



**CONVENTION ON  
MIGRATORY  
SPECIES**

UNEP/CMS/COP15/Inf.27.2

27 October 2025

Original: English

15<sup>th</sup> MEETING OF THE CONFERENCE OF THE PARTIES  
Campo Grande, Brazil, 23 to 29 March 2026  
Agenda Item 27.2

**SAHELO-SAHARAN MEGAFUNA INITIATIVE FUNDING MECHANISM  
CONCEPT AND STRATEGY**

*(Prepared by the Secretariat)*

Summary:

The Secretariat commissioned a *Funding Mechanism Concept and Strategy* (UNEP/CMS/COP15/Inf.27.2) for the Sahelo-Saharan Megafauna Initiative. The Strategy was completed in January 2024 and includes an analysis of funds required to implement the Action Plan and of funding options, an assessment of different types of mechanisms and potential instruments, and possible governance modalities for these instruments.

# **SSMF Sustainable Funding Mechanism Concept and Strategy**

**for**

## **The Convention on Migratory Species (CMS)**

United Nations Campus in Bonn  
Platz der Vereinten Nationen 1  
53113 Bonn, Germany  
Tel: +49 (0)228 815 2483  
Website: [www.cms.int](http://www.cms.int)

# Table of Contents

- I. Rationale**
  - A. BAU and Risk of Inaction for Habitats and Specie Biodiversity
  - B. New Mechanism Concept
- II. Funding Option Analysis**
  - A. Funding Needs
    - a. Catalytic Funding
    - b. Self-sustaining Long-term FundFigure 1: Seed Grant Facility Model
  - B. Global Funding Source Analysis
    - a. Global Funds: GEF, GCF
    - b. Private Foundations
    - c. DFIs
    - d. Donor Countries
  - C. Best practices in Sustainable Financing and Private Sector Linkage
    - a. Nature-based Solutions (NbS)
    - b. Payments for Ecosystem Services (PES)
    - c. Natural Asset Valuation (NAV)
    - d. UN Ecosystem Accounting (SEEA EA)
- III. Mechanism and Instrument Analysis**
  - A. Mechanism Types
    - a. Single Donor Trust Fund
    - b. Multi-Donor Trust Fund
    - c. Project Development Fund (PDF)
    - d. Debt Conversion for Conservation Trust
  - B. Potential Financial Instruments
- IV. Mechanism (Fund) Governance Architecture**
  - a. Mechanism Entities
    - i. Fund Operations
      - 1. Oversight
      - 2. Secretariat
    - ii. Fund Administration
      - 1. Administrative Agent
    - iii. Fund Implementation
      - 1. Regional Liaison Office
      - 2. Implementing OrganizationsFigure 2: Governance Architecture:
    - iv. Legal Architecture
    - v. Manual of Operations
    - vi. Risk Management
- V. Mobilization Roadmap and Strategic Recommendations**
- VI. Annex**
  - A. References
  - B. Table A: Work Plan Budget
  - C. List of Potential Fundraising Sources

## Acronym Definitions

<b>AfDB</b>	African Development Bank
<b>BAU</b>	Business as Usual
<b>CIF</b>	Climate Investment Fund
<b>COP</b>	Conference of the Parties
<b>DFI</b>	Development Finance Institution
<b>ESMS</b>	Environmental and Social Management System
<b>EU</b>	European Union
<b>FIF</b>	Financial Intermediary Fund
<b>GBF</b>	Global Biodiversity Framework Fund
<b>GCF</b>	Green Climate Fund
<b>GEF</b>	Global Environment Facility
<b>GHG</b>	Greenhouse Gases
<b>ICA</b>	International Cooperation Agency
<b>IFI</b>	International Finance Institutions
<b>IPLC</b>	Indigenous Peoples and Local Communities
<b>LDC</b>	Least Developed Country
<b>LOI</b>	Letter of Intent
<b>MDB</b>	Multi-lateral Development Bank
<b>MDTF</b>	Multi-Donor Trust Fund
<b>MOP</b>	Manual of Operations
<b>MOU</b>	Memorandum of Understanding
<b>MSME</b>	Micro, Small, and Medium Enterprises
<b>NAV.</b>	Nature Asset Valuation
<b>NbS</b>	Nature-based Solution
<b>PDF</b>	Project Development Facility
<b>PES</b>	Payment for Ecosystem Services
<b>SDTF</b>	Single Donor Trust Fund
<b>SIDA</b>	The Swedish International Development Cooperation Agency
<b>SAA</b>	Standard Administrative Agreement
<b>SMART</b>	Specific, Measurable, Attainable, Relevant, and Time-bound
<b>SSMF</b>	Sahelo-Sahara Megafauna
<b>TNC</b>	The Nature Conservancy
<b>UNDP</b>	United Nations Development Programme
<b>UNEP FI</b>	United Nations Environmental Programme Financial Initiative
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WB</b>	World Bank
<b>WWF</b>	World Wildlife Foundation

## I. Rationale

### A. BAU and Risk of Inaction for Habitats and Specie Biodiversity

Countries of the Sahelo-Sahara are facing a medley of development challenges and are becoming increasingly fragile. Escalating insecurity, political instability including military takeovers, and overlapping economic shocks are making it even harder to achieve sustainable and inclusive development in one of the poorest parts of the world. (1)

The Sahel-Saharan Region critically needs support to implement essential reforms and complex investments to deploy best practices that can effectively address the contributing factors, threats, and, drivers of habitat and specie loss.

It is becoming very clear amid growing evidence that the natural capital on which tens of millions of Africans depend is being lost due to **contributing factors including overexploitation, overpopulation, land-use changes**. The value of the natural capital lost to Africa every year is estimated to be \$195 billion, according to the United Nations Environment Programme. (1)

A few of the current key threats to development, habitat, and specie loss:

- **Lack of institutional infrastructure**, and continued lawless activities carried out in high value habitats of the Sahel-Sahara;
- **Unmeasured or under-estimated natural capital** has led to poor understanding of the benefit of valuing natural capital and natural resource management;
- Increasing vulnerability to climate change, disaster risk and biodiversity loss via land degradation and ecosystem;
- **Lack of adequate interventions to create pathways** to conserve and protect species and habitats that align with sustainable development goals.

Rapid and uncontrolled urbanization, increasing population growth, and lack of protection fuels environmental fragility in the Sahel-Sahara by causing large biodiversity losses while degrading the ecosystem health as populations of species, both plant and animal, plummet at alarming rates. **The key drivers of habitat degradation include illegal taking of animals, destruction of habitat, and climate change impacts.**

**Business as Usual (BAU) modalities risk total species loss or extinction, the destruction of habits that further decrease resources and lead to the exacerbation of climate change impacts and social economic instability.**

None of the existing initiatives to stop habitat and specie loss allow for developing and supporting institutional frameworks in the Sahel-Saharan countries. In quick mapping of existing funding mechanisms in the region, there is a clear lack of funding in the field of biodiversity and environmental sustainability; either lacking focus on the region or, if they did target root causes - they do not take a holistic, country-level approach with support to national development frameworks (that include sustainable economic incentives and drivers).

There is a strong initial rationale to mobilize financing with the development of a **Theory of Change (ToC) for a catalytic Intervention** that can mitigate the contributing factors with the right inputs to actively counter the threats, and reverse key drivers to ultimately shift to a sustainable pathway for the long-term management critical habitats and species in the Sahel-Sahara.

