



**EASTERN ARC MOUNTAINS CONSERVATION ENDOWMENT FUND
(EAMCEF)**

MFUKO WA HIFADHI YA MILIMA YA TAO LA MASHARIKI

FUNDRAISING STRATEGY FRAMEWORK

Eastern Arc Mountains Conservation Endowment Fund (EAMCEF)

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List of Abbreviations and Acronyms

BOT	-	Board of Trustees
CEPF	-	Critical Ecosystem Partnership Fund
EAMCEF	-	Eastern Arc Mountains Conservation Endowment Fund
ED	-	Executive Director
EFS	-	Endowment Fund Secretariat
GCF	-	Global Conservation Fund
GEF	-	Global Environment Facility
GOT	-	Government of Tanzania
HIPC	-	Highly Indebted Poor Countries
IRS	-	Internal Revenue Services
LAC	-	Local Advisory Committee
NGO	-	Non-Governmental Organisation
TFCMP	-	Tanzania Forest Conservation and Management Project
US	-	United States
WB	-	World Bank

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Preface.

The Eastern Arc Mountains Conservation Endowment Fund (EAMCEF) is a Trust Fund institution that has been established as a funding mechanism to support conservation efforts in the Eastern Arc Mountains of Tanzania. The main intention of the Trust Fund is to address the need for a long-term sustainable approach to funding the conservation of forest biodiversity in the important ecosystem.

Governed by the Board of Trustees (BOT), the Fund operates as a Not-for-Profit Non-Governmental Organisation (NGO). Initially EAMCEF uses money from Government of Tanzania/World Bank to finance activities and operations of its first phase, the establishment phase. The second phase which is the implementation phase, will mainly use incomes from the endowment capital secured from the GEF commitment of US \$ 7.0 million.

Having a long term focused fundraising strategy is a long term lifeblood task for the institution's sustainability. The obligation has necessitates development of a long term investment policy which parts well with this Fundraising Framework document.

The EAMCEF Fundraising Framework has been developed strategically to accommodate policy and implementation issues pertaining fundraising, partnerships, innovative funding and implementation approaches. The framework is organized in five main sections:-

- (i). Section one gives out a brief background of the institution, its policy framework and a brief charts out on the Fundraising Strategy process.
- (ii). Section two depicts on the investment strategy that will maximize returns within a secure capital, its management and operational modalities.
- (iii). Section three, analytically shows how other strategies for raising fund and revenue generation can contribute to EAMCEF as approach for leveraging investments.
- (iv). Section four gives out a highlight on the implementation approaches through diverse range of opportunities while
- (v). Section five provides a conclusive summary of the framework and future plans in the course of its implementation.

The production of this Fundraising Framework has been possible through the joint efforts of members of the Board of Trustees, the Endowment Fund Secretariat and the World Bank Task Team Leader (Ms. Nathalie Johnson). Mr. Ray Victurine of the Wildlife Conservation Society (WCS) – USA provided an immense technical and professional support throughout the development process of the document. We sincerely thank everybody for the invaluable contribution.

Francis B.N. Sabuni
EXECUTIVE DIRECTOR

Morogoro – Tanzania, June 2005.

