Reflections on the APACT Feasibility Study

1. Context

On behalf of the Africa Protected Area Directors (APAD) and the Consortium for African Funds for the Environment (CAFÉ), the African Wildlife Foundation (AWF) commissions a team of consultants to conduct a Feasibility Assessment of the initiative to create A Pan-African Conservation Trust (APACT). The impetus for the assessment came from extensive stakeholder consultations, which are part of the co-design process for establishing APACT, including engagement with the members of CAFÉ, the Secretariat of the Conservation Finance Alliance (CFA), the African Development Bank and African Union, African negotiators for the Convention on Biological Diversity, and a number of development partners experienced in establishing conservation trust funds such as staff of the German Development Bank KFW, the German Development Ministry BMZ, USAID, Agence Français de Développent, and the Mava Foundation.

The overall objective of the study is to explore the feasibility of A-PACT, and to recommend a follow-up strategy for implementation, including recommendations regarding design options. The Study will serve as an input for a multi-stakeholder co-creation process, and focus on the following five main topics, each of which had a series of questions to address. The full set of question available in the Annex along with a summary of the responses provided in the Feasibility Assessment. The five topics were:

1. Relationship between A-PACT and Existing CTFs across Africa
2. Ensuring additionality vs. competition with existing CTFs and other existing mechanisms
3. Lessons from CTFs and other relevant financing mechanisms
4. Financing needs relating to Other Effective Area-based Conservation Measures (OECMs)
5. Risks and risk management options

Taking into consideration the aim in creating APACT of placing Africa's protected and conserved areas at the heart of Africa's development agenda as set out in Agenda 2063 and ensuring that the entirety of the network of PCAs across the continent have access to the financing required to ensure they are effectively managed and thus fulfil their role in providing essential biodiversity protection and ecosystem services for people and development, the Consultants undertook to outline a set of options or 'scenarios' for the design of APACT each of which was then outlined and assessed in more detail through a combination of stakeholder feedback and own experience.

The Feasibility Assessment conclude from consultations, literature analysis, and professional experience *that the APACT concept does hold the potential to fill gaps and resolve issues that are unlikely to be met by existing institutions across Africa*. A hybrid APACT facility that includes a modified Protected Areas Sustaining Fund to help meet the operational and recurrent costs for PCAs not currently reached by existing CTFs; together with a Project Preparation Facility that provides funds, training, capacity building, and networking to PCAs and local enterprises, to strengthen and scale up revenue generating mechanisms; and an impact investment fund that can further strengthen and scale these mechanisms will represent a unique, timely, and important source of new revenues aimed specifically at sustaining Africa's vast PCA network. Speaking to the unique value proposition of A-PACT, the assessment goes on to state that *the pan-Africa approach proposed through APACT will also offer a unique value for many African PCAs* and outlines how A-PACT as a pan-African regional mechanism will be positioned to provide an integrated approach to solving land and seascape challenges and coordinated funding responses that is more difficult to achieve otherwise.

2. Analysis of Findings

Overall, the Feasibility Assessment validated the hybrid model that is the current design for APACT. The components outlined in the Feasibility Assessment largely correspond with the elements of the APACT design arrived at through the co-design process and stakeholder consultations. The assessment of the potential capitalization for the endowment component is significantly different from initial estimates of required funding but provides insights on a range of what could be impactful in shaping a pan-African mechanism. The rolling fund/sinking fund component of the APACT hybrid design is incorporated into the 'Sustaining Fund' component of in the Feasibility Assessment, with the second component taking the shape of a project preparatory facility for existing CTFs instead. This proposition needs to be the focus of a consultation with the CAFÉ network to determine the relevance and compatibility with their needs. The third component of the Feasibility Assessment consists of a private investment vehicle, targeting impact investors, much as the third pillar of the hybrid APACT design. Table 1 outlines the components and provides notes on the key differences between the APACT Hybrid Design and the Feasibility Assessment contributions.

A key consideration in the analysis of the Feasibility Assessment conclusions is the scale of ambition set by APACT, and the extent to which there is a possibility of achieving some level of financing for all of Africa's 8,600+ protected and conserved areas. There has, from the onset of APACT, been a clear call for raising sights of financing solutions beyond reaching just a few prominent or privileged areas to addressing the systemic lack of financing across the entire network, recognizing that particularly in this time of acute awareness of our dependency on this backbone of natural infrastructure for our own wellbeing and survival as a species. The implications of the proposal by the Consultants to only fund PCAs of 5,000 km^2 or more as a way of reducing the amount of funding required to launch APACT steps back from this ambition. Figure 1 shows which PCAs on the continent fit this criterion, which accounts for 225 PCAs covering a total of over 3.4 million km^2, about 40% of the total area under conservation management listed in the World Database of Protected Areas. Combined with the initial capitalization proposal of $200 million for APACT and a 5% return on investment (resulting in 10 million in disbursable funds per year) this would equate to each area receiving just under $3/ km^2 growing to an eventual disbursement of $73/ km^2 in year 10 assuming the number of PCAs covered by the endowment component does not grow. This scope represents a significant departure from the initial vision of APACT both in scale of funding and coverage.

Figure 1. African Protected and Conserved Areas over 5,000 km²

Table 1. APACT Hybrid Design / Feasibility Study Comparison Table

COMPONENT	NOTES	REFLECTIONS FOR RE-DESIGN
APACT HYBRID DESIGN ENDOWMENT **FEASIBILITY ASSESSMENT** SUSTAINING FUND	The APACT endowment component aims to provide financing for as much of the network of PCAs across the continent as feasible, using a mixed source of African and global finances. The FA sustaining fund component proposes an initial capitalization target of $100 million growing to $2.5 billion in 10 years and subsequently $10-15 billion, with commensurate limits on the scope of APACT support to PCAs in need that are over 5000 km^2.	Consider the options for rescaling endowment disbursements through a combination of reduced level of support per PCA, reduced number of PCAs covered (e.g. those with significant support or revenue streams asked to forego disbursements, thereby leaving more funds for PCAs in need). Africa campaign to ensure delivery of expanded scope for capitalization beyond donor-only model.
APACT HYBRID DESIGN REVOLVING/SINKING FUND **FEASIBILITY ASSESSMENT** PROJECT PREPARATORY FACILITY	The APACT revolving/sinking fund component is shaped to provide grant financing to support PCAs to move forward on significant elements of work needed to achieve management effectiveness and financial security such as business planning, preparatory work to secure climate finance or biodiversity offsets. The FA project preparatory facility component would not provide grants to PCAs but would support PCA managers to access other existing funds through the provision of technical assistance, preparation of financial strategies and revenue-generating opportunities, early stage project development for financial intermediaries, create a clearinghouse for PCAs for funders, donors, investors and contributors, and provide training and capacity building grants.	Consult the CAFÉ network to determine relevance and complementarity between the FA PPF concept and the CAFÉ role, as there appears to be significant overlap. Assess the extent to which PCAs require the support called for in the PPF and determine whether APACT can/should play a role in matchmaking between those needs and the available support mechanisms (e.g. through CAFÉ). Determine whether APACT should invest in expanded support mechanisms as well.

COMPONENT	NOTES	REFLECTIONS FOR RE-DESIGN
APACT HYBRID DESIGN PRIVATE INVESTMENT **FEASIBILITY ASSESSMENT** PRIVATE INVESTMENT	Under the APACT hybrid design private investment is recognized as important to mobilize additional and non-conventional capital into PCAs through a mixture of payments for ecosystem services (e.g. carbon, water, climate regulation, flood control), concessions for sustainable uses, and offsets. The thinking is that these investment flows may not come directly through APACT, or be managed by the APACT funding mechanism, but may rather be privately managed funds that are accredited or endorsed by APACT, which could bring benefits such as access to blended financing (e.g. guarantees), access to standardized sets of impact measures, and a portfolio of 'bankable' projects derived out of the investments made through the sinking/revolving fund component. The FA private investment component thinking is largely consistent with this approach, though envisages a private investment arm of the APACT mechanism itself.	Consider the incentives and requirements for private finance, as well as the barriers to bringing private investment to the table, and focus this component on designing solutions to those barriers including pipeline of bankable projects, risk, and accountability to shareholders/investors.

Annex 1. Summary of Feasibility Assessment Responses to Specific Questions Outlined in the TOR

6. Relationship between A-PACT and Existing CTFs across Africa

Although the creation of A-PACT would not remove a need or motivation to strengthen existing CTFs in Africa, the Feasibility Study will examine what advantages A-PACT could offer above and beyond strengthening and expanding the existing network of CTFs. Areas for examination include:

Area	FS Output and Next Steps
Inventory of CTFs in Africa	Outstanding. Reference to *more than 20 CTFs*.
Extent of and flexibility in current CTF geographic coverage in response to needs across Africa's protected and conserved area network	Outstanding
Options and potential support for areas beyond the reach of existing CTFs	Outstanding.
The scope for aggregating / bundling investments suitable for larger scale financing instruments	Outstanding.
Options and scope for facilitating trans-boundary, regional and other multi-national joint financing initiatives (potentially in concert with existing CTFs)	Considered an aspect of the A-PACT value proposition, but needs further work to be designed.

7. Ensuring additionality vs. competition with existing CTFs and other existing mechanisms

The establishment of A-PACT would include an ambitious-scale capitalization effort, and a strategy to leverage scale to attract additional financial resources. The Feasibility Study will examine how the A-PACT resource mobilization effort might affect funding prospects for existing CTFs and other mechanisms. Areas for examination include:

Area	FS Output and Next Steps
Potential fundraising/capitalisation policies and principles to ensure additionality	Tables 14 in Section 4 and table 18 in Section 5.2 provide an overview and analysis of pathways to capitalisation.
Ways in which A-PACT could contribute to financing efforts of existing CTFs and other existing mechanisms	FS outlines the value APACT brings to raising the bar on financing expectations for African PCAs.
Scoping and assessment of options to diversify beyond traditional sources of funding for CTFs	Section 5.2 provides some analysis of non-traditional sources of funding.
Programmatic priorities and assistance strategies of principal donors and their implications for dynamics between A-PACT and existing CTFs	Donor-specific

8. Lessons from CTFs and other relevant financing mechanisms

The design of A-PACT should reflect stakeholder input as well as lessons learned from experience with comparable financing mechanisms across the continent. The Feasibility Study will analyze such lessons, with particular attention to drawing insights and testing propositions relating to:

Area	FS Output and Next Steps
Governance options: effective oversight and nimble management that protects transparency, accountability and ensures fiscal probity of asset management and financial management;	Governance framework developed, approved by the Steering Committee, incorporating APAC recommendations and now in consultation.
Legal establishment options: alternatives for legal creation of institutions (e.g., foundation, charitable trust, non-governmental organization, non-profit corporation); how these alternatives inform consideration of domiciling options with minimum administrative and tax considerations; and how these alternatives relate to requirements with respect to governance.	Under exploration with potential host countries.
Operational costs: minimum budgetary requirements to manage and operate a financing mechanism	Needs development.
Resource mobilization: leveraging a diverse range of sources for initial capitalization, and installing capacity for ongoing fundraising and application of innovative finance solutions	Initial scoping in the FS tables need further elaboration by the SC and advisors.
Disbursement modalities: efficient processes for channeling resources to where they are most needed	Design going beyond FS scope at this stage.
Political/policy support: structuring relationships with governments that are conducive to joint efforts and continued policy and regulatory action to facilitate sustainable finance solutions for P&CAs	Design going beyond FS scope at this stage.
Private sector role: positioning A-PACT as a catalyst for large scale private sector investments and public-private partnerships	Needs development

9. Financing needs relating to Other Effective Area-based Conservation Measures (OECMs)

A-PACT should consider financing needs not only of state run protected areas, but also those relating to Other Effective Area-based Conservation Measures (OECMs).[1] Noting that the ways in which OECMs are reflected in national policies, legal systems, and strategies vary widely across the continent, this portion of the feasibility assessment will examine:

Area	FS Output and Next Steps
The extent to which OECMs are nested within national protected area systems	Design going beyond FS scope at this stage.

[1] https://www.iucn.org/commissions/world-commission-protected-areas/our-work/oecms

Options for directing funds to OECMs in contexts where they are not recognised within national protected area systems	Design going beyond FS scope at this stage.
How A-PACT can provide incentives that catalyze further incorporation of OECMs into national systems	Design going beyond FS scope at this stage.

10. Risks and risk management options

Conservation Trust Funds around the world have experienced a range of risks and developed risk management approaches that will be relevant to A-PACT design. This section will identify and map out risks and risk mitigation/management strategies associated with:

Area	FS Output and Next Steps
Securing and managing the endowment: securing sufficient capital; ensuring the endowment is managed for the purposes of the fund	Needs development
Independence, accountability and integrity at fund level: ensuring governance of the fund is independent, accountable and acting within the remit of the purpose of the fund.	Incorporated into governance framework.
Formulating and applying Environmental, Social and Governance (ESG) safeguards: designing appropriate ESG policies and mechanisms to ensure that these policies are applied to manage institutional and programmatic risk	Not fully addressed in the FS. Needs development
Effective disbursement: ensuring that funds reach on-the-ground needs, including OECMs, including verification and redress mechanisms	Not fully addressed in the FS. Needs development
Integrity and impact at site level: ensuring the funds are used for the intended purposes, measuring and tracking impact, building incentives for management effectiveness and impact, and disincentives for mis-use of funds at site or systems level.	Is under exploration with the design and links to existing tools/processes used by APAD and CAFÉ.

REF: PO010563/4/5

Pan-Africa Conservation Trust Fund (APACT)
Feasibility Assessment of Options to Sustain Africa's Protected and Conserved Areas

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Revised November 2022

EXECUTIVE SUMMARY

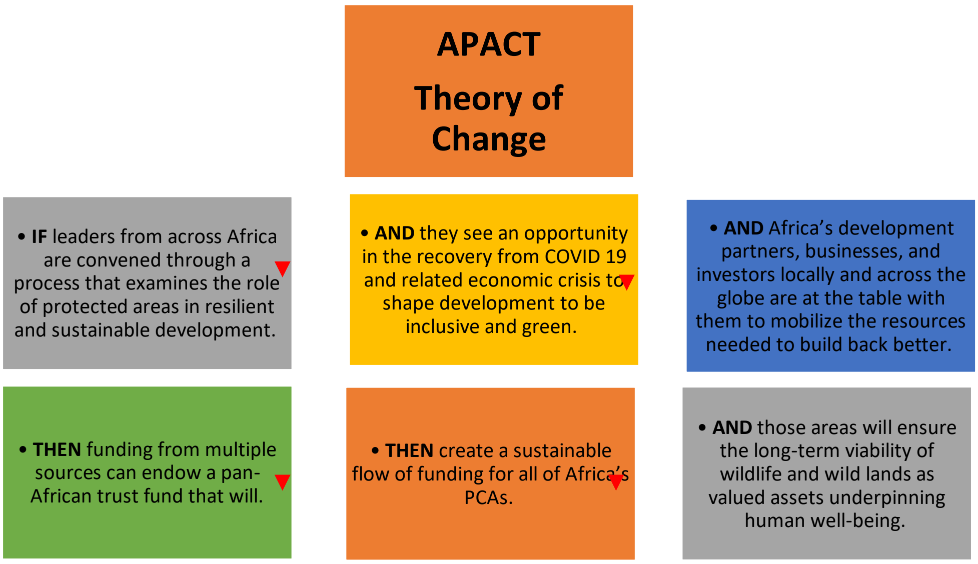
1.0 INTRODUCTION

We are at a critical juncture. Protected and Conserved Areas (PCAs) are the genetic reservoir for much of the world's biodiversity, and essential to maintain ecological sustainability and support climate change adaptation

Sustained adequate financing for PCAs is critical to protect biodiversity and the ecological services that sustain all life on earth.

1.1 The Funding Gap

There are more than 8,600 PCAs recognized across Africa's 54 countries, representing approximately 8.6 percent of Africa's terrestrial and marine environments. The financial strategy to maintain these critical PCAs is not sustainable. Existing funding from government allocations, tourism and other revenues, and contributions from donors, lenders, and philanthropists are not meeting the operational and recurrent costs for Africa's PCAs.



APACT AIM

The aim in creating APACT is to place Africa's protected and conserved areas at the heart of Africa's development agenda as set out in Agenda 2063 and ensure that the entirety of the network of PCAs across the continent have access to the financing required to ensure they are effectively managed and thus fulfil their role in providing essential biodiversity protection and ecosystem services for people and development.

Feasibility Assessment Purpose and Structure

Based on interviews, survey results, desk research and the professional experience of our assessment team, this feasibility assessment identifies and evaluates 3 distinct options that could be used to achieve the proposed goals of APACT and create the framework for a comprehensive financial institution. The three (3) components are principally based on suggestions offered in interviews and consultations held with APACT stakeholders, including potential funders, investors, development banks, protected area (PA) directors and managers, other Conservation Trust Fund (CTF) Board and administrative staff, conservation organizations, and government representatives.

The three options can be considered as independent fund models or as possible components or units within an integrated APACT.

PCA Sustaining Fund	Project Preparatory Facility	Impact Investment Fund
Respond to the profound financial gaps preventing PCAs from meeting annual operating and recurrent costs.	Work collaboratively with the Consortium of African Funds for the Environment (CAFE) to strengthen the planning, management, and financial capacity of existing and emerging environmental funds	Finance innovative business models and ventures to increase the financial resilience of PCAs and the communities that depend on them.

2.0 A HYBRID FINANCE STRUCTURE FOR APACT

The proposed expansion of the APACT concept identifies the above three financial structures or components operating in tandem within a unified institution. Each of these 3 options can also be considered as a possible standalone option for APACT.

The feasibility assessment in Section 4 evaluates them individually and as an integrated facility.

3.0 ASSESSMENT CRITERIA FOR THE HYBRID FINANCE APACT

While all three components outlined above may represent the most effective path to achieve the APACT mission and vision, this feasibility assessment recognized the fact that each of these components has unique attributes in their nature of feasibility. As a result, a 7-step screening or decision-making process was used to evaluate each respective component individually as a stand-alone APACT option, and then include an evaluation of a cumulative APACT that integrates all 3 components under one structure. The 7-step screening scores the following on a scale of 1-5:

1. Impact on biodiversity
2. Financial impact
3. Likelihood of success
4. Timeframe for full development
5. Legal feasibility
6. Stakeholder buy-in

7. Record of implementation

A scoring guide is given for each criteria listed above

4.0 SCORES AND ANALYSIS OF THE THREE COMPONENTS

The feasibility of each component was assessed by scoring and ranking their ability to meet a set of 7 criteria for financial success, based on a qualitative matrix for each criterion as follows:

Scoring Guide	Component 1 Protected Areas Sustaining Fund		Component 2 Project Preparatory Facility	Component 3 Impact Investment Fund	Cumulative Hybrid Mechanism Integrating all 3 Components
	Covering all PCAs	Covering Selected PCAs			
Impact on Biodiversity	2	3	3	2.5	4
Financial Impact	1	2	3	3	4
Likelihood of Success	0.5	2.5	3	3	2
Timeframe for full deployment	1	3	3	3	1
Legal Feasibility	3	3	4	3	3
Stakeholder Buy In	2.5	3.5	4	2	4
Record of implementation	1.5	2	4	3	2
TOTALS	11.5	19	24	19.5	20

The above 7 criteria were used to produce a qualitative score for each of the components outlined in Section 2.0. The scoring relied on commentary from interviews and consultations; experience gained by other conservation funds and revealed in conservation finance literature; and the professional experience of each team member. Each of the four team members prepared an individual scoresheet for the 7 criteria, with the scores then averaged and integrated during an extensive working session to produce consensus scores. This table provides the consensus scores for each component. Section 4 contains detailed rationale and interpretation of results.

5.0 CONCLUSIONS AND RECOMMENDATIONS -Does an APACT facility *make sense?*

The conclusion from extensive consultations, literature analysis, and professional experience suggests that the APACT concept as an endowment-only mechanism capable of funding all costs of protected and conserved areas across the continent is unlikely to successfully capitalise at the level required and therefore does hold the potential to fill gaps and resolve issues that are unlikely to be met by existing institutions across Africa. A hybrid APACT facility that includes a Protected Areas Sustaining Fund to help meet the operational and recurrent costs for PCAs not currently reached by existing CTFs; together with a Project Preparation Facility, which could take the form of a sinking/revolving fund that provides funds, training, capacity building, and networking to PCAs and local enterprises, to strengthen and scale up revenue generating mechanisms; and an impact investment fund that can further strengthen and scale these mechanisms and leverage private investment will represent a more realistic and unique, timely, and important source of new revenues aimed specifically at sustaining Africa's vast PCA network.

Advantages and Challenges of APACT as a pan-Africa Regional Conservation Trust Fund (CTF)[1]

S/L	Potential Advantages of RCTFs:	Potential Challenges of RCTFs:
1	Can deal more effectively with trans-boundary conservation issues, including more effective enforcement.	Coordinating government policies and reforms across different government structures, multiple languages, and greater cultural diversity among a broader set of stakeholders
2	Can promote greater cooperation and better political relations between neighbouring countries.	Planning, dialogue, agreements, and implementation requires collaboration by multiple governments.
3	Can save on fund management and operational costs by pooling capital and resources for several countries.	Higher operating expenses due to needs for recurrent international travel and branch offices, staff, and communications programs.
4	Can attract more funds from international donors that prefer a regional approach, or that might be reluctant to support initiatives targeted to a small country	Can be more difficult to raise funds from those donors that allocate funds on a bilateral (country-specific) basis or lack separate funding windows for regional programs

[1] Conservation Trust Funds are defined by the Conservation Finance Alliance to be private, legally independent institutions that provide sustainable financing for biodiversity conservation.

Advantages and Challenges of APACT as a pan-Africa Regional Conservation Trust Fund (CTF)[1]

S/L	Potential Advantages of RCTFs:	Potential Challenges of RCTFs:
5	Increases opportunities for the sharing of experiences, successful models, and lessons learned between countries	Can require a much higher amount of capital for start-up and long-term endowments as opposed a national CTF for a single country
6	Can reduce administrative costs for donors (in terms of donors' supervision or monitoring costs, and donors' costs of serving as Board members)	RCTF Boards may be more challenging to fill and operate due to the need for broad representation of stakeholders.

Next Steps

1. Preparation of an action plan to provide a road map for the full development, start-up, and implementation of the Africa-wide finance strategy.
2. Identify start-up funding
3. Identify contract specialist
4. Validate the purpose, theory of change, focus, structure, and desired outcomes
5. Carry out a benchmarking assessment
6. Draft by-laws
7. Create a digital library or draft templates
8. Identify board members
9. Identify location where the APACT will be legally registered
10. Develop a multi-faceted finance strategy
11. Establish on-going learning opportunities

For the full list of next steps, see section 5

Contents

LIST OF TABLES

LIST OF FIGURES

1.0 INTRODUCTION

We are at a critical juncture in our efforts to create a more balanced relationship with our living planet. Climate disruptions, species declines, escalating human-wildlife conflicts, unravelling ecosystems, and disoriented economies are now the leading news of the day. Yet, at the same time, we are witnessing a remarkable social transformation – the role and importance of nature in our lives has become mainstream and deemed essential to our future. Everyone from the UN Secretary General to the CEO of Blackrock Capital is talking about it. Nine philanthropic foundations have announced they will commit $5 billion to nature conservation over the next 10 years. These trends suggest that we are at an incredibly opportune time to forge a path that reveals and inspires the adoption of nature-based solutions that are practical, equitable, and enduring.

Protected and Conserved Areas (PCAs) include officially designated protected areas, privately and community managed protected and conserved spaces including those spaces managed by indigenous peoples and local communities (IPLCs), and Other Effective area-based Conservation Measures (OECMs) across terrestrial and marine ecosystems. These expanses of land and sea are each managed to ensure the long-term resilience and diversity of nature, culture, and ecosystem services. They form a critically important element in our commitment to conservation and sustainable development[2]. Africa's PCAs are the genetic reservoir for much of the world's biodiversity, a source of livelihoods for billions of people, and essential to maintain ecological sustainability and guide climate change adaptation. These ecosystem services are particularly evident across Africa's vast and diverse land and seascapes. PCAs across Africa's ecological infrastructure deliver clean water, flood moderation, soil conservation, carbon storage and spiritual renewal. PCAs also represent essential social and economic assets. They serve as the foundation for livelihoods and economic development.

OECMs represent a particularly important climate and biodiversity mitigation opportunity, and one that is generally less recognized and severely underfunded. OECMs refer to land and seascapes that are part of working environments, but managed in a way to incorporate biodiversity conservation values and needs. The Convention on Biodiversity (CBD) now officially recognizes OECMs as areas governed and managed in ways that achieve positive and sustained long-term outcomes for the in situ conservation of biodiversity with associated ecosystem functions and services and where applicable, cultural, spiritual, socio–economic, and other locally relevant values. OECM recognition expands conservation actions to particularly increase the recognition of work done by Indigenous and local communities in managing their lands and seas — be it for hunting, fishing or other cultural practices — while conserving nature. It opens up new conservation opportunities in landscapes where there is relatively light human usage. However, Less than 1% of the world's land and freshwater environments and less than 0.1% of marine areas are officially recognized as OECMs (Gurney et al. 2021). The APACT vision for Africa's PCAs includes recognition of and support for OECMs as an integral component of long-term conservation needs.