## **B. New Mechanism Concept**

- a. **Key Funding Mechanism Attributes “Fund”:** *Self-sustaining long-term, specific focus with scalability, broad coalition and collaboration, economic incentive creation and alignment, address core relevant regional conservation challenges, global policy alignment with best practices in finance and the sciences to directly combat habitat and specie loss.*

A new funding mechanism should be is a **platform of coordination for like-minded partners that provides for substantially scaled-up international support to national investment frameworks** and includes distinct guardrails to ensure the coherence and efficiency of the initiative. Donors who are part of the initiative can commit resources to the Fund or use, in a coordinated manner, bilateral or other channels to provide financial support. **A broad-based joint partner initiative is required because a regional approach is needed** for the Sahel-Sahara which is spread across several countries who share certain common characteristics and increased performance, for example animals range land is connected and does not know political borders, so and intervention must involve many states and actors.

**Weak institutional capacity described above needs to be remedied through a combination of both political, financial, and technical solutions.** The states of the Sahel-Sahara need stability, transparency, and legitimate institutions with the capacity extract revenues from taxes, fees, and duties to deploy best in practice policies and deliver economic development services that make their countries more resilient to habitat, specie loss and climate change effects.

**Sahel-Sahara country buy-in through economic incentives can start to shift the paradigm from negligence and destruction to constructive investment in effective resource management.**

**The aim is to trigger transformational change in the region impact and development goal of the Initiative a shift to sustainable land and specie management for protection where habitats and species can thrive.** To have a lasting change in the target countries, addressing this sector requires structural reforms as well as direct investment to tackle the direct as well as underlying drivers of habitat and specie loss.

A transformational change will directly contribute to a paradigm shift in the region, helping countries shift towards a green economy development pathway. Addressing this major sector and shifting to sustainable development pathways towards a green economy require managing diverse and sometimes conflicting interests among various actors and sectors, as well as complex coordination among the different sectors behind the drivers of land use change.

Program or Project donors should be those that align with UNFCCC and UN Biodiversity mandates ensuring synergy of policies and resource management practices and ESG standards. While securing significant financial commitment towards the support of proposed reforms and interventions is an important enabling factor, the promotion of explicit win-win development and habitat/specie interventions.

Currently within the international aid community there are large gaps in the multilateral system that have left specific issues, countries, and/or regions without adequate aid funding. Whether for the perceived high risk of action in these areas or the lack of priority given to this region, an aid gap exists for the countries of the Sahel-Sahara and its specific issues. In other parts of the world donors have increasingly turned to trust funds, given their comparative advantages as opposed to other aid vehicles. **This has happened primarily because trust funds specialize in situations where the multilateral institutions alone cannot be fully effective.** This is well worth considering with the design of a new funding mechanism for the Sahel-Sahara to reverse habitat and specie loss.

The initial task for creating a new mechanism is to first perform an analysis to find most suitable donors with clear pathways to access to funds within a reasonable timeframe. Then, the task is to determine the best funding mechanism modality and governance configuration. The strategy to obtain funding will be piecemeal and iterative - based on moving through the first stages of project (funding mechanism) design. The next step will be to formulate and implement a resource mobilization roadmap while continuing to develop the SSFM funding mechanism concept proposal. Both activities will inform upon one another, and the strategy moving forward to question assumptions and reinforce decision making to arrive at an optimal solution for a capital deployment to protect and support habitats and species of the Sahel-Sahara.

## II. Funding Option Analysis Include

### A. Funding Needs

#### a. Catalytic Funding

**An initial estimate sum of \$31 million in funding** be required to launch a project that can put in place the reforms and define a pathway to sustainably address the loss of habitat and species in the Sahel-Sahara. This estimate is based on the Megafauna Specie Plan and comprises of 4 components or desired outcomes, outlined as follows:

**Outcome 1:** Enable institutional capacity with policy and legal framework;

**Outcome 2:** Develop best practice ecosystem management system to promote species biodiversity and habitat protection;

**Outcome 3:** Accelerate climate adaptation, mitigation and biodiversity enhancement;

**Outcome 4:** Develop Impact financial mechanism capitalized for self-sustaining conservation.

**Each outcome is supported by SMART Outputs** with detailed actions (from the Megafauna Specie Plan) that have been projectized as activities for achieving each output target.

Costing estimates have been determined based on global development finance project averages for technical assistance, outreach, research, financial services, etc.

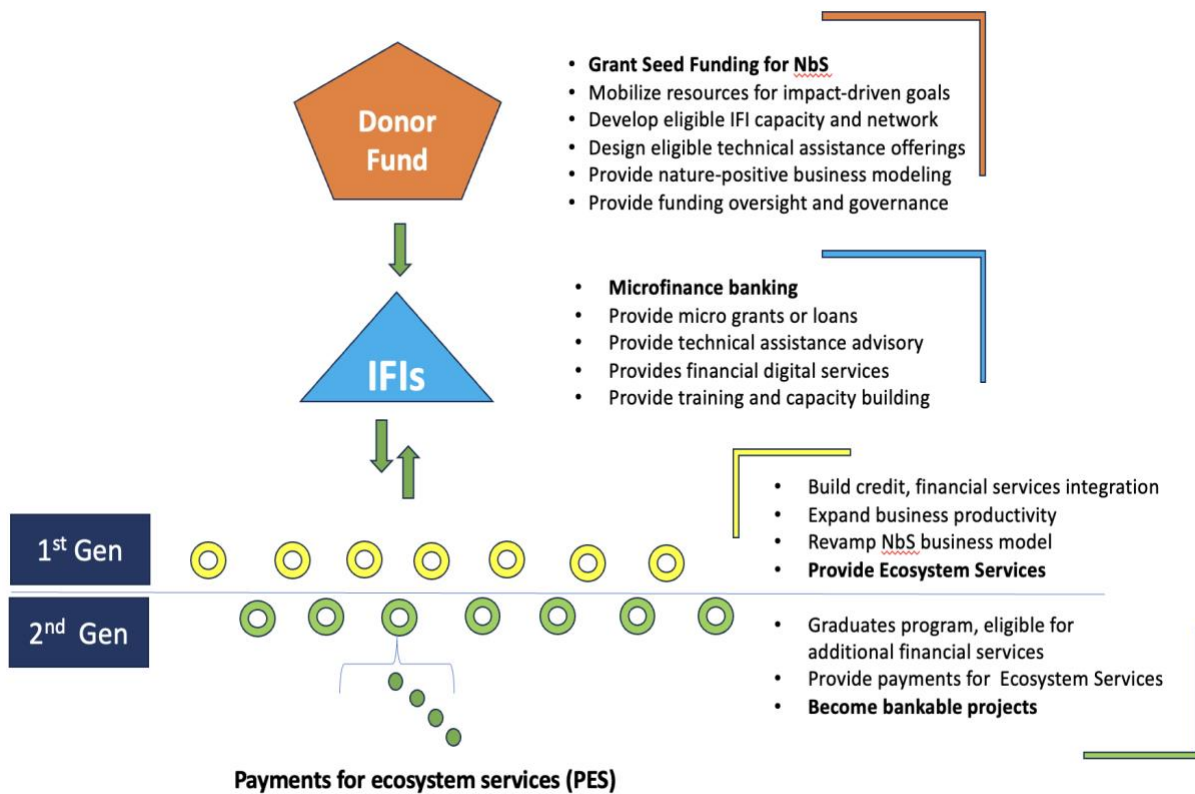
**See the Annex Table A of the Work Plan and Budget.**

**b. Self-Sustainable Long-term Funding**

The catalytic capital (a) would essentially start capital flow, lay policy and capacity foundation, and then initially catalyze private sector linkages. For long-term impact the follow capital flows would be required to power a self-sustaining transformation that would build on the initial gains of the catalytic injection of capital. **Otherwise, short-term intervention impacts would be erased with nothing to show for the initial investment.**

Based on initial estimates, it could require a **long-term investment of \$100-150 million** in order to make the proposed intervention capable of becoming self-sustaining to see the intended impact that can last generations. The only way that this will be possible is to finance and engender more long-term investments in sustainable economic activities that align with environmental impact objectives such as PES, NAV, and NbS (Described in detail in following sections). An investment grant making arm of the mechanism could be set up to capitalize the entrepreneurs and companies (MSMEs) in the resource management and environmental development space. There are several financing models that can be assessed for SSMF purposes, but best practices for catalytic efficiency indicate that a Seed Grant Facility is the most apt for the business environmental context in the Sahel-Sahara.