Fundraising Framework for the Eastern Arc Mountains Conservation Endowment Fund

1. BACKGROUND

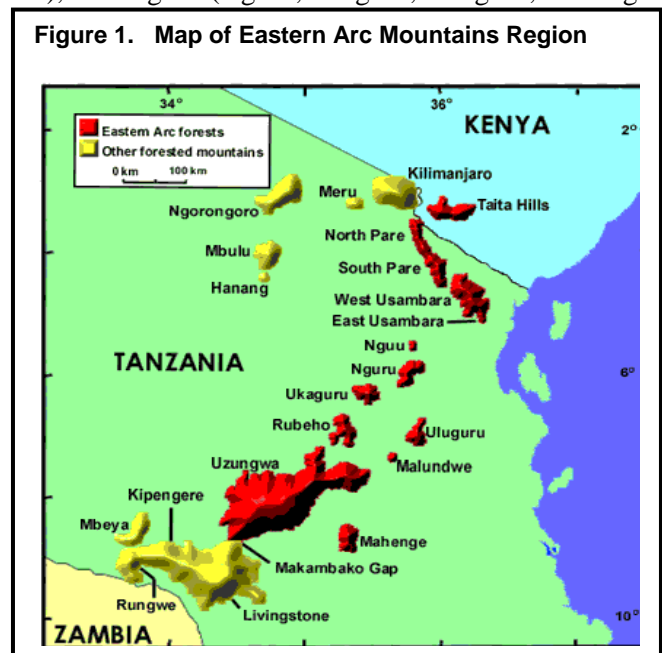
1.1 INTRODUCTION

The Eastern Arc Mountains Conservation Endowment Fund (EAMCEF) is a Trust Fund in Tanzania established as a mechanism to provide long-term reliable support for community development and conservation projects, and applied research activities, which promote the biological diversity, ecological functions and sustainable use of the natural resources in the Eastern Arc Mountains of Tanzania. Major Mountain blocks of the Eastern Arc spread over fourteen districts in five regions of Tanzania namely, Tanga (East and West Usambara, and Nguu Mountains), Kilimanjaro (North and South Pare Mountains), Morogoro (Nguru, Uluguru, Ukaguru, Udzungwa, Malundwe, Mahenge and Rubeho Mountains), Dodoma (Rubeho Mountains) and Iringa (Udzungwa Mountains). The mountain blocks in Tanzania cover a total land area of approximately 5350km².

The Eastern Arc is recognized globally as a significant part of one of the 34 biodiversity hotspots characterized by high concentrations of endemic species currently under great threat. The biodiversity of the Eastern Arc Mountains is of great value locally for mitigating the impacts of rural poverty. Forest and woodland products such as firewood, construction material, medicinal herbs, wild fruits and other food materials account for about 40% of total household consumption in some forest adjacent communities in the Eastern Arc Mountains.

The majority of Tanzanians in the Eastern Arc Mountains region live in rural areas and depend heavily on subsistence agriculture and forestry for their livelihoods. Poverty, illiteracy, population increases, and cultural beliefs of the people lead to enormous pressures that threaten the sustainability of the forest biodiversity of the region. The existing policies and legislative framework that include the Local Government Act of 1982, Land Act No. 4 and Village Land Act No. 5 of 1999 create a favourable environment for stakeholders' involvement in biodiversity conservation and management.

The Eastern Arc Mountains Conservation Endowment Fund is a joint initiative of the Government of the United Republic of Tanzania, the World Bank and the Global Environment Facility (GEF). EAMCEF was officially registered in Tanzania on 6th June, 2001 under the Trustees' Incorporation Ordinance No. 375 of 1956. Governed by a Board of Trustees (BOT), the Fund operates as a Not-for-Profit Non-Governmental Organization (NGO) with its day-to-day operations being run by the Endowment Fund Secretariat (EFS) based in Morogoro and headed by an Executive Director (ED). EAMCEF came about as a result of reforms, which had been taking place in Tanzania over the past twenty years. The National Forest Policy (1998), which emphasizes biodiversity conservation through multidisciplinary approaches by multiple stakeholders as well as the Trustees' Incorporation Ordinance provide strong political and legal support for EAMCEF activities



Currently EAMCEF operates as a component of a larger World Bank financed project under the Ministry of Natural Resources and Tourism – the Tanzania Forest Conservation and Management Project (TFCMP). EAMCEF has received a \$2 million IDA credit under this project to cover operational costs and finance grants for a period of five years. This project funding will end in June 2008, at which time EAMCEF will use income derived from its investments to finance its operations and provide grants to eligible projects in the region.

Funding of field activities will be in three priority thematic areas namely,

- Community based development and conservation activities for improvement of rural livelihoods of forest adjacent communities.
- Applied biodiversity research relevant to the conservation of biodiversity in the priority Eastern Arc Mountains.
- Forest reserve and protected areas management to improve the ecological functions of the ecosystem and to strengthen the management capabilities of the responsible institutions.

The long-term financial sustainability of EAMCEF largely depends on its income, which will be generated from investment of the endowment capital provided by the GEF. The Global Environment Facility (GEF) has made a commitment totaling US\$7 million that will be released for investment off-shore by EAMCEF once the organization meets agreed benchmarks and indicators. EAMCEF is now close to meeting those established benchmarks and hopes to complete the process by the end of 2005. Out of the nine established benchmarks the following have been achieved:

- Establishment of an effective and functioning Endowment Fund Secretariat;
- Finalization, adoption and implementation of the EAMCEF's Financial, Operations and Management Manual;
- Establishment and effective functioning of the Board of Trustees;
- Establishment and effective functioning of at least one (1) Local Advisory Committee (LAC);
- Adherence to the Principles of the Trust Deed; and
- Receipt of co-financing for EAMCEF activities.

