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OF WILD FAUNA AND FLORA



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**THE AFRICAN ELEPHANT FUND
INNOVATIVE FINANCING MECHANISMS FOR THE AFRICAN ELEPHANT
ACTION PLAN – FIRST ANALYSIS AND RECOMMENDATIONS FOR NEXT STEPS**

The report attached, *Establishment of an African Elephant Fund - INNOVATIVE financing mechanisms for the African elephant Action Plan – First analysis and recommendations for next steps*, has been prepared by consultants at the request of the Secretariat.

The views expressed in the report do not necessarily reflect those of the Secretariat

THE AFRICAN ELEPHANT FUND

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Executive Summary

This report presents an overview of possible financial mechanisms for an African Elephant Fund (AEF) designed to implement the *African Elephant Action Plan (Action Plan)* called for in Decisions 14.75 through 14.79 adopted at the 14th meeting of the Conference of the Parties (CoP14) in The Hague, the Netherlands, in June, 2008. This is the latest effort to develop a sustainable funding mechanism for African elephant conservation, an effort which started immediately after the listing of the species in Appendix I at the 7th meeting of the Conference of the Parties (CoP7) in Lausanne, Switzerland, in 1989. Previous efforts have included donor conferences, development of costed action plans for each range State, range State dialogues, a UNEP Elephant and Rhino Conservation Facility, consideration of the effects of one-off commercial sale of stocks in range States where the species was downlisted to Appendix II in 1997, and review of and development of conditions for non-commercial sale of stocks in range States where the African elephant is still listed in Appendix I including review of conservation trust funds (CTFs)

There have also been several detailed reviews of conservation financing mechanisms by the Global Environmental Facility, at sustainable development conferences, and most recently by the United Nations Forum on Forests and the Conservation Finance Alliance. These reviews establish the characteristics of successful CTFs, which include extensive partnerships, active governmental and NGO support, and capacity building and technical assistance. CTFs have the disadvantage of larger administrative costs and difficulties in developing long-term funding streams. The alternative of traditional grant funding does not require or build the same level of partnerships, can be implemented more quickly, has lower administrative costs, and typically involves a sinking fund expended in 5 to 10 years, although a grant fund, if successful, may attract new funding from donors to replenish it.

A review of a selection of international organizations, multilateral and bilateral donors, key NGOs, foundations, and corporations did not identify any new pledges to match the Government of the Netherlands contribution of €100,000. This review revealed that most large donors which have biodiversity conservation goals orient their programmes towards conservation of protected areas or biodiversity hotspots, not towards single species conservation. Multilateral and bilateral donors, as well as many NGOs, would be potential partners and co-financers of projects under the AEF. Some NGOs have existing elephant action plans or have reviewed the possibilities for establishing an overall elephant fund. The most promising models for development of the AEF involve partnerships with a broad coalition of other conventions, large donors, NGOs, and governments of range States and potential other donor States. Several models for development of a conservation financing mechanism not directed at elephants were also identified, and the possibility of a partnership to develop a database for ongoing elephant projects and potential donors was explored. A new Tiger Conservation Initiative was launched by the World Bank and Global Environmental Facility (GEF) just as this report was being completed, but World Bank staff have agreed to provide information about the tiger initiative in the near future which may be helpful to consideration of the AEF.

The sequence of actions called for by the elephant decisions include development of the *Action Plan*, then establishment of the Steering Committee, and finally consideration of the organization of the administration of the AEF. Key decisions will need to be made regarding the scope of the Steering Committee either within a more traditional CITES context or through a broader outreach to other conventions, the possibilities for a revolving or sinking fund, and establishment of a technical review process.

Options for the AEF, which are not mutually exclusive, are based on recognition of the difficulty in identifying donors to contribute to this new fund. These options include establishment of a small grants programme; initial concentration of the AEF on core CITES responsibilities for control of poaching and illegal trade; development of a "virtual fund", consisting of a database and possible clearinghouse of existing elephant projects and potential donors; forging partnerships with other conventions which may help increase the priority for contributions to the AEF or funding of elephant projects by major donors; and future consideration of Asian elephant funding needs.

Recommendations for next steps include consultation on the World Bank/GEF; reconsideration of options as a result of the upcoming range States dialogue meeting; approaching other donors for an immediate match of the Government of the Netherlands contribution; a progress report to the Standing Committee; further consultation with a broad range of donors and other organizations to build partnerships; development of a building blocks document to guide future activities; and using the creation of the Steering Committee, after adoption of the *Action Plan*, as another opportunity for extensive outreach.

1. Introduction and Purpose of the Report

This report presents a brief overview of existing and proposed financial mechanisms in the context of international biodiversity conservation. Its purpose is to draw preliminary conclusions and make recommendations for the creation and functioning of the African Elephant Fund (AEF) that will accompany the new *African Elephant Action Plan (Action Plan)* called for in decisions made at the 14th meeting of the Conference of the Parties (CoP14) of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) held in The Hague, the Netherlands, in June 2007.

One of the difficult issues in connection with the conservation of the African elephant is illegal killing and the concomitant illegal trade in ivory and other parts. Similar poaching and illegal trade exist for other species, including Asian elephants, African and Asian species of rhinoceros, and tigers, among many others. However, a limited amount of African elephant ivory also becomes available annually from natural death and legal killing of problem animals. At CoP14, CITES Parties approved the inclusion of additional stocks of registered and verified ivory held as of 31 January 2007 to the one-off sale of stocks held in Botswana, Namibia, South Africa, and Zimbabwe approved in principle at the 12th meeting of the Conference of the Parties (CoP12) held in Santiago, Chile, in November 2002. The revenues from the sale will be used by these four Parties for elephant conservation. The CoP14 decision also provides that after the sale, there will be a nine-year moratorium for further commercial sale of ivory from these four Parties.

This report suggests consideration of national funds available for elephant conservation as part of the total funds needed for the implementation of the *Action Plan*.

2. Background

2.1 CITES Efforts to Develop an African Elephant Funding Mechanism

Since the listing of the African elephant in CITES Appendix I at the 7th meeting of the Conference of the Parties (CoP7) in Lausanne, Switzerland in 1989, there has been continuing discussion about the need for increased funding for African elephant conservation. Soon after CoP7, the government of France in 1990 convened a meeting of donor States, the World Bank, and non-governmental organizations (NGOs). The meeting resulted in an agreement by donors to coordinate their efforts and announcement of some increases in elephant funding, but it did produce a long-term funding mechanism. Also in 1990, a group of donors and NGOs formed the African Elephant Conservation Coordinating Group (AECCG), which prepared action plans for each range State, including funding needs totaling more than USD 300 million. These needs were discussed at a 1992 meeting convened by the United Nations Environmental Programme (UNEP) in Nairobi, and in 1994 UNEP established an Elephant and Rhinoceros Conservation Facility to seek financial resources for implementation of elephant and rhino conservation activities.

In 1996, elephant range States met in Senegal to identify sustainable funding for elephant conservation, including self-generated revenues and donor funding through trust funds or debt-for-nature swaps which might be facilitated by the UNEP Elephant and Rhinoceros Conservation Facility, the Global Environmental Facility, and other sources. However, raising significant new funds for elephant conservation proved difficult. There was both the perception of competition for donors, and difficulties with actually establishing influence with donors, and the UNEP facility was unable to find a sustainable source of funding.

At CoP10 in Harare in 1997, the Parties took a new approach by adopting Decision 10.2, *Elephants: Conditions for the disposal of ivory stocks and generating resources for conservation in African elephant range States*, accompanying the decision to list the elephant populations of Botswana, Namibia, and Zimbabwe in Appendix II and authorize a one-off sale of ivory stocks. Decision 10.2 called attention to the failure of donors to fund the range State action plans, and developed a new approach by setting conditions for the non-commercial purchase of registered ivory stocks in Parties where the elephant remained listed in Appendix I. All revenues were to be deposited in, and managed through, conservation trust funds.

Implementation of the CoP10 decisions was a major topic on the agenda at the Fortieth and Forty-first meetings of the Standing Committee (SC40 and SC41) in 1998 and 1999. Among the documents prepared for SC40 was SC.40.5.2.3, Annex B, *Conservation Trust Funds – A Mechanism for Channelling Funds to Elephant Conservation*, a report by James P. Resor of WWF-US on considerations for establishment of conservation trust funds (CTFs) and foundations for the fifteen range States that submitted ivory stock declarations for possible non-commercial sale. The purpose of the CTFs would be to guarantee that the proceeds of the sale of ivory stocks were used for elephant conservation, with funds to be administered on the basis of an agreement among donor organizations and existing trust funds in each range State. The report summarized three kinds of trust funds:

- Endowment funds – only the return on the investment is used for project financing. The report estimates a 5% return on the capital invested (i.e. USD 200,000 would be available annually with a USD 4 million endowment). Please note the higher figure of 10% indicated in the 2008 Review discussed under c.
- Sinking funds – funds are spent in a finite period of time. The report recommended sinking funds in the context of the CITES decision.
- Revolving funds – new revenues each year allow continuous project funding from a sustainable funding source like park entry fees.

The report noted that the governing structure of a CTF usually includes a cross-section of NGO, government, community, and donor representatives. Multi-country CTFs funds were rare due to the legal, institutional and political complexities involved, and cited only one example, the Foundation for Eastern Carpathian Biodiversity Conservation in Poland, Slovakia and Ukraine. This foundation was legally established in Switzerland to avoid a dominant position for any one of the participating States and for ease and security of financial management. However, the report also points out that a CTF established in one country may very well “be invested for elephant conservation activities in a second country (perhaps an adjacent country which shared migrating populations or another country that faces increased poaching threats)”.

SC40 participants agreed on the usefulness of this report for range States and donors and directed that it be distributed to all CITES Parties. It was also agreed that the Secretariat would arrange for contacts with potential donors about non-commercial purchase of ivory stockpiles. At SC41 in 1999, participants received a report on the results of approaches to the European Commission, United Kingdom, U.S. Fish and Wildlife Service (USFWS), U.S. Agency for International Development (USAID), and the World Bank about purchase of stocks. Although several donors made new funding commitments for the needs of the Monitoring the Illegal Killing of Elephants (MIKE)¹ system and the Elephant Trade Information System (ETIS)², only the United Kingdom made

¹ MIKE was established by CITES Resolution Conf 10.10, Annex 2, as the system to monitor illegal killing of African and Asian elephants, assess the impacts of CITES decisions regarding elephants and trade in elephant specimens, and provide reports to the Secretariat for presentation to meetings of the SC and the CoP.

² ETIS was recognized in CITES Resolution Conf 10.10, Annex 1, as the mechanism for TRAFFIC to compile and analyze data on illegal trade in ivory and other elephant specimens, and report results to meetings of the CoP. It is a refinement of TRAFFIC's previous Bad Ivory Data Base (BIDS).

a commitment in principle for the non-commercial purchase of one ivory stockpile. In the ensuing nine years, there has been no actual non-commercial acquisitions of stockpiles, so this approach has also failed to produce funding for elephant conservation.

