

**THIRD MEETING OF THE PACIFIC ISLANDS TRUST FUND STEERING
COMMITTEE, RAROTONGA COOK ISLANDS, 6 JULY 2002**

Dear Steering Committee Member,

Welcome to the Cook Islands! I hope you had a pleasant journey here.

Here is your set of meeting documents. If you need an additional set or copies of any particular document, please let me know.

Please note that the meeting will be held at the Board Room of the Ministry of Cultural Development, across from the main Conference Center, the National Auditorium. Please be on time as we expect to make a prompt start at 8.30 a.m.

A SPREP van will be coming around your hotels to pick you up at about 8.15 a.m. If you wish to make your own way, that is fine but please note getting a taxi could be a problem as there are only a few on the island.

I look forward to seeing you on Saturday.

Yours sincerely,



Joe Reti



Trust Fund Steering Committee Meeting

Saturday, 6 July 2002
Rarotonga, Cook Islands

Delegates List

AUSTRALIA

1.	Peter Hunnam (<i>self funded</i>) – <i>confirmed</i> 259 Lambert Road Indooroopilly, Brisbane Queensland 4068 Australia	Ph: +617 3371-6475 Fax: Email: hunnam@bigpond.com
2.	Dr. Trevor Ward (<i>SPREP funded</i>) - <i>confirmed</i> Director, Sustainable Ocean and Coastal Development Program University of Western Australia Nedlands, WA 6907 Australia	Ph: +61 419 902 571 Fax: + Email: tward@ird.uwa.edu.au

HAWAII

3.	Audrey Newman (<i>funded by TNC</i>) – <i>confirmed</i> Senior Conservation Officer The Nature Conservancy 923 Nu'uau Avenue Honolulu, HI 96817	Ph: +808 587 6202 Fax: +808 545 2019 Email: anewman@tnc.org
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NEW ZEALAND

4.	Wren Green (<i>self funded</i>) – <i>confirmed</i> Oceania Regional Coucillor IUCN 130 Te Anau Rd, Hataitai Wellington 6003 New Zealand	ph: 644 934 5913 fax: 644 934 5923 email: wrengreen@paradise.net.nz
5.	Mr. Roger Cornforth (<i>self funded</i>) – <i>confirmed</i> Ministry of Foreign Affairs and Trade Private Mail Bag Wellington, New Zealand	Ph: +644 473-2146 ext 8146 Fax: +644 Email: roger.cornforth@mfat.govt.nz

PALAU

6.	Mr. Theofane Isamu (<i>funded by SPREP</i>) - <i>confirmed</i> Director Bureau of Marine Resources Ministry of Resources & Development PO Box 117, Koror Palau 96940	Ph: +680 488 3125 Fax: +680 488 3125 Email: theodmr@palaunet.com
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PAPUA NEW GUINEA

7.	Mr. Wep Kanawi (<i>funded by TNC</i>) - <i>confirmed</i> PNG Country Program Manager TNC PO Box 2750 Boroko, PNG	Ph: +675 3230699 Fax: +675 3230397 Email: wep.tnc@global.net.pg
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SAMOA

8.	Mr. Pati Liu (<i>funded by SPREP</i>) - <i>confirmed</i> Assistant Director Dept. of Lands, Surveys & Environment Private Mail Bag Apia, Samoa	Ph: +685 23800 / 23354 / 23358 Fax: +685 25856 Email: envdlse@lesamoa.net
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TUVALU

9.	Mr. Mataio Tekinene (<i>funded by SPREP</i>) - <i>confirmed</i> Environment Unit Private Mail Bag Funafuti, Tuvalu	Ph: +688 20179 / 20162 Fax: +688 20826 Email: enviro@tuvalu.tv
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VANUATU

10.	Mr. Ernest Bani (<i>funded by SPREP</i>) - <i>confirmed</i> Environment Unit PMB 063 Port Vila, Vanuatu	Ph: +678 25302 Fax: +678 23565 Email: environ@vanuatu.com.vu
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SPREP

11.	Mr. Tamari'i Tutangata Director	
12.	Ms. I'o Tuakeu Lindsay Project Delivery Manager	

13.	Mr. Sam Sesega Acting Coordinator – KRA 1	
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**THIRD MEETING OF THE PACIFIC ISLANDS CONSERVATION TRUST FUND
STEERING COMMITTEE, RAROTONGA, COOK ISLANDS, 6 JULY 2002**

PROPOSED DRAFT AGENDA

1. Opening of the Meeting (Director of SPREP)
2. Adoption of Meeting Agenda, Meeting Arrangements and Hours of Work

Chairman will invite comments and suggested changes to the draft agenda. Secretariat will prepare the draft report for review and comments of members during the course of the Rarotonga conference.

The SC will meet for one day only. Regular breaks at 10.00 am, 12 noon and 3.00 pm will be made, however the duration of the meeting will depend on how long the Committee would take to complete its business.

3. Meeting Objectives (Chairman)

The Chairman will outline the objectives of the meeting and the expected outcome(s).

4. Summary presentation of Green & Hunnam Report – Findings and Recommendations (Wren/Peter)

The authors of the report "Pacific Islands Conservation Trust: Long-term support for community-based conservation in the Pacific island countries", Mr. Wren Green and Mr. Peter Hunnam will make a short presentation on the main findings and recommendations of the report.

5. Synthesis of Comments Received from Steering Committee (J. Reti)

Joe Reti will present a synthesis of comments received from SC members on the Green and Hunnam report.

6. Discussion of main issues and report recommendations

Members will be invited to discuss the main findings and recommendations of the report and to elaborate on their comments (summarised under agenda item 5 above) if necessary. Members will be advised to concentrate solely on the report and not to reopen discussions that have been covered in previous meetings.

7. Other matters

It is possible that other matters for discussion/decision by the SC will be identified following its discussion under agenda item 6 above. One such matter could be the composition and size of the SC itself.

8. Meeting recommendations

The SC will be required to make a firm decision as to whether or not it supports the recommendations of the report. If it does, then it might be necessary to agree on when to meet next to decide the next steps.

9. Close

10. Drinks and dinner hosted by SPREP Director

**THIRD MEETING OF THE STEERING COMMITTEE FOR THE PACIFIC REGIONAL
CONSERVATION TRUST FUND**

RAROTONGA, COOK ISLANDS

6 JULY 2002

BACKGROUND PAPER

Purpose of the paper

To provide, mainly for the benefit of new members of the Committee, a background paper outlining the origin and progress to date in the development of Regional Trust Fund for Nature Conservation.

The Call for a Regional Trust Fund

1. The Action Strategy for Nature Conservation in the Pacific Region 1994 – 1998 (SPREP, 1994) recognised the need for continuing funding for nature conservation. Objective 2 of the Strategy was:

To develop and advocate mechanisms for the sustained support of conservation and sustainable resource management activities at the local, national and regional levels.

2. At the Sixth Pacific Islands Conference on Nature Conservation (Pohnpei, FSM 1997), Pacific island governments, non-governmental agencies and regional and international organisations active in nature conservation in the Pacific island region again called for the establishment of a regional trust fund for nature conservation. The trust fund idea was further promoted in the 1999 – 2002 Action Strategy for Nature Conservation and was endorsed by the Governing Council of SPREP in 1998.

Progress to date

3. In 1995, Bing Lucas prepared for the South Pacific Biodiversity Conservation Programme (SPBCP) a report on funding options for nature conservation in the Pacific region (Lucas, 1996). The report recommended, amongst other things, that SPBCP/SPREP in conjunction with its member states, and in consultation with GEF and its bilateral partners and others, initiates in-depth investigation into the possible establishment of a Pacific Regional Endowment Trust Fund for Pacific island countries.
4. In May 1995, the Technical and Management Advisory Group (TMAG) of the SPBCP considered the Lucas report and supported in principle the establishment of a trust fund to assist the protection of biodiversity. Joe Stanley then carried out a review of

available material on trust funds and initial consultation with some potential donors in December 1996 (Stanley 1996).

