



PACIFIC ISLANDS TRUST FUND FOR NATURE CONSERVATION

AN OVERVIEW

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1. PACIFIC ISLANDS BIODIVERSITY RESOURCES AT RISK

The Pacific Islands' biodiversity is unique. Over 50 per cent of the region's terrestrial plant species are found nowhere else on earth. The terrestrial animals include rich arrays of birds, reptiles, land snails and insects. Its national and international waters include the world's most extensive and diverse reefs, the largest tuna fishery, the deepest oceanic trenches and significant remaining populations of many globally threatened species including whales, turtles, dugongs and saltwater crocodiles.

At the same time, however, the region has more endangered and threatened species per head of population than anywhere else on earth. About half of the region's total biodiversity may be at risk.

Threats to the region's rich biodiversity continue to increase through habitat destruction from mining, logging, and coastal degradation; over-harvesting of fish and wildlife; invasive species; and pollution.

While SPREP member countries have and are developing reasonably sound environment policies and strategies, those policies and strategies are mostly the domain of Governments. At the same time, there is a growing group of caring national NGOs, international NGOs, and multilateral and bilateral organisations which are looking for new and innovative ways of conserving the remaining biodiversity in SPREP countries, and promoting alternative economic activities which are environmentally friendly and more sustainable.

Most of these initiatives and strategies need, however, to be supported by a long term reliable funding mechanism or source such as a trust fund within the region. The regional trust fund if established and managed properly could become an extremely powerful conservation tool which could promote more conservation policy cohesiveness and tangible practical assistance amongst the island countries.

The trust fund will not be a replacement for traditional conservation project funding. Rather, it will be complementary and additional to project funding. Project funding should continue to be sought from an alternative donor or agency where the issue is best addressed by that form of support.

2. WHAT IS A CONSERVATION TRUST FUND?

A conservation trust fund is a funding and capacity building tool. It is 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 a specified purpose. The trustees must only use the money for that specified purpose.

Trust funds have been established in fifty or more countries and have become increasingly important in facilitating the conservation of biodiversity. Trust funds have received enthusiastic support from both governments and NGOs throughout the world as a solution to the problems of insufficient and unreliable financial contributions for conservation programmes.

3. WHY A REGIONAL TRUST FUND?

Conservation of the Pacific islands region's biodiversity requires a long term commitment. There is therefore a need to provide a regular and reliable stream of financial and other support for community-based biodiversity management in the long term.

While there needs to be continued commitment to conservation activities at the national level, there are a number of conservation and sustainable resource management issues of mutual interest and concern which are best addressed in a strategic manner at the regional

level. They include migratory species, threats in the form of invasive species, and the regional prioritisation of efforts under the Convention on Biological Diversity such as intellectual property rights, biosafety and access to genetic resources.

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

The Pacific small island developing states have special needs and face particular difficulties in implementing the Convention on Biological Diversity. While most countries and territories in the region are in the process of developing National Biodiversity Strategies and Action Plans (NBSAPs), resources are urgently needed for the early implementation of the NBSAPs. The regional trust fund provides a mechanism for addressing the national actions identified in NBSAPs as well as the administrative and procedural efficiency in delivering donor assistance to activities in those countries and territories.

The regional trust fund would co-exist with, and complement, national or sub-national trust funds. One of the possible objectives of the regional fund could be to assist in mobilising resources for long-term and sustainable funding of conservation across the region, including national and sub-national funds.

4. WHAT WILL THE MISSION AND OBJECTIVES OF THE REGIONAL TRUST FUND BE?

The suggested overall mission of the regional trust fund is to provide long term support for biodiversity conservation and sustainable resource management by Pacific island people. In doing so the trust fund should be designed to support effective activities that:

- Build capacity in adopting and incorporating into ongoing national conservation programmes (mainstreaming), successful community based approaches to biodiversity conservation and sustainable resource management.
- Support and facilitate innovative approaches to biodiversity conservation and sustainable resource management.
- Fostering partnerships, co-operation and co-ordination in addressing transboundary biodiversity conservation issues of mutual concern.
- Leverage resources to support implementation gaps within the region.
- Support the development of new financial and institutional mechanisms appropriate in the region, such as national trust funds to implement NBSAPs or their equivalent.
- Provide long-term support for the conservation of globally significant biodiversity in a regional network of conservation areas.

5. WHERE HAS THE REGIONAL TRUST FUND IDEA COME FROM?

Pacific island governments, non-governmental agencies and regional and international agencies active in nature conservation in the Pacific Islands region have called for the establishment of a regional trust fund for nature conservation. At the Sixth Pacific Islands Conference on Nature Conservation and Protected Areas in 1997, formal approval was granted to the SPREP Secretariat by member countries to develop plans in earnest to establish a regional trust fund.

The Action Strategy for Nature Conservation in the Pacific Islands Region 1999-2002 identifies the establishment of a regional trust fund as a critical mechanism to secure long

long term support for conservation priorities in the Pacific Islands region from multilateral and bilateral donors (Objective 6).

Since the 1997 conference, SPREP through the South Pacific Biodiversity Conservation Programme (SPBCP) has commissioned a number of reports which consider the need for a regional fund, and which examine a range of legal and design issues that will need to be addressed in establishing such a fund.

In October 1999 a regional trust fund workshop held in Samoa unanimously resolved that a Steering Committee comprising several knowledgeable and experienced stakeholders be established. The Steering Committee was charged with the responsibility of completing a feasibility study on the fund's establishment, 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, Tuvalu), the GEF NGO Focal Point for the Pacific (SANGO), a technical advisor on biodiversity conservation, and an international NGO.

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). A response from UNDP is expected shortly.

The figure on the last page shows the stage to which the trust fund development has reached.

6. THE PROCESS FROM HERE

Following UNDP endorsement of the concept, an application will be made to GEF for a grant (known as a PDF Block B grant) that will enable the design of the trust fund to be actioned in consultation with all stakeholders.

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

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

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

7. HOW MUCH MONEY WILL BE REQUIRED?

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

In order to operate the trust fund successfully, there needs to be sufficient income from the money invested in the fund to allow a meaningful conservation programme. What can be achieved will depend upon the focus of the fund, but because of the number of countries involved and the range of necessary actions it is likely that a fund of at least US\$50 million will be needed.

8. WHAT ARE THE IMPLICATIONS FOR GOVERNMENTS?

Substantial resources will be required to fund the completion of the feasibility study, commence initial consultations and design work, and approach possible donors. In order to obtain funding from GEF it will be necessary to demonstrate both government and other stakeholder support for the development of the trust fund. This support may be in the form of either financial contributions or contributions in kind. In this respect, countries may need to plan a possible pledge towards the fund in their annual plans.

The regional fund is likely to be governed by a regional or stakeholder board with its members possibly drawn from SPREP member countries, donors, NGOs, and transnational corporations. The board of trustees would have wide ranging fiduciary responsibilities to raise capital, manage the fund's assets, preserve endowed capital, develop investment guidelines, hire asset managers, etc. One of the more sensitive roles of the board will be the overseeing of grant-making programmes.