**Figure 1: Seed Grant Facility Model**



## B. Global Funding Source Analysis

First and foremost, potential funding donors must match with the objectives of the SSMF Funding Mechanism. There should be clear policy/theme linkage and alignment. Other general requirements, include alignment with UN policies and global standards in terms of risk management, gender, and labor requirements, ESMS, and other core UN frameworks.

Funding donors must have strong technical and financial teams able to carry out operations with large ticket projects and activities, generally with billions in funds namely mandated for Climate, Biodiversity, Peace and Security, Sustainable Development etc. Time is critical so funders should be able to assess and deploy capital along clear guidelines.

**Given that large global funds are generally broad and sophisticated organization, an internal contact critical for being able to craft narrative and gain traction with donor request submissions.**

To successfully engage and negotiate funding there are a few required internal capabilities:

- Development finance acumen and experience negotiating funding agreements;
- Private sector experience, understanding of sustainable business modeling;
- Technical expertise in thematic areas and latest trends (DevFin);
- Strong business development experience to form relationships;
- Required familiarity with modalities and processes of major global funds;
- Strong experience for project design/financial structuring, operations, and implementation.

Two of the most relevant Global Funding Donors in the arena for SSMF is the Global Environment Facility and the Green Climate Fund. There are several other relevant funders that can be analyzed in a follow-on assessment.

- a. **GEF, The Global Environment Facility (GEF)** is a family of funds dedicated to confronting biodiversity loss, climate change, pollution, and strains on land and ocean health. Instruments include grants, blended financing, equity, and policy support help developing countries address their biggest environmental priorities and adhere to international environmental conventions.

### **Pros:**

- Active in Africa with strong mandate for LCDs;
- Strong alignment with CMS mandate and intervention; biodiversity, environment and core topics;
- GEF has strong emphasis on intervention science and impact with many safeguards that are best in class policy;
- Direct match with GEF with policy alignment for the funding mechanism (Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC), UN Convention to Combat Desertification (UNCCD));
- Strong systematic process for funding access, technical review, Scientific and Technical Advisory Panel (STAP) to ensure best in practice intervention and funding performance;
- Applicable Instruments for a complex intervention include grants, debt, equity and guarantees;
- Large pools of financing for CMS SSMF objectives, approximately \$5 Billion.

**Cons:**

- The Facility has excessive mission creep with a broad mandate with many environment specialists that generally lack of financial acumen and agility with financial instruments;
- Deploys mostly grants and less capable with complex financial instruments especially for the private sector such as equities and guarantees;
- With an enormous portfolio with operational bureaucratic lags often bogged down by poor implementation and processes can be delayed for long periods;
- Access to funding is not always straightforward even though there is a lot of documentation and process transparency.

**Alignment analysis and suggested approach:**

- Strong potential as co-financier for a Project Development Facility, see below this specific fund deployment vehicle;
- UNEP is a GEF Agency, so CMS must determine the possibility of applying via UNEP as an accredited agency and determine how this might be feasible;
- The weaknesses of the GEF outlined above affect the approach in several ways. Clearly the time horizon for application and implementation will be much longer than with other funders;
- A resource mobilizing campaign should actively network to find the right contact and champion for the SSMF funding mechanism;
- Work towards having a proposal document as the level of a 'Concept Note' or Project Identification Form ready to pitch prospective 'champions';
- Given potential shortfall or lack of CMS funds for project preparation (SSMF Concept development) Enabling Activity or Project Preparation should be targeted.

**Timeframe:** 2-3 years; 6 months minimal for a preparation grant

- b. GCF, The Green Climate Fund's (GCF):** The financial arm created by the United Nations Framework Convention on Climate Change (UNFCCC) to respond to climate change, aims to mobilize funding at scale to invest in low-emission and climate-resilient development on our home planet., the Fund aims to support a paradigm shift in the global response to climate change through mitigation and adaptation.

**Pros:**

- Global focus with strong drive to fund projects in Africa with LCDs;
- Strong systematic process for funding access, technical review, Independent Technical Advisory Panel (ITAP) to ensure best in practice intervention and funding performance;
- Applicable Instruments for a complex intervention include grants, debt, equity and guarantees;
- Strong financial acumen (when compared with GEF) that moves closer to the speed of business for structuring complex projects with large pools with big tickets of financing for CMS SSMF objectives, Approximately \$10+ Billion;
- Matching themes with GCF's main impact areas are:
  - Sustainable land use and forest management;
  - Enhanced livelihoods of the most vulnerable people, communities, and regions;

- Resilient infrastructure;
- Resilient ecosystems.

**Cons:**

- In the past, there has been a very tedious process for project development and negotiation with a less collaborative internal culture;
- Given Fund's relative new entry to global finance it lacks the network and potential projects especially in more challenging regions like the Sahel-Sahara.

**Alignment analysis and suggested approach:**

- Strong potential as co-financier for PDF;
- UNEP is an Accredited Entity, so CMS must determine the possibility of applying via UNEP and determine how this might be feasible;
- CMS and the SSMF Concept Funding mechanism must align with GCF Priorities develop contacts to develop proposal and will likely required to develop internal relationship.

**Timeframe:** 1 – 1.5 years; 3-6 months minimal for an enabling activity grant.

- c. **Private Donor Foundations:** Private sector actors that deploy fund for the economic development and welfare of developing countries as their main objective along with other specific priority themes. In summary, the field is broad and does represent a good target for mobilizing capital.

**Active Corporation and Foundation Examples:**

- **Mastercard:** Focus on Africa with program called Young Africa Works, the Foundation's strategy for the next decade, reflects our optimism for Africa's future. It builds on Mastercard's experience in financial inclusion and education and training, using youth employment as an indicator of progress in improving lives.
- **Cartier:** Focus on Africa to eradicate extreme poverty to provide new opportunities for making a living that are economically, ecologically and socially sustainable. Fund approaches that are proven to help those living in extreme poverty gain relevant skills and resources, achieve financial security and improve their quality of life.
- **Financial instruments:** Grants and non-financial technical support.
- **Cross-cutting relevant themes:** increasingly climate change is an explicit objective of Corporate donations and projects with a focus on various thematic areas such as the Sustainable Development Goals (SDGs) and geographies.

**Pros:**

- Generally easy application and approval over a short timeframe, less stringent application, no-defined proposal process;
- Can provide early grants for project preparation with an easy application and approval process;
- Can leverage UN status for partnership, corporations are eager to brand themselves as UN partners.

**Cons:**

- Often involved in 'green washing' and sometimes not serious on impact so could be reputational risk that needs to be assessed and mitigated;
- Smaller donor amounts on average from \$100,000's to millions;
- Less stringent standards with respect to ESG with no technical acumen or capacity for in-depth project review and analysis.

**Alignment analysis and suggested approach:**

- Strong potential as co-financier or 'seed funding' for PDF or at least for a project development grant;
- Able to leverage UN brand for outreach, relationship building, and alignment on project objectives for funding;
- Need to scan the field for opportunities as they arise, monitoring a list of corporate/private donors and their priority themed areas of philanthropy for timely business development and application.

**Timeframe: <1 year**

- d. **Multilateral Development Finance Institutions (DFIs):** Specialized development banks that have been established by more than one country, shareholders are generally national governments but could also occasionally include other international or private institutions. These institutions finance projects in support of the private sector mainly through equity investments, long-term concessional loans and guarantees. They usually have a greater financing capacity than bilateral development banks and act as a forum for close co-operation among governments.