Although proposals for establishment of an elephant fund were discussed on the margins of subsequent CITES meetings, there was no further action by the Parties until the adoption of Decisions 14.75-14.79 at CoP14, calling for the development of the overall *Action Plan* and the establishment of an African Elephant Fund. The full text of the decisions can be found in Annex A of this Report. The Action plan for the control of trade in elephant ivory, also adopted at CoP14, can be found in Annex B.

2.2 Recent Reviews of Conservation Financing

Since the SC40 report on CTFs discussed in the preceding section, conservation financing has continued to be studied and evaluated.

a. 1998 GEF Evaluation of CTFs

At the 1998 meeting of the GEF Council, the GEF staff presented a report evaluating CTFs, as compared to traditional project funds (GEF 1998). Most of these CTFs were implemented by the World Bank within individual countries and were "parks funds" for support of protected areas, although a few were "grants funds". They found that CTFs were not only financial mechanisms, but also were the stimulus for conservation strategies and a source of technical expertise and capacity building, provided they had active local support from governments and NGOs. CTFs had administrative costs of at least 25-30 percent, which is higher than the management costs for traditional grants approaches. Although most CTFs had long-term funding objectives, they often had difficulty raising funds for endowments and frequently evolved into 6 to 10 year sinking funds. Parks funds were the most successful in getting longer-term support.

CTFs were better for addressing continuing threats which can be addressed by modest annual funding over 10-15 years, especially where capacity to effectively absorb funds needs to be developed in the recipient country. Grants funds are more suited for urgent threats where a larger influx of funds over 3-5 years is needed and can be effectively used. CTFs require complex governance structures and consensus, whereas grants approaches do not depend on such broad constituencies - but they also do not build them. CTFs can address recurrent operating costs for operation of protected area system; grants funds rely on governments to address basic operating costs, with the grants fund addressing specific biodiversity problems, including new and innovative approaches often not possible for CTFs. Parks funds typically are best based on endowments, whereas grants funds are usually sinking funds, with the possibility of periodic replenishment if the fund can demonstrate success.

b. 2004 Review of Conservation Financing

At the 2004 Conference on Environment, Security, and Sustainable Development in The Hague, Barry Spergel, an expert on conservation finance who assisted with the 1998 WWF-US report to SC41, reviewed the availability of financing for protected area management and creation of incentives for protection of biodiversity outside protected areas. Spergel estimated that global needs for protected area funding was two to twenty times greater than the actual expenditure of USD 2 billion to 3 billion per year. The shortfall was due to the difficulty in quantifying the value of biodiversity conservation, the inability to trade it on world markets like carbon sequestration, and the fact that economic values are often outweighed by the aesthetic, spiritual, and cultural value of conserving the elements of biodiversity. Global funding had declined over the previous decade from international aid agencies, governments, foundations, and NGOs. Corporations had never made major investments in biodiversity, and biodiversity-based business ventures nearly always lost money. However, some innovative financing sources were helping to bridge the gap, including tourism-related taxes and surcharges as well as fishing license and trophy hunting in developing countries, and lotteries and property tax surcharges in developed countries. Other potential sources

included pollution fees, judicial damage awards, and redirection of agricultural subsidies to more sustainable conservation of native species and their habitats.

c. 2008 Review by the Conservation Finance Alliance

In May 2008 the Conservation Finance Alliance's Working Group on Environmental Funds, which includes 18 multilateral and bilateral donors and NGOs, published a new review of CTFs, building on and updating the GEF report. This review, which did not address traditional project funds, was based on the fifty existing CTFs within individual countries, primarily for support of protected areas, although a few provide grant funding. It found that 75 percent of available capital has been raised for CTFs in Latin America, 10 percent in Asia, and only 9 percent in Africa. Of the estimated USD 810 million raised so far for CTFs, 45 percent comes from the USA, 19 percent from GEF, 7 percent from Germany, 6 percent from other national donors, the remaining 23 percent from other sources.

Most CTFs in Africa established since 2002 and funded by GEF are in francophone countries, and they address management of an entire protected areas systems. Administrative costs typically range from 10 to 20 percent of the total annual budget, with endowment funds being the most expensive to administer. Donors often have concerns about contributing to funds combining donations from many sources due to loss of public recognition for their individual roles, but in time the leveraging of matching contributions may actually lead donors to increase their contributions. Although 75 percent of CTF funding comes from the GEF and bilateral aid agencies, other sources of funding are increasing (foundations, corporations, and individual donors). CTF investment revenue averaged over 10 percent through 2006, comparable to average return on investment for universities in the USA.

Spergel found that effective CTFs funds often include a panel of technical experts to review projects prior to final decisions by the board. The highest performing CTFs have board chairs independent of government. Larger boards provide for a broader range of knowledge and skills, but they are more expensive, have a harder time reaching decisions, and require a smaller executive committee to make short-term decisions. The Review suggests that by pooling their funds CTFs will be able to attract better financial management advice and improve the performance of their investment, an option already applied outside the conservation finance world. To be considered a top client by financial institutions, on average a minimum investment of USD 20 million is required. CTFs should establish investment guidelines to ensure effective management of their funds.

3 Overview of Potential Sources of Funding and Partnerships for the AEF, and Models for its Organization

3.1 International Conventions, Agreements and Organizations

The first source of potential funding for the AEF would be CITES Parties themselves, as well as associated trade organizations. Other conventions, such as the Convention on Biological Diversity (CBD) and the Convention on Migratory Species (CMS) have missions that encompass the conservation of African elephants and thus may be potential partners or co-financers in the implementation of projects, though they would not be making direct contributions into the AEF. CBD and CMS refer in their texts to the development of external financing mechanisms such as the Global Environmental Facility that might also be partners with the AEF.

Other international organizations, such as the United Nations Food and Agriculture Organization (FAO), which hosts the National Forest Programme Facility, and the International Tropical Timber Organization may include models for financing mechanisms which may be useful for consideration in the development of the AEF, even though they are not potential partners for implementation of elephant projects. We will also discuss the Ramsar Endowment Fund as an example of a proposed financial mechanism which was well intended but ultimately not successful.

a. Contributions from the Governments of CITES Parties and Trade Associations linked to African elephants

The Government of the Netherlands pledged a contribution of €100,000 for the new AEF at CoP14, but no other Parties have so far matched this contribution. In the past, the Governments of several CITES Parties, through their Management or Scientific Authorities, foreign affairs departments, and development agencies have provided substantial assistance for elephant conservation activities. The United Kingdom's Department of Environment, Food, and Rural Affairs supported many of the past reviews of elephant financing mechanisms summarized in Chapter 2 of this Report, and the Governments of France, Germany, Japan, and the United States, among many others, have supported these reviews and the work of the Secretariat, MIKE, ETIS, and other elephant conservation activities, as have ivory trade associations. Other CITES parties should be a source of funds to match the contribution by the Government of the Netherlands, but the difficult budget discussions at CoP14 and the nominal increase in the CITES budget adopted by the Parties indicate that additional contributions for the AEF may be difficult to obtain. In view of the pending one-off sale of ivory, trade associations might be able to make a modest contribution to the Fund, though there is no requirement that they do so.

b. Convention on Biodiversity (CBD) – A potential African elephant partner

CITES Resolution Conf.10.4 and Decision III/21 adopted at CBD CoP3 both endorse the Memorandum of Understanding (MOU) between the Secretariats of CITES and CBD, and encourage Parties to cooperate in exploring opportunities for obtaining funding through the Global Environment Facility (GEF).

During COP 9 of the CBD held in May 2008 in Bonn one of the agenda items was "Financial Resources and the Financial Mechanism". In support of this agenda item, the Secretary General submitted a Note based on a background paper on "Innovative international financial mechanisms for biodiversity conservation".¹

Both the SG's Note and the background paper emphasize the importance of innovative financing schemes while at the same time "re-defining, re-energizing and expanding traditional financial schemes".² Of the more innovative instruments discussed, the future prospect of the following is considered moderately good to good:

- High income countries budgetary allocation (global fund, bilateral investment based on donor global impact, joint implementation)
- Sharing the costs with future generations (long-term Green Bond, Green lotteries)
- Newer good-will fund-raising instruments (Sister Parks, adopt a park, round ups, internet charity shopping, affinity credit cards, cell phone based donations)
- Businesses initiatives
- Green markets
- Payments for ecosystem services

¹ Goodman and Davidson (2007); UNEP/CBD/WG-PA/2/4 "Exploration of options for mobilizing, as a matter of urgency, through different mechanisms adequate and timely financial resources for the implementation of the programme of work."

² Ibid. p.13.

Gutman and Davidson indicate that the CBD should play a pro-active role in the financing for biodiversity conservation discussion by fostering innovations and brokering new commitments. The GEF is called upon to play an active role in the “institutional push” to the extent that the innovative mechanisms presented fall within its mandate. They suggest setting up a small financial innovation task-force, located with the CBD Secretariat or one of the CBD Working Groups, or hosted by a donor and to organize periodical stakeholder meetings. Finally the role of a highly visible champion is pointed out to bring world attention to biodiversity financing and engage key donor countries, NGOs, businesses and other relevant stakeholders. Other recommendations of factors with a positive effect on funding that are equally relevant for AEF are:

- improving the quality of conservation projects;
- integrating biodiversity conservation with other environmental and development goals such as climate change policies, poverty reduction and other MDGs;
- improving information and education among major stakeholders and the public at large.

c. Convention on Migratory Species (CMS) – Another potential African elephant partner

CITES and CMS signed an agreement for cooperative efforts in 2002, and Resolution Conf. 13.3 encourages joint efforts on species of common concern. The African elephant is one of those species, and CMS is a potential partner in implementing the *Action Plan* and the Fund. In 2005, under the auspices of the CMS, a MOU was launched concerning Conservation Measures for the West African Populations of the African Elephant. The MOU provides an international framework for Range State governments, scientists and conservation groups to collaborate in the conservation of elephant populations and their habitats. In West Africa many of the most viable elephant populations span the national boundaries of two or more countries. The African Elephant Specialist Group (AfESG) of the IUCN Species Survival Commission, together with WWF developed the Strategy for the Conservation of West African Elephants in 1999. The Strategy is appended to the MOU. AfESG works on behalf of the CMS Secretariat as the MOU coordinator in addition to acting as the technical advisor to the MOU. The MOU allows stakeholders to meet regularly to review strategies and implementation.

The MOU recognizes that the implementation of the CITES programmes MIKE and ETIS could provide valuable information to support the conservation and management of West Africa’s elephants if effectively implemented. Responsibility for implementing the MOU is given to the Range States of the African Elephant.