1.1 The Funding Gap

Africa's PCAs are at risk of degradation due to a lack of sufficient and sustainable funding: Annual government allocations serve as the principal source of funds to establish, operate, and manage most of

[2] From the UNEP WCMC Hosted Protected Planet Database https://www.protectedplanet.net/region/AF and is inclusive of all terrestrial and marine protected areas as well as areas listed as other effective area-based conservation measures (OECMs).

Africa's PCAs, supported in some cases by supplemental resources provided by donors, philanthropists, and other funders. These investments have produced impressive conservation accomplishments over the past 50 years, with more than 8,600 PCAs now recognized across Africa's 54 countries, representing approximately 8.6 percent of Africa's terrestrial and marine environments.

Unfortunately, the financial strategy to sustain this vast and growing network of PCAs is not sufficient or sustainable. Government budgets are stretched, and available funds available through donors, lenders, and philanthropist priorities do not meet the gaps in operational and recurrent costs for Africa's PCAs. Government contributions, while important, are rarely sufficient and are always constrained by high competition from other pressing sectors of the economy and social safety network (e.g., education, infrastructure, health, defence, agriculture, etc.), as well as pressing debt burdens and fiscal policies which result in under-investment in wildlife and biodiversity sectors, in general. Revenue generation models, while helpful, have largely been limited to international tourism, which is vulnerable to shocks such as the global closures brought on by COVID 19. And while additional financing windows are opening through climate finance, payments for ecosystem services, and bioprospecting, transforming this potential into actual payments remains a challenge for the protected area authorities, IPLCs and others managing PCAs across the continent. A business-as-usual component cripples the contributions Africa's PCAs can provide to addressing the linked challenges of climate change, biodiversity loss, poverty and insecurity faced by humanity in the 21st Century.

Growing threats from severe weather events, retaliatory killings, illegal wildlife trafficking, and unsustainable resource harvesting, among other growing pressures, will transform and potentially degrade these land and sea areas to the point where they can no longer meet their original ecological and social purpose. The loss will be critical for essential human needs, ecosystem stability, and climate resilience. An alternative approach is essential and sustaining and growing the operations of those managing PCAs and will require the adoption of an ambitious and innovative financial strategy that can carry the initiative far beyond the current support provided by international cooperating partners.

A specific financial gap to respond to the full spectrum of African PCAs has not been established, although a projection of needs based on approximate management costs between US$390 - 990/km2 has been estimated. This estimate would result in financing requirements in the realm of US$2.6 - 6.7 billion annually to meet the operating and recurrent costs for Africa's existing PCAs.

A Pan-African Conservation Trust (APACT) aims to resolve this financial gap through an innovative financial mechanism. The concept for APACT has been co-created by the Africa Protected Area Directors (APAD) and the co-organizers of the African Protected Areas Congress – the African Wildlife Foundation (AWF), and the International Union for Conservation of Nature World Commission on Protected Areas (IUCN-WCPA). The APACT proposal comes in response to the immediate challenges APAD faces with securing sufficient financing for operations, particularly with the abrupt downturn of revenues from tourism that accompanied the global lockdowns to address COVID-19 health risks.

APACT is proposed as an ambitious African-led effort to address the funding gap for Africa's 8,600+ PCAs, through an independent hybrid sustainable financing mechanism supported by an aligned African leadership and financed through global and African resource mobilisation.

1.2 The Theory of Change

A key premise of APACT is that an African-led mechanism for sustainable financing will incentivize African decision makers to support conservation as a valued land use and enable the state agencies, indigenous peoples and local communities and individuals managing protected and conserved areas to deliver on commitments made under the auspices of the Convention on Biological Diversity. The outcomes will include reduced threats of downsizing, downgrading and de-gazetting of protected areas across the continent, and an increase in management effectiveness of Africa's protected area estate and related increases in viable habitats and species populations. The Theory of Change for APACT asserts that:

• **IF** leaders from across Africa are convened through a process that examines the role of protected areas in resilient and sustainable development.

• **AND** they see an opportunity in the recovery from COVID 19 and related economic crisis to shape development to be inclusive and green.

• **AND** Africa's development partners, businesses, and investors locally and across the globe are at the table with them to mobilise the resources needed to build back better.

• **THEN** funding from multiple sources can endow a pan-African trust fund that will.

• **THEN** create a sustainable flow of funding for all of Africa's PCAs.

• **AND** those areas will ensure the long-term viability of wildlife and wild lands as valued assets underpinning human well-being.

The vision for APACT is to create a sustainable financing mechanism for all 8,609 of Africa's protected and conserved areas including state, private and community areas in terrestrial and marine environments of North, South, East, Central and West Africa. The initial scope of APACT was an endowment fund capable of covering all operational and recurrent costs of all PCAs. To identify the scope of the challenge, the initial conceptualisation of the mechanism calculated the need to respond to financing requirements in the order of US$2.6 - 6.7 billion annually to meet the operating and recurrent costs for Africa's at-risk PCAs. This outlay equates to between $390 - $990 per km^2 for each area, and would require an endowment ranging from US$95-225 billion, assuming a 3% return on investment. Since this initial conceptualisation the design has been refined and revised and is now shaped around a hybrid mechanism with three components:

- An endowment that provides resources to those areas most in need with consistent, reliable funding for operational and recurrent costs.
- A revolving or sinking fund that invests in ways that help protected and conserved areas unlock further funding through mechanisms such as carbon and biodiversity markets. And,
- An investment vehicle that mobilises private capital for conservation and development outcomes in and around protected and conserved areas.

The APACT concept remains adaptive as additional information and guidance is received, including through the information gathered through this feasibility assessment.

1.3 The purpose and structure of the feasibility assessment

The overall objective of the present study is to explore the feasibility of the APACT concept and hybrid design, and to provide recommendations for planning, design, and implementation. The feasibility serves as an input for a multi-stakeholder co-creation process, and incorporates a focus on the following topics and questions:

1. Relationship between A-PACT and Existing CTFs across Africa

From the onset, the creation of APACT has been envisaged to be complementary to and designed to strengthen existing CTFs in Africa. How APACT relates to existing CTFs is still being worked through together with the Consortium for African Funds for the Environment (CAFÉ). As such, a key mandate of the feasibility study is to examine possible advantages APACT could offer above and beyond strengthening and expanding the existing network of CTFs. Areas for examination include:

- Current CTF geographic coverage in response to needs across Africa's protected and conserved area network
- Options and potential needs for support for areas beyond the reach of existing CTFs
- The scope for aggregating / bundling investments suitable for larger scale financing instruments
- Options and scope for facilitating trans-boundary, regional and other multi-national joint financing initiatives (potentially in concert with existing CTFs)

2. Ensuring additionality vs. competition with existing CTFs and other existing mechanisms

The establishment of APACT would include an ambitious-scale capitalization effort, and a strategy to leverage scale to attract additional financial resources. The Feasibility Study examines how the APACT resource mobilisation effort might affect funding prospects for existing CTFs and other mechanisms. Areas for examination considered in the feasibility study include:

- Potential fundraising/capitalisation policies and principles to ensure additionality
- Ways in which APACT could contribute to financing efforts of existing CTFs and other existing mechanisms
- Scoping and assessment of options to diversify beyond traditional sources of funding for CTFs
- Programmatic priorities and assistance strategies of principal donors and their implications for dynamics between APACT and existing CTFs

3. Lessons from CTFs and other relevant financing mechanisms

The design of APACT should reflect stakeholder input as well as lessons learned from experience with comparable financing mechanisms across the continent. The feasibility study analyses such lessons, with particular attention to drawing insights and testing propositions relating to:

- Governance options: effective oversight and nimble management that protects transparency, accountability and ensures fiscal probity of asset management and financial management.
- Legal establishment options: alternatives for legal creation of institutions (e.g., foundation, charitable trust, non-governmental organisation, non-profit corporation); how these alternatives inform consideration of domiciling options with minimum administrative and tax considerations; and how these alternatives relate to requirements with respect to governance.
- Operational costs: minimum budgetary requirements to manage and operate a financing mechanism
- Resource mobilisation: leveraging a diverse range of sources for initial capitalization, and installing capacity for ongoing fundraising and application of innovative finance solutions

- Disbursement modalities: efficient processes for channelling resources to where they are most needed
- Political/policy support: structuring relationships with governments that are conducive to joint efforts and continued policy and regulatory action to facilitate sustainable finance solutions for P&CAs
- Private sector role: positioning APACT as a catalyst for large scale private sector investments and public-private partnerships

4. Financing needs relating to Other Effective Area-based Conservation Measures (OECMs)

APACT will need to consider financing needs not only of state-run protected areas, but also those relating to Other Effective Area-based Conservation Measures (OECMs). The assessment notes the ways in which OECMs are reflected in national policies, legal systems, and strategies across the continent, and examines:

- The extent to which OECMs are nested within national protected area systems
- Options for directing funds to OECMs in contexts where they are not recognised within national protected area systems
- How APACT can provide incentives that catalyse further incorporation of OECMs into national systems

5. Risks and risk management options

Conservation Trust Funds around the world have experienced a range of risks and developed risk management approaches that will be relevant to APACT design. The assessment identifies and evaluates risks and risk mitigation/management strategies associated with:

- Securing and managing an endowment: securing sufficient capital; ensuring an endowment is managed for the purposes of the fund.
- Independence, accountability, and integrity at fund level: ensuring governance of the fund is independent, accountable and acting within the remit of the purpose of the fund.
- Formulating and applying Environmental, Social and Governance (ESG) safeguards: designing appropriate ESG policies and mechanisms to ensure that these policies are applied to manage institutional and programmatic risk.
- Effective disbursement: ensuring that funds reach on-the-ground needs, including OECMs, including verification and redress mechanisms.
- Integrity and impact at site level: ensuring the funds are used for the intended purposes, measuring and tracking impact, building incentives for management effectiveness and impact, and disincentives for misuse of funds at site or systems level.

The feasibility assessment incorporates and embeds these five core topics and concerns within an analysis of an expanded interpretation of the APACT concept. The expanded concept has emerged from extensive consultations and planning already carried out by the APAD leadership team combined with a synthesis of findings from interviews, surveys, and detailed review of existing literature carried out by the feasibility assessment team. Section 2 of the assessment summarises our team's assumptions on how the expanded interpretation of the APACT concept is expected to operate. Section 3 then outlines our methodology for evaluating the feasibility of these assumptions. The feasibility of each component is assessed by scoring and ranking their ability to meet an essential set of 7 criteria for financial success, based on a qualitative matrix for each criterion as follows:

APACT Feasibility Assessment

i. Impact on biodiversity
ii. Financial impact
iii. Likelihood of success
iv. Time required for fund set up
v. Legal feasibility, and
vi. Stakeholders buy-in
vii. Record of implementation

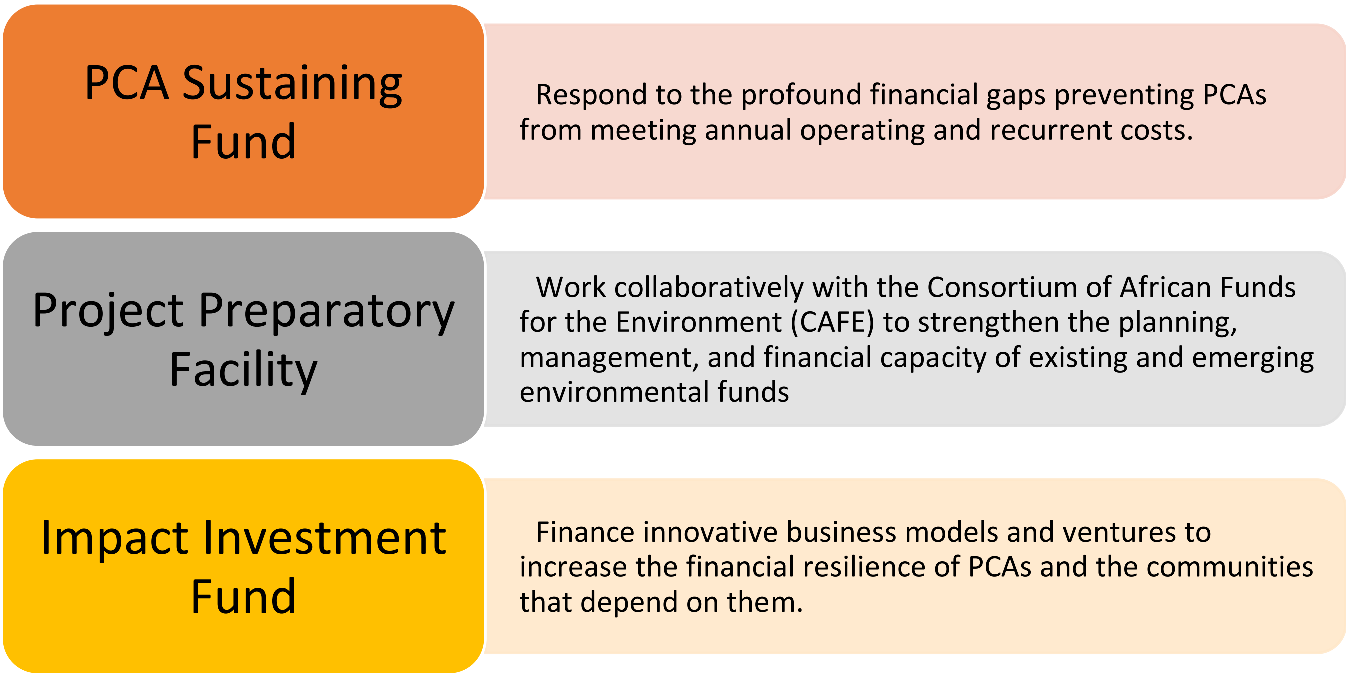
This qualitative assessment methodology is derived from criteria in the BIOFIN workbook (UNDP, 2018) and Practice Standards for Conservation Trust Funds (CFA, 2020a). Section 4 provides the summary of our evaluation of each proposed hybrid component - individually and considered as an integrated facility combining all 3 components - together with recommendations to minimise or mitigate potential adverse impacts.

This preliminary draft assessment is intended to guide a robust review and analysis of these three (3) options by a selected group of advisors to the APACT vision.

2.0 A HYBRID FINANCE STRUCTURE FOR APACT

The hybrid structure of APACT is shaped around three distinct financial structures or components operating in tandem within a unified institution. The consultants considered, first, the original vision of an endowment structure aimed at fulfilling the operating and recurrent costs of all protected and conserved areas on the continent and next, a vision of a hybrid facility. The hybrid facility consists of 3 distinct components that could be used to achieve the proposed goals of APACT. The three components considered as possible options for an expanded APACT vision are outlined in Figure 1 below.

Figure 1: Components of APACT



The three (3) components emerged from earlier consultantion processes and has incorporated additional suggestions offered by professionals and APACT stakeholders consulted by the feasibility assessment team, including potential funders, investors, development banks, protected area (PA) directors and managers, other CTF Board and administrative staff, conservation organisations, and government representatives, together with guidance offered by the APAD leadership team. The components have been further refined through an analysis of literature on CTFs and related conservation finance instruments, and the professional experience of the review team working with the planning, implementation, and evaluation of conservation finance mechanisms in Africa and worldwide.

Each of these 3 components could be considered as a possible stand-alone option for APACT. This is to say that APACT could operate solely as a PCA Sustaining Fund, or as a Project Preparatory Facility, or finally as only an Impact Investment Fund. Thus, the scoring of the proposed components in Section 4 below considers the feasibility of each component. The cumulative scores provided for a proposed "hybrid" finance institution considers the feasibility of all 3 components operating simultaneously within one integrated organisation. Our findings suggest a phased approach that includes elements of all 3 components – a traditional CTF but hybrid with other components that will strengthen existing African environmental funds and build revenue generating public-private ventures – will most effectively achieve the APACT mission and goals, particularly the aim of providing some level of sustained financing for PCAs not currently covered under existing CTFs, with initial capitalization in the range of US$ 6-10 billion between years 1-10.

Each component of the proposed APACT hybrid mechanism would respond to a particular financial challenge distressing Africa's PCAs:

i. **Component 1 – a PCA Sustaining Fund** is envisioned as a mechanism to respond to the profound financial gaps preventing PCAs from meeting annual operating and recurrent costs.
ii. **Component 2 - a Project Preparatory Facility** can work collaboratively with the Consortium of African Funds for the Environment (CAFE) and through other means to strengthen the planning, management, and financial capacity of existing and emerging environmental funds, while also building the capacity of protected area management authorities, and community-based conservation efforts.
iii. **Component– 3 - an Impact Investment Fund** can finance innovative business models and ventures to increase the financial resilience of PCAs and the communities that depend on them.

As envisioned, APACT can serve as the integrating body facilitating the delivery of targeted results through each of these structures, with the components acting independently where appropriate, and collaboratively where a multi-faceted approach can produce the most efficient and effective results. The following sections outline an envisioned structure for each component. The concluding section 2.4 envisions how APACT can bring these 3 components together under one functioning institution.

2.1 Component 1 – PCA Sustaining Fund

Component 1 of the concept developed by the consultants is envisioned as an endowment only conservation trust fund designed to serve as a reservoir of sustainable funds to meet the financial gaps for Africa's PCAs, including Other Effective Area-based Conservation Measures (OECMs)[3]. Endowment CTFs are typically structured as private grant-making charitable institutions to allow the mechanism to operate independently from political influence, maximise philanthropic contributions, and minimise tax and transaction costs (CFA, 2020b). It is expected that the Sustaining Fund could be domiciled in one selected African nation to minimise legal complications, facilitate rapid establishment and implementation and reduce operating and administrative costs. However, the delivery of services can probably be enhanced through regional offices to allow it to have presence and outreach across the entire continent.

Linked to the second pillar of the hybrid design, the charitable component of APACT can operate sinking or revolving funds together with an endowment fund. A sinking fund is a pool of financial resources fully spent down over a fixed time period often using pre-set targets or objectives. A revolving fund operates similar to a sinking fund, often with specific spending targets, but with a goal to identify revenue streams that can continuously replenish the fund over time. It is envisioned that a sinking or revolving APACT fund can dedicate resources to 2 categories of need based on application criteria:

(a) Eliminating the gaps in operating and recurrent costs; and

(b) Grants to government management authorities, NGOs, or other civil society groups to increase PCA revenues through innovative management practices such as strengthened fee structures, cost reductions, lotteries, enhanced tourism, and direct fundraising campaigns.

In terms of the relationship between this mechanism and the existing CTFs, grants to CTFs would not be expected under this component since this need falls under the mandate of CAFE and the mission of APACT is to complement and never duplicate the work of existing facilities (like CAFE) or CTFs. However, the existing CTFs could act as channels for disbursement, as is the case with the Caribbean Biodiversity Fund. This requires a detailed assessment of the coverage of existing CTFs to determine which PCAs are covered by their operations, a review of the constitutions of the CTFs to determine the feasibility taking on a formal role as a means of disbursement under APACT, and the formulation of agreements to shape and govern the nature of the relationship between the CTFs and APACT. While this work was envisaged as part of the scope of this feasibility study, this detailed analysis has not yet been completed and remains part of the APACT work program going forward in collaboration with CAFÉ.

In terms of the capitalisation of the endowment fund, the assumption of the consultants is that the endowment would be developed gradually over time and would not necessarily be expected to contribute resources to support APACT operations until the fund has built sufficient capital to allow it to meet specific long-term sustaining finance targets. More specific recommendations on how the sinking-revolving and endowment funds could be utilised are included in section 4.1 below.

The feasibility assessment considered 2 possible approaches for a Protected Areas Sustaining Fund component: (a) a fund capitalised as a sustainable financing mechanism for all 8,609 of Africa's protected and conserved areas capable of responding to annual financing requirements in the range of US$2.6 - 6.7 billion, and (b) a modified fund mechanism capitalised at a reduced level with a principal focus on the most

[3] An OECM represents a geographically defined area other than a Protected Area, which is governed and managed in ways that achieve positive and sustained long-term outcomes for the in situ conservation of biodiversity, ecosystem functions and services and, where applicable, cultural, spiritual, socioeconomic, and other locally relevant values.

at-risk African PCAs. The modified approach emerged as a consistent recommendation received in stakeholder consultations and surveys.

2.2 Component 2 – Project Preparatory Facility

Component 2, as envisioned by the feasibility team, would complement the Protected Area Sustainability Fund by including a Project Preparatory Facility (PPF) with a primary mission to strengthen the planning, management, and financial capacity of protected area management authorities, private conservation areas, and community-based conservation efforts. The PPF could also act to strengthen existing and emerging environmental funds, but only to the extent that its work complements and enhances the on-going work of CAFE and existing CTFs. It could, conceivably also strengthen PCAs not covered by existing CTFs, as envisaged through the sinking/revolving fund component of the hybrid design arrived at in the November 2021 meeting of the APAD.

A PPF would not provide direct funding to fill the financial gaps of existing African PCAs or OECMs. However, a PPF component within APACT can provide the skills, tools, and access to resources that will allow agencies, organisations, and their partners to leverage needed funding on their own. In November 2017, a Joint Statement by the Executive Secretaries of the Rio Conventions called for the establishment of a Project Preparation Facility (PPF) to increase financing opportunities for large-scale, transformative projects which integrate action on land degradation, biodiversity loss, and global warming. APACT as a Project Preparatory Facility would thus be Africa's mechanism to realize the PPF being envisaged by the parties to the Rio Conventions with a unique focus on PCAs and OECMs.

The overarching goal of Component 2 for APACT will be to provide grants and technical assistance to PCA management authorities and collaborators to co-develop innovative finance models and strategies, and develop the capacity of existing and emerging CTFs, environmental funds and sustainable finance mechanisms to the point where each can effectively and independently attract sufficient interest and engagement from donors-funders-investors. The PPF will also help to identify the technical and financial needs of selected PCAs and structure appropriate strengthening collaborative agreements.

2.3 Component 3 – APACT as an Impact Investment Fund

The Component 3 concept envisioned by the consultants is for APACT to act as an independent financial institution domiciled in Africa with a mission to connect impact investors to bankable projects proposed by individual or collaborating PCAs. Impact investment funds with a focus on climate and biodiversity outcomes are growing exponentially in volume and availability.

At the core of the impact investment market where intent, contribution, and impact measurement are identified, approximately $286 billion of investments managed by privately owned asset managers and institutions were identified in a 2021 survey, and an additional $349 billion managed by 36 development finance institutions (DFIs), for a total of $636 billion. This is a more than 20 percent increase from only two years previous. The broader market, which includes investments in private equity (PE), venture capital (VC), real assets, real estate, infrastructure, or private debt also includes $1.338 trillion managed by publicly owned DFIs and national/ regional development banks. Of these, 11 multilateral development banks (MDBs) cumulatively manage $18 billion in intended impact assets, and 67 other national development banks (NDBs) and regional development banks manage $1.320 trillion in intended impact assets. This gives a total of $1.646 trillion of intended impact assets. This is still only equivalent to about 2 percent of global assets under management (AUM). Thus, impact investing remains a small market niche, but one that is attracting growing interest (Volk, 2021).

The challenge for climate, biodiversity, and protected area managers is to produce value propositions that demonstrate measurable results for impact investors and provide convincing estimates of Returns on Investment (ROI). Proposals to attract impact investment co-financing for PCAs will also need to be at a scale that is significant to investors. The work required to develop a bankable project valued at $100,000 can be the same as the amount of work required to develop a $10 million bankable project, and investors will generally prefer the larger investable opportunities to reduce development costs and increase ROI (UNDP, 2018; Claes *et al.*, 2020; Fondo Accion, 2020)

Under Component 3, APACT could directly respond to these risks and constraints through capacity building, training, dialogue, and by serving as an investment vehicle to fund innovative business models that increase the financial resilience of PCAs and the communities that depend on them. Adopting component 3 would position APACT as Africa's first impact investment fund fully dedicated to ensuring the security of the region's most at-risk and ecologically significant PCAs. The fund would not directly finance operating or recurrent costs for individual or clustered PCAs but would seek to co-finance ventures with selected at-risk PCAs with the demonstrated potential to generate the revenues to meet these costs. This co-financing mechanism will be directly complementary to the investments made in business development and innovation through the revolving/sinking fund and capacity building measures envisioned under Component 2 described in Section 2.2 above.