5. In 1998, a report outlining a possible structure and operational procedures for a trust fund was prepared for ESCAP and SPREP by Eliot Rosenberg (Rosenberg, 1998). This report was considered by TMAG who recommended that a team of specialists be put together to:
 - Review the trust fund document in light of recent developments and expertise available in the region, particularly to take into consideration and review the successful TNC/PNG Trust Fund proposal put together with the recent GEF Evaluation Report on Trust Funds; and
 - Rethink the Trust Fund concept and reformulate the approach and mode of operation taking advantage of and building on the new context created by the NBSAP initiative in the Pacific island countries.
6. Following the above recommendations of TMAG, a report entitled "Proposing a Framework for a Biodiversity Conservation Trust Fund" was prepared by Mark Christensen in 1999 (Christensen 1999). This report recommended a series of steps to be followed to progress the policy and design issues for the trust fund and was considered by a workshop held in Samoa in October 1999. This workshop resolved that a Steering Committee comprising several knowledgeable and experienced stakeholders be established and be charged with the responsibility to progress further 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, four member countries (Samoa, Vanuatu, Palau and Tuvalu), the GEF NGO Focal Point for the Pacific (SANGO), a technical adviser on biodiversity conservation (Trevor Ward) and two international NGOs (WWF and TNC).
7. In early May 2000, the Steering Committee submitted a broad outline concept paper on the trust fund to the United Nations Development Programme (UNDP), which is an implementing agency for the Global Environment Facility (GEF). Unfortunately, despite its earlier pledges to "do its utmost to help in preparing a final proposal that can be submitted to potential donors – including the GEF" (Ducasse, 2000), the proposal when it was finally submitted, was not supported by UNDP.
8. Following a report to and extensive discussion at the Fifth Roundtable on Nature Conservation (Wellington, New Zealand November 2000), it was recommended that SPREP commission an "Issues and Options" paper to assess whether the rationale for a regional trust fund was still valid and relevant especially in the context where the importance of community-based initiatives is now more widely accepted and at a time when environmental funds are proliferating world-wide.

9. The report "Pacific Islands Conservation Trust – long term support for community-based conservation in the Pacific island countries" resulted from the above recommendation of the Roundtable and is the subject for discussion and decision by this Steering Committee meeting. This report was prepared by consultants Wren Green and Peter Hunnam and involved intensive consultations with other stakeholders including potential donors.

Establishment of the Trust Fund Steering Committee.

10. In October 1999, a workshop was convened by SPREP to review and discuss the 1999 Concept Paper Proposing a Framework for a Pacific Conservation Trust Fund. One of the key recommendations of the workshop was the establishment of a Steering Committee to progress the development of the Conservation Trust Fund. The following individuals were therefore nominated to the Steering Committee.

- Joe Reti (SPREP);
- Ernest Bani (Vanuatu);
- Pati Liu (Samoa);
- Trevor Ward (TMAG and University of Western Australia);
- Wep Kanau (TNC, PNG and Chairman of SC).

11. The first meeting of the Steering Committee was held in Apia, Samoa in February 2002. At this meeting, the Committee agreed to expand its membership by inviting the following experts and individuals to participate. The Committee may invite others to its meetings.

- Ramon Rechebei (Palau);
- Seve Lausaveve (Tuvalu);
- WWF-Pacific, Director;
- Dr. Peggy Dunlop, (SANGO and Pacific NGO Focal Point for GEF).

12. The second Meeting of the Committee was also held in Apia in May 2000 to further advance progress with the development of the Trust Fund proposal and to formulate a submission to UNDP. The terms of reference for the Steering Committee is provided in the attachment hereto.

What is a Conservation Trust Fund?

13. A Conservation Trust Fund is a funding and capacity building tool designed to provide long-term funding support for conservation activities. It is a legal arrangement in which a group of people (called the trustees) legally own and manage money that has been donated (entrusted) to them exclusively for conservation purposes.
14. Trust Funds have been established in a number of countries and have become increasingly important in facilitating the conservation of biological diversity. They

have received enthusiastic support both from governments and NGOs throughout the world as a solution to the problems of insufficient and unreliable financial contributions for conservation programmes.

Why a Regional Trust Fund?

15. The advantages and disadvantages of a regional trust fund have been discussed exhaustively in the Stanley, Rosenberg and Christensen reports referred to in the first part of this background paper. Paragraph 4.2.3 (page 13) of the Green and Hunnam report, to be discussed by this meeting, provides a brief discussion of regional vs. national support mechanisms.
16. According to Stanley (1996), the requests for support to willing donors will continue to be piecemeal, and without the comprehensiveness and overall direction that a regional trust fund would bring to the conservation of the region's biodiversity.
17. The Overview of the Pacific Islands Trust Fund for Nature Conservation (SPREP 1998) suggests that while there needs to be continued commitment to conservation activities at the national level, there are a number of interest and concern which are best addressed in a strategic manner at the regional level. Further, a regional trust fund will operate as a leverage mechanism to gain the support for conservation priorities. It will add value by enabling Pacific island countries to work together on conservation issues of mutual interest and concern. In doing so, it will assist in achieving regional and global conservation benefits.

Where to next?

18. This meeting of the Steering Committee is critical in that it is required to decide on the future of the Trust Fund proposal following its deliberations of the Green and Hunnam report.
19. SPREP is of the view that more than enough preparatory work on trust funds has been done (i.e. five reports and several meetings in seven years) and that it is now time for the Committee to decide, one way or the other, on the future of the proposal and for SPREP to report to the next meeting of its Governing Council accordingly.

Objectives and Expected Outcomes of the Third Meeting of the Steering Committee.

20. In line with the comments in paragraphs 15 and 16 above, the Third Meeting of the Steering Committee will have as its main Objective ***the provision of an opportunity for the Trust Fund Steering Committee to consider the findings and recommendations of the Green and Hunnam report and on the basis of such consideration decide on the future of the Trust Fund proposal.***
21. The expected outcomes of the Third Meeting of the Steering Committee are:

- A decision relating to the future of the Trust Fund proposal;
- Should the Committee decide to pursue the Trust Fund idea, suggestions and recommendations relating to appropriate design features, options and structure;
- Recommendations for the next steps; and
- A report to the 7th Conference on Nature Conservation and to the 13th SPREP Meeting.

Recommendation

22. The Committee is invited to note the information provided in this background paper.

**THIRD MEETING OF THE PACIFIC ISLANDS CONSERVATION TRUST FUND
STEERING COMMITTEE, RAROTONGA, COOK ISLANDS, 6 JULY 2002**

**ANALYSIS OF FINDINGS AND RECOMMENDATIONS FROM THE GREEN AND
HUNNAM REPORT**

Purpose of paper

1. This paper aims to provide an analysis of the main findings and recommendations of the Green and Hunnam report which, it is hoped, will help facilitate focused discussion by the Steering Committee thereby enabling an informed decision on the future of the trust fund proposal.

2. Copies of the Green and Hunnam report were distributed to members of the Steering Committee in April. Hence, it is assumed that members have already read the report and would have done their own analysis of its findings and recommendations. This analysis should therefore serve to complement those of the members themselves, but it is noted that where this analysis differs in interpretation from that of the main report, the intent of the report shall prevail.

Terms of Reference

3. It is reasonable to start this analysis by looking at what the report aimed to achieve. This is best done by summarising the terms of reference for the consultancy that produced the report, as is done below.

Objectives of the consultancy

4. The objective of the consultancy was to provide an assessment through an "Issues and Options" paper, of whether or not the rationale for a regional trust fund as originally conceived was still valid and whether its proposed goal and objectives were still relevant from all stakeholders viewpoints.

5. More specifically, the Issues and Options paper aimed to provide an assessment of:

- The funding needs for conservation, both at the national and regional levels in the Pacific islands.
- The likely mix of funding mechanisms (regional and national) that might best meet such needs.
- Whether or not a regional trust fund was the best way to achieve the original objective of finding a means to secure long term funding for Pacific biodiversity, particularly now that community-based approaches are acknowledged and accepted, and that national trust funds have become more commonplace.

Outcomes

6. The outcomes expected from this consultancy included:

- An assessment of whether or not a regional trust fund was the best way to achieve the original objective of securing long term funding for Pacific biodiversity conservation.
- Identification/reaffirmation of the long term funding needs/priorities for Pacific biodiversity conservation.
- Consider the role or regional assistance in meeting these needs, as opposed to national and bilateral sources of assistance (including national and local trust funds), and what is the best mix of funding mechanisms to achieve results.
- If a regional trust fund is recommended, outline suggested design features and options for such a fund, including the most appropriate structure for it.
- Investigate appropriate links between regional programmes such as SPREP and any regional trust fund.