The MOU indicates that the Range States, acting individually or collectively, will Review and, if required, update, applicable national legislation, and ratify or accede to the most relevant international conventions addressing the African Elephant’s conservation, in order to reinforce the species’ protection, particularly with regard to domestic and international trade in ivory. Note about usefulness for AEF: In this case, IUCN works on behalf of the CMS Secretariat as coordinator and technical advisor to the MOU. The MOU covers a number of Range States that will also participate in the AEF. Responsibility for implementing the MOU and the Strategy for the Conservation of West African Elephants is given to the Range States.

d. International Tropical Timber Organization (ITTO) – A financing model, but not a potential elephant partner

ITTO implements a project fund for implementation of an agreed-upon action plan. The 1983 International Tropical Timber Agreement (ITTA) and its successors have each included as purposes of the ITTO the provision of technical assistance for the development of project proposals by member States and the provision of financing for project implementation. Since 1987, funding has been provided for over 700 projects, pre-projects, and activities totaling over USD 280 million, with annual funding of approximately USD 10 to 15 million from voluntary contributions provided

by timber-consuming members. The Common Fund for Commodities has also provided project funding, and projects may be co-financed by NGOs, multilateral donors, or bilateral donors operating in member States.

ITTO project funding has been guided by a series of strategic plans, with a new plan now being developed under provisions of the 2006 ITTA (which has not yet come into force). Project proposals may only be submitted by ITTO member States and the ITTO Executive Director, but projects are often developed in consultation with NGOs, bilateral or multilateral donors operating within those States. After review by the ITTO Expert Panel for Technical Appraisal of Projects and Pre-Projects for relevance to ITTO policy objectives and the action plan, final decisions are made by the International Tropical Timber Council, which includes all member States and meets twice each year. High-ranking projects not funded in that year can be carried over for consideration in the subsequent year, while other projects scored lower by the Expert Panel are returned to the member States for reconsideration.

The existence of this project funding mechanism has enabled the ITTO to quickly operationalize its policy decisions. Some ITTO projects may benefit African elephants in the ten ITTO member States which are also elephant range States. However, the primary relevance to the AEF is the fact that ITTO provides a model for a project financing mechanism administered by an international organization. Key elements include existence of the agreed-upon action plan; the availability of a funding stream from timber-consuming member States, with co-financing by other organizations; the limitation of access to funding to ITTO member States; an expert panel to review and rank proposals; and the full ITTO Council in its biannual meetings as the final decision-making body.

e. UN Forum on Forests (UNFF) – Another new financing model now under development

Currently, the World Bank (WB) is trustee of UNFF and the World Bank Board of Directors is the ultimate decision-making body. So far UNFF has received USD 200 million in pledges. The WB process started with a 1 page Road Map approved by the Board of Directors with a needs assessment and a gap analysis done by an in-house consulting group within WB. Then a Mapping Exercise was carried out that can be compared to the AEF assessment process. The next step will be the development of a 5-7 page Building Blocks document that is now in preparation, which will be tested through consultations with recipient countries and donors. A Draft Proposal will be circulated later in 2008 before the final Proposal is presented to the Board for approval. The Proposal is being prepared by WB staff with support from in-house consultants. Extensive consultation takes place at every step with a selection of donors and recipients. A clearinghouse for funding resources exists, the FAO National Forest Programmes clearinghouse (see under f).

The trustee of the AEF comparable to WB for the UNFF would be the CITES Secretariat, and the Steering Committee called for in Decision 14.79 would function as the final approving authority comparable to the Board of Directors of WB. No document comparable to a Road Map has yet been prepared for the AEF. If the UNFF model were to be followed, the next step would be preparation of a "Building Blocks" document that would be developed in consultation with range States and donors.

On 17 December 2007, the UN General Assembly adopted the Non-legally binding instrument (NLBI) on all types of forests (Resolution 62/198) and decided to develop a voluntary global financial mechanism for all types of forests to be adopted at the eighth session of the UNFF in April 2009. The mechanism aims at mobilizing significantly increased, new and additional resources from all sources, based on existing and emerging innovative approaches. It will also take into account assessments and reviews of current financial mechanisms. The UNFF is asked to convene an open-ended ad hoc expert group meeting in December 2008 to develop proposals for the development of a voluntary global financial mechanism. The Collaborative Partnership on Forests (CPF) is asked to assist in the development of these proposals.

In the background document that will be published in June 2008¹ the future of forest financing policy is summarized as “a new multi-actor, multi-pronged, and multi-level framework for financing a wide range of needs for forest initiatives throughout the world.”

The following elements of an innovative financing mechanism are listed: focus on key interests; capitalize on diverse capacities of States, Markets and Civil society; build strength through flexibility; operate at multiple levels (global, regional, national); be self-enforcing to the extent possible; remain performance focused; use soft law to get hard results.

The Portfolio approach to forest financing that is presented focuses on four major financial product and service types and indicates a number of aspects of each type:

I. Public funding	Identify cross-sectoral opportunities Catalyze new resources Solicit commitment Promote policy coherence Promote institutional donor coordination
II. Payment for Ecosystem Services	Insurance-risk aversion Futures market Savings accounts (incentives for forest protection)
III. Engaging the private sector	Broker for private initiatives Corporate Social Responsibility Incentives for Action Matching funds UNFF Seal of Authenticity Green stars or heritage value Eco-tourism
IV. Mobilizing civic leaders	Individual donors Champions/forest ambassadors

* * *

In terms of the governance of the financing mechanism the background paper suggests to create an Executive Board with the following tasks:

- To ensure that the policies, programs and plans of the FFM are consistent with the Multi-Year Program of Work of UNFF and operate within the framework of the NLBI;
- To oversee an efficient and effective management of the FFM;
- To monitor, assess and report on progress;
- To approve a yearly work program;
- To facilitate further development of a funding strategy, including new financial products and services on the basis of the ongoing assessment of its work (adaptive management).

The Board would be composed as follows:

- 5 representatives from the UNFF, representing the UN regions (on a rotation scheme; these could be the Bureau members of UNFF)
- 3-5 representatives from the private sector (CEO’s of forest related companies/financial institutions)

¹ “Designing a Forest Financing Mechanism (FFM): A call for bold an innovative thinking.”

- 3-5 representatives from NGOs (e.g. IUCN, WWF)
- 3 civic leaders/celebrities/royalties
- Director, UNFF Secretariat and the Chair, CPF as ex-officio members

The CPF would have an advisory role and a small staff unit would conduct the operational activities.

f. FAO National Forest Programme Facility (NFPF) – Another financing model, though not a potential elephant partner

The FAO in Rome hosts the NFPF which is operational since mid-2002. The NFPF is a funding mechanism and an information initiative created in response to recent intergovernmental dialogue on forests which recognizes the essential role of national forest programmes (NFPs) in addressing forest sector issues. The Facility supports active stakeholder participation at country level in the development and implementation of NFPs with a focus on capacity building and information sharing. It also offers information services on NFPs worldwide. The Facility's trademark is to stimulate participation in the NFP process by providing grants directly to stakeholders in partner countries, based on a competitive and transparent process to call and select proposals by stakeholders interested in Facility support. The Facility operates under the authority of a steering committee representing the key partners for forestry development in the developing world; it is financed through a multi-donor trust fund supported by 13 funding partners.

The objective of the Facility is to assist countries in developing and implementing NFPs that effectively address local needs and national priorities, and reflect internationally agreed principles, through the informed participation of all relevant stakeholders.

Through capacity building and knowledge sharing, the Facility is assisting countries to implement NFPs as instruments to:

- integrate sustainable forest management into poverty reduction strategies and other broad processes linked to other sectors;
- develop a consensus on how to address issues relevant to forests at the national level;
- translate commitments made at the international level into national forest policy and planning.

The Facility is governed by a steering committee which includes representatives from beneficiary countries, the World Bank, funding partners, research institutions, NGOs, foundations, the private sector and FAO. The Facility operates through a core team based in Rome with the support of the central and regional offices of FAO's Forestry Department.

The Facility is financed through a multi-donor trust fund supported by the following funding partners: European Commission, Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management, Czech Republic Ministry of Agriculture, Finland Ministry of Foreign Affairs, France Ministry of Foreign Affairs, German Ministry for Economic Cooperation and Development, Ireland Department of Agriculture and Food, Netherlands Ministry of Foreign Affairs, Norway Ministry of Foreign Affairs, Sweden International Development Cooperation Agency, Switzerland Agency for Development Cooperation – Federal Department of Foreign Affairs, UK Department for International development, USA Department of State. In-kind support is provided by the Japan Ministry of Agriculture, Forestry and Fisheries.

The Facility has a data base of funding resources for the implementation of NFP activities. The database, provided by the Collaborative Partnership on Forests (CPF), is aimed at sharing existing information on available funding that could be used for these activities. It has detailed information

on support provided by financial institutions, foundations, multilateral development banks and donor agencies.

g. Ramsar Convention on Wetlands of International Importance Endowment Fund – An unsuccessful financing effort

In the context of the Ramsar Convention an effort was launched in 2001 to create the Ramsar Endowment Fund. During the 8th CoP in 2002 the initiative was confirmed with a formal proposal for a feasibility study.¹ After several years of work and discussion – see reservations expressed during the Scientific Committee meeting in 2003² – the idea of the Ramsar Endowment Fund was officially abolished in 2005.³ Most of the criticism regarded the fact that it would be too costly to run the Fund and that too much money would be spent on meetings and administration rather than on conservation projects. Another criticism was that the proposal to create this fund put the Ramsar Secretariat in competition for donor funding with major NGOs and other implementing organization

3.2 Multilateral and Bilateral Development Agencies

These agencies organize their programmes around broad goals for sustainable development rather than the conservation of single species. In cooperation with development banks and other donors, they fund projects undertaken by governments, NGOs, or community-based organizations (CBOs) within their target countries. In the environmental area, they often focus on large development programmes aimed at enhancing landscape-level conservation initiatives, organized under a strategic goal with themes or focus areas. These initiatives may address conservation of biological diversity in a broader context, or may be aimed at countering the effects of environmental degradation, developing infrastructure for national parks and facilitating sustainable ecotourism, dealing with human-animal conflicts in the agricultural sector, or improving education, health care, and other basic services for local communities. These large-scale projects may include components that have benefits for African elephant conservation. For example, elephants may be adversely affected by both desertification and climate change, areas where investments are expected to grow significantly over the next decade. Elephants are keystone species for the designation and management of protected areas, and are fundamental to successful ecotourism in many parts of Africa. In addition, areas with abundant elephant populations may need to consider landscape-level changes to riparian and forest habitats. Elephants have significant effects on agricultural crops and pose challenges to rural communities, stimulating the need for innovative management activities.