Co-financing proposals will require a measurable set of objectives to mitigate risks and threats to species, ecosystems, or land and seascapes, and develop Green Infrastructure in and adjacent to PCA sites. Thus, proposals must demonstrate measurable impact to enhance threatened, endangered, unique, or keystone species; habitat and ecosystem protection or restoration; ecological connectivity; human-wildlife balance, and general protected area (PA) management and the well-being of local communities. Sustainable infrastructure financing can include improvements to strengthen the administration and management of PCAs. Examples of green infrastructure finance can include the resources needed to secure wildlife corridors, ranger access to difficult areas, improvements to increase tourist access, and similar ventures. However, proposals must simultaneously show how the investments will result in net financial gain for the PCA to create new revenues for operating and recurrent costs and the potential to provide a return to investors. This component is likely to work collaboratively with the PPF described in Section 2.2 above.

The principal outcome from component 3 will be the empowerment of selected at-risk PCAs to create practical models across Africa to demonstrate how public and private sector finance can be used to generate the revenues needed to meet these costs on a permanent basis.

2.4 Integrating the three Components into a Phased Implementation Strategy

An APACT hybrid finance mechanism will bring together the core features of all three components to raise and generate sufficient funding to fulfil a diverse mix of finance needs for PCAs across Africa:

(a). Bridge the financial gaps of operational and recurrent costs for selected most at-risk PCAs across the African region.

(b). Disburse grants to build PCA management capacity; diversity and strengthen livelihoods for communities in and adjacent to PCAs; mitigate land and resource conflicts; and fund nature-based solutions to biodiversity and climate risks.
(c). Invest in small businesses in and adjacent to PCAs to make them investment ready for sustainable activities at scale.
(d). Build enabling conditions with the private sector to transform non-sustainable production activities.

Recommendations for the planning, design, and implementation process for each proposed component, and for an integrated hybrid facility encompassing all three components, are elaborated in Section 4 of the assessment below.

3.0 ASSESSMENT CRITERIA FOR THE APACT HYBRID FINANCE MECHANISM

While all three components outlined above represent paths to achieve the APACT mission and vision, the consultants determined that each of these components has unique attributes in their nature of feasibility. As a result, we developed a 7-step screening or decision-making process to help us to evaluate each respective component individually as a stand-alone APACT option, and a cumulative APACT that integrates all 3 components within one mechanism. The 7-step screening is adapted from the Biodiversity Finance Initiative (UNDP, 2018) and serves as a principal tool in this feasibility analysis summarized in Section 4.0.

3.1 Impact on Biodiversity in Protected Areas

The significance and scale of impact each component is expected to have on biodiversity and ecosystem services in the prioritised PCAs can be evaluated by a variety of factors, including by the urgency of the threat, the presence of key biodiversity areas, population status of key threatened, endangered, or rare species, or the value of ecosystem services backed by valuation studies. For this criteria, the following scoring guide is applied. Note that these criteria principally consider impacts to biodiversity composition and abundance for individual PCAs or clusters of PCAs across distinct regions. This approach assumes that funding priorities for the hybrid APACT model would be focused on specific high value PCAs or PCA clusters. Thus, the analysis may provide less insight into the cumulative changes to biodiversity across all of Africa since this hybrid model is not expected to be able to meet the operating and development needs of all PCAs across the entire continent.

Table 4: Assessment Criteria for Impact on Biodiversity in Protected Areas

Actual Score	Scoring Guide
4	Very high and positive impact on threatened/endangered species and habitats and critical ecosystem services
3	High impact on biodiversity and ecosystem services within protected areas.
2	Moderate impact on biodiversity and ecosystem services within protected areas

Actual Score	Scoring Guide
1	Low impact or high uncertainty about its impact on biodiversity and ecosystem services within protected areas
0	No or insignificant impact on biodiversity and ecosystem services within protected areas

3.2 Financial impact of the component.

The preamble to the Terms of Reference (TORs) that framed this feasibility study indicated that APACT is poised to be a solution to the financing challenges faced by the network of PCAs throughout the African continent. This implies a significant financing ambition, considering the number of PCAs and the area covered. As part of the assessment of the components outlined above, it was imperative to consider the potential scale and sustainability of the resources that can be leveraged by each of the components, i.e., how much can be raised? for how long? and how consistent or stable will this input be? The table 5 below provides a scoring guide adopted for this parameter on financial impact.

Table 5: Assessment Criteria for Financial Impact

Actual Score	Scoring Guide
4	Potential to mobilise a very high amount of resources. A significant impact on the biodiversity finance agenda.
3	Potential to mobilise a high amount of resources. Indicatively 15 % of current expenditures or needs.
2	Potential to mobilise a moderate amount of resources compared to existing expenditures or needs. Indicatively between 5-15 % of current expenditures or needs.
1	Potential to mobilise or save a low amount of resources compared to existing expenditures or needs. Indicatively under 5 % of current expenditures or needs.
0	Minimal scale of resources mobilised if compared to current financial needs and gaps.

3.3 Likelihood of success of the component

All the proposed components are speculative and without guarantee. However, each can also be viewed in the context of current and anticipated political, social, and economic conditions in African countries, and across the financial landscape and terrain in which APACT will seek to operate. These current and anticipated characteristics can mainstream realism into the scope of the APACT project and offer an assessment of the likelihood for success. In the context of the proposed components, likelihood of success was assessed based on technical, social, and political feasibility of each of the three components (Table 6).

Table 6: Assessment Criteria for Likelihood of Success

Actual Score	Scoring Guide
4	Very high likelihood of success. Broad based political and social support and/or sound commercial viability. No major operational challenges known. Good records or expectations of success/replicability/scalability in comparable contexts.
3	High likelihood of success. Sufficient political and social support. Commercially viable. Operational challenges are manageable. Relevant records of success/replicability/scalability in comparable contexts.
2	Moderate likelihood of success due to limited political/social support or known operational/technical barriers. Limited commercial viability. Limited records of success/replicability/scalability in comparable contexts.
1	Low likelihood of success due to high political or social resistance or major operational/technical barriers. Limited commercial viability.
0	Virtually no chance of success under current conditions. Commercially unviable.

3.4 Timeframe for full deployment of the component

The gestation period for most conservation funds is often long, frequently considerably so. A 2-3 year roll out from design to implementation is considered impressive for much less ambitious funds, and 3-5 years is more typical. The 4 components proposed for APACT must be seen in similar timeframes, if not longer ones given the ambitious results desired. Each component must get to full maturity if it is to meet the intended APACT objectives, and the criteria below provides a sense of risk for each component based on a projected time frame to full deployment, considering the scope and complexity of the component based on known comparable models. The assessment criteria in table 7 was used for time of deployment.

Table 7: Assessment Criteria for time of deployment

Actual Score	Scoring Guide
4	Rapid - within 2 years
3	Short Term 2-3 years
2	Medium term 3-5 years
1	Long Term over 5 years
0	Unknown-unpredictable

3.5 Legal Feasibility

Legal feasibility is partially factored into the assessment of the likelihood of success in criteria 3.3 above. However, it is still a key parameter to be assessed singularly, especially given the impact of legal and regulatory viability across the spectrum of 54 countries with heterogeneous legal regimes. The primary focus of this criteria (Table 8) is on the feasibility of legally establishing the APACT component in at least one African country, and of operating it as a financial institution across multiple countries. The assessment of legal feasibility considers the request in the original TORs for this feasibility assessment to take into consideration aspects such as alternatives for legal creation of institutions, how these alternatives inform consideration of domiciling options with minimum administrative and tax considerations; and how these alternatives relate to requirements with respect to governance.

Table 8: Assessment Criteria for legal feasibility

Actual Score	Scoring Guide
4	No new laws and regulations will be needed to setup this component. Existing legal provisions will suffice for implementation almost immediately.
3	New laws and regulations will be required, but consensus can easily be obtained across all targeted countries to setup this component within the short term (1-5 years).
2	New laws and regulations will be required, but consensus can only be obtained across all targeted countries to setup this component in the long term (Over 5 years).
1	New laws and regulations will need to be drafted and approved by all member countries. It will however be too complex to get consensus among targeted countries to setup and approve this component legally even in the long term.
0	Practically impossible to have legal feasibility for this component.

3.6 Stakeholder Buy-In

The TORs for this feasibility assessment also indicated that the design of APACT should reflect stakeholder input as well as lessons learned from experience with comparable financing mechanisms across the continent. The TORs further required an examination of political/policy support, such as structuring relationships with governments that are conducive to collaborative financing efforts; continued policy and regulatory action to facilitate sustainable finance solutions for PCAs; and the availability of a platform for private sector participation. The feasibility assessment of the buy-in was done using the criteria in table 9, noting that this feasibility study considered a cross-section of stakeholders, with only limited input from protected area authorities, IPLCs managing OECMs, or youth. These scores can be enhanced through further consultation with these important groups, particularly in light of the outcomes of the inaugural Africa Protected Areas Congress and related Kigali Declaration, and recent statements from IPLCs and youth representatives.

Table 9: Assessment Criteria for stakeholder buy in

Actual Score	Scoring Guide
5	Yes, strong buy-in exists among key stakeholders for this component i.e., Governments, Private sector including funders, existing CTFs in Africa and beyond
3	Partial buy-in exists among key stakeholders for this component i.e., Governments, Private sector including funders, existing CTFs in Africa and beyond.
1	No evident buy-in exists among key stakeholders for this component i.e., Governments, Private sector including funders, existing CTFs in Africa and beyond.

3.7 Record of Implementation

Record of implementation looks at benchmarking the proposed components against existing similar models and assessing whether a good record of implementation exists elsewhere for the proposed component. While innovative solutions are encouraged, it is still imperative to assess the realism of the suggested component against existing CTF models and see whether what is being envisaged has a historical positive record of implementation elsewhere. Table 10 shows the criteria that was used.

Table 10: Assessment Criteria for record of implementation

Actual Score	Scoring Guide
3	This component has a good record of scale implementation within the conservation finance space with high potential of scalability and verifiable examples.
2	This component has no record of full-scale implementation within the conservation finance space but successful pilots have been recorded.
1	This component has a record of implementation within the conservation finance space but with limited records of success.
0	This component has never been undertaken before; this will be a maiden pilot project in the conservation finance space.

4.0 ANALYSIS OF THE COMPONENTS AND HYBRID FACILITY

The 7 criteria from Section 3.0 were used by the four consultants to produce a qualitative score for each of the components outlined in Section 2.0. The scoring relied on pointed commentary received during interviews and consultations with selected local and international experts (see Annex 1); experience gained by other conservation funds and reported in conservation finance literature; and the professional experience of each team member informed by work with sustainable finance and conservation mechanisms in Africa and worldwide. Each of the four team members prepared an individual scoresheet for the 7 criteria, with the scores averaged and integrated to produce consensus scores. The table below provides the consensus scores for each component, followed by the rationale and interpretation of results.

Table 11: Consolidated Scores for all components

Scoring Guide	Component 1 Protected Areas Sustaining Fund		Component 2 Project Preparatory Facility	Component 3 Impact Investment Fund	Cumulative Blended Mechanism Integrating all 3 Components
	Original Vision	Modified Vision			
Impact on Biodiversity	2	3	3	2.5	4
Financial Impact	1	2	3	3	4
Likelihood of Success	0.5	2.5	3	3	2
Timeframe for full deployment	1	3	3	3	1
Legal Feasibility	3	3	4	3	3
Stakeholder Buy In	2.5	3.5	4	2	4
Record of implementation	1.5	2	4	3	2
TOTALS	11.5	19	24	19.5	20

4.1 Analysis and Justification of Score for Component 1 - Protected Areas Sustaining Fund

The analysis of Component 1 considers two possible objectives for a Protected Areas Sustaining Fund. The APACT vision aims to establish a financing mechanism capable of supporting all of Africa's PCAs. As an endowment only model, this would require sufficient funding to meet the financial gaps for what will likely amount to thousands of PCAs across the entire spectrum of 54 African nations. The resulting calculations result in an unprecedented endowment of between US$95-225 billion, assuming a 3% return on investment. The consultants used this initial calculation for the 'original vision' and found that the extreme challenge of creating such a fund results in very low scores in most of the 7 analysis criteria.

However, this should not be construed to suggest that a Sustaining Fund component should be abandoned. Instead, the findings provide greater support for a so-called 'modified version' of the Sustaining Fund which the consultants propose can focus on closing the financial gaps for a smaller number of PCAs. The recommendation is to focus on the most at risk larger PCAs with a priority towards African PCAs encompassing an area of 500 km² or more. This 'modified approach' significantly reduces the fundraising target and operational scope to an estimated annual financial need in the range of US$135-396 million. An endowment of US$4.4 - 13.2 billion would be able to meet this annual financial need with a 3 percent average annual return on investment. While this approach varies from the Nairobi Declaration of African Protected Area Directors principal of 'leave no protected or conserved area behind'[4], it certainly does not preclude APACT from expanding its vision and scope as the fund becomes established, globally recognized, and achieves its initial targets. APACT, as an adaptive fund, should be fully prepared to seek new funding opportunities, increase its revenues, and broaden its impact as widely as possible and as quickly as feasible.

The modified version of the Sustaining Fund received more favourable scores from the consultants and was viewed more favourably by most experts consulted, including some individuals closely associated with the promotion of the APACT concept. Thus, the analysis of this component reflected in the text below applies the 7 criteria to evaluate the feasibility of both the original APACT vision, and the proposed modified version.

4.1.1 Impact on Biodiversity

Original Vision Score: 2 /Modified Vision Score: 3

Few data are available to measure the long-term impact of endowment funds on the retention or recovery of biodiversity, and an assessment of this criterion requires more correlation of endowment fund missions, goals, and specific targets with success rates in meeting capitalization targets. An analysis of global endowment funds suggest that many fail to capitalise themselves at the level originally envisioned, and the time lag between fund development, capitalization, and deployment can be significant – often well more than 5 years (Coad *et al.*, 2019). There is no indication that the APACT vision will experience these same

[4] https://apact.africa/docs/APAD_Declaration-of-the-Directors-of-the-Africa-Protected-Areas_English.pdf

constraints. However, the lessons learned particularly from larger endowment funds, should provide important guidelines in APACT's capitalisation process.

These concerns were take into consideration in assessment the potential impact of APACT on biodiversity. If APACT needs to be fully capitalised before deploying resources, and if a significant time lag occurs between establishment and full operationalisation, then the original APACT vision is likely to have only a moderately positive impact on biodiversity. Impacts are likely to be scattered with uncertain capacity to mobilise the land and seascape scaled results that may be necessary for some species and ecosystems, and uncertain capacity to sustain the financial continuity required. However, a modified vision for the Sustaining Fund component could offer more opportunity to secure more positive impacts for biodiversity, principally in its higher probability of meeting its financial targets, and through a more concentrated focus on closing the financial gaps in fewer PCAs, and specifically ones encompassing a larger amount of geographic space (>500 km^2 in area).

4.1.2 Financial Impact

Original Vision Score: 1 /Modified Vision Score: 2

Original vision: As mentioned in Section 1.1, a Protected Areas Sustaining Fund endowment capitalised at the original vision of US$95-225 billion should be able to disburse between $2.63-6.7 billion annually assuming a 3% return on investment, which equates to between $390 and $990 per km^2 for each area. The original A-PACT calculations for an endowment vehicle envisioned a fund available to assist the more than 8,600 PCAs recognized legally or traditionally across Africa. For perspective, the core endowment needed to achieve this goal would exceed the total funding commitments made to the Global Environment Facility from its inception in 1994 through 2020 by more than a factor of 10 (GEF, 2020). Achieving this funding target would make A-PACT the largest commitment to biodiversity and protected area conservation in human history. This is not to say that such a commitment is impossible, only to highlight the challenge.

The majority of the 27 stakeholders and experts consulted in the feasibility study process indicated in interviews and survey work their lack of confidence in the feasibility of raising the entirety of this amount of capital in a time frame to ensure that at-risk PCAs can sufficiently close their financial gaps before significant biodiversity loss and ecosystem degradation occur. The most frequently cited concerns include the administrative complexity required to manage, disburse, and account for funding at this scale, and the intense global competition for available funding amid an ongoing public health crisis and severe financial downturn. Concern was also raised around the lack of viable models in operation or even under consideration worldwide that suggest capitalization at this scale will be achievable. Concerns were also raised over possible adverse financial impacts for CAFÉ and other existing and emerging national and regional CTFs unless APACT were to use some of its funding to also ensure the financial resilience of these institutions. These concerns, combined with the lack of suitable similar CTF models evident in finance literature, and the professional experience of the assessment team resulted in the low score for the predicted financial impact of the original APACT vision.

Modified vision: The modified version of the Sustaining Fund could mitigate many of these concerns and can be expected to have a more positive impact on the financial conditions within the at-risk PCAs selected for assistance. However, the cumulative financial impact of even the modified vision is still expected to be limited, since closing the financial gaps for operating and recurrent costs potentially only “stops the bleeding” and does not ensure that the capacity, tools, and infrastructure will be put in place to enable PCAs to build long-term financial resilience. Achieving greater financial resilience will require considerable human and financial capital to be invested in training, learning exchanges, and the technical infrastructure needed to develop networked alliances with financial institutions willing to invest in Africa’s PCAs. Performance criteria that responds to these investments in human capital should be considered in the eventual APACT design and, if feasible, incorporated into the disbursement mechanism for the endowment component.

Survey and Interview Commentary:

APACT should only be a resource mobilisation unit, rather than an actual fund of its own. This unit could approach new big global donors, particularly those from the private sector or from private foundations like the Bezos Earth fund. It would then be able to channel resources to the different National trust funds across the continent. Particularly the endowment funds that it aims to raise should be given to each of the national/local funds to manage with their own endowment funds rather than being kept separately and managed with a different set of rules. This is in fact the only positive role we can see it playing.

4.1.3 Likelihood of Success

Original Vision Score: 0.5 /Modified Vision Score: 2.5

Once again, the original APACT vision allows no means to measure the probability of success based on prior experience since an African-led CTF of this financial magnitude has never been tested. There are somewhat parallel global initiatives in such institutions as the Green Climate Fund (GCF), the Global Environment Facility (GEF), and the Legacy Landscapes Fund (LLF), and each of these has been successfully operating for enough time to meet conservation targets and demonstrate institutional success (GEF 2016; Waldron 2020). However, each of these global funds operates at a financial scale significantly less than the original APACT vision, includes a wider spectrum of financial allocation themes, works at a global scale, and is principally U.S. or Euro-centric in its design, governance, and administration. These characteristics limit their direct comparison to an African directed CTF. Given this limitation, it is worth noting that the GCF and GEF work with financial allocations closer to the proposed modified APACT vision. A synthesis of lessons learned from these institutions and others operating at similar scales is included in Sections 5 and Annex 3 below.

Survey and Interview Commentary:

APACT sounds impossible to manage, how do you overcome the envisaged political complexity of covering the entire Africa? There is no one fund that will ever meet all the needs of every PA. Thinking about APACT’s distinctive niche will accomplish so much more. What will be distinctive.

4.1.4 Time Frame to full deployment

Original Vision Score: 1 /Modified Vision Score: 3

Again, the challenge for the original APACT vision is the lack of demonstrated experience implementing a CTF of this magnitude in Africa or elsewhere across the globe. In part, this is due to the significant time lags that constrain the design and operationalisation of most emerging CTFs (CFA, 2020b). The process of completing the essential planning and development work as outlined in the Action Plan recommendations included in Section 5.2 below constrain even the best prepared new conservation funds. A fund with the financial ambitions of the original APACT vision could require an estimated initial investment of US$5-10 million simply to meet years 1-3 planning and set up costs, and additional time will be required to raise this seed capital.

Existing CTFs operating at a fraction of the financial and geographic scope of the proposed APACT have frequently required more than 5 years to become fully operational. For example, the BIOFUND in Mozambique began initial planning work in 2011 but did not achieve full deployment until 2017. The Cubango-Okavango River Basin (CORB) fund, a regional fund dedicated to supporting sustainable infrastructure development across the river basin connecting Angola, Namibia, and Botswana, was conceived in 2014, legally established in December 2019, and has yet to raise sufficient funds to be fully operational. A myriad of other funds has also been created across Africa, albeit at national level, but they too have taken over 5 years to get going with a lot of them still in paper form.

The original APACT vision may require more than 5 years to advance from design to deployment. This raises the question of the fund's short-term ability to secure the protection of significantly at-risk PCAs since the threats to these PCAs will continue to grow during this time frame. However, the modified APACT vision, with a significantly reduced financial target and a focus on fewer at-risk PCAs with more extensive geographic coverage may be more achievable in a shorter time frame, thus warranting a slightly higher score on this criterion.

4.1.5 Legal Feasibility

Original Vision Score: 3 /Modified Vision Score: 3

There are few legal constraints in Africa to the establishment of a CTF operating on a regional basis of any scale. Many countries across Africa permit the legal registration of both non-profit charitable organisations and for-profit charitable corporations, and several regional and international funds operate across multiple countries without any significant obstacles. Obtaining legal authority to extend fund charitable operations across 54 countries could pose some unanticipated challenges, including significant transaction costs due to fees and other costs associated with moving and accepting finances.

Survey and Interview Commentary:

There are a lot of failures at the country and regional level, I can even start to imagine at the continental level as the coverage is too big. There are a lot of disparities in the African continent and the added value is not clear as it is not like you have corridors of protected areas. Unless you start looking at what is the common interest among the African countries. For instance, COMESA failed to sustain a fund for climate change over 19 countries, it did not work despite climate change being common among countries

4.1.6 Stakeholder Buy-in

Original Vision Score: 2.5 /Modified Vision Score: 3.5

Consultations with selected protected area managers and other African conservation practitioners carried out at the resumed meetings of the Convention on Biodiversity in Geneva, Switzerland in March, 2022, did reveal significant support for both the original APACT vision and the modified vision proposed for the hybrid facility. The concept of leveraging funds to close financial gaps for at-risk African PCAs resonated strongly with the practitioner sector, and significant commitment can be anticipated from this group to support the long-term efforts required to operationalize APACT at any scale. However, there was virtually no endorsement or buy-in from the donor, funder, or investment community for the original APACT vision. Some of the concerns cited include the risk that a fund of this magnitude could create perverse incentives that discourage governments from assuming responsibility for national PCA financial needs. Some donors cited very specific geographic priorities, while others indicated a preference to allocate lesser amounts of financial resources on a revolving basis over time based on changing priorities and capacities of the receiving institutions. No potential contributor indicated a willingness to consider contributions at the scale that would be required to meet the original APACT vision. Conversely, some donors would be willing to consider requests from the modified vision, specifically if APACT can demonstrate clear steps to avoid additionality risks to other existing CTFs.

Survey and Interview Commentary:

Make sure not to reinvent the wheel! Build from the successes and failures of the existing and emerging CTFs. APACT needs to become a coordinating and collaborating body, not a standalone save-the-world institution. Grow what exists, especially in terms of CAFÉ.

4.1.7 Record of Implementation

Original Vision Score: 1.5 /Modified Vision Score: 3

The purpose of this Feasibility Study is to explore the pathways to create an unparalleled ambitious effort to create a sustainable financing mechanism for Africa's protected and conserved areas as a whole system. The models cited in section 4.1.3 (GCF, GEF, LLF) offer some comparability, but as mentioned, their focal areas differ from the APACT vision, and they each enjoy broad international endorsement and support.

The modified vision for the Sustaining Fund component can be expected to fulfil these demanding preparation and implementation tasks faster and more effectively due to the more targeted approach, expected increased stakeholder support (particularly donor/funder support), and reduced capitalization requirements.

4.1.8 Recommendations for Planning Component 1 - Protected Areas Sustaining Fund

Operation and Administration: A sinking or revolving fund could be operational by year 3, with a modified version set to respond to the financial gaps of the most at-risk PCAs with an area greater than

500km^2 and with demonstrated functional administrative capacity. If a modified PCA sustaining fund is pursued, the identification and selection of the priority at-risk PCAs could be developed from a regional spatial plan, with selection of the at-risk PCAs based on criteria to be established through stakeholder consultation. APACT can work in partnership with CAFE, and directly with existing CTFs, environmental funds, and finance mechanisms to deliver funding where it is most needed. APACT can also work independently to encompass areas not presently covered by existing CTFs or financing mechanisms, and to significantly increase the total number of African PCAs with the technical and financial resources to meet basic operational needs. APACT can use its governance and operation structure to increase the global visibility of the most at-risk PCAs, and strengthen their operations through training, learning exchanges, and collaborative fundraising delivered to protected area directors and management authorities through Component 2, the APACT Project Preparation Facility.

