience***

- ⇒ WK explained GEF's technical requirements and emphasized the need for awareness of the sensitivities within WB and GEF. He noted that in the PNG experience dealing with GEF first, facilitated their process. He also observed that getting GEF on-board helped won the WB over. He noted also the advantage of PICs making a contribution to the fund to

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demonstrate its support and commitment for the regional mechanism as a way of getting donors interested.

- ⇒ WK noted the importance of having in place strategies for packaging and selling the RTF concept. He referred to the upcoming Protected Areas Conference in the Solomon Islands in 2001 as an opportunity to sell the RTF, to highlighting the commitment of PICs to mainstreaming nature conservation, and the lack of funding to put this expressed commitment into deeds.
- ⇒ WK also noted that a proposal for a regional CTF would raise alarm among powerful competitors who would be vying for the same resources within GEF, such as international NGOs.

***Promoting and generating support for the regional CTF concept***

- ⇒ Prompted in part by the observations by WB, the Meeting noted the need to have this process for securing resources and setting up a CTF very transparent and accessible to NGOs, to ensure close collaboration and future support.
- ⇒ How do we get support in New York and Washington from WWF-International and Conservation International? The Meeting recognized that getting support from the international NGO community in particular WWF-I and CI, would be of considerable help. The Meeting also observed that international NGOs with representatives in Washington can do this selling more effectively.
- ⇒ The idea of an Eminent Persons Group was discussed in this context.

***The Eminent Persons Group***

Flowing on from the above discussion, the Meeting considered that a prominent group of Pacific Islands representatives be assigned the responsibility of promoting and canvassing support for the regional CTF concept to strategically important audiences, both internationally and within the region. Two separate sub-groups were thus considered with the following names suggested as members:

***International Eminent Persons Group:***

- Ambassador Tuiloma Neroni Slade, Permanent Representative of Samoa to the United Nations.
- Lelei Le-Laulu, Editor-in-Chief, U.N Secretariat News, New York.

***Pacific based Eminent Persons Group:***

- Bing Lucas, NZ (JR to make contact).
- Fund Manager/Project Manager (proposed, to be Web Kanawi)
- Richard Kenchington (ex GBRMA)
- Peter Hunnam, ex-WWF-South Pacific Director
- Possibly Tom Davis, ex-PM of Cook Islands (pending SPREP Director's advice re suitability for this role).

The Eminent Persons Group's functions comprise of the following three tasks:

- To knock on potential donors doors

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- To secure high-level stakeholder consensus.
- To make presentation in support of the regional conservation TF in high profile international meetings.

***Other funding issues – UNDP's Medium Sized Grants Scheme***

- ⇒ TT-W reminded the Meeting of UNDP's Medium Sized Grants Scheme as an alternative to a regional TF, noting that countries could obtain up to \$750,000 for nature conservation projects and without going through the complex and protracted process such as that required for GEF funds.
- ⇒ The Meeting clarified that the proposed regional CTF is envisaged to have a disposable income of \$1.0M annually. It also considered that it would be beneficial to explore the pros and cons of other options and ask why not other options such as medium size grants, to strengthen the case. It was noted that both options of RTF and MSG could go together the latter possibly coming on stream earlier and providing support sooner.
- ⇒ The Meeting also noted that at some point in time, other donors would need to put some cash into the process to clearly demonstrate to GEF that there is wider commitment to the process and the RCTF. Normally when the concept proposal goes to PDF Block B for funds to develop a full proposal, it would be advantageous at this stage that other donors make contributions to the PDF-B to assist the process. UNDP expressed pessimism that GEF will fund in full the proposed capitalization sum of \$25.0M and given this outlook, it is important having other donors interested and contributing.
- ⇒ Considerable discussion of where donor pledges will come in. Is it for the PDF-B application to assist in the development of the process or later to the capitalization of the Trust Fund itself? General understanding later that donor support (actual hard cash) is needed in the concept proposal formulation phase, and a pledge of support for contribution to the TF capitalization. This pledge of support or endorsement from other donors is vital for getting GEF buy-in.

***Project Manager***

- ⇒ MC reminded the Meeting that the proposal should also be able to fund a part time or better still a full time Project Manager, a person to 'run with the ball', who can commit blocks of time to coordinate activities etc. and one with a good understanding of the system.
- ⇒ The Meeting endorsed the need for a Project Manager as proposed. It also agreed that Web Kanawi would be highly suitable for this position given his extensive experience in the setting up of the PNG Conservation Trust Fund. The Meeting noted WK's current situation and agreed to explore with TNC the possibility of releasing Web Kanawi to undertake this assignment.
- ⇒ Regarding possible funding, a number of options were explored:
  - RC clarified that NZ's contribution of \$200G is for CTF development. Some work related to the assessment and formalizing of lessons learned would also be fundable under this amount.

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- The Meeting discussed specifically the need to approach AusAID re secondment of person to coordinate Trust Fund exercise/process.
- JR agreed to raise with Audrey Newman the matter of WK's possible release for the CTF assignment but noted that other options should be kept open.
- TW suggested that both Web and an AusAID person would be the ideal outcome. Web for say 1 week out of a month over the next 6 months – but this needs to be flagged with TNC asap.

⇒ The Meeting agreed on the following course of actions:

1. Approach TNC re Web to be seconded at no cost, full-time for between 6 – 9 months.
2. AusAID to fund Web if TNC cannot fund Web.
3. AusAID to second a person if TNC can't release Web.
4. NZODA funds to be used to fund a coordinator if no other donor is found.
5. Alternative is Peter Hunnam, possibly funded by AusAID.

Responsibilities

- Joe to make contact with TNC,
- If TNC says no to releasing W Kanawi, JR to discuss with Tam and to draft submission to AusAID for Tam to sign, and to contact Peter Hunnam.
- Regarding Web, if TNC is agreeable, preferable terms would be for TNC to fund salaries but SPREP to fund travel and operating costs using firstly AusAID money if not, NZODA contribution.

***Time constraint***

⇒ The Meeting noted the limited time remaining before SPBCP winds up, which is supporting JR and SS's participation in the Committee. It noted the importance of having the Committee well established and functioning to sustain the process beyond 2001.

⇒ The Meeting recognized also that the PDF application needs to be submitted immediately.

***The next steps***

JR summed up the Meeting's position regarding the next steps to be taken to advance the CTF concept further:

- Concept paper finalized and be submitted asap. [*Deadline for completion of concept paper Wednesday next week. (Next draft taking into account comments from today's discussion to be completed by tomorrow.)*]
- [Need to target some donors for cash support as soon as possible, as well as for pledges of support for the process and future contribution to the TF.][*JR suggested Tam to write to AusAID and NZODA for support in this area.*]
- There is no need to wait for the SPREP meeting and Forum to endorse the PDF application.
- Need to get the Eminent Persons Group set up.
- Hopefully by the SPREP Meeting, the PDF application will have been lodged and that some donor contributions will have been received to support the process.

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**Agenda 6: Process for ensuring the fullest consultation with stakeholders (*Committee may wish to discuss how it plans to ensure that all stakeholders are fully consulted in the Trust Fund development process*)**

- ⇒ The Meeting discussed an appropriate approach and process to ensure the fullest consultation with stakeholders. It noted that this may be partly achieved by having a more representative sub-committee, and agreed on expanding the Committee's membership to include additional PICs country representatives, and regional NGOs. The following additional members were agreed on to be invited to the next sub-committee meeting:
- Ramon Rechebei, Bureau of Foreign Affairs, Palau.
  - Seve Lausaveve, Ministry of Finance, Tuvalu
  - WWF Director
  - Dr. Peggy Dunlop, SANGO and Pacific NGO Focal Point for GEF.
- ⇒ The Committee further noted that the 2001 Protected Areas Conference scheduled for Honiara as another possible opportunity for promoting the Trust Fund concept and for an exchange of ideas with a broad range of stakeholder representatives.
- ⇒ The upcoming SPREP Meeting was also noted as an opportunity to further endorse the process and not the concept of a regional CTF, recalling that a previous SPREP Meeting had already endorsed the latter.

**Agenda item 7: Preparation of draft concept paper (*The Committee will need to discuss and agree on the need to agree and process for the development of the draft concept paper for discussion and consultation with potential donors and other stakeholders as recommended by the workshop*).**

The Sub-committee deliberated and exchanged views on the next steps to be taken to advance for the RTF concept. To generate ideas, the following proposed actions were identified to be taken next.

**Proposed Actions**

1. Develop a 3-4- page concept paper with the 'vision'.
  2. Send to GEF, SPREP and CBD focal points (and all other stakeholders) for input within 1 month.
  3. Identify /get on board eminent persons' in NY/DC.
  4. Get feedback from stakeholders.
  5. Develop and lodge PDF Block A application.
  6. Continue consultation process
  7. Second meeting of the Steering Committee.
  8. Target SPREP Meeting for high level endorsement.
- ⇒ Further refining the proposed actions, the Meeting, following UNDP's advice, agreed that the concept paper would be submitted directly to UNDP as a PDF Block B application (instead of a Block A application under Step 5 above). In making this decision, the Meeting recalled the commitment pledged by the UNDP Resident Representative for the development of the Trust Fund concept, in his opening remarks for this Meeting.

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- ⇒ The Meeting further decided to produce 2 separate documents - (1) a brief document (3 – 4 pages without a budget) for the use of the Eminent Group, and to go to all focal points and NGOs, and the second, a GEF format concept paper to be submitted to UNDP.
- ⇒ A suggestion was made to seek endorsement from focal points for the concept paper to go to PDF-B even though this is not essential from GEF/UNDP's point of view, to build local ownership. The Meeting noted the possibility that this may delay submission by some time although the benefit of having that support is important. This proposal was not discussed further.
- ⇒ Regarding the proposed actions listed, UNDP emphasized the importance of submitting a formal GEF format concept paper to UNDP and GEF (there is no need for a formal endorsement from GEF focal points), to get some initial indication from both on where they stand and of their comments. The next steps to be taken can then be determined with the benefit of the comments received from UNDP and GEF.
- ⇒ Important to learn as much as possible from the PNG experience because it will be exactly the same process the concept paper will go through.

The following revised steps were then agreed on to be taken:

- Step 1a.: Develop a 3 – 4 page concept paper to go to focal points giving the background, objective, justification. Preferably to be completed by the end of this meeting, if not, by Wednesday next week, and to be circulated by e-mail to members for comment by Friday. MC to undertake this exercise.
- Step 1b.: At the same time, revise the current GEF format concept proposal to go to UNDP as a PDF Block B application.
- Step 2: Draft from Step 2 to also be circulated to NGO reps:– Some names mentioned were Audrey Newman and Ruth Norris (TNC), Peter Hunnam (ex WWF), Guy Gula (CI), Annette Lees (CI). Local NGO SANGO to be included given their new status as the GEF Pacific NGO Focal Point.
- Step 3: MC to collate and consider NGO and other comments. Fine-tune the draft taking into consideration comments and re-circulate concept proposal to Committee before it is finalized and send to UNDP.

The following parallel process was also envisaged:

- Web to talk the concept through with contacts in Washington when he travels there after the Meeting.
- Keep other donors informed and be brought up to speed with developments. This include AusAID, different foundations, NZODA, etc..

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- Lelei Le-Laulu (Editor-in-Chief, UN Secretariat Newsletter) to be added to the New York based Eminent Persons Group (i.e. Ambassador Tuiloma Neroni Slade) to promote the concept.

**Agenda Item 8: Next meeting:**

The Meeting agreed to meet again on the first week of May 2000 in Apia. The exact dates will be confirmed later by the Convenor following consultation with members.

**Closure:**

Having no further business to discuss, the Chairman thanked the Committee for their participation and the Meeting was closed at 1:20 p.m. Thursday afternoon.

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**SUMMARY OF KEY DECISIONS MADE**

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**Strengthening the Concept Proposal**

The Meeting agreed that the consultant will review and revise the concept proposal to further strengthen it taking into account the comments made and noted in this report.

**Regional CTF and NGOs**

The Meeting recognized the importance of working together with regional and international conservation NGO's and agreed that the process for securing resources and for setting up a CTF be made transparent and accessible to NGO's.

**Project Manager**

The Meeting agreed on the following course of actions regarding the recruitment and funding for a Project Manager:

1. Approach TNC re Web Kanawi to be seconded at no cost, full-time for between 6 – 9 months.
2. AusAID to fund Web if TNC cannot fund.
3. AusAID to second a person if TNC can't release.
4. NZODA funds to be used to fund a coordinator if no other donor is found.
5. Alternate candidate for Project Manager to be Peter Hunnam, hopefully with AusAID funding.

**Eminent Persons Group**

The Meeting agreed to the creation of an Eminent Persons Group to serve the following three functions:

- To knock on potential donors doors
- To secure high-level stakeholder consensus.
- To make presentation in support of the regional conservation TF in high profile international meetings.

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The EPG will be comprised of the following individuals:

*International Eminent Persons Group:*

- Ambassador Tuiloma Neroni Slade, Permanent Representative of Samoa to the United Nations.
- Lelei Le-Laulu, Editor-in-Chief, U.N Secretariat News, New York.

*Pacific based Eminent Persons Group:*

- Bing Lucas, NZ (JR to make contact).
- Fund Manager/Project Manager (proposed to be Web Kanawi)
- Richard Kenchington (ex GBRMA)
- Peter Hunnam, ex-WWF-South Pacific Director
- Possibly Tom Davis, ex-PM of Cook Islands (pending SPREP Director's advice re suitability for this role.

**Additional members of the Steering Committee**

The Meeting agreed to increase its membership and to invite the following as new members to its next meeting:

- Ramon Rechebei, Bureau of Foreign Affairs, Palau.
- Seve Lausaveve, Ministry of Finance, Tuvalu
- WWF Director – South Pacific
- Dr. Peggy Dunlop, SANGO and Pacific NGO Focal Point for GEF.