There are some exceptions to this large-scale project model, such as the Small Grants Programme of the GEF, the European Union's support for elephant conservation, and the U.S. Fish and Wildlife Service's African Elephant Conservation Fund, all of which are included in the discussion below.

a. Global Environmental Facility (GEF):

The GEF provides grants to developing countries for projects which benefit the global environment. Since 1991, the GEF has provided USD 4.2 billion in grants and co-financing for projects in the biodiversity focal area. GEF projects originate in participating countries, which include 20 African elephant range states, and are managed by UNEP, UNDP, and the World Bank, with regional development banks. GEF funds would not be available to go directly into a new AEF, but GEF programmes could co-finance elephant projects through grants awarded to organizations within elephant range States. GEF grant programmes are organized into three tiers: the Small Grants Programme, for projects under USD 50,000; Medium-Sized Projects, up to USD 1 million; and Full-Sized Projects, over USD 1 million. Biodiversity projects must fall under one of GEF's four strategic

¹ http://www.ramsar.org/cop8/cop8_doc_17_e.pdf.

² http://www.ramsar.org/sc/29/key_sc29_doc11.pdf.

³ http://www.ramsar.org/sc/31/key_sc31_doc27.pdf.

priorities - protected areas, mainstreaming biodiversity, capacity building, and best practices - all of which may encompass aspects of elephant conservation. There are also six operational programmes, with the programmes for arid/semi-arid zone ecosystems and forest ecosystems especially relevant to elephants. A search of the GEF database using the keyword "elephant" identified fifteen African elephant projects, fourteen under the Small Grants Programme and one Full-Sized Project. This kind of search would be expected to miss many other projects that would have substantial elephant benefits, and thus underestimates the value of GEF projects to elephant conservation. As noted in section 3.1 above, GEF is the financing mechanism for the CBD, and partnership with CBD could help increase the priority of African elephant projects for funding under GEF.

The Small Grants Programme (SGP) may be particularly suited to projects which focus narrowly on elephant conservation, and successful pilot projects funded under the SGP may eventually be scaled up to qualify for consideration as Medium Sized Proposals . Each participating SGP country has a National Coordinator to administer the programme and a National Steering Committee to oversee its implementation, based on a country programme strategy. Grants for approved projects are made to community-based organizations and non-governmental organizations. The GEF SGP office in New York has agreed to provide information about the African Elephant Action Plan, when adopted, and the Steering Committee, when established, to National Coordinators in African elephant range States. Projects that implement the Action Plan, provided they also fit within the country strategy, would then potentially be more competitive for funding.

b. European Commission (EC)

The EC is a major donor to MIKE, having provided € 2.3 million in 2001 and an additional € 9.8 million for 2007 through 2011. The EC has a continuing commitment to funding environmental projects in Africa, and it is likely such funding will increase. However, as with other multilateral and bilateral donors, the vast majority of EC assistance is not targeted towards single species conservation, but rather is dedicated to large sustainable development projects, including poverty reduction and improvement of livelihoods. In 2007, the EC adopted a new thematic programme for the Environmental and Sustainable Management of Natural Resources including Energy (ENRTP), encompassing priorities like implementation of internationally agreed commitments and strengthening of environmental governance (e.g. support to multilateral environmental agreements like CITES and CBD). There is substantial funding available under this thematic programme, which covers a wide range of priorities, with annual budgets increasing over the next few years (an indicative amount of € 804 million for 2007-2013). Development cooperation funding is channelled through country specific and geographical programmes, which are demand-driven, with priorities set by recipient States and linked to poverty reduction. These are often managed at the EC delegation offices (including one in every elephant range State, plus regional offices) and elephant project proposals would need to originate at this level.

c. U.S. Agency for International Development (USAID)

The USAID provides assistance through bilateral missions in 22 African elephant range States, plus regional missions that provide more limited assistance in at least three additional range States. The total USAID budget for Sub-Saharan Africa in 2008 is more than USD 5 billion, but like many other bilateral development agencies, USAID does not have conservation of individual species as an identified objective. Its environmental initiatives do address conservation of biodiversity through community-based natural resource management programs and enterprise-based conservation initiatives, including improvement of the ecotourism infrastructure at national parks and protected areas. Habitat conservation programs include a focus on four habitat types, including drylands and forests. Since 2002, for example, the Congo Basin Forest Partnership and CARPE have benefited forest elephants as part of its larger goals, in partnership with a number of NGOs.

Prospects are good for the USAID programs in Africa to increase over the next few years, with special attention to climate change. Projects that provide multiple benefits, such as climate change plus biodiversity conservation, are a priority to reconcile economic development with environmental

protection. Elephant conservation initiatives that are linked to climate change, particularly in those areas of Africa which are projected to have increased water shortages, are likely to have an increased chance of being successful in the competition for USAID funding.

d. U.S. Fish and Wildlife Service (USFWS)

The African Elephant Conservation Fund (AECF) of the USFWS cannot make direct contributions to the AEF, but it can be a co-financer of elephant conservation projects. Proposals are accepted from individuals, organizations, and institutions. Grants can be awarded for the following activities:

- compliance with CITES and other treaties and laws;
- development of elephant management plans;
- applied research, including surveys and monitoring;
- education and community outreach;
- protection of at-risk populations;
- decreasing human-elephant conflict;
- habitat conservation and management;
- protected area management;
- capacity building;
- transfrontier elephant conservation;
- law enforcement activities.

Preference is given to requests for less than USD 50,000 and matching funds are expected for each project submission.

Since 1990, the AECF has awarded 305 grants, covering all African elephant range States, for a total of more than USD 18 million, leveraging more than USD 74 million in matching funds. These grants have included funding for implementation of the MIKE programme in Central Africa and a number of other CITES-related projects. In 2007, available funding under the AECF totaled USD 1.4 million, which leveraged USD 2.8 million in matching funds for award to 29 African elephant projects, and prospects are good for the programme continuing at or above this funding level in the future.

e. World Bank

The World Bank manages projects for GEF, provides low interest and no interest loans and grants, and serves as trustee of funding mechanisms such as the UNFF discussed in Section 3.1. In its core environmental and natural resource management portfolio, as of the end of 2007 approximately 3 percent (USD 283 million) was committed for biodiversity. As this report was being finalized, on 9 June 2008, the World Bank announced a Tiger Conservation Initiative, in cooperation with the Save the Tiger Fund (discussed in Section 3.4), the GEF (discussed above), and the International Tiger Coalition. This will include new funding commitments from GEF and the World Bank, as well as partnerships to foster tiger conservation research, mainstream best practices, and collaborate to find innovative funding sources. Although there has been no World Bank involvement with the African Elephant Fund, its biodiversity staff involved with the tiger

initiative have agreed to meet in the near future with CITES representatives to discuss ways in which it can provide advice and lessons learned which may be helpful to the AEF.

3.3 Private Foundations

The Foundation Center maintains the largest database of philanthropic organizations and in its Foundation Directory Online identifies more than 350 grantmakers which accept grant proposals for various work in Africa and/or for animal and wildlife projects. NGOs which implement projects to conserve the African elephant and benefit local communities living in proximity to elephant populations have development programmes which already actively solicit funding from such foundations. An approach to foundations on behalf of the AEF would need to be done in a way that focuses on finding new donors, or on significantly increasing contributions from current donors based on adoption of the new African Elephant Action Plan, so that there is a clear increase in funding for elephant conservation. Detailed analysis of all of these foundations was beyond the scope of this paper, but some examples of donors include:

- a. *The Gordon and Betty Moore Foundation* has provided USD 278 million since 2001 to Conservation International for biodiversity conservation. In addition, its special Projects programme has funded 28 projects since 2001, ranging in size from USD 35,000 to nearly USD 8 million. These have included work by the Wildlife Conservation Society (WCS) and Worldwide Fund for Nature (WWF) in Africa, the largest for nearly USD 1.7 million for the WCS Gabon National Parks project.
- b. *The Bill and Melinda Gates Foundation* does not directly fund biodiversity projects, but its Global Development Program works to improve crop production and market access which may provide indirect benefits to elephants. This has included multi-year grants to the Rainforest Alliance, UNDP in West Africa, the African Agricultural Technology Foundation, the African Progress Panel Foundation, and the Alliance for a Green Revolution ranging from USD 4 million to more than USD 162 million.
- c. *The John D. and Katherine T. MacArthur Foundation* has a Conservation and Sustainable Development programme. Although it currently limits its grants in Africa to the Albertine Rift geographic area, within this area it identifies the African elephant as a flagship species for its grants, which are available to government agencies, universities, and NGOs. Since 2005, it has awarded 15 grants ranging from USD 50,000 to 500,000.
- d. *The Liz Claiborne and Art Ortenberg Foundation* supports field-based projects with local support. Recent projects have included transborder elephant conservation in East Africa and national park support in Congo and Gabon.
- e. *The Turner Foundation and the United Nations Foundation* are complimentary family foundations established by Ted Turner. The Turner Foundation has dispensed over USD 300 million since 1991 for safeguarding wildlife habitats and other purposes. The UN Foundation includes biodiversity conservation among its purposes, including support for World Heritage sites, more than 20 of which provide habitat for African elephants.

3.4 Non-governmental organizations (NGOs)

Many NGOs are involved in African elephant conservation, each with its own strategic approach, using funds obtained from multilateral and bilateral aid agencies, foundations, and their membership, often to implement activities through their own in-country staff. Interviews conducted in preparation of this Report indicate it is highly unlikely for most NGOs to make direct contributions to the AEF. However, they would be important co-financers and/or implementers of

elephant projects. Moreover, they could use the African Elephant Action Plan in their fund-raising activities, since it would validate their project proposals and put them into a larger context, making them more competitive by assuring donors that there is an internally agreed, overarching strategy for their elephant work. The discussion below represents only a sample of the many NGOs involved with African elephants, and some others that have programmes that could be models for aspects of the AEF.

a. Amboseli Elephant Trust (ATE)

The ATE supports the long-term elephant research and conservation programme in the Amboseli ecosystem. It includes the African Elephant Conservation Trust, an endowment fund supporting the ATE and eventually research modeled after the ATE model across the Africa. In 2000 the ATE and partners developed a proposal for a pilot project for designing an international African Elephant Habitat Conservation Programme that would have three interdisciplinary thrusts: enhancing the knowledge base of elephant biology; reviewing the nature of elephant trouble spots; devising and implementing a mechanism to meet the opportunity costs of local human communities of maintaining elephant populations. The pilot project, which was never funded, would have included a review of current activities, networking to identify potential collaborators, stakeholder workshops in each sub-region, and development of a preliminary model for an elephant facility, which could be an NGO, an intergovernmental project, a trust, or a consortium. More recently, the ATE blog has discussed an elephant facility modeled on the Great Apes Survival Programme (GRASP, discussed below) to include at least UNEP, UNESCO, and CMS. At the June 2006 meeting of the African Ministerial Conference on the Environment in Brazzaville, there was a formal presentation on GRASP and informal discussions with ATE about a "GRASP for elephants". The meeting declaration included a reference to the need for "a sustainable approach to elephant management", which ATE believes would encompass its proposal.

b. Bushmeat Crisis Task Force (BCTF)

BCTF is a collaborative effort of NGOs and zoological gardens to address the illegal and unsustainable trade in meat from wildlife species. The BCTF has a small staff but liases with a broad range of other organizations and governments. In 2002, the BCTF produced a fact sheet, "African Elephants and the Bushmeat Trade", which summarized available information about the growth of the commercial meat trade as an incentive for poaching, even in populations of elephants with decreasing tusk size.