Meeting the three remaining benchmarks represents a priority for EAMCEF during 2005. These are:

- Development and launching of the Fundraising Strategy;
- Issuance of grants for field activities; and
- Identification and selection of the Asset Manager for the GEF Endowment Capital.

1.2. POLICY FRAMEWORK

1.2.1 Motto

The EAMCEF's Motto is "Conserving Biodiversity for Sustainable Development"

1.2.2 Vision

A Conservation Fund sufficiently endowed to provide the financial resources necessary to ensure effective, long-term conservation and management of forest biodiversity in the Eastern Arc Mountains of Tanzania.

1.2.3 Mission

Catalyze resources to foster conservation of forest biodiversity in the Eastern Arc Mountains of Tanzania through investment in sustainable community development, sustained financing for protected areas management and financial support to applied research.

1.2.4 Aims and Objectives

1. To promote the protection of biological diversity in the Eastern Arc Mountains, targeting priority areas of significant diversity.
2. To promote the involvement of the local communities in the conservation and sustainable management of the natural resources and bio-diversity of the Eastern Arc Mountains and to assist them in benefiting from such conservation and sustainable management.
3. To ensure benefits, whether financial, technical or material arising from the Fund's activities, pass to local communities in its areas of operation.
4. To provide long-term reliable support for projects and research which promote the conservation of biological diversity and sustainable use of natural resources in the Eastern Arc Mountains and contribute to the promotion of the economic and social welfare of the communities in the region.
5. To promote the collection and dissemination of information and advice concerning the Eastern Arc Mountains and their global conservation value.
6. To engage in fund-raising activities to obtain resources that shall finance the objectives of the Trust.
7. To enter into covenants or agreements, including but not limited to; joint management agreements, leases; and licenses with other identified stakeholders, including: local communities, central and local governments, the business community, private sector and individuals, over any land and immovable property as may have been acquired by the Fund, PROVIDED ALWAYS that such agreements are in the long-term interests of conservation.
8. To provide liaison between government agencies, civil society and the private sector in conservation and environment matters.
9. As an insubstantial part of the activities of the Trust and only to extent permitted by a charity organization, to advocate for policies, regulations and laws that are designed to promote sustainable development and conservation.
10. To co-operate with any person or organization with objectives similar to those of the Fund.

1.3 FUNDRAISING STRATEGY

This framework lays out the initial fundraising and revenue generation strategy for EAMCEF. It charts out the major avenues that the organization will explore to increase and diversify its sources of funding, leverage its resources to increase funding for projects in those regions identified as priority, and increase its outreach to foundations and other donors. This financing framework establishes the priorities for fundraising over the next several years, but does not establish any particular targets at this time. However, estimates place annual EAMCEF funding needs between \$600,000 and \$1 million. This would require an endowment capital of between \$12 and \$20 million, more than doubling the amount provided by GEF. Also, EAMCEF can use a combination of endowment and sinking funds to increase the fund's income and project financing capability.

The following sections describe the various components of this initial fundraising framework. EAMCEF will begin implementing this strategy immediately. The strategies outlined in this framework and adopted by EAMCEF will satisfy the fundraising benchmark and will prepare the organization to receive and effectively utilize the GEF endowment contribution. Other specific funding initiatives may be identified during the process to develop a new strategic plan and business plan during 2005.

2. INVESTMENT POLICY

EAMCEF's secure source of funds will derive from the income earned on its capital investments. The organization's future sustainability depends on effective financial management of the endowment capital and then reinvesting those funds to increase the total capital available. EAMCEF will need to ensure the following:

- Development of an investment strategy that will maximize returns within a secure portfolio. EAMCEF should enjoy an average net return of 5% on its investments. EAMCEF will provide the chosen asset manager with the necessary information to enable them to develop the investment strategies which will in turn be approved by both the EAMCEF and the World Bank.
- Selection of a competent asset manager who will look after the interests of EAMCEF. The asset manager will be selected through a competitive process.. This will also satisfy one of the final benchmarks.
- Investment of the endowment capital as soon as it is received. By the time GEF makes the funds available EAMCEF should have everything in place to allow the funds to be sent immediately to the asset manager. During the time between the original investment and the completion of the World Bank/ TFCMP initiative, EAMCEF will reinvest 100% of the income earned from the investments in order to increase its total asset base. In that period all operational costs and grant funding will be provided through the funds available from the existing IDA credit.