**Initial multilateral DFI Targets:** African Development Bank, International Finance Corporation**Pros:**

- Strong drive to fund projects in Africa and LDCs;
- Strong systematic process for funding access, technical review to ensure best in practice intervention and funding performance;
- Applicable financial instruments for a complex intervention include grants, debt, equity and guarantees;
- Strong financial acumen that moves closer to the speed of business for structuring complex projects with large pools with big tickets of financing for CMS SSMF objectives, funding sources in the \$Billions;
- Can provide guarantees (backed by strong government with credit ratings of AAA etc.) for refinancing debt of countries for Debt Conversions, see below for description;
- Matching themes in biodiversity, climate, land management etc.;
- Strong political clout and relationships with regional country governments;
- Strong collaboration opportunities (with internal units and teams) with the expertise and experience to become an implementing organization for the mechanism.

**Cons:**

- Can be subject to frequent political changes and burdensome bureaucracy;
- Difficult to penetrate and find right cooperation partner/unit/team.

- e. **Bilateral DFI and Donor Countries:** Bilateral DFIs are either independent institutions, such as the Netherlands Development Finance Company (FMO), or part of larger bilateral development banks, such as the German Investment and Development Company (DEG), which is part of the German development bank KfW. 'Donor Countries' are generally developed western countries that leverage funds to finance policy initiatives like development or climate change projects through aid agencies or foreign ministries. Funding is deployed through various government agencies with a development finance focus for example United States has USAID, DFC, among other agencies and programs accessible for funding in Africa.

**Active Countries:** Norway, Sweden, Germany, UK, USA.

**Background Example and Model:** At the recent Africa Climate Summit a total of \$23 billion had been pledged to green projects by governments, investors, development banks and philanthropists. The summit, which focused on driving green growth and climate finance solutions, concluded with the "Nairobi Declaration," a call from African leaders for urgent action on climate change. **Germany announced 450 million euros (about \$481 million) of climate finance pledges, and the US pledged \$30 million to support climate resilient food security efforts across Africa.** Hundreds of millions more were offered following an initiative to boost Africa's carbon credit production 19-fold by 2030.

**Pros:**

- As with MDBs/DFIs usually majority-owned by national governments and source their capital from national or international development funds or benefit from government guarantees. This ensures their creditworthiness, which enables them to raise large amounts of money on international capital markets and provide financing on very competitive terms;
- Rich/developed countries like Norway are mandated through national policies to finance development projects;
- Good thematic alignment with CMS objectives and most have focus on Africa and LCDs;
- Easier to approach for cooperation and project collaboration given size relative to MDBs.

**Cons:**

- Subject to bureaucracy and political moods or movements;
- Funds can come with strings attached or in rarer occasions get re-purposed for more pressing policy issues.

**Alignment analysis and suggested approach:**

- Rolling basis need to be opportunistic to tap into political mandates;
- Can leverage big political events like summits, COPs, programme launches etc. to find partnerships and funding opportunities;
- Strong potential as co-financier for PDF or at least for a project development grant;
- Able to leverage UN brand for outreach, relationship building, and alignment on project objectives for funding access;
- Need to remain vigilant for new policy programmes that align with SSMF objectives for direct funding applications.

\* See List of additional Potential Fundraising Sources in Annex C

## C. Best practices in Sustainable Financing and Private Sector Linkage

### a. Nature-based Solutions NbS

Nature-based Solutions are actions to protect, sustainably manage, or restore natural ecosystems, that address societal challenges such as climate change, human health, food and water security, and disaster risk reduction effectively and adaptively, simultaneously providing human well-being and biodiversity benefits. For example, a common problem is the flooding in coastal areas that occurs as a result of storm surges and coastal erosion. This challenge, traditionally tackled with manmade (grey) infrastructure such as sea walls or dikes, coastal flooding, can also be addressed by actions that take advantage of ecosystem services such as tree planting. Nature-based solutions that can conserve an environmental ecosystem and simultaneously grow an economic ecosystem that supports the former. In the developing world context, entrepreneurs, micro-enterprises, SMEs etc. struggle in the vacuum of financial services, business ecosystems, and supportive policy infrastructures.

Estimates suggest that nature-based solutions can provide 37% of the mitigation needed until 2030 to achieve the targets of the Paris Agreement. How can this be done? If you plant trees, they're going to soak up carbon. For example, restoring native forest at the margins of the river to avoid landslides can also act as a carbon sink. Climate-smart agriculture is another example that enables farmers to retain more carbon in their fields as they produce crops. Decreasing deforestation is another way to benefit from nature-based solutions – for example, by paying farmers not to cut down the forest preserves ecosystem services such as carbon sequestration, provision of clean drinking water, and reduction of river sedimentation downstream.

### b. Payment for Ecosystem Services (PES)

Ecosystems support plant and animal life by maintaining the overall balance in nature. When functioning well, ecosystems also bring multiple benefits to people. These benefits range from provision of basic commodities, such as food and fuel, to spiritual benefits – for example, the aesthetically pleasing landscapes that we all enjoy. The benefits that people get from nature are known as ecosystem services. Ecosystem services can be roughly divided into:

- **Supporting services** – those services creating conditions necessary for the provision of all other ecosystem services, for example photosynthesis or soil formation.
- **Provisioning services** – all products coming from ecosystems, for example food, fiber, fuel, herbs and medicinal plants, genetic resources, drinking water.
- **Regulating services** – the capacity of ecosystems to regulate important natural processes, for example regulation of climate, quality and quantity of water, etc.
- **Cultural services** – non-material benefits from ecosystems, for example the aesthetic and recreational value of landscapes.

Today, through our activities, we often exploit natural resources, influencing the capacity of ecosystems to provide us with their beneficial services. Agriculture, forestry, fishing, even tourism can be hard for ecosystems to swallow. With our excessive activities we impact air quality, water purification processes, flood control, the Earth's climate. (2)

### c. Natural Asset Valuation (NAV)

NAV also known as natural capital valuation or ecosystem services valuation, involves assessing and assigning economic value to the benefits that ecosystems provide to humans. This process helps policymakers, businesses, and communities make more informed decisions by considering the economic significance of natural resources and the services they provide. Here are some key aspects of valuation for nature assets, Methods of Valuation, several methods are used to value ecosystem services:

- **Market-Based Methods:** Valuing services based on market prices (e.g., timber or agricultural products).
- **Replacement Cost Methods:** Calculating the cost to replace a service (e.g., cost of water treatment if wetlands are lost).
- **Shadow Pricing:** Incorporating the value of ecosystem services into decision-making by assigning monetary values.

### d. UN Ecosystem Accounting (SEEA EA)

Healthy ecosystems provide fuel for energy, clean water and productive soil—all essential for daily living and sustaining human life. However, in conventional national accounting, the environmental dimension is largely ignored; the contributions of natural capital to the economy are overlooked, as are the environmental costs of production and consumption decisions.

Natural capital accounting (NCA) provides a means to ensure that the contributions of nature and the detrimental environmental effects of economic activity appear on the ledger. Through the integration of environmental and economic information using a consistent accounting framework, NCA provides essential information for policymakers. It also supports key global policy frameworks, including the 2030 Agenda and the Paris Agreement.

**The System of Environmental-Economic Accounting (SEEA) is the international statistical standard for NCA and provides a framework for organizing and presenting statistics on the environment and its relationship with the economy.** It uses an internationally agreed set of concepts, definitions, classifications, accounting rules and tables to produce internationally comparable statistics.

The SEEA Ecosystem Accounting (SEEA EA) constitutes an integrated and comprehensive statistical framework for organizing data about habitats and landscapes, measuring the ecosystem services, tracking changes in ecosystem assets, and linking this information to economic and other human activity. The SEEA EA is built on five core accounts. These accounts are compiled using spatially explicit data and information about the functions of ecosystem assets and the ecosystem services they produce. (3)

## III. Mechanism Analysis and Potential Instruments

### A. Mechanism Types

- a. **Single Donor Trust Fund (SDTF):** Trust funds are vehicles for channeling aid resources from governmental and nongovernmental donors which are typically administered by a trustee organization such as the World Bank or other development organization. Trust funds are not programs in themselves; rather, they are dedicated sources of funding for programs and activities agreed between the donor(s) and the trustee organization.