BCTF is governed by a Steering Committee of representatives of its member organizations, which elects a smaller Executive Committee to oversee the staff. The BCTF's primary goal is the development and maintenance of informational databases, which are freely available online. These include a geographical information system component, searchable by author, title, keyword, and/or document type (audiovisual materials, peer-reviewed publications, reports, or projects). These databases have enabled governments, researchers, NGOs, and donors to obtain background information about existing projects and activities before developing new proposals or making decisions about funding them. In addition, other organizations have used it to conduct analyses and identify gaps. Development and ongoing improvements to the databases have required a long-term commitment and substantial amounts of work by the BCTF staff, its member organizations, and other partners. One potential disadvantage to the free accessibility of all information online is that it may reduce the incentive for additional contributions to support the work of the organization. Aspects of the BCTF which may relate to the AEF include the governance structure with a steering committee of its members, and the long-term commitment to a comprehensive database of ongoing activities, freely available online.

c. Conservation International (CI)

CI administers the Critical Ecosystems Partnership Fund (CEPF), an effort to conserve biodiversity hotspots around the globe in cooperation with the GEF, the French Development Agency, the Government of Japan, the World Bank and the MacArthur Foundation, which has provided USD 37

million for CEPF since 2001, leveraging a total of USD 82 million. An investment strategy guides the work in each hotspot. Grant requests above USD 20,000 require more detailed documentation, and no grants are available for government activities, land acquisition, involuntary resettlement, capitalization of a trust fund, or physical alternation of cultural property. Although the ecosystems currently designated under the CEPF in Africa cover only a small amount of the African elephant's range, it provides a model for a donor-funded grant program.

d. International Elephant Foundation (IEF)

The IEF, a consortium of zoological parks and other institutions managing captive elephants in the USA and Europe, operates a small grants programme supporting conservation and education programmes for elephants in captivity and in the wild. Over 90% of its budget is dedicated to conservation projects. Proposals, which must be submitted in English by September of each year, are accepted from international organizations, institutions, students, and scientists. Final decisions are made after review by an interdisciplinary panel of advisors. Grants, which average USD 10,000, are awarded for protection of wild elephants and their habitats, scientific research, education efforts, and improvements in captive animal care. In 2007, fifteen grants were awarded, eight of which were for work involving African elephants. IEF is a potential co-financer for individual elephant projects, and its small overhead is a model for an efficient grant programme.

e. International Fund for Animal Welfare (IFAW)

IFAW's elephant campaign includes elimination of the ivory trade and poaching, securing habitats, and supporting science. IFAW's activities related to the AEF and Action Plan include facilitating a meeting of 17 elephant range States in Bamako, co-hosted by Mali and Kenya, in February, 2008. The meeting resulted in the Bamako Declaration, in which these States pledged cooperation to implement the CoP14 decisions regarding ivory trade and development of the African Elephant Action Plan. It attributes a decline in elephant funding since 1989 as a likely cause of the loss of capacity to protect elephants and prevent illegal trade. IFAW's position is that the Action Plan, as well as the terms of reference for the Steering Committee, must be thoroughly discussed and agreed by the range States; the Action Plan must increase access to donor support; the Fund may be more challenging to set up than the Steering Committee, and should be separated from it. IFAW might consider contributing to the Fund, but that depends on a number of factors, including the location of the Fund, with the possible option of housing it within UNEP.

f. Save the Elephants (STE)

STE has a long history of supporting and conducting elephant research, emphasizing radio-tracking, increasing protection from poaching, promoting grassroots involvement with local communities, and enhancing communications. STE manage the MIKE site in northern Kenya and has 17 active projects in Kenya, Congo, Gabon, Mali, and South Africa. It has supported studies of illegal ivory markets and operates the Elephant News, a free email service covering media articles and scientific publications about African and Asian elephants. STE is a potential co-financer and/or implementer of elephant projects and is a partner with the Secretariat in the MIKE programme.

g. Species Survival Network (SSN)

SSN is a coalition of 80 NGOs committed to implementation and strict enforcement of CITES. SSN believes that the Action Plan must be a consensus-based document involving all range States and potential donors. A professional fund-raiser would eventually be needed to marry potential donors with project proponents. The Steering Committee, which could operate on a sub-regional basis, could prepare criteria and then develop lists of potential projects for donors to choose from, as well as providing technical assistance and suitable recognition to donors for their funding efforts. Without broad consultation and transparency, donors are unlikely to contribute to the AEF. Documents should be produced well in advance of meetings to facilitate consultations among stakeholders.

h. Trade Records Analysis of Fauna and Flora in Commerce (TRAFFIC)

TRAFFIC, a joint programme with IUCN and WWF, is a key partner of CITES Parties and the Secretariat identifying and combating illegal trade. The TRAFFIC office for East/Southern Africa administers the Elephant Trade Information System (ETIS), which includes a database of all known illegal trade and seizures of ivory and other elephant products, providing reports and analysis of this illegal trade for meetings of the CoP and Standing Committee. TRAFFIC is a major partner in the implementation of the Action Plan for Control of Trade in Elephant Ivory and other projects consistent with the African Elephant Action Plan. It could thus be a key recipient of financing from the AEF.

i. Wildlife Conservation Society (WCS)

WCS has been involved with elephant research and conservation throughout sub-Saharan Africa for four decades, including new techniques for elephant monitoring, forest elephant census methods, aerial videography, genetics, acoustics, and satellite telemetry. In 2008, WCS has USD 17 million for projects in Africa (including USD 6 million from USAID), and it will likely increase its commitment to elephant conservation. WCS currently implements more than 150 projects in Africa, many dealing directly with elephants and others addressing protected areas and ecosystems which include elephants. In Central Africa, WCS is the coordinator for the MIKE programme. WCS anticipates that many donors will be providing increased amounts of funding for climate change activities in Congo Basin forests, and projects which emphasize the role of elephants as a keystone species in this ecosystem could be the beneficiaries of increased assistance from many donors.

WCS, like other NGOs, could be a co-financer and implementer of projects. The new *Action Plan*, if agreed to by a consensus of range States, could assist in raising the priority and competitiveness of elephant projects with donors by providing a mechanism for recognizing donor contributions and giving them credit for funding projects which implement key strategies. WCS is a potential partner for a web-based project database, available for self-evaluation by project implementers and for review by potential project donors.

j. Worldwide Fund for Nature (WWF)

WWF has a long history of involvement with the conservation of the African elephant. It provided significant support for the AECCG, IUCN's planning efforts, and the CITES MIKE and ETIS systems. It also cooperates with IUCN in the operation of TRAFFIC. It has operated an African elephant conservation fund to support its own projects and work by others and developed a series of plans to guide its elephant work. The most recent of these, the *WWF Species Action Plan: 2007-2011*, sets goals and objectives and ranks the priority of WWF actions within elephant landscapes, with a projected overall five-year budget of USD 11.9 million. WWF has had substantial experience with conservation trust funds, including the review prepared for the Standing Committee in 1998 discussed earlier in this paper, and it is currently engaged in a feasibility study for the creation of a national conservation trust fund in Mozambique.

WWF-US administers the Russell E. Train Education for Nature Program, which provides grants for education and training in at least eleven elephant range States. It also has a small grants fund for field projects costing USD 5,000 to 10,000. Elephant projects are not eligible for this fund, but it is a model for a small grants programme. Project proposals are referred to WWF-US by staff in range States in accordance with an annual schedule and a streamlined review process is used to make decisions quickly. WWF feels the program has been very effective, but the amount of work required to administer small grants is virtually as much as the work which would be needed to manage a programme of larger grants.

k. Zoological Society of London (ZSL)

ZSL has developed a comprehensive database of tiger projects, and is working to expand the database in cooperation with the IUCN Cat Specialist Group to become the Cat Project Database

addressing activities for all wild cats. The database includes detailed, year-by-year funding from all donors for each project. It also accommodates Asian elephant projects, since there is substantial overlap between tigers and elephants, and the species picklist includes African elephants, though no African data has been entered. The database is designed to provide access to information on the nature, location, and activities of cat conservation; to improve coordination and information flow; enable analysis of funding distribution; to assist in the evaluation of effectiveness of projects; and to stimulate increased funding. All of these objectives could also be applied to the effort to establish the AEF and implement the African Elephant Action Plan, MIKE, ETIS, and other CITES elephant conservation efforts. Like the BCTF, ZSL also emphasizes that obtaining information for a database like this requires substantial amounts of effort. ZSL has generously indicated a willingness to discuss the possibility of making the database with the CITES elephant effort, if desired.

3.5 International Corporations

International corporations may represent an underutilized category of potential donors, with many having objectives to enhance corporate social responsibility. Corporations operating in Africa, such as petroleum development companies, timber and mining companies, and ecotourism ventures, among many others, have participated in conservation activities, but there may be many additional funding opportunities, within individual range States or on a sub-regional scale. International corporations that use the elephant as a logo or in advertisement campaigns may also be possible sources of financing as may Publishers that publish (children) books about elephants. One example of a successful, long-term species conservation program funded by a major international corporation whose longtime logo is another CITES species is summarized below as an example of the possibilities.

Exxon-Mobil - Save the Tiger Fund and 21st Century Tiger - A model for Corporate Involvement in Conservation

In 1995, the Exxon Corporation (later to become Exxon-Mobil) formed a partnership with the National Fish and Wildlife Foundation (NFWF), a conservation grants organization chartered by the U.S. Congress, to form the Save the Tiger Fund (STF), with an initial commitment of USD 1 million per year. The STF was structured to be overseen by the STF Council, chaired by a leading tiger scientist from the Smithsonian Institution's National Zoo and including a balanced representation of tiger and funding experts from other zoos, NGOs, academic institutions, government agencies, range States, the World Bank, and the Exxon-Mobil Foundation. NFWF, which receives a combination of public and private funding for its other ventures, provided its extensive experience in grants management and evaluation. In its 13 years of existence, STF has built a coalition for tiger conservation, with most of its projects implementing priority actions in range States but with funding for *ex situ* scientific and planning activities also included. Ultimately STF and its partners produced a landscape-level, ten-year strategic plan incorporating the latest scientific data guiding to tiger conservation efforts. This mixture of range State participation, ground-breaking science, NGO collaboration, and sound grants management encouraged Exxon-Mobil to sustain its commitment to the program over the years since its establishment. STF could provide several elements of the model for a successful African Elephant Fund, including an active and balanced Steering Committee; a scientifically-based plan to guide the work, meticulous grants management, and frequent evaluations against planned accomplishments. These are key factors which might attract a corporate donor and keep that donor committed to the programme for long-term benefits. This kind of programme, however, requires a substantial initial investment in both projects and project management.