Reinvestment of income from the capital investment is an important way to increase overall revenue, assuming, of course, that the selected investment portfolio grows. Let's assume that the investment will enjoy a minimum net return of 5% per year and that EAMCEF invests the \$7.0 million at the end of calendar year 2005. By the end of 2006 the capital would grow to at least \$7.35 million, and to over \$8 million by the end of 2008. The capital could increase even more, depending on the rate of return and the final project completion date of the TFCMP. Extension of the project, funds permitting, would provide EAMCEF with an opportunity to continue its 100% reinvestment policy until IDA funds are exhausted, as would the securing of additional sources of donor funds during the period when IDA funds are still flowing to EAMCEF. However to be able to reap maximum benefits of this capital accumulation, EAMCEF needs to realize its benchmarks and invest the capital provided by the GEF with a competent asset manager sometime prior to the end of 2005.

With at least \$8.5 million by the end of 2009 and an average net return of 5%, EAMCEF would have an annual operating and grant budget of approximately \$405,000. By setting this amount as its spending rule (5% of earnings being the maximum amount of drawdown or income used each year), EAMCEF would be able to continue to invest the income earned beyond what is needed for spending needs when returns are higher than 5% and compensate for those years when returns fall below that benchmark. The spending rule could be adjusted by the Board to reflect changing needs and demands, as long as the rule does not result in a consistent loss of capital. For that reason, setting a relatively conservative net return – an amount that a competent asset manager can more or less guarantee – makes financial sense. If the Board is able to maintain its spending rule (e.g. maximum 5% of returns), and the asset manager is successful in exceeding the conservative spending rule benchmark, the potential to reinvest funds earned as a result of higher returns increases. The Board and Secretariat need to establish a realistic operating cost targets to be able to maximize the funds available for grants in its priority areas of operation and stay within spending rule parameters.

3. OTHER STRATEGIES FOR RAISING FUNDS AND GENERATING REVENUE

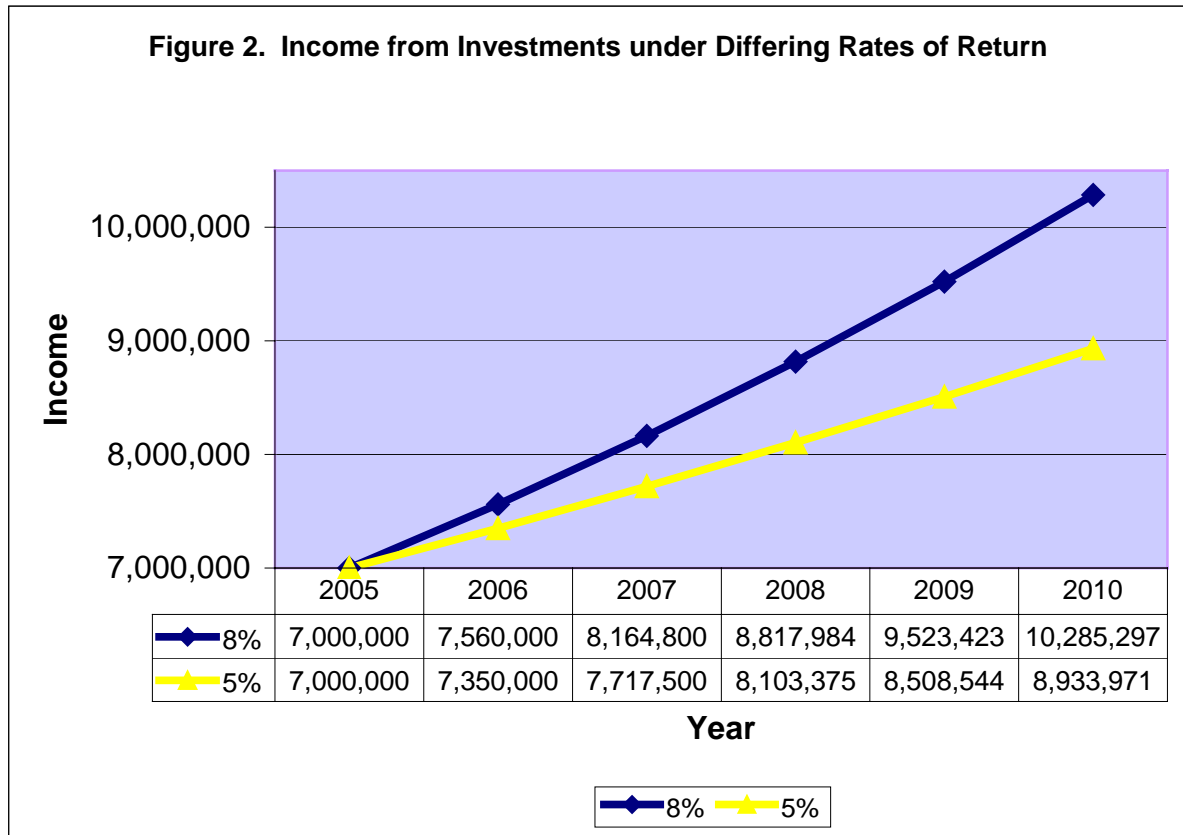
The management of investments is not the only way that the Trust will attract funds to support its mission. EAMCEF will have a significant cash flow that it can invest annually in conservation in the Eastern Arc Mountains – in perpetuity. This means that, it can and will play a very important conservation role in the region. Its resources, along with its long-term commitment to the region, open possibilities for partnerships and collaboration as well as opportunities to leverage its capital and increase the amount of funding it can direct to programs and projects.