**Pros:**

- Can provide co-financing to operation or lead/sole financing for an individual operation;
- Faster decision-making process, measures/proposals are selected faster in comparison with the MDTF;
- Trustee or Administrative Agent can be external and managed with well-established fund management system and process. Set up with AfDB or other MDB;
- In comparison with MDTF Less Complex, all administration.

**Cons:**

- Limited funding resources and political influence as compared with MDTF.

- b. Multi-Donor Trust Fund (MDTF):** pooled funding mechanism that is a powerful tool in response to development challenges and fit into the larger trend of issue-based financing. MDTFs are important funding mechanism to channel and leverage resources in an effective and coordinated way with an emphasis on multi-stakeholder partnerships interested in innovative blended or pooled financing. In comparison with SDTF, there tend to aim at broad outcomes based on a shared (multi-donor) theory of change, in pursuit of shared objectives. However, the diversified pooling of resources facilitates the mitigation of shared risks, increases the visibility and transparency for all development actors, and holds the potential to reduce transaction costs and thereby improve the value proposition.

**Pros:**

- Best option for long-term financing and intervention sustainability;
- Broadened funding base by pooling funding from different donors, far larger leverage of donor resources can be achieved when negotiating political roadmaps and specific milestones with a dedicated group of partner countries;
- Risks can be shared among several donors and donors' comparative advantages can be leveraged;
- More instruments, more integrated, self-sustaining, high impact.

**Cons:**

- With more stakeholders/donors/governments there is less control and decision-making power as compared to a SDTF.

**Alignment analysis and suggested approach:**

- Given the complexity and depth of intervention required successful;
- implementation will likely require considerable political commitment driven by large sums of money, political;
- Necessary structural reforms may require substantial and well-coordinated financial Resources.

- c. Project Development Facility (PDF):** Generally a first stage project facility to develop a phased (or multi-staged) programme to finance the development and preparation of public investment projects. The objective of the PDF is to act as a dedicated funding mechanism that finances project development, preparation and procurement of public investments

financed through official development assistance, national budget, and the Public-Private Partnerships (PPP) mechanism.

Operational Governance: external or internal; UNEP

**Pros:**

- Like a trust fund but without all the complexity and officialdom, a light version;
- Dedicated administration but less formalized as with SDTF and MDTFs;
- Allows to pool monies co-financiers, parallel funding, broaden project impact and build coalition of donors and organizations to build a Programme;
- **Beginning to intermediary aid vehicle for a phased project to bridge preparation to catalytic intervention to create a foundation for the next often more intensive capital deployment phase.**

**Cons:**

- Lose the advantages of a Trust Fund modality like governance;
- Take on more risk for managing fund and implementation;
- Complexity, takes a lot of coordination but more flexible;
- Aggregates co-financiers for the same project but undergoes various application process with varying proposals that are bespoke based on the specific mandates of the funders.

**Alignment analysis and suggested approach:**

- The PDF is most likely the best initial mechanism model for CMS purposes.
- The model is flexible and less inhibited to build a 'starter fund' while aggregated a diverse set of funding sources to deploy under one umbrella.

- d. **Debt Conversion Operation:** Financial institutions refinance outstanding country debt that reduces debt servicing costs, and then pools savings into a fund for sustainable conservation activities.

**Background Example and Model:**

Barbados completed a debt conversion for nature backed by a US\$150 million guarantee from the Inter-American Development Bank (IDB) and The Nature Conservancy (TNC), allowing the country to reduce borrowing costs and use savings to finance a long-term marine conservation program. The unique deal underscores the country's innovation in mainstreaming climate sustainability and biodiversity into its fiscal management agenda. This operation comprised of a US\$100 million guarantee from the IDB and another US\$50 million guarantee from TNC that enhanced a loan provided to Barbados (Blue Loan) to buyback existing debt.

The savings generated by the operation will be used by Barbados to fund a conservation fund to achieve a conservation commitment, currently estimated in US\$50 million. **The transaction features the first-ever financial instrument to be guaranteed by both a multilateral institution and a non-governmental organization and provides the first ever sustainability linked debt framework focused on nature conservation** developed by the IDB and Barbados as part of this operation.

The debt conversion transaction supported by the IDB improves the financial terms and conditions of the financing obtained by Barbados due to the IDB's AAA rating. **The IDB rating stance provides a credit enhancement that improves the overall transaction financial benefits thereby increasing savings for conservation that should benefit generations of Barbadians.** This transaction also finds an innovative solution that leverage the financial benefits of these type of operations and, in so doing, broadens the number of countries that could use them and increases the natural capital that could be protected in the Region.

The debt conversion is expected to provide an estimated of US\$50 million in funding over the next 15 years for conservation. The unique value added of this transaction lies in the synergies required between the finance and environment government teams in Barbados as their collaboration strengthens the country's fiscal management and drives their climate and biodiversity commitments. Barbados occupies an area of 432km<sup>2</sup>, with 92 kilometers of coastline. The Government has set an aspirational target of 30% of Barbados to be dedicated to conservation as a Marine Managed Area (MMA). (4)

For the countries in the Sahel-Sahara region, public debt as a share of GDP has been increasing steadily since 2011 and is projected to average close to 51 percent in 2023. With financial conditions likely to remain tight in the near term, there is limited scope for governments to borrow more. To meet pressing needs, Sahel-Saharan countries must therefore focus on grants, highly concessional financing, domestic revenue mobilization, and private sector development efforts.<sup>1</sup> In essence, countries of the Sahel-Saharan Region are strong candidates to participate in a Debt Conversion transaction that leverages the credit ratings of a DFI, combined with a Implementing Organization like TNC to design and implement a Debt Conversion model for the Sahel-Sahara.

**Pros:**

- convert a negative into a positive: leverage burdensome high interest rate debt into an instrument for change, refinance and siphon off saving to fund a conservation fund;
- best practices in conservation: PPP partnership leverages DFI AAA credit rating guarantee, MMA planning expertise of NGO, incentivizes private companies to protect and invest in the environment;
- highly sustainable inter-relationships: requires no budgetary allocation, combines most important stakeholders in mutually reinforcing relationships.

**Cons:**

- complex transaction, requires a lot of coordination and collaboration over extended period.

**Timeframe:** 2-3 years

**Alignment analysis and suggested approach:**

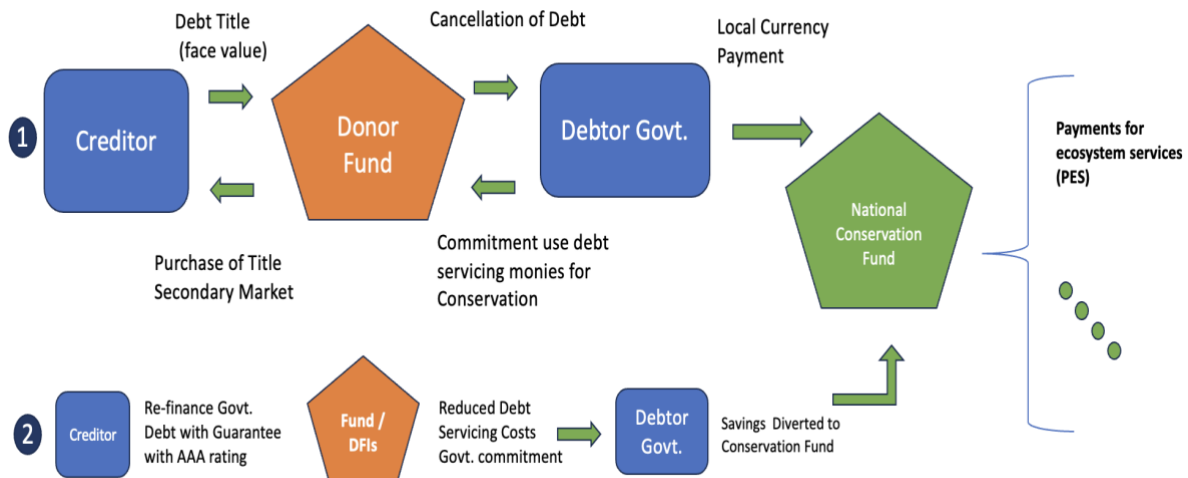
- On the face of it, with high levels of national debt for the countries of the Sahel-Sahara, a Debt Conversion could be an option;

---

<sup>1</sup> IMF

- To undergo an operation of this magnitude, it will take quite a bit of research and information gathering from practitioners. Thus, the best course of action is to probe possibilities with DFIs and NGOs like TNC to better understand the parameters and appetite for a DC.