Exxon-Mobil also provided initial funding for the startup of 21st Century Tiger (21CT) by the Zoological Society of London.

21CT now receives funding from other corporations, the government of the United Kingdom, zoos, and zoo associations. Particularly important has been support for all of its administrative activities from Dreamworld Zoo in Australia, which has enabled 21st Century Tiger to devote 100% of its other funds to projects.

3.6 WSSD Type II Partnerships

The Great Ape Survival Project (GRASP)

GRASP was launched in 2001 as a WSSD Type II Partnership of UNEP and UNESCO. Partners include all 23 great ape range States; donor States; biodiversity related Multilateral Environmental Agreements including CBD, CITES, CMS, the World Heritage Convention and the Ramsar Convention; more than 30 NGOs with a significant involvement in great ape conservation.

The GRASP secretariat is responsible for the day-to-day functioning of the Partnership with advice from an Executive Committee. A Scientific Commission ensures the application of sound conservation science with a Technical Support Team providing the necessary technical backup. The Commission is closely linked to the IUCN scientific network. The GRASP Executive Committee may confer supporting partner status on any individual who has rendered or is rendering outstanding service in the field of conservation of great apes and their habitat.

The aim of the GRASP Partnership is to conserve viable populations of great apes in their natural habitat, to ensure that interactions between apes and people are mutually positive and sustainable, and to conserve other species sharing the ecosystems where great apes live.

The total GRASP budget has been USD 6,4 million from 2001-2007, even though its goal was to raise USD 25 by 2005. Implementation of GRASP activities is always done by partner organizations which have until today implemented 20 projects. A recent study indicates that until today GRASP's influence on national policy has been limited; most range States have adequate legislation and protected areas in place. Capacity for enforcement and implementation however is limited and this is where GRASP can help its partners through fundraising. According to the same study, most of its policy influence has been at the international level; one of the most important functions that GRASP has fulfilled is agenda setting and changing the discourse on great ape conservation making it a global instead of a regional or national issue. GRASP has created high level political attention for great ape conservation and has brought the range States together. Another positive effect of GRASP has been to provide NGOs with a unique access to governmental regimes and international organizations and to create a process of interaction between the UN, national governments and NGOs. The informal network that has been established is one of the key strengths of the partnership.

GRASP has relevance for the AEF because of similarities in terms of public perception of the animals, which are recognizable and admired; it involves a public-private partnership of contributors; it has a Scientific Commission; it links species and habitat conservation; and it has a small functional secretariat.

4. Analysis

The reality of African elephants is characterized by a number of factors that will have a profound influence on any new financing mechanism for the conservation of this flagship species. Many of these factors would apply also to the Asian elephant, but it is not covered by the CoP14 decision.

Analysis of the background of CITES efforts to develop a funding mechanism described in Section 2.1, makes it clear that traditional public financing mechanisms cannot cover the financial requirements of adequate elephant conservation. This is not unique to elephants, however. Section 2.2 shows that overall funding for biodiversity conservation from traditional sources has declined in the past two decades. Thus in a number of other policy areas – including conservation of other individual species (tigers, great apes), overall biodiversity conservation, and forest conservation – a mixture of public and private financing is being pursued to develop a comprehensive conservation programme. Even though there has been no attempt to quantify overall elephant project needs since the 1990s, it is clear that those needs are large and growing. Meeting the needs for elephant conservation financing will require an extensive partnership approach.

Elephants however have some special advantages. They have high economic and non-economic values, and they strongly appeal to the human imagination. This has consequences for private financing options that are not available for less charismatic species. For example, corporations and private donors may represent an untapped source of funding, since they could be approached in relation to works of art and advertising or publicity activities that use the image of an elephant.

Finally, it is important to note that elephants are keystone species within their complex ecosystems, and as such they can help protect the landscape in which they live. Although poaching and illegal trade continue to be major problems in many parts of Africa, in other areas the modification and destruction of its habitat due to human activities is significant. In some areas the elephants are themselves causing changes to the habitat. Hence elephant conservation and control of ivory trade must be seen in connection to the protection of their habitat and the preservation of their ecosystems. This means that synergies between CITES and other conventions and initiatives which address conservation of biodiversity must be sought. Several of the organizations consulted during preparation of this report also emphasized that elephants and their habitats will be significantly affected by climate change, and that substantial amounts of additional funding are likely to be available from many donors to address climate change. Projects which link elephants with climate change may be more competitive for funding from these donors.

4.1 Factors Affecting Effective Project Funding and Implementation

Analysis of the financing mechanisms described in Chapter 3 suggests the following list of characteristics of effective project funding and implementation mechanisms:

- inclusion of the need for a financing mechanism as an integral part of the text of an international agreement (e.g. CBD, ITTO), or establishment of the fund by the U.N. General Assembly or major international conferences (e.g. GEF, UNFF, World Bank)
- agreement of a large financing organization like the World Bank, UNDP, or UNEP to serve as Trustee of the Fund (e.g. GEF, UNFF)
- willingness of member States to pledge contributions to a new fund (e.g. UNFF) and to maintain long-term commitments to contributions (e.g. GEF, ITTO)
- sustained fund-raising efforts by development professionals to explore private foundations, corporations, and other donors (all successful NGOs)
- grassroots initiation of funding proposals within participating States (GEF, UNFF)
- technical experts to review project proposals (e.g. CEPF, ITTO, STF, WCS, WWF, ZSL)
- establishment of small grants as one component of the funding mechanism (e.g. GEF, WWF)
- agreement on a clear action plan to guide funding decisions and/or project implementation (e.g. private foundations, ITTO, WCS, WWF)
- broad participation by many partners in the fund (e.g. Type 2 Partnerships like UNFF and GRASP, GEF, STF)
- a clear, unique mission for the fund (e.g. IEF, CI's CEPF, STF, ZSL/21CT)
- a broad consultative process involving donors and recipients regarding the *modus operandi* for the Fund (e.g. UNFF, World Bank, GEF, GRASP)
- low overhead (including dedicated support for administrative costs), a streamlined decision-making process, and effective grants management and evaluation (IEF, STE, STF, USFWS, WCS, WWF Small Grants, ZSL/21CT)

The new African Elephant Fund starts with some disadvantages because it does not initially have all of these characteristics. Some of the challenges that the AEF will have to face are:

- Biodiversity funding is difficult to obtain in general, and CITES Parties adopted the decision to create the Fund at a time of budget austerity for CITES, with only one CITES Party (the Netherlands) so far contributing to the fund.
- The CITES Secretariat lacks resources and is very small in comparison to trustees for other funds, like the World Bank or GEF, which may have entire sections devoted to administering financing mechanisms.
- Funding for conservation of single species is difficult, in comparison to the availability of funds for the management of protected areas, hotspots, and other broader approaches to conservation and sustainable development.
- Even within the CITES realm, there are other "flagship" species which are competing for available funds (e.g. tigers, Asian elephants, great apes, rhinoceroses).
- The defined purposes for the AEF go well beyond a strict reading of the core responsibilities of the Parties under the text of the Convention for managing legal trade, combating illegal trade, and ensuring that all trade is not detrimental to the survival of the species. This is even more significant given the difficulties to date in obtaining contributions to the fund.

However the new AEF also has some advantages:

- It was developed as part of a consensus proposal negotiated by range States and unanimously adopted at CoP14. If this consensus can be maintained, it will be a powerful argument for obtaining new donors, and may be fact be a prerequisite for major donor involvement.
- It has a clear unique mission that would be easy to explain to prospective donors, and it will be accompanied by, and will serve to implement, the existing *Action Plan for Control of Trade in Elephant Ivory* and the new *African Elephant Action Plan*.
- The public in major donor States responds strongly to elephant conservation needs.
- There are several models for the development of project databases (BCTF, 21CT) and possible partners for small grants (CI/CEPF, GEF, USFWS), leading to some potential options for actions which could contribute to elephant conservation while a major fund is being pursued.

4.2 Key Decisions Required About the Nature of the AEF

Decision 14.79 is very specific in its assignment of responsibilities. The wording of this decision also poses some challenges and some opportunities.

- *Sequence of activities:* The decision states that the first duty of the Steering Committee is to support and advise range States on implementation of the Action Plan. This indicates that the Steering Committee has role to play, and thus should not be created, until after the *Action Plan* has been developed adopted. The second duty for the Steering Committee is to decide on organization of the administration of the fund, which serves to implement the new *Action Plan*, which will also encompass the other, existing *Action Plan for the Control of Trade in Elephant Ivory*. Once the *Action Plan* has been adopted, the decision calls for the Secretariat to establish a Steering Committee, consisting of representatives of the range States and donors, to govern the African Elephant Fund. The duties of the Steering Committee are to support and advise range States on implementation of the *Action Plan*, and to decide on the organization of the administration of the fund.
- *Resources available to the Secretariat:* The decision establishes the Secretariat as the

trustee of the fund, reporting to the Steering Committee, which it will establish, as governing body. This creates a clearly defined duty for the Secretariat, but it also involves a significant workload with no additional resources provided. Once established, the Steering Committee would need support from the Secretariat in conducting its duties, another ongoing workload for the Secretariat. A decision will be required about how the Secretariat can fulfill these responsibilities in relationship to its other, ongoing work.

- *Membership in the Steering Committee:* This is not an issue of immediate concern, given the sequence of events outlined above, but ultimately the Secretariat will require a process to choose which range States and donors will be presented on the Steering Committee. Identification of donors willing to participate on the Steering Committee will be both a challenge and an opportunity, since participation in the Steering Committee would be forming a partnership with the AEF and thus hopefully a willingness to contribute to it.
- *Form of the AEF:* The AEF theoretically could be a conservation trust fund or a traditional project fund. As noted in Section 2.2, CTFs have a number of advantages – if set up as an endowment or a revolving fund with dedicated funding sources, they can build partnerships with governments and NGOs, foster long-term capacity building, provide a sustained funding stream, and can deal with recurrent needs. However, they must be set up under a strict legal regime (so far usually within or for the benefit of a single country), which entails legal and administrative costs. On the other hand, traditional grant funds can be implemented much more quickly, have lower administrative costs, and can provide more immediate funding directed to specific projects. CTFs have most often been used for sustained support of protected areas, whereas grant funds have been used to address more specific biodiversity needs. Elephant conservation, on the other hand, has characteristics of both. They are often flagship species of national parks, with long-term funding needs, and yet their needs are also very specific and do not necessarily reflect the entire range of biodiversity needs of a particular protected area.
- *Should the AEF be an endowment, a revolving fund, or a sinking fund?* As noted above, endowments are typically associated with CTFs and entail substantial management costs. Revolving funds share some characteristics with endowments, since they can provide a longer-term funding stream, but they depend on a guaranteed source of income, e.g. park entrance fees or special tourism taxes. Experience has shown that many funds start with the goal of being a revolving fund, but become a sinking fund as funds are spent and the fund declines. However, funds may also be managed as sinking funds with periodic replenishment, if they can successfully demonstrate their accomplishments; the GEF, for example, is now operating under its fourth replenishment.
- *Financial management of AEF:* The AEF will need to seek professional investment counsel and adopt investment guidelines. The idea of “pooling” funds for different species is worth pursuing. By creating a larger amount of capital, higher investment revenues can be obtained.

