# ENVIRONMENTAL FUNDS AS A MECHANISM FOR CONSERVATION AND SUSTAINABLE DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN

Reyna Oleas, Consultant, Principal Author Lourdes Barragán, Consultant, Contributing Author Translation by Ruth Norris from the Spanish original August 2003

# Contents

	Lis	t of Ac	ronyms	3
1.	Ва	ckgrou	nd and History	4
2.	Ме	thodol	ogy	5
3.	Re	sults		6
3	3.1	Str	ucture of Environmental Funds	6
	3.1	.1	Thematic focus	6
	3.1	.2	Governance	6
	3.1	.3	Legal structure	7
3	3.2	Cu	rrent status of Environmental Funds	7
	3.2	.1	Sustainability of resources over time	7
	3.2	.2	Innovation in management of resources	8
	3.2	.3	Local Philanthropy	9
	3.2	.4	Priority setting	9
	3.2	.5.	Monitoring and Evaluation	10
	3.2	.6.	Internal capacity to manage capital	10
3	3.3	Re	sources managed by Environmental Funds	11
	3.3	.1	Origin of the funds	11
	3.3	.2	Diversification of sources	12
3	3.4	Bes	t practices	12
3	3.5	Rela	ation of EFs to international treaty financing	12
4.	En	vironm	ental Funds and RedLAC	14
5.	Im	portan	ce and potential of EFs in conservation and sustainable use in the region	15
6.	Co	nclusi	ons	16
7.	Bib	liogra	phy	18
8.	Lis	t of int	erviews	19
Anr	exes	:		20

#### **List of Acronyms**

**BASILEA**Basilea Convention on control of transboundary movement of hazardous wastes and their

elimination

CBD Convention on Biological Diversity

CITES Convention on International Trade in Endangered Species of Flora and Fauna

CLDS United Nations Convention on Desertification

CMCC United Nations Framework Convention on Climate Change
CMS Convention on the Conservation of Migratory Species

**EAI** Enterprise for the Americas Initiative

**EF** Environmental Fund

**EFJ** Environmental Foundation of Jamaica

**FAN** Fondo Ambiental Nacional; National Environmental Fund (Ecuador)

FCG Fideicomiso para la Conservación de Guatemala; Guatemala Conservation Trust

FDLA Fondo de las Amèricas; Americas Fund (Chile)

FGV Fundacao Getulio Vargas (Brazil)

FHE Fondation Haitienne de l'Environment; Haiti Environment Foundation

FIAES Fondo Iniciativa para las Américas, El Salvador (Initiative for the Americas Fund)

FMCN Fondo Mexicano para la Conservación de la Naturaleza; Mexican Nature Conservation Fund

FNMA Fundo Nacional para o Meio Ambiente; National Environmental Fund (Brazil)

FONACON Fondo Nacional para la Conservación de la Naturaleza; National Fund for Nature Conservation

(Guatemala)

**FONAMA** Fondo Nacional para el Medio Ambiente; National Environment Fund (Bolivia) **FPAA** Fondo para la Acción Ambiental; Fund for Environmental Action (Colombia)

FUNBIO Fundo Brasileiro para a Biodiversidade; Brazilian Biodiversity Fund

FUNDESNAP Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas; Fund for the

Development of the Protected Areas System (Bolivia)

GEF Global Environment Facility

IUCN World Conservation Union

NGO Nongovernmental Organization

PACT Protected Areas Conservation Trust (Belize)

PROFONANPE Fondo Nacional para Áreas Naturales Protegidas por el Estado; National Fund for Natural

Protected Areas (Peru)

PUMA Fundación "Protección y Uso Sostenible del Medio Ambiente" Foundation for Protection and

Sustainable Use of the Environment, (Bolivia)

RAMSAR Convention on Wetlands of International Importance

**REDLAC** Network of Latin American and Caribbean Environmental Funds

**SGP** GEF/UNDP Small Grants Program **TFCA** Tropical Forest Conservation Act

TNC The Nature Conservancy

UNDP United Nations Development Programme
UNEP United Nations Environment Programme
USAID US Agency for International Development

**WWF** World Wildlife Fund

#### 1. Background and History

Environmental Funds (EFs) are innovative financing mechanisms that emerged and began to operate in the 1990s. Some of the programs and activities financed by these funds are the recurrent expenses of national parks and protected areas, biodiversity conservation and sustainable use of natural resources, and strengthening of local conservation institutions. The variety of available options for structure, operation and funding mechanisms in EFs assures that each fund can adapt to the context of its national laws and conditions. There are several funds that now have years of experience, and others that have been created recently or are still in the process of establishment. Some, such as FONAMA in Bolivia, are being re-structured after an initial period of operations. Most Environmental Funds include in their governing bodies representatives of the national government as well as non-government organizations, and are managed by professional staff knowledgeable about the national conservation situation and about mechanisms of conservation finance.

Considering the nature and purpose of Environmental Funds, the Global Environment Facility's document, *Evaluation of Experience with Conservation Trust Funds*, published in 1999, emphasizes that EFs are not simply financing mechanisms, but rather, institutions with multiple roles including participation in the development of national conservation strategies, providing technical expertise to public and private agencies, promoting effective administration, and in some countries, building the capacity of conservation organizations and agencies to participate in the conservation of biodiversity.

In this context, the present document is a description of the Environmental Funds (Annex. 1) that are members of the Latin American and Caribbean Network of Environmental Funds (RedLAC). It provides up-to-date information on their policies and practices intended to be useful to RedLAC in the preparation of its strategic plan. In accordance with the Terms of Reference of the present consultancy, the report is not an evaluation of EF management, but a descriptive work derived from information provided by each of the participating EFs. The individual case studies likewise are prepared by the Funds themselves and may not reflect the perceptions of external stakeholders.

## 2. Methodology

- 1. Review of documentation on Environmental Funds and the Network of Environmental Funds in Latin America and the Caribbean.
- 2. Preparation of a questionnaire to gather information about the origins, current status, and future projections of each of the Funds (Annex 2).
- 3. Preparation of a matrix of projects financed by each EF with the objective of summarizing information about types of projects, amounts, implementers and beneficiaries.
- 4. Testing and verification of the questionnaire and matrix with a group of four EFs.
- 5. Distribution of the questionnaire and matrix to the 21 RedLAC member EFs.
- 6. Interviews (in person or by telephone) with the executive directors of each of the EFs.
- 7. Preparation of a case study of each of the Funds (Annex 3). Each case study contains a description of the Fund's origin, the type of resources it manages, sources of funds, type of projects financed, operational and decision making structure, and lessons learned.
- 8. Presentation of preliminary results of the study in the workshop "Study of Environmental Funds as a Mechanism for Conservation and Sustainable Development" held in Santa Cruz, Bolivia, April 25-27, 2002.
- 9. Review of each of the case studies with the respective Fund in Santa Cruz.
- 10. Analysis and presentation of the findings.
- 11. Preparation of a "Consensus Report."
- 12. Review of the report with RedLAC's Executive Committee.
- 13. Preparation of the final report.

Of the 21 Funds receiving the questionnaire and matrix, all responded to the questionnaire, and six filled out the matrix in the format supplied. The findings relating to projects financed, amounts, implementers, and beneficiaries (Annex 4) relate to these six. Without additional information in the standard format, it was not possible to analyze trends.

#### 3. Results

21 Environmental Funds participated in the study. The GEF Small Grants Program includes 63 offices but was considered at a global level as a single Fund.

#### 3.1 Structure of Environmental Funds

There is a great variety in structure, governance, funding priorities, and purposes among the Funds analyzed. However, there are characteristics common to all: (1) the EFs are locally driven and administered organizations led by individuals knowledgeable about the national situation; (2) for the most part, EFs do not implement projects, but rather, channel resources to other implementing organizations; and (3) their governing bodies include representatives from both the public and non-governmental sectors.