**Concept Proposal**

The Meeting agreed that two separate documents will be produced:

1. A brief 3-4 page paper outlining the vision, objectives, background and justification (no budgets). to be circulated to the Eminent Persons Group, focal points and NGO's.
2. A GEF format concept proposal to go to UNDP as a PDF Block B application.

The following steps were also agreed to:

- Step 1 (a): Develop a 3 – 4 page concept paper to go to focal points giving the background, objective, justification. Preferably to be completed by the end of this meeting, if not, by Wednesday next week, and to be circulated by e-mail to members for comment by Friday. MC to undertake this exercise.
- Step 1(b): At the same time, revise the current GEF format concept proposal to go to UNDP as a PDF Block B application.
- Step 2: Circulate the Draft from Step 2 to major regional NGOs:– Some names mentioned were Audrey Newman and Ruth Norris (TNC), Peter Hunnam (ex WWF), Guy Gula (CI), Annette Lees (CI). Local NGO SANGO to be included given their new status as the GEF Pacific NGO Focal Point.
- Step 3: MC to collate and consider NGO and other comments. Fine-tune the draft taking into consideration comments and re-circulate concept proposal to Committee before it is finalized and send to UNDP.

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**Next Meeting**

The Meeting agreed to meet again on the first week of May 2000 in Apia. The exact dates will be confirmed later by the Convenor following consultation with members.

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**Opening Remarks**  
**Delivered by Serge Ducasse, UNDP Representative**  
**Of the Pacific Conservation Trust Fund Steering Committee's**  
**First Meeting - APIA 15 - 17 February, 2000**

Director of SPREP, Mr. Tamarii Tutangata  
Distinguished participants

Let me first thank you for inviting me to deliver some welcoming remarks, on behalf of UNDP, to this important first meeting of the Pacific Conservation Trust Fund Steering Committee.

UNDP and the GEF have been supporting the conservation of biodiversity in the Pacific for a number of years now, mainly through the SPBCP, executed through SPREP, as well as other related projects. I am particularly pleased to see that this good work is now continued and built upon, in the proposed Pacific Conservation Trust Fund. The work of the Steering Committee in the next few days will be of great interest to UNDP, as we look forward to the outcomes of your deliberations.

The establishment of such a Regional Trust fund is by no means an easy undertaking, and, as you all know, most successful conservation trust funds are more than just financial mechanisms. I believe that a successful trust fund must be value driven and should be able to act as an independent entity which should build effective, responsive and focused programs. It should also be the product of broad consultative processes, and have governance structures that involve people from different sectors, have credible and transparent operational procedures and sound financial management practices. The creation of a regional trust fund fulfilling these obligations requires a substantial investment of time and resources, as well as long-term commitment by all stakeholders.

Fortunately, there seems to be a broad consensus among all development partners on the design, structure, operation and management of the proposed trust fund, and I know that a lot of efforts, studies and consultations have gone into ensuring that the current proposal is in compliance with the different expectations, from both recipient nations and international donors.

It is now up to this meeting to establish the donors and to convince them that a regional Pacific Conservation Trust Fund will do something worthwhile, that cannot be achieved otherwise. The purpose for this first Steering Committee Meeting is to take the process further into the formulation and design of the Pacific Conservation Trust Fund, and to finalize a draft concept paper which can be discussed with potential donors and other stakeholders.

You have the full support of UNDP at this early stage of your endeavors. UNDP/GEF is already involved in trust funds in other parts of the world and the UNDP office here in Apia, together with its network of colleagues in New York, will do its utmost to help you in preparing a final proposal that can be submitted to potential donors - including the GEF. UNDP is willing to work closely together with all partners on this initiative, and to further build on its well established partnership with SPREP, in the overall interest of the conservation of biological diversity in the Pacific.

I wish you a most fruitful and productive meeting.

Thank you.

**SPREP**

**South Pacific Regional  
Environment Programme**



**PROE**

**Programme régional  
océanien de l'environnement**

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AP 2/7/7/5

26 April, 2000

**SECOND MEETING OF THE TRUST FUND STEERING COMMITTEE  
Apia, Samoa 2 – 4 May, 2000**

**Agenda item 3 : PROGRESS REPORT ON RECOMMENDATIONS OF THE FIRST  
MEETING OF THE TRUST FUND STEERING COMMITTEE**

**Introduction**

The first meeting of the Trust Fund Steering Committee (TFSC) was held in Apia on 14 – 16 February 2000. The report of the meeting was circulated by email to members in April 2000. The following report provides a brief summary of follow up actions by the Secretariat to the recommendations of the first meeting.

**TFSC 1 Recommendations**

1. **That the consultant reviews and revises the concept proposal to further strengthen it taking into account the comments made and noted in the report.**

Some members of the Committee offered to assist the consultant by sending their comments to him before the draft proposal was finalised. The delay in getting these comments to the consultant contributed to the late completion of the draft that was subsequently circulated to members in early April. The final draft of the concept paper is now expected to be finalised and approved by the Committee at its second meeting.

2. **That the process for securing resources and for setting up a CTF be made transparent and accessible to NGOs.**

This important recommendation was for noting by the Committee and will be addressed more fully during the design of the CTF.

3. **That the following course of actions be taken regarding the recruitment and funding for a project manager:**

- **Approach TNC to see if Wep could be made available full time for between 6 – 9 months, or seconded at no cost.**

In a letter from Mr. Peter Thomas (Wep's immediate supervisor), he indicated that TNC would be happy to have Wep assist the CTF development wherever he could. However, he

also noted that Wep's office in PNG is seriously understaffed and there are a number of TNC priority activities for Wep to work on this year. Mr. Thomas however considered it an honor for TNC to be playing a key role in the CTF and would try as much as possible to ensure that Wep is able to be part of this development. Mr. Thomas also indicated that he would prefer that SPREP pay for Wep's salary as well as travel and per diem for the time spent on the CTF but that TNC would continue paying the salary if this was not possible from SPREP.

- **AusAID to fund Wep if TNC could not.**

It looks like TNC would rather have SPREP pay the full cost of Wep's participation as project manager for the CTF development phase. A request to AusAID will therefore be necessary, however it is suggested that full terms of reference and work plan for the project manager be prepared and agreed before such a request is submitted. Draft TOR for the project manager will need to be considered in conjunction with Mr. Kanawi in accordance with his TNC responsibilities.

- **AusAID to second a person if TNC can't release Wep.**

Indications are that TNC will indeed release Wep provided we could plan CTF work around his priority work in PNG. It may not necessary therefore to request AusAID to second a person to the Committee although it is probably wise to defer this option until negotiations with TNC are finalised and agreed.

- **NZODA funds to be used to fund the project manager if no other donor is found.**

Noted.

- **Alternate candidate for project manager to be Peter Hunnam, hopefully with AusAID funding.**

Subject to the outcome of discussions with TNC relating to Wep's availability.

4. **That a prominent group of Pacific Islands representatives be assigned the responsibility of promoting and canvassing support for the regional CTF concept to strategically important audiences, both internationally and in the region.**

Two separate sub-groups were considered - one to be based in the US mainland and the other to be based in the Pacific.

For the US-based group, two prominent individuals were named. They are Samoan Ambassador to the UN, Mr. Tuiloma Neroni Slade and Mr. Lelei Le-Laulu, Editor in Chief, UN Secretariat.

A letter from the SPREP Director inviting the participation of these individuals in the US-based group has been drafted and approved by the Director and will be sent as soon as the overview paper is completed.

Except for Wep, none of the other four gentlemen recommended for the Pacific group has been approached. The SPREP Director's opinion was sought on one of the candidates who was an ex-Prime Minister. Whilst the Director was optimistic that the gentleman concerned would be pleased to help, he mentioned that the gentleman in question may not be in good physical condition to do too much travelling.

The Committee may need to reconsider this matter and recommend other candidates with more appropriate credentials for the task at hand.

**5. That the following people be invited as new members of the Committee:**

- Ramon Rechebei
- Seve Lausaveve
- WWF Director – South Pacific
- Dr Peggy Dunlop

Rechebei, Lausaveve and Dunlop have all accepted the invitation to join the Committee and will be participating in the Committee's second meeting. The new WWF-South Pacific Director is yet to respond to the invitation.

**6. That two separate documents, the concept proposal and the 3 – 4 page overview paper, will be produced for comments by the Committee.**

JR circulated the draft concept proposal via email in early April. MC circulated the draft overview paper the second week of April for comments by the Committee. New members received this document from JR.

**7. Other Follow up Actions by the Secretariat**

- Support from other potential donors – Senator Hill and his party was briefed about the CTF during his short visit to Samoa early this year. As indicated in an early update to members, the Senator was non-committal to the CTF as this was probably the first time he was aware of the initiative. Follow up action will need to be taken especially by the Pacific Eminent Persons Group in this regard.

The Director General of UNEP was also briefed about the CTF during his visit to SPREP and Samoa. The Director General was very keen and offered his staff's support in the further development of the initiative, if needed.

- Presentation to the 11<sup>th</sup> SPREP Meeting – Preliminary discussions with the SPREP Director regarding a paper presentation to the 11<sup>th</sup> SPREP Meeting on the CTF has been very positive. The matter will be followed once again when the agenda for the SPREP Meeting is developed.
- An invitation to attend the second meeting of the Committee was issued to Ms. Buenafe Solomon of the Philippines Conservation Trust Fund. The invitation was accepted and we are fortunate to have Ms. Buenafe attend this meeting. Her experience with the Philippines Trust Fund will no doubt benefit the Pacific Trust Fund initiative.

# **INFORMATION PAPER**

## **Financing Protected Areas**

**By Barry Spergel, WWF-US**

This chapter examines a range of potential options to increase the funding for protected areas in developing countries. According to a recent study, average budgets for protected areas in developing countries are only around 30% of what is considered to be a minimum amount required for conserving those areas. In some regions that are exceptionally rich in biodiversity, such as Central Africa and Indochina, the budgets (per hectare) for managing protected areas are less than 3% of the global average. In many developing countries, budgets for managing protected areas actually declined by 50% or more over the past decade, because of financial and political crises, and falling world prices for these countries' principal export commodities. International donor assistance for biodiversity conservation in developing countries has also continued to decline, after peaking in 1992 at the time of the Rio de Janeiro "Earth Summit." Many officially gazetted parks in developing countries are merely "paper parks," lacking sufficient funds to pay for staff salaries, uniforms and equipment, and fuel to operate vehicles.

How can the funding for protected areas in developing countries be increased ?

Basically, there are only three ways of financing protected areas:

1. Annual allocations from the government budget;
2. "User" fees and environmental taxes that are "earmarked" for parks and nature conservation; and
3. Grants and donations from individuals, corporations, foundations, non-governmental organizations ("NGOs"), and international donor agencies, including the use of financial mechanisms such as "debt-for-nature swaps" and conservation trust funds, which can be used to "leverage" (i.e., multiply the amount of) hard-currency grants, or extend them over a long period of time.

Developing countries must tap all three of these sources in order to finance their protected areas, since it is unlikely that any single source by itself will be sufficient.

### 1) Annual Allocations from Government Budgets

One way to persuade governments to increase their budget allocations for protected areas, is to demonstrate that protected areas can provide substantial direct and indirect economic benefits. For example, in Kenya, nature-based tourism has become the country's second largest source of foreign exchange. In Ecuador, the Galapagos Islands National Park annually attracts around 200,000 foreign tourists, each of whom pays a US \$100 park entry fee, thereby generating about \$20 million per year. In addition, tourists spend

around \$700 to fly to the Galapagos from mainland Ecuador, and a minimum of \$1,000 for a typical 5-day boat trip to visit the islands comprising the park.

Wildlife and nature-based tourism can become an important engine of economic growth and job creation in many developing countries. But this will only happen if the government allocates enough money to conserve the wildlife which tourists want to see; if the government adequately maintains roads and other infrastructure in protected areas; and if it effectively enforces national laws against illegal logging, hunting, fishing and agricultural settlement inside of protected areas.

In addition to generating revenues from tourism, protected areas can also provide other substantial economic benefits. These benefits include non-timber forest products, such as rattan, medicinal plants, nuts, resins, and "bush-meat," if these products are sustainably harvested; watershed protection; carbon sequestration; and other "ecological services", such as protecting the spawning grounds of fish that can later be commercially harvested outside of protected areas.

However, these arguments for increasing the budget allocations for protected areas, require governments to take a relatively long-term perspective. Some governments may be unable or unwilling to do this. For example, some governments may be more interested in obtaining short-term economic benefits from the unsustainable extraction of natural resources such as timber, even when this might only enrich a small sector of society. It has been claimed that many developing countries are too poor to be able to spend money on parks and conservation, and need to focus all their efforts just on meeting their population's daily subsistence needs. But there is no direct relationship between a country's poverty and the relative amount of the government's budget that is spent on protected areas. Some very poor countries spend a relatively large amount on protected areas, while some wealthier countries spend relatively tiny amounts.

## 2) User Fees and Taxes Earmarked for Conservation

Many countries charge user fees and taxes that are linked to protected areas. This includes park entry fees, fishing fees, hunting fees, diving fees, climbing fees, hiking fees, boating fees, camping fees, photography fees, scientific research fees, "bio-prospecting" fees; as well as concession fees and taxes on lodges, stores, tour companies, and other businesses that operate inside of protected areas.

However, in many cases, only a small part (if any) of the revenues from these user fees and taxes is actually used to support protected areas and biodiversity conservation. What more commonly happens, is that the revenue from these fees and taxes simply flows into the government treasury, and is allocated for other budgetary purposes. A second major problem is that these fees and taxes are often set much lower than what many people would be willing to pay, especially international visitors, who often spend thousands of dollars on transportation just to get to a park in a developing country. Such tourists would be unlikely to change their travel plans, simply because they have to pay higher park entry fees or hotel taxes. In fact, surveys have usually shown that visitors to protected

areas are willing to pay significantly higher fees and taxes, provided they know that the money will be used exclusively for parks and conservation.