Funding Needs for Conservation in the Pacific

7. Chapter 2 of the report provides a summary discussion of the priorities and challenges for conservation in the Pacific islands. Increased pressure on resource owners, communities and their governments to use resources to generate economic wealth has resulted in major environmental problems including land degradation, destruction of ecosystems and landscapes, loss of endemic plant and animal species, water pollution and over-exploitation of marine resources. The challenge for conservation in the Pacific is to redress the increasingly imbalanced relationship between human activities and natural processes – to ensure that renewable resources are not used above their replenishment rates.

8. The report goes on to suggest that Pacific island countries have set out in several planning exercises, including NEMS, the report to UNCED, CBEMP, National reports to CBD, Environment Outlook, NBSAPs and the Action Strategy for Nature Conservation, their priorities for environment and conservation and possible responses. These plans presented a consistent view of what was needed to safeguard the natural environment and biodiversity of PICs. They all sought the goal of conserving biodiversity and protection of significant species and places by:

- Tackling specific threats and managing wastes; and
- Sustainable use of natural resources.

9. The priority means for reaching these goals were identified as:

- Capacity building, from community to government levels.
- Community participation in nature conservation.
- Policy, planning and legal frameworks.
- Education, awareness and provision of information.
- Financial sustainability for biodiversity.

10. According to the report, when existing plans are looked at in details, two trends emerge that are relevant to the trust fund. First, there has been an increased emphasis on the importance of action at the community level for achieving conservation goals. Secondly, the NBSAP - the latest in the series of national plans - are picking up more issues that need to be addressed at a regional level. They include invasive species, biosecurity, migratory species and biosafety. **Both these trends are specifically targeted in the trust fund model proposed by the report.**

11. The discussion in Chapter 3 of the report provides a comprehensive summary of the issues that needed to be addressed to strengthen nature conservation and outlines how a regional conservation trust fund would address those issues. An assessment of this chapter would suggest that **the authors have confirmed that the rationale for a regional trust fund as originally conceived was still valid.** In chapter 5 (page 19), the report concludes "a trust fund was feasible and would be a valuable mechanism for delivering an appropriate type and level of support for nature conservation and natural resource management initiatives across the region". What the report is silent on is whether all the relevant stakeholders share this view. Comments from UNDP and TNC suggest otherwise.

12. The report, especially in chapter 3, has provided a convincing logic for a trust fund, but it is not clear if the logic can apply equally to national and regional trust funds, or for the purpose of the consultancy, whether it favours the establishment of a regional trust fund over national funds. In this context, it is believed that the report has not adequately responded to the question of **whether a regional trust fund was the best way to achieve the original objective of finding a means to secure long term funding for Pacific biodiversity, particularly now that community-based approaches are acknowledged and accepted, and that national trust funds have become more commonplace.**

13. The main arguments in support of a regional trust fund are provided in section 3.6 and 3.9, where it is stated that *if efficiently administered, a regionally accessible Trust Fund could disburse action funds rapidly to address urgent national or regional problems that threaten significant biodiversity values (3.6); and, a regional trust fund could provide sustained support for the protection of regionally and globally significant sites, species or phenomena for posterity, and could attract capital funding from the Global Environment Facility and allied funds (3.9).* The rest of the arguments tend to apply equally to the regional and national funds, if not more so to the latter.

14. The most compelling argument in favour of a regional trust fund is however presented in section 4.1.2 (page 13) where it is stated that *rather than pursuing separate national trust funds, there would be advantages, in terms of economies of scale, administrative efficiencies, mutual strengthening and synergy, in Pacific island countries establishing a regionally structured fund linked to national trust funds in each country.*

15. In an attempt to address the second specific objective of the consultancy, (i.e. the likely mix of funding mechanisms (regional and national) that might best meet funding needs of PICs) the consultants have provided in section 4.3.1 of the report, four potential models of sinking and endowment funds as possibilities. Again, the report appears to focus entirely on regional models and not on the **likely mix** of regional and national mechanisms as anticipated in the TOR. This can however be explained by the argument in paragraph 14 above where the consultants are espousing a regional fund linked to national funds as opposed to a "mix" of mechanisms that was called for by the TOR.

16. One could argue that a "mix" of funding mechanisms is not necessarily the best way to securing long term funding for Pacific biodiversity. By suggesting the establishment of a Pacific Islands Conservation Trust as an Association of Pacific national conservation trusts, the consultants appear to be saying that instead of a mix, a regional fund that complements and support a series of national trust funds was the better means for securing long term funding for biodiversity conservation in the Pacific. There is merit in this argument but the Committee may still wish to debate what advantages, if any, a true mix might have over what has been proposed.

17. Reverting to the TOR, it is fair to say that the report has adequately addressed the specific tasks required of the consultants as can be determined from what has been achieved for each expected outcome as shown in the following matrix.

Expected outcomes	Actual outcomes
- An assessment of whether or not a regional trust fund is the best way to achieve the original objective of securing long term funding for Pacific biodiversity conservation.	The consultants have concluded that a trust fund was feasible and would be a valuable mechanism for delivering an appropriate type and level of support for nature conservation across the region. The consultants have suggested that the preferred option is to combine the strengths of national modes of operation by establishing the mechanisms for each country Conservation Trust to control its own affairs within operating rules and guidelines agreed by the collective membership of the regional Pacific Association of the Trusts. They have therefore recommended an Establishment Project to organise the establishment of such Trust.
- Identification/reaffirmation of the long	From their review of existing planning

<p>term funding needs/priorities for Pacific biodiversity conservation.</p>	<p>documents and reports as well as discussion held during the course of the consultancy, the consultants have reaffirmed the validity of earlier proposals to establish more consistent, long term sources of financing for conservation, to be widely accessible, particularly for local conservation initiatives, and to integrate and coordinate the mechanisms of support provided by governments, overseas aid agencies and the international community. Chapter 3 of the report provides a detailed discussion.</p>
<p>- Consider the role of regional assistance in meeting these needs, as opposed to national and bilateral sources of assistance (including national and local trust funds) and what is the best mix of funding mechanisms to achieve results.</p>	<p>Sections 3.7 and 3.8 of the reports discuss the respective contribution of governments and overseas aid to conservation. It suggests that a trust fund could provide a long-term co-financing mechanism that would be attractive to both island governments and donor agencies. It further suggests that a trust fund could provide a transparent, secure, consistent and effective mechanism for investing and disbursing funds that would be attractive to donors. Not much is said about national or local trust funds as opposed to a regional fund. Instead, the authors have suggested the establishment by each of the 13 PICs of national conservation trusts as members of the regional conservation trust. It has been suggested that this was the preferred option (to national, local or a mix of these types of funds?)</p>
<p>- If a regional trust fund is recommended, outline suggested design features and options for such a fund, including the most appropriate governing structure.</p>	<p>As indicated earlier, the consultants are of the view that a regional trust fund was feasible and have as a result, and in accordance with their TOR, discussed in great details in Chapter 4 of the report, issues for design and establishment of a suitable financing mechanism.</p>
<p>- Investigate appropriate links between regional programmes such as SPREP and any regional trust fund.</p>	<p>This discussion is provided in section 4.2.6 of the report. According to the consultants, there is a widespread feeling in the region that it would not be appropriate or effective for SPREP to be in a position where it can direct and control the proposed Trust or its funds. Instead, it is preferred that SPREP's relationship with the Trust be one of partnership, based on clearly distinct,</p>

	<p>complementary roles. The consultants have however suggested that SPREP administer the proposed project to manage the establishment of the Trust and its funding mechanism.</p>
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18. From the above discussion, it is the Secretariat's view that the consultancy has satisfied its TOR and the Steering Committee now has more than enough information at its disposal to decide on the future of the trust fund initiative. If the decision is in favour of the establishment of a regional trust fund, then the issues raised in the following paragraphs of this paper will need to be discussed. If on the other hand, the decision was not in favour of a regional fund, then obviously, the issues will become irrelevant.

Issues for design and establishment of a suitable financing mechanism

19. One of the main obstacles to the advancement of the trust fund concept in the past years has been the absence of a design that shows ownership, relationships and control of the Trust and its funds to facilitate discussions with donors and other stakeholders. In the absence of such a design, it was difficult to respond to the main issues of concern from the donor's perspective such as transparency and accountability. The consultants have suggested certain issues to be addressed when designing the Trust Fund (SC may have others). Secretariat comments on some of these are outlined in the following paragraphs.