3.1 LEVERAGING INVESTMENTS

EAMCEF, by virtue of its funding base and ability to promote conservation and sustainable use projects in this region of high biodiversity, should prove attractive to a variety of donors interested in conservation and sustainable development in Tanzania. EAMCEF will explore several strategies with donors including the following:

1. ***Attracting endowment capital.*** Ideally EAMCEF can interest donors in increasing its capital base and thereby increase the annual income available for conservation in the region. In exploring these options, EAMCEF will further its contacts with the Conservation International managed Global Conservation Fund (GCF). The GCF is one of the few funding mechanisms that capitalize trust funds. Given that the Eastern Arc Mountains is a biodiversity hotspot and strong CI interest in the region, the potential for EAMCEF to access GCF funds seems positive. Already the Trust has made initial inquiries to the GCF. During 2005 EAMCEF will continue its contacts with GCF to raise money for its endowment. Working with GCF may require that EAMCEF develop a specific strategy that ensures the protection of specific high-priority sites within the Eastern Arc Mountains, including development of the protected area management infrastructure. These issues should be clarified during a GCF visit that is tentatively scheduled for mid-2005.
2. ***Donor financing for operations and grants in lieu of endowment financing.*** EAMCEF needs to market its strategy and program to a variety of bilateral and multilateral donors that currently support projects in Tanzania. Many of these donors either prohibit funding for trust funds or face bureaucratic constraints to supporting trust. Their preference is to provide multi-year grants or sinking funds to support program objectives. In Uganda, for example, the Bwindi Trust discovered that such constraints are not necessarily limiting factors. The Bwindi Trust received grants that covered all its operational and program costs over a period of seven years. During that time, Bwindi reinvested 100% its income and increased the value of the endowment significantly over the original GEF-donated amount.

EAMCEF may find this model useful. In 2006 EAMCEF will begin to approach various donors to provide multi-year support for the organization's grant program and operations. Depending on the level of funding, donor grant support could be tantamount to a contribution to the endowment. For example, if a donor provides 100% of EAMCEF funding needs for a period of three to five years, EAMCEF could use that funding period to reinvest 100% of its income earned from its investments. Depending on returns and the time period, the funding committed to increase the endowment could be significant. Even funding that covered only a portion of EAMCEF's annual budget could be leveraged in such a way to ensure annual allocations to capital. Figure 2 demonstrates how the endowment would increase over time if EAMCEF invested 100% of its income starting in 2006 and carrying through 2010. By using two rates of net return (5% and 8%) one can see the range of possible earnings over time.