### Revenue Maximizing Strategies

Many countries could substantially increase the amount of money available for financing protected areas, by one or more of the following strategies:

charging higher entry fees for foreigners than for local citizens; charging higher entry fees during peak visitation periods; developing new kinds of attractions inside of a protected area, for which additional fees can be charged, such as rainforest canopy walkways, illuminated underground caves, special interest nature walks guided by park rangers, etc.; requiring visitors to pay a permit fee to engage in particular kinds of recreational activities inside a protected area, such as diving, mountain climbing, or river rafting; charging user fees to those (such as water consumers) who benefit from an "environmental service" (such as watershed protection) that is provided by a particular protected area; adding a small (less than 1%) "surcharge" to property taxes or sales taxes, and earmarking this surcharge for parks and conservation; and increasing the concession fees paid by private businesses that operate inside of a protected area, such as visitor lodges, stores, restaurants, and tour companies; basing these fees on a percentage of gross receipts, rather than profits; or simply auctioning off such concessions to the highest bidder, provided that penalties are imposed on concession holders for failure to meet agreed upon terms and conditions .

### Park Entry Fees

International tourists may be willing to pay very high entry fees to visit protected areas that have unique ecosystems, or large numbers of "charismatic" large animals, such as gorillas, lions, and elephants. National parks in Kenya, Tanzania and Uganda charge foreigners daily entry fees of US \$20 or more per day. In 1989, Botswana raised park entry fees for foreigners by 900% (from US \$3 to around US \$30 per person per day), and the number of foreign visitors actually rose by 49%. This led to such a dramatic increase in total revenues that "it effectively eliminated the subsidy being provided by central government to the game reserves and national parks." The increase in park entry fees was part of a deliberate government policy to focus on the high-priced end of the tourism market. This led to a decrease in the number of low- and medium-budget visitors to Botswana's parks, but a large increase in the number of higher spending overseas visitors. A survey conducted three years after the 900% increase in park entry fees, revealed that in addition to paying very high daily entry fees, the average visitor was also willing to donate approximately 5% of the cost of the Botswana part of his trip, to a wildlife conservation fund.

Similar results were obtained from surveys of visitors to the Galapagos National Park in Ecuador. In fact, each of the two main tour boat operators there now guarantees to WWF and the Charles Darwin Foundation a minimum of \$100,000 per year in donations from their passengers to support Galapagos conservation projects (or else the tour companies

will pay the difference). However, tourists may not be willing to pay high entry fees to visit protected areas that are less unique, or that do not have large numbers of easily observable "charismatic" wildlife. Visitor surveys should be conducted in protected areas to determine the maximum "willingness to pay" of different categories of visitors, and then fees should be raised to approach those levels.

However, unless higher fees are channeled back into conserving the protected areas, visitor numbers will decline. Revenues collected from entry fees should be "earmarked" to support protected areas and biodiversity conservation. For example, Ecuador's new Galapagos law, which raised park entry fees for foreigners to \$100, requires that all revenue from this fee must be used to pay for costs associated with operating the park. The Galapagos law is extremely specific: it requires that 40% of the revenues collected from entry fees must be used to pay for salaries and other direct expenses of operating the park; 30% must go to local government authorities for construction of sewage treatment facilities; 10% must go to a Galapagos scientific research institute; 5% to the port authority for operating an inspection and quarantine system; 5% to the armed forces for patrolling the park; 5% for establishing a new Galapagos marine reserve; and 5% to the national parks agency for expenses of managing the national park system as a whole.

A number of countries, such as Nepal, have recently passed laws allowing individual protected areas to keep a percentage of the entry fees they collect. The U.S. National Park Service has instituted a similar pilot program in four of its most famous parks—Yellowstone, Grand Teton, Yosemite, and Grand Canyon. In 1997, entry fees for these parks were raised from \$3 to \$20, and each of these parks is now allowed to keep 80% of the total fees collected. A recent survey of visitors to those parks, showed that 85% were "satisfied" with the new entry fees, or thought the fees should be raised even higher.

#### Airport Fees

In 1996, the country of Belize (Central America), enacted a law requiring that all foreign tourists pay a US \$3.75 "Conservation Fee" in addition to the currently existing \$11.25 airport departure tax. Tourists are given an explanatory brochure and a separate receipt when paying the conservation fee. Revenues from the conservation fee go directly to a new "Protected Area Conservation Trust" (PACT), that is independent of government. The PACT's board of directors is composed of three voting members from Belize government ministries, and four voting members from outside of government. The PACT is legally required to spend all of its funds on conservation projects in (or adjacent to) the country's protected areas. The number of foreign visitors to Belize has increased each year since the fee was first imposed.

A number of other countries are now considering proposals to charge airport fees earmarked for parks and conservation. For example, in 1999 the Republic of the Seychelles proposed charging all foreign tourists a US \$100 fee on arrival at the airport, for the world's first "environmental tourism visa", called the Seychelles Gold Card. This would grant free lifetime admission to all state-run protected areas, including two World Heritage Sites.

## Road Tolls

Another way of raising money for protected areas is to collect a road toll for special scenic drives located in or near protected areas. For example, Florida charges a \$3 toll to all motorists on a highway called "Alligator Alley", just north of the Everglades National Park, where it is often possible to see alligators from the road. This toll raises \$60 million annually, all of which is earmarked for conservation of the greater Everglades ecosystem.

## Cruise Ship Passenger Fees

In 1998, six small countries in the Eastern Caribbean (Antigua, Dominica, Grenada, St. Kitts, St. Lucia and St. Vincent) jointly decided to charge a \$1.50 per passenger "cruise ship waste disposal fee" to finance environmental clean-up and conservation. In Juneau, Alaska, after one particular cruise ship company illegally dumped large amounts of oil and hazardous wastes in off-shore waters, the city of Juneau decided to impose a \$ 5 "head tax" on each of the 600,000 Alaska cruise ship passengers who disembark in Juneau each year. The Belize \$3.75 "Conservation Fee" which is collected from all foreign tourists at the airport, is also collected from all cruise ship passengers, and goes to support the country's protected areas.

## Diving Fees

The two Caribbean islands of Bonaire and Saba in the Netherlands Antilles use revenue from diving fees to finance 100% of the operating costs of their marine protected areas. Divers are charged a flat fee of \$10 in Bonaire, and an average of \$30 in Saba, based on the number of dives they make. The Pacific island republic of Palau charges a \$15 per person diving fee to the 60,000 to 80,000 scuba divers who go there each year. Diving fees now generate about \$1,000,000 per year, which is used for maintaining Palau's protected areas. Tubbataha Reefs National Park (a World Heritage site) in the Philippines, just began charging drivers a \$50 per person "reef conservation fee", after surveys showed that divers would be willing to pay such fees if they were assured that the money would only be used for protecting Tubbataha's coral reefs, instead of going into general government revenues.

## Hotel Taxes

Surcharges on hotel room taxes have been used in various places around the world as a way of raising funds for conservation. For example, 10% of the money that is raised by Delaware's 8% tax on hotel rooms is earmarked (by law) to finance the state's "Beach Preservation Program." In the Turks and Caicos Island (in the eastern Caribbean), hotel room taxes were increased from 8% to 9%, and the additional 1% goes directly into a protected areas conservation trust fund that is modeled on the one in Belize. In other places, a small, voluntary "nature conservation surcharge" of one or two dollars is added to all visitors' hotel bills, with an explanation on the bill stating that the hotel will delete the conservation surcharge, if a guest so requests (which very few guests will do).

## Taxes on Hunting and Fishing Equipment

The U.S. federal government imposes an 11% excise tax on all sales of hunting weapons and ammunition, which now generates more than \$300 million each year. Half of this amount is used to finance the U.S. Wildlife Restoration Fund.

There is a similar 10% U.S. federal excise tax on sales of sport fishing equipment and motor boat fuel, which is used to finance the U.S Aquatic Resources Trust Fund.

U.S. conservation organizations have proposed that state governments should impose a similar tax on sales of camping and hiking equipment, and earmark the resulting revenues to finance parks and conservation.

## Conservation Fees and Taxes paid by Natural Resource Extractive Industries (Petroleum, Minerals, Timber, and Fishing)

The U.S. Land and Water Conservation Fund is financed by the more than one billion dollars per year in fees that oil companies pay to the U.S. government for offshore oil and gas leases. The Land and Water Conservation Fund is used for purchasing land for establishing new U.S. national and state parks, and expanding existing parks.

In a number of countries (including Norway and the Philippines), a percentage of the fees paid by logging companies (as timber royalties, or logging concession fees) are earmarked for forest conservation and protected areas. Based on the same principle, there have recently been proposals that the mining industry be required to pay a conservation fee, in order to help finance the costs of protected areas, rather than merely to pay for damages directly caused by mining.

Some countries impose a levy on commercial fishing vessels, which is based on how many tons of various species of fish they catch. Namibia imposes a catch levy that is used to finance scientific research relating to management of commercial fishing stocks (since fishing is the country's second largest source of foreign exchange). But there is no reason why a catch levy could not also be used to finance the conservation of marine biodiversity and marine protected areas, particularly if the protected areas serve as spawning grounds for fish that are later harvested commercially.

## Fees for Watershed Protection

In Bogota, Colombia and in Quito, Ecuador, water consumers pay a small (around 1%) surcharge on their monthly water bills, for the costs of maintaining the forest cover of the protected area watersheds that supply these cities with drinking water and hydroelectric power. In Laos, the developers of a proposed \$1.3 billion hydroelectric dam have agreed to pay \$1 million per year for 30 years into a "watershed conservation fund" to protect the pristine forests and endangered wildlife on the steep mountain slopes above the dam. This can be economically justified as a way of preventing the siltation of the dam that

might result if these forests were logged, which could reduce the dam's 'economic life' by up to 50%.

### Carbon Emissions Trading

The Climate Change Convention (the "Kyoto Protocol") obligates developed countries to reduce their carbon emissions by significant percentages. Rules are likely to be approved in late 2000, that would allow a developed country to achieve part of its required reductions in carbon emissions, by paying a developing country to conserve or plant forests that will store or sequester a particular quantity of the developed country's "excess" carbon emissions. This kind of "carbon emissions trading" can be viewed as the payment of a "user fee" for one of the vital "ecological services" provided by forests. It could result in the payment of billions of dollars to developing countries that have large areas of forests. However, such "user fees" will only benefit biodiversity conservation and protected areas, to the extent that developing countries will use these payments for conservation of natural forests, rather than for establishment of plantation forests, or for unrelated government programs (such as social welfare or national defense).

### Property Taxes

More than forty states in the U.S. impose some kind of surcharge on property taxes, as a way of generating revenue to acquire privately owned land and turn it into parks and permanent "open spaces". New Jersey alone has raised more than \$1.2 billion this way since 1961. Florida has raised more than \$1 billion through real estate transfer taxes, and oil and minerals severance taxes, that are earmarked for acquiring private land as parks and open spaces. Thirteen Florida counties have also enacted their own land acquisition programs, which have raised from \$2.5 million to \$100 million each, through voter-approved increases in property taxes.

In France, local governments are authorized to impose a surcharge on real estate transfer taxes, in order to acquire privately owned lands, or development rights, in specially designated "scenic areas" that would otherwise be threatened by excessive development. Many of the special scenic areas designated by the French Government, are also classified as biosphere reserves, or some other IUCN-approved category of protected areas.

### Lottery Revenues, Sales Taxes, Tobacco Taxes, Gasoline Taxes, Automobile License Plate Fees, and Wildlife Postage Stamps

In Colorado, state lottery revenues have raised more than \$60 million for the "Great Outdoors Colorado" Fund, whose purpose is to acquire and manage "conservation lands," ranging from state parks to historic sites to wetlands. In 1967, voters in the city of Boulder, Colorado approved an additional one-cent sales tax, 40% of which is earmarked for acquisition of undeveloped "natural lands". In 1989, this percentage was increased to 73%, because of strong popular support for the tax.

Ten years ago, California voters approved Proposition 117, authorizing the state to issue \$900 million in new bonds to purchase habitat for the conservation of mountain lions and other endangered native species. Repayment of these bonds is financed by charging fees for personalized automobile license plates, and by a tobacco tax increase. In March of 2000, California voters approved a \$2 billion bond issue for operation and maintenance of state parks.

Many U.S. states raise money for conservation and parks by selling special automobile license plates that display pictures of native wildlife, and usually cost \$10 to \$20 more than regular license plates. This can sometimes generate millions of dollars per year for wildlife conservation and state parks. Germany has issued a series of special wildlife conservation postage stamps which cost more than regular postage stamps, and are a way of generating revenues for biodiversity conservation projects in developing countries.

New Jersey recently proposed increasing its state gasoline tax by seven cents per gallon, and using the new revenues to acquire additional private land as parks and open spaces. The government of Namibia has proposed (but has not yet enacted) a gasoline tax surcharge that would be earmarked for an "Environmental Investment Fund" to support national parks and other environmental projects.

### Hunting Fees

The CAMPFIRE Project in Zimbabwe represents an innovative way of financing wildlife conservation on communally owned lands through hunting fees, in an area of Zimbabwe that has an "over-population" of elephants. Each year, a limited number of permits to hunt elephants are sold to foreign hunters for around US \$20,000 per elephant. The number of hunting permits issued is based on scientific estimates of how many elephants the land can "carry", without the elephants destroying the habitat for other wildlife species, and humans. The money from hunting fees is distributed to local communities to use for purposes such as building schools and health clinics. This creates an economic incentive for those communities to allow elephants to continue living on their lands. The CAMPFIRE program has led to a dramatic decline in the number of elephants killed by poachers, since elephants have become a valuable economic resource for local communities, who now tolerate and protect "their" elephants.

Hunting fees have also been used to fund the conservation of privately owned "protected areas" in the United States, South Africa, and other countries. For example, the state of New Mexico allocates a certain number of elk-hunting permits each year to local landowners, based on scientific estimates of the elk population and the land's carrying capacity. The landowners are free to sell these hunting permits to sports hunters, at prices in the thousands of dollars per animal. Landowners often find it more profitable now to let their land remain in (or revert to) its natural state, supporting an abundance of elk and other wildlife, rather than using the land for cattle ranching.