Resource Mobilisation and Fund Deployment: The implementation of either vision for Component 1 will require an ambitious capitalization effort in years 1-5, and a financial strategy to leverage scale to attract additional financial resources in years 6-10. It may be appropriate to require each participating APACT Country to contribute to the fund, with those countries contributing given priority when funds are distributed. A minimum government contribution based on a percentage of GDP can be calculated to secure consideration for APACT support. However, some exceptions can also be made for countries with particularly important ecological, climate resilience, or related PCA features, but that lack the resources to meet fund contribution requirements. A sinking or revolving fund would rely initially on these direct contributions from individual governments, with those funds then used to leverage additional financial support from bilateral and multilateral donors (BMDs), development finance institutions (DFIs), private philanthropy, and high net worth individuals (HNWIs). A goal can be set for these funds to be used to leverage additional funds at a ratio of 1:2. A possible conservative capitalization target for the revolving fund could be considered as follows, with targets allowing the fund to dedicate between US$2-10 million/PCA/annum (Table 12):

Table 12: Component 1 Capitalisation Thresholds

Operational Year	Capitalization Target (USD$)	Area of PCAs sustained (in thousands of km2)
3	100,000,000	100 - 300
5	300,000,000	300 - 900
8	1,000,000,000	1000 - 3000
10	2,500,000,000	3000 - 7500

An endowment fund built in years 3 -10 can ensure the long-term sustainability of APACT as an institution, while also contributing a portion of revenues from investment interest to the revolving fund beginning in year five. An endowment capitalization target for years 3-10 of $5 billion, and for years 11-20 of $10-15 billion would more than satisfy the proposed capitalisation targets, assuming a more aggressive aspirational goal of a 5 percent return on investments[5].

4.2 Analysis of Component 2 and Justification of the scores - APACT as a Project Preparatory Facility

Component 2 positions APACT as a Project Preparatory Facility (PPF) for Africa and received the highest scores based on the combined results from interviews, desk review and the online survey. The overall response to this proposed component was general agreement on the high probability of success for the PPF, its expected positive impact on biodiversity and ecosystem services; and mostly for the potential it represents to create successful models of strengthened financial resilience in the management of Africa's at-risk PCAs. However, it is important to note that the component will not necessarily be able to solve the immediate financial gaps for Africa's most at-risk PCAs. Its impact will be more indirect by giving PCA management authorities, existing CTFs and other financial facilities the tools, skills, capacity, and network to begin to build these financial solutions independently, without direct payments of sustaining funds. This will provide a valuable contribution toward the results APACT seeks, but it will take time to see broad land and seascape scale results. Component 2 will also prove even more effective if carried out in tandem with Component 1 or 3, or with all 3 components integrated into the same institutional solution (the blended finance facility described in Section 2.4 above and evaluated in Section 4.4 below).

4.2.1 Impact on Biodiversity

Score: 3

The impact on biodiversity of a project preparation facility focused on building capacity within and around Africa's most at-risk PCAs is expected to be positive, although more indirect in consequence. The PPF can offer training, technical support, and grants to PCA management authorities (government and private) and CTFs to provide tools, skills, infrastructure, and linkages to help build financial resilience. The ability of these institutions to access, absorb, and apply these resources will determine how quickly and effectively the PPF actions translate into new revenues and, in turn, more reliable and effective conservation and management practices. These biodiversity impacts will take time to show direct results on species, habitat, or ecosystem conditions, and they will be challenging to measure and validate.

Survey and Interview Commentary:

APACT could possibly be a platform to garner a large amount of investment that comes into existing Trust Funds that would be able to create the first kind of Angel investor. This would be a game-changer as one of the critical factors missing in CTFs is either existing or coming up is that layer of first investment to come in as an endowment. Mainly the practice is, that a donor would pledge a certain amount of monies to be given only after a certain amount of matching fund is provided. So, if the Pan African Trust is the one to offer the first layer of funding, it will exist as a derisking facility and also act as leveraging on the existing efforts

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[5] Most CTFs typically aim for a low annual ROI in the range of 3%. However, [data from Standard & Poor 500] (S&P 500) since 1990 show an average annual investor ROI of 7.6%, and a deeper analysis over the past 100 years supports this pattern. Thus, an expected 5% return seems fully achievable.

4.2.2 Financial Impact

Score: 3

Given component 2's high probability of success, and its expected positive impact on biodiversity and ecosystem services, the impact on financial and economic conditions in and around Africa's most at-risk PCAs is expected to be positive. The dividends from strengthening existing and emerging CTFs and enhancing the current financial systems in Africa can also be expected to attract significant funding from a wide range of financial sources. The more important outcomes from Component 2 will be PCA and CTF management authorities who increase their understanding of where funding can be found, how to most effectively access it, and efficient measures to maintain its growth.

Survey and Interview Commentary:

APACT could possibly play the role of trying to leverage carbon financing for the African continent, and/or trying to aggregate impact investment funding for us as well. However, to do so well it would need to develop a great deal of technical capacity, and again it's likely to grow too large to be efficient. In either of these endeavours, it would appear to just be creating an extra layer of bureaucracy without adding much value in exchange.

Survey and Interview Commentary:

A fund at a continental level would lose much of the added value of local and national trust funds. The key added value of these funds is their deep knowledge and insertion into the context of their respective countries and their ability to work for the long-term in and with the national entities, as well as within the evolving context of each country. An Africa-wide fund potentially loses all those added values.

Survey and Interview Commentary:

APACT should focus on capitalizing the endowments of existing and emerging CTFs, build up existing and emerging funds. It can also play a role (like CAFÉ) of pulling all trust funds together and be sort of leveraging other than them competing with the Fund.

4.2.3 Likelihood of Success

Score: 3

As mentioned above, the concept of a PPF dedicated to building financial resilience for Africa's most at-risk PCAs received the most support across all the sectors interviewed, and gained support in the findings from conservation finance literature. Learning opportunities and capacity building in financial planning and management are consistently cited as essential needs across the spectrum of conservation practitioners. However, this is a particularly significant need for PCA managers and government institutions who often have very little exposure to the financial world, despite the persistent financial gaps and the pressures to fill them. One member of our team has experience developing and leading a smaller scale PPF with similar objectives, and all of us can credit at least some of our expertise to the learning and networking experiences gained from similar PPFs. Donors, funders, and philanthropists are expected to find this concept particularly attractive, and it is likely that an APACT PPF can be operational quickly, likely in less than 5 years.

The Caribbean Biodiversity Fund (CBF) provides one example of a finance institution that incorporates a similar PPF component. The CBF provides training, capacity building, and build networks between PCAS, environmental funds, and potential funding sources, and has shown significant results over the last half decade of work. More than a half dozen new and emerging CTFs, and numerous PCAs across the wide Caribbean region attribute at least a portion of their financial and institutional success to the PPF resource inputs from the CBF (CBF, 2018)

Survey and Interview Commentary:
APACT should focus of helping small projects to qualify for biodiversity/conservation offsets; and with reporting requirements, e.g., accessing satellite data to demonstrate compliance

4.2.4 Timeframe to full deployment

Score: 3

An African PPF dedicated to building the financial capacity of PCAs and the institutions they usually rely on for support is expected to gain significant endorsement from funders. As mentioned in Section 4.2.3 above, this fund can potentially be capitalised quickly once investors are clear on how the skills, tools, and infrastructure provided to PCAs can be translated into more effective proposals and dialogue with the financial community. However, it will be essential to establish a compelling portfolio of at-risk PCAs, CTFs, government authorities, local NGOs, and other entities committing to participate in the PPF programs. This portfolio should be accompanied by measurable indicators to show how the PPF results will produce financial results for PCAs, biodiversity, and climate resilience. It is anticipated that the PPF will require at least 3-5 years for potential beneficiaries to discover how to maximise the value of this service and Component 2 may be most effectively complemented by the funding resources available through both Component 1 and Component 3's impact investment fund.

4.2.5 Legal Feasibility

Score: 4

APACT as a Project Preparatory Facility will be able to take advantage of existing legal frameworks across the spectrum of Africa that are highly favourable to institutions dedicated to training and capacity building. There are no immediate legal obstacles apparent to constrain the establishment of a PPF dedicated to Africa's at-risk PCAs.

4.2.6 Stakeholder Buy-in

Score: 4

The establishment of a PPF dedicated to building the skills and capacity of PCA management authorities, existing and emerging CTFs and other environmental finance facilities to plan, pursue, secure, and efficiently manage financial resources received the strongest support among all components from stakeholders consulted. Conditions were seen to be ripe for such a service across all of Africa, particularly as past funding sources for conservation such as overseas development assistance and public revenues remain stagnant or decline due to competing demands, and CTFs, PCA management authorities, African financial institutions, and businesses pursue other, less understood resources such as impact investment funds. There is a pressing and highly recognized need for these practitioners to access learning opportunities and technical support that will give them the skills, tools, infrastructure, and alliances with the financial world they will need to build greater financial independence and resilience.

Survey and Interview Commentary:

There is a pressing need to invest to make projects bankable. Become an incubator to build up projects until they become bankable entities. Most CTFs live off the grant opportunities. They don't think like an investment banker – ROI, tax structure, what's your business model, where's your business plan?
Train and build the capacity of existing and emerging funds

Survey and Interview Commentary:

All existing CTFs are looking to raise $100-200 MM!! Having a high profile, professional fund-raising unit or entity banging on doors that small funds cannot necessarily reach on their own and brings funds to those who need it would be more helpful.

Put in matching funds for endowments – get donors to contribute matching funds for non-earmarked funds and CTFs will match it. APACT could provide matching funds to help build CTF endowments!

4.2.7 Record of Implementation

Score: 4

There are extensive models of similar PPFs operating successfully, albeit with slightly different agendas. Again, the CBF can serve as one important benchmark for APACT. The CBF mission is to ensure continuous funding for conservation and sustainable development in the Caribbean. CBF supports Caribbean nations in meeting the goals of international and regional environmental commitments, such as the Caribbean Challenge Initiative (CCI). CBF has made assisting its member states in meeting regional and international environmental goals part of its core mission. This creates alignment with the funding objectives of bilateral and multilateral organisations such as USAID, the World Bank, GEF, KfW, the UN, and others. CBF is an umbrella fund that focuses on supporting national CTFs across the Caribbean to plan and implement innovative solutions to mobilise funds, achieve capitalisation goals, and, importantly, to effectively manage these funds once in hand. APACT has an immediate opportunity to benchmark these parallel models, learn from them, and build alliances that can transform their lessons learned into a rapid deployment of its PPF. In doing so, it is anticipated that an APACT PPF can be developed and deployed relatively quickly, and very likely within the first 5 years of fund operations.

4.2.8 Recommendations for Component 2 - APACT as Project Preparatory Facility

Operation and Administration: The design process for the PPF may be best facilitated by an African-led and stakeholder driven Steering Committee, but with significant input from advisors with prior experience in PPF development and management. The PPF can also work in tandem with CAFE to increase the profile of African PCAs and existing and emerging CTFs and similar conservation-oriented financial institutions.

The fund would not directly finance operating and recurrent costs for individual or clustered protected and conserved areas (PCAs) but can ensure that selected PCA manager and management authorities or communities strengthen their ability to respond to site-based needs.

Financial and technical support through the APACT PPF could be deployed through mechanisms such as the following:

(a). Provide technical assistance in the identification and preparation of financial strategies and innovative revenue-generating opportunities through the financing of activities including feasibility studies and design; environmental, social and gender consultations, analysis, and design; promotion of transformative projects that are innovative and at scale; and facilitation of matchmaking with specific funders. Some existing PPFs, such as the UNDP Biodiversity Finance Initiative (BIOFIN) and the GEF already provide similar services. However, the need and demand for such assistance continues to increase and an APACT PPF can become complementary to these existing PPFs and expand their impact. An APACT PPF can also allow these services to reach audiences that are frequently less served by these global institutions, such as distinct protected area authorities.

(b). Provide handholding support to project developers and financial intermediaries in the development and preparation of large-scale and financially viable integrated transformative project proposals, by focusing on the early stage of project development.

(c). Create a clearinghouse and communications platform to elevate the regional and international profile of African PCAs and build dialogue with a broad base of potential funders, donors, investors, and contributors.

(d). Provide training and capacity building through direct technical assistance and grants to strengthen the self-reliance of selected PCAs and CTFs to raise, manage, and disburse funds including investment strategies. Training and capacity building would include structured learning exchanges, secondments, thematic workshops and online training modules, and fellowships and short-term learning opportunities. And,

(e). Collaborative financial strategies designed and implemented with other funds, in conjunction with CAFÉ and APAD.

The PPF is expected to be accessible to a broad set of proponents – including countries, private sector, and civil society organisations - developing projects to tap into a wide range of funding sources that are seeking bankable projects within the protected areas. According to surveys carried out over the last decade, international NGOs (primarily WWF, CI, WCS, and TNC) have been important partners supporting CTFs' ability to mobilise financial resources from, and establish partnerships with, governments and private entities from the financial, banking and tourism sectors, among others (Bath et al. 2020). An APACT PPF can augment the role of these entities by providing handholding support to build the resource mobilisation capacity of PCAs and their partners.

Resource Mobilisation and Fund Deployment: An initial 10-year funding target for Component 2 could be in the range of US$0.5 - 1.5 billion, with the bulk of this funding ideally disbursed in the form of grants, repayable grants, or equity to qualifying PCA directors, management authorities, or collaborating civil society institutions and NGOs based in Africa. Disbursed funds can be directed towards undertaking project preparation activities designed to leverage or generate new revenues to meet PCA development, operating, or recurrent costs. The PPF can also provide technical assistance directly to PCAs and their management teams through training, capacity building, and collaborative planning, with particular attention given to build entrepreneurial and business management skills, financial planning, valuation, marketing, and expanded fundraising and investment networks.

Funding to develop the PPF is expected to be mobilised through grants, direct contributions, and possibly debt transfer agreements sourced from participating governments, private foundations, donors, development finance institutions, and high net worth individuals.

4.3 Analysis of Component 3 – APACT as an Impact Investment Fund

Component 3 of the modified APACT vision will establish Africa's first impact investment fund fully dedicated to ensuring the security of the region's most at-risk and ecologically significant PCAs. This proposed unique institution also received high scores in the combined results from interviews, desk review and the online survey principally on the expected strong interest from African and international investment community in participating in such an institution. Strong support for the concept of a PCA impact investment fund came particularly from the finance, banking, donor and DFI communities, with enthusiasm also voiced by CTF managers and practitioners. The overall response to this proposed component was general agreement on the high probability of success for an impact investment fund, and enthusiasm for the potential it could bring to scale up successful models of climate resilient and biodiversity strengthened financial independence in the management of Africa's at-risk PCAs. However, like Component 2, the impact investment fund by itself will not necessarily be able to fulfil the original APACT vision of solving the immediate financial gaps for Africa's most at-risk PCAs. Its impact will also be more indirect by providing the capital needed to enable PCA management authorities to work with the private sector to diversity and expand revenue sources, and to transform local economies in and adjacent to at-risk PCAs to reduce environmental threats. This will provide a valuable contribution toward the results APACT seeks, but, like Component 2, it will take time to see broad land and seascape scale results. Component 3 will also prove even more effective if carried out in tandem with Component 1 or 2, or with all 3 components integrated into the same institutional solution (the hybrid finance facility described in Section 2.4 above and evaluated in Section 4.4 below).

Survey and Interview Commentary:

APACT makes sense depending on the level and mechanisms of support that it provides. Biggest gaps that exist – too little $$, too much project focus. If we have a focus on broader outcomes, with more $$ then it absolutely fills a need. Also, if it appeals to donors that want a broader impact, and especially if it brings in new donors such as impact investors.

4.3.1 Impact on Biodiversity

Score: 2.5

The impact of an impact investment fund on biodiversity is expected to be positive, but, like Component 2, more indirect in consequence. On the one hand, it can capitalise PCAs and their management bodies to establish and scale up programs that can reduce social and environmental threats. "Green infrastructure" investments in programs such as innovative measures to combat wildlife crimes and reduce wildlife conflicts, increase user-sourced revenues, or restore degraded ecosystems can yield important benefits for biodiversity. But the more important outcomes from Component 3 will be investments that nurture local nature-based businesses and ultimately encourage a shift to a more biodiversity and climate resilient economy in and adjacent to at-risk PCAs. These biodiversity impacts will take time to show direct results on species, habitat, or ecosystem conditions.

4.3.2 Financial Impact

Score: 3

APACT as an Impact Investment Fund presents unique and important opportunities for PCAs and local entrepreneurs, businesses, and investors. These impacts can be significant if investors are provided with sufficient incentives to capitalise innovative, and potentially unproven ventures. Incentives can include support provided through government, NGO, and civil society collaboration to reduce or mitigate risk factors that can be disruptive to investments, such as ensuring a supportive legal environment, strengthening credit ratings for local financial institutions and marketability. However, the short-term financial impact from APACT incentivized investments is expected to be moderate. It will take time for investors to warm to the potential of such ventures, and for PCAs, entrepreneurs, and existing businesses to develop the skills and capacities to take advantage of the potential from this fund. However, the long-term financial impact could be very significant, and potentially transformative for PCA management authorities and local economies if the APACT facility can attract and effectively disburse significant amounts of investment capital in a way that stabilises and grows sustainable business opportunities that are supportive to PCA viability.

Survey and Interview Commentary:

For APACT to attract the resourcing that is needed, especially financing that is going to reduce the environmental footprint, the fund has to be accessible to businesses. Because what is failing biodiversity is that businesses that destroy nature are not financed to go the extra mile to safeguard nature. AND yes, it has to be themed specifically as a fund to enhance environmental sustainability. There will, therefore, be categories of protected areas, categories that ensure net gains in production. For example, if you are in agriculture, you do not need to get those harmful subsidies but instead, engage in climate-smart agriculture. This Fund should be used by Governments to carry out strategic environmental assessments for their initiatives before they implement them. As this is the cost governments do not have and rely on investors who have their own angle.

4.3.3 Likelihood of Success

Score: 3

No impact investment fund is dedicated to support Africa's at-risk PCAs, although this can serve as a unique attraction for investors. The challenge for APACT will be to demonstrate to investors that a fund dedicated to natural and cultural conservation can yield meaningful returns on investments. However, an increasing number of similar impact investment funds are now operational and growing in impact, and many could serve as valuable models for APACT. A recent Global Impact Investment Network (GIIN) survey identified nearly 150 impact investors managing more than US$60 billion in sustainable investments. As one example, the Ocean Engagement Fund was launched as a partnership impact investment facility by Credit Suisse and Rockefeller Asset Management in 2020 to increase positive impacts in 3 target areas - pollution prevention, carbon emission reductions, and marine conservation. The premise of the fund is to engage the active ownership and proactive engagement with portfolio companies which are not leaders from an ocean health perspective, but which have the ambition and opportunity to change their practices for the better. The fund's theory of change asserts that helping these companies improve, by encouraging and challenging them to change their practices, not only generates the desired impact but also unlocks financial performance for the company and for the fund's investors. In the first few months after the launch of this fund the Annual Engagement Target of 70 engagements had already been reached in all 3 core target areas. The fund dramatically exceeded its capitalization targets within a matter of months. Investors have flocked to this fund, as they have to others like it. Another case example is the Land Degradation Neutrality Fund which is an impact investment fund blending resources from the public, private and philanthropic sectors to support achieving LDN through sustainable land management and land restoration projects implemented by the private sector. Most of the world's leading investment services now have sustainable impact investment funds available to their clients and partners including such leading institutions as BlackRock Capital, Goldman Sachs, Calvert, and more than 100 others.

4.3.4 Timeframe to full deployment

Score: 3

An African impact investment fund will provide new and unique opportunities for public-private partnerships, entrepreneurial ventures, and innovative nature-based businesses. As mentioned in Section 4.3.3 above, this fund can potentially be capitalised quickly once investors are provided with measurable indicators to demonstrate how their investments will result in measurable impacts on the ground and produce meaningful financial returns on these investments of at least 4-6 percent. However, it will be essential to establish an attractive portfolio of bankable projects together with a sufficient track record of results. It is anticipated that the investment fund will require at least 3-5 years for potential beneficiaries to discover how to maximise the value of this service and Component 3 may be most effectively enhanced by the training and capacity building promised through Component 2's PPF.

4.3.5 Legal Feasibility

Score: 3

There are no immediate legal obstacles apparent to constrain the establishment of an impact investment fund dedicated to Africa's at-risk PCAs. However, it will be essential to evaluate fees, taxes, and other transactional costs that could impede full implementation of this fund across the entire Africa region. There may be a need to invest time and resources to carry out a comprehensive assessment of potential legal and policy challenges that could constrain incentives to seek funding or access to the funds. This need could slow the full deployment and engagement of the fund, and slow its impact and track record, but it should not be an impediment to its long-term success.

4.3.6 Stakeholder Buy-in

Score: 3

Stakeholder endorsement of the investment fund component was generally strong across all sectors of our interviews, and the concept is also strongly endorsed across conservation finance literature. In part, the enthusiasm for impact investment in conservation is driven by a decline in other available funding, particularly from Overseas Development Assistance (ODA). Improvement and growth in foreign investment across Africa, and in tax and other remittance collections, have not significantly improved domestic resource mobilisation, and ODA has declined for many of Africa's low-income nations. This is creating a potentially serious challenge and competition for capital, particularly for cash strapped PCAs. Alternative sources of revenue and investment will be essential to effectively manage and respond to macro-level shocks and decreases such as the decline in ODA. An impact investment fund can provide a very specific opportunity to deliver capital to build greater financial resilience within and around at-risk PCAs. Management authorities, entrepreneurs, African financial institutions, and emerging and existing businesses are expected to make good use of these funds once they understand their transformative potential, and when they have the tools and support to access them.

4.3.7 Record of Implementation

Score: 3

As mentioned in Section 4.3.3, many successful models of similar impact investment funds now operate successfully, albeit with slightly different agendas. These impact investment funds have each shown relatively rapid setup and deployment (often less than 3 years) and with strong administrative capabilities. However, the challenge demonstrated by most similar investment funds has been agreement on consistent and broadly accepted metrics to demonstrate impact. This challenge for an APACT impact investment fund will be to produce quantitative value propositions that can demonstrate measurable impact from investments that benefit biodiversity, climate, and ecosystem dynamics.

4.3.8 Recommendations for Component 3 - APACT as Impact Investment Fund

Operation and Administration: Like Component 2 described above, the Impact Investment Fund could operate as an independent financial institution domiciled in Africa with governance by the overall APACT members and directors. The governance team can perhaps most effectively be supported by an Advisory

Committee composed of African experts with distinct experience in investment banking and financial management, protected area management, business development, marketing, and entrepreneurship.

Resource Mobilisation and Deployment: A possible funding target for the impact investment fund could be in the range of US$ 0.5 - 2.0 billion within its first 10 years of operation. This range is in line with several other similar impact investment funds developed in the past 5-7 years. As an equivalent model, the Land Degradation Neutrality Fund (LDNF) targeted an initial capitalization of US$300 million and fulfilled slightly less than this target within 3 years (Mirova, 2016, 2021). Similar to the structure of the LDNF, the APACT impact investment fund is expected to blend resources from the public, private and philanthropic sectors to support achieving projects that directly or indirectly increase funding available to meet operating and recurrent costs for African PCAs. Initial funding for the design, planning, and development stage of the impact investment fund may need to be mobilised in form of grants. The design and planning of the institution can also gain from advisory services provided by representatives from Africa's investment community, including public and private financial institutions, international NGOs, and academia. APACT will also need to consider the value of contracting a private sector investment management firm with a dedicated mandate of responsible and sustainable investing, to assist in the management of this component, given its unique nature.

Anchor investors can include investment banks, and institutional investors, such as insurance companies and pension management agents. The initiative will also need the support of partners to ensure de-risking of screened investments.

By leveraging long-term non-grant financing, the APACT impact investment fund can include investments in financially viable private projects on land rehabilitation and sustainable land management across Africa, including sustainable agriculture, sustainable livestock management, agro-forestry, and sustainable forestry, to the degree that each investment shows demonstrated environmental and socio-economic benefits, and financial returns, for adjacent at-risk PCAs.

APACT funds under Component 3 can also complement actions anticipated under Component 2, with some funds disbursed as investment grants specifically to build and strengthen

(a) Financial planning and management, entrepreneurship, and business management within individual or institutional applications.

(b) Investment grants, and loans to PCAs to meet project start-up or scaling up needs, with financial metrics to show how the investment can increase PCA revenues through innovative public-private partnerships as a vehicle for increased recurrent and operational funds; and

(c) Community and individual entrepreneurship.

4.4 Analysis of APACT as a Hybrid Facility Integrating All 3 Components

APACT as a hybrid financial mechanism incorporating all three components could offer unique opportunities to leverage funding from multiple sources, while strengthening the positive impact on biodiversity conservation. The diverse components represent an opportunity to attract financial resources from more diverse sources; disburse resources to build and strengthen sustainable business and revenue generating ventures in and adjacent to Africa's PCAs; and have a wider impact on the factors that significantly affect risks and threats to PCAs in Africa – poverty, volatile local economies, and limited revenue-generating opportunities for PCA management and supporters. If it can achieve its ambitious financial targets, it can accomplish these broad social and economic challenges while simultaneously closing the financial gaps for Africa's larger and most at-risk PCAs and strengthening the capacity of other national and site based CTFs to respond to the financial needs of other PCAs that may be beyond APACT's financial reach.