Table 1 summarizes the structural characteristics of the Funds included in the study. Annex 5 describes in detail the Funds in each category.

	Number of EFs
Thematic focus	
Protected areas exclusively	4
Biodiversity	16
Other (pollution, environmental health, child welfare)	9
Governance	
Public sector majority	3
Private sector majority with government representation	15
Totally private	3
Legal structure	
Foundation	10
Trust or Endowment Fund	3
Other	8

Table 1 Profile of Environmental Funds

#### 3.1.1 Thematic focus

Four of the 21 EFs finance protected areas exclusively. The remaining 17 support a broader agenda of environmental conservation and sustainable development, with more general mission statements, such as "protection and conservation of biodiversity" or "contribution to sustainable development." Nine EFs also support programs of environmental health, pollution control, community development, and child development.

#### 3.1.2 Governance

Governance structures vary, including boards of directors, general assemblies, administrative boards, and councils. Three of the EFs in the study have governing bodies with a majority of government representatives, and minority representation from the private sector; 15 EFs are governed by a majority-private body with minority representation of government agencies, and three are totally private. From the interviews it became clear that the support of national governments in the development of the Funds had been crucial to their capitalization.

One of the findings of the study is that, in many cases, it is necessary to strengthen the governing bodies with the objective of assuring that they contribute actively to the management of the Fund. A fundamental element of success in EFs is the organization and function of their governing bodies. To assure its successful contribution, the governing body (hereinafter, the "board") should assist in the development of a strategic plan for the development of three essential roles or functions: strategic oversight, evaluation of institutional management, and support of the fundraising process. In some cases, members of the board participate in operative decisions and fail to provide these fundamental leadership roles.

#### 3.1.3 Legal structure

The legal structure of Environmental Funds varies in accordance with the law of each country. Of the RedLAC members, 10 were established as private, nonprofit foundations; three exist as a trust of some sort; and eight have distinct structures as mentioned previously, which generally are the result of bilateral agreements among the donor and recipient country. Some Funds created as trusts, as well as some created as a result of the Enterprise for the Americas Initiative, are exploring the possibility of establishing foundations to have more flexibility in fundraising.

#### 3.2 Current status of Environmental Funds

The pages that follow present a description of the current status of the RedLAC member Funds, focusing on key aspects of the management and administration of Environmental Funds (IUCN, 1998). Table 2 summarizes the current status of the funds studied, and Annex 6 describes the Funds in each category in detail.

	No. of EFs
Sources of funding sustainable over time	12
Innovation in management and channeling resources to third parties	2
Development of local philanthropy	20
Establishment of priorities	11
Evaluation of outcomes	19
Evaluation of impacts	3
Internal capacity to manage capital	10

Table 2: Current situation of Funds studied

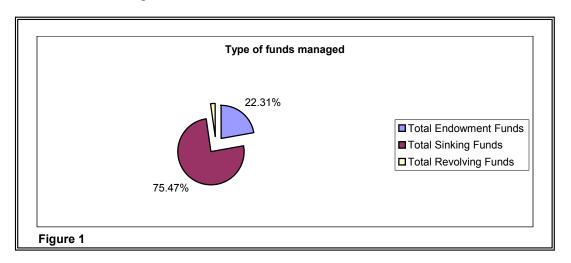
#### 3.2.1 Sustainability of resources over time

One of the advantages of EFs is their ability to establish sustainable financing mechanisms. In Latin America, many conservation and sustainable development projects end when donor funding runs out. In this context, EFs offer a solution through their capacity to give continuity in financing environmental initiatives, despite changes in governments, or in the policies or level of support of donor agencies.

12 of the 21 EFs have established mechanisms for economic sustainability in financing projects, whether through establishment of endowment funds or revolving (recurrent) funds. The remaining Funds channel "sinking" funds, which, once disbursed, create the risk of vanishing projects unless the Fund takes action to secure additional capitalization.

In addition to the sustainability of resources for financing projects, another topic that has recurred in interviews has been institutional financial planning to assure organizational sustainability over time. In some cases, project resources are sustainable, but the organization has not established mechanisms to cover operational expenses. This can lead to diversion of the management team's time and effort in a permanent search for funding rather than focusing on strategic activities.

#### 3.2.2 Innovation in management of resources



The decisions related to financial structure and asset management of a Fund are extremely important. In addition to determining the legal structure when a Fund is created, it is necessary to determine whether it will be an endowment, a sinking fund, a revolving fund, or some combination. The type of fund selected depends on the nature of the problem it is intended to solve. RedLAC's membership includes EFs that manage two or three different types of funds in accordance with the objectives for which they were established. To date, 10 Funds have established endowments, which draw down only the interest generated by the capital. 17 Funds administer sinking funds, which disburse the capital and interest over a fixed time period. Only three have revolving funds, which receive periodic infusions of new capital through repayment of loans, recurrent income from entry fees to protected areas, environmental fines and fees, or other means of re-capitalization. Of this latter group, only FCG (Guatemala) uses a revolving fund to finance micro-credit projects.

Many EFs have both governance structures and operational capacity that permit them to use innovative mechanisms for channeling funds, such as venture capital, loans, and co-financing. Grants are the appropriate mechanism to support certain types of activities. Other types benefit from structures such as loans and venture capital, which can also support the beneficiary's ability to demonstrate fiscal accountability and responsibility. Both loans and venture capital could be explored by Funds operating in countries lacking alternatives for small and micro-credit for environmental activities and sustainable business ventures. One of the advantages of these approaches is that, in addition to having economic feasibility, they can generate considerable social and environmental benefits.

#### 3.2.3 Local Philanthropy

One of the contributions of EFs to conservation and sustainable development at a global level is the creation of knowledge and concern about local environmental issues (World Bank, 1998). As noted above, Funds have the potential to promote local philanthropic initiatives that contribute to the flow of funds for environmental management in every country. Of the 21 RedLAC member EFs, 20 have designed mechanisms to receive and channel local economic support. These include government donations and debt swaps. However, if these two types of contributions are excluded, only one Fund¹ can be said to receive local contributions from the private sector. The literature on environmental funds mentions various financing options and alternatives that remain worth considering even though they have not been adopted by RedLAC member funds. These include (IPG, 2000):

- ✓ Individual donations.
- ✓ Donations from national organizations or international organizations operating in the country.
- Donations from established national philanthropic foundations.
- ✓ Money paid in accordance with court orders or out-of-court settlements related to pollution cases. For example, US courts in several cases have ordered industrial polluters to make contributions to Funds for long-term restoration and protection of damaged ecosystems, in lieu of or in addition to fines paid to government agencies.
- ✓ Taxes or surcharges on air tickets earmarked for environmental funds (as is practiced in Egypt and Algeria).
- ✓ Increases in gasoline taxes, with the additional revenue earmarked for EFs (Namibia, for example, hopes to finance a new Fund with this type of source, and FONAFIFO in Costa Rica receives financial resources in this way).
- ✓ Dedicate to the Environmental Fund the revenues collected by the government through leases for offshore oil drilling.
- ✓ Lottery revenues (In the US, the state of Colorado uses this mechanism to finance its \$60 million Great Outdoors Colorado Fund, which buys and protects rural lands).
- ✓ Add a charge of 1% or 2% to the price of hotel rooms (The recently established Turks and Caicos Islands Conservation Fund relies on this method).
- ✓ Dedicate a portion of funds collected by the government from logging permits and payments (as Malaysia does for its Sabah Parks Foundation).

