



GEF LESSONS NOTES

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The GEF recently completed an evaluation of **Experience with Conservation Trust Funds**. Trust funds have been set up in many developing countries during the past decade as a way to provide long-term funding for conservation of biological diversity. The majority were established as non-governmental organizations capitalized by grants from governments and donor agencies, proceeds of debt-for-nature swaps, or taxes and fees specifically designated for conservation. The funds examined in the evaluation seek to provide more stable funding for national parks and other protected areas, or small grants to private organizations and community groups for projects to conserve biodiversity by using resources more sustainably. Some also finance projects to expand understanding of conservation.

One of the outstanding funds analyzed in the evaluation was the Mexican Nature Conservation Fund (FMCN). We are pleased to feature the Fund's experience in this issue of GEF Lessons Notes. We can draw important lessons and insights for the management of other conservation programs from FMCN's use of feedback from its experience to focus its grant program, its role as an advocate for conservation in Mexico, its support of participative processes for setting conservation priorities, and its active efforts to create synergies among different grant-making programs.

—Jarle Harstad

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THE MEXICAN NATURE CONSERVATION FUND



FMCN was established as a private, civil association under Mexican law in 1994. Its mission is to conserve the biodiversity of Mexico and ensure the sustainable use of its natural resources, through the promotion of strategic actions and medium- to long-term financial support. The Fund was created following extensive consultations throughout the country and with the strong support of the president of Mexico, the NGO community, and business leaders. FMCN has an 18-member board of directors of individuals selected to reflect diverse experience, professional abilities, and geographic and demographic characteristics. Mexico's Secretary of Environment is an *ex officio* member. The Fund's standing committees on evaluation (project selection) and administration and finance are chaired by board members and involve a number of other people from Mexico's conservation community. FMCN was capitalized with \$10 million contributed by the Mexican government (part of which is still being paid) and \$19.5 million from the U.S. Agency for International Development (USAID). Investment earnings from this endowment support a competitive grants program of approximately \$2 million annually.

In July 1997, FMCN received a \$16.5 million GEF grant implemented by the World Bank to establish a Natural Protected Areas Fund (FANP). A new technical committee was created within the FMCN structure to oversee FANP operations. It is made up of seven members drawn from five sectors of society (public, private, social, academic, and conservation groups). Since January 1998, earnings from the fund (about \$1 million per year) have supported costs associated with the management of ten priority protected areas. The Mexican government committed to provide a core staff of five people and an in-

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creasing share of basic management costs in each area included in the program. Allocations from FANP, although relatively modest, have provided a basic sense of “resource security” to park managers—the assurance that their basic operating costs and staff salaries will be covered. This, in turn, has allowed them to retain staff and concentrate their attention on undertaking conservation activities, attracting project funding, and collaborating with communities and interested organizations. The allocation of trust fund resources to the parks in 1999 was determined in part on the basis of reserve size, population inhabiting the areas, and past performance under the program.

Leadership in a National Priority-Setting Process

Linking the field and national policy setting

When FMCN was established, there was little guidance available for focusing its grants program. Mexico’s efforts at national environmental planning had not produced clear guidelines or priorities for action. FMCN used feedback from its grantees and other people involved in conservation to help determine where it should place its emphasis for greatest impact. It supported other organizations that could help community groups set their own priorities and objectives for conservation investments. And FMCN also saw the value of being linked to a larger national process. The Fund provided partial financial support for, and participated actively in, a national priority-setting process led by the National Council for Knowledge and Use of Biodiversity (CONABIO). This process led to the identification of approximately 150 priority areas for biodiversity conservation.

Using Experience to Build a Focused Program

Funding choices based on program goals and intended results

FMCN’s calls for proposals to its grant program have evolved based on experience. In the first year, more proposals were received from academic institutions than NGOs and community groups. This was not the mix the fund wanted. So they focused future requests for proposals on field-level activities, and financed workshops conducted by other organizations that helped their target groups prepare better proposals. The types of results FMCN hoped to achieve, and indicators to measure them, were spelled out for the grants program as a whole. In 1998, proposals were requested in three categories: (1) conservation of ecosystems and species, (2) sustainable use of natural resources, and (3) institutional strengthening and environmental education. All conservation projects must be in areas identified as high priorities for biodiversity conservation by CONABIO or for species included in the government’s endangered list or in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

FMCN has incorporated this experience in developing procedures for the newer GEF-supported Natural Protected Areas Fund. It used the “logical framework” planning and evaluation methodology to identify—and set indicators to measure—the impacts the Fund expects to achieve in the ten areas. FMCN worked with national protected area system staff and each park’s manager to develop a “logical framework” of inputs, outputs, purposes, and goals as the basis for their annual work plans and to determine

FANP is very effective at sharing best practices and encouraging top performance. One example: each reporting period, FANP selects the outstanding progress report from the ten areas and circulates it as a model to the managers of the other nine.

the best use of funds allocated to them. Area managers report three times a year to FANP and the national system headquarters on achievement of milestones in those frameworks. Funds are released when the reports are approved. The financial management and reporting systems developed in the ten FANP areas are being adopted more broadly throughout the national system.