The overall feasibility of the three (3) components proposed as sub-units within this hybrid APACT facility is largely captured in the modified APACT component in Section 4.1, and the assessments included in Section 4.2 and 4.3 above. The impact on biodiversity is expected to be cumulatively positive and potentially more beneficial than each of the individual components since the impacts will be cumulative. A Protected Areas Sustaining Fund component's ability to close the financial gaps for Africa's PCAs is expected to produce meaningful positive impacts for biodiversity, particularly if the fund sets realistic capitalisation targets and concentrates on meeting the needs of the most at-risk PCAS in its initial years. These conservation outcomes will be further enhanced through Component 2's measures to strengthen the capacity of PCA authorities and other supportive national CTFs to leverage funds and achieve greater financial resilience. Component 3's positive impacts on biodiversity may be less direct, but equally important by investing in businesses and ventures that nurture climate and biodiversity friendly economies while also generating new revenues for PCAs. The financial impact of the hybrid multi-component APACT are also expected to be positive for PCAs and the surrounding PCA communities, again through the cumulative synergistic impact of the 3 components. Stakeholders buy-in for the 3 components individually is strong, despite the complexity of each mechanism. The strong buy-in coupled with successful pilot cases was cited as key to assuring the long-term support for the hybrid APACT facility.

The implementation of a financial institution of this nature will be complex and require a gradual phasing in of each component as funding, demand, and capacity permit. Governance of the hybrid 3 components can be overseen by a unified core of Members, with a Board of 9-11 individuals again reflecting the diversity of experience and expertise and geographic representation. The Board can, in turn, be dependent on distinct Committees and Advisory Groups reflecting the specific focal areas and themes of each component, with strong input from stakeholder groups.

The administration of the integrated fund can be overseen by one Executive Director or Chief Executive Officer (CEO), with management authority for each component delegated to a Sub-Director and team for each component. The day-to-day operations of each component can be the responsibility of each Sub-Director, with oversight of the integrated fund in the hands of the CEO.

Capitalization of the integrated institution encompassing all 3 components can combine the fund mobilisation and deployment strategies of each component described in Section 2.1-2.3. This will unquestionably be an ambitious capitalization effort in years 1-5, leading into a financial strategy to scale up revenues significantly in years 6-10. As mentioned in Section 2.1, each APACT Country could be asked to contribute to the fund, with those countries contributing given priority when funds are distributed through each of the component instruments. A minimum government contribution based on a percentage of GDP can be required to be in consideration for APACT support. However, some exceptions can be made for countries with particularly important ecological, climate resilience, or related PCA features, but that lack the resources to meet fund contribution requirements. The cumulative APACT fund can also apply contributions from individual governments to leverage funds from Bilateral and Multilateral Donors

(BMDs), Development Finance Institutions (DFIs), private philanthropy, and High Net Worth Individuals (HNWIs), with a goal for these funds to be used to leverage additional funds at a ratio of 1:2.

A cumulative capitalization target for the fund, excluding the endowment mechanism, could aim to achieve targets like the following (Table 13):

Table 13: Blended Hybrid Mechanism Capitalisation Thresholds (in US$)

Operational Year	Capitalization Target (USD$)	Management and Administrative Overhead %	Sustaining Fund %	PPF %	Impact Investment Fund %
1	200,000,000	25	75	0	0
3	1,000,000,000	15	60	20	0
5	3,000,000,000	10	60	20	10
8	5,000,000,000	5	50	25	25
10	10,000,000,000	5	50	25	25

The fund should ideally operate fully independent of governments, with the design and implementation strategies for individual components guided by extensive stakeholder input facilitated by a Steering Committee with representatives from government, leading African NGO, and civil society, APAD, and business and financial community. Table 14 provides an illustrative example of a possible APACT capitalization strategy

Table 14: An Illustrative Example of a Possible APACT Capitalization Strategy.

Source	Principal mechanisms	Expected % of Total Funds	Notes
Government(s)	budget allocation user fees (PA, commercial hunting/fishing) transport fees	10	Government can provide one-time or potentially periodic allotments, with some funding also possible through user fees, licences, transport fees in co-management cost sharing with communities
Bilateral/multi-lateral donors	Grants, donations, debt reduction	40	The viability of giving is uncertain, and dependent on economic climate
Philanthropy	private foundation corporate giving NGOs HNWIs	20	Essential to establish the unique APACT opportunity, while impressing the capacity to significantly expand impact.
Innovative Revenue	PES (carbon credits) Offsets/compensation Community fees Public-private partnerships Habitat/species banking	30	Implementation time lags and revenue uncertainties may reduce the role and importance of innovative mechanisms

A larger challenge for this hybrid APACT facility could be the time frame to full deployment. Planning and implementing the 3 component APACT facilities will be a complicated, expensive, and time-consuming venture. A phased-in approach is recommended, with the Component 1 Protected Areas Sustaining Fund implemented as the first phase during years 1-3, the Component 2 Project Preparation Facility added in years 4-5, and the Component 3 Impact Investment Fund incorporated in years 5-6. This would allow the governance and administrative bodies to concentrate their efforts in each component and achieve some measure of set up and pilot results before taking on the tasks of the subsequent components. However, many decisions and actions will need to be taken on all 3 components in every phase of APACT development. This will place significant time requirements on the fund's Directors, and it will be essential to appoint Directors with sufficient time to meet these needs. The process will also require APACT to have a full-time contracted planning and administrative team in place from the onset of design and set-up work. A facility with this level of complexity cannot be developed in a meaningful timeframe through piecemeal and part-time efforts.

Governance of the multi-component APACT will also represent a significant challenge. The governing board will be overseeing and making decisions for 3 distinct facilities with a unified mission and vision, but with unique operating units, each likely requiring stand-alone administrative and advisory teams. Other finance facilities, such as the GEF, successfully operate equally complex multi-faceted institutions, and have relied on significant upfront capital investment and many years of adaptive management to achieve full functionality. APACT will need to be prepared to pursue similar capitalization, set up, and operational needs and should anticipate needing more than 5 years, or more, to attain full deployment.

These challenges, combined with the lack of any African precedent for an integrated facility of this type, resulted in some lower scores for the hybrid facility. However, even with these risks the hybrid facility still obtained perhaps the most promising score, principally because it can yield a more diverse and reinforcing mix of benefits for Africa's at-risk PCAs.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Does an APACT Facility Make Sense?

A principal task for the feasibility assessment was to determine if the APACT proposal adds sufficient value to warrant the complicated legal, governance, and administrative challenges that will be involved in setting up, implementing, and steering such an immense institution. The conclusion from extensive consultations, literature analysis, and professional experience suggests that the APACT concept does hold the potential to fill gaps and resolve issues that are unlikely to be met by existing institutions across Africa. A hybrid APACT facility that includes a modified Protected Areas Sustaining Fund to help meet the operational and recurrent costs for PCAs not currently reached by existing CTFs; together with a Project Preparation Facility that provides funds, training, capacity building, and networking to PCAs and local enterprises, to strengthen and scale up revenue generating mechanisms; and an impact investment fund that can further strengthen and scale these mechanisms will represent a unique, timely, and important source of new revenues aimed specifically at sustaining Africa's vast PCA network.

The pan-Africa approach proposed through APACT will also offer a unique value for many African PCAs. Most of Africa's existing and emerging CTFs operate within national frameworks, although there is a considerable amount of cross-border collaboration and sharing of lessons learned. This raises the question as to whether multiple national scale finance facilities can best fulfil the APACT vision, or if a regional facility at the pan-African scale proposed by APACT can better serve the needs of PCAs and local sustainable economies.

There are distinct advantages and disadvantages to working at a national or regional scale. In general, national scale independent financial institutions can frame PCA needs and issues within the unique policy, governance, social and economic context of the country in which the finance facility operates. They can also source funding from selected finance instruments that have already proven successful in the respective country. A national scale institution can also shape funding responses according to existing capacity and unique country needs.

However, a reliance on national scale institutions risks maintaining a more isolated approach to solving land and seascape challenges and continuing the siloed funding responses. National scale institutions also are at risk of maintaining limited coordination and communication across regions.

Each of these challenges are surmountable, but a more effective approach will result through the regional vision and coordination provided through APACT, with its primary focus being collaborative support and strengthening of CAFE and national CTFs. The transnational nature of threats and challenges to Africa's PCAs suggests that a ***Regional Conservation Trust Fund (RCTF)*** can create a more efficient and effective framework for transboundary conservation actions, while working in alignment with existing national scale CTFs. A regional institution that includes broad engagement from the national audiences it serves should also be able to meet national scale objectives, and can significantly increase communication, learning opportunities, and coordination of government agencies, NGOs, businesses, and other stakeholders across the many national borders in which PCAs have been established.

RCTFs share similarities to national or site based CTFs. They are typically established as a legally independent grant-making institution whose governing boards include representatives from multiple national governments, NGOs, private sector, independent practitioners, and occasionally international donors. However, RCTFs can be different from single-country conservation trust funds in their governance, legal, operating, and administrative structures, and in the procedures used for receiving funding and allocating grants (Spergel 2013).

There are distinct advantages that an APACT regional fund facility can offer:

- Coordinated capacity building across multiple governments and sectors
- Coordinated conveners of civil society organisations
- Centralised voice in national level policy dialogues
- Development of learning networks that build lessons learned across multiple countries, cultures, and sectors
- Diversification of grant and service delivery mechanisms
- Proactive program design, increased partnerships, alliances, and leveraging
- Innovative revenue generation that takes advantage of favourable governance and market conditions in multiple countries.

However, there will also be challenges in solving the APACT financial needs at a regional scale, and these challenges balanced against the distinct advantages are summarised in Table 15 below.

Table 15: Potential Advantage and Challenge of RCTFs

S/L	Potential Advantages of RCTFs:	Potential Challenges of RCTFs:
1	Can deal more effectively with trans-boundary conservation issues, including more effective enforcement.	Coordinating government policies and reforms across different government structures, multiple languages, and greater cultural diversity among a broader set of stakeholders
2	Can promote greater cooperation and better political relations between neighbouring countries.	Planning, dialogue, agreements, and implementation requires collaboration by multiple governments.
3	Can save on fund management and operational costs by pooling capital and resources for several countries.	Higher operating expenses due to needs for recurrent international travel and branch offices, staff, and communications programs.
4	Can attract more funds from international donors that prefer a regional approach, or that might be reluctant to support initiatives targeted to a small country	Can be more difficult to raise funds from those donors that allocate funds on a bilateral (country-specific) basis or lack separate funding windows for regional programs
5	Increases opportunities for the sharing of experiences, successful models, and lessons learned between countries	Can require a much higher amount of capital for start-up and long-term endowments as opposed a national CTF for a single country
6	Can reduce administrative costs for donors (in terms of donors' supervision or monitoring costs, and donors' costs of serving as Board members)	RCTF Boards may be more challenging to fill and operate due to the need for broad representation of stakeholders.

APACT interventions planned or implemented within each of the proposed 3 component branches will need to be closely aligned with the vision, mission, and programs of national CTFs and CAFÉ. However, APACT is already being designed in a way that ensures its vision, strategic objectives, and desired outcomes, and coordinate field programs are being shaped with CAFÉ, in particular, and specific CTFs wherever appropriate, through networked communications, share lessons learned, and perhaps even work from pooled financial resources. The commitment of APACT to reduce or fully avoid competition for funds and build a well-coordinated and significant impact within countries and across the Africa region is important to maintain through the design process as it moves forward.

5.2 Next Steps - An Action Plan for the development and implementation of a hybrid APACT facility

Gathering the financial resources needed to support the long-term APACT vision will require a comprehensive strategy that can accomplish the following measures for each PCA:

1. *Reduce costs wherever possible* – through, for example, tax incentives, or greater institutional collaboration in project preparation and implementation.

2. *Increase revenues* – through the adoption of such instruments as fees, public-private partnership businesses, bonds, debt swaps, and other similar tools. And,

3. *Improve the enabling environment* through legal and regulatory standards, land allocation and management systems, and monitoring and enforcement systems that support the innovative finance instruments being employed.

These three measures can be built into each of five potential sources of funding:

a) Direct financial allocations from governments.
b) Grants, loans, or other disbursements from international donor and funder institutions.
c) Grants, donations, and individual contributions from private philanthropic sources and high net worth individuals.
d) Revenues generated through ecosystem service fees, and shared income from the sale of goods and services through nature-based public-private partnership businesses; and,
e) Revenues generated through investments and management of secured funding, including instruments such as sustainability linked bonds through the private sector.

The following sections elaborate on these core ideas, beginning with an overview of the proposed operating and administrative features and resource mobilisation and deployment strategies for each component of the hybrid APACT institution. The qualitative evaluation methodology is then applied to evaluate the strengths, limitations, and potentials of each proposed component, and the cumulative hybrid strategy. The assessment concludes with an outline of the recommended next steps in selecting the preferred structure and components for a hybrid finance facility; planning and preparing a design; and suggestions for the development of a long-term financial strategy to attract and grow APACT's resource base continuously.

The three components proposed for APACT delineate a targeted set of responses that can cumulatively respond to the initiative's mission statement. The feasibility analysis initiates the process to identify possible risks, obstacles, and opportunities for each component, and for APACT as a cumulative hybrid finance facility and provides a qualitative analysis to support the strength of the overall APACT concept. The next steps for APACT will be the preparation of an action plan to provide a road map for the full development, start-up, and implementation of the Africa-wide finance strategy. Table 16 below serves as a starting point for developing this action plan. Appendix D provides further guidance and recommendations in the planning, development, and implementation of the tasks included in the sample action plan and can serve as background to prepare a Terms of Reference for the development of a more comprehensive action planning process.

The tasks and actions included, and the sequence in which they are introduced are based on our prior experience and lessons learned from the development of similar financial strategies and mechanisms worldwide. However, these are intended as recommendations and guidelines. The APACT Steering Committee should adapt and modify them, as needed, and as more concrete plans and strategy emerge, and opportunities arise for engagement with stakeholders across the region.

Table 16: A sample action plan to plan, develop, and implement APACT

S/L	Phase	Sub	Proposed Actions
01	**Immediate Planning Needs (months 0-12)**	1.1	Confirm the committee members to lead the planning and development process
		1.2	Identify development and start-up funding opportunities – secure initial funding to cover planning and development phase work
		1.2	Initiate an Inception workshop series – create topical working appointments and a Year 1 work plan – tasks, responsibilities, milestones, delivery dates
		1.3	Identify and contract specialists, collaborative partners, and others to support design process
		1.4	Validate the purpose, theory of change, focus, structure, and desired outcomes - resolve information gaps to complete a draft APACT Concept note that includes governance structure, APACT administration, deployment, and safeguards.
		1.5	Carry out a benchmarking assessment to establish lessons learning, learning exchanges, and build partnerships with other national and regional conservation finance strategies (CAFÉ, existing CTFs, etc.)
		1.6	Prepare draft APACT bylaws
		1.7	Create a digital library of draft templates for the APACT operational and governance documents and materials (see Annex D for a list of necessary documents)
		1.8	Solicit and identify suitable Member and Board candidates
		1.9	Identify the location where APACT will be legally registered, including establishment of satellite regional facilities, and carry out legal review process
		1.10	Develop a multi-faceted financial strategy with estimated administrative operating and recurrent costs for years 1-10 and distinct fundraising tracts for each APACT component – Sustainable Revolving Fund/PPF collaborations/Impact Investable Funds/Endowment
		1.11	Establish on-going learning opportunities (trainings, webinars, consultations, learning exchanges) to enhance the capacity of the planning team and its partners to design and implement each APACT component
02	**Development Phase (months 12-24)**	2.1	Appoint and empower an APACT Board, including orientation workshops and committee appointments
		2.2	Legal registration of APACT, open bank accounts
		2.3	Initial Board meeting – approval of bylaws and key draft operational documents and materials
		2.4	Solicit and contract an APACT CEO, sub-Directors for each APACT component, and essential administrative support staff
		2.5	Develop a detailed funder database – institution/individual, funding opportunities, application process, task responsibilities (this can include government & philanthropy)
		2.6	Implement the financial strategy (on-going through Start Up phase)

S/L	Phase	Sub	Proposed Actions
		2.7	Develop the approach and materials to socialize the APACT strategy concept with relevant African business and governance leadership
		2.8	Carry out a separate on-going stakeholder engagement process to target PCA managers, communities, landowners, and civil society
		2.9	Develop and implement global communication platforms – website, YouTube, TikTok, etc., including formal public announcement of APACT inauguration
		2.10	Carry out a value proposition study – quantify the benefit/costs of interventions proposed for each APACT component (strengthened PCAs, public-private partnerships, strengthened national CTFs, investments in sustainable business, ecosystem restoration, etc); predict ROI from proof-of-concept interventions
		2.11	Prepare a strategic plan and a business plan
03	**Start-Up Phase (months 24-60)**	3.1	Deployment: Sustainable Revolving Fund – solicit proposals for initial proof-of-concept grants
		3.2	Deployment: Project Preparation Facility – solicit proposals for organizational and financial strengthening of national CTFs and sustainable funds
		3.3	Deployment: Impact Investment Fund - Assess and test revenue generating opportunities, potentials, needs – explore the markets!
		3.4	Implement data collection, analysis, and reporting procedures.
		3.5	Continue to build partnerships with CAFÉ, CTFs, financial institutions

5.3 Proposed Mechanisms to Capitalise a Hybrid Financial Facility

Beyond government support, development assistance has been the principal source of funding to date to support PCA needs across the African region. However, APACT's success will require a financial strategy that expands significantly beyond donor funding to build a diversified financial strategy from a mix of mechanisms. Table 17 identifies a range of revenue resources that will likely need to be incorporated into this mix.

Many of the mechanisms outlined in Table 18 have been tested in Africa, though some have not been tested at the scale that would be needed to meet the APACT financial requirements. Some are yielding better results than others, and not all will be an appropriate fit for APACT needs. However, all are worth serious consideration. Table 18 deepens this analysis by projecting the potential for each mechanism to yield significant funding within a short (1-2 years) or longer term (3-5 years) within the following categories:

Table 17: Range of revenue resource that will likely to be needed to implement APACT

Category	Estimate of potential funding return
High	>$10,000,000.00
Moderate	$1,000,000 – 9,999,999.00
Low	<US1,000,000.00

These projections are based on a qualitative review of the following: (a) prior observed experience using the mechanism in Africa or a similar social and ecological context, (b) evidence of key enabling conditions, (c) demonstrated sources to capitalise and nurture the mechanism, and (d) observed recent market responses to the mechanism. This Low-Moderate-High potential ranking can also serve as a coarse prioritisation of the instruments. However, all the instruments with "moderate" potential, and even a few of those identified as of "low" potential could still add significant value to a portfolio of revenue sources if enabling conditions, market responses, or other factors suggest that adoption of the mechanism can be easy, efficient, and effective. Table 18 also includes a recommendation as to whether the financial opportunity may hold greater promise when enacted within a national or regional context, with these assumptions again based on observed results from prior applications.

Table 18: Feasibility of Finance Mechanisms for the 3-Component APACT Finance Facility

Finance Instrument	Feasibility		Recommended Geographic Focus		Finance Strategy Priority	Enabling Conditions	Sources to Capitalize Instrument	Implementing Groups
	Short term	Long term	National	Regional				
Development Assistance, private foundations, HNWIs	High	High		X	1	Accountability and transparency, good governance	DFIs, B/MD, private foundations, NGOs	DFIs, B/MD
Corporate donations	High	High		X	1	Accountability good governance, NGO partner or suitable financial vehicle	Private and corporate foundations	Private and corporate foundations
Habitat and Species Banking	Low	Moderate	X		1	Government policy, measurable data, community, and private sector participation	Public funds, NGOs, DFIs, B/MD, impact investors	Local/national government, NGOs, CBOs
Taxes, User Fees, Subsidies, Fines	Moderate	Moderate	X		2	Government policy	Direct/indirect assignment of public revenues and fees	Local/national government, NGO partners

APACT Feasibility Assessment

Finance Instrument	Feasibility		Recommended Geographic Focus		Finance Strategy Priority	Enabling Conditions	Sources to Capitalize Instrument	Implementing Groups
	Short term	Long term	National	Regional				
Sport-Commercial Hunting/Fishing	Low	Moderate	X		2	Government policy, measurable data, community/private sector participation	NGOs, corporations, entrepreneurs, B/MD	NGOs, CBOs, corporations, entrepreneurs, individuals, donors
Biodiversity offsets and Compensation	Moderate	High	X		2	Government policy, accountability and transparency, good governance, NGO partner or suitable financial vehicle	Corporations, B/MD, DFIs, NGOs	National government, NGOs, extractive corporations,
Lotteries	Low	Moderate		X	3	Government policy, NGO partner	National/local public funds, NGOs	Local/national government, NGOs, CBOs
Debt Restructuring	Low	Moderate	X		3	Accountability and transparency, good governance, NGO partner, finance institution	DFIs, banks, B/MD, NGOs	NGOs, national government, B/MD, DFIs

APACT Feasibility Assessment

Finance Instrument	**Feasibility**		**Recommended Geographic Focus**		**Finance Strategy Priority**	**Enabling Conditions**	**Sources to Capitalize Instrument**	**Implementing Groups**
	Short term	**Long term**	**National**	**Regional**				
Green Commodities	Low	Moderate		X	3	Investable businesses or entrepreneurs, stable market conditions, product marketability Accountability and transparency	Private foundations, corporations, NGOs, banks, microfinance, B/MD, DFIs	Entrepreneurs, private business, corporations, NGOs, CBOs
Bonds (Green, Blue, SLB)	Low	Moderate	X		3	Government policy, accountability and transparency, good governance, measurable data, NGO partner	B/MD, international banks, DFIs, corporations	National government, DFIs, corporations
Impact Investments	Low	Moderate		X	3	Accountability and transparency, good governance, finance vehicle	Impact investors, HNWIs	Impact investors, NGOs, B/MD
Government Budget Allocation	Low	Low	X		4	Government policy	Direct/indirect assignment of public revenues and fees	Local/national government

APACT Feasibility Assessment

Finance Instrument	Feasibility		Recommended Geographic Focus		Finance Strategy Priority	Enabling Conditions	Sources to Capitalize Instrument	Implementing Groups
	Short term	Long term	National	Regional				
Crowdfunding	Low	Low		X	4	Accountability and transparency, good governance, NGO partner	Individuals, corporations, NGOs	National government, NGOs, CBOs

Key:

B/MD – Bilaterial/Multi-lateral donor

DFI – Development Finance Institution

NGO – Non-governmental organisation

CBO – Community-based organisation

HNWI – High Net Worth Individual

This rapid initial assessment of the potential revenue sources suggests that each has strengths and limitations that can affect the likelihood of success. Unfortunately, only a few of the more innovative revenue-generating instruments have been extensively tested at scale across Africa. However, there has been sufficient exploration of these mechanisms elsewhere to allow at least a qualitative assessment of their feasibility for the APACT strategy. Several may hold promise, including local and regional lotteries, habitat and species banking, and increased engagement of impact investors and HNWIs in collaborative business ventures and PPPs. Ultimately, however, it will be necessary to test, evaluate, and scale up a mix of these revenue sources as components of a long-term financial strategy. There will be risk involved in experimenting with any of the mechanisms described, but there may be greater risk in not pursuing these experiments. The traditional government and philanthropic sources will remain important, but they cannot be expected to provide a permanent and ever reliable source of funding to meet the significant financial needs for the financing of an effort as ambitious as APACT.

We also recommend that a supplemental qualitative assessment of each of these factors be carried out by a diverse team with strong underlying knowledge and experience of governance, institutional, social, economic, and financial conditions within African markets. Table 19 suggests feasibility factors that can be considered when evaluating potential revenue sources

Table 19: Feasibility factors to evaluate each potential revenue source.

Feasibility factor	Criteria to consider in evaluation of revenue source
Technical Feasibility	Are the up-front and establishment costs to achieve positive revenues prohibitive? Is there demonstrated capacity and experience within key African markets to establish, sustain, and scale up the revenue source?
Social and Political Feasibility	Do the incentives, priorities, and desired economic outcomes from the revenue source align well with existing social and cultural systems and ensure their support for the operation and adaptive management of the institution? Are there obvious champions, leaders, and drivers to fulfil the work of raising awareness and commitment to the development of the revenue source; and follow through on all the tasks necessary to accomplish the legal, governance, administrative, and financial steps to operationalize it?
Operational Feasibility	Does the administrative, governance, and management support exist to build and scale the revenue source through training, sharing of resources, or other services? Are market conditions favorable for the development and growth of the revenue source?

