

# Fundraising at EAMCEF: a case of bilateral agreement

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Latin American and Caribbean  
Network of Environmental Funds

## Case Studies

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### Background

The Eastern Arc Mountains Conservation Endowment Fund (EAMCEF) is a Trust Fund that was established as a mechanism to provide long-term and reliable funding support for Community Development, Biodiversity Conservation and Applied Research Projects, which promote the biological diversity, ecological functions and sustainable use of natural resources in the Eastern Arc Mountains of Tanzania.

The Eastern Arc Mountains are recognized globally as one of the 34 biodiversity hotspots characterized by high concentrations of endemic species now under serious threat and cover an area of about 5,350 km<sup>2</sup>. Locally the mountains are tremendously important as they supply water to more than 25% of Tanzanians and contribute to more than 60% of electricity production in the country.

EAMCEF was founded in 2001 through joint initiatives of the Government of the United Republic of Tanzania, the Board of Trustees (BOT), the World Bank (WB) and the Global Environment Facility (GEF).

## Location Of The Eastern Arc Mountains



### Fundraising

Like other conservation funds, EAMCEF undertakes fundraising activities so as to meet its conservation objectives. The case described here therefore explains on the process the Fund embarked on to solicit and secure a financial support from the Royal Government of Norway.

**Project Title:** *Improving Conservation of the Eastern Arc Mountains Forests of Tanzania*

**Source of Funding:** The Royal Government of Norway through its Embassy in Dar Es Salaam, Tanzania.

**Type of resources:** Project funding

**Amount committed:** US\$ 5,947,700.00

Budget Summary						
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Amount (US\$)	1,548,980.00	1,037,510.00	1,057,500.00	1,062,850.00	1,240,850.00	5,947,690.00
Percent (%)	26.05	17.44	17.78	17.87	20.86	100.00

Purpose of the funding: Sustainability is the main purpose for the funding support from the Royal Government of Norway as it aims at putting in place a sustainable funding mechanism for biodiversity conservation in the Eastern Arc Mountains of Tanzania. By funding the activities and operations of EAMCEF, it will allow to re-invest all incomes earned from the US\$ 7.5 million EAMCEF capital investment acquired from the GEF in 2006. With no withdrawals over the next 5 years of complete project funding and assuming an average annual income rate of 7.5%, the capital investment should grow to around US\$ 12 million by the end of the Norwegian support. Assuming a minimum rate of return of 5%, the US\$ 12 million capital will be capable of earning at least US\$ 600,000.00 per annum which should be sufficient enough to sustain the EAMCEF operations and field activities at a modest level. The Norwegian funded project also carries a significant component on fundraising activities that will help to attract more funding from other sources.

### Contract Duration

The funding is for 5 years, from June 2011 to May 2016.

### Required Counterpart:

No counterpart funding is required from EAMCEF for implementing the project. The Norwegian funding covers all the operational expenses and all field costs for project activities. The capital investment that will remain invested throughout the project period serves as the main counterpart funding from EAMCEF. Use of the EAMCEF offices for the activities of the project is also regarded as counterpart contribution by the EAMCEF. The expenses for planning, development and review of the project proposal were all paid for by EAMCEF and its other partners (WWF/CEPF).

### Other conditions given by the donor:

- From time to time, the donor shall make available to EAMCEF and subcontracted partners financial management advisory services.
- Upon completion of the project, any unutilized funds exceeding NOK 1000 including accrued interests shall be returned to the donor.
- Funds made available are not used in violation of relevant UN conventions and resolutions of the UN Security Council.
- EAMCEF prepares and submits on time Annual Financial Statements, Annual Budgets and Workplans, Semi-Annual and Annual Progress Reports, Organization Annual Reports, Annual Audited Accounts and the Final Report for the whole project period.

### Time of Negotiation:

It took more than two years from conceptualization to the contract signing i.e. January 2009 to May 2011. The process started by informal discussions between the EAMCEF Executive Director and the Counsellor (Natural Resources/Climate Change) at the Royal Norwegian Embassy followed by formal meetings at the Embassy; concept development; writing and submitting full project proposal; review and appraising the proposal and lastly contract signing and actual funding.

### Factors for Success:

The success of EAMCEF to secure funding from the Royal Government of Norway was contributed by many factors including the following:

- Global and local importance of the target area (the Eastern Arc Mountains) in terms of biodiversity richness, carbon storage, watershed, economy, livelihoods of the local communities and mitigation to climate change.
- Good reputation, good governance, transparency, commitment and experience of the Eastern Arc Mountains Conservation Endowment Fund in managing conservation finance and donor funds.
- Excellent field performance and excellent financial management during the first phase of EAMCEF under the World Bank/ GOT support
- Sufficient institutional capacity and adequate operational arrangement for running and receiving donor funds and disbursing funds to NGOs, CBOs, Government institutions, local authorities, academic/research institutions, etc.
- The trust put on EAMCEF by the Government of the United Republic of Tanzania. EAMCEF was initiated through initiatives by the government of Tanzania and still receives support from the Government.
- EAMCEF is an autonomous not-for-profit Non-Governmental Organization (NGO) and there is no interference from the Government on the management of grant funds.
- EAMCEF addresses the need for a long-term, reliable and sustainable funding for conservation of a critical ecosystem which is an important carbon sink that is endowed with unique biodiversity and exceptional catchment values

- EAMCEF has already built the necessary capacity and gained enormous experience over the past 7 years in receiving, managing and disbursing donor funds to beneficiaries and providing oversight control on its use.
- EAMCEF was in dire need of financial support to cover an interim period that would allow for recovery and further growth of its capital investment to generate sufficient income for realistic future withdrawals

### Governance and Monitoring of the Fund:

Whereas the Board of Trustees (BOT) provides for policy guidance, decision making and oversight control over the EAMCEF activities and operations, the Endowment Fund Secretariat (headed by an Executive Director) undertakes the day to day business of the EAMCEF. Donors are not members to the BOT.

EAMCEF has a very rigorous monitoring system of the funds whereby the beneficiaries/grantees are given funds based on performance. Funds are disbursed in three tranches. Only the first tranche funds are issued upon signing of the project agreement. The rest are disbursed after submission of satisfactory progress reports followed by physical verification of the activities undertaken on the ground by the EAMCEF field officers. The donor (Norway) is not part of the project implementation team but monitors the funds through financial statements, progress reports, field visits, performance evaluations and annual meetings. Auditing of the funds and the actual implementation of the activities is as well undertaken to ensure that the funds are only spent for the planned activities.



Her Excellence Ms Ingunn Klepshvik, the Ambassador of Norway and Mr. Francis Sabuni, the Executive Director of EAMCEF, signs the Contract for the grant on 20th May, 2011 at the Embassy grounds in Dar Es Salaam, Tanzania.