**Figure 2: Debt Conversion Model**



- e. **Potential Financial Instruments:** Instruments must match with intervention needs and be supported by a well-defined theory of change that links the inputs (financial instruments). Through Implementing Organization, such as IFIs and DFIs. Instruments must match with the proposed intervention to catalyze change and build a foundation for private sector activities thus promote long-term sustainability leveraging approaches like NbS and PES.
- Technical Assistance:** Capacity building, studies, trainings, also known as “TA” and commonly referred to as consulting, is the process of providing targeted support to an organization with a development need or problem. It is an effective method for building the capacity of an organization. Expertise, knowledge transfer, feasibility, research studies, the development of tools, which support members’ implementation of the international standards, such as practical guidelines, work manuals and tracking systems.
  - (Micro) Grants:** Provide for technical assistance and capacity-building programmes to improve governance, management, and operational capabilities, reducing operational risks. Reimbursable Grants provided to not overburden recipient cash flows and become repayable under certain conditions to enable growth or Opex capacity building etc., as recovered principal (reimbursable grants) re-flows back into the project fund for redistribution to additional sub-projects until the end of the investment period.
  - Guarantees:** Mitigate specific risks utilizing a credit guarantee issued to cover potential first-loss or default, reducing the overall project risk. Development of guarantee solutions within suitable local financial institutions to address risks typical of NbS projects. A guarantee instrument could give confidence to lenders when M/SMEs are short of adequate collaterals. Small-scale projects should also benefit from standardized procedures to access guarantee

funds to reduce transaction costs. Exit strategies of principal funding provided will be executed at the end of guarantee tenor.

- iv. **Concessional loans:** Provide loans at much lower interest rates, well-below market pricing, and structure with longer tenors, grace periods, and/or performance-based conditional repayment for strategic growth opportunities without burdening project cash flows. Grace periods are expected to be longer and will be designed on a case-by-case basis. Exit strategy will consist of recovering principal, plus interests and any fee at the end of the loan tenor.
- v. **Blended Finance:** Provide to combine public and private sector resources, mixing grants/loans, leveraging concessional finance while combining with commercial investments to help bridge funding gaps, lower overall project risk, and crowd-in the private sector.

**IV. Mechanism Governance Architecture:** With the development of a PDF or MDTF, the funding mechanism will require the following framework. For a Single Donor TF or Debt Conversion modality, the same components or entities of the governance architecture will exist but have different alignments and locations.

- a. **Mechanism Entities:** The management of the TF/Mechanism is carried out at 3 levels; Fund Operations, Fund Administration, and Fund Implementation.

**i. Fund Operations:**

1. **Oversight (Steering) Body or Committee:** Ideally membership in the Steering Committee will not exceed 9 members, and composition will vary depending on the scope and purpose of the fund. Generally responsibilities will include:

- Provide general oversight and exercising overall accountability of the Fund;
- Approve the strategic direction of the Fund and its overall results framework;
- Approve Fund risk management strategy and review risk monitoring regularly;
- Review and approve proposals submitted for funding, ensuring their conformity with the requirements of the Fund Terms of Reference (TOR);
- Decide the allocation of funds;
- Request fund transfers to the Administrative Agent
- Review Fund status and oversee the overall progress against the results framework through monitoring, reporting and evaluation;
- Review and approve the periodic progress reports consolidated by the Administrative Agent and the Secretariat based on the progress reports submitted by the Implementing Entities;
- Commission mid-term and final independent evaluations on the overall performance of the Fund;
- Appointment of the auditor;
- Approve direct costs related to fund operations supported by the Secretariat;
- Approval of the annual financial statements;
- Develop and implement resource mobilization strategies to capitalize the Fund.

2. **Secretariat:** The entity will be responsible for the programmatic coordination and monitoring of the Fund. The unit is usually embedded and provides technical and management support. Generally responsibilities will include:

- Take initiative in recruitment for fund design, implementation, partnership coordination, and administration;

- Draft Manual of Operations, define Country and Project eligibility and access;
- Advise the Steering Committee on strategic priorities, programmatic and financial allocations;
- Provide logistical and operational support to Oversight Committee;
- Organize calls for proposals and appraisal processes;
- Ensure the monitoring of the operational risks and Fund performance;
- Consolidate annual and periodic narrative and financial reports;
- Facilitate collaboration and communication between Participating Organizations to ensure programmes are implemented effectively;
- Liaise with the Administrative Agent on fund administration issues.

## ii. Fund Administration

1. **Administration Agent or Trustee:** will administer the Memorandum of Understanding (MOU) with the Participating UN Organizations and Standard Administrative Arrangements (SAAs) with contributing partners or Implementing Organizations.
  - Hold and administer fund account for the receipt, administration, and disbursement of funds to the participating organizations;
  - Notify the Steering Committee of the amounts used for such purposes financial reporting;
  - Manage performance and financial reporting;
  - Manage legal and documentation of funding mechanism to ensure compliance with donor funds;
  - Implement Manual of Operations.

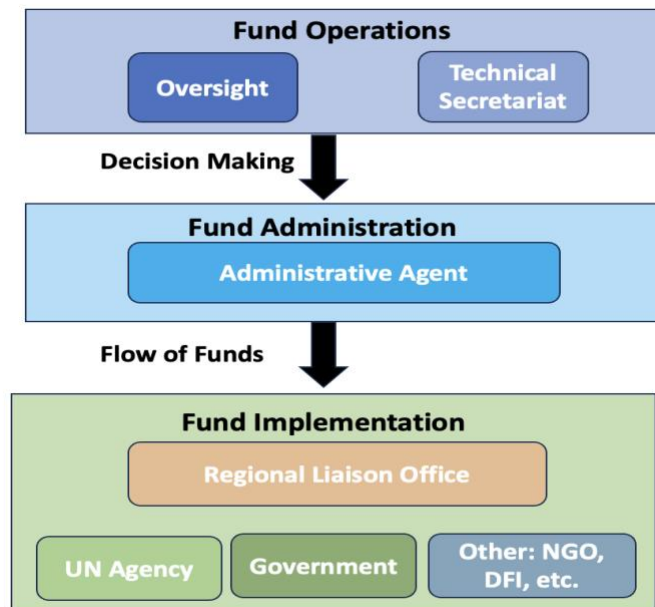
## iii. Fund Implementation

1. **Regional and Country Liaison Office:** Leads on coordination between Secretariat and implementing organizations in the field for project implementation (implementing organizations and national governments). In order to ensure flexibility, the governance arrangements combine nimble oversight by an Executive Board with country-specific arrangements, either through the existing relevant to the Fund or directly national coordination structures.
  - Project lifecycle implementation within the countries;
  - Coordination with governments;
  - Manage Implementation Organizations.
2. **The Implementing Organizations** are the World Bank, International Cooperation Agencies (ICAs), UN agencies and international non-governmental organizations.