Autonomy

20. The consultants have pointed to the widespread concern that SPREP or governments might be seen to have control of the fund and its operation. It is important that these concerns be allayed by having a structure that clearly shows the autonomous status of the fund with links to advisory bodies and technical agencies like SPREP.

Relationship with PIC governments (4.2.5)

21. It is suggested that each PIC will need to actively (create and) support a semi-autonomous conservation trust in its country if the mechanism is to be established effectively and operate without undue political influence. Unless there is a concerted effort to ensure there is a political will to do this, it is extreme ambitious to expect all 13 countries to have established conservation trusts within the two years of the Establishment Project. The consultants have realised this and have as a result suggested that the fund could start with perhaps six PICs with the others joining later as the fund progresses. This is a sensible recommendation as it would probably take far more than two years to get all 13 PICs on board.

22. Of greater concern though is the suggestion for governments to contribute financially to the Trust Fund. Experience has shown that country contribution to regional initiatives (including contributions to regional organizations such as SPREP) have been

extremely unreliable. Convincing countries to contribute to the trust fund would be made even more difficult if, as suggested, government agencies are not able to apply for funding from the trust for their own operations. The Committee will need to consider these issues very carefully.

Relationship with SPREP and other Regional Organisations

23. Although the trust fund is likely to affect SPREP's own efforts to raise funds for its work programme activities in nature conservation, the suggestion that SPREP should not be put in a position where it can direct and control the trust or its funds makes sense. As most if not all activities of SPREP are of a regional nature, it should not be a problem for the organization applying for funding from the Trust. SPREP's independence from the fund should enhance rather than impede its ability to apply for funding from the Trust.

Regional versus National Support Mechanisms

24. The discussion under section 4.2.3 of the report provides a strong case for the regional trust fund. According to the report, a trust fund active across the region would be stronger and could achieve economies of scale in its technical management and investment of funds, by having a single infrastructure and common operating procedures. The reports has however cautioned that the management of the fund and decisions on grant applications and disbursements should be subject to in-country control and guidance, rather than to decisions made regionally or internationally.

Feasible Mechanisms for Financing and Operating

25. If the Steering Committee should decide to accept the consultants' recommendation for the development of a project to organise the establishment of a trust fund, then it would also need to agree on which of the four models considered in the report should be pursued. It is noted that the consultants have recommended model 4, which is a combined fund progressing from a sinking fund to an endowment fund.

26. The suggestion for a sinking fund that eventually progresses into an endowment fund is interesting especially in light of the potential difficulty in raising large capital funding to enable the trust fund to operate immediately. It does however appear to be a logical way to bridge the widening gap between the SPBCP and future funding especially in light of the expected long time it will take to secure investment in the trust fund.

Pacific Islands Conservation Trust – Establishment Project

27. The Consultants have indicated that it will take a long time to bring the proposed Trust Fund into existence and have subsequently recommended the development of a specific Project to organise the establishment of the Trust Fund. This recommendation is however subject to the acceptance by the Steering Committee of the findings of the Consultants and that is the main business of this meeting of the Committee.

Summary of Issues for Decision by the Committee

28. To facilitate its discussion of the trust fund proposal, the following issues are highlighted for eventual decision by the Committee.

- Whether or not the Consultants have satisfied their terms of reference;

If the Committee agrees that the Consultants have met their terms of reference, then the Committee would need to decide on the following findings and recommendations by the Consultants.

- That there was adequate justification for the establishment of a regional conservation trust fund;
 - That a specific project to organise the establishment of the Pacific Islands Conservation Trust Fund be developed;
 - That the Objective, project activities, outputs and indicative budget of the Proposed Project (see 6.1 – 6.5, page 23 - 25) are appropriate;
 - Provide suggestions or comments on governance, mechanisms for financing and operating of the Trust Fund and other key elements of the proposal as listed in section 5.2. page 19 of the report.
29. In addition to above, the Committee may also wish to consider the issues relating to the composition and future role of the Committee.
30. The Committee may also wish to provide specific directions to SPREP regarding the development of the project for the establishment of the trust fund.

**THIRD MEETING OF THE STEERING COMMITTEE FOR THE PACIFIC REGIONAL
CONSERVATION TRUST FUND**

RAROTONGA, COOK ISLANDS

6 JULY 2002

MEETING OBJECTIVES, OUTCOMES AND LOGISTICS

Meeting Objective

The main objective of the meeting is to provide an opportunity for the Trust Fund Steering Committee to consider the findings and recommendations of the Green and Hunnam report: Pacific Islands Conservation Trust – long-term support for community-based conservation in the Pacific island countries.

Expected Outcomes

The expected outcomes for the meeting will include:

- A decision as to whether or not a regional trust fund was the best way to achieve the original objective of securing long term funding for community-based conservation in the Pacific islands.
- If the decision favours a regional trust fund, an indication of preferred design features and options for such a fund, including the most appropriate governing structure, and financing and operating mechanisms.
- Recommendations for next steps.
- Possible recommendations to the 7th Conference and to the 13th SPREP Meeting.

Chairperson

As the appointed chairperson for the Committee, Wep Kanaui will preside as chair of the meeting.

Hours of work

The meeting will be held on 6 July only. The opening is scheduled for 8.30 am. There will be 30-minute breaks at 10.00 o'clock in the morning and 3.00 o'clock in the afternoon. There will also be a one-hour lunch break between 12 noon and 1.00 o'clock.

Venue

The meeting will be held at the National Auditorium.

Transport

Transport will be provided to and from the venue. Participants will be picked up at their hotels at about 8.15 a.m. Please note there are only a few taxis on Rarotonga so it is advisable to catch the SPREP-provided transport to avoid being late.

Meeting documents

Meeting documents have been provided electronically to most participants. Hard copies are available from the Secretariat. Participants should make sure they have copies of the following documents. Spare copies could be obtained from the meeting secretary if needed.

- Meeting agenda
- Meeting Objectives etc
- Background paper
- Green and Hunnam report
- Analysis of Issues and Options (the Green and Hunnam) report
- Synthesis of comments received from Steering Committee members

Copies of the Lucas, Stanley, Rosenberg and Christensen reports could be provided on request.

Meeting participants

Note that the meeting is restricted to core members of the Steering Committee only. The participants are listed below with their expected arrival dates and hotel accommodation in Rarotonga.

Name	Expected Arrival Date	Hotel Accommodation
Wep Kanaui	?	Edgewater
Pati Liu	4 July	Edgewater
Ernest Bani	5 July	Edgewater
Theofanes Isamu	3 July	Club Raro
Mataio Tekinene	4 July	Edgewater
Peter Hunnam	?	Club Raro
Trevor Ward	?	Edgewater
Wren Green	?	Club Raro
Roger Cornforth	?	Edgewater
Cedric Schuster	?	Tiare Village
Audrey Newman	?	Edgewater

Sam Sesega	1 July	Paradise Inn
Joe Reti	4 July	Paradise Inn

Meeting report

Joe Reti with the assistance of Trevor Ward will be responsible for the drafting of the meeting report for comments and clearance by members before they depart the Cook Islands. The final meeting report will be distributed by SPREP to members of the Committee.

Meeting recommendations

Depending on the outcomes of the meeting, the Committee may wish to discuss and agree on any specific recommendation it wishes to put forward to either the 7th conference or the 13th SPREP Meeting.

Dinner and drinks

The SPREP Director is inviting participants to dinner and drinks after the meeting. The venue and time will be advised before the end of the meeting. Participants are asked to please keep this evening free.

Secretariat support

A SPREP secretary will be available at the venue to provide assistance to participants if required.

More information

For more information on the meeting and arrangements, please contact either Joe Reti or Helen Ng Lam at Paradise Inn, telephone 20544.

**THIRD MEETING OF THE STEERING COMMITTEE OF THE PACIFIC ISLANDS
CONSERVATION TRUST FUND, RAROTONGA, COOK ISLANDS, 6 JULY 2002**

SYNTHESIS OF COMMENTS RECEIVED ON THE GREEN AND HUNNAM REPORT

Purpose of paper

1. To provide a synthesis of comments received from members of the Steering Committee and others on the Green and Hunnam Report- Pacific Islands Conservation Trust: long term support for community-based conservation in the Pacific island countries.