#### 3.2.4 Priority setting

Many EFs have discovered that establishing clear priorities facilitates effective grant cycle management – and conversely, that broad or ill-defined priorities can bring administrative difficulties. For EFs established to serve a clear central purpose, it is easy to resolve the issue. However, for EFs with a broad mandate, definition of financing priorities becomes an essential tool to avoid spreading resources too thin to achieve identifiable impact. Priorities can be established in an internal planning process or based on existing national plans. Opportunities for stakeholder participation in the definition process contribute to the Fund's legitimacy in carrying out the defined agenda in its grant-making. Linkages to national plans and initiatives can provide implementation resources that they otherwise would not have.

Experience has demonstrated that the lack of clear missions, objectives, and priorities can make it difficult to balance grant portfolios and measure results. EFs can be subject to changes in direction driven by demands of donors or project implementers if they do not have clear priorities. Another disadvantage associated with the lack of clear priorities is that in the absence of clear funding guidelines, EFs may be deluged with enormous quantities of proposals, far more than they can possibly finance, resulting in excessive administrative work in processing applications, long delays for applicants waiting for decisions from the EF, and a very high percentage of rejections

<sup>&</sup>lt;sup>1</sup> Funbio, Brazil

and disappointed applicants. This is why early definition of priorities is considered a best practice in EF management (IUCN, 1998). Among the EFs analyzed in this study, 11 use national plans for the definition of financing priorities, and three of these have financed the preparation of national plans in strategic alliances with the responsible government authorities. The 10 remaining EFs have defined financing priorities based on donor requirements or internal planning.

#### 3.2.5. Monitoring and Evaluation

Both donors and Funds' own governing bodies are increasingly calling for reports and documentation, not only about the number of projects supported and amounts disbursed, but also about the development of the Fund in terms of results and impacts of the projects supported. It is likely that those EFs able to demonstrate the outcomes of their programs – and those able to say what is working, what is not, and why – are more successful at fundraising and at achieving the intended results of their projects. Monitoring and evaluation are two distinct management tools that, used together, permit EFs to measure progress and evaluate impact of their activities. Additionally, they provide a structure within which EFs and their stakeholders can learn from experience, using the knowledge gained to improve the programs they support (IPG, 2000). The capacity to account for outcomes and results depends on the quality of monitoring and evaluation processes. As far as possible, it is important to include implementers and beneficiaries in the process, with the objective to improve their skills at planning and accountability as well.

Of the 21 RedLAC members, 19 have established evaluation mechanisms, but their quality is varied. Although there are Funds that have defined clear procedures for monitoring and evaluation of programs and projects, others have not yet begun to do so. One of the challenges for most EFs is to establish mechanisms to evaluate impact of their projects, identifying the Fund's contribution to conservation and sustainable development. Three of the 21 EFs have established or are in process of establishing impact evaluation mechanisms.

Additionally, strategic plans establish the organizing principle of the Fund, its long-term objectives (generally five to eight years) and the methods to achieve them. Ideally, strategic plans are developed though a broad consultation with stakeholders, and their objectives define a basis for program monitoring and evaluation. However, this study has noted that in many cases, strategic planning processes have defined the Fund's mission, vision, and general objectives, without making the link to the Fund's operational programs, the specific problems or issues to be addressed, and the expected outcomes. In these cases, the strategic plan becomes an academic exercise that does not contribute as much as it could to forming the basis for evaluating the Fund's programs.

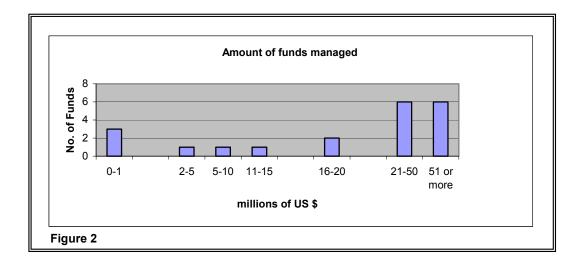
#### 3.2.6. Internal capacity to manage capital

Through their normal life cycles and as part of their learning curves, some Funds have made errors in managing their resources. Defining an investment strategy is an important task to establish the level of risk that the organization is willing to accept; define terms for selection and oversight of the asset managers; and set social or environmental terms that the Fund wishes to observe in the management of its assets.

The quality of these tools was not evaluated in this study, which looked only at the question of whether or not each Fund had a formal investment strategy. 10 of the 21 Funds have developed long-term financial management strategies and capabilities. The remaining Funds have not seen a necessity to develop investment strategies because they receive periodic disbursements that are transferred to project implementers in a relatively short period, rather than being invested for a long term.

## 3.3 Resources managed by Environmental Funds

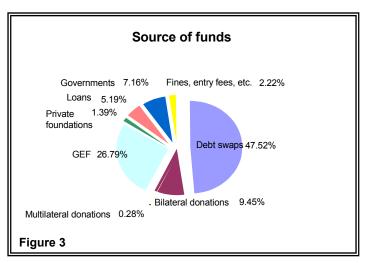
RedLAC member funds, as a group, are administering approximately US\$ 600 million in resources, including sinking funds, endowments, and revolving funds. They have financed more than 3,000 projects throughout the region. Annex 7 describes in more detail the activities of the individual EFs.



#### 3.3.1 Origin of the funds

Of the total portfolio of funds managed by EFs, 47.5% are yields from debt swaps. 26.7% GEF grant funds, 9.45% bilateral donations, 7.16% national government contributions, 5.18% loans from bilateral and multilateral agencies, 1.38% donations from private foundations, 0.28% from multilateral donations, and 2.21% from other sources such as fines and entry fees.

One of the roles that has been suggested for RedLAC, and which is discussed later in this paper, is to promote EFs in international fora and with the donor community. This effort could strengthen the image of EFs with donors that have already played an important role in the capitalization of Funds, like the GEF, as well as with donors that have not yet worked with EFs, but whose objectives EFs share.



#### 3.3.2 Diversification of sources

Diversification of funding sources reduces the risks associated with depending on a single source, primarily the risk of delays and interruptions in project support due to fluctuations in donated funds, or changing yields on investment from a single fund. Among the EFs studied, 11 of the 21 have two or more sources of funding; the rest depend on a single principal source, as is the case with most of the Funds created as a result of the Enterprise for the Americas Initiative.

#### 3.4 Best practices

Best practices are described in detail in each of the case studies described in Annex 3. Table 3 includes a general list of examples of best practices in certain areas. This list is not comprehensive; the reader can examine other best practices in the detailed case studies.

Best practices	Environmental Fund		
Alternative financing mechanisms	Pact, Belize		
Involvement of the private sector in	Funbio, Brazil		
conservation finance			
Strengthening civil society	FDLA, Chile		
Participatory process for priority setting	Ecofondo, Colombia		
Decentralization of activities	Ecofondo, Colombia		
Debt-for-nature swaps	Profonanpe, Peru		
Channeling small and micro credit	FCG, Guatemala		
Diversification and sustainability of funding	FMCN, Mexico		
sources			
Learning networks	FMCN, Mexico		
Funding recurrent costs of managing protected	FMCN, Mexico; Fondo Ambiental, Ecuador;		
areas	PROFONANPE, Perú		
Strategic planning	Funbio, Brazil		
Management of governing boards	Fondo Ambiental, Ecuador		

Table 3

3.5 Relation of EFs to international treaty financing

The United Nations Conference on Environment and Development held in Río de Janeiro in 1992 was a major influence on the creation of EFs in Latin America, and many of them were created or began to function in that year. The global agreements originating from that conference, also known as the Earth Summit², launched a generation of political and legal instruments, including many that were innovative in addressing issues in a context of an integrated vision of environment and development. Also as a result of the Summit, the Global Environment Facility was established, as a financing mechanism to deal with four critical issues related to the global environment: loss of biodiversity, climate change, degradation of international waters, and the destruction of the ozone layer.