Legal and Governance Feasibility	Are there legal, administrative, or institutional obstacles to receiving, managing, and disbursing funds to develop and scale up the revenue source? What governance factors could affect the administration or operations of the revenue source?
Financial Feasibility	Are seed funds available to support the start-up and scaling of the revenue source? How could the proposed revenue source conflict or compete with other existing or proposed funding sources for CAFÉ or existing and emerging CTFs? In what ways could the complexity or bureaucracy associated with the implementation of the revenue source increase transaction costs and thus, limit the long-term financial gains?

A more thorough assessment of each revenue source should also provide accountability for each of the following concerns:

- The revenue source may be able to increase its effectiveness if linked to other regional or international PCA financing efforts, or linked to a national and international policies and conventions for biodiversity and sustainable development
- The potential exploitation and scaling of each revenue mechanism should demonstrate how it will not become disruptively competitive with existing funds and financial instruments– e.g., it will be important to show how the revenue mechanism will only act as a source of new resources and will not be duplicative or additional.

It may be important to devote resources to institutional and technical capacity building to ensure that the capacity to implement each finance mechanism at scale is achievable, while also ensuring that the financial benefits occur in a very even playing field, avoiding the risk that some nations receive more funding than others. It is further recommended that a more detailed qualitative assessment of each of the factors highlighted in Table 8 be carried out by a diverse team with strong underlying knowledge and experience of governance, institutional, social, economic, and financial conditions in individual African countries and across the region to further demonstrate the likelihood for success or specific finance mechanisms. A qualitative feasibility assessment should also provide accountability for each of the following concerns:

- APACT should demonstrate how it can achieve greater costs savings compared to national CTFs, particularly in the case of smaller countries, and it must clearly demonstrate how it will not become competitive with existing CTFs or other PCA funding initiatives – e.g., it will be important to show how APACT will only act as a source of additional resources to these other funding sources, and not duplicative. It may be advisable to build an APACT communications network among all CTFs in the region to avoid this additionality problem.
- APACT may need to devote more resources to institutional and technical capacity building and management to ensure that the competition for funds, and financial disbursements to PCA revenue needs occur in a very even playing field, without a risk that some beneficiary countries receive more funding than others. If a formula system is used to distribute funds to a diverse group of PCA

APACT Feasibility Assessment

implementing agencies, organizations, or individuals then the criteria for allocations must be mutually acceptable to all participating countries.

- APACT will need to distinguish between funding to be used to support transboundary conservation activities (such as multi-country anti-poaching teams, workshops, training, scientific research, and planning activities), in contrast with funding to be dedicated to support the operating costs of individual government agencies, NGOs, or initiatives in each country.
- It will be necessary to carefully determine how to include representatives of national governments from beneficiary countries in the APACT governance and decision-making structure. Some government input and presence will be essential to demonstrate national commitments and 'buy-in' to the process. However, it will be essential to structure this participation in a way that avoids competition to maximize a country's share of APACT resources or staff positions and increases the promotion of common regional goals.
- APACT may be able to increase its effectiveness if linked to regional or international biodiversity, climate, and protected area agreements signed by participating countries, or linked to an international convention, such as the Convention on Biodiversity.

5.4 Managing donor reactions to the cost estimates and financial targets

A funding target of more than US$5 billion could very easily become a point of concern or hesitation for many potential funders, donors, and investors. Some contributors may raise concerns about adding such a significant amount of additional funding for PA conservation measures into the same broad geographic region where more than 20 CTFs already operate, and across similar cultural landscapes where funding is already being placed. It will be important to be prepared for these concerns, and APACT may want to highlight the following observations in efforts to mitigate or correct these perceptions:

● *APACT will provide a unique regional response to the social, economic, and ecological challenges facing the most at-risk PCAs in Africa* – the impacts from the degradation or loss of each at-risk PCA will filter through many layers of society and our everyday lives, with the cause and consequences of these losses intimately connected to the equally profound risks of disappearing species, degraded ecosystems, disrupted economies, and emergent threats to human health. This interconnectivity of risks and threats is often confronted at national scales but does not respect borders. The most effective response will be planned and coordinated from a regional perspective and implemented at national and local scales to account for social and economic distinctions within the region.

● *APACT can complement and enhance the work of existing national and regional CTFs across Africa by offering services and funding not presently available, thus increasing, rather than duplicating impacts* - As mentioned earlier, APACT can concentrate its efforts in areas not being reached by existing CTFs, and particularly by provide funds and services to build the fundraising and revenue generating capacity of PCAs and their partners, and by stabilising and strengthening businesses and local economies operating in and around Africa's PCAs. The broad regional focus of APACT can also produce coordinated communications and field programs, formal and informal opportunities to share lessons learned, and possibly pooled financial, technical, and administrative resources.

● *APACT will represent a significant contribution to the current pursuit of 30 by 30 goals* – the ambitious goal to protect 30 percent of our planet's land and seas by 2030 has gained a foothold worldwide, including across all regions in Africa. However, governments remained financially constrained to meet the operating needs of existing protected spaces and have few resources to expand protection across new areas (Campaign for Nature, 2022). A multi-faceted APACT encompasses the three components outlined can serve to broaden the financial sources contributing to the 30 by 30 goals, and this, in turn, can rapidly accelerate actions to reach a 30x30 target.

● *APACT will respond to the needs of a wider spectrum of social actors and engage a broader spectrum of economic sectors* – The degradation or loss of Africa's larger at-risk PCAs financial gains from the illegal sale of wildlife and wildlife products rarely adds significant detracts from local businesses and economies and represents a significant drain that is felt socially and economically over large regions. APACT can represent a unique and currently underrepresented source of resources to build a sustainable economic strategy for each of these areas, and one that ensures adaptive responses to a changing climate.

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ANNEXURES

Annex 1 - Individuals and Institutions Consulted

Interview Candidate	Type of Institution	Institution/Affiliation	Area of Expertise	Contact email
Katy Mathias	NGOs	Wildlife Conservation Society	CTF development	kmathias@wcs.org
David Meyers	NGOs	Conservation Finance Alliance	CTF development - sustainable finance	dmeyers@wcs.org
Colin Apse	NGOs	TNC-Freshwater Africa	sustainable finance	capse@tnc.org
Melissa Moye	NGOs	WWF - US	CTF development - sustainable finance	Melissa.Moye@wwfus.org
Robbie Bovino	NGOs	WWF - US	CTF development	robbiebovino@gmail.com
Brian O'Donnell	NGOs	Campaign for Nature/Landscape Legacy Fund	CTF development - sustainable finance	
Dr Paul Matiku	NGOs	ED - Nature Kenya	PA mgmt, CTF	matiku@naturekenya.org
Candice Stevens	NGOs	Sustainable Landscape Finance Coalition	sustainable finance	candice@wfa.africa
Rolando Morillo	Finance & Banking	Rockefeller Capital Associates	sustainable finance	rmorillo@rockco.com
John Tobin de la Puente	Finance & Banking	Cornell University/CPIC/Credit Suisse	sustainable finance	john.tobin@cornell.edu
Ricardo Bayon	Finance & Banking	Founding Partner - Encourage Capital	sustainable finance	rbayon@encouragecapital.com
Jens Mackensen	Bilateral and Multilateral Donors/Private Foundations/HNWIs	KFW	CTF development	jens.mackensen@kfw.de
Nils Meyer	Bilateral and Multilateral Donors/Private Foundations/HNWIs	KFW	PA finance, CTF	nils.meyer@kfw.de
Scott Lampman	Bilateral and Multilateral Donors/Private Foundations/HNWIs	USAID-DC	sustainable finance	slampman@usaid.gov
Yabanex Batista	Bilateral and Multilateral Donors/Private Foundations/HNWIs	UNDP/Global Coral Reef Fund (formerly ED of Caribbean Biodiversity fund)	CTF development - sustainable finance	yabanex.batista@undp.org
Aileen Lee	Bilateral and Multilateral Donors/Private Foundations/HNWIs	Chief Program Officer, Gordon and Betty Moore Foundation	sustainable finance for protected areas	Aileen.Lee@moore.org

Interview Candidate	Type of Institution	Institution/Affiliation	Area of Expertise	Contact email
Onno van den Heuvel	Bilateral and Multilateral Donors/Private Foundations/HNWIs	BIOFIN	sustainable finance	onno.heuvel@undp.org
Herve Barois	Bilateral and Multilateral Donors/Private Foundations/HNWIs	BIOFIN	sustainable finance	herve.barois@undp.org
Avril Benchimol	Bilateral and Multilateral Donors/Private Foundations/HNWIs	Global Environment Facility	blended finance	
Carlos Manuel Rodriguez	Bilateral and Multilateral Donors/Private Foundations/HNWIs	CEO - GEF	sustainable finance	
Karen Price	CTFs	ED - CAFÉ	CTF development - sustainable finance	karen@naturetrust.mw
Karen Macdonald Gayle	CTFs	CEO Caribbean Biod Fund	CTF development	secretariat@caribbeanbiodiversityfund.org
Jorge Oviedo/Daniella Celarie	CTFs	REDLAC	CTF development	jorge.oviedo@fiaes.org.sv. Daniella.celarie@fiaes.org.sv
Sean Nazerali	CTFs	BIOFUND	CTF development	snazerali@biofund.org.mz
Esther Wolfs	Consultants	Partner - Wolfs and Company	public-private partnerships	Esther.wolfs@wolfscompany.com
Amilcar Guzman Valladares	Consultants	Partner - Wolfs and Company	CTFS, protected area finance	Amilcar.guzman@wolfscompany.com
Barry Spergel	Consultants	independent consultant	CTF development - sustainable finance	bspergel@aol.com

Annex 2 - Results from Stakeholder Survey

A1.0 Introduction

As part of the methods used in the feasibility study, an online survey among stakeholders was conducted to augment the in-depth key informant interviews. This annex presents the results of the survey.

A2.0 Methodology

The data from the survey was collected virtually from 23rd of March to 13th of April using a mobile application. The survey tool was both in English and French. Total respondents were 34 with the majority (31) using the English version and only 3 used the French version. The online survey tool was reviewed by AWF before being circulated among stakeholders.

A2.1 Respondents by Subsector of the conservation community

Most of the respondents were from Non-Governmental Organizations (NGO) followed by academic or research institutions and then the government (Figure 1). Others included Conservation trusts, Charitable organizations, and individual consultants.

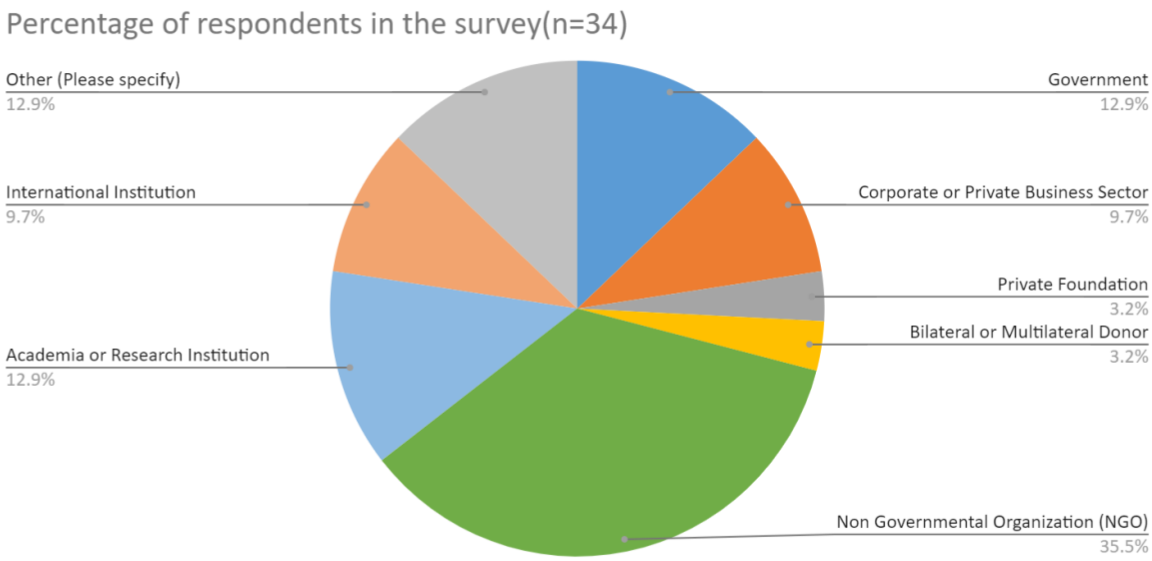

Figure 1: Types of respondents in the APACT virtual feasibility survey

A2.2 Regions of operation for the respondents in the survey

Most of the respondents in the survey were from Southern Africa followed by East Africa and others were operating at global and Pan African level (Figure 2).

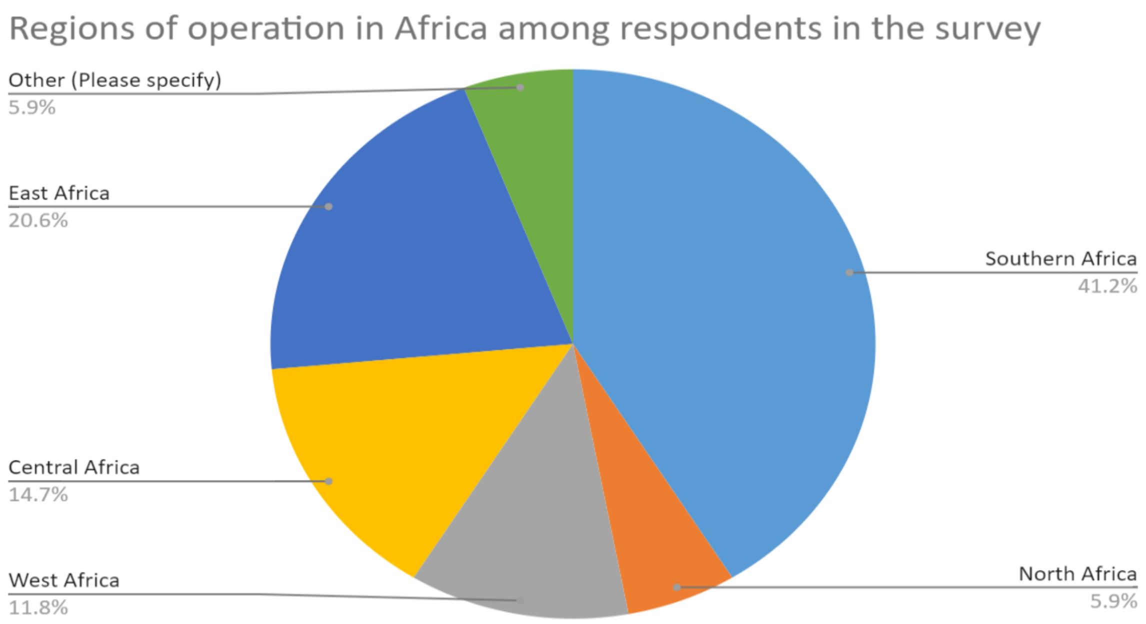

Figure 2: Regions of operation of respondents in the APACT feasibility survey

A2.3 Principal financial role in conservation work among institutions in the survey

In terms of the main financial roles in conservation work, most of the respondents were involved in technical assistance to the conservation practitioners followed by providing funding then funding raising and research with fund management and disbursement having least. Others included consultancy and conservation implementation (Figure 3).

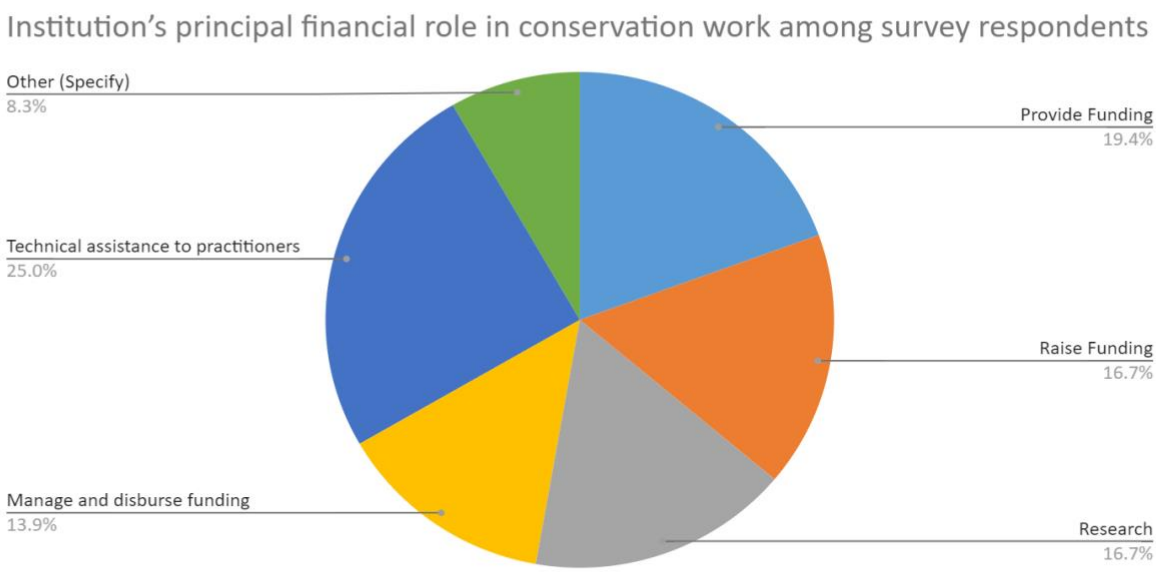

Figure 3: Institution's principal financial role in conservation work for survey respondents in the APACT Feasibility Survey

A3.0 Results

Results on the feasibility of APACT are presented below according to the standard stages of setting up a conservation trust fund.

A3.1 APACT Fund Setup

On Fund set up, the respondents were provided with the following stem before asking the questions: "The vision of APACT is having a well-funded and resourced Protected and Conserved Areas (P&CA) estate across Africa in which every protected and conserved area has adequate funding for core management activities". Then they were asked if they agreed or disagreed with the following statement in relation to setting up APACT in a way that ensures it will achieve the communicated vision.

Statements:

I. [The APACT can fill a role that is not already available to state, private, and community protected areas]
II. [Existing protected area funding mechanisms effectively disburse funds to protected areas as they need them.]

On a scale of 1 to 5 indicating (1= Strongly disagree; 2= Disagree 3=Neither agree nor disagree 4`=Agree and 5= Strongly agree) the respondents were asked to indicate the extent to which they agreed or disagree by selecting the scale that represented their opinion. There was also a provision for respondents to write additional comments on the subject matter.

A3.1.1 APACT can fill a role that is not already available to state, private, and community protected areas

Results showed that there were more respondents supporting (59%) than otherwise, the view of APACT filling a role that is not already available to state, private, and community protected areas (Figure 4) .

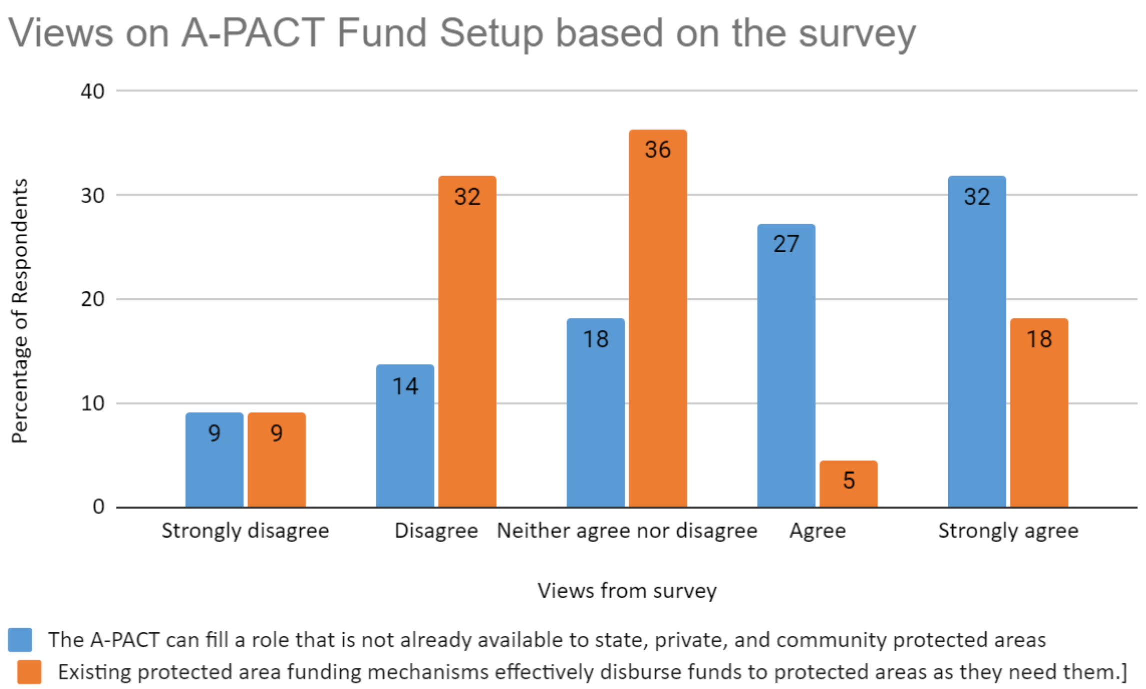

Figure 4: Views on APACT Fund Setup from the feasibility survey

One respondent supportive of the APACT initiative explained that: "*APACT Fund Setup is key to the sustainability of protected areas as governments of some African nations have neglected this area and the communities around it. APACT Fund Setup will help to sustain these areas and their communities.*"

Another respondent pointed out that. "T*his fund is poised to change the funding mechanism for protected areas across Africa. It provides a timely intervention especially when funding from donors is shrinking. There has never been an appropriate time than now to form APACT."*

Among those that were indifferent and not supportive to the APACT initiative, one respondent wrote that "*A fund at a continental level would lose much of the added value of local and national trust funds. The key added value of these funds is their deep knowledge and insertion into the context of their respective countries and their ability to work for the long-term in and with the national entities as well as within the evolving context of each country. An Africa wide-fund loses all those added values."*

Other respondents cautioned of increasing risks "*Delegated authority from donors, insurance and guarantees including for currency and political risk." "APACT Fund Setup should capacitate locals bottom-up to manage either common land or private land. Acquiring land through externally managed estates is risky. It could weaken community-led endorsement of conservation efforts and win-win synergies hardly needed for all stakeholders to secure nature."*

A3.1.2 Existing protected area funding mechanisms effectively disburse funds to protected areas as they need them.

Further results in figure 4 show that a minority (23%) are supportive (agreed +strongly agreed) compared to a majority (41%) that was dissatisfied (disagreed + strongly disagreed) with the effectiveness of the existing protected area funding mechanisms in disbursing funds to protected areas as they need them. No additional comments were provided by the respondents.

A3.2 APACT Governance

The following APACT vision statement was given to respondents before providing statements to which they were supposed to indicate their level of agreement or disagreement in relation to the feasibility of setting up the APACT governance structure to achieve this APACT vision below.
"The current design envisages a governance system for the fund anchored in African leadership to ensure alignment with African priorities and vision. APACT will also include an Advisory Panel consisting of globally renowned experts in protected area management, conservation trust funds, endowment management, and investment finance to ensure investment, disbursement, and impact assessment mechanisms function optimally".

Respondents were then asked to indicate the extent to which they agreed or disagreed with the following three statements using the scale explained in section 3.1.

Statements:

I. [The APACT conservation trust can be governed and managed fully independent from all 54 national governments and other international sectors, while also reflecting the priorities and needs of the participating countries.]

II. [An APACT governance body should be composed of individuals who are representative of the entire Africa region and with wide political support, while avoiding favouritism or oversight.]

III. [APACT's governing body should include some representation from non-African expertise that can speak to donor and investor concerns.]

A3.2.1 The APACT can be governed and managed fully independent from all 54 national governments and other international sectors, while also reflecting the priorities and needs of the participating countries.

In relation to the first statement, less than half (45 %) of the respondents agreed to a varying degree (agree + strongly agree) compared to a quarter that disagreed to a varying degree (disagree + strongly disagreed) (Figure 5). This shows that the vast majority (55%) were not fully convinced of APACT governance vision in relation to the first statement.