5. Conclusions and Recommendations

As noted above, the first step in implementation of Decision 14.79 should be the adoption of the *African Elephant Action Plan*, preferably by a consensus of the range States if it is to have credibility with donors. Listed below are options for the establishment of the Steering Committee and its subsequent decisions about administration and organization of the African Elephant Fund. These options are not mutually exclusive; some of these options may lend themselves to early implementation, while other options are still under review and development.

5.1 Governance of the African Elephant Fund

As noted above, the Secretariat is the trustee of the Fund and is charged with establishing the Steering Committee only after the Action Plan has been adopted. Presumably this would occur in 2008 or early 2009. A number of the organizations interviewed in the course of preparing this report noted their views that the Steering Committee, however established, should be kept small and streamlined to minimize bureaucracy and overhead costs. The options discussed below are not mutually exclusive, as noted in the discussion.

- *Option a: Establish an interim Steering Committee as a subsidiary body of the Standing Committee*, perhaps chaired by a neutral party (e.g. the Chair of the Standing Committee, the Vice-Chair, or another designee of the Chair). It could include the four African regional representatives, and/or the three alternates from the African region who are from range States. Representatives of donors invited to participate could include the World Bank, GEF, EC, USFWS, and key NGOs who have been or plan to become involved as contributors or co-financers of projects under the Fund, on a rotating basis. IUCN and TRAFFIC could be invited to serve as advisors to the Secretariat and the Steering Committee (but also see Option c below). The advantage of this option is that it could be done fairly quickly. If desired, this could be an interim Steering Committee, to be later be replaced by a committee with broader representation, as outlined in *Option b*.
- *Option b: Establish the Steering Committee independent of the Standing Committee*. The Secretariat could reach out, under the existing MOUs with CMS and CBD, to invite their participation in the Steering Committee, and perhaps even seek a neutral chair from one of these organizations. The range State representatives could be chosen by the range States themselves (though it's not clear when they would again be together in a dialogue meeting to make this choice), or they could be chosen by the Secretariat after consultation with the regional representatives to the Standing Committee. Other conventions represented on the Steering Committee could assist in outreach to donors to seek their participation. NGOs would be invited to participate under the same conditions as outlined in Option a, after consultation with other members of the Steering Committee. It would take longer to establish a Steering Committee of this composition, since it would involve negotiation with other conventions, but it would potentially build greater long-term support for the Fund. As noted above, this could be a second stage of development of a Steering Committee initiated as in *Option a*.
- *Option c: Establish a Technical Review Committee*. Although a technical review committee is not expressly mentioned in Decision 14.79, this is a recommended practice by the GEF, as noted in Section 2. Steering Committee members cannot be expected to evaluate proposed projects for technical merit. The Secretariat could perform this function, but it does not have the resources to conduct reviews of large numbers of projects and would in any case have the need to consult other experts. This is compatible with either *Option a* or *Option b* above. The Secretariat could chair this committee, or it could invite IUCN to serve as chair, but in either case IUCN would be a key participant. Other participants should include TRAFFIC as a permanent member, and other NGOs on a rotating basis. The committee would need to develop criteria for review and recommendation of projects to the Steering Committee, as well as operating procedures to ensure transparency and objectivity in its decision-making processes.

5.2 Options for Initial Establishment of the African Elephant Fund

The options presented below are also not intended to be mutually exclusive. Instead, several or all of these options could be pursued simultaneously or on a sequential basis, depending on the results

of further consultations with range States and donors, the availability of funding, and other factors. Options are presented in a possible sequential order.

- *Option a: Development of a small grants fund:* The existing pledge from the Government of the Netherlands, in conjunction with future pledges, could be used to establish a small grants programme as a first tranche under the African Elephant Fund. This programme might be coordinated with another donor, or group of donors, to develop a joint programme which could leverage at least an equal amount of matching funds. When combined with in-kind contributions from implementing range State Government agencies or NGOs, the total amount of funding initially available for elephant conservation projects might be leveraged to at least USD 250,000 to 300,000. The Secretariat could initiate discussions with potential co-operators even in advance of the establishment of the Steering Committee, but a final decision about this approach would however require approval by the Steering Committee in its role to decide on organization and administration of the Fund. This would initially be a sinking fund, but successful implementation of this first tranche of funding would demonstrate the need for and effectiveness of the Fund. This would be the basis for approaches to new donors to continue the small grants programme or expand it to a larger grants programme.
- *Option b: Initially limit the Fund to address implementation of the Action Plan for the Control of Trade in Ivory and implementation of MIKE and ETIS:* Points (a) and (b) of Decision 14.75 refer to strengthening enforcement against poaching and illegal trade, and implementing the *Action Plan for the Control of Trade in Ivory*, respectively. Decision 14.76 calls for contributions to the new African Elephant Fund to implement MIKE. Decision 14.78, the charge to the Standing Committee to review the status of the African elephant, includes effective implementation of MIKE and ETIS among the status evaluation criteria. These activities are all core responsibilities of CITES Parties and the Secretariat to address the effects of poaching and illegal trade. For these reasons, and because the Fund so far includes only the €100,000 contribution from the Netherlands, CITES Parties and the Steering Committee may want to consider giving first priority to implementation of measures to monitor and control poaching and illegal trade. This would address the most fundamental requirements under the Convention for elephant conservation. This would also constitute a sinking fund, with efforts to obtain replenishment which could allow consideration of a broader selection of elephant conservation activities.
- *Option c: Creation of a "Virtual" African Elephant Fund:* As noted in this report, obtaining significant donations into the African Elephant Fund will be at best be a challenging, time-consuming process, with no guarantee of any substantial amounts of funding in the near future. On the other hand, there are many ongoing elephant conservation projects being financed by a host of donors and being implemented by a large number of organizations. One component of the AEF could be a *"virtual Fund"*, consisting of a comprehensive database of existing elephant conservation projects in each range State and the donors which have contributed to them. There is no such database or catalogue in existence today. Several NGOs and potential donors consulted in the development of this paper noted that the existence of such a database could significantly help with their decision-making processes and potentially engage new donors in financing elephant activities. This *"virtual fund"* would relate projects to the objectives and strategies in the new *Action Plan*, the *Action Plan for Control of Trade in Elephant Ivory*, and the goals of MIKE and ETIS.

Such a database would provide a better context for decision-making by range States and other CITES Parties, NGOs, and donors. Range States and sub-regional organizations would

have information about what is being done not only within their own borders but in neighbouring States and sub-regions as well. The Standing Committee and Conference of the Parties would have a comprehensive overview of the effectiveness of implementation of the various CITES actions plans and decisions. NGOs and other implementing agencies, as they consider the development of project proposals, would be able to identify gaps needing new projects and areas of existing overlap where new projects would be of lower priority. Donors would be able to better understand how proposals presented to them address gaps and make better decisions about which projects are of the highest priority.

The experience of the developers of existing databases described in this paper - the BCTF database (which includes some elephant projects) and the Tiger and Cat Project Database being developed by ZSL - shows that a database might be a useful resource for researchers, project implementers and donors. Development of a database would be an elephant project in its own right, requiring the identification of a donor and an implementing organization willing to devote its internal resources to this effort over several years. Minimizing these costs would be an important objective. A logical implementing entity could be the IUCN African Elephant Specialist Group (AfESG), since it already maintains a different kind of database, the African Elephant Database for information on elephant population numbers and range. However this database does not currently include any information about conservation projects or implementing agencies. Another potential implementing entity would be an organization which already has a project-level database which could be adapted to African elephants, particularly one which is already species-based like the Tiger/Cat Project Database, which ZSL may be willing to share with the CITES Secretariat and/or interim Steering Committee. The IUCN AfESG would in any case need to be involved as a key advisor and information source for this "virtual" component of the African Elephant Fund. The funding needed to establish the virtual fund/database could be solicited from a private foundation or corporation, particularly one which has an interest in developing the overall capacity of donors and project implementers to make good decisions.

A second element of a "virtual fund" could be a catalogue or database of existing and potential donors for elephant projects, patterned after the Collaborative Partnership on Forests. Since there is an existing cooperative agreement between CITES and FAO, FAO could be approached to provide technical assistance on development of such a database. Once again, a funding and staffing commitment from a donor would be needed to undertake this work. These databases could together constitute a "clearinghouse" for African elephant projects. The staff maintaining the database and/or the Steering Committee could serve as an advisor to donors and project implementers, providing information about how proposed projects relate to the actions plans and ongoing projects documented in the database/virtual fund.

Finally, the pending sale of ivory stockpiles from range States whose elephants are listed in Appendix II will generate funding for elephant conservation, possibly before the end of 2008, within these range States. This funding could be considered as a contribution to the AEF "virtual fund", under the control of, and earmarked for use in, the State selling the ivory. Those States would retain full control over the funds, but they could be counted as part of the international effort towards African elephant conservation. Similarly, specific elephant conservation funding in other range States not involved in ivory sales would also be a legitimate part of the "virtual fund".

- *Option d: Develop a partnership with other conventions or a multilateral donor:* A longer-term option, which is consistent with *Option b* under the discussion of the Steering Committee, would be to develop a partnership with CMS, CBD, GRASP, and one or more of the NGOs described in this report. This could help obtain greater interest in contributions to the fund from donors, particularly those like GEF which already have an existing relationship with one of these other bodies. The CITES Secretariat has existing

relationships with both CMS and CBD, as defined in Resolution Conf. 13.3, and Resolution Conf. 10.4 (Revised CoP14), respectively. The latter resolution specifically recommends that the Secretariat explore a partnership with CBD which could enhance the opportunities for obtaining funding for CITES projects from the GEF. While ITTO would not be a partner in the Fund, Resolution Conf. 14.4 provides a framework for cooperation and ITTO might provide helpful suggestions about the details of the operation of its project fund. ATE would be a potential advisor since it has explored the concepts and developed a pilot proposal for establishment of an elephant financing mechanism. WCS, WWF, and other NGOs are also potential partners. All of these NGOs might participate in the context of the Steering Committee.

An approach could also be made to donors to develop an agreement for co-financing of projects. The World Bank has indicated a willingness to have discussions and provide advice based on its experience with scoping the new Tiger Conservation Initiative. UNEP could be of particular assistance in approach GEF and the World Bank. The Government of the Netherlands, as the first contributor to the Fund, could potentially assist in outreach to the EC and member States of the EU to discuss cooperation, and the U.S. Fish and Wildlife Service could also be included. Japan, as the currently approved buyer of ivory, and China, if approved by the Standing Committee at its 57th meeting, should also be included in the outreach.

