

FUNDRAISING AND RESOURCE MOBILIZATION STRATEGIES

1. INTRODUCTION

The Eastern Arc Mountain Conservation Endowment Fund (EAMCEF) is a permanent and long term funding mechanism that was created so that it can provide sufficient and reliable funding for effective conservation of the Eastern Arc Mountains in Tanzania. Effective from year 2006 EAMCEF provides the conservation finance to priority sites through project grants to feasible projects that are implemented by conservation partners. Issuing of project grants on a continuing basis requires a stable and reliable flow of sufficient funds to EAMCEF. In its efforts to secure the necessary funds EAMCEF undertakes various fundraising and resource mobilization strategies at various levels.

2. FUNDRAISING AND RESOURCE MOBILIZATION

Principal fundraising and resource mobilization strategies that EAMCEF have embarked on include the following;

2.1 Capital Investment

- (a) Early investment of the initial capital with a reputable Asset Manager – US\$ 7.0 mil invested in December 2006, one year before the timeframe agreed earlier.
 - (b) Re-investment of all the returns on the invested capital – done immediately following actual investment and will continue so all the time the necessary funds for operations and project activities would be secured from other sources.
 - (c) Extension of the re-investment period for the earnings to allow for more capital accumulation – initial re-investment period was December 2006 to December 2007 but later extended to December 2009 following the extension of the closing date of TFCMP.
- Whereas the investment reached a total asset value of US\$ 7,657,000.00 in September 2007, the trend changed dramatically in the period that followed.
 - Following a persistent volatility in the world economy and international financial markets, the EAMCEF investment had been adversely affected during the past period, dropping to a total asset value of US\$ 5,849,400.00 by the end of December 2008. However, the investment had started to recover and increased to ca. US\$ 6,540,250.00 by the end of June 2009.

2.2 Wise Use of Available Resources

Out of the US\$ 2.0 mil in IDA resources initially allocated to EAMCEF under TFCMP, EAMCEF had only used about half the amount by the time the Project was only one year towards the original closing date. The re-structuring/extension of TFCMP also carried a re-allocation of resources to some project components whereby EAMCEF got a new budget allocation of US\$ 2,224,890 for the period July 2007 – December 2009.

2.3 Other Strategies for Raising Funds

(a) Leveraging Investments

(i) *Contributing into the endowment capital*

Contributing into the endowment capital is one of the avenues open to donors with interest to enhance the capital base of EAMCEF.

- ❖ Earlier attempts with the Conservation International/Global Conservation Fund (CI/GCF) did not yield positive results in 2005 and 2006.
- ❖ Efforts to seek support through the Norwegian Government sponsored MNRT/Natural Resources Management Programme in 2007 did not as well go through.
- ❖ A project proposal to seek a German support under its climate change initiative was last year submitted through UNDP comprising two components;
 - support to the Endowment Fund, and
 - support to the Nature Reserves Programme under the FBD

Unfortunately the support to the Endowment Fund component was not approved.

- ❖ New attempts have been initiated and are ongoing well to establish partnership arrangements for fundraising and capital investment with the Conservation International/Critical Ecosystem Partnership Fund (CI/CEPF) and Unilever plc.

(ii) *Funding of Operations and Programme Activities*

- Donors not interested in putting their monies into the endowment can support EAMCEF through direct funding of its operations and/or programme activities.
- This is one of the options normally presented during discussions with potential donors and colleagues.
 - ✓ Getting direct support for operations and field projects would reduce the need and amount for EAMCEF withdrawals from its investment thereby increase its rate of re-investment of the earned income as well as enhance its capital base.
- Discussion to get financial support from the Royal Government of Norway under its climate change mechanisms (REDD) in Tanzania had been initiated and is going on well.

(iii) *Co-financing and Resource Leveraging*

- The existing policy framework allows EAMCEF to partner with other donors in joint project funding, providing operational costs for field projects funded by others or receiving operational budgets from interested donors for some agreed projects that EAMCEF funds in the field.
- Examples of the partnership arrangements so far secured include the Government support in IDA resources for the start up funds (more than US\$ 3.20 mil), provision of office accommodation for EAMCEF by the Government and District Councils, joint establishment, maintenance and operation of the Website and the Internet Facility with the UNDP/GEF – CMEAMF Project, etc.