However, conservation programs that are financed by hunting fees or sport fishing fees, can only be effective conservation tools, if they satisfy three conditions. They must

involve (1) non-endangered species of wildlife, (2) for which there are scientifically based (and strictly enforced) limits on the annual allowable catch, and (3) for which hunters or fishermen are willing to pay substantial amounts of money.

### Fines for Illegal Logging, Hunting, and Fishing

In some countries, part or all of the fines for illegal logging, hunting and fishing inside of protected areas, go to support the government agencies that are responsible for managing those areas. In some countries, the proceeds from sales of confiscated (illegally harvested) timber, fish and wildlife are also be earmarked in this way. However, this practice generally needs to be authorized by special legislation, because most countries require that the money from fines and seizures of illegal merchandise must go directly into the government treasury and become part of the general budget, rather than being earmarked for a particular purpose.

### Pollution Fines

Another way of raising money for protected areas and biodiversity conservation is by earmarking a percentage of the money from pollution fines and "pollution charges" (i.e., payments for permission to emit specified amounts of particular pollutants). Many Eastern European countries (including Poland, Hungary, the Czech Republic and Bulgaria) have established national environmental funds, that are financed by tens or hundreds of millions of dollars in pollution fines and pollution charges which are collected each year. In some cases, such as Poland, a fixed percentage (around 5%) of the amount collected is earmarked to finance nature conservation and protected areas.

In the U.S., judges have sometimes approved "out of court settlements" that require industrial polluters, in lieu of paying fines, to establish a multi-million dollar trust fund for the long-term conservation of the particular rivers, lakes or ecosystems which those companies have polluted. Polluting companies have paid millions of dollars to establish nature conservation trust funds for areas such as New York's Hudson River, Virginia's James River, and rivers in Nebraska and Massachusetts. This has been done pursuant to judicially approved "out of court" settlements, in cases where lawsuits were brought against those companies by conservation organizations or by government environmental agencies. Part of Exxon's multi-billion dollar payment in settlement of damage claims arising out of the huge oil spill caused by its ship "the Valdez", was used to buy pristine forest land on nearby Kodiak Island and convert the land into a wildlife preserve for the endangered Kodiak Bear. The land was owned by indigenous tribal corporations, which would otherwise have sold it to logging companies, in order to earn money to pay for basic economic and social needs.

### Funds from Privatization of State-Owned Enterprises

In Peru, part of the proceeds from the privatization of a formerly government-owned mine was used to fund the conservation of a nearby nature reserve. In Ecuador, the Government used part of the funds from privatization of state-owned companies, to

endow a new environmental conservation fund. This is an approach that could be copied by other countries now engaged in the large-scale privatization of state-owned companies.

Notwithstanding the large revenue-generating potential of earmarked user fees, taxes and fines, they should not be relied upon to cover the core costs of managing protected areas. Since many user fees depend on tourism, they can suddenly and dramatically decline as a result of domestic or international political or economic crises, such as the Gulf War, or as a result of civil turmoil in a neighboring country. The revenues generated from user fees and taxes on natural resource extraction (such as logging or mining) may also vary considerably, as economic conditions change, or the resource itself becomes exhausted. User fees and earmarked environmental taxes should therefore be regarded as a supplement to regular government budget allocations and international donor funding, rather than a replacement for those two funding sources.

### 3) International Donor Contributions

The third main source of financing for protected areas and biodiversity conservation in developing countries, after (1) regular government budget allocations, and (2) earmarked user fees and taxes, is (3) grants and donations from individuals, corporations, foundations, NGOs and international donor agencies. In most developing countries, contributions from private individuals and corporations constitute a relatively insignificant source of funding for parks and conservation. This is probably because these countries often provide little or no tax incentives for individuals and corporations to make charitable donations, and also because many countries lack a cultural tradition of "cause related" charitable giving, other than to religious or social welfare institutions.

By contrast, many of the foundations that were originally established by wealthy individuals in the U.S. and other developed countries --- such as the MacArthur Foundation, Packard Foundation, Mott Foundation, Gilman Foundation, etc.--- annually contribute many tens of millions of dollars to support parks and conservation projects in developing countries. International NGOs such as WWF, the Nature Conservancy, and Conservation International, which are financed by donations from their millions of individual members, also contribute tens or even hundreds of millions of dollars each year, to support protected areas and conservation projects in developing countries

But by far the largest source of international grant funding for parks and conservation in developing countries, are the international "donor agencies", particularly the World Bank and the Global Environment Facility (GEF), the US Agency for International Development (USAID), the German Technical Cooperation Agency (GTZ), the Dutch International Cooperation Agency (DGIS), the European Union (EU), the Danish and Norwegian government aid agencies (DANIDA and NORAD), the UK's Department for International Development (DFID), and the United Nations Development Program (UNDP). Each of these donor agencies has its own particular policies and priorities (including a list of particular priority countries), and these often change. It is best to contact each donor agency for information about their current policies, and the level of

funding that they may have available for particular countries, regions, or programs. The list of major international aid donors that have rarely or never funded parks and biodiversity conservation in developing countries, includes Japan, France, Sweden, Belgium, Italy and Spain.

### Conservation Trust Funds

International donor agencies usually only provide funding for short-term projects of 2 to 5 years. But, unless funding is sustained over a long period, the conservation impacts are likely to be only transitory. Ecological change, and institutional change, are both often fairly long-term processes. A steady source of long-term funding facilitates long-range planning, training, recruitment of personnel, and institution building, all of which contributes to more effective biodiversity conservation.

Conservation trust funds are an increasingly common way of providing long-term funding for parks and conservation in developing countries. In the ten years between 1990 and 2000, conservation trust funds were established in roughly 25 countries in Latin America and the Caribbean, 10 in Africa, and 5 in the Asia / Pacific region. Many other conservation trust funds are now in some stage of development. The conservation trust funds with the largest assets (in the first half of the year 2000) are those in Mexico (\$45 million), Bhutan (\$35 million), the Philippines (\$25 million), Colombia (\$30 million), Brazil (\$15 million), Madagascar (\$12 million), Peru (\$10 million), Indonesia (\$10 million), and Uganda (\$7 million). All of these figures are rough approximations, since the value of a fund's investments, and the rate at which it spends money on program activities, may vary considerably over time.

Conservation trust funds can be established to help finance a particular park; a country's entire protected area system; an international trans-boundary reserve; a particular type of conservation activity; or small grants to a large number of local NGOs and community-based organizations, to carry out projects integrating conservation and development.

A 'trust fund' may be broadly defined as money or other property that (1) can only be used for a particular purpose or purposes; (2) must be kept separate from other sources of money, such as a government agency's regular budget; and (3) is managed by an independent board. Trust funds (defined in this broad way) can take a variety of different legal forms. For example, the conservation funds in Mexico and the Philippines both have the legal form of a foundation. Several conservation funds in francophone Africa have the form of an "association civile". In Latin America, conservation funds may be set up in the form of a "fideicomiso". In countries whose legal systems are based on English or American models, conservation funds are often set up under statutes codifying "common law" trust funds. In other cases, conservation trust funds have been established by a special act of the national legislature (as in Belize), or an executive decree of the President or head of state (as in Peru and Bhutan). Sometimes, a particular legal form is chosen because it confers greater legal protections, tax benefits, or allows greater flexibility in designing the fund's governance structures. However, this all depends on the relevant laws of the particular country.

Viewed as a long-term financing mechanism, conservation trust funds can be classified into three major types :

1. Endowment funds are the most common form of conservation trust fund. They are intended to last "in perpetuity". An endowment fund's capital is usually invested in some combination of bank deposits, government treasury bonds, and corporate stocks and bonds, in order to earn a steady stream of income over a long term. By definition, an endowment fund only spends the annual income earned from its investments, but never spends its original capital. Most endowment funds try to increase the size of their capital by seeking new donations, or by annually reinvesting a certain percentage of their income in order to offset for inflation and maintain the same "real" value of the trust fund's capital.

2. Sinking funds not only spend the income which they earn each year from investing their capital, but also spend down part of their capital each year, until it gradually "sinks" to zero, usually over 10 to 20 years. Sinking funds have more often been set up in "middle income" developing countries (such as Brazil), or "economies in transition". This is because international donors generally expect after 10 or 20 years, those countries will be prosperous enough to support parks and conservation from recurrent, "in-country" funding sources (such as entry fees, user fees, government budget allocations, and private donations).

3. Revolving funds continually receive new revenues, most commonly from user fees, fines or specially earmarked taxes, and then try to spend all (or most of) these revenues relatively quickly, rather than investing them to generate a long-term stream of income. Belize's Protected Areas Conservation Trust is a good example of a revolving fund, since it receives a continual stream of revenues from the "conservation fee" that all foreign tourists are required to pay at the airport. Other examples of revolving funds include watershed conservation funds financed by surcharges on consumers' water bills or electricity bills; marine conservation trust funds financed by diving fees; wildlife conservation funds financed by excise taxes on hunting and fishing equipment; and protected area land acquisition funds financed by property tax surcharges.

A trust fund's basic legal document -- which in different countries may either be called its Charter, By-laws or Articles of Incorporation -- should clearly set forth the trust fund's goals and objectives, in order to define and limit the types of projects for which the Board can make grants. The trust fund's goals and objectives should be based on consultations with many different "stakeholders", before the trust fund is legally established. If the trust fund's goals and objectives are too general, then the board may be flooded by grant proposals, and end up making 'ad hoc' grants for a lot of unrelated projects and activities. In order to prevent this from happening, a conservation fund's Charter or By-laws should also specify what kinds of projects and activities will not be eligible for grants.

Some trust funds have specific guidelines for allocating their spending, such as the Bwindi and Mgahinga Impenetrable Forest Conservation Trust (which was established to

fund two national parks in Uganda that are home to some of the last remaining mountain gorillas). The trust fund's Articles of Incorporation require that 60% of its annual budget must be used for grants to local communities surrounding the park, to implement integrated conservation and development projects; 20% must be used to fund the two parks' operating expenses; and 20% must be used to fund scientific research projects.

Donors to a trust fund may sometimes try to " earmark " their contributions for very specific conservation projects and activities. This should be avoided if possible, because it usually requires complex and burdensome accounting procedures to keep track of contributions from different donors. Allowing donors to earmark their contributions for specific projects, may also contradict some of the basic reasons for setting up a conservation trust fund in the first place.

Conservation trust funds can provide the following important benefits:

(1) Long term sustained funding - This is the single most important benefit of conservation trust funds. However, conservation trust funds should not be used simply to replace existing government funding for protected areas and conservation agencies. Donors are often right to insist on the principle of "additionality", by stipulating that their contributions can only be used to pay for conservation activities that are in addition to those currently being financed by the Government. Otherwise, setting up a trust fund can become a "zero sum game." International donor agencies also frequently require national governments to make some kind of matching contributions, either in cash or in kind, to demonstrate the government's commitment to achieving the trust fund's objectives, and also to create more of a sense of local "ownership" of the trust fund.

(2) Small grant-making capacity - International donor agencies prefer to make large grants (of \$500,000 or more), because the costs of administering a small grant are often the same as those for administering a large grant. However, many conservation objectives can be more successfully achieved by making a large number of small grants (ranging from \$5,000 to \$50,000). Conservation trust funds can serve as in-country grant-making institutions that distribute large grants from international donors to a wide range of local grantees.

(3) Improving absorptive capacity - Trust funds enable large donor contributions to be spread out over an extended period, which makes it easier for many government conservation agencies and NGOs to effectively spend (i.e., "absorb") a large grant. For example, the Bhutan Trust Fund focused its spending in its early years on staff training and institutional restructuring, and thereby built up its capacity to successfully execute larger number of field projects in later years. Such a strategy is often far more effective in achieving conservation goals, than requiring that a large grant be spent in a short period, after which, the donor will provide no more funding for that project.

(4) Financing recurrent costs - A trust fund can be used to help pay recurrent costs for which it may otherwise be very difficult to obtain donor funding, such as salaries, equipment and vehicle maintenance costs, fuel costs, and administrative costs.

(5) A catalyst for policy reforms - The establishment of conservation funds has often led to environmental policy reforms, restructuring of government conservation agencies, expanded activities to protect the environment, and increased cooperation between government conservation agencies and local NGOs, especially in cases where the trust fund is used to pay part of the costs of such initiatives.

(6) Strengthening the role of civil society - Conservation trust funds can provide an institutional framework for representatives of civil society and government to work together as equal partners. In contrast to the hierarchical "command and control" approach of many government agencies, conservation trust funds are run by an independent Board, in which decisions are made by a vote of a majority of the members. The Board members usually include representatives from non-governmental conservation organizations, the private business sector, academic and scientific institutions, as well as government agencies. Some international donor agencies, such as USAID, even have an express policy of not contributing to conservation funds which are "government-controlled", and require that at least 50% of a fund's board of directors must come from outside of government. Another way that conservation trust funds strengthen civil society, is by making grants directly to NGOs and local communities to carry out conservation activities.

(7) Decentralization - In order to further increase local participation and decentralize decision-making, some conservation trust funds have established regional councils or boards whose function is to review all grant proposals from a particular region of a country, and then make recommendations to the national-level board of directors. The environmental foundations in Philippines and in Colombia have both established such regional councils or boards. The Bwindi and Mgahinga National Parks Trust in Uganda has achieved a high degree of grass-roots participation through "local steering committees" composed of people living near the national parks, and locally based park staff. These local steering committees have independent authority to make small grants of up to about \$1000 each, for community-based conservation activities that fit within certain categories and guidelines established by the trust fund's board of directors.