Introduction

2. The Green and Hunnam report was distributed to members of the Steering Committee, and others in April 2002 with a request for comments to be sent to SPREP for the purpose of preparing this paper. By the time of writing (June 25), only The Nature Conservancy (TNC) and Dr. Trevor Ward had submitted written comments on the report.

3. The disappointing response from the Steering Committee to the request for comments has made it difficult to prepare this paper not only because it cannot be assumed that the views expressed by TNC and Dr. Ward were representative enough of what the group might think, but also because the views expressed are so markedly different that an attempt at synthesising is extremely difficult.

4. Rather than a synthesis of the views expressed therefore, this paper presents a brief summary of the comments from the sources as mentioned, highlighting the main issues raised for the consideration of the Steering Committee. Comments of the Secretariat on the comments received are in italics.

TNC Comments

5. While it acknowledges that there may be a role for a regional trust fund to support coordinated, region-wide action to protect certain conservation targets and to address some regional threats requiring multi-country collaboration and approaches, TNC remains of the view that a regional trust fund alone has very limited scope to support and catalyse conservation in the Pacific. Instead of a regional trust fund, TNC has suggested employing a much broader range of sustainable financing mechanisms including site-based, national as well as regional mechanisms. In its views, TNC believes that national, rather than regional trust funds are more appropriate for supporting conservation.

Green and Hunnam have pointed out that "rather than pursuing separate national trust funds, there are advantages, in terms of economies of scale, administrative efficiencies, mutual strengthening and synergy, in Pacific island countries establishing a regionally structured fund linked to national trusts in each country". This recommendation attempts to

address the suggestion by TNC for a broader range of sustainable financing mechanisms including site-specific, national and regional mechanisms. But as indicated in the next paragraph, TNC believes that even this suggestion falls short of the potential benefits from a national fund.

6. TNC does not believe that the hybrid Pacific Trust Fund proposed by Green and Hunnam will maximise the potential benefits of a national trust fund, or be an efficient vehicle for delivery of funds for conservation. Pointing to its experience over the past ten years, TNC claims that independent trust funds have proven to be more effective mechanisms for catalysing lasting conservation action in country.

TNC has pointed to its experience over the past ten years (including in PNG and Micronesia) to support its claim that independent trust funds have proven to be more effective. As far as we know, there are no regional trust funds (certainly not in PNG and Micronesia) to which such independent national funds have been compared. Further, a hybrid fund of the nature proposed in the report has not been tried before so that it is fair to say that there is some degree of speculation in the claims by TNC. The fact that we know more about national trust funds than regional funds is however still valid and as TNC would probably agree, it might be better to err in favour of what we know than what we don't.

7. The proposed design and financing modalities of the Pacific Trust Fund are also of concern to TNC who argues that "the proposed structure would likely to be unwieldy and inefficient". It suggested that the Association of National Conservation Trusts, a central council, and advisory committee and thirteen individual national trusts would be time-consuming and expensive. Furthermore, TNC argues that in some countries, national level funds may not make sense! The cost argument is interesting as it is based on the independent national funds that TNC is arguing for.

The final design of the regional trust fund, if there is going to be such a fund, is still open for debate by the Steering Committee and the design team once the Establishment Project is launched. The consultants have however made it quite clear that the development of the regional trust fund will neither be easy nor cheap. It is for this reason that a two-year Establishment Project has been suggested. In countries where a national fund does not make sense as claimed by TNC, one would tend to think that the case for a regional fund would be stronger and make more sense.

8. TNC has also questioned the estimate of the establishment and operating costs of the regional fund saying that based on their experience in PNG and Micronesia, these will be significantly higher than estimated, both at the regional and national levels. It suggested that to operate a national trust fund that has a capacity building goal would cost around \$150,000 per year excluding cost of a pre-establishment phase of at least 12 to 18 months.

If, as TNC claims, it costs more than \$150,000 annually to operate a national trust fund, then it is doubtful that independent national trust funds will be sustainable on their own either. The consultants have estimated (disputed by TNC) that the annual cost for managing the PICT Association and the (13) national Conservation Trusts would be about \$150,000,

equal if not less than what is claimed by TNC will cost to manage one national fund. If indeed a regional fund would result in economy of scale and optimal returns on investments to the members, then certainly there is ground for supporting a regional approach as the PICT initiative. The cost argument by TNC therefore strengthens rather than weakens the case for a regional trust fund.

9. In addition to the above concerns, TNC has also reminded that at the Wellington Roundtable, solid indication of donor support for the regional fund was identified as critical. A related issue that needed to be addressed was whether significant donor contributions to a regional fund would preclude their support for national activities.

These are fundamental issues that the Committee will need to take into account in their consideration of the Green and Hunnam report. As part of their assignment, the consultants were required to consult widely with relevant stakeholders, including donors. UNDP/GEF have some serious concerns about the proposal and are unlikely to support its submission to GEF. The other GEF Implementing agencies, namely UNEP and ADB have however indicated interest in the idea and are willing to help. The point though is that unless there is something to "sell" to these agencies (i.e. a design and structure for the fund), progress will not go beyond the reports and discussions that have characterised "progress" of the past seven years.

10. Finally, TNC has correctly pointed to the less than satisfactory history of country contributions to regional agencies and programmes in the Pacific, which does not engender a high degree of confidence that countries will meet their financial obligations to a regional fund.

This is perhaps the most critical issue that might very well determine the acceptability or otherwise of the mechanism for financing (model 4) the proposal as preferred by the consultants. The history of country contribution to regional programmes and agencies suggests that the proposal for country contributions to the PCT is unlikely to work, hence other modalities for financing the regional fund may have to be considered.

Dr. Ward's Comments

11. Unlike TNC, Dr Ward is of the view that the case for a regional trust fund has been well made. He therefore supports the strategy for an Establishment Project to progress the idea further. The rest of the comments are to do with design matters, which, he pointed out, "could be easily addressed as the details of the CTF begins to develop and unfold". He concluded by saying that whilst the report has (correctly) focused on financial accountability, there will ultimately be a need for equal focus on delivering actual outcomes from the fund.

Dr. Ward's comments have focused on certain design issues (composition of the Advisory Board, criteria and rules for distributing funds, performance assessment and reporting system) which, it is hoped, the design team will address during the design phase.

Recap of comments received

12. TNC has reservations about a regional trust fund hence; it is imperative that the Steering Committee takes TNC and other stakeholders' concerns into consideration as it debates the need and justification for a regional fund. In its view, a regional trust fund by itself has limited scope to support and catalyse conservation. Instead, a broader range of sustainable financing mechanisms should be considered. The proposal for a regional fund structured, as an Association of Pacific national conservation trusts does not meet this criteria according to TNC.

13. While TNC acknowledges that there may be a role for a regional fund, it does not support the regional fund as a model for disbursement of funds for national-level conservation. According to TNC, national trust funds are the more appropriate structure for doing so. This is the rationale underpinning the rest of TNC's comments.

Challenging the TNC Argument

14. While acknowledging the validity and importance of TNC's argument for national funds as opposed to a regional trust fund, it is noted that TNC also pointed out that (a) national trust funds could cost more than \$150,000 annually to operate, and (b) in some countries, a national-level fund may not make sense. It is possible to counter the arguments by TNC based on these two points alone.

15. The points as identified above, it is argued, support rather than weaken the case for a regional trust fund. In the first instance, it is unlikely that investment in a national fund would be large enough to generate more than \$150,000 a year to pay for conservation and to cover operating cost of the national trust fund as estimated by the TNC. Secondly, as pointed out by TNC, it is unlikely that all 13 PICs will be able to set up and sustainably manage independent national funds. The question is: Without a national or a regional trust fund, what then shall become of these countries? TNC has not provided an answer to this question, unfortunately!

16. Except for PNG and Micronesia whose trust funds are already in their advanced stages, the others referred to by the consultants (i.e. Fiji, Vanuatu and Samoa) are simply proposals, which have yet to be fully investigated and developed. It is not known if the rest of the countries would chose to establish national trust funds but it is possible that some of these countries would opt for a regional fund provided there are clear, tangible benefits for them.

17. PNG and Micronesia are fortunate to have TNC who has been instrumental in the development of their trust funds present in their sub-region. The rest of the countries are not so fortunate and may find the responsibility involved in setting up and managing a national trust fund too much for the capacity and resources available locally. A regional trust fund that benefits these countries (expected to be mainly the smaller islands) would be extremely useful.