(b) Other Enabling Arrangements

(i) Tax-Exemption Status

- EAMCEF is registered as a charitable organization both in Tanzania and in the United States of America.
- It therefore enjoys non payment of VAT in all major procurements in Tanzania.
- Current EAMCEF investments in the USA are tax free and EAMCEF can receive donations from US-based organizations without taxation.
- The tax-exemption status makes EAMCEF more attractive for donations from US-based Foundations.

(ii) Partnerships and Networking

- EAMCEF has managed to establish contacts and networking arrangements with various partners nationally and internationally.
- The partnership arrangements are very important for information dissemination, sharing of experience, knowledge and increasing the level and extent of outreach.
- National partners here include the FBD/MNRT, TAFORI, SUA, UDSM, MU, WWF-TPO, WCST, TFCG, CARE International, UNDP, target Regional Secretariats, priority District Councils and other beneficiaries of EAMCEF grants.
- International contacts include CI/CEPF, CGF, WB, WWF-EARPO, ICRAF, ICIPE, Birdlife International, RedLAC (Network of Environmental Funds in Latin America and the Carribeans), Katoomba Group (Network of Champions of Payment for Environmental Services), among others.
- Regional partners include the Bwindi Conservation Trust in Uganda, Mulanje Conservation Trust in Malawi and the Table Mountain Trust in South Africa.

(iii) Publicity and Outreach Activities

- EAMCEF continues to market and publicize itself through various means and fora in order to communicate its impressive standing and the rationale that would help to attract more support from various sources.
- The publicity and outreach programme is undertaken through participation into local and international meetings, the local media (Newspapers, Radio, and Television), study tours and the EAMCEF Website.

3. ONGOING FUNDRAISING AND RESOURCE MOBILIZATION STRATEGIES

To continue its efforts to raise more resources EAMCEF is currently pursuing six major strategies namely;

- Investment of the endowment capital.
- Operationalizing a Joint Fundraising Strategy with CEPF;
- Attracting a capital investment by Unilever plc.
- Attracting financial support from the Royal Government of Norway.
- Asking for an extension of the Government support.
- Recruitment of long-term fundraisers.

3.1 INVESTMENT OF THE ENDOWMENT CAPITAL

EAMCEF invested the initial endowment capital of US\$ 7.0 mil provided by GEF with the selected Investment Management Consultant/Asset Managers effectively in December 2006. In a span of ten months, the invested capital increased to US\$ 7,657,000 or to a net income of US\$ 657,000 between December 2006 and September 2007. Following a persistent volatility in the world economy and financial markets, the investment had been adversely affected during the past period, dropping to a total asset value of US\$ 5,849,400 by the end of December 2008.

Investment specialists and economic analysts equate the current turmoil in the world economy to an economic recession last observed in 1930 and normally, the situation is not abnormal in at least every 30 years in passing. The current recession is expected to continue in most of 2009 with some repair starting to emerge at the beginning of the year. The economic recovery observed during the first six months had brought back the investment to a total asset value of US\$ 6,540,250.00 by the end of June this year. The period of economic gain is expected to come back in full swing in 2010.

3.2 EAMCEF/CEPF JOINT FUNDRAISING STRATEGY

For the last five years, 2003-2008, the Critical Ecosystem Partnership Fund (CEPF) dedicated its investments totalling US\$ 7.0 mil to the Eastern Arc Mountains and Coastal Forests in both Tanzania and Kenya mostly in the form of community based conservation and biodiversity research projects. With a long term view and in a spirit to sustain the conservation effects attained through the CEPF investments in the region, serious discussions were held among key stakeholders on a manner to chart out a best way forward.

From the discussions, a need to avoid competition and duplication in soliciting conservation finance between CEPF and EAMCEF was evidently seen. It was appreciated that approaching donors as one team for both the Eastern Arc Mountains and Coastal Forests of Tanzania carried more merits in attracting the required resources for long term effective conservation of the two ecosystems. It was then agreed that, the EAMCEF, by being a permanent funding mechanism in the region, was well suited to be a point of destination for all the conservation finance that would be raised for the two ecosystems under a joint fundraising strategy that would be developed between EAMCEF and CEPF. Both CEPF and EAMCEF agreed to fund at a tune of US\$ 75,000 each a consultancy assignment that would help to develop an integrated fundraising strategy for which EAMCEF had agreed earlier to include the coastal forests of Tanzania in its geographic focus.