<sup>&</sup>lt;sup>2</sup> Río Declaration on Environment and Development, Agenda 21; Forestry Principles; Framework Convention on Climate Change, Biodiversity Convention

In spite of the fact that the GEF finances several global issues, its funding of EFs, accounting for one-third of their total resources, has been dedicated mainly to conservation of biodiversity. All of the EFs studied assign high priority to the conservation and sustainable use of biodiversity, with emphasis on protected areas. This concentration of GEF resources can be attributed to two main factors: 1) Latin America and the Caribbean constitute one of the richest regions of the planet, in terms of diversity of species and ecoregions, making its biodiversity a strategic resource; and 2) the need for EFs to concentrate their resources. Nevertheless, some EFs explicitly include in their programs of action themes related to other Conventions, such as Climate Change and Desertification<sup>3</sup>. Others<sup>4</sup> also work in areas such as pollution, environmental management, waste management, or education, with special emphasis in strengthening civil society organizations, in compliance with Agenda 21.

Related to this, and in spite of the difficulty to document trends, the study notes that the implementers of projects have been principally governments, NGOs and academic institutions, and to a lesser extent private businesses and entrepreneurs, and community-based organizations, indigenous organizations, and women's organizations. Classification of project beneficiaries is challenging because of the differences in mission and objectives of the Funds, such as the EAI funds' emphasis on child health and welfare. This may be related to compliance with Section III of Agenda 21<sup>5</sup>, which mandates programs to strengthen key actors who by right and responsibility are crucial players in achieving the goal of sustainable development.

A decade has passed since the Rio Summit, and in spite of the fact that Latin American countries have generally ratified environmental treaties and have advanced in many regards, their efforts to date have been insufficient in the face of the region's environmental challenges. This situation is exacerbated by the developed countries' failure to comply with commitments made in Rio, especially with regard to providing new and additional resources. Recent evaluations point out that for the year 2000, Official Development Assistance (ODA) represented only 0.22% of the GDP of developed countries, in comparison with the established goal of 0.7% (IIED, 2002). This tendency apparently will prevail in coming years, if the recent International Conference on Development Assistance, or the Johannesburg World Summit on Sustainable Development, provides any indicator of future trends.

On the other hand, in the past decade there has been evidence of a growing environmental awareness in development issues (ECLAC, 2001). Environmental Funds by nature deal with environmental issues, but are also increasingly becoming involved in the wider environment of sustainable development<sup>6</sup>. Support for projects focused on reducing poverty and improvement in the quality of life of local populations are examples of this. Additionally, the value of the participation of actors that in general have been relegated to the "environmental agenda" in a broader social calendar has been one of the lessons learned by EFs<sup>7</sup>. The diversity of international instruments has also tended to fragment programs addressing related themes, a tendency which might be addressed by a more holistic view of sustainable development and a search for synergies. Environmental issues need to be addressed along with fundamental economic and social concerns in these times of increasing levels of poverty, globalization, and free markets. It is in this context that EFs must work.

<sup>&</sup>lt;sup>3</sup> Fondo Nacional de Medio Ambiente (Brazil) with financial assistance from the Netherlands, for example.

<sup>&</sup>lt;sup>4</sup> Such as EAI funds or Ecofondo (Colombia).

<sup>&</sup>lt;sup>5</sup> "Strengthening the role of key groups"

<sup>&</sup>lt;sup>6</sup> Fondo de las Américas (Chile), Ecofondo (Colombia) and Funbio (Brazil).

<sup>&</sup>lt;sup>7</sup> Example: business and social sectors.

#### 4. Environmental Funds and RedLAC

#### Benefits of RedLAC membership

In the interviews with RedLAC members, the common factor that stood out among the benefits mentioned was the opportunity to know other Funds and work as a network on themes of interest.

#### Potential future areas of action for RedLAC

The themes mentioned below were articulated in the Santa Cruz Declaration, representing the consensus of RedLAC members.

- ✓ Position RedLAC as an international representative of EFs in international fora and before the donor community. This would serve to facilitate administration of financial resources by member Funds and assist in dissemination knowledge about their work.
- ✓ Design a second-generation organizational structure more flexible and with better connectivity for members, based on the members' interests and individual capacity. This structure should, so far as possible, permit the creation of geographic and/or thematic sub-groups to facilitate networking among Funds with common interests.
- ✓ Continue programs to strengthen EFs as national and regional mechanisms for financing and strengthening civil society efforts to conserve and sustainably use natural resources. Issues that were frequently mentioned as possible fields for capacity building include: (1) fundraising, (2) negotiation skills and techniques; and (3) advanced financial management. Additionally, as mentioned previously, Funds need strengthening in evaluation of outcomes, developing governing bodies, and institutional sustainability.
- ✓ Develop, in accordance with basic principles of RedLAC, a shared vision of conservation and sustainable development that serves to orient EFs and inspire policy actions by the network.

The following are operational recommendations arising from the interview process.

- ✓ Modify the organizational strengthening process and methods. In place of formal workshops, give more emphasis to analysis and learning among Funds. The accumulated value of workshops has flowed more from the exchanges among members than from the sessions with experts. A comment from one network member: "The seminars with experts have not contributed significantly to learning, and many are themes that can be learned from publications. But to know of the practical experience of other Funds and to discuss them individually gives a deeper understanding that cannot be gained from documents."
- ✓ Address the issue of language, which has been a problem for Funds whose native language is not Spanish.
- ✓ Strengthen the technical role of the Secretariat to generate proposals for work programs and processes. The Executive Secretary could increase the amount of technical information sent to members, such that members could make better informed decisions. (Example, actions taken by RedLAC at the Johannesburg Summit).

# 5. Importance and potential of EFs in conservation and sustainable use in the region

In studies conducted after the Rio Earth Summit, one of the concerns about financing for conservation and sustainable development related to the efficiency and legitimacy of the financial intermediaries working in the development field (IIED, 2002). One of the conclusions arising from this analysis is that international financial institutions work at a different scale than that at which problems of conservation and development can be addressed. The international financial institutions can transfer large sums of money, but their structure makes it difficult for them to make grants of thousands or hundreds of dollars (as opposed to the millions they normally process). However, small and medium sized projects are essential to effective and sustainable development at the local level (IIED, 2002). EFs are an effective means to accomplish this. Some of the characteristics that make EFs important actors in conservation and sustainable development in the region are:

- ✓ In the past decade, EFs have demonstrated that they can administer and channel significant quantities of funds to strengthen environmental management in the region. Their knowledge of the priorities, capacity of implementing agencies, and the local context has allowed them to direct small and medium sized grants to activities that would not have access to other sources of funding that operate on a large scale only.
- ✓ EFs are structured to be participatory and multisectoral, both in their governing bodies and in their operations. The involvement of diverse actors enriches decision making and internal processes, and helps assure that economic resources are delivered to priority areas.
- ✓ EFs have qualified technical teams knowledgeable about the local environment and context, which has enabled them to form alliances with organizations in other sectors, strengthen national decision making processes, and offer alternatives to finance those alliances and processes.
- ✓ EFs are small institutions (operational personnel numbering from 3 to 50) with the ability to manage cost structures maximizing the benefit of each dollar in the field. Administrative costs range from 6 to 20% of funds disbursed annually.
- ✓ EFs represent an alternative for institutional continuity in the face of changes in government administrations and project cycles of individual donor institutions.
- ✓ EFs are a mechanism that has demonstrated an important role in strengthening organizations, both government and private, that work in environmental and sustainable development programs. The majority of projects financed by EFs include institutional strengthening components in areas such as financial management, planning, and reporting, among others. Economic resources that would not be available to these organizations if they did not have these capacities are now flowing to support local environmental initiatives.
- ✓ The multiplier effect that many EFs have demonstrated has supported the investment of counterpart resources, both in cash and in kind, by other actors, both government and private. In some countries, EFs have provided local counterpart funds to stimulate donations that would not have been given in the absence of such resources, which local governments often cannot provide. In the past decade EFs have raised local counterpart funds amounting to about 20 percent of the \$600 million they manage.