Reaching agreement on the composition and voting structure of a trust fund's board of directors can be one of the most difficult and time-consuming aspects of setting up a trust fund. The Board legally "owns" the trust fund's assets, and decides what particular projects and activities to fund. For this reason, choosing the composition of the board is often a very 'political' process. Board members should be selected based on the contributions that each of them can make towards achieving the trust fund's objectives. But sometimes it may be advisable to include representatives of a particular government ministry or donor agency, simply in order to gain their political or financial support for the trust fund. A trust fund's Articles of Incorporation generally specify what particular government ministries or agencies serve on the Board. But the Articles may give a government minister the authority to appoint the non-governmental members, from within certain categories that are specified in the Articles or the Bylaws, such as 'a scientific expert', 'a conservation organization', 'a representative of the tourism industry',

'a representative of the local village councils', etc. Sometimes, there is a national network of organizations comprising one of those categories (such as an NGO network, a tourism industry association, etc.), which is given the authority to appoint 'its' representative on the board, or to submit a short list of names, from among which the minister must choose.

Some trust funds have established complex voting rules in order to ensure checks and balances among board members. For example, the tri-national Foundation for Eastern Carpathians Biodiversity Conservation has a board of directors composed of four members from each of the three participating countries (Poland, Slovakia and Ukraine), and two international members (representing WWF and the MacArthur Foundation). All decisions by the Board require an affirmative vote by at least 9 of the 12 board members from the three countries, and at least one of the two international board members. This ensures that all decisions have the support of at least one board member from each of the three countries, and that no decisions can be taken that are opposed by both of the two international board members.

In order to assist (or to limit) the discretion of the board of directors, some conservation trust funds have established scientific and technical advisory boards, composed of local and international scientists and other experts, that initially screen all grant proposals. For example, Belize's Protected Area Conservation Trust has an Advisory Board composed of technical experts, that reviews and makes recommendations to the Board on all proposals, although it is the Board of Directors that makes the final decisions. The Mexican Nature Conservation Fund has established an international advisory panel on a higher and less technical level, composed of individuals such as the President of WWF-US and the director of Global Environment Programs at the MacArthur Foundation, who provide advice and assist with international fund-raising.

Conservation trust funds can provide many of the benefits described above, but sometimes they may experience the following types of problems:

**Lack of a clear focus:** If a trust fund's Articles of Incorporation define the fund's purposes too broadly (e.g., "conserving the country's natural environment"), the trust fund may end up financing a set of unrelated projects and activities. It is therefore very important for a trust fund 'organizing committee' to reach a consensus about the trust fund's goals and main focus, before the trust fund is legally established and begins operating. It is also advisable to prepare a 5-year strategic plan, whose targets are much more specific than the generic objectives listed in the Articles of Incorporation or Bylaws.

**Excessive political interference:** Sometimes a trust fund's grant-making and its hiring of staff becomes overly influenced by political considerations. For example, the Executive Director and all of the staff of Bolivia's FONAMA fund were suddenly fired and replaced, when a different political party won the national elections. One way of minimizing political interference is to have a majority of the directors come from outside of government, and to stipulate that board members cannot be dismissed except for malfeasance or non-performance of duties.

**High administrative expenses:** This may result from high start-up costs, which donors are sometime willing to fund through a separate grant, or because a trust fund's endowment capital is too small to start with, or is too conservatively invested, so that it does not generate very much income. In such cases, a much higher percentage of the fund's income will be eaten up by administrative expenses and transaction costs. This can be avoided by simply not setting up an endowment fund on the first place, unless its endowment capital is at least US \$5 million.

One potential cause of high "administrative expenses" that maybe hard to avoid is the large amount of staff time that may be required in order to assist potential grantees in preparing and implementing project proposals. This is especially true, if the trust fund wants to give grants to relatively inexperienced grass roots organizations and small NGOs. For example, the Foundation for the Philippine Environment, which makes grants exclusively to local NGOs and community-based organizations, has a staff of over 25 people, most of whose time is spent providing this kind of technical assistance to local organizations. On the other hand, a "parks fund" may function very well with a staff of only two or three people, if it only finances the projects of one or two agencies, which have sufficient technical capacity to design and implement their own grant proposals.

Some conservation trust funds also try to limit administrative costs by stipulating in their by-laws administrative expenses cannot exceed a fixed percentage (usually 15% or less) of the fund's annual budget. The by-laws of the Foundation for the Philippine Environment has such a requirement, which has always been met, even though the fund employs a large number of staff.

**Low Return from Investments:** Some conservation trust funds have obtained disappointingly low annual returns from their investments. However, rather than this being the result of overly risky investments, it has usually been the result of investing too conservatively. Investments such as U.S. and European government bonds and fixed-term bank deposits may only generate annual returns of as little as 2%(which is equivalent to zero, after taking inflation into account). The Bhutan trust fund initially followed this kind of extremely cautious investment policy. But after hiring a well-known investment bank to invest half of the trust fund's endowment in a diversified portfolio of U.S. and European stocks, the trust fund has earned a total annual return on its investments (both stocks and bonds) of close to 20% over the last several years.

In some cases, conservation trust funds have obtained very low investment returns because they invested a large part of their endowments in local currency bank accounts, government bonds or stocks, which then lost value after currency devaluations. In order to preserve and increase a conservation trust fund's capital, and to maximize the annual investment income that can be used to support conservation projects, it is probably wise to invest almost all of a trust fund's capital in developed countries (i.e., hard currency investments). However, this may be politically less popular than investing in the country where the fund operates. Some international donor agencies, such as USAID, will only contribute to endowment funds whose investments are managed by financial institutions based in the donor's home country.

"Offshore" trust funds have sometimes been established in cases where a developing country's legal, financial or political system does not provide adequate assurances to donors, that the trust fund will only be used only for its intended purposes. For example, a conservation trust fund that is established for a protected area in a developing country, could be legally set up as a non-profit foundation in the Netherlands. It would not be required to hold any of its meetings in the Netherlands, or to have any Dutch nationals on the Board, or to pay any Dutch taxes on the income from its investments. But Dutch authorities would oversee certain aspects of the fund's financial management, and Dutch courts could intervene to prevent the fund's assets from being used for unauthorized purposes. The tri-national Eastern Carpathians Biodiversity Foundation was set up as a Swiss foundation, but all of its board meetings and other business are conducted in the Poland, Slovakia and Ukraine, and its endowment is invested in the U.S. and other countries. However, the advantages must be weighed against the potential misperception that the trust fund somehow does not 'belong' to the developing country.

Another option, for countries whose legal and financial systems are relatively undeveloped, is to legally establish two separate trust funds: an "off-shore" trust fund, which holds and invests the money, and a trust fund (or foundation, civil association, etc.) which decides how to allocate and spend the money. The board of directors of the off-shore trust fund (which might be composed mostly of donors) could be given authority to withhold payment of the trust fund's annual investment income, if the local trust fund's board fails to comply with its own By-laws, or if the developing country's government tries to appropriate the trust fund's assets for purposes that are unrelated to conservation. Several conservation trust funds in Africa are now in the process of being set up this way.

There is no single model or set of "best practices" for an ideal conservation trust fund. Each trust fund needs to be custom-designed to fit a developing country's political circumstances, its legal code, its human resource capacity, its environmental problems, and the requirements of potential donors. This can be a lengthy process, involving numerous workshops and consultations, and many different drafts of documents. For these reasons, it generally takes a minimum of one to two years to establish a conservation trust fund.

### Debt-for-Nature Swaps

One common way of raising money for conservation trust funds, and other conservation projects, is through a debt-for-nature swap. Such swaps have been used to 'leverage' hard currency grants from donors into a much larger equivalent amount of local currency, which can be used to finance parks and conservation in a developing country

The usual steps involved in a debt-for-nature swap, can be summarized as follows :

- (1) an international conservation purchases debt owed by a developing country to international creditors, at a substantial discount from the debt's face value;

- (2) the conservation organization agrees to cancel the debt, in exchange for an agreement by the developing country's Central Bank to pay an amount of local currency that is equal (at current exchange rates) to the debt's original hard currency value; and
- (3) the local currency proceeds are used to fund parks and conservation in the developing country.

The key to the transaction lies in the willingness of international creditors (who are usually commercial banks) to sell the debt at less than its face value, due to the fact that many developing countries have not been able to repay their debts in full, and may never be able to do so.

A debt-for-nature swap can be attractive to the Finance Ministry of a developing country, for either of two reasons. It can free up scarce hard currency reserves that would otherwise have to be used to repay the debt. Or else, if the government would never have repaid the debt anyway, a debt-for-nature swap reduces the country's overall level of foreign debt, and thus may make it easier for the country to obtain new international loans.

However, there have been many fewer debt-for-nature swaps in the second half of the 1990's than in the first half, for several reasons. On the one hand the economies of many "middle-income" developing countries (such as Mexico or the Philippines) have been improving and therefore their debt no longer sells at such steep discounts from face value, which is what makes debt-for-nature swaps so attractive. On the other hand, in the past few years, the debt of the very poorest countries has often simply been canceled by bilateral creditors, without any requirement that the developing country must contribute any local currency amounts for new environmental or social programs. In other cases, such as Brazil and Indonesia, national governments have not been interested in debt-for-nature swaps, partly because the amounts proposed were quite small in relation to their billions of dollars of foreign debt.

Attention has often been focused on the technical complexities of the debt swap process, but the ultimate success of a debt-for-nature swap depends on the success of the conservation programs that it finances.

## Conclusion

It needs to be emphasized, at the end of this chapter on "Finance", that success in conservation is not simply a function of how much money is spent, but of how effectively the money is spent. Increased levels of funding are often a necessary, but not sufficient, condition for solving conservation problems.

None of the financial mechanisms described in this chapter is a panacea. Even when taken together, they may only be able to fill a small part of the gap between existing funding levels for parks and conservation, and the billions of dollars that may be required on an annual basis, to safeguard the planet's biodiversity. This chapter has merely tried to

present a 'menu' of some potential options, for increasing the funding for particular parks or national park systems.

**CONCEPT PAPER  
PACIFIC ISLANDS TRUST FUND FOR NATURE CONSERVATION**

**1. PROJECT NAME**

Pacific Islands Trust Fund for Nature Conservation

**2. PROPOSED GEF IMPLEMENTING AGENCY**

United Nations Development Programme (UNDP)

**3. COUNTRIES AND TERRITORIES IN WHICH THE PROJECT IS BEING IMPLEMENTED**

GEF- Eligible Countries

Cook Islands  
Federated States of Micronesia  
Fiji  
Kiribati  
Marshall Islands  
Nauru  
Niue  
Palau  
Papua New Guinea  
Samoa  
Solomon Islands  
Tonga  
Vanuatu

Non GEF- Eligible Countries and Territories

American Samoa  
French Polynesia  
Guam  
New Caledonia  
Northern Marianas  
Pitcairn Island  
Tokelau  
Tuvalu  
US Minor Islands  
Wallis & Futuna

**4. GEF COUNTRY ELIGIBILITY**

Cook Islands	20.4.93
Federated states of Micronesia	20.6.94
Fiji	25.2.93
Kiribati	16.8.94
Marshall Islands	8.10.92
Nauru	11.11.93
Niue	28.2.96
Palau	6.1.99
Papua New Guinea	16.3.93
Samoa	9.2.94
Solomon Islands	3.10.95
Tonga	19.5.98
Vanuatu	25.3.93

## 5. GEF FOCAL AREA

Biodiversity

## 6. OPERATIONAL PROGRAM/SHORT-TERM MEASURE

The proposal would fall within the Coastal, Marine and Freshwater Ecosystems, Mountain Ecosystems and Forest Ecosystems Operational Programmes.

## 7. PROJECT LINKAGE TO NATIONAL PRIORITIES, ACTIONS AND PROGRAMMES

Pacific Island governments, non-government agencies and regional and international agencies active in nature conservation in the Pacific Islands region have called for the establishment of a regional trust fund for nature conservation. At the Sixth Pacific Islands Conference on Nature Conservation and Protected Areas (1997), the following resolution was passed:

*The Sixth Pacific Islands Conference on Nature Conservation and Protected Areas:*

*NOTING the intent of Resolution 8 of the 5<sup>th</sup> Conference to encourage innovative funding mechanisms for biodiversity conservation in the region;*

*RECOGNISING that conservation trust funds are an excellent means of promoting and financially sustaining conservation initiatives;*

*AWARE OF the potential of a regional conservation trust fund to attract new sources of funding and to achieve economies of scale in management of fund capital;*

*CALLS ON SPREP to continue its efforts to establish a regional conservation trust fund that:*

- *Is developed through extensive dialogue with all potential stakeholders;*
- *Has the dual functions of funding national and local conservation initiatives; and*

- *Where appropriate, establishes or contributes "seed" funding to national conservation trust funds;*

*FURTHER CALLS ON SPREP and other regional agencies and organisations should continue to actively support initiatives to establish national and local conservation trust funds."*

There is a tradition within the Pacific Islands region of governments working together on conservation issues. This tradition has led to the development of the Action Strategy for Nature Conservation in the Pacific Islands Region 1999-2002 which has the participation and endorsement of all Pacific Island governments and major international non-governmental organisations active in the region.

The Action Strategy represents the Pacific Islands' consensus on the immediate steps that must be taken to meet the unique conservation and development challenges facing Pacific Islands small developing states. It is intended to be used widely by national and international agencies to plan and evaluate nature conservation and economic development activities throughout the region.

Cornerstone elements of the Action Strategy are the focus on community based conservation initiatives, participatory processes, involvement of all stakeholders (government and non-government), and a commitment to a highly innovative monitoring and evaluation programme. Furthermore, the Action Strategy recognises, and its actions are compatible with, the largely customary tenure of land and marine resources in the region. The Action Strategy is also an integration mechanism that puts a Pacific Island focus to the implementation of international conventions in the region, such as the Convention on Biological Diversity. To that extent, the Action Strategy can be seen as a "regional BSAP" (biodiversity strategy and action plan).

Further to the call from the Sixth Conference, the Action Strategy strongly identifies the establishment of a regional trust fund as a critical mechanism to secure long term support for conservation priorities in the Pacific Islands region from multilateral and bilateral donors (Objective 6).