The Funding Mechanism will be implemented through four types of fund implementation modalities, namely Participating UN Organizations like the UNDP, UNEP FI, The World Bank, International Cooperation Agencies (ICAs); International non-governmental organizations like TNC and WWF invited by the Secretariat to sign an administrative support services agreement with the MPTF Office” The choice of implementing organizations is based, among others, on existing international capacities required for supporting the implementation of the National Investment Frameworks of the Regional countries.

Each implementing organization shall assume full programmatic and financial accountability for the funds disbursed to it by the Administrative Agent. Each implementing Organization shall establish a separate ledger account under its financial regulations and rules for the receipt and administration of the funds disbursed to it by the Administrative Agent. This separate ledger account shall be administered by each Implementing Organization in accordance with its own regulations, rules, directives, and procedures. Specific provisions will apply to the “international non-governmental organizations category” which are detailed in the agreements and the Manual of Operations.

**Figure 2: Governance Architecture:**



**iv. Legal Architecture:**

1. Define legal relationships of the funding mechanism between funding mechanism entities including the Regional Countries, Oversight body, Secretariat, (Fund Operations), Regional Liaisons, and IOs;
2. Develop legal compliance framework would include Standard Administrative Agreement (SAA) with partner organizations, Memorandum of Understanding (MOU) with regional countries as well as Letters of Intent (LOI) with the countries with legally binding incentives that leverage and link monies to disbursement with performance targets and project compliance;
3. Include a legal mandate and backing for the Manual of Operations (MOP).

**v. Manual of operations (MOP):**

The MOP should be developed by the Secretariat and approved by Oversight. The MOP should detail the operational guidelines of the funding mechanism to give clear guidance with the following attributes; describe the roles and responsibilities and be time-bound in an organized and structured way.

Integrate the following components:

**1. Financial Management**

- a) Management of the funds;
- b) Assurance of financial compliance, safeguarding against corruption, risk management, AML;
- c) Preparation of periodic and annual financial statements.

**2. Organization and Operations**

- a) Describe compliance framework with Donor Fund Regulations, Internal Policies, Relevant Laws;
- b) Results based framework, ESMS plus Reporting, Monitoring, and Evaluation;
- c) Reporting: Preparation of an annual report; Preparation of annual financial statements.

**3. Programme/Project**

- a) Describe in detail access to Funds or Eligibility requirements for both projects and countries;
- b) Allocation of funds;
- c) Monitoring and evaluation of performance;
- d) Project approval process.

**vi. Risk Management Strategy**

A risk management strategy will be developed by the Secretariat taking into account the nature of risks and extent of potential losses at all levels of the project. It defines the risk tolerance, establish policies in relation to identified risks, and determine the risk treatment through mitigation measures. Initial tasks for defining the risk management strategy are defined as follows:

- Identify potential risks and uncertainties and take steps to mitigate the risks in a systematic way with periodic assessments;
- Design risk management tool (with best practice ESG standards) and then establish the governance mechanism for risk review and reporting and/or Risk Committee with dedicated Risk and Security Officer;
- Design and implementation of technical assistance to fill informational risk gaps and undergo operational, financial, institutional, reputational risk identification and baseline assessments;
- Create risk ratings methodology and rating assignment for each risk category/sub-category to be updated during periodic monitoring and reporting;
- Deploy of mitigation analysis and strategies at all levels during implementation for example at the portfolio level, to understand the actual risks of these projects instead of relying on perceived risks;
- Consider Risk Insurance for managing heighten risk profiles of Sahel-Saharan regional countries that many include political violence, currency inconvertibility etc.;
- Form a Risk Committee and develop a Risk Dashboard for reporting to the Risk and Oversight decision-making body.

At the first level of risk management, the monitoring of risks will be done by the implementing organizations (IOs) as part of their regular reporting up to the Secretariat within the established framework, highlighting in particular the key mitigation measures taken in accordance with the risk management strategy and their direct influence on achieving the expected results. At the second

level of risk management, the Secretariat will consolidate the risk mitigation measures and the reporting in a Risk Dashboard which will be presented to the Oversight Body for approval annually. On-going oversight from Risk Committee to approve governance structure and operations as well as monitor and decide on high-risk level events.

Particular attention will be given to risks arising from conflict situations and insecurity in several of the countries supported by project funding. The objective of the Fund is not to resolve conflicts, so it is expected that activities will concentrate in areas where implementation is possible. However, security situations can be volatile and subject to abrupt changes.

Furthermore, in certain countries, it is the security situation that drives migration and puts pressure on nearby areas. Therefore, it is inevitable that certain programs will be affected by a conflict situation or its indirect impacts. As results at the program level, implementing organizations are expected to ensure proper implementation arrangements in line with the capacities of local authorities and the security situation as well as exercise a duty of care to guarantee the safety and security of staff, suppliers and contractors involved in the implementation of programs in areas with volatile security situation.

Physical risk support for Staff must be provided with the use of government/official security forces and additional contractors. Mitigation strategies could entail outreach and awareness campaigns with training in situational awareness, emergency response, etc.

## **V. Mobilization Roadmap and Strategic Recommendations**

- 1. Hire a Consultant, Sr. Fund Advisor for a Design and Development Phase:** To continue the development of a funding mechanism, it will be necessary to hire a consultant to lead the transformation of the SSMF Mechanism Concept into a Fully-fledged Programme that can successfully raise and deploy \$30 Million and beyond. The Consultant would focus on 4 key areas: 1) Programme and Fund Design and Development; 2) Lead the direction of Research Support 3) Lead in the Fundraising and Outreach Activities; 3) Develop donor Concept Notes and Project and/or Funding Proposals.

### **2. Programme and Fund Design and Development**

- a. Conduct a thorough internal SWOT Analysis and Decision Tree:** There are many unanswered questions presented by this document that need to be considered in depth prior to the next stage of Programme design. The Consultant with the Team will need to formulate the critical questions and outline the answers in a decision tree in order to determine the best course of action.

This exercise should be conducted in tandem with a SWOT analysis of the funding options as tool to appropriately analyze the context, understand the trade-offs, and identify a strategic logic. The questions and decisions are to be made on funding options, the governance architecture, funding sources to target, the funding instruments, of which are all interlinked and must be understood and carefully considered before arriving at any conclusions. These initial questions will require Team analysis and brainstorming to define the best initial solution which will become the basic structure for targeting funding sources to raise funds, designing a PPG, preparing concept notes, and approaching initial donors.

- b. **Select Funding Structure, Mobilization Plan, and Initiate Implementation:** Based upon analysis and design benefits, decide on plan and launch into obtaining the necessary funds to complete the design and development in ultimately obtain anchor funding. The next stage will demand 'seed' funding from an anchor donor. 'Anchor' in this context is initial capital provide by a known donor that provides seed funding for programme development, demonstrates the commitment of a serious donor which can then be leveraged to attract more capital for other similar-themed donors. In the current context the German Government is possibly best suited for this role.
- c. **Develop Project Preparation Grant:** In order to hire a consultant and undergo a design phase for the funding mechanism, it will likely require approximately \$150,000 to \$350,000 for the Consultant to conduct further analysis, attend events for fundraising and outreach, procure a regional security assessment and risk mitigation TA, and procure junior staff research support, etc. In addition to a rationale, program conceptualization, specific Work Plan and Budget for each activity, the initial key components of PPG should contain the following:
  - i. **In-Depth Security Assessment (or Feasibility Study):** Regional security is a major concern/issue requiring intensive research, consultation, and professional mitigation and planning for implementation in these fragile states.
  - ii. **Develop a Theory of Change for the Funding Mechanism:** This section is critical and explains the objectives and the scope of the funding mechanism, which are usually based on/anchored in an existing strategic framework (national, regional or global) for the thematic intervention.
    - **The TOC describes the initial assumptions of the diagnosis and required inputs** to bring about a positive intervention that meets its stated Programme objectives;
    - **The TOC provides the basic structure and components** that map the root causes and threats to critical change path by linking the causal relationships to the inputs which can bring about the stated outputs and ultimately outcomes;
    - **Critical Linkage between Specie and Habitat Loss (and other critical SDGs):** Specie loss as a standalone does not address the wholistic nature of the problem, but it also limits access to broad funding global funding availabilities. As an example, the Keystone species concept could be leveraged as it has a strong scientific basis which is well-documented linking to habit, climate change, species, and biodiversity themes.