Promoting Participative Processes in the National Park System

One of the objectives of the GEF project is to increase stakeholder input to national park management. This is accomplished through the active involvement of local technical advisory committees made up of communities, businesses, and interested organizations in each protected area included in the program. The committees were established in the mid-1990s. Initially, however, government officials were

sometimes reluctant to consult meaningfully with them. The committees themselves often reacted negatively when asked to review annual operating plans for protected areas based on management plans developed without consideration of existing land use and ownership patterns or consultation with local residents.

Increased participation in protected area plans

FMCN has used its role as an important source of funding to encourage increased participation by stakeholders in protected area plans. A key to this has been the Fund's success in developing good working relationships with government. But as an independent, credible, local organization, FMCN has proven to be a more effective advocate for putting into practice new principles like increased community participation than project-funded "coordination units" often are. Although some technical advisory committees are still not effectively engaged, in many areas community participation is noticeably greater since FMCN became involved in the protected areas program.

Where technical advisory committees are beginning to work, it is the result of years of building relationships with local communities. Ría Lagartos, one of the ten areas supported by the FANP, offers an example. This reserve occupies a thin slice of land and estuary at the northern tip of the Yucatan Peninsula. The "protected area" incorporates five established towns, many small farms, and a salt factory that has operated there for many years. The park director is in constant contact with local officials, fishermen, farmers, NGOs, and owners of the salt factory. It was not always so. Initially, the director saw his function as enforcing government regulations. This met with predictable resistance. Only when he changed his approach and genuinely engaged the community did the committee begin to become an effective forum for consulting on conservation issues. His starring role on the local baseball team has also helped make him an influential member of the community. The committee in Ría Lagartos is now a vehicle for discussing not only the reserve's management and annual operating plans, but a range of related issues, including allegations of pollution by the salt factory.

Developing Links Among Grants Programs

One important goal for FMCN is coordinating among its various grants programs and with those carried out by other organizations. Some grants in FMCN's portfolio support community groups working in buffer zones of the ten protected areas supported by FANP. Accounting of FANP resources and hiring of park personnel is being contracted to NGOs beginning in 1999. The NGO carrying out these responsibilities in Ría Lagartos and the nearby Calakmul Biosphere Reserve also manages a project funded by FMCN to monitor marine turtle nesting sites in these two reserves.

FMCN collaborates closely with CONABIO, which funds a grants program for environmental research and pilot projects in sustainable use of biodiversity. The two organizations consult to ensure that their activities are complementary and share information on performance of grant applicants. FMCN has also developed linkages with the GEF Small Grants Program, which supports community-based conservation projects in Mexico's Yucatan Peninsula, where four of the FANP areas are located. One of these projects was scaled-up and funded through FMCN for a second phase. These linkages help to foster synergies among the various grants programs, and encourage sharing of experience among the implementing organizations.

Fostering coordination among grants programs

Conclusion

A combination of factors has led to the success of FMCN. They include:

- governance structures involving all sectors of Mexican society;
- development of and adherence to rigorous procedures for grant and protected areas programs that are considered to be fair and transparent;
- proactive role in working with others involved in conservation and sustainable use of biodiversity rather than building its own staff and overhead structures;

- emphasis on results and learning from experience to focus its programs more clearly on its objectives; and
- technical and financial support from important international organizations and donors.

These factors have allowed FMCN to gain credibility with the Mexican government, NGOs, donors, and communities; to contribute substantially to national biodiversity planning; and to be well positioned to make a significant impact on the conservation and sustainable use of biological diversity in Mexico.

More information about the Mexican Nature Conservation Fund can be obtained from Lorenzo Rosenzweig, Director General, Damas 49, San José Insurgentes, 03900 México, D.F., telephone/fax: (525) 611-17-01, e-mail: fmclaros@datasys.com.mx. Information specifically about the FANP can be obtained from Renée González, FANP Director (e-mail: fmrene@datasys.com.mx) and about FMCN's grants program from Jorge Rickards, FMCN's Technical Director (e-mail: fmjorick@datasys.com.mx). FMCN's site on the worldwide web is <http://www.fmcn.org>.

FEEDBACK AND SUGGESTIONS



We hope the *GEF Lessons Notes* series will be a catalyst for an ongoing dialogue on what is working, what is not, and how people involved in the GEF have found solutions to challenges that face all of us. We welcome your reactions to this edition. We would also like your suggestions of topics of interest to you. Please send us an e-mail at geflessons@gefweb.org—or contact us at the coordinates listed below.

OTHER GEF MONITORING AND EVALUATION PUBLICATIONS OF INTEREST



The full report and a Summary Report of the evaluation of *Experience with Conservation Trust Funds* are available on the GEF Web site (www.gefweb.org) or from the GEF Secretariat monitoring and evaluation team. Earlier issues of *GEF Lessons Notes* can be also obtained from the GEF Web site or by writing to us. Two additional issues are based on the findings of the evaluation:

GEF Lessons Note No. 5: When Is Conservation Best Served by a Trust Fund? (January 1999)

GEF Lessons Note No. 6: Building Strategic Focus in a Conservation Trust Fund (February 1999)

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