In order to secure the CEPF contribution a project document was developed and approved for funding. In order to be able to operationalize the joint fundraising strategy work, Terms of Reference for the consultants (fundraisers) was developed and approved by the CEPF. The World Wide Fund for Nature – Eastern African Regional Programme Office (WWF-EARPO) was selected to lead and coordinate the process on behalf of the CEPF Coordination Unit. This was followed by the identification of potential consultants/fundraisers that would be given the assignment. On its part, EAMCEF set aside in its FY 2008/2009 Budget, a total of US\$ 75,000 for the joint effort as earlier agreed. However, the operationalization of the consultancy has been put on hold following the non-availability of the EAMCEF contribution due to the fact that the designated funds from the WB/TFCMP was re-allocated to other urgent issues following a prolonged delay on its use. The prolonged delay was necessitated by a need to rework the TOR and the procurement process of the consultants due to non-availability and declination by the experts earlier identified. Plans are underway to revamp the fundraising strategy once the required funds will be secured from other sources.

3.3 EAMCEF COLLABORATION WITH UNILEVER PLC

Since May 2008 up to now, discussions had been going on between the EAMCEF and Unilever to explore possibilities that would enable Unilever to place its capital sum of European Euros 250,000 (ca. US\$ 385,000) into the EAMCEF investment in a manner that the Unilever capital sum would be legally distinguished and that the proceeds thereof would be exclusively used for conservation activities of the Unilever managed Eastern Arc Mountain forests in Mufindi District.

Taking cognizance of the ideas emerged during the last two BOT Meetings, inputs from the World Bank, the Investment Management Consultant and follow on discussions with Unilever and other stakeholders, the EFS then managed to undertake the following during the interim period;

- Made a field visit to Mufindi to have a hands on assessment of the target forests.
- Sent some important information required by Unilever for the due diligence exercise and received some Unilever information necessary for the due diligence on the EAMCEF side.
- Developed a new version of a Memorandum of Understanding (MOU) that is more broad and more inclusive, taking on board all the concerns and interests of EAMCEF. The new MOU was then presented to Unilever who provided further comments that were used to produce a final draft MOU that is now ready for actual signing.

3.4 FINANCIAL SUPPORT BY THE ROYAL NORWEGIAN GOVERNMENT

Serious discussion had been initiated and is currently ongoing well with the Royal Norwegian Embassy in Dar-es-Salaam whereby the following are among the activities already undertaken;

- A joint meeting between the EAMCEF Secretariat and the Royal Norwegian Embassy was held in Dar-es-Salaam on 23/02/2009 whereby it was agreed that the Royal Norwegian Government can extend its financial support under its climate change mechanism (REDD) in Tanzania only through funding EAMCEF operations and field projects as the current Norwegian policy does not allow for Norwegian funds to be invested into an endowment.
- A joint project proposal (Concept Note) between EAMCEF and the University of Stellenbosch-South Africa had been prepared and submitted to the REDD Task Force for consideration under the title “Eastern Arc Mountains REDD Demonstration Initiative”
- A Concept Note seeking for a possibility of EAMCEF becoming the “institutional manager” for a REDD Funding Facility for NGOs in Tanzania was prepared and submitted to the RNE for consideration.
- A Concept Note seeking financial support for EAMCEF operations and programme activities had also been prepared and submitted to the RNE for consideration.

3.5 EXTENSION OF THE GOVERNMENT SUPPORT TO THE EAMCEF

- A formal request had been presented to the Permanent Secretary-Ministry of Natural Resources and Tourism seeking into the possibility of the Government of Tanzania extending its financial support to EAMCEF for another four years.
- A request for extension of the WB/TFCMP support beyond December 2009 through an open window or upfront funding for EAMCEF was presented during the last Supervision Mission in June 2009 whereby it was resolved that the TFCMP should be completely closed by the end of December 2009 as earlier planned.

3.6 RECRUITMENT OF LONG-TERM FUNDRAISERS

- Plans are already underway to see into the possibility of recruiting professional fundraisers who could be engaged on a long term basis to raise funds for EAMCEF.

4. CONCLUSION

In order to continue with the necessary fundraising and resource mobilization efforts, it is very crucial for the EAMCEF key partners to support the carrying further forward of the ongoing strategies and at the same time explore new opportunities under the Eastern Arc Mountains stakeholders full support and effective participation.