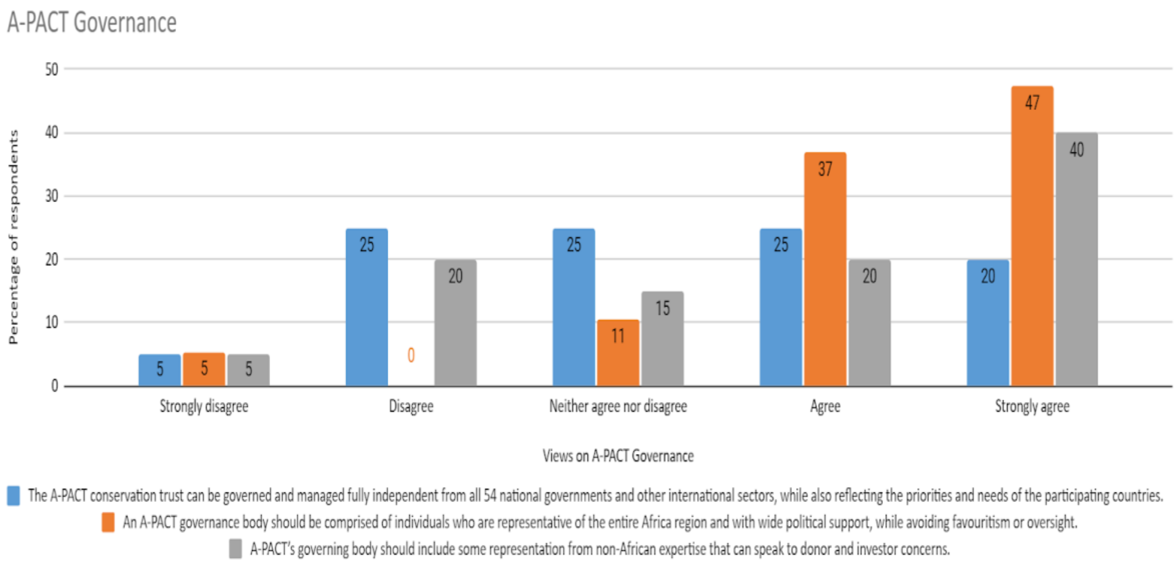

Figure 5: Views on APACT Governance from the feasibility survey

A3.2.2 An APACT governance body should be composed of individuals who are representative of the entire Africa region and with wide political support, while avoiding favouritism or oversight.

In relation to the second statement, there was very high support with 84 % agreeing with the statement to a varying degree compared to 16% that were indifferent and strongly disagreed. These results suggest that stakeholders are supportive of an APACT governing body that is of high integrity (free of corruption) and fully representative considering african political support.

A3.2.3 APACT's governing body should include some representation from non-African expertise that can speak to donor and investor concerns.

With respect to the third statement on governance, there was more agreement to a varying degree (60 %) compared to 25% that disagreed to a varying degree and the remaining 15% showed indifference with the statement. These results show that the majority of stakeholders recognise the need for the APACT governing body to have technical support from non-African experts.
Additional sentiments shared by respondents expressed APACT as an opportunity for countries with low GDP countries, cautioned on corruption and risks associated with bureaucracy and inefficiency as indicated below.

Respondent #6 *"I think Countries with very low GDP should be considered as they may not be able to key into the APACT fund setup due to the poor economy."*

Respondent #7 "*Corruption is the main problem here."*

Respondent #8 *"In all cases it* (APACT) *must avoid becoming a big expensive unwieldy bureaucratic institution, but by its very nature of being Africa wide and all-inclusive it is highly likely to become* *one. The complexities of trying to manage, distribute and oversee performance of grants in 54 different legal contexts and currencies as well as a multitude of different languages is likely to be a significant impediment to any small and efficiently functioning institution, and almost certainly will make it a very expensive one."*

3.3 Fund Administration

The following APACT vision statement was given to respondents and the aforementioned methods were followed.

"The current design envisages a financial mechanism that can reach across all of Africa, while also seeking alignment with country policies and priorities. The mechanism aims to be complementary to existing CTF and other sustainable financing mechanisms, with fit-for-purpose financial disbursement for all protected and conserved areas across the continent, but without concern for the management model being used (government, community, private or civil society)."

Respondents were then asked to indicate the extent to which they agreed or disagreed with the following three statements using the scale explained in section 3.1.

Statements:

I. [APACT should include governance and operating procedures that explicitly describe how it will operate independent of, but in collaboration with existing and emerging environmental funds across Africa.]

II. [APACT should provide financial and technical support to help establish new local, state, and regional environmental funds where needed and appropriate.]

3.3.1 APACT should include governance and operating procedures that explicitly describe how it will operate independent of, but in collaboration with existing and emerging environmental funds across Africa

There was more agreement (about 76%) than otherwise (Figure 6), with the need to come up with standard operating procedures taking into account the existing and emerging environmental funds across Africa.

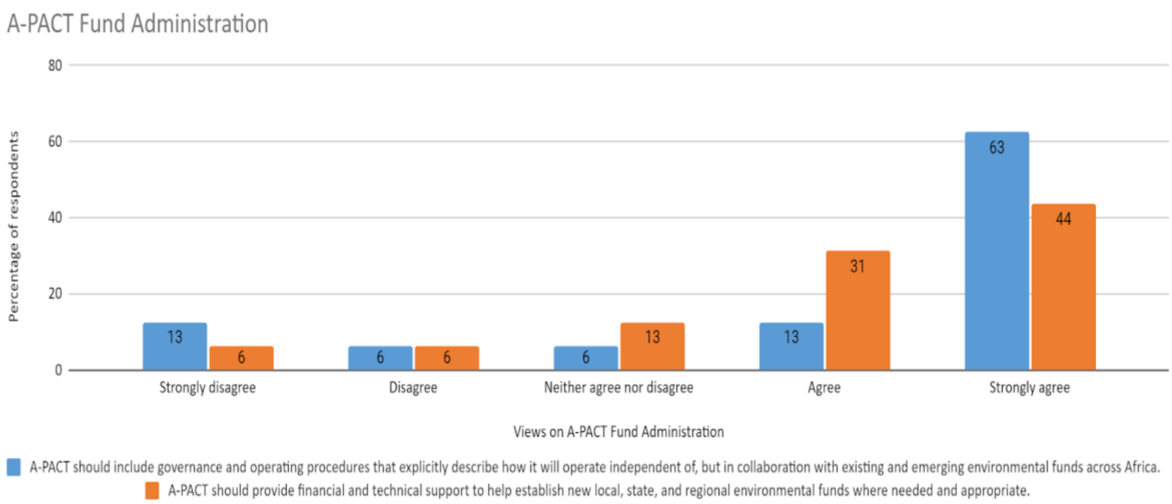

Figure 6: Views on APACT Fund Administration from the feasibility survey

A3.3.2 APACT should provide financial and technical support to help establish new local, state, and regional environmental funds where needed and appropriate.

Three quarters of the respondents were in agreement with the intentions of APACT 's envisaged role in providing financial and technical support to help establish new local, state, and regional environmental funds where needed and appropriate.

Additional comments on Fund Administration included the following all pointing to the need for technical support and collaboration with existing initiatives:

Respondent # 10 *"The APACT FUND ADMINISTRATION is key to sustainability of the APACT SETUP concept that is very important for the proper distribution of technical support to countries and communities"*.

Respondent # 11 "*The second aspect here could be done much more effectively and efficiently through support to CAFÉ"*

A3.4 Asset Management

Under Asset Management, APACT vision statement that was given to respondents was:

"The APACT vision is to create a hybrid fund, composed of endowment, revolving, and investment funds that bring different types of finance to support protected and conserved areas across the continent in distinct ways."

Four statements on which the respondents were asked to indicate the extent of their agreement or disagreement were as follows:

I. [APACT should grow a significant endowment that is dedicated to bridging the financial gaps faced by all African protected areas for all time. (This could require a very large endowment fund potentially greater than US 200 billion dollars)]
II. [APACT should concentrate on growing the endowments and operational capacities of existing and emerging environmental funds across Africa. (This will require a significantly reduced endowment fund level)]
III. [APACT can provide a financial model by investing its assets in growth opportunities with fully transparent and measurable ESG commitments that demonstrate biodiversity and climate resilience.]
IV. [APACT can ensure accountability and financial integrity in biodiversity conservation in Africa by making information on its existing assets, investments, and financial operations transparent and readily available.]

A3.4.1 APACT should grow a significant endowment that is dedicated to bridging the financial gaps faced by all African protected areas for all time.

Three quarters of the respondents were in agreement with the vision of APACT in terms of growing a significant endowment dedicated to bridging the financial gaps (Figure 7).

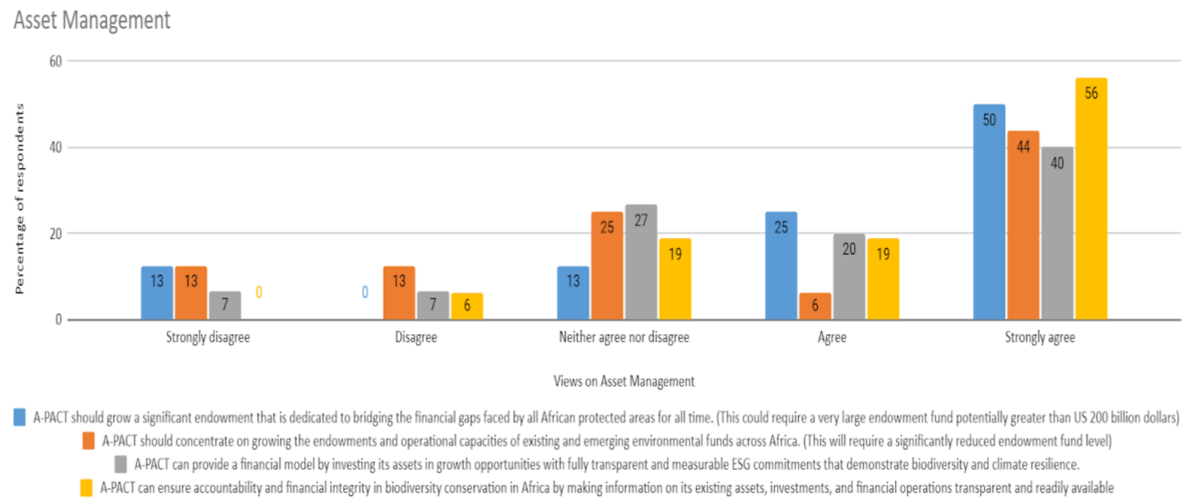

Figure 7: Views on APACT Asset Management from the feasibility survey

A3.4.2 APACT should concentrate on growing the endowments and operational capacities of existing and emerging environmental funds across Africa

Unlike in the first statement, the level of agreement to the second statement showed an equal split with 50 % agreement among respondents and the other 50% accounting for indifference and disagreement (Figure 7). This shows reservations on reduction of endowment levels and APACT 's focus on capacity building.

A3.4.3 APACT can provide a financial model by investing its assets in growth opportunities with fully transparent and measurable ESG commitments that demonstrate biodiversity and climate resilience

The majority (60%) of the respondents agreed with APACT providing a model for asset investment opportunities considering environmental, social and good governance aspects. Quite a high proportion (40%) seemed not convinced with this financial model.

A3.4.4 APACT can ensure accountability and financial integrity in biodiversity conservation in Africa by making information on its existing assets, investments, and financial operations transparent and readily available.

Three quarters of the respondents were supportive of a hybrid fencing model ensuring accountability and financial integrity in biodiversity conservation in Africa by making information on its existing assets, investments, and financial operations transparent and readily available.

One additional comment on Asset Management was recorded indicating that: "*APACT should only be a resource mobilization unit, rather than an actual fund of its own. This unit could approach new big global donors, particularly those from the private sector or from private foundations like the Bezos Earth fund. It would then be able to channel resources to the different National trust funds across the continent. Particularly the endowment funds that it aims to raise should be given to each of the national/local funds to manage with their own endowment funds rather than being kept separately and managed with a different set of rules. This is in fact the only positive role we can see it playing".*

3.5 APACT Resource Mobilisation

The following vision statement was given in relation to resource mobilization:
"Capitalization and investment options for APACT include resource mobilization from a variety of sources, including the private sector, philanthropists, and foundations."

Three statements on which the respondents were asked to indicate the extent of their agreement or disagreement were as follows:

I. [The APACT financial strategy should use a sliding scale structure based on national GDP or other agreed upon metrics to ensure that each participating African country contributes appropriate financial or in-kind resources to establish and grow the fund.]
II. [APACT should work collaboratively with the Consortium of African Funds for the Environment (CAFÉ) and existing and emerging CTFs to ensure that APACT fund raising does not constrain existing financial resources for biodiversity and climate change]
III. [APACT should build capacity and provide seed funding to develop new sources of revenue, including options such as statutory environmental taxes and fees, payment for ecosystem services, green bonds, and biodiversity offsets.]

A3.5.1 The APACT financial strategy should use a sliding scale structure based on national GDP or other agreed upon metrics to ensure that each participating African country contributes appropriate financial or in-kind resources to establish and grow the fund

More than half (60%) of the respondents (Figure 8) in the survey were in agreement with a resource mobilization that involved a strategy that should use a sliding scale structure based on national GDP or other agreed upon metrics to ensure that each participating African country contributes appropriate financial or in-kind resources to establish and grow the fund. Quite a good proportion of respondents (40%) were not convinced (expressed indifference and disagreement) with this strategy.

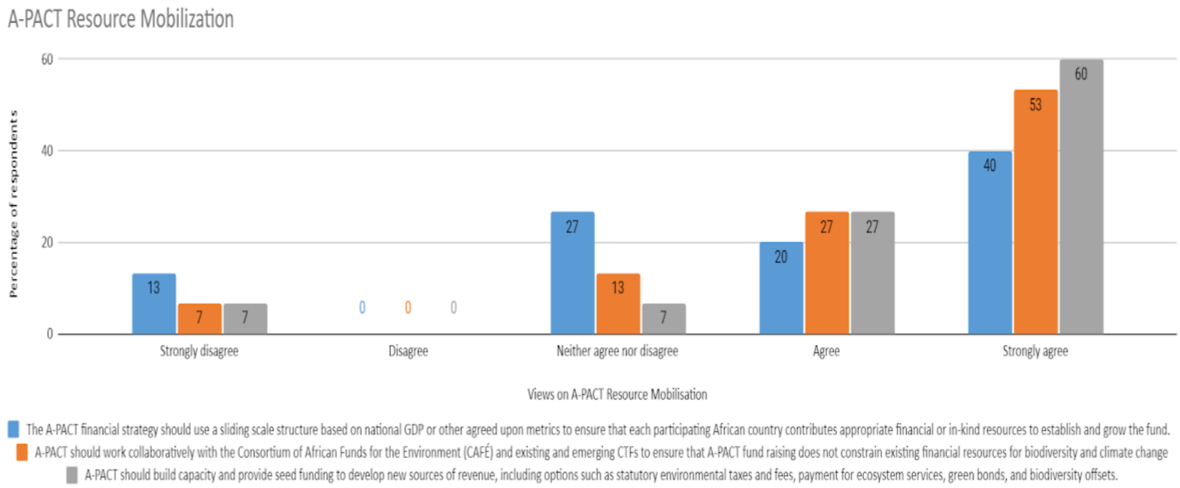

Figure 8: Views on APACT Resource Mobilisation from the feasibility survey

A3.5.2 APACT should work collaboratively with the Consortium of African Funds for the Environment (CAFÉ) and existing and emerging CTFs to ensure that APACT fund raising does not constrain existing financial resources for biodiversity and climate change.

A very high agreement (80%) was observed with the second statement suggesting collaboration with CAFÉ and existing and emerging CTFs to ensure that APACT fundraising does not constrain existing financial resources for biodiversity and climate change. These results show that most respondents are supportive of an APACT that leverages on existing initiatives in its resource mobilization strategy.

A3.5.3 APACT should build capacity and provide seed funding to develop new sources of revenue, including options such as statutory environmental taxes and fees, payment for ecosystem services, green bonds, and biodiversity offsets.

An overwhelming (87%) (Figure 8) agreement among respondents agreed with a resource mobilisation involving capacity building and some seed funding to develop a wide range of sources of revenue.
Additional comments by respondents on resource mobilization included the following:

Respondent # 14 *"Due to the emergency of Covid-19, a lot of countries have suffered an economic downturn and are yet to recover from the pandemic blow. For now, I think for APACT to succeed, counter funding projects may not be feasible for many countries even though the pandemic was not felt much in the African continent. But the continent was affected economically".*
Respondent # 15 *"Possibly it could play the role of trying to leverage carbon financing for the African continent, and/or trying to aggregate impact investment funding for us as well. However, to do so well it would need to develop a great deal of technical capacity, and again it is likely to grow too*

large to be efficient. In either of these endeavours, it would appear to just be creating an extra layer of bureaucracy without adding much value in exchange".

A3.6 Fund Deployment

The following vision statement was provided before respondents indicated the extent of agreement and disagreement on the provided three statements in relation to fund deployment.
"Proposed disbursement mechanisms under APACT are based on input received from stakeholders, with widespread support for a performance-based allocation of resources linked to monitoring and evaluation frameworks. Allocation of funds should be equitable, while also accounting for the needs and challenges of P&CAs with very low resource levels."
Statements:

I. [APACT should become a source of financial and technical support for areas, institutions, and people beyond the reach of existing and emerging CTFs.]
II. [APACT should support nature-based and climate resilient entrepreneurship and livelihoods for communities and businesses in and adjacent to Africa's PAs as proof of concept that protected and conserved areas also add significant economic and social value.]
III. [An APACT can be a source of financial and technical resources to strengthen National Biodiversity Strategies and Action Plans (NBSAPs), and other key biodiversity and climate change agreements.]

A3.6.1 APACT should become a source of financial and technical support for areas, institutions, and people beyond the reach of existing and emerging CTFs

A near two third majority (65%) was in agreement of APACT becoming a source of financial and technical support for areas, institutions, and people beyond the reach of existing and emerging CTFs (Figure 9). Quite a good proportion 35% were indifferent and disagreed.

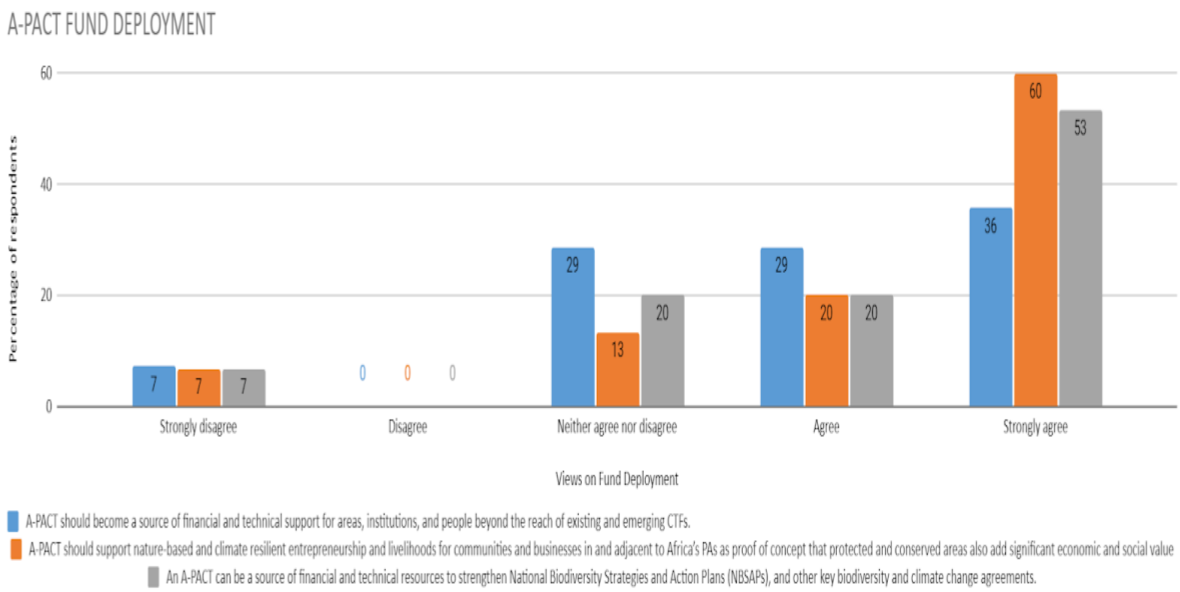

Figure 9: Views on APACT Fund Deployment from feasibility survey

A3.6.2 APACT should support nature-based and climate resilient entrepreneurship and livelihoods for communities and businesses in and adjacent to Africa's PAs as proof of concept that protected and conserved areas also add significant economic and social value.

There was very high agreement (80%) among respondents with regards to APACT supporting innovative initiatives of nature-based and climate resilient entrepreneurship and livelihoods for communities and businesses in and adjacent to Africa's PAs as proof of concept that protected and conserved areas also add significant economic and social value

A3.6.3 An APACT can be a source of financial and technical resources to strengthen National Biodiversity Strategies and Action Plans (NBSAPs), and other key biodiversity and climate change agreements

Nearly three quarters (73%) of the respondents supported the idea of APACT being a source of financial and technical resources to strengthen National Biodiversity Strategies and Action Plans (NBSAPs), and other key biodiversity and climate change agreements

Additional comment on APACT Fund Deployment was:
Respondent # 16 *"Help small projects to qualify for biodiversity/conservation offsets, and with reporting requirements e.g., accessing satellite data to demonstrate compliance."*

A3.7 Safeguards and Risk Management

"The feasibility of including explicit measures to ensure that APACT funds are always used to produce safe and reduced risk results."

I. [APACT should emphasize support for actions that produce measurable reductions in environmental risks (particularly climate risks and biodiversity loss).]
II. [APACT should equally emphasize support for actions that produce measurable reductions in development risks (particularly poverty and social inequalities) of local communities and indigenous people in and adjacent to Africa's protected areas.]

A3.7.1 APACT should emphasize support for actions that produce measurable reductions in environmental risks (particularly climate risks and biodiversity loss)

The vast majority (80%)(Figure 10) of the respondents were in agreement with the envisioned APACT safeguard and risk management system that should emphasize support for actions that demonstrate and produce measurable and reductions in environmental risks (particularly climate risks and biodiversity loss).

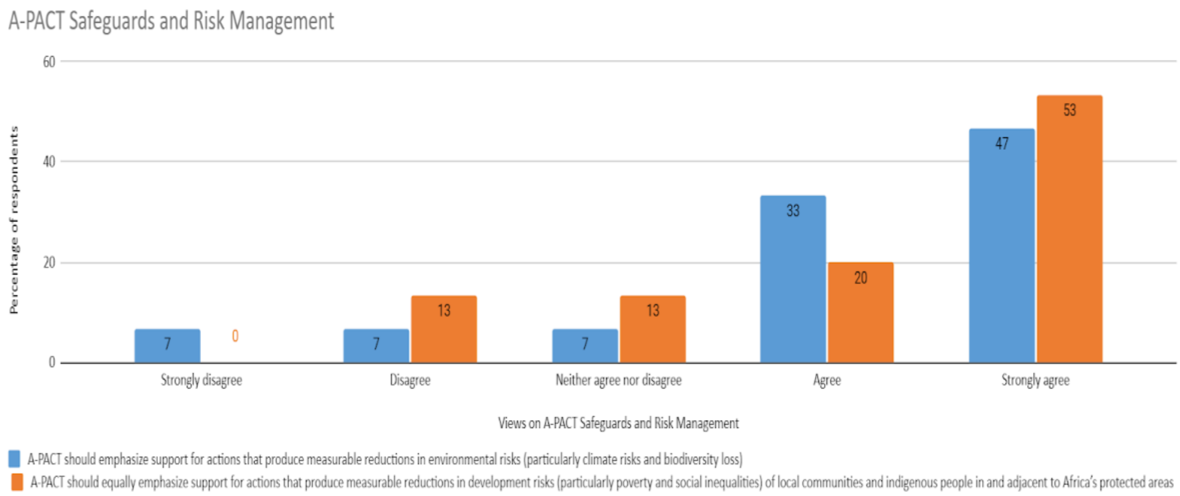

Figure 10: Views on APACT Risks and Safeguards from feasibility survey

A3.7.2 APACT should equally emphasize support for actions that produce measurable reductions in development risks (particularly poverty and social inequalities) of local communities and indigenous people in and adjacent to Africa's protected areas.

Likewise the second statement also showed high levels of agreement (73%) that APACT's safeguard and risk management strategies should also emphasise support for actions that demonstrate and produce measurable reductions in development risks (particularly poverty and social inequalities) of local communities and indigenous people in and adjacent to Africa's protected areas.
These results, from both statements, show a strong agreement among respondents with the need for APACT to strengthen safeguard and risk management aspects of existing and emerging CFTs in Africa.
There were no additional comments on APACT Risks and Safeguards.

A3.8 Monitoring, Accountability and Reporting

Do you agree or disagree with the following statements in relation to the feasibility of setting up APACT monitoring, evaluation, and learning measures? Please indicate the extent to which you agree or disagree.

I. [All APACT supported initiatives should result in essential data and learning opportunities to further strengthen protected area management, biodiversity conservation, and climate adaptation throughout Africa]
II. [APACT should incorporate and increase communication distribution networks across Africa to ensure that lessons learned through APACT are widely shared and can result in improved operations of PAs and other environmental funds across the region]

Results showed an overwhelming agreement with both above statements with 87% in agreement (Figure 11) . This could reflect the current gaps in the existing initiatives and the need to enhance evidence generation on the performance of CTFs through visible and sustainable impacts on environmental conservation and livelihood improvements.