There are other possibilities to generate income. If EAMCEF could convince a donor to provide the total amount of a grant in a lump sum at the outset of project implementation, it could earn additional money by investing the portion of the lump sum amount not needed for programs. For example, if a donor offers EAMCEF a five-year \$3 million dollar project, negotiations could result in EAMCEF receiving the entire \$3 million at the outset of the project and authorization to invest the portion not immediately required. By calculating annual cash flow needs and then investing the funds that will be required only in the future, EAMCEF could generate additional investment income that could be added to the endowment. Getting agreement will require donor flexibility as well as early and effective negotiations. However, this approach has been tried successfully in other countries, specifically in Latin America, and has generated significant endowment income for funds in that region.

3. **Leveraging funds to increase impact.** EAMCEF will also explore other sources of funds that may be more restrictive or that may be limited to direct program financing rather than administrative costs. By virtue of having its overhead covered by the endowment, EAMCEF can explore funding that may only be available for program costs, and some limited operational costs. Sources may include bilateral donors or even the Tanzania Government. For any grant, conditions on the use of funds needs to be analyzed, but EAMCEF's ability to fund core operational costs may allow it to capture grant funding that other organizations would have trouble accessing. Again program funds, even if their use is restricted, can be used to offset the use of some of EAMCEF's internal funds, which can be allocated to the endowment on an annual basis throughout the life of any grant received.
4. **Effectively Managing Existing Resources.** It is important to note that EAMCEF currently receives operational and program support from the Tanzania Forest Conservation and Management Project which has allocated \$2 million for support for the EAMCEF. By careful management of these IDA funds, EAMCEF may be able to cover its costs from these funds for a period longer than currently planned (end of 2008). If so, EAMCEF would be able to reinvest its income over a longer time period and have a

larger capital base from which to generate income. In this context, EAMCEF will need to explore several issues:

- a) Obtaining authorization to extend the date for the use of the IDA Credit for EAMCEF programs and project grants. This option may be very important if EAMCEF attracts other donor funds and offsets the use of internal funds.
- b) Finding an alternative plan for the use of unspent IDA funds, if by chance, the extension is not approved. Possible alternatives might include a lump sum grant to EAMCEF, or authorization to allow remaining funds to be added to the endowment. These options would require World Bank authorization.

In exploring these options it is important for EAMCEF to develop realistic budgets that allow it to project its cash flow and funding needs over the next several years. Those cash flow projections need to include realistic estimates of the amounts needed for grants. In so doing, EAMCEF will need to continue its efforts to develop a robust grant program, and not restrict its program investments as a way to increase its capital base. By the end of 2005 EAMCEF should have an operational and effective grant-making program in the Eastern Arc region that is consistent with its mission and objectives. As a result, the rate of expenditure of existing funds will accelerate.

5. ***Tapping into existing initiatives and programs.*** The Government poverty alleviation strategies will make funds available through debt reduction agreements under HIPC. As part of its effort to increase funds, EAMCEF will contact relevant Government officials to explore the feasibility of accessing HIPC funds for its programs in the Eastern Arc Mountains. The EAMCEF focus on sustainable use and increasing incomes in a sustainable manner is consistent with national poverty alleviation goals. The majority of Tanzanians in the Eastern Arc Mountains region live in rural areas and depend heavily on subsistence agriculture and forestry for their livelihoods. Poverty, illiteracy, population increase, and cultural beliefs of the people lead to enormous pressures that threaten the sustainability of the forest biodiversity of the region. The EAMCEF Secretariat will meet with the HIPC program in Dar es Salaam to explain its work and ensure that the government is aware of its goals to promote stakeholder participation in biodiversity conservation and expand opportunities for increased income generation to enhance poverty reduction initiatives in the target areas. By marketing its program as part of the larger HIPC agenda, EAMCEF hopes to become a regular recipient of funding from this program.

3.2 EXPLORING NEW DONORS AND PARTNERSHIPS

Part of the fundraising strategy for EAMCEF will involve increasing contacts with US Foundations and funding organizations in Europe. One of the first steps in creating funding options with US foundations involves registering in the United States as a not-for-profit organization. This requires that EAMCEF obtain what is called 501 (C) 3 status with the US Internal Revenue Service. The process is easy; both the GEF-funded Bwindi and Mulanje Trusts have registered with the IRS and obtained this not-for-profit status. The cost is estimated between \$2,000 and \$3,000 to contract the legal assistance required in the US. EAMCEF will begin this registration process in 2005.