Responsibility for the Action Strategy's regional and international actions is shared by organisations active in nature conservation in the region, including both intergovernmental and non-governmental agencies via the Pacific Islands Roundtable for Nature Conservation. Convened by the South Pacific Regional Environment Programme (SPREP) the Roundtable is a forum for ensuring "one voice" for nature conservation and priorities in the Pacific Islands. It enables collaboration and co-ordination of many organisations and individuals working for conservation and development throughout the region by updating the regional and international key actions in the Action Strategy, by leading or collaborating in implementing and monitoring key actions relevant to their priorities and work programmes and by developing mechanisms for measuring progress in nature conservation.

The South Pacific Biodiversity Conservation Programme (SPBCP) is funded by GEF to provide financial and technical assistance for biodiversity ~~and~~ conservation and sustainable use activities in the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Tonga, Tuvalu, Vanuatu and Samoa. The Programme is due to end in October 2001. In 1998 the Technical and Management Advisory Group of the SPBCP

recommended that the Secretariat put together a team of specialists to review a series of reports on the trust fund in light of the expertise and experience available in the region, and to reformulate the trust fund approach building on the NBSAP initiatives in Pacific Island countries.

Following the preparation of a consultant's report on the proposed trust fund, a regional trust fund workshop was held in October 1999 in Samoa which was attended by almost all the SPREP Member States and a number of NGO representatives. The Workshop unanimously resolved that a Steering Committee comprising several knowledgeable and experienced stakeholders be established and charged with the responsibility of completing a feasibility study on the funds' establishment, to progress an extensive consultation process about how the fund should be designed and operated, and to approach possible donors. The Steering Committee includes representation from SPREP, two member countries, a donor in the region and an international NGO.

A trust fund also provides an opportunity to integrate biodiversity conservation activities and programmes with related activities within the focal areas of International Waters and Climate Change.

#### **8. STATUS OF NATIONAL OPERATIONAL FOCAL POINTS REVIEW (DATES)**

The Director of SPREP on behalf of SPREP Member countries [DATE] see attached

#### **9. PROJECT RATIONALE AND OBJECTIVES**

##### Rationale

The Pacific Islands region has more endangered and threatened species per head of population than anywhere else on earth. Its national and international waters include the world's most extensive and diverse coral reefs, the largest tuna fishery, the deepest oceanic trenches and significant remaining populations of many globally threatened species including whales, turtles, dugongs and saltwater crocodiles. Its high islands support large blocks of intact rainforests, including many locally endemic species and communities of plants and animals.

The conservation and sustainable management of biodiversity is of fundamental importance to the Pacific Island small developing states. This is because in this oceanic region of small islands the interlinkages between social, cultural and economic well-being of people and biological diversity are most pronounced and intimate. In the Pacific region where, for the most part, the traditional community based land tenure and ownership system remains dominant, the conservation of biological diversity is an inherent aspect of peoples' livelihood and culture.

These interlinkages are recognised by the Mission and Objectives of the Action Strategy which is the Pacific Islands' participatory priority setting and review mechanism.

Over the last decade 17 community based conservation areas covering about 1.5 million hectares of land and marine areas have been established under the SBPCP. A further 17 conservation areas have been established in the Pacific Islands region by a range of other conservation initiatives involving similar partnership arrangements between governments, major NGOs, regional and international agencies.

A number of important lessons have been learned from these initiatives:

- The high level of effectiveness of the community-based approach in delivering conservation outcomes;
- Standard project funding is usually inadequate to support this approach;
- There are limits to the capacity of these projects to absorb large amounts of finance;
- The ongoing challenge is to mainstream these initiatives into national government development policies, plans, legislation and budget processes at all levels;
- There is a need to continue to build on established partnerships in the Pacific region to deliver on community-based conservation.

Consequently, the mission of the Pacific Islands Trust Fund is to enhance the capabilities of Pacific Island people to protect the rich natural heritage of the Pacific Islands by providing a mechanism for long term support for regional and sub-regional approaches to biodiversity conservation and sustainable resource management.

The lessons learned from conservation initiatives in the region in recent years strongly indicate that a regional trust fund is the most efficient and effective mechanism to support conservation initiatives that will build on these lessons. Because community-based management of biodiversity is a common feature throughout the region, a regional fund would provide a more efficient mechanism over the longer term for direct support to community-based activities in a consistent and strategic manner.

Conservation of the Pacific Island region's biodiversity requires a long term commitment. In many cases the need is for small amounts of money over the longer term. Without a guaranteed source of long term funding, competing budgetary needs within the countries of the region will continue to accord biodiversity conservation with a lesser priority. There is therefore a need to provide a regular and reliable stream of financial and other support for community-based biodiversity management in the long term.

A regional trust fund will operate as a leverage mechanism to gain the necessary support for conservation priorities. It will add value by enabling Pacific Island states and territories to work together on conservation issues of mutual interest and concern and further enable lessons learnt to be shared. In doing so it will assist in achieving regional and global conservation benefits.

The Pacific Islands small island developing states have special needs and face particular difficulties in implementing the Convention on Biological Diversity. While most states and territories in the region are in the process of developing National Biodiversity Strategies and Action Plans, there is a need to make available resources for the early implementation of the BSAPs. The regional trust fund would provide a mechanism for addressing the national actions identified in BSAPs and would provide administrative and procedural efficiency in delivering donor assistance to activities in those states and territories. The regional trust fund would co-exist with, and complement, national or sub-national trust funds. One of the

possible objectives of the regional fund could be to assist with mobilising resources for long term and sustainable funding of conservation across the region, including national and sub-national funds.

There are a number of conservation and sustainable use issues of mutual interest and concern in which local and national efforts need to be complemented in a strategic manner at the regional level. They include migratory species, threats in the form of invasive species, and the regional prioritisation of efforts under the Convention on biological Diversity such as intellectual property rights, biosafety and access to genetic resources.

The four essential conditions identified in the 1998 GEF Study (Evaluation of Experience with Conservation Trust Funds) as prerequisites for a successful trust fund are present in the region. They demonstrate that a permanent trust fund mechanism is the vehicle most likely to provide the opportunity to generate long term benefits which are more systemic and sustainable than benefits arising solely from traditional project-based funding.

First, as noted, the conservation of the region's biodiversity requires a long term commitment and associated security of supply of necessary capacity, contingent on financial resources. Secondly, there is active government support for an independent trust fund evidenced by the support and high priority afforded the concept by the stakeholders through endorsement over a number of years. Thirdly, there exists in the region a critical mass of people with a common vision for the trust fund. The Action Strategy and Pacific Roundtable process demonstrate a regional vision and commitment perhaps unparalleled elsewhere in the world. The Roundtable includes some of the principal donors to the region acting in support of Pacific Island countries' identified priorities. Fourthly, the necessary framework of legal and financial practices which will permit the establishment of a trust fund and in which people have confidence is present within the region.

In summary, there is a demonstrated need in the region to build on the positive lessons learned from a range of conservation initiatives over the past decade across the range of Pacific Island countries and territories. Traditional project funding will be inadequate to meet that need. A regional trust fund that is able to address national, regional and global priorities offers the most efficient and effective means of providing financial and other support for community based biodiversity management over the long term.

### Objectives

The proposed objectives of the trust fund have been developed through a participatory process. They will continue to be refined through that participatory process, building on the existing consensus to develop a regional trust fund.

The overall objective of the regional trust fund is fourfold. First, to provide a secure mechanism for long term financial and other support to activities that promote or achieve biodiversity conservation, or that manage the use of natural resources in a sustainable way, within the Pacific region.

Secondly, to operate in an independent manner promoting the adoption of innovative conservation and sustainable use practices and lessons learned across the region and assisting with their incorporation into ongoing national conservation programmes.

Thirdly, to assist Pacific Island states and territories to mobilise resources for long term and sustainable implementation mechanisms for NBSAPs or their equivalent.

Fourthly, to enable Pacific Island states and territories to work together on conservation and sustainable use issues of mutual interest and concern.

## **10. EXPECTED OUTCOMES**

The primary outcome is the delivery of support to qualifying conservation activities in an efficient and effective manner and in a way that is accountable to donors and other stakeholders. The independent trust fund would have broad stakeholder participation. The fund would operate as a focal point in the region stimulating and promoting innovative and flexible approaches to biodiversity conservation, building on lessons already learned, and fostering and catalysing cooperation amongst the Pacific Islands. The fund would be a mechanism that can deliver long term support to address national, regional and global priorities.

## **11. PLANNED ACTIVITIES TO ACHIEVE OUTCOMES**

Following GEF endorsement of the concept it is proposed to make an application directly for a PDF Block B grant to enable the design of the trust fund to be progressed and carry out incremental cost analysis.

Considerable effort has already been expended in building stakeholder consensus about the rationale and objectives of the regional trust fund. The New Zealand Government has provided some funding for the preliminary stages of trust fund development. A Steering Committee has been established to progress the project concept and lead consensus building over the design and operation of the fund. A list of potential donors has been prepared and initial meetings are being planned.

When further financial support for the development phase has been secured, the type of fund, the specific vision and strategy for the fund will be developed and refined in an open process in which all stakeholders can participate.

In addition to the overall objectives, the trust deed should set out in greater detail the types of activities eligible and likely to receive funding. The trust deed should also require an Operations Manual or Manuals setting out in detail the organisational structure of the fund, capacities and responsibilities of the various parts of the structure, initial funding priorities, the grant making programme and procedures, policies and procedures for handling donations, the investment policy, and policies and procedures for administration and financial management.

## 12. STAKEHOLDERS INVOLVED IN THE PROJECT

National governments  
 National non-governmental organisations  
 Community-based groups throughout the region  
 International non-governmental organisations  
 Regional and international intergovernmental organisations  
 Donors

On the strength of the mandate of the Action strategy and its endorsement, the New Zealand Government has supported the proposal by contributing NZ\$400,000 over 2 years to assist in the development of a PDF Block B proposal, and the process of stakeholder consensus building. It is anticipated that additional bipartite and multipartite assistance will be forthcoming, in addition to commitments from SPREP Member states.

## 13. INFORMATION ON PROJECT PROPOSER

The Director of SPREP on behalf of the Pacific Island countries.

## 14. INFORMATION ON PROPOSED EXECUTING AGENCY

The executing agency will be an independent Board of Trustees or a Board of Directors established in accordance with a trust deed. The final design of the governance structure is dependent on extensive input from stakeholders but the board will need to be small enough to be efficient while maintaining balance between groups represented. Experience gained from other relevant trust funds will be drawn upon during the design process.

The trust should be an independent legal entity. The board structure, the administration and technical services and operating procedures may also need to be independent of other entities, including SPREP. If that is the case, SPREP's biodiversity and related programmes would be in the same position as all other applicants for funding. Any relationship between the fund and any other organisation for administrative or other purposes would need to be clearly specified in the Operations Manual.

The board will not be government controlled. However, because of the conservation role of both national governments and SPREP and the limited capacity of local NGOs in the region, a mixed government and NGO board membership offers advantages over a primarily a conservation NGO/IGO controlled fund.

Technical, scientific and financial advisory support will be required to advise the Board. Incorporating representatives from the business sector will be important in helping the fund tap into private sources of funding.

A range of donors is crucial to the successful establishment and operation of the regional fund. While GEF is likely to be the principal donor, GEF funds will only be available to contribute to activities that support conservation in GEF eligible countries that achieve global conservation benefits. Activities that fall outside the GEF criteria will need to be

supported by funds from other donors. Separate sub accounts for donors with distinct requirements may therefore be necessary.

**15. ESTIMATED BUDGET (\$US)**

GEF:	\$30,000,000	
Co-financing:	\$20,000,000	(in cash and kind)
Total:	\$50,000,000	

It is anticipated that a minimum of \$US \$50,000,000 will be required to allow a meaningful programme in the fund's principal areas of focus, over a significant period of time, assuming a return on endowment funds of 10% and operating costs of 20%.

**Solomon Islands  
Conference  
Working Group Meeting  
Documents**

5 May 2000  
Apia, Samoa

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## **DRAFT AGENDA**

### **2<sup>ND</sup> MEETING OF THE SOLOMON ISLANDS CONFERENCE WORKING GROUP**

**APIA, SAMOA 5 MAY, 2000**

1. Welcome remarks by SPREP (to be delivered by Ms. Neva Wendt on behalf of the Director).
2. Adoption of Agenda (WG may wish adopt or amend the proposed agenda as it see fit).
3. Consideration of the Report of the 1<sup>st</sup> Meeting of the WG (The report of the 1<sup>st</sup> Meeting has been distributed to members who may wish to further discuss or clarify certain aspects of the report.)
4. Update on progress by SPREP (Chair will report on any progress since the 1<sup>st</sup> Meeting)
5. Consideration of papers and presenters (incl. Topics). (WG may wish to discuss the need for paper presentations at the conference. Should it wish to have these types of presentations, the WG would then need to identify topics and appropriate people to prepare and present such presentations).
6. Draft conference programme (If considered appropriate at this time, WG may wish to discuss and develop a draft programme for the conference at this meeting).
7. WG work plan to September 2001 (WG may wish to identify action that will need to be taken between now and the conference and plan its own work accordingly).
8. Funding Strategy for the conference (A funding strategy for the conference is considered vital at this stage and should be developed and implemented as soon as possible)
9. Sponsors and co-sponsors (If time permits, WG may wish to set some guidelines for selecting sponsors and co-sponsors for the conference. This will be particularly important in the development of a funding strategy for the conference)
10. Conference venue (From reports coming out of Honiara, the ethnic tension on Guadalcanal appear to be not getting any better. Although PNG has offered to host the conference as an alternative, it is not possible to act on this offer until the government of the Solomon Islands can confirm its support for a change of venue. SPREP will need to act on this immediately).
11. Other matters (Members may wish to suggest other matters for discussion as necessary)
12. Close

**SPREP**  
*South Pacific Regional  
Environment Programme*



**PROE**  
*Programme régional  
océanien de l'environnement*

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AP

17 May, 2000

**SECOND MEETING OF THE SOLOMON ISLAND CONFERENCE WORKING  
GROUP, APIA SAMOA, 5 MAY 2000**

**UPDATE ON PROGRESS SINCE THE FIRST MEETING OF THE GROUP**

**Introduction**

The first meeting of the Working Group on the 7<sup>th</sup> Conference on nature Conservation in the Pacific Region was held in Apia, Samoa on 14 February 2000. The following is a brief update of actions taken by the Secretariat to follow up on decisions by the first meeting.