Issues for the Steering Committee

18. TNC has clearly highlighted some of the key issues the Committee will need to take into consideration when deciding on the future of the regional trust fund proposal. For ease of reference, and to facilitate discussion, the main issues for discussion by the Steering Committee as summarised from TNC's comments are:

- That the regional trust fund as proposed by Green and Hunnam is not an effective way to disburse funds for national-level conservation. It will therefore not achieve our original objective of securing long term funding for conservation in the Pacific.
- That independent national trust funds (despite the high operating costs) are the more effective mechanisms for catalysing lasting conservation in PICs.
- That PICs are unlikely to contribute financially, at least at the level proposed by the consultants, to a regional trust fund.
- That the degree of donor support remains an important factor guiding a decision on the future direction of the regional trust fund proposal.

**DRAFT TERMS OF REFERENCE
PACIFIC CONSERVATION TRUST FUND STEERING COMMITTEE**

The Regional Workshop on the Pacific Conservation Trust Fund (CTF) convened by SPREP on 27 and 28 October 1999 agreed to, amongst other things, establish a Steering Committee (SC) to progress the development of the CTF. The SC comprises the following individuals:

1. Joe Reti (SPREP)
2. Ernest Bani
3. Pati Liu
4. Trevor Ward
5. Wep Kanawi

It was also agreed that the SC may call on other technical and consultancy support, as it considers desirable in the undertaking of its work.

Terms of Reference

Generally, the SC will be responsible for managing the process for the formulation and design of CTF.

More specifically, the SC will be responsible for the following tasks:

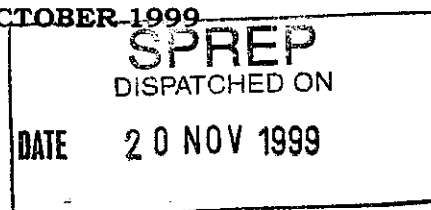
1. Review and discuss the variety of issues highlighted in the Christensen report and decide on how such issues should be addressed in the CTF design. These include:
 - An appropriate objective for the CTF that will enable flexibility over the long term and recognise the role and mandate of the Action Strategy for Nature Conservation and National Biodiversity Strategies and Action Plans;
 - Ensure the CTF Board is empowered to set priorities for funding and to vary those priorities (in consultation with the stakeholders) by way of some form of Operational Manual;
 - Investigate the range of options for the delivery of the various functions of the CTF and in particular the options for the relationship between the CTF and SPREP and make recommendations to the stakeholders on these issues.
 - Ensure the fullest consultation with stakeholders including governments, about the design of the CTF;
 - Consider other types of Trust Funds and their potential use if necessary;

2. Meet regularly as required to finalise design of the CTF and report to SPREP.
3. Prepare an application for PDF (and other) support for development of the CTF concept proposal to GEF (and other donors);
4. Discuss the need and composition of high level Pacific negotiating team to meet with potential donors to assess their interest and willingness to invest in the CTF;
5. For the purpose of 4 above, prepare a draft concept paper that provide a fuller discussion of (a) the rationale for the CTF; and (b) how the CTF meet GEF and other potential donors finding criteria;
6. Make suggestions to SPREP with regards the composition of the CTF Board and recruitment procedures;
7. In making suggestions on the design of the CTF, consider the necessity for ensuring the equitable involvement of all stakeholder (governments, NGOs, communities etc);
8. Other tasks as the Committee may see fit.

The SC will continue to operate until the CTF Board is established and becomes operational. SPREP will provide secretariat support to the SC.

PACIFIC BIODIVERSITY CONSERVATION TRUST FUND

WORKSHOP REPORT 27-28 OCTOBER 1999



Introduction

On 27 and 28 October 1999 a workshop was convened by SPREP and SPBCP to discuss the proposed Pacific Biodiversity Conservation Trust Fund (CTF). A list of participants at the workshop is attached as Appendix 1.

Objectives of the workshop

The objectives of the workshop were to:

- Review the September 1999 Concept Paper on Proposing the Framework for a Pacific Biodiversity Conservation Trust Fund: Legal and Administrative Issues.
- Obtain a consensus on policy issues sufficient for a Steering Committee to use a final revised Concept Paper as a basis for negotiation with potential donors.
- Agree on the mechanism for establishing a Steering Committee to progress negotiations with potential donors.

Issues discussed

The following issues were discussed:

- The types and uses of trust funds
- The need for a regional trust fund
- Objectives of the CTF
- Relationship of the CTF with SPREP
- Functions and possible structure of a CTF
- A timeline for progressing the development of the CTF
- Composition of a Steering Committee
- Recommendations to the Steering Committee