EAMCEF will also begin expanding its contacts with potential funding organizations and foundations in both Europe and the United States. As already mentioned, contact and discussions have already begun with the Global Conservation Fund to determine the feasibility of program funding for conservation initiatives in priority areas in the Eastern Arc. EAMCEF also will explore financing from the Critical Ecosystem Partnership Fund, developing a proposal that meets the funding requirements for that program, if feasible. Contacts with CI should determine whether the Trust can access funds from both CI managed funds.

Starting in late 2005 and 2006 the EAMCEF Secretariat will begin an analysis of institutions and organizations with interest in supporting conservation and sustainable development in Tanzania. Possible funders will be identified through survey of current funding programs in Tanzania and through contacts with international NGOs and conservation partners working in the Eastern Arc Mountains region. Based on the results of that analysis and the funding requirements of the specific institutions, EAMCEF will develop funding proposals consistent with its strategic plan to increase the amount of funding available to invest in the target areas. Some of this funding may substitute for funds that EAMCEF would have spent from its own resources.

EAMCEF will explore developing partnership funding for specific initiatives as another approach for attracting funds to the region. The Trust will seek specific partners to participate in program funding that will ensure greater program impacts. Under this type of scenario, EAMCEF will commit a portion of the project amount and reach agreement with partners to fund the remainder. This approach will not necessarily lead to more money for EAMCEF, but it will increase the overall impact of its programs as well as the base of funding for conservation and sustainable use. Partners may include those from the public, non-governmental, as well as the private sector.

3.3 NEW AND INNOVATIVE FUNDING MECHANISMS

EAMCEF is interested in exploring new and innovative funding mechanisms that would result in achieving greater cash flow while increasing conservation impacts. Several mechanisms will be explored both for their technical feasibility as well as ability to generate income for the organization and projects. EAMCEF will be open to various revenue generating options and will develop those that are most promising as part of its integrated approach to capturing funds that support its mission. The Eastern Arc Mountains of Tanzania is endowed with unique ecosystems that contribute significantly to the economic and social well-being of Tanzanians. However, both the quantity and quality of the services from the ecosystems are under-valued, and in most cases, ignored. By taking advantage of emerging market opportunities both within and outside the country, EAMCEF will adopt the best strategies to tap the revenue generating potential of these services in support of conservation objectives. Some of the ideas that will be analyzed as part of the integrated funding strategy include:

1. Payments for Ecosystem Services. Payments for water and carbon offer potential for generating program resources and studies of the potential for ecosystem service payments should begin in 2006 with project developed sometime during that year. The Eastern Arc Mountain forests form major catchment areas, which collectively provide water for most of the nation's coastal communities accounting for about 25% of Mainland Tanzania's population and most of the major industries in the country. Hydro-electricity energy production in Tanzania is heavily dependant on maintaining the integrity of these forests. About 60% of Tanzania's electricity is generated from water sources originating in the Eastern Arc Mountain forests, e.g. Kidatu and Kihansi hydropower dams. The feasibility of developing compensatory payments from industry and water services to support watershed protection and the role that EAMCEF might play needs to be explored as part of the program's operational plans.

Another potentially important resource is carbon. Given the forest cover, and efforts at reducing deforestation in the region, the potential to develop programs that provide carbon payments (both on-market and off-market) is apparent. Through both its efforts to support reforestation efforts and to invest in effort to prevent further deforestation, EAMCEF projects have the potential to generate carbon credits. Various businesses have shown an interest in purchasing carbon credits for avoided deforestation, for example. Making contact with potential businesses operating in Tanzania may lead to potential purchasers of carbon. In addition, reforestation projects are eligible under Kyoto, and various funding sources exist, including those such as the World Bank's Biocarbon Fund.

EAMCEF will need to keep abreast of such opportunities and work with partners to attract that support its mission and rely on the regions' resource base and the economic importance for its conservation.