**Report of the Meeting**

The report of the meeting was produced and distributed by the Secretariat in early April to members of the Group.

**Participation by other staff of SPREP**

SPREP Management was advised of the suggestion by the Group that staff of other Divisions of the Organisation be allowed to participate in the planning of the conference. As a result, a couple of staff have confirmed their participation at the second Meeting of the Group. However, the final decision on who should be involved from SPREP will be determined at the next meeting of the SPREP Management.

**Appointment of the Action Strategy Coordinator**

Interviews for this position were held in early April. The appointment now awaits the SPREP Director's endorsement. The appointee should be on board by middle June 2000. As

discussed at the first meeting, it is expected that the Action Strategy Coordinator will have responsibility for the organisation of the 7<sup>th</sup> Conference in SPREP.

### **Conference Venue**

It was expected that Sam Sesega would be able to discuss with officials in Solomon Islands the advisability of having the conference in Honiara given the ongoing unrest on Guadalcanal when he visits the Solomon Islands in relation to his other assignments on behalf of SPBCP. Unfortunately, this visit had to be postponed and it now appears that this option may be too late for planning purposes. The WG may therefore wish to revisit this matter and advise accordingly. An appropriate response to PNG's offer as the alternative host is dependent on this!

### **Conference Assistant**

From past experience, the success of the conference can depend to a great extent on having a reliable person in country as the SPREP contact for all local arrangements. In Honiara, such a person could be Nathaniel de Wheya, a former CASO for the Komarindi CA Project, which has unfortunately become dormant due to the ethnic tensions on Guadalcanal. Even if the conference is shifted away from the Solomon Islands, Nathaniel could still play a major part although his effectiveness in another country will be less evident than would have been the case if the conference were to be held at his home country.

The Chief of the Environment Unit, Mr. Moses Biliki was advised in a short letter of this potential role for Nathaniel should the conflict continue on Guadalcanal. He is yet to respond.

### **Role of the Working Group**

Although initially set up as an ad hoc group of volunteers willing to assist organise the 7<sup>th</sup> conference, SPREP has indicated its enthusiastic support for the work of the group and a desire to see this group take the lead role in planning this conference. One can therefore assume that SPREP would be supportive of any efforts to raise resources for support of the WG. However, it may be wise that any plans to raise funds for the support of the WG should be part and parcel of a more comprehensive funding proposal for the conference as a whole. The WG meeting agenda allows for discussions of a funding strategy for the conference.

### **Review of the Action Strategy**

Feedback from national seminars undertaken by SPREP in relation to the review of the SPREP Action Plan suggested that the conservation of natural resources be still considered an important priority for many PIC's. At the Samoa national seminar, discussions about the Strategy did not go far enough but there was a feeling that participants didn't know enough about the Strategy to be able to make any useful contribution to such a discussion. Other means of obtaining comments from the countries for the review of the Strategy should be looked at.



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**7<sup>th</sup> Conference on Nature Conservation in the Pacific Region,  
Solomon Islands, 2001**

**Pre-conference Working Group Meeting, 14 & 18 Feb 2000  
SPREP Conference Room, Vaitele.**

**DRAFT REPORT**

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**Participants**

Joe Reti (SPREP), Sue Miller (IUCN Consultant) Roger Cornforth (NZODA), Pati Liu (Samoa Government), Web Kanawi (PNG Government and TNC-PNG) and Sam Sesega (SPREP).

Apologies from Audrey Newman (TNC-Hawaii) and Ernst Bani (Vanuatu Government)

**1. Opening and background/purpose of the meeting:**

The meeting was opened by Iosefatu Reti (JR), Programme Manager of the South Pacific Biodiversity Conservation Programme (SPBCP). He reflected on the purpose of the Working Group (WG) and of this meeting as a first step in the long planning process for the 7<sup>th</sup> Conference in Honiara. He noted the need to identify and begin to put in place the necessary arrangements for it. J Reti thanked Roger Cornforth, Web Kanawi and Sue Miller for their attendance and noted Audrey Newman's apologies. Reti referred to the need for a more permanent and expanded team to be put in place to plan the conference but considered this group as the core for this exercise.

Mr. Reti also highlighted the need to raise funds for the conference. He noted that the SPREP Action Strategy Coordinator position now being advertised will be the key SPREP person for the 7<sup>th</sup> Conference preparations.

**2. Appointment of Chairperson and confirmation of members**

*Chairperson:*

The Meeting initially agreed that the Action Strategy Coordinator would be the chairperson once recruited. However on review, it decided that the Action Strategy Coordinator would provide the secretariat support for the WG with the chairmanship – given the group's small size and its informal *modus operandi* - to be rotated amongst members. Iosefatu Reti would be the Convenor. For this first meeting, the WG agreed for I Reti to chair.

*Membership of the Working Group:*

Core group – Sue Miller (IUCN Consultant) (Roger Cornforth (NZODA), Joe Reti (SPREP) Pati Liu (Samoa), Web (TNC-PNG), Audrey (TNC), Peter Hunnam and Randy Thaman (who expressed interest in the WG in the last Roundtable and was invited at own cost) and Sam Sesega (SPREP).

Regarding other members, there was discussion regarding inviting members from within SPREP especially from the Environment Education, Information and Capacity Building Division and the Environmental Management & Planning Division. However no firm decision was made. The meeting also discussed and agreed to the inclusion of a host government representative in the core group to aid in building commitment and facilitate coordination with the host country.

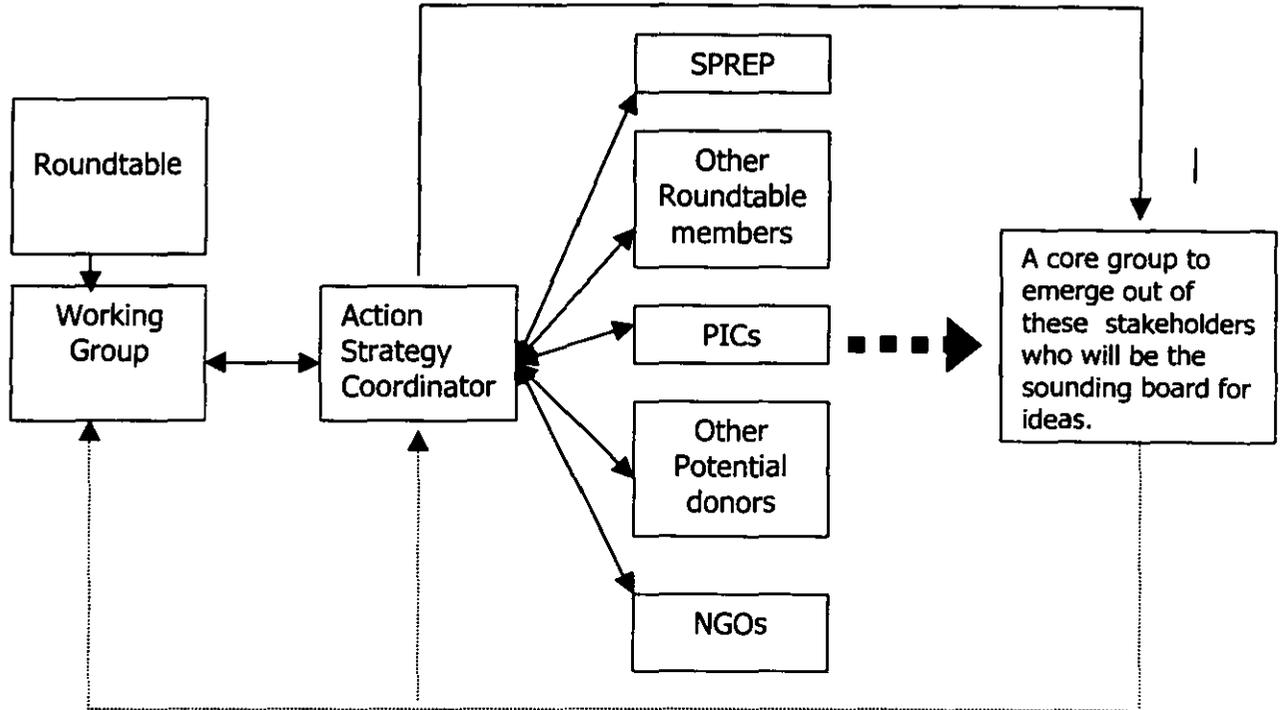
*Functions and mandate of the Working Group:*

Some of the functions discussed for the WG were as follow:

- 1. Decision-making with a mandate from the Roundtable to develop and implement the conference.
- 2. Identify the big picture
  - road mapping, develop and agreed on the conference process, meeting objectives and outputs.
  - Generate ideas on the meeting agenda and programme and provide peer group review of conference ideas
- 3. Assist with fund raising.
- 4. Promote and raise awareness of the conference

The Committee would be advisory in nature but the Meeting did not resolve as to whom this advice should be directed (although the responsible party for action points to the Action Strategy Coordinator). The experience of Sue Miller from the previous conference suggested that the WG would more or less perform the role Sue and Barry Hogg shared, (which involved considerable decision-making responsibilities). They worked with an interested and committed core group that emerged during the participatory consultative design process and who then played the role of a sounding board for ideas for the Conference Coordinator. The Meeting noted that the WG could easily be complemented by such a core group canvassed from a 'call for interest' in the conference. This group would complement the core Working Group.

The following diagram seeks to capture the relationships as deduced from the WG discussions.



### 3. Conference theme and focus:

#### 3.1 Theme

Several ideas were proposed for the theme and focus. Roger Cornforth emphasized the importance of having some continuity between the 6<sup>th</sup> and 7<sup>th</sup> conferences. Sue Miller proposed her 'four legs' or 'jobs' for the conference namely ,

1. Providing a forum to break new ground - or 'pushing the envelope' 'making the rhetoric real" on a key issue(s) for conservation in the region. e.g. mainstreaming
2. A special focus on Lessons learned in the last 4 years in an area that was invested in as a high priority focus e.g conservation areas for the Pohnpei conference For the Solomons conference it might be wise to focus on lessons learnt in preparing NBSAPs
3. Review of the Action Strategy
4. Celebrate – the Conference as an opportunity for participants to celebrate the achievement of conservation in the last four years

N.B.

- 1 and 2 feed into Action Strategy review.
- The conference is also an opportunity, as the premier international event for nature conservation in the region every 4 years, to launch initiatives e.g. the Regional Trust Fund.

Following further discussion, the WG converged on the following three broad thematic areas, namely, private sector involvement, partnership and mainstreaming. The WG agreed that all three were interrelated and mutually inclusive, but existing at different levels. 'Mainstreaming' was seen as providing the overarching framework within which both 'partnership' and 'private sector involvement' could be logically addressed. The WG also noted that the *1999-2002 Action*

*Strategy* calls for 'mainstreaming' as the next major and necessary breakthrough for nature conservation in the region.

The Working Group (WG) agreed to endorse 'mainstreaming' (nature conservation) as the recommended 'focus' for the Conference.

The WG also considered it important to consult with PICs regarding the theme to promote greater ownership of the Conference and in doing so, clearly ask for alternatives and see what comes up.

### **3.2 Catchy wording for the 'mainstreaming' theme:**

The WG agreed on having a common understanding and definition of the term 'mainstreaming' to help people clearly visualize the concept and generate some catchy phrasing for packaging it into a 'theme' statement. This approach generated the following discussions:

Mainstreaming was seen as :

- Getting more than governments involved; it includes the involvement of the private sector, NGOs and the communities.
- Integration of nature conservation into government (central and local) plans and policies. BSAPs was seen as the critical entry point in this integration as the key planning document that PICs should take as their nature conservation policy framework.
- Going beyond plans and policies into Treasury ministries' allocation of budgetary resources. (The WG also noted the *1999-2002 Action Strategy's* clear articulation of the concept.).

Other related issues discussed were:

- There was concern that not all PICs have BSAP processes underway. Sue Miller advised that other non-BSAP countries have similar planning documents.
- J Reti suggested that given the above understanding of 'mainstreaming' – perhaps a possible output of the Conference should be for countries to give BSAP a higher status; to raise the profile of BSAP and to get PICs governments to approve them at the highest level.
- Web Kanawi pointed to the need for the prior establishment of legal and policy frameworks at the national level before mainstreaming could be realistically pursued. Thus the issue of how many PICs have this framework in place was raised. The WG resolved that this could be an issue for the Conference itself to sort out – what tools are required to effect mainstreaming?
- *How does one go about mainstreaming the 'environment'?*
  - Ideas exchanged included speakers for e.g. from treasury ministries giving the treasury perspective.
  - R Cornforth proposed that mainstreaming must be country-specific; in some countries, development planning processes needed to involve environment consideration much earlier in the cycle. There is a considerable window of opportunity in the context of structural reform programmes currently occurring around the region which provide an opportunity for countries to design clearer and more integrated roles for central government agencies in supporting community management of development and sustainable resource use. The better integration of the community-based approach endorsed as the overriding principle for Pacific conservation identified at Pohnpei would thus be carried forward and supported by the theme of the Solomon Is conference. The

alternative theme of 'partnerships' proposed for the conference is a vital element of mainstreaming.

- *What are some recipes for 'mainstreaming' environment in PICs?*
  - Case studies: PICs to come up with different ideas and experiences of mainstreaming e.g. Kosrae.
  - What needs to happen at the regional level to support efforts of mainstreaming at the national level? This approach would facilitate the links between national and regional efforts and would be consistent with the Action Strategy.
  - Target all the sector plans and see how environment is being or could be integrated into their processes and the plans. A suggestion of made of having 3 – 4 key issue papers on mainstreaming written from different perspective – NGOs, private sector, etc..