#### 6. Conclusions

- 1. One issue included in the Terms of Reference of this consultancy is to define the capacity of Environmental Funds to act as implementing agencies of the bilateral and multilateral financial agencies. In answer, it is important to point out that EF processes are not standardized, and it would be risky to make affirmations that all EFs have this type of capacity. Among the EFs analyzed, some are recently created, while others have more than 10 years of experience. This variability prevents general summations. However, the study raises the possibility that RedLAC could develop mechanisms of certification.
- 2. The diagnostic shows that the topics in which EFs require strengthening are: (1) fundraising and institutional sustainability; (2) advanced financial management; (3) evaluation of the impact of initiatives supported; and (4) building stronger governmental bodies (boards, assemblies, etc.). The EFs are open to explore new mechanisms of training and exchange (learning networks and regional or thematic working groups) to make the most of resources available for training and development.
- 3. The sources of funds for Environmental Funds are, for the most part, bilateral and multilateral grants and debt swaps. Capitalization from local mechanisms is an option that should be explored more seriously in the medium term. Despite the costs of time and effort invested in raising money through these mechanisms, which might be higher than the costs of raising funds externally, they are worthwhile to examine, because they may provide long-term sustainable sources that will survive changes in priorities of the current few donors.
- 4. In the interview process, members identified the principal future roles of RedLAC as: (1) training and strengthening members in themes of interest; (2) positioning EFs in the eyes of the donor community and international fora as efficient and effective mechanisms for channeling resources; and (3) developing, in accordance with the principles of RedLAC, a shared vision of conservation and sustainable development that will orient member EFs and inspire the policy actions of the network.
- 5. As mentioned in the preceding paragraph, one of the roles members have identified for RedLAC is positioning EFs before international fora and the donor community. This study emphasizes that RedLAC's efforts could be directed both to donors that have already played an important role in capitalizing Funds, such as GEF, and to donors that to date have not worked with EFs at a large scale.
- 6. Among the 11 Environmental Funds that rely on a national plan or its equivalent as a means of priority setting, it was easy to determine their contribution to the achievement of obligations of international conventions and treaties. Generally, national plans are well connected to treaty obligations. In other cases, the contribution of Funds to the implementation of treaties has been determined by an analysis of projects financed by the Fund.
- 7. The majority of EFs provide grants as their major method of channeling resources. While this is appropriate in many instances, there are other alternatives that have not been explored, for example venture capital and loans, among others. Many EFs have the capacity and structural ability to use these mechanisms, which could be a useful niche, especially in countries where there are limited capital resources to support environmentally sustainable ventures.
- 8. Environmental Funds are institutions that by nature deal with environmental issues. However, the study team observed a growing interest in integration of their work with a

larger context of sustainable development. Support for projects focused on reducing poverty and improvement in the quality of life of local populations are examples of this. Additionally, the value of the participation of actors that in general have been relegated to the "environmental agenda" in a broader social calendar has been one of the lessons learned by EFs. The diversity of international instruments has also tended to fragment programs addressing related themes, a tendency which might be addressed by a more holistic view of sustainable development and a search for synergies. Environmental issues need to be addressed along with fundamental economic and social concerns in these times of increasing levels of poverty, globalization, and free markets. It is in this context that EFs must work.

## 7. Bibliography

World Bank. Pollution Prevention and Abatement Handbook. Washington D.C. 1998.

Bayon, Ricardo, Caroline Deere. *Financing Biodiversity Conservation: The Potential of Environmental Funds.* Financial Innovations for Biodiversity, Bratislava, Slovakia. IUCN. 1998.

ECLAC-NUEP. The Sustainability of Development in Latin America and the Caribbean: Opportunities and Challenges. Río de Janeiro, Brazil. 2001.

Global Environment Facility. *Evaluation of Experience with Conservation Trust Funds*. Washington D.C. 1999.

Global Environment Facility. *Building Strategic Focus in a Conservation Trust Fund.* GEF Lessons Notes No. 6. February 1999.

Ecofondo. Regional Consultation on Environmental Funds in Latin America and the Caribbean, Final Report. Cartagena, Colombia. 1996.

Hitz-Sánchez, Alex, Paquita Bath, Richard Devine, Patricia León, Bruce Moffat, and Monique A. Zegarra (1997). *Path to Success: a guide for boards of nonprofit organizations*. The Nature Conservancy, América Verde Publications. Arlington, Virginia, US.

IUCN, The Nature Conservancy, WWF. First Global Forum on Environmental Funds, Santa Cruz, Bolivia. Washington D.C. 1994.

International Institute for Environment and Development. *Financing for Sustainable Development*. 2002.

Mikitin, K. Issues and Options in the Design of GEF-Supported Trust Funds for Biodiversity Conservation. World Bank, Environment Department. Washington, D.C. 1994.

Margoluis, Richard and Nick Salafsky. *Measures of Success: Designing, Managing, and Monitoring Conservation and Development Projects*. Island Press. Washington. DC. 1999.

Norris, Ruth, ed. *The IPG Handbook on Environmental Funds: A Resource Book for the Design and Operation of Environmental Funds.* Pact Publications. New York, NY. 2000.

Organization for Economic Co-operation and Development. *Environmental Funds in Economies in Transition*. Paris. 1995.

UNDP. Report of the Workshop on Strengthening Environmental Funds in Latin America and the Caribbean. Yucatán, México. 1997.

UNEP. Convention on Biological Diversity. Canada. 2000.

USAID. Global Environment Center. *Update on USAID-Supported Environmental Endowments*. Environmental Information Clearinghouse (EIC) Project. 1999.

# 8. List of interviews

The following individuals provided information in addition to that collected in questionnaires submitted by the executive directors of each of the EFs.

Belize, Protected Areas Conservation Trust	Valerie Woods, Executive Director
Bolivia, Fondo Nacional para el Medio Ambiente	Sergio Arenas, Executive Director
Bolivia, Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas de Bolivia	Iván Morales, Technical Officer
Bolivia, Fundación PUMA	Juan C. Chávez, President of the Board
Brazil, Fundo Brasileiro para a Biodiversidade	Georgia Pessoa, Consultant
Brazil, Fondo Nacional do Meio Ambiente	Adalgisa Cavalcante, Advisor
Chile, Fondo de las Américas	Cristián Moscoso, Director of Institutional
	Development
Colombia, Corporación ECOFONDO	Rafael Colmenares, Executive Director
Colombia, Fondo para la Acción Ambiental	Nicolás García, Executive Secretary
Ecuador, Fondo Ambiental Nacional	Samuel Sangueza, Executive Director
El Salvador, Fondo Iniciativa para las Américas	Blanca Estela Juárez, Director of Projects
Guatemala, Fideicomiso para la Conservación en Guatemala	María José González, Executive Director Cecilia Isabel Cleaves, Director of Projects
Guatemala, Fondo Nacional para la Conservación de la Naturaleza	Yvonne Ramírez, Executive Director
Haiti, Fondation Haitienne de l'Environnement	Gerard Xavier, Executive Director
	Daniel Jadotte, Member of the Board
Honduras, Fundación VIDA	Jorge Quiñónez, Executive Director
	José Abarca
Jamaica, Environmental Foundation of Jamaica	Albert Daley, Director of Projects
Mexico, Fondo Mexicano para la Conservación de la Naturaleza	Lorenzo Rosenzweig, Executive Director
Panama, Fundación Natura	Zuleika Pinzón, Executive Director
Perú, Fondo Nacional para Áreas Naturales Protegidas por el Estado	Alberto Paniagua, Executive Director
GEF Small Grants Programme (UNDP)	Ana Isabel Carmona, Director, Costa Rica
RedLAC	Deyra Kelly, Executive Secretary

