



A Pan-African Conservation Trust

Summary Overview

August 2022

The rationale

Africa's systems of protected and conserved areas are the backbone of natural infrastructure underpinning the development aspirations set out in Agenda 2063 and contributing to global goals for addressing climate change, biodiversity and desertification.

But a vast majority of protected and conserved areas in Africa are under resourced, leaving them vulnerable to encroachment, conversion, and degradation. Existing Conservation Trust Funds provide support for some of Africa's protected and conserved areas, helping them to be better managed and better positioned to invest in their sustainability and cope with crisis situations such as COVID. But only a small fraction of the 8,600+ protected and conserved areas across Africa have access to such mechanisms. A pan-African Conservation Trust will expand coverage across the entire system, build a shared responsibility among protected area leadership on the continent, create incentives for accountability and transparency, and align against pan-African development aspirations set out in Agenda 2063.

Why now

The global goals for climate and biodiversity are unattainable without Africa. African conservation areas lock away carbon stocks in excess of 60Gt. Reducing deforestation and degradation would avoid social costs of climate damage of US\$ 8.7 – 10.9 billion annually until 2030. Global efforts to shape a climate resilient bio-economy present opportunities to mobilise significant resources into biodiversity conservation, sustainable use and benefit sharing. Africa needs a finance architecture for ensuring these resources are channeled into action on the ground. APACT is being co-designed with input from protected area managers themselves, to ensure their needs are addressed in the shaping of the mechanism. APACT is a part of our collective journey to put African leadership at the center of how protected and conserved areas are managed and funded.

The concept

Create an independent hybrid financing mechanism to support operational and recurrent costs of the protected area estate across the 54 African nations.

The design

APACT is taking the shape of a hybrid mechanism consisting of an endowment, rolling / sinking, and impact investment components that support public, community, indigenous, or private entities managing terrestrial and marine protected and

conserved areas in Africa. AFACT will be a complementary and additional mechanism to existing Conservation Trust Funds and protected area financing mechanisms.

The endowment component is being designed to have a simplified disbursement mechanism based on the model of a conditional cash transfer, whereby the recipient protected or conserved area management authority receives a payment out of the endowment to be used for priorities identified by the management authority for enhancing the management effectiveness of the protected area. The mechanism would be performance based and driving, using a standardised set of performance indicators and processes such as the IUCN Green List to track impact of the actions taken. Further funding from the endowment would then be triggered base on the achievement of performance targets.

The sinking or revolving fund component is being designed to enable protected and conserved area managers to access funds that enhance their ability to address specific threats such as droughts or floods, infestations or other climate related impacts, and to undertake work necessary to secure funding through innovative sources. This may be business planning, carbon baselines, or vulnerability assessments that are required to access private sector, climate and other types of funding.

The private investment component is likely to take the form of an endorsement or accreditation model where the private sector funding mechanisms themselves are outside the auspices of AFACT, managed by investor groups, and endorsed or accredited by AFACT for their alignment with the AFACT goals and principles. The intention is to unlock private funding for investments into activities that have a return such as tourism concessions, carbon markets, or biodiversity offsets.

The governance

In keeping with industry standard for establishing Conservation Trust Funds as laid out by the Conservation Finance Alliance, AFACT has a Steering Committee Chaired by His Excellency Hailemariam Desalegn, which is the interim governance mechanism during the design process. The Steering Committee is shaping the governance mechanism based on inputs from the APAC meetings, stakeholder engagement and dialogues with key constituencies such as youth and IPLCs. Practices are being drawn from existing mechanisms such as the AU COVID-19 Response Fund and the experiences of the members of the Consortium of African Funds for the Environment (CAFE). A key consideration in shaping the governance framework is between a desire for a broad-based representation, input, inclusiveness, and a need to have a manageable structure.