### 3. Fundraising, Outreach, and Partnership Network

- a. **Develop Anchor Donor and/or Philanthropist Org.:** Leverage concept to find PPG donor for Design Stage development while building Programme based partners to develop more opportunities with co-financiers.

Below is an informal list of brainstorming ideas that should be taken into consideration for the next stage of Funding Mechanism design and development.

- i. **Identify potential Anchor Donor(s):** As described above, an Anchor donor is the initial donor that the Team can leverage to attract more donors. Start with known donors that are familiar with the Teams mandate and financial constraints.

- ii. **Create a Narrative:** Develop narrative, match themes, objectives, and outcome for fund contributions while building out models for the funding mechanism that are backed by research and data and refined by global themes and best practices.
  - iii. **Promote a Sense of Urgency:** Frame the issues and leverage to its fullest extent the urgency required to take full advantage of the small window of time for action to prevent habitat and species loss or potentially extinction with the emphasis the severity of ramifications for Climate Change, Biodiversity, Desertification, and the eventual impact on security and human well-being (e.g. specie provided essential services on culture, health, food production like pollination, etc.).
  - iv. **Leverage the Brand and Access:** UN affiliated identify partnerships will open doors with partners, co-financiers and the like. It serves as a great platform to build strategic partnerships with top experts, donors, and local stakeholders.
  - v. **Develop Pitchbook Deck:** Need to have a deck to shop around potential donors and cooperation partners for making pitches. Demonstrates capabilities, expertise, objectives, plan and strategy to achieve CMS targets.
  - vi. **Symbolic Iconic Animal and Habitat:** Consider development of iconic animal of the region to represent the Mechanism and to build support and drive consciousness leverage examples like the Rwandan gorilla or Chinese panda (WWF).
  - vii. **Track record:** With no track record to show capability to deploy funds and programme implementation, will need to have the right people in place with a strong track record. In addition, the Team will need to show a strong project pipeline and also be able to demonstrate strong knowledge/expertise of species in this region, relevant research, and science-based approaches to both conservation and restoration, etc.
  - viii. **Regional Dialogue and Stakeholder Participation.** Community or local participation will be essential to the success of the intervention at every level. Broad consultations with a broad stakeholder participation should be integrated into the Programme to give a voice and create sustainable alliances to this transnational problem. Communication, cooperation, and aligned incentives will be the key to creating a diverse and sustainable stakeholder base while appeasing inherent conflicting interests.
- b. Identify and Develop Collaboration Partnership Network:** Further develop list of potential fundraising sources, FIFS, Countries, MDBs, Co-financiers, NGOs, Foundations, etc. Conduct the necessary analysis to analyze access and alignment feasibility to target best funding options and leverage existing relationships.
- c. Scan on Rolling Basis Funding Opportunities.**
- 4. Develop in Parallel Concept Note to Full proposal with key Donor/Co-financier Consultations.**
- a. **Develop and demonstrate indicative project pipeline.**
    - i. **Explore Revenue-generating Conservation Models (Brainstorming)**
      - Release an RFA to identify projects including NbS Business Models for seed grants and PES;
      - Animal Sanctuary for Orphan Animals and Nurseries for repopulation and ultimately habitat restoration with Ecotourism and Donation-funding NGO with local Board;

- Identify Case Studies like Giraffe Center in Nairobi, Kenya etc.;
  - Explore ideas in Sustainable Hunting and Wildlife Management, Safari Hunting Tag Programs with linkages to overseas hunting communities like in Texas;
  - Connect Programme to broader economic picture of sustainable local economic growth, productive jobs, and sustainable livelihoods that can linked to global ecotourism sustainable revenue generators that emphasize conservation.
- ii. Technical Assistance Projects
- Current CMS Project Proposal Drafts
- iii. **Develop Sub-Project Concept Notes** for 1-3 operational projects.
- iv. **Phased Approach, from Catalytic to Sustainable:** The initial estimate for \$31M as outlined in the initial Work Plan and Budget while foreseeing that in order to have a lasting change, a second-round donor contribution or investment, likely within a range of 3x to 5x the initial catalytic amount.

**Phases I-III:** The first Phase will primarily consist of Programme design, fundraising, and Proposal development and approval, while developing a strong project pipeline. Phase II would consist of the official establishment of the Fund and operational entities and initiate capital deployment to projects. A phased programmed must demonstrate scalability from Phase I onward for example, for Phase I and II to address 8-15 species and scale to even more categories and species over a longer (10-15 year) time horizon.

**Funding Focus and Bootstrapping Strategy.** Bootstrapping is the process of building a business (or Programme) from scratch with minimal capital. The concept is to leverage a strong strategy to piecemeal bring in capital via fundraising (or profit-driven business model in business) and parlay each gain into further building the Programme while constraining expenses effectively. This can be done with donor funding and successful but limited project execution.

Phase II will be crucial for transitioning the Fund from catalytic to sustainable (or evergreen), leveraging project execution success to further fundraising to set up legally permanent institutional structures in the form of foundations, etc. Phase III document comprehensive metrics, begin to see effects of intervention and report on them. Expand the scope of migratory species to birds like African raptors and other keystone species critical to combat habitat loss. By Phase III, the Programme should have a strong track record and will be able to access even more funding/revenue streams to expand the scope and take on more conservation themes.

## VI. Annex

### A. Supporting Documentation References

a. *Note that References only contain links to supporting information and informal research provided in a basic format given the nature of this document as a strategic conceptualization and not an academic undertaking. These links only serve to demonstrate support from leading development institutions, provide more details on new concepts, and bolster the rationale of the document. The majority document content and recommendations come directly for project experience in fundraising, programme design financial structuring, and on-site implementation.*

- 1) <https://www.imf.org/en/News/Articles/2023/11/16/cf-the-sahel-car-face-complex-challenges-to-sustainable-development#:~:text=More%20frequent%20extreme%20weather%20events,circle%20of%20fragility%20and%20conflict.>
- 2) [https://wwf.panda.org/discover/knowledge\\_hub/where\\_we\\_work/black\\_sea\\_basin/danube\\_carpathian/our\\_solutions/green\\_economy/pes/](https://wwf.panda.org/discover/knowledge_hub/where_we_work/black_sea_basin/danube_carpathian/our_solutions/green_economy/pes/)
- 3) <https://seea.un.org/ecosystem-accounting>
- 4) <https://www.iadb.org/en/news/barbados-places-climate-financing-firmly-agenda-idb-nature-conservancy-support>

#### Extra Background on Funding Sources:

- 5) <https://www.awf.org/pressroom/african-financial-institutions-pledge-protect-and-restore-nature-landmark-statement>
- 6) <https://www.sahelregionalfund.org/en/about-us/>
- 7) <https://edition.cnn.com/2023/09/07/africa/billions-pledged-at-africa-climate-summit-scn-spc-intl/index.html>
- 8) <https://mastercardfdn.org/our-strategy/>
- 9) <https://www.cartierphilanthropy.org/focus-areas/sustainable-livelihoods>
- 10) <https://www.cbd.int/article/launch-global-biodiversity-framework-fund>

### B. Table A: Work Plan Budget

(Attached)

### C. List of Potential Fundraising Sources

(Attached)