# Annex 1: RedLAC member environmental funds

COUNTRY	CONTACT
BELIZE	
Protected Areas Conservation Trust (PACT)	Valerie Woods Executive Director 2 Mango Street P.O. Box 443 Belmopan, Belize Tel: (501) 8-23637 8-20642 Fax: (501) 8-23759 val.pact@btl.net www.pactbelize.org
BOLIVIA	
Fondo Nacional para el Medio Ambiente (FONAMA)	Lic. Patricia Olmos Adad Director Edificio Mariscal Ballivián, Mezzanine Casilla 862, Calle Mercado No. 1328 La Paz, Bolivia Tel: (591-2) 330 892 Fax: (591-2) 391 774 fonama@mail.megalink.com
Fundación para el Desarrollo del Sistema Nacional de Áreas Protegidas de Bolivia (FUNDESNAP)	Luis Pabón Executive Director Calle Capitán Ravelo esquina Montevideo - Edificio Capitan Ravelo 2101- Piso 12 Casilla de correo 3364 La Paz - Bolivia. Tel: (5912) 244 1700 Fax: (5912) 211 3364 fundesnap@fundesnap.com
Fundación "Protección y Uso Sostenible del Medio Ambiente - PUMA".	Juan Carlos Chávez President of the Board Calle 15 de Calacoto esq. Sánchez Bustamente, Edif. Torre Ketal, P.3 Of. 301. La Paz, Bolivia. Casilla 3-12485 S.M. BOLIVIA Tel: (591 2) 279 1785; (591 2) 279 1777 Fax: (591 2) 279 1785; (591 2) 279 1777 fpuma@alamo.entelnet.bo www.pa-partners.com/puma/quienessomos.htm

COUNTRY	CONTACT		
BRAZIL			
Fundo Brasileiro para a Biodiversidade (FUNBIO)	Pedro Wilson Leitao Filho Executive Director Largo do IBAM, 1-6o. Andar Humaitá 22271-070 Rio de Janeiro-RJ, Brazil Tel/fax: (55-21) 579-0809 pedro@funbio.org.br www.funbio.org.br		
Fundo Nacional de Meio Ambiente (FNMA)	Dr. Raimunda N. Monteiro Executive Director Esplanada dos Ministérios Bloco B – 7 <sup>to.</sup> andar, CEP: 70.068-900 70068-900 Brasilia – DF Brazil Tel: (55-61) 317-1203 Fax: (55-61) 224-0879 adalgisa.almeida@mma.gov.br www.mma.gov.br		
CHILE			
Fondo de las Américas – Chile	Jorge Osorio Vargas Executive Director Huérfanos 786, of. 708 Santiago de Chile, Chile Tel: (562) 633-5950 Fax: (562) 664-4213 Josorio@fdla.cl www.fdla.cl		
COLOMBIA			
Corporación ECOFONDO	Rafael Colmenares General Secretary Calle 82, No. 19-26 Apartado Aéreo 350.224 Santa Fe de Bogotá, Colombia Tel: (57-1) 691-3452/63/74 Fax: (57-1) 691-3485 ecodir@colnodo.apc.org ecotodos@colnodo.apc.org www.ecofondo.org.ec		
Fondo para la Acción Ambiental	Nicolás García, Executive Secretary Carrera 7 No. 32-33 Mezanine 2, Bogotá, Colombia. Tel: (571) 4007168 – 4007169 fpaa@cable.net.co www.accionambiental.org		

COUNTRY	CONTACT
ECUADOR	
Fondo Ambiental Nacional	Samuel Sangueza Executive Director Av. Amazonas N34-311 y Atahualpa, Edificio Financiero Amazonas, piso 9. Quito, Ecuador Tel: (5932) 2262-605; 2251-168 / 2246-020 / 2246-116 Fax: (5932) 2557-691 ssangueza@fan.org.ec
EL SALVADOR	
Fondo Iniciativa para las Américas (FIAES)	Walter Jockisch 65 Avenida Sur # 132, San Salvador, El Salvador Tel: (503) 223-6498 Fax: (503) 224-5775 fiaes@terra.com.sv fiaes@cyt.net
GUATEMALA	
Fideicomiso para la Conservación en Guatemala (FCG)	Maria José González Executive Director 8ª Av. "A" 2-18, Zona 15 Colonia Trinidad Guatemala, Guatemala Tel: (502) 369 0687 Fax: (502) 369 2478 mjgonzalez@fcg.org.gt www.fcg.org.gt
Fondo Nacional para la Conservación de la Naturaleza (FONACON)	Yvonne Ramírez Executive Director Cuarta calle 6-17 Zona 1 Guatemala, Guatemala Tel: (502) 331-4773 Fax: (502) 331-5528 fonacon@intelnet.net.gt
HAITI	
Haiti Environmental Foundation (FHE)	Gerard L. Xavier Executive Director 3, Rue Marcelle Toureau Berthe, Petion-Ville Haiti Tel: (509)- 257-1808; (509)- 513- 7088 Fax: (509) 257 1988 <a href="mailto:fhe-haiti@yahoo.com">fhe-haiti@yahoo.com</a>

COUNTRY	CONTACT
HONDURAS	
Fundación Hondureña de Ambiente y Desarrollo "Vida" (Fundación Vida)	Jorge A. Quiñónez Executive Director Boulevard Suyapa, Edificio Florencia 2 <sup>do</sup> . Piso, 203 Apartado Postal 4252 Tegucigalpa, MDC, Honduras Tel: (504) 239-1642 Fax: (504) 239-1645 Jorge quinonez@fundacionvida.org www.fundacionvida.org
JAMAICA	
The Environmental Foundation of Jamaica (EFJ)	Selena Tapper Executive Director 1B Norwood Ave. Kingston 5, Jamaica W.I. Tel: (876) 960 6744; (876) 960 7954 Fax: (876) 920 8999 efj.ja@cwjamaica.com www.efj.org.jm
MEXICO	
Fondo Mexicano para la Conservación de la Naturaleza (FMCN)	Lorenzo Rosenzweig Pasquel General Director Calle Damas No. 49 Col. San José Insurgentes C.P./ 03900 México, D.F. Tel: (5255) 5611-9779 Fax: (5255) 5611-9779 laros@infosel.net.mx www.fmcn.org
PANAMA	
Fundación para la Conservación de los Recursos Naturales (NATURA)	Zuleika Pinzón Executive Director Apartado Postal 2190 Panamá, zona 1 República de Panamá Tel (507) 232-7615/17/16/7435 Fax (507) 232-7613 info@naturapanama.org zpinzon@naturapanama.org

COUNTRY	CONTACT	
PERU		
Fondo Nacional para Áreas Naturales Protegidas por el Estado PROFONANPE	Alberto Paniagua Villagra Executive Director Prolongación Arenales 722 Miraflores, Lima 18, Perú Tel: (51 1) 212-1010 Fax:(51-1) 212-1957 apaniagua@profonanpe.org.pe www.profonanpe.org.pe	
Fondo de las Américas	Juan Gil Ruiz Executive Director Av. Ricardo Palma 857 Miraflores – Lima - Perú Teléfono: (511) 447 9952 Fax: (511) 447 9953 fondam@fondoamericas.org.pe www.fondoamericas.org.pe	
GEF Small Grants Programme	Carmen Tavera 304 East 45th.Street, 16th.Floor New York, NY 10017 Tel: (212) 906-5832 Fax: (212) 906-6568 carmen.tavera@undp.org www.undp.org/sgp	

#### **Annex 2. Organizational Questionnaire**

#### **Objective**

The questionnaire has two objectives:

- 1.- Gather information from each of the Funds participating in the network. With the information coming out through this survey and individual interviews which will take place at the REDLAC meeting in Santa Cruz, Bolivia, a case study will be prepared on each of the Funds.
- 2.- Analyze the connections between Fund management and support for conservation and sustainable development in each of the countries.