2. Investments. In some circumstances EAMCEF may find it advantageous or necessary to make investments that will lead to income flows. For example, EAMCEF may find it beneficial to invest in an ecotourism venture with a community or private sector investor. By investing, EAMCEF could become part owner of the enterprise and would earn part of the profits. Investing in high quality, “green” businesses will benefit the region economically; help support conservation; and provide an additional source of return on EAMCEF capital. The number of potential investments is likely to be small, but EAMCEF can seek out opportunities that make economic, social and environmental sense and which provide a positive cash flow.

EAMCEF may consider some investments in property, for example. By expanding the size of its office, for example, EAMCEF would be able to rent out additional space and capture income on a monthly basis. Including a conference centre in the design could generate additional income from user fee charges.

For any investment, EAMCEF will complete a business plan to ensure that adequate attention is paid to the market and potential risks. EAMCEF funds should not be applied to risky investments.

3. Others. EAMCEF’s approach to revenue generation will not be static. New opportunities will emerge as policies change and other mechanisms are developed. Management will work with its partners to explore and identify potential new sources of revenue that can be harnessed to support the organization’s mission. This effort will require continual analysis of options available and will require that EAMCEF maintain an open dialogue with a broad spectrum of government leaders and heads of international organizations. In this, the role of the Board will be important, helping the Secretariat liaise with high-level decision makers.

An updated analysis of revenue generating options will be an integral component of the organization’s business planning process. When EAMCEF updates its business plan to reflect changing conditions (maximum each three years), it will analyze new and expanding opportunities for generating revenue and develop implementation strategies.

4. IMPLEMENTATION

The fundraising framework outlines various opportunities and strategies that EAMCEF can employ to increase its funding base and attract additional funds to the region to meet overall conservation and sustainable development objectives. The suggested actions aim to increase EAMCEF’s outreach and its ability to access a variety of funding sources. Suggested approaches include:

- A. **Partnerships.** EAMCEF will explore the option of establishing a partnership (s) with an international organization with a strong conservation finance expertise and with field programs complementary to its work. A collaborative partnership has several advantages that support EAMCEF fundraising objectives. These include:
 - a. The potential to develop joint proposals to fund priority programs and initiatives;
 - b. Greater EAMCEF access to information and potential donors, increasing its outreach at a global level;
 - c. EAMCEF access to technical assistance and training from the partner organization in a variety of key areas such as business planning, financial management, conservation finance, etc.
 - d. Identification of new and emerging fundraising and revenue generating opportunities.
- B. **Website development.** EAMCEF will invest funds to improve its presence on the Internet as a way to promote its programs and interest potential donors in supporting conservation and sustainable development activities in the region.

- C. **Business Planning.** EAMCEF will develop a business plan that will lay out its strategy and program focus, and identify potential revenue generating opportunities in the region.
- D. **Lobbying.** Government funds will continue to be an important source of funding for conservation. EAMCEF needs to promote itself at all government levels, especially with ministries of finance and planning. By demonstrating to policy makers the important value that conservation plays in poverty alleviation, EAMCEF may attract more government funding to support its programs in the region. Governmental level outreach is a key element of the overall fundraising strategy.
- E. **Representation.** EAMCEF will need to improve its representation along two fronts. First, the Board of Trustees needs to become more actively involved in representing the organization to government, donors and the private sector. An important step will be for the Board to develop a strategy to promote EAMCEF to a broad audience within Tanzania. This will include the development of an effective communications program, as well as initiating targeted meetings with decision makers for specific strategic purposes. Second, the ED should consider one trip per year to an international meeting to network and link with donor and funding organizations. The organization will make a strategic decision regarding the venue based on expected outcomes, in terms of funds (highest priority) and beneficial exposure for EAMCEF. Funds for representation and communication need to be budgeted for representation purposes, starting in 2006.

5. CONCLUSION

Over the next few years, EAMCEF will focus on developing new sources of funding and implementing more innovative approaches to finance its conservation and sustainable use mission. By looking at new revenue options and by actively soliciting new projects from a variety of donors, EAMCEF has the potential to significantly increase its funding base. The importance of the Eastern Arc Mountain in terms of biodiversity and water, for example, appears to offer a variety of opportunities for funding. This strategy offers an initial review of options that will secure and grow the organization's funding base over the next few years. Certainly EAMCEF revenue generation will continue to be anchored by the returns on its capital investment. As EAMCEF implements its strategic business plan, other new sources of funding and investment will be identified and the overall financing strategy modified to respond to the changing conditions and emerging opportunities.