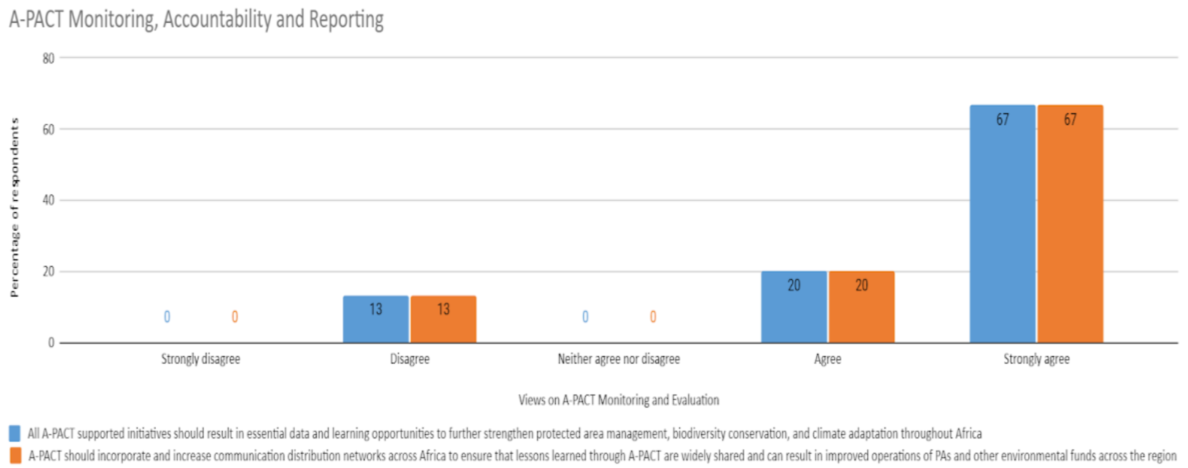

Figure 11: Views on APACT Monitoring, Accountability and Reporting from feasibility survey

Additional comments on APACT Monitoring, Accountability and Reporting were:
Respondent # 19 *"This is very important as the MAR will ensure monies budgeted for projects in protected areas are not tempered by communities' countries' government officials"*.
Respondent # 20 *"Make it as light as possible"*

At the end of the survey tool, respondents were asked to indicate any other comments that they had. The comments that were provided were:
Respondent # 21 *"APACT should be governed by Global South representatives and not be a cash cow for Northern organizations"*

Respondent # 22 *"I think capacity building by countries' participants, especially communities where this protected area are is very important. Thanks"*
Respondent # 23 *"APACT should help funding to NGOs to fulfil their projects"*
Respondent # 24 *"We need to discover first if the APACT has any added value at all as an institution, or if it wouldn't in fact be much more cost-effective and efficient and useful to simply strengthen the CAFE Secretariat to be able to lobby for funding and coordination and exchange of experience and training between the different funds. Setting up a CAFE Capacity-building unit and a CAFE resource mobilization unit could achieve most of these goals with very limited costs, and would clearly strengthen CAFE, rather than potentially weaken it."*

Annex 3. APACT Action Planning Guidance

A3.1 Empower a Steering Committee to implement an inception workshop

Strong leadership will be an important element to establish in the APACT planning and design process. Leadership can emerge by forming **a Steering Committee** that includes individuals that collectively can ensure the following representation:

- National or regional governance experience and expertise
- Protected and conservation area management and administration
- Conservation finance and fundraising
- Financial management
- Business management and sustainable entrepreneurship
- Communications and marketing
- Community based conservation

The Steering Committee should include people with experience and capacity to communicate and negotiate with governments, the business and financial sectors, and NGOs, and civil society. The group will also need its **champions** – those individuals who can become strong advocates for the mission and vision of the APACT strategy, and capable of communicating its message powerfully across cultures.

A principal role for this group will be to draft, validate, and oversee the implementation of the overall action plan; validate the mission, vision, theory of change, strategic objectives, and proposed financial components to be included within the cumulative APACT instrument; and identify and engage all key stakeholders likely to be affected by, or have valuable contributions to make to the strategy.

It may be advantageous to keep the Steering Committee relatively small. The initial team can include perhaps 5-7 individuals to drive the process, and ensure a diverse set of perspectives, without overly complicating the planning and decision-making process. Additional individuals can serve an advisory role to provide specific technical and other support as feasible and needed.

An immediate task for the Steering Committee should be to organise an initial inception meeting that includes key stakeholder representation. The agenda topics will likely include such concerns as a clear statement of purpose for APACT – e.g., w*hy APACT exists, and what it values.* These statements will guide decision-making in the adoption of a tangible, measurable, and evidence-based action plan for the program. It is expected that the Steering Committee will lead a process to adapt the recommendations outlined here to craft a road map more specific and appropriate to the needs of the finance strategy.

The inception meeting can also serve as a point to begin to clarify some specific APACT geographic and technical parameters - *Where will APACT focus its work, what are the range of initiatives and results it will target on the ground, and who is eligible to receive funding?* This will be particularly important if APACT decides to concentrate its focus on the most at-risk PCAs, with a realistic goal of responding to at least the 200 most at-risk sites in its first 10 years of operation. Defining the geographic scope or criteria at this level of detail can also help to establish the technical boundaries of the work to be financed – essentially, the kinds of projects, programs, or activities to be supported, by whom, and across which geographic areas and scales. Establishing focused geographic and technical priorities can add value when presenting the APACT strategy concept to donors and investors. For example, APACT may opt to create a specific geographic focus or set of criteria for providing funding or technical assistance, with phased in plans to expand as funding commitments are secured. It will also be important to articulate the parameters or activities that will *not* be included under the APACT scope. This delineation of geographic and technical priorities can also include an approximation of who will be eligible to receive funding under the program, and how funds will be disbursed.

There will be many costs incurred in the development and start-up phases of this work, and an additional task at this inception meeting will be to outline and estimate expected costs for at least the first 24 months and identify viable sources to secure this amount or greater to ensure that the work can proceed efficiently and towards results. The pace of development of APACT will be driven by the ability to have these initial funds in hand. Without them, it is virtually certain that the process will be slow, erratic, and uncertain.

Some of the more immediate expenses that can be anticipated include:

- Travel costs for consultations, formal and informal meetings (and possible venue costs for these same events)
- Contracted expertise
- Communications (include web, print, video, and formal meetings)
- Marketing-promotion consultants/branding and website development
- Office infrastructure, equipment, operations and maintenance
- Research studies
- Webinars, training events, learning exchanges, study tours

It will also be particularly important to identify potential partners and collaborators in the process. Some of the immediate expertise that can enhance the work could include CEOs of existing CTFs, CAFÉ, APAD, donors and DFIs, investors, NGOs, civil society, and community-based organisations. It is recommended that these partnerships be diversified to include multiple groups representing each sector. There will likely be costs attached to some of these needs, and the Steering Committee should ensure that sufficient funds are available to meet any contract or agreement requirements.

A3.2 Establish on-going learning opportunities for Steering Committee – Board - CEO

Capacity building should be an on-going and key process in the planning and implementation of APACT. Training and capacity building opportunities can significantly benefit the Steering Committee, Board, and especially the potentially large and diverse operational team administering the APACT components. Capacity building can include actions to strengthen the following:

- Conservation planning
- Conflict management, negotiations, and decision-making.
- Entrepreneurship and business development.
- Fund raising, grants and financial management; and
- Communications, among other relevant topics.

Capacity building for the board of directors can include actions to strengthen the following:

- Conflict management, negotiations, and decision-making.
- Non-profit law (with particular attention to state and federal trust fund regulations);
- Financial management; and,
- Communications, among other relevant topics.
- Diversity, equity, inclusion, and justice

Capacity building for the operational teams can include training and learning opportunities to strengthen the following:

- Conservation planning, sustainable fisheries and mariculture, PCA management, and ecosystem restoration and sustainable infrastructure enhancement practices.
- Conflict management, negotiations, and decision-making.
- Grant writing and grant management.
- Entrepreneurship, business development and management.
- Financial management; and,
- Communications, among other relevant topics.

Capacity building efforts can be accomplished through webinars, formal training events, learning exchanges, fellowship programs, secondments, and increased dialogue with other working regional marine conservation initiatives.

Exchanging knowledge with other stakeholders, organisations, and groups across Africa and internationally will allow APACT to adopt lessons learned from similar initiatives. By connecting with existing networks, APACT can have access to a wealth of knowledge and experience that can inform its current work. This knowledge exchange can happen live through scheduled visits with regional CTFs or similar financial ventures, virtually through webinars and conferences, in life or virtual themed workshops, or during regional and international conferences. It is never too early to begin these learning opportunities, and they should be continuous throughout the life of APACT. It will be essential to plan initial Board training and learning opportunities, but also to extend these to the CEO and their administrative team.

Examining a diversity of governance, operational, and fundraising, and deployment perspectives with a constant eye on the need to develop an institution that speaks for, and to the needs of Africa will add time to the planning and set phases of work. But it will produce an institution that is grounded in the lessons learned over 30 years of CTF practice and can potentially eliminate the need to learn these lessons again.

A.3 Carry out a stakeholder engagement process and socialise the APACT strategy concept with relevant leadership

APACT's success will be strongly influenced by the degree of buy-in and engagement of civil society, communities, NGOs, and African businesses (including local entrepreneurs). Each stakeholder's support will be driven by their understanding of how they stand to benefit from meeting the financial gaps of PCAs, strengthening existing CTFs, and investing in local income generating ventures. The APACT planning work can strengthen and accelerate its impact through a rapid initial assessment of the needs, desires, and capacity of people and institutions directly affected by the success – or failure – of the most at-risk PCAs. The working group can guide the development of a field-based study to assess the needs of PCA authorities, at-risk PCA managers, existing CTFs, community-based organisations (CBOs), local businesses, leaders and individuals, and their capacity to receive, manage, and maximise the value of proposed financial support. The study should also assess the kinds of technical assistance, capacity building, and infrastructure that could strengthen their engagement and benefits. This stakeholder mapping and engagement process should occur early in the planning phase process, and simultaneous with the benchmarking assessment.

Stakeholder engagement can also include identification of potential local partners and identification of opportunities to collaborate on a pooling of resources and co-investments from other funds and financial structures already operating in the most at-risk areas. Collaboration and a sharing of desired outcomes may be very feasible for many of these stakeholders, and the initial planning process should identify and anticipate both shared vision and potential conflict opportunities and seek to build collaboration wherever possible.

The study can also identify measures that can be offered through the finance structure to strengthen grantee capacity to prepare responsive proposals and satisfactorily implement grant-Funded activities. This may eventually lead to outreach materials in written or audio format that can be made available on a web platform, through training modules, or distributed in other formats.

The stakeholder engagement study can also reveal the amount of any cost-sharing arrangements that will be required from grantees, and the degree to which these contributions can be delivered through in-kind or other contributions.

A.4 Carry out a benchmarking assessment to identify lessons learned and potential partners in the planning and implementation of the APACT strategy

A benchmarking assessment can identify lessons learned from other RCTFs across Africa and worldwide. The results from the assessment can produce important models to guide the planning of governance, administration and operations, and financial planning and management needs. The benchmarked initiatives can also become valuable partners, particularly during the development and start-up phases, and the benchmarking assessment can produce a working dialogue and collaborative relationship with other management teams. It may also be useful to develop a collaborative webinar with representatives from one or more of the benchmarked initiatives to strengthen the lessons learned and create a more formal and tangible working relationship.

The benchmarking assessment can ideally include a learning exchange visit to selected initiatives that show close correlation to APACT's vision and objectives. A learning exchange visit can establish a working dialogue, and this relationship can produce many on-going benefits, such as lessons learned in fundraising, grant management, and accounting; conflict mitigation; and many other key operational concerns.

A.5 Carry out a Value Proposition Study

Financial planning for the on-going and long-term funding of APACT can be significantly enhanced by preparing a value proposition assessment (sometimes called a "business case") to justify the fund's existence and demonstrate the value and benefits it will bring to all stakeholders. The value proposition study can also become a valuable tool to guide APACT's strategic plan, and to attract the interests and concerns of potential donors and investors. The value proposition provides a quantitative assessment of expected costs and predicted impacts from implementation of APACT's financial strategy on ecosystems, businesses, governments, human livelihoods and health. The study will provide concrete estimates of benefit/cost ratios and a predicted return on investment for the activities and outputs being proposed. The value proposition will gain significantly from information obtained during the stakeholder mapping and engagement process.

Value proposition or business plan? The value proposition can serve many of the purposes of a traditional business plan, and the contents often seem somewhat similar. It may be possible to save time and cost by only preparing one study and document that serves both purposes. However, there may also be value in carrying out a value proposition assessment and then using the results to prepare a separate business plan. The results from this study will be of great interest to donors, funders, and investors, and communities and potential collaborators. The value proposition and the business plan will also become valuable marketing tools.

The value proposition/business plan also differs from the strategic plan in focus and useThe ***strategic plan*** is the implementation road map for the finance strategy that includes specific objectives, tasks, and milestones phased over specific time frames, with clear metrics to measure success. The ***value proposition/business plan*** describes the services, products, and benefits the finance strategy provides, how they are made available, who they serve, and the operations in place to show the financial and organisational efficiency of the business. It highlights the institutional strengths (and weaknesses) of APACT and can help a management team to systematically assess management input needs and processes. This, in turn, can improve the efficiency of operations, course corrections, and growth. However, the greater value of the value proposition/business plan is as a primary resource to show funders and investors that the finance strategy has a very coherent vision that anticipates opportunities and risks and is fully prepared to navigate a steady course towards success.

A.6 Carry out a financial strategy implementation workshop, establish a funder database, and test revenue generating opportunities

A follow-on workshop to validate and implement the preferred finance strategy can bring together the Steering Committee, APAD, and other key actors in the design and implementation of the initiative. The workshop can include several key objectives:

- Evaluate the results from initial research and collaborative planning meetings, stakeholder engagement survey, benchmarking assessment, and value proposition study to implement a long-term fundraising and financial strategy.
- Establish and implement a fund-raising task list with assigned responsibilities, milestones, and deliverables.
- Develop administrative and management protocol for the receipt, management, and disbursement of funds received.

The preparation of specific funding targets and a more comprehensive **resource mobilisation plan** can help drive the initial capitalization of a finance strategy. Setting these targets and initiating a long-term fund-raising process early in the development phase can be important, especially because it can take multiple conversations with potential funders, sometimes extending over several years, before actual funding is received. It is advisable to begin to cultivate these relationships once the finance strategy has established its geographic and technical focus; consulted with stakeholders and identified partnership opportunities; and outlined an implementation framework.

Initial funding targets can be based on an estimate of the amount of funding needed or desired to cover operating costs and produce "proof-of-concept" results through initial financial disbursements. However, it is advisable to develop funding targets by identifying anticipated cost centers likely to be incurred within the fund, with approximate goals for each cost center extended as far into the future as feasible.

These targets will likely be driven by the proposed disbursement strategy of funds raised. For example, if the initiative opts for an equitable annual distribution of funding to specific at risk PCAs, then estimates of these allocations can be projected and pro-rated over the first 5 years of operations. Alternatively, finances can be disbursed to national PCA management authorities, organizations, and individuals through a competitive or other grant mechanism structure based on criteria aligned with the finance strategy mission and strategic objectives. In this case, the resources needed to show "proof of concept" initiatives can be estimated.

Financial targets can also provide a useful baseline to guide the identification and prioritization of potential donors, funders, and investors. The hired APACT executive director and board will eventually need to assume responsibility for negotiating these funding commitments. However, the working group and its partners can play a valuable initial role by identifying and testing revenue sources, including building the relationships with donors, funders, and investors, and prioritizing the potential donors most likely to invest in the fund.

A.7 Develop communication platforms

A Communications strategy will serve many essential functions in the financial planning and development process. One of its most important uses will be to introduce the initiative to potential donors, investors, and other sources of revenues, and incentivize them to want to be part of it. One of the more significant recommendations offered by donors is to focus the initiative on the compelling story of the imminent climate, health, and economic risks from the degradation or loss of Africa's most at risk PCAs. **The communications plan will be the principal vehicle to articulate this story and demonstrate the ways in which APACT provides a pathway to enhance public health outcomes, reduce poverty, and revitalise resilient ecosystems.**

The communications strategy can also help stakeholders understand how APACT will operate, and how they can support it through policy or other means. The strategy can also create pathways to partnerships with other NGOs, businesses, and other potential collaborators.

A key task in developing the strategy will be to prepare a clear description of communication objectives, audiences, planned activities, milestones, available resources, and indicators.

The success of the overall financial strategy will be significantly affected by the effectiveness of this communication and outreach work. Thus, the working group may want to contract a communications specialist to guide this communications work.

A.8 Other considerations and guidelines to consider as the APACT strategy takes shape

There will be a more ambitious set of tasks awaiting the working group during the start-up and implementation of a fully elaborated finance strategy. Some of these tasks will become more evident as the work to develop the initiative proceeds, but the following actions will likely be on the list:

Contract essential staff, office, and infrastructure

An immediate task for the APACT start-up phase will be to recruit, interview, and select a full-time program manager or director to oversee the initiative's day-to-day operations, and serve as the principal liaison for the initiative. A governing body (typically the appointed APACT Board) will set the course for the initiative, but the director will be responsible for the implementation of it. This individual must also have the capacity and authority to carry out these duties without significant interference from a governing body. It will be advantageous to include at least one administrative assistant to support the day-to-day work required of the manager. The assistant can take responsibility for recordkeeping, accountability, and support for the overall fund communications and marketing work.

Some of the immediate tasks to be carried out by the manager and administrative assistant will include:

- Set up accounts for all financial concerns, including daily operational costs, meetings and unique events, communications and on-going fundraising, and eventual grants and project investments.

- Design and maintain internal reporting, monitoring and evaluation, including financial management reporting, to support informed decision-making.
- Set up an annual audit by independent external auditors who apply standards that are consistent with internationally accepted accounting standards.
- Establish a system to monitor grants, loans, investments, and other financial disbursements using indicators and measures to support evidence-based reporting of conservation impacts. clear reporting templates, frameworks and information requirements for monitoring and evaluation of the grant performance in achieving planned outputs and outcomes.
- Establish a reporting and accounting system for all agreements with donors-investors, particularly to set out the specific formats, information requirements, procedures, and timing for technical and financial reports.
- Maintain a regularly updated checklist and schedules for all reports required by government (such as tax responsibilities), and
- Create the format for an Annual Report to be shared with donors and key stakeholders, and government collaborators.

Prepare a strategic plan

The proposed finance strategy will need a broad-based strategic plan to integrate and validate the central goals and objectives of the initiative. The strategic plan differs significantly from any formal legalisation process, or governance and operational plans that may be developed simultaneously. The governance and operational plans are focused on the details and tasks necessary to keep APACT running day by day. The strategic plan identifies the high-priority accomplishments and objectives the initiative will achieve; broad actions that must be enacted for achieving those objectives; and indicators for measuring success along the way. Developing a strategic plan provides the finance strategy with a shared destination and navigation chart, allowing focused action and decision-making.

A clear mission and vision statement are the basis for developing a realistic and attainable strategic and financial plan. This can be ensured by identifying specific actions and resources needed to achieve the objectives set and being clear and specific on who will fulfill which tasks, and what resources are needed to make all possible.

A strategic plan typically looks forward for a period of at least five years. A task for the Steering Committee should be to determine the strategic planning process to be followed and assign responsibilities for producing this plan. The management and governing team should be intimately involved in the strategic planning process, and be prepared to review the accomplishments, constraints, and new opportunities facing the fund at the end of each year, and then adapt the strategic plan as needed.

Prepare and implement data collection, analysis, and reporting procedures

The Steering Committee, Board, or CEO (if in place) can outline the basic criteria and parameters for data to be collected to monitor income and revenues acquired; funds disbursed to support proof-of-concept initiatives; and outcomes and impacts results from the funds allocated. It will be the responsibility of the CEO and management team to implement this monitoring, reporting, and evaluation. The criteria, methodologies, and protocol for this work should be codified in operation manuals, and results included in each annual report. The methodologies and protocol should also be reviewed on an annual or bi-annual basis to make certain they are meeting the needs of the governance team, beneficiaries, donors-investors, and other key stakeholders.

Additional guidelines to help roll out the APACT component tracts

Experience with the application of each possible facet of the proposed 3 APACT components reveals some common factors that could be significant in achieving the outcomes of the four strategic objectives of the finance strategy, especially when applied to meet the needs of a region as socially, culturally, and ecological diverse Africa:

- **Diversification**. No one financial source can fit all needs, and the most resilient and enduring finance strategy for either model will include a highly diversified portfolio of sources to leverage, generate, and grow capital.
- **Flexibility**. Each finance model carries risks. Flexibility and adaptability will be essential to allow for innovation and accommodation in the financial planning process as various instruments are tested, lessons learned, results shared with all affected actors, and adaptive solutions further tested.
- **Capacity development**. To guarantee long-term sustainability, it is essential to provide training and technical support to the APACT Board and its entire operating team in financial planning and management, business development, and communications. This capacity development will be important across all social sectors, but it will be particularly important for the PPF and Impact Investment Fund component staff, and for PCA management departments, entrepreneurs, and local communities to be reached by APACT. A capacity building component is an important key to long-term sustainability and resilience and provides the best path to enable practitioners and communities to reduce financial dependence on public sources and philanthropy.
- **Provide serves to build strong leadership among stakeholders**. Leaders, whether from government, NGO, community, or private sector sources, can be essential to incentivize the adoption of a mechanism; champion its use; build the momentum to carry the mechanism through the challenges of start-up; and maintain commitment to agreements regarding natural resource use and restrictions.
- **Adequate distribution of resources**. Disbursement of the resources generated by the implementation of a mechanism should occur in a way that all affected peoples perceive as fair and equitable.
- **Adequate measure of costs.** Each APACT component will require planning, start-up and implementation costs (e.g., transaction costs, marketing, meetings and consultations). These costs will vary between the geographic and technical scales in which it will be applied (local, national, or regional), and the capacity of participating institutions to develop and manage the instrument. Attempts to quantify these costs in the planning phase should be encouraged, as well as clearly establishing where the funds will be obtained for these costs.
- **Indicators of conservation and community livelihood.** Prior to the implementation of each APACT component, all stakeholders should agree on the indicators that will be used to measure outcomes. This data will be essential to demonstrate the value to donors and investors.
- **Monitoring and enforcement.** Reporting and monitoring how decisions are being made and how each stakeholder performs their responsibility (including conservation and livelihood outcomes) should be strengthened, and these costs need to be considered when developing the finance solution.

It will also be particularly important during initial APACT planning to carry out an analysis of underlying governance, institutional, legal, financial, and social factors to ensure the following enabling conditions can be met:

- A clear demonstration that markets and capital exist to support APACT over the long term, with evidence to indicate that these markets include sustaining Africa's at-risk PCAs as a priority.
- Political will and commitment exist at national and regional scales to support each APACT component instrument.

- The management and use of APACT funds are transparent and carried out by trained professionals with experience in financial planning.
- Land and marine resource tenure and territorial rights are clear and fully recognized in any APACT intervention.
- Strong local leadership and participatory mechanisms are in place, including effective collaboration among groups who share natural resources or are mutually affected by the threats and risks from degradation of the at-risk PCA ecosystems.
- Financial strategies or solutions are based on well-defined collaboration and equitable sharing of resources and responsibilities among NGOs, private businesses, and government.

Any requests or pursuit of funding can be in competition with the more than 20 other national and regional CTFs operating or emerging across Africa. These pursuits will also be constrained by the pressing public health priorities currently facing every African country, particularly as a result of the recent pandemic. However, Africa's critical role in the global biosphere provides a compelling, urgent, and highly relevant model of a resilient relationship to biodiversity, local economies and livelihoods that are well-aligned with priorities that are currently being emphasised by a broad spectrum of funders and investors across the financial landscape. In particular, the APACT story can seamlessly tie together the now obvious and deep interconnections between:

- **Public health and pandemics/epidemics** – *ecosystem degradation poses a prominent and profound risk to human health.*
- **Climate** - *The impacts and consequences to the most at risk PCA ecosystems will be exacerbated by climate change*.
- **Financial resilience** – *at risk PCA degradation is severely disruptive to local and regional economies and cultures.*
- **Extinction** – *African led biodiversity conservation represents an essential response to the massive extinction crisis facing all biodiversity on earth.*

Finally, the development of APACT will also require the following information:

- A more thorough assessment of the legal framework available or required to facilitate the use of each finance component.
- An up-to-date market analysis to estimate the income that may be accessible through the use of each financial component, including a review of APACT's competitive advantage for each instrument to be pursued, and a prioritisation of the most promising financial instruments based on the results from the market analysis.

It is also recommended that each revenue-generating financing mechanism to be pursued within the finance strategy includes measures to achieve the following three factors:

A. <u>Increase the size and diversity</u> of financing sources and funding portfolios.
B. <u>Enhance revenue retention</u> and promote direct reinvestment in conservation; and
C. <u>Streamline financial planning</u>, costing and allocation procedures.