#### Methodology

The questionnaire has two parts:

- 1.- The first part contains open questions to be answered in detail by the Executive Director of the institution.
- 2.- The second part is a matrix for gathering information about the projects financed by the Fund, needed to carry out the analysis described in the second objective.

#### Section 1. General Information

Name of the Envi	ronmental Fund:	
Country:		
Founding Date:		
Name of Executiv	e Director:	
Organization's ac	ldress:	
Telephone:	Fax:	E-mail:
Date:		

#### Section 2. Review of the general context in which the Fund works

- a. Brief description of the country status in conservation of natural resources and sustainable development, before and after establishment of the Fund.
- b. What national environmental planning instruments have been developed by the country? (examples: Biodiversity Strategy, Sustainable Development Strategy, others)?
- c. Does the Fund use any national or regional planning document for making decisions related to the Fund's financing priorities? If so, please describe them and indicate any advantages or disadvantages encountered in their use.
- d. What critical external factors have contributed to the success of the management of the Fund?
- e. What critical external factors have caused difficulties in the management of the Fund? (obstacles or threats)
- f. How closely does the Fund link and coordinate its activities with the corresponding environmental authorities? Do you believe that is necessary? Why?
- g. Does the Fund have successful experience working with the private business sector? Please describe.

#### Section 3. Organizational development and planning

- a. Who were the original leaders promoting establishment of the Fund?
- b. Who was responsible for coordinating the acquisition of financial, technical, and political resources?
- c. What was the original mission, and specific objectives, proposed at the initiation of the Fund?
- d. What were the initial resources committed to the establishment of the Fund?

#### Section 4. Organizational characteristics

- a. What is the governance structure and how is it constituted? How are members of the governing body elected? Has this changed in the organization's lifetime? Why?
- b. Has the board established committees, such as a finance or monitoring committee? Do these committees meet regularly?
- c. Do members of the board contribute to raising funds for the organization? How?
- d. How is the Executive Director chosen?
- e. Has the organization changed Executive Directors since its inception? If so, how has the organization responded to the change?

f. Does the organization have

	<u>Yes</u>	<u>No</u>	Is it applied/used?
Manual of administrative procedures (records, purchasing, contracts, etc)			
Manual of financial procedures (investments, etc)			
Manual of human resources administration			
(salaries, vacations, etc)			

g. What are the professional qualifications of individuals working at the Fund as directors of processes?

#### Section 5. Costs and finance

- a. How does the organization pay its operating costs?
- b. Does the organization have a strategy to assure the coverage of operating costs over the next 2-5 years?
- c. What are the operating costs expressed as a percentage of the sum of projects administered?
- d. Does the organization have a ceiling on permissible operating costs?
- e. Does the organization undergo periodic external financial audits?
- f. How are sinking funds and endowment funds managed
- g. Does the organization have a long-term fundraising strategy?

#### Section 6. Programs and Projects (fill out attached matrix)

- a. Does the organization work in a specific thematic area? Describe the area(s) and the type of projects supported.
- b. What are the criteria for selecting the thematic focus of projects and programs to be financed by the Fund? Has this methodology changed over time? How?
- c. How are social issues incorporated in the work programs of the Fund?
- d. How does the Fund incorporate institutional strengthening of other organizations into its work?
- e. Has the Fund promoted or supported regional projects or programs? What are they, and in what state of implementation?

#### Section7. Outcomes and impacts

- a. What have been the principal outcomes of programs and projects (differentiate if pertinent)?
- b. How are the outcomes of programs and projects evaluated (differentiate if pertinent)?
- c. What have been the principal impacts of projects and programs (differentiate if pertinent)?
- d. How are the impacts of programs and projects evaluated (differentiate if pertinent)?
- e. How do project implementers continue their work after support from the Fund ends?

#### Section 8. Institutional evaluation and projections

- a. Is there an established mechanism to evaluate institutional management? If so, please explain briefly.
- b. What are the principal lessons learned regarding institutional development to date?
- c. Does the institution have a strategic plan prepared or revised within the past two years? If yes, how was it developed?
- d. Is there a defined institutional mission, vision, goals, and objectives? If yes, what are they?
- e. If the response to the previous question is affirmative and there has been an evaluation of achievement of goals, what was the result of the evaluation?
- f. What resources (for example, technical, financial, political) does the institution consider necessary to achieve better progress and achievement of established goals?
- g. What benefits has the institution realized from its work with REDLAC?
- h. What factors do you believe could be incorporated into the future work of the network?

# Annex 3. Matrix of outcomes of projects financed by EFs

Fund	No.	Type of project	Implementer	Donor of funds channeled	Amounts granted per project	EF contribution to project (as a %)o	Average duration	Thematic focus	Beneficiaries
1	5	Institutional strengthening	Government, NGOs	Bilateral, multilateral	US\$ 700,000 to \$2 million	70%	Continuous	Biodiversity conservation	Government, NGOs, community based organizations (CBOs)
2	130	Research, institutional strengthening, training, environmental education	NGOs, academic sector	Private foundations	US\$3,000 average	50% on average	One year	Biodiversity conservation	Government, academic sector and NGOs
3	440	planning, strengthening civil society, education	NGOs and CBOs	Bilateral	?	50% average	3 years	Biodiversity conservation, use of biodiversity, local development	Government, NGOS, local residents
4	41	education, planning, research, infrastructure	NGOs, government, entrepreneurial sector	Government	?	5% - 90%	1 year	Biodiversity conservation	Government and NGOs
5	39	Environmental education, empresarial initiatives, research, training, environmental certification	NGOs and CBOs	Multilateral	US\$ 40,000 - US\$ 800,000	50% average	2-3 years	Use of biodiversity, distribution of benefits of biodiversity, conservation of biodiversity	CBOs
6	11	Institutional strengthening, infrastructure, planning	Entrepreneurial sector and government	Bilateral, multilateral	US\$ 40,000 - US\$ 5 million	100%	1-7 years	Biodiversity conservation. use of biodiversity, traditional knowledge and practices	Governments and NGOs

Annex 4. Profile of EFs analyzed Fondo Ambiental, Ecuador ECOFONDO, Colombia FONACON, Guatemala FUNDESNAP, Bolivia PROFONANPE, Peru F. NATURA, Panama =IAES, El Salvador F. VIDA, Honduras =ONAMA, Bolivia FCG, Guatemala =PAA, Colombia =UNBIO, Brazil FMCN, Mexico ⊃UMA, Bolivia PACT, Belize FNMA, Brazil FDLA, Chile Totales SGP Activities financed Χ Protected areas exclusively Х  $|X|_{X}|_{X}|_{X}$ Biodiversity in general with protected areas Χ Χ x 16 х Х Χ Χ Χ Х Χ Other themes (pollution, child development, etc) Χ Х 9 Х Х Х Х Х Governance Public (government) majority Х Х | x | x | X | x | X15 Χ Private majority with minority government presence Χ Х Х Х Χ Х Χ Х Х Private majority without public sector participation Χ 3 Х Х Legal status Χ Χ 10 Foundation Х Χ х Х Trust fund 3 Х  $\mathbf{x} \mid \mathbf{x}$ Χ X x X 8 Other Х Х Χ Х Financial structure Х 10 Endowment fund Х Х Х Х Х Х Х Χ x 17 Х Sinking fund Χ Х Х Х Χ Х Х Х Х Х Х Х Х Х Χ 3 Revolving fund