The discussions moved to other issues without any consensus on how the theme was to be worded, or of catchy phrases or words to be used in packaging it into a theme statement.

#### **4. More Specific Agenda items for the Conference (jobs for the conference)**

The following preliminary ideas were raised and discussed.

- Lessons learned
- Wind-up of SPBCP and the next steps for the CA
- Action Strategy review – need to strengthen review at the national level.
  - Review of the implementation of the actions strategy 1999-2002 and 6<sup>th</sup> conference resolutions  
This review will be in the form of a Secretariat paper 'From Pohnpei to Honiara'. SPREP (will most likely) write an initial draft report listing what has been happening in the PICs, (country-by-country summaries) based on national reports from PICs. The regional Roundtable AS monitoring should feed into this. The draft will be circulated to PICs for review and finalization.
  - Report of the Roundtable
  - Review of the 1999-2002 Action Strategy document itself as the lead into the formulation of a new Action Strategy 2003-2006;
  - Lessons learned from first review to feed into the AS review process.

Note: Current SPREP Action Plan review can contribute to this review. Apia Convention Meeting in Guam - country reports to this meeting will be an important input into the Secretariat paper.

- Trust fund launch

#### **Related issue 1: PICs ownership of the conference and the reports –**

- There was concern that the PICs should have a clear sense of ownership of the conference and the reports. To achieve this, S Miller advocated a series of national pre-conference meetings to discuss and agree on lessons learned, coordinate national reports and to organize a core group who would participate for each country.
- On the contrary, there were concerns expressed regarding its necessity let alone the implications for funding and the work load given the limited staff and the amount of time remaining. I Reti pointed out that the Secretariat's conference report on lessons learnt and

issues of priority would be based on national reports and to the extent that it is an accurate reflection of national reports, ownership should not be an issue.

- No explicit decision was made although the latter clarification by I Reti seemed to have been accepted by all. At the same time, there was agreement that the process of preparing for the conference should seek to maximize PIC participation in, and ownership of, the conference and the Action Strategy.

**Related Issue 2: Topics and presenters**

- J Reti proposed that this be deferred and that some consultations with the countries for their views would be appropriate.

## **5. STYLE and FORMATTING**

The WG looked at feedback from Pohnpei before brainstorming on ideas for the Honiara conference. Feedback from Pohnpei was overall overwhelmingly positive. The WG group however focused on areas wherein there may be room for improvement. In this context, the following comments were generated:

***Feedback from Pohnpei***

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- Complaints about not having enough time to discuss issues in detail with presenters at paper sessions;
- Concerns that issues and discussions were sometimes pitched at the wrong level.
- The formats of the presentations were not adequately participatory for some papers, particularly for the paper sessions.
- The participatory nature of the conference was well received.
- Too many people wanted to present papers.
- Working groups generated a lot of information and there was not enough time to collate it for the following day's sessions.
- The Conference Secretariat did not expect the production of the expected outputs (tools) to go to the final plenary (the tools) to involve so much work. Thus there was some scaling back of expectations and outputs to reflect what was doable in the time available. (The volume of information flowing from the working groups to the Secretariat was too much to collate and analyze in time for plenary to have a completed 'tool kit' as initially planned).

***Style***

The WG reflected on the Pohnpei Conference format and there was general interest to examine its continuing appropriateness for adoption in Honiara. This format consists of

- Plenary sessions
- Working groups
- Meetings e.g. IUCN convening a meeting etc..
- Papers presented during lunch hours (require long lunches)

Some drawbacks to this format being appropriate for Honiara were also expressed. The WG was cautioned that

- the Honiara conference "...would be reaching out for a new audience that we have not reached before (private sector)".
- The format should also be clarified and matched to the conference objectives and outputs once these are agreed.
- The Pohnpei recipe is only one of numerous ways to hold a conference.

#### Other ideas expressed

- Think-tank instead of working group to brainstorm and address key issues.
- Eminent persons group – to sell the ‘recipes for mainstreaming’ to a higher political level for support
- Post-conference mechanisms at the national and regional levels for cementing partnerships developed at the Conference.

The WG noted the experience of the Secretariat in Pohnpei and agreed on the need to reduce the number of outputs to a level that is achievable by the end of the Conference or has a clearly investigated follow up process planned..

#### **6. Expected Outputs of the Conference:**

The WG discussed and agreed on the following possible outputs for the Conference:

- Guidelines for national policy makers to work environment concerns into national plans, and for big donors who are pushing this agenda.
  - *Comments:*  
The guidelines from the Conference would gain currency at the national level if it is endorsed by a/some higher authority(ies) at the regional level. The possible involvement of the Forum Secretariat was discussed in this context.
- Case studies
- Resolutions and recommendations
- Reports of the Conference
- National Priorities for the review of the Action Strategy.
  - *Comments:*  
Review of the Action Strategy – To ensure adequate input from PICs and consultations with reps at the national level in the formulation of the 2003-2006 Action Strategy, the WG considered and agreed that the Action Strategy review group during the Conference focus on national actions only. To use this opportunity fully, as much national representation as possible would be facilitated. (This would complement national reports). The review of the regional and international actions would then be assigned to the Roundtable mechanism to take up on its own schedule.

#### **7. Funding**

The WG considered areas of expenditures for which funding would be required and possible sources.

##### *Areas of expenditures:*

##### *Pre-conference costs*

- a full time Conference Coordinator to assist the Action Strategy Coordinator
- funding for future Working Group meetings
- other details to come from Sue Miller’s Pohnpei Conference budget (to be given to Sam Sesega)

##### *In-conference costs*

- Participants travel costs and per diem.
- Venue, local transportation, other conference costs – host country responsibility?
- Refer to Sue Millers Pohnpei budget for details (Sue to provide Sam)

**Post conference costs**

- Reports publications

**Possible funding sources**

Discussion of funding centered largely on NZODA. Possibilities for funding the conference itself exist under the NZODA Pacific Initiative for the Environment (PIE) and also more generally under the PACREG programme. Roger Cornforth advised that should an approach be made to NZODA, this should be targeted to the 2000/2001 financial year, with bids being made preferably prior to the end of the 2000 calendar year.

Possibilities for NZODA preparatory assistance might include support to activities such as in-country meetings to pull in lessons and experiences and possibly regional workshops to coordinate regional priorities. Both PIE and NZODA regional funding could support these kinds of activities for the coming financial year.

Also noted is the remote possibility of GEF funding if the upcoming GEF Kenya meeting agrees on 'mainstreaming' as one of the priority areas for support. The WG agreed that it is essential that at the national level, governments pursue this line for funding.

**Funding Strategy**

The WG discussed the funding strategy and the following ideas were generated:

- RT to fund their own people
- Explore possibility of a Conference Coordinator seconded from a RT member. Alternatively to be fully funded by one or more donors.
- Conference to sell conference time to organizations to use the opportunity of the meeting to promote their causes; e.g. World Heritage to buy time to give paper on progress report on W H activities in the region. Another option – a day that can be sold to donors for them to talk about their programmes etc..
- Donors to be clear that contribution will commensurate the exposure;
- Important to package the conference right. For example, some donors do not fund 'conferences' but capacity building.
- WG to encourage bilateral donors to fund 2-3 people in the PICs as part of their capacity building within the environment sectors.
- Option for Tam to write to Roundtable members to contribute to pre-conference process, noting that SPBCP contributed \$100,000 to this process for the Pohnpei conference but will not be able to do so in Honiara.
- A full time (12 months) Conference Coordinator to assist AS Coordinator; optionally, explore the possibility for a person to be seconded here from the Roundtable;

**Actions required:**

1. *Develop a clear funding strategy (a Conference budget and a strategy for fund raising) for the WG (and RT5?) to consider and to endorse before the next financial year. ASC to action.*
2. *Last conference had \$100,000 from SPBCP to start it off; will the RT fill this vacuum? Tam to explore with RT members. ASC to draft letter for Tam.*
3. *Sue Miller to provide to the ASC the Pohnpei budget for guidance. Sue Miller to action.*

#### **8. Conference Participation:**

The WG recommended minimum three participants per country. This would consist of a government representative (SPREP funded), an NGO representative (NGO funded) and a private sector representative (corporate funded).

#### **9. Conference dates and invitations:**

J Reti noted that the Conference normally falls on September but this needs to be confirmed with the Solomon Islands government. *(Sam to action – consult with Moses Biliki).*

J Reti asked if the invitation for the Conference should come from SPREP or the Roundtable. The issue of who owns the Conference underpinned J Reti's concern and the need for it not to be seen as a SPREP conference. S Miller noted that there may be a danger in the Roundtable inviting national/government representatives in which case, a SPREP invitation would ensure a definite degree of formality and official-feel that would only benefit the Conference and raise its profile especially amongst government representatives. The WG concurred that SPREP should be the overall secretariat for the conference.

The WG also noted the need to develop a discussion paper on the Conference which should go out to national governments all stakeholders and RT, past participants to conference etc for their feedback and expressions of interest to get the ball rolling on ownership and fund raising. *(ASC to draft)*

#### **10. Next Meeting for the Working Group**

The WG noted that its next meeting will probably be during the Wellington Roundtable 5 meeting in November, or alternatively, preferably at the latest 6 months away from the Conference. There is a strong sense that not much time remains. Much of the planning work should really start now. The need for the WG to work remotely e.g. via email is critical in this case. Likewise, the Action Strategy Coordinator should be recruited at the earliest time possible to get on with the planning requirements.

#### **11. Other businesses**

Web Kanawi informed the WG of the PNG government's offer to host the conference if the Solomon Islands government is unable to follow through on its offer. The WG accepted the offer and agreed that PNG could be an alternate venue. (The WG cannot formally accept the offer – this is the prerogative of the Director of SPREP who will be advised of the offer as soon as possible).

#### **12. Close of Meeting**

Having no further business to consider the Chairman thanked the Working Group for their participation and officially closed the meeting.

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## Summary of Decisions made and Assignment of Responsibilities

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### Convenor and Secretariat for the Working Group

1. The Action Strategy Coordinator will provide the secretariat support for the WG with the chairperson – given the group's small size and its informal *modus operandi* - to be rotated amongst members. Iosefatu Reti will remain the Convenor for the meetings.

### Membership of the Working Group:

2. The core members of the Working Group are Sue Miller (IUCN consultant), Roger Cornforth (NZODA), Joe Reti (SPREP - Convenor) Pati Liu (Samoa), Web (TNC-PNG), Audrey (TNC), Peter Hunnam and Randy Thaman. Sam Sesega is temporarily standing-in pending the recruitment of an Action Strategy Coordinator.

### Theme and Focus of the Conference

3. 'Mainstreaming' conservation will be proposed to PICs and other stakeholders as the focus of the 7<sup>th</sup> Conference. (The exact wording into a theme statement is yet to be finalized.).
4. The WG also considered it important to consult with PICs regarding the theme to promote greater ownership of the Conference. (*ASC to action*)

### Style and format

5. The style and format used in the Pohnpei Conference format will in general be adopted in the Honiara Conference. This format may consist of
  - Plenary sessions
  - Working groups
  - Meetings e.g. IUCN convening a meeting etc..
  - Papers presented during lunch hours (require long lunches)

### Expected Outputs of the Conference:

6. The following outputs are proposed for the Conference:
  - Guidelines for national policy makers to work environment concerns into national plans, and for big donors who are pushing this agenda.
  - Case studies
  - Resolutions and recommendations
  - Reports of the Conference
  - National Priorities for the review of the Action Strategy.

### Action Strategy Review process

6. To ensure adequate input from PICs and consultations with reps at the national level in the formulation of the 2003-2006 Action Strategy, the WG considered and agreed (with reservation from S Miller) that the Action Strategy review group during the Conference focus on national actions. To ensure this, as much national participation as possible will be facilitated. (This would complement national reports). The review of the regional and international actions would then be taken up by the Roundtable mechanism in its own schedule.

### **Funding**

8. A full time (12 months) Conference Coordinator to assist AS Coordinator would be required; the options to consider for recruiting one are (1) secondment from a Roundtable member and (2) a request to AusAID to either second or fund an officer if no RT member is able to help. *(ASC to action request to Roundtable members and subsequently, AusAID if no RT member is able to assist).*
9. The funding strategy (including a conference budget and proposals for fund raising) for the conference will be put together and to be submitted to the next Working Group meeting [and the Roundtable 5 for consideration and possible expressions of commitment to contribute]. *(ASC to action; Sue Miller to provide ASC with copy of the Pohnpei Conference budget)*
10. The SPREP Director to request financial assistance from Roundtable members for contributions to pre-conference costs. *(ASC to draft letter for the Director).*

### **Conference Participation:**

11. Three participants per country is proposed. This will be comprised of a minimum of government representative (SPREP funded), an NGO representative (NGO funded) and a private sector representative (corporate funded).

### **Conference date, invitations and other requirements:**

12. Conference is expected to be during September 2001. The final date, hosting confirmation, and other logistical support arrangements will be finalized in consultation with the Solomon Islands government. *(Sam to action – consult with Moses Biliki).*
13. Invitations for the Conference is proposed to be send out under SPREP Director's signature.
14. A discussion paper on the Conference, which would go out to national governments for their feedback and expressions of interest, is proposed to get the ball rolling on ownership and fund raising. *(ASC to draft)*
15. PNG offered to be the alternate venue should the Solomon Islands unable to host the Conference. The WG accepted the offer recognizing that formal acceptance rests with the Director of SPREP who shall be informed of the offer as soon as possible.

### **Other assignments**

- Sue to follow up with IUCN re potential linkages with IUCN Parks Congress and to investigate what the role of IUCN in the conference might be, noting that all previous conferences were publicized as jointly organized by IUCN and SPREP with IUCN donating US\$10,000 to the last conference.
- Sue to provide ASC with Terms of Reference and MOU signed with Pohnpei.

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