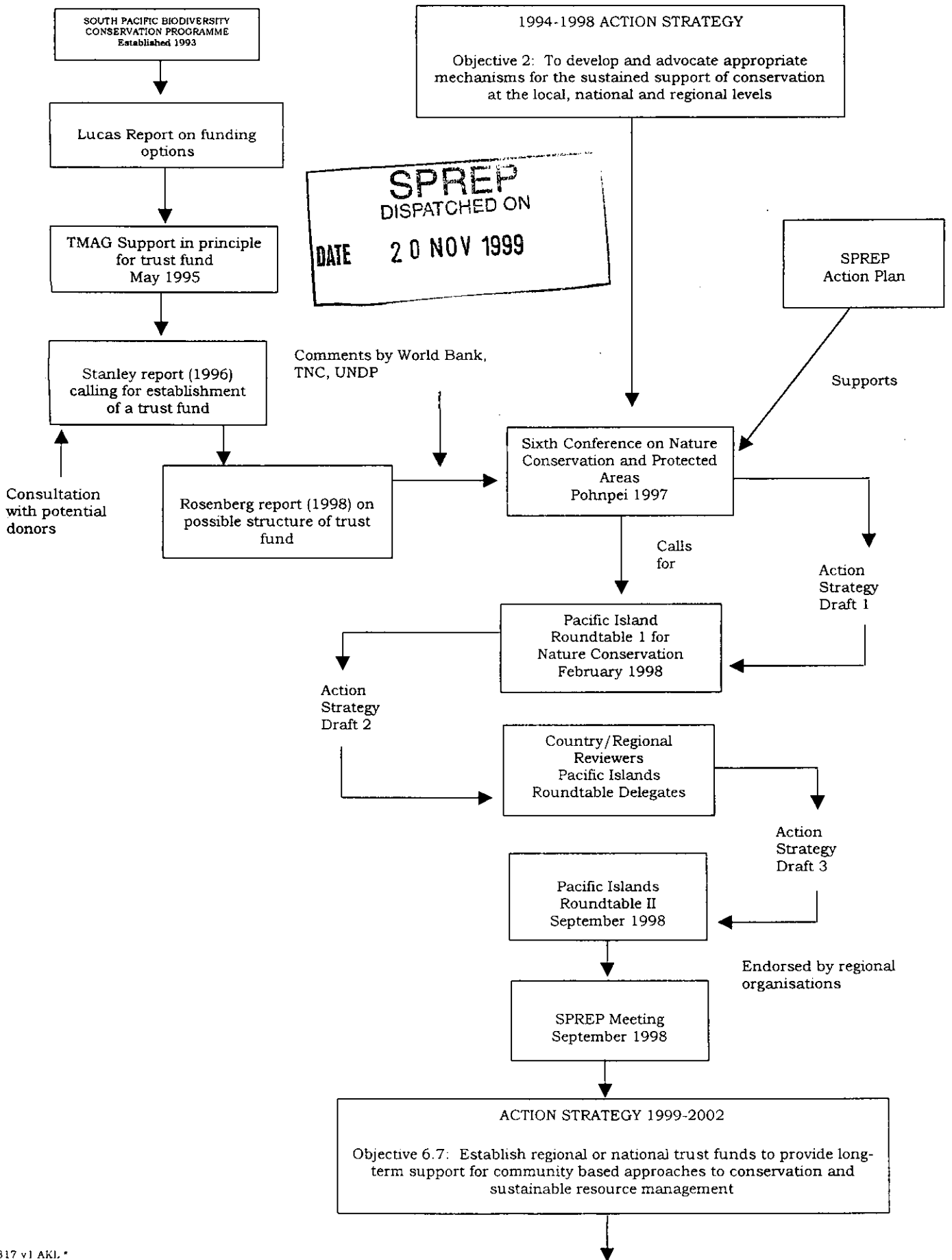
Recommendations

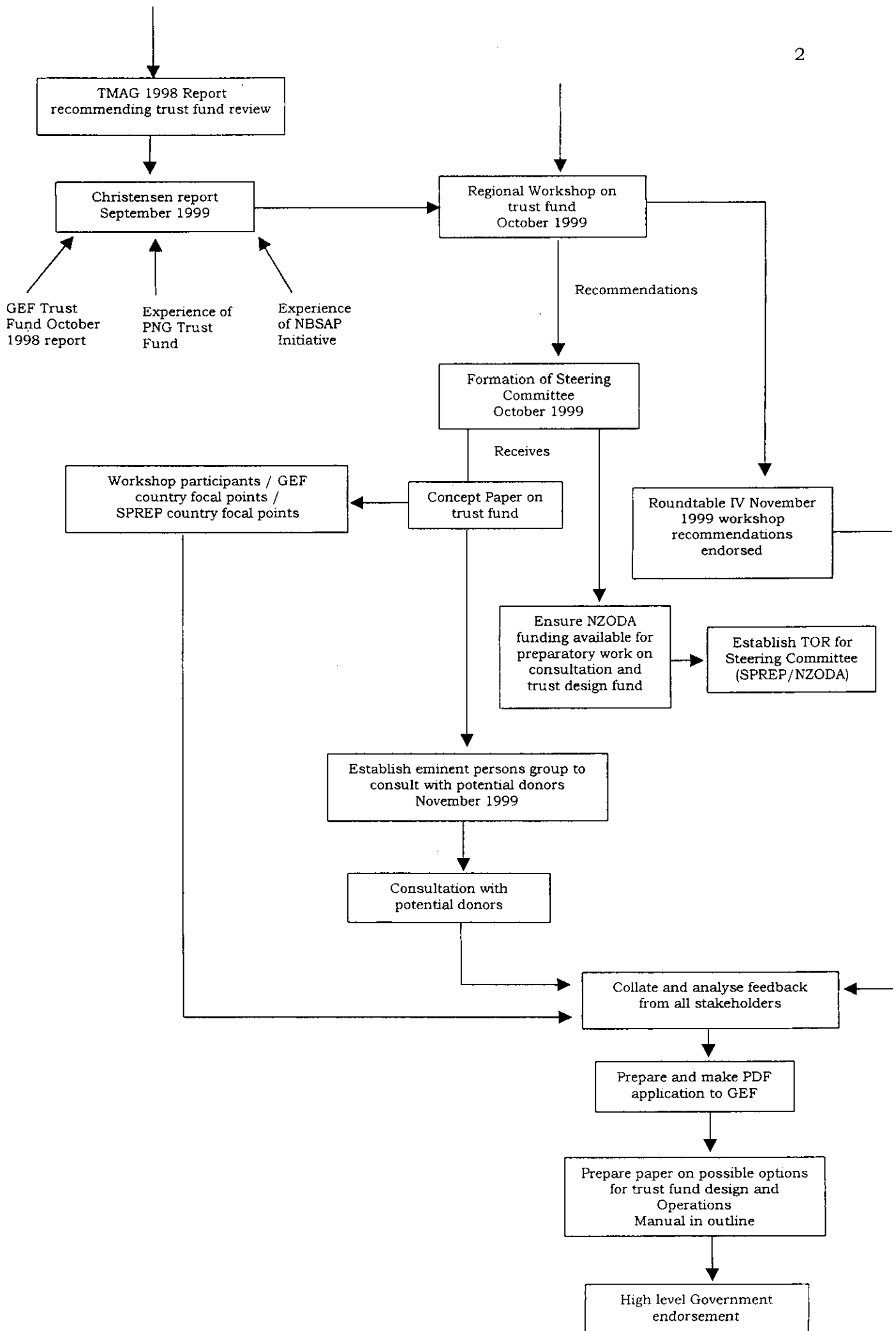
The workshop endorsed the development of a CTF for the Pacific region and made the following recommendations:

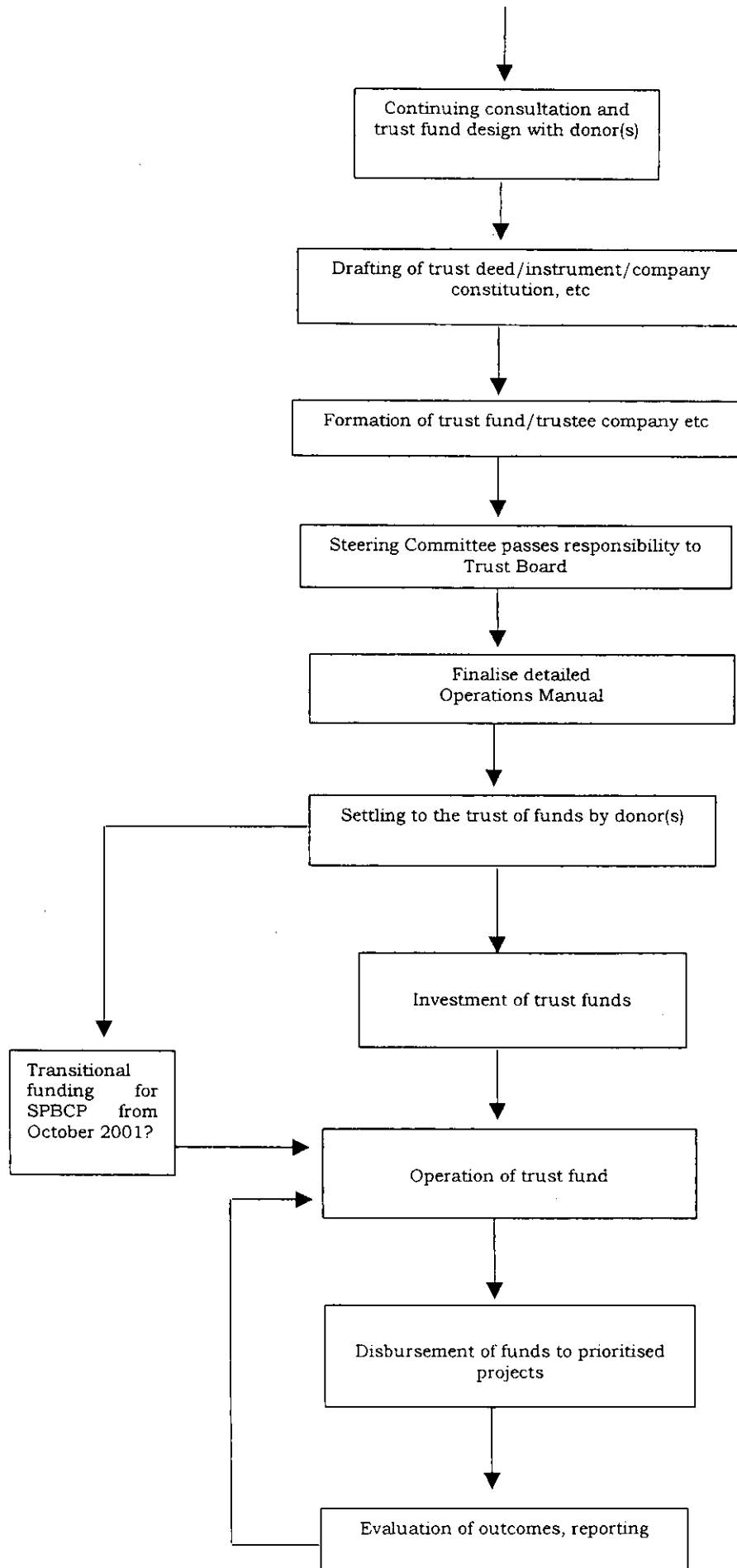
1. That a draft Concept Paper be prepared for discussion and consultation with potential donors and all other stakeholders which incorporates the discussion and recommendations of the workshop. The concept paper should provide a fuller discussion on: (a) the rationale for a regional CTF i.e. why is there a need for a regional CTF beyond national trust funds and the work of SPREP? and (b) meeting GEF and other possible donor funding criteria.