# Annex 5. Current status of Funds analyzed

	PACT Belize	Fundesnap Bolivia	Fonama Bolivia <sup>8</sup>	Puma Bolivia <sup>9</sup>	Fnma Brazil	Funbio Brazil	Fdla Chile	Ecofondo, Colombia	FPAA Colombia	Fondo Ambiental Ecuador	Fiaes El Salvador	FCG Guate mala	Fonac on, Guate mala	FHE Haiti	F. Vida, Honduras	FMCN, Mexico	Natura, Panam a	Profonanpe Peru	Fondo Américas Peru	EFJ, Jamaic a	PP D	Total
Sources of funding sustainable over time	x	х	?		x					х		x	x		x	x	х	х	х	x		12
Diversification of financial resources	х	x	?		x			x		x		x		x	x	x	х	x				11
Innovation in management and channeling of resources			?			x						x										2
Promotion of local philanthropy	х	х	х	x	x	х	х	x	x	x	x	х	x	x	x	х	х	х	x	х		20
Established priorities	Х	х	x		x			x		x	x		х			x		x			х	11
Monitoring of processes	?			NA	х	х	х	х	х	х	х	х	x	?		x	х	x	х	х	х	15
Evaluation of outcomes	х	x	х	NA	x	х	x	x	х	х	х	х	x	?	х	x	x	x	х	x	х	19
Evaluation of impacts				NA			+					Х		?		+						3
Capacity to manaage assets (capital)	?	х	?	NA		x			х	х		х			x	х		х	x	x		10

<sup>&</sup>lt;sup>8</sup> Bolivial's National Environmental Fund (FONAMA) is in transition to a new management structure, thus some items marked with a question mark indicate information not yet available.

<sup>&</sup>lt;sup>9</sup> The PUMA foundation is not yet operating, therefore certain categoreis do not apply (NA).

Annex 6. Funds administered by EFs (US\$ millions)

Up to	o 1	(3)	PACT-Belize, FCG-Guatemala, FHE-Haiti
2 - 5		(1)	
5 - 1	0	(1)	Fondo Ambiental Nacional -Ecuador
11 -	15	(1)	Fundación Vida-Honduras
16 -	20	(2)	FUNDESNAP-Bolivia,
			PUMA-Bolivia
21 -	50	(6)	FUNBIO-Brazil,
More	e than 51	(6)	FDLA-Chile, FIAES-El Salvador, Fundación Natura-Panama, EFJ-Jamaica, Fondo de las Américas-Peru. FNMA-Brazil, Ecofondo-Colombia, FMCN-Mexico, PROFONANPE-Peru, SGP, FAP-Colombia



ir danatu di ∪

# Annex 7. Current status of international environmental conventions and treaties in countries with REDLAC member Funds

Dates are in format DD/MM/YY

	in ioiniai Di		Post Río							
	RAMSAR	CITES	смѕ	COVEMA R	OZONE Vienna Conventi on	OZONE Montreal Protocol	BASILEA	смсс	CBD	CLDS
PAÍSES	Signed 02/02/71 In effect 1975	Signed 03/03/73 In effect 01/07/75	Signed 23/06/79 In effect 01/11/83	Signed 10/12/82 In effect 16711/94	Signed 1985 In effect 22/09/88	Signed 1987 In effect 01/01/89	Signed 1989 In effect 1992	Signed 09/05/92 In effect 21/03/94	Signed 5/06/92 In effect 29/12/93	Signed Jun. 1994 In effect 26/12/96
Haitì	х	Х	Х	F 31/07/96	A 29/03/00	A 29/03/00	Х	R 25/09/96	R 25/09/96	R 25/09/96
Jamaica	EV 07/02/98	A 23/04/97	Х	F 21/03/83	A 31/03/93	A 31/03/93	Х	R 06/01/95	R 06/01/95	A 11/12/97
Belize	EV 22/08/98	DS 19/08/86	Х	F 13/08/83	A 06/06/97	A 09/01/98	A 23/05/97	R 31/10/94	R 30/12/93	A 23/07/98
El Salvador	EV 22/05/99	A 30/04/87	x	F S/fecha	A 02/10/92	A 02/10/92	R 13/12/91	R 04/12/95	R 28/09/94	A 27/06/97
Guatemala	EV 26/10/90	R 07/11/79	Х	F and D 11/02/97	A 11/09/87	A 07/11/89	R 15/05/95	R 15/12/95	R 10/07/95	A 10/09/98
Honduras	EV 23/10/93	A 15/03/85	Х	F 05/10/93	A 14/10/93	A 14/10/93	a 27/12/95	R 19/10/95	R 31/07/95	R 25/06/97
Mexico	EV 04/11/86	A 02/07/91	Х	F 18/03/83	R 14/09/87	a 31/03/88	R 22/02/91	R 11/03/93	R 11/03/93	R 03/04/95
Panama	EV 26/11/90	R 17/08/98	EV 01/05/89	F and D 01/07/96	A 13/02/89	R 03/03/89	R 07/10/98	R 23/05/95	R 17/01/95	R 04/04/96
Bolivia	EV 27/10/70	R 06/07/77	Х	D 28/04/95	A 03/10/94	A 03/10/94	R 15/11/96	R 03/10/94	R 03/10/94	R 01/08/96
Brazil	EV 24/09/93	R 06/08/75	Х	D 22/12/88	A 19/03/90	A 19/03/90	a 01/10/92	R 28/02/94	R 28/02/94	R 25/06/97
Chile	EV 27/11/81	R 14/02/75	EV 01/11/83	D 25/08/97	R 06/03/90	R 26/03/90	R 11/08/92	R 22/12/94	R 09/09/94	R 11/11/97
Colombia	EV 18/10/98	R 31/08/81	Х	F 21/06/94	A 16/07/90	A 06/12/93	R 31/12/96	R 22/03/95	R 28/11/94	R 08/06/99
Ecuador	EV 07/01/91	R 11/02/75	х	х	A 10/04/90	A 30/04/90	R 23/02/93	R 23/02/93	R 23/02/93	R 06/09/85
Peru	EV 30/03/92	R 27/06/75	EV 01/05/90	Х	07/04/89	A 03/03/93	a 23/11/93	R 07/06/93	R 07/06/93	R 09/11/95

BASILEA: Basilea Convention on control of transboundary movement of hazardous wastes and their elimination

**CBD** Convention on Biological Diversity

CITES: Convention on International Trade in Endangered Species of Flora and Fauna

**CLDS**: United Nations Convention on Desertification

CMCC: United Nations Framework Convention on Climate Change

CMS: Convention on the Conservation of Migratory Species

Vienna Convention: Vienna Convention on Protection of the Ozone Layer

**COVEMAR**: UN Convention on Rights of the Sea

Montreal Protocol: Montreal Protocol on substances depleting the ozone layer

RAMSAR: Convention on Wetlands of International Importance

R = Ratification A = Adhesion F = Signed EV = In effect

**a** = Accession **D** = Declaration

DS = Declaration of secession

X = Not applicable

**Source:** Information provided for the Environmental Law Unit of the Regional Office for Latin America and the Caribbean of the UN Environmental Programme. From UNEP-ECLAC, 2001. "Sustainability of development in Latin America and the Caribbean: Challenges and opportunities". Río de Janeiro.