All of these activities could lead to the development of a revolving fund. They would require investment of staff time which would significantly exceed the current capacity of the Secretariat's resources. It has already been noted that this is one of the major difficulties with the CoP14 decision. An outreach to other conventions might lead to partnerships which could help provide resources for these unfunded duties.

- *Option e: Develop a financial management plan for the AEF.* In order to optimize return on the AEF capital (assuming capital be raised), careful decisions must be made about investment management. The choice of financial institution will be important, as will the adoption of investment guidelines by the Steering Committee. Pooling of species conservation funds should be considered as a means to optimize financial management and investment revenues.
- *Option f: Expand the Fund to address Asian elephants.* Decisions 14.75 through 14.79 are directed to African elephants. However, Asian elephants share some of the same issues regarding poaching and illegal trade, and the existing Action Plan for the Control of Trade in Ivory, which is referenced in Decisions 14.75 and 14.76, addresses both species. Furthermore, the entire Asian elephant population likely totals less than 10% of the African elephant population. While African elephants are listed as "Vulnerable" in the IUCN Red List and have some Southern African populations listed in Appendix II, Asian elephants are listed as "Endangered" in the IUCN Red List and all are listed in Appendix I. Thus Asian elephants are also in great need of additional conservation assistance. Because there would be some potential donors with a focus on Asia which would make funds available only for projects involving Asian elephants, this expansion of the Fund might not result in any significant reduction in funds available for African elephants. Some private donors might want to protect elephants without distinguishing between Asian and African elephants. For example, fashion/perfume house Hermes has just started an advertising campaign including an elephant. They could be contacted to see if they would be willing to sponsor elephant conservation. On each of the pictures that appear in the press a message could be printed noting that Hermes supports elephant conservation and they would receive credit for their activities in news releases and annual reports publicizing the activities of the AEF. Another

potential donor is Harper-Collins, publisher of a famous children's book about the elephant Elmer. They could be contacted to see if they are willing to contribute funds to elephant conservation. This would be mentioned in the marketing campaign for the books as well as in publicity about the Fund. There may be many potential sponsorships involving donors which probably would not want to be limited to Africa.

5.3 Recommendations for Next Steps

Under the best of circumstances, finding donors for the African Elephant Fund will be extremely challenging, given the limitations discussed earlier. Maintaining the consensus among range States reached at CoP14 will likely be essential if potential donors are to have confidence in the new *Action Plan* and Fund. This paper is part of an initial mapping process, in the planning terminology used by the World Bank. Following this model, which is now being undertaken the World Bank for the new UNFF, the next steps could include the following actions:

- *Consultation with the World Bank and GEF regarding the establishment of the Tiger Conservation Initiative* to determine what parts of this initiative are relevant to the African elephant.
- *Reconsideration of all of the options suggested in this report, as well as any new options, identified as a result of discussion during the Range States Dialogue Meeting in Mombasa.* The results of the range States consideration of the Action Plan and discussion of the Fund may well result in new analysis of the options presented here, or of additional options for further consideration.
- *Approach to other Parties and Donors to Match the Netherlands Contribution to the Fund.* The Secretariat could work with the Netherlands and other Parties, and possibly ivory trade associations, to implement this approach. One possible area for this activity would be to obtain funds for the Secretariat to boost its capacity to undertake the actions necessary for management of the implementation of Decisions 14.75 through 14.79, including any of the options recommended for consideration in this report.
- *A report to the Standing Committee of the results of the Range States Dialogue Meeting.* The Secretariat is not obligated under the terms of the Decisions 14.75 through 14.79 to report on progress, but it is likely they would want to do this at the 57th meeting of the Standing Committee which will occur within one month after the Range States Dialogue Meeting in Mombasa. This could include presentation of a very brief road map, (in World Bank terminology) outlining further actions to be taken, for the information of the Standing Committee.
- *Further consultation with a cross-section of potential donors, including CITES Parties, multilateral and bilateral donors, other conventions, NGOs, foundations, and others described in this report.* This process, which would require an investment of staff time and resources, should include meetings and written contacts with donors to obtain their recommendations about the operation of the Fund. There could also be a description of the Fund developed for the CITES website, with a process for obtaining comments from visitors to the website. The options discussed in this paper could be part of these consultations, including establishment of a small grants programme, development of a "virtual" fund/database, emphasis on implementation of core CITES responsibilities, and/or development of a partnership with other conventions, in addition to any other options originating from the range States dialogue or the 57th meeting of the Standing Committee.

- *Preparation of a short document (a “building blocks” document, in World Bank terms) for further discussion with range States and donors regarding next steps, including relationship of the approval process for the Action Plan to the subsequent establishment of the Steering Committee.*
- *Creation of the Steering Committee after adoption of the Action Plan would provide another opportunity for an active outreach to potential donors, including foundations, corporations, and other sources. This outreach would need to be carefully coordinated by the Steering Committee to ensure that its focus is kept on identifying non-traditional donors and obtaining increased commitments from existing donors. Part of the outreach should include seeking commitments for increased funding of NGOs and other implementers and co-financers of elephant projects.*
- *Exploration of the linkage between elephant conservation and climate change. As noted by several donors, funding for projects to monitor, evaluate, and address the effects of climate change will increase over the next decade. Elephants are likely to be affected by changes in the amount and distribution of rainfall and other effects of climate change, and projects addressing these effects could have increased priority for funding.*

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Directed to African elephant range States

14.75 The African elephant range States shall continue their constructive elephant dialogue aiming to develop joint conservation policies and exchange of management experience in order to improve the management of elephant populations.

The African elephant range States through the African elephant dialogue process shall develop an overall *African elephant action plan* for improved elephant management aiming at:

- a) accessing and directing resources, towards strengthening enforcement capacity in African elephant range States to combat poaching and illegal trade in ivory;
- b) the implementation of the *Action plan for the control of trade in elephant ivory*; and
- c) enhancing capacity building, managing translocations, reducing human-elephant conflicts and enhancing community-conservation programmes and development programmes within or adjacent to the elephant range.

The elephant range States will report to the Standing Committee on progress made under this decision with a view to providing the information necessary for the reviews referred to in Decision 14.78.

Directed to Parties, intergovernmental organizations and non-governmental organizations

14.76 Parties, trading countries, the ivory carving industry, intergovernmental organizations, non-governmental organizations and other donors are called upon to contribute significantly to the African Elephant Fund for the implementation of the *African elephant action plan* and the programme for Monitoring the Illegal Killing of Elephants (MIKE) to ensure their establishment and maintenance.

Directed to the Standing Committee

14.77 The Standing Committee, assisted by the Secretariat, shall propose for approval at the latest at the 16th meeting of the Conference of the Parties a decision-making mechanism for a process of trade in ivory under the auspices of the Conference of the Parties.

14.78 The Standing Committee shall conduct ongoing comprehensive reviews of the status of the elephant, trade in its specimens and the impact of the legal trade, based on data from MIKE, the Elephant Trade Information System and the implementation of the *Action plan for the control of trade in elephant ivory* and the *African elephant action plan* referred to in Decision 14.75.

Directed to the Secretariat

14.79 The Secretariat shall establish an African Elephant Fund that will be applied to the implementation of the *African elephant action plan*.

The Secretariat shall establish a steering committee consisting of representatives of the range States and donors to govern the African Elephant Fund and to support and advise African elephant range States on the implementation of the Action Plan.

The Steering Committee shall decide on the organization of the administration of the fund.

The Secretariat shall, as far as possible through MIKE funding, convene an African elephant meeting before 31 July 2008 and at later dates as necessary.

Action plan for the control of trade in elephant ivory

1. All elephant range States, and other Parties and non-Parties with an ivory carving industry or internal trade in ivory that is unregulated, should urgently:

a) prohibit the unregulated domestic sale of ivory (raw, semi-worked or worked). Legislation should include a provision which places the onus of proof of lawful possession upon any person found in possession of ivory in circumstances from which it can reasonably be inferred that such possession was for the purpose of unauthorized transfer, sale, offer for sale, exchange or export or any person transporting ivory for such purposes. Where regulated domestic trade is permitted, it should comply with the provisions of Resolution Conf. 10.10 (Rev. CoP14) (Trade in elephant specimens);

b) issue instructions to all law enforcement and border control agencies to enforce existing or new legislation rigorously; and

c) engage in public awareness campaigns publicizing existing or new prohibitions on ivory sales.

2. The Secretariat shall, by 31 August 2007, distribute to all Parties and non-Parties that have been identified in the Elephant Trade Information System (ETIS) report for the 14th meeting of the Conference of the Parties as being affected by illicit trade in ivory a questionnaire relating to the control of trade in ivory. Questionnaires should be returned to the Secretariat by 31 December 2007.

3. All elephant range States are recommended to cooperate with relevant research projects studying the identification of ivory, especially by supplying relevant samples for DNA and other forensic science profiling.

4. The Secretariat should seek the assistance of governments, international organizations and non-governmental organizations in supporting the work to eradicate illegal exports of ivory from the African continent and the unregulated domestic markets that contribute to illicit trade. The Secretariat shall also, if requested, work with the relevant countries in Africa and Asia to provide technical assistance for the implementation of this action plan. It shall provide similar assistance to any other Parties that have an ivory carving industry or internal trade in ivory. The Secretariat shall also continue its work, in conjunction with national, regional and international law enforcement organizations and networks (such as the ASEAN Wildlife Enforcement Network, ICPO-Interpol, Lusaka Agreement Task Force and the World Customs Organization) to assist in combating illicit trade in ivory.

5. From 1 January 2008, the Secretariat shall undertake work to assess progress made with the implementation of the action plan. Where appropriate, this shall include *in situ* verification missions. Priority should be given to assessment of States that are identified during research by the Secretariat and through other appropriate sources of information to have active and unregulated internal markets for ivory or to be significantly affected by illicit trade in ivory. Particular priority should be given to Cameroon, the Democratic Republic of the Congo, Nigeria, Thailand and any other country identified through ETIS as being significantly affected by illicit trade.

6. Where an elephant range State fails to submit by 31 December 2007 the questionnaire referred to in point 2 above, the Secretariat shall issue a Notification to the Parties advising that the Conference of the Parties recommends that Parties not authorize commercial trade in specimens of CITES-listed species with the State in question. Such a recommendation shall remain in force until a completed questionnaire is received by the Secretariat.

7. In cases where relevant Parties or non-Parties are found not to implement this action plan, or where significant quantities of ivory are found to be illegally sold, the Secretariat shall, following consultation with the Standing Committee, issue a Notification to the Parties advising that the Conference of the Parties recommends that Parties not authorize commercial trade in specimens of CITES-listed species with the State in question.

8. The Secretariat shall report upon the implementation of the action plan at each regular meeting of the Standing Committee.