2. That a Steering Committee be established to progress the development of the CTF which comprises the following:
 - (a) Joe Reti (SPREP)
 - (b) Ernest Bani
 - (c) Pati Lin
 - (d) Trevor Ward (TMAG/ University of Western Australia)
 - (e) Wep Kanauri (TNC, PNG)
3. That the Steering Committee call upon such technical and consultancy support as it considers desirable and should confirm the availability of NZODA funding in that regard.
4. That the role of the Steering Committee is to manage the attached process for formulating the design of the trust fund.
5. Subject to Recommendation 6, the CTF should have broad objectives to enable flexibility over the longer term and should recognise the role and mandate of the Action Strategy for Nature Conservation in the Pacific Islands Region 1999-2002 (and any subsequent revisions of that document) and National Biodiversity Strategies and Action Plans.
6. That in designing or making recommendations on the design of the CTF the Steering Committee ensure that the CTF Board is empowered to set priorities for funding and to vary those priorities (in consultation with stakeholders) by way of some form of Operations Manual.
7. That in designing or making recommendations on the design of the CTF the Steering Committee consider the range of types of trust funds (i.e. endowment, sinking, revolving, or some combination), although an endowment fund appears to be most appropriate for the conservation of the Pacific's biodiversity in the long term.
8. That in designing or making recommendations on the design of the CTF the Steering Committee consider mechanisms to enable the type of trust fund to adapt over time.
9. That the Steering Committee investigate the range of options for delivery of the various functions of the CTF and in particular the options for the relationship between the CTF and SPREP. The Steering Committee should make recommendations to the stakeholders on these issues.
10. That in designing or making recommendations on the design of the CTF the Steering Committee should consider the necessity for ensuring the equitable involvement of stakeholders.
11. That the Steering Committee ensure the fullest consultation with stakeholders, including governments, about the design of the CTF.

REGIONAL CONSERVATION TRUST FUND FORMULATION PROCESS







DRAFT MEETING REPORT

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.

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, UNDP, 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.

SUMMARY OF KEY DECISIONS MADE

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 WK.
3. AusAID to second a person if TNC can't release WK.
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:

- Step1 (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.

16 May 2002

Mr. Iosefatu Reti,
Special Advisor to the Director,
SPREP,
P.O. Box 240,
Apia,
Samoa

Dear Joe,

I have been discussing arrangements for the forthcoming Cook Islands Conference with Audrey and was reminded of your call for comments on the Pacific Islands Conservation Trust Fund proposal and request for confirmation of TNC's interest in continued involvement on the Steering Committee. I have canvassed the thoughts of some of my colleagues on the proposal and would like to offer the following comments by way of input to the debate on next steps.

Essentially, TNC remains of the view that a regional trust fund structure alone has very limited scope to support and catalyse conservation in the Pacific, and that we need to be employing a much broader range of sustainable financing mechanisms - including site-based, national, as well as regional mechanisms. I think this was the position we advocated at the Round Table in Wellington and I believe we also expressed similar views at the Honolulu meeting. In this regard I appreciate the opportunity we have been given to give a presentation to the forthcoming Conference on the range of possible options for sustainable financing mechanisms which might be employed in the region, based on our experience in the Pacific and other regions of the world. These include, for example, national conservation trust funds, tourism-based user fees (dive fees, entrance fees, business concession fees, airport taxes, etc.), green taxes which dedicate funding to natural resources management, water use fees which generate funding to conserve watersheds, and many others.

While we do not support a regional trust fund model for disbursement of funds for national-level conservation, we do acknowledge that there may be a role for a regional fund to support coordinated, region-wide action to protect certain conservation targets and to address some regional threats requiring significant multi-country collaboration and regional approaches. Examples include invasive species, live reef fish trade, climate change impacts on coral reef ecosystems, and endangered migratory species.

As you will see from the following comments, TNC firmly believes that where there is donor interest, national rather than regional trust funds are a more appropriate

structure for supporting and catalysing conservation. We think the hybrid Pacific Islands Conservation Trust Fund, as proposed, will neither maximise the potential benefits of a national trust fund, nor be an efficient vehicle for the delivery of funds for conservation. We agree with the authors when they identify the issue for wider discussion as being the “pursuit of national trust funds as opposed to a regionally structured fund linked to national trust in each country”. Based on our experience to date in PNG, Micronesia, and throughout Latin America and the Caribbean, we favour the establishment of independent national trust funds, incorporated outside of government structures, with governing bodies that include both government and non-governmental representatives. Over the past decade, such independent trust funds have proven to be more effective mechanisms for catalysing lasting conservation action in – country, because they entail, from the very beginning, the participation of a broad spectrum of civil society as well as government agencies to discuss and agree on conservation priorities and strategies.

More specifically, we have reservations about the efficiency and feasibility of the proposed Pacific Island Conservation Trust, based principally on its proposed design and financing modalities. With regard to design, we believe the proposed structure would likely be unwieldy and inefficient. The establishment of an Association of Pacific National Conservation Trusts, a central Council, an Advisory Committee and thirteen individual national conservation trust funds, for example, would be enormously time-consuming and expensive. Furthermore, in some countries, for geographic, cultural, political and other reasons, a national-level fund may not make sense. In addition, the proposed structure appears to concentrate critical decision making (funds allocation) in the hands of the central Governing Council. As noted by the authors, there is potential that the Governing Council will “drive” the conservation agenda in the recipient countries and that nationally identified priorities may well be subsumed by decisions made at the regional level, a factor that is of concern to us.

We note the author’s acknowledgement that trust funds are more than mere financing mechanisms, and play a critical national catalytic role supporting and building in-country capacity for conservation. We fully embrace this view of a Trust Fund’s broader role, especially within the Pacific where improved conservation capacity is our greatest need. However, under the Pacific Islands Trust Fund proposal and financing scenario we do not believe the proposed 13 national trust funds will have the resources or internal capacity needed to effectively discharge these important functions. Our experience with trust funds in PNG and Micronesia lead us to believe that the establishment and operating costs of the Pacific Islands Trust Fund structure will be significantly greater than those estimated - both at the regional and local level. The establishment costs of a national trust fund are very high, requiring strong donor commitment over a period of several years. Even if a “boilerplate” approach is adopted, the legal, constitutional, political and social conditions vary in each country and we believe will dictate a multi-year, complicated and expensive establishment process in each of the 13 countries. We know that to operate a national trust fund which has capacity building as a goal costs a minimum of \$150,000 per year and this does not include the costs of a pre-establishment phase of at least 12 to 18 months in best cases, and other factors. This requires significant on-going investment at the national level and we don’t see that addressed in the proposal which only seems to

refer to a two-year project to support the start-up of the Pacific Island Conservation Trust. We also believe that if this investment is to be made it would be better targeted at establishing a limited set of autonomous, independent national trust funds which would have the capacity to raise and manage their own funds, making them more attractive to potential donors

On the issue of donors, I recall that at the Wellington Round Table (and I apologise for not being present at the Honolulu meeting), solid indications of donor support (particularly the GEF, Australia and New Zealand) was identified as critical to the feasibility assessment for the PICT. We believe this is still the case and a realistic evaluation of the degree of donor support which has been forthcoming since that meeting should be an important factor guiding the decision on future directions. Another related issue which was to be addressed is whether significant contributions to the regional fund by key donors such as the GEF, Australia, the EU, France, New Zealand and the US, would preclude support by these agencies for national initiatives. Again, we think this is an important issue which needs to be addressed by both donors and countries before making any move as it has a bearing on the ability of countries to access funding for national conservation priorities which may or may not be linked to support for community based conservation. Finally, on the issue of the expected country contributions to the Regional Fund, we note that the history of payment of levied contributions to regional agencies and programs in the Pacific - and indeed worldwide - has been highly uncertain and we do not believe this constitutes a predictable income source.

Joe, I think we all share a vision of one day achieving financial sustainability for effective conservation programs across the Pacific. I hope these comments will be useful in stimulating discussion of these critical issues at the forthcoming meeting of the PICT Steering Committee. After 6 years of debate, we certainly appreciate the need for the Pacific Island country and NGO delegates to work through these issues and to bring down a definitive recommendation. With your consent, I would like to attend the Steering Committee meeting, along with Egide Cantin our CTF Technical Advisor and Sheldon Cohen from TNC's Conservation Financing Division. TNC stands ready to assist these discussions as appropriate, and to support conservation finance efforts in the future.

With kind regards,

Peter Thomas
Director,
Pacific Island Countries Operating Unit
The Nature Conservancy