
ACCESSING FUNDING FOR CONSERVATION AND RESEARCH WORK IN KENYA

By

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Summary

Developing countries have limited financial resources to support conservation and research and even where finances are incorporated in government budgets, these are inadequate. Kenya has a diverse assemblage of natural resources requiring huge financial resources. Although wildlife tourism generates up to US\$ 27 million annually and a third of foreign exchange earnings, contributing up to 10% to formal employment and 5% to GDP, little of this fund is ploughed back either to support conservation or to benefit communities which support conservation. Most of the generated income is repatriated to developed nations and up to 55% of generated resources is believed to remain in developed nations where booking and marketing are carried out.

Conservation has both public and private costs. Management costs are estimated at US\$ 25 million and opportunity cost of conserving wildlife habitats in terms of alternative land uses forgone estimated at US\$200 million per year. Wildlife related damage is estimated at 35-45 of total production in wildlife areas. As conservation sites do not generate enough financial returns to cover huge costs involved, there is a huge gap between the generated financial returns and conservation costs.

The worst hit is the forest sector where it is estimated that Kshs. 100 is allocated towards conservation of one hectare of indigenous forests. In order to finance forest conservation, indigenous forest should be made financially self supporting where income generated from the forest should finance conservation directly.

Recurrent cost to conservation is largely from the government while development support is mainly from donors. Based on the financial resources to wildlife and forest sectors, it is apparent that conservation is not self supporting as huge financial resources are required. Low financial allocation to conservation is attributed to; varied interests – corporate, government, individuals, foundations, trusts; weak policy for conservation fund raising; failure to match up allocation to conservation with other sectors and inability of conservation initiatives to sustain themselves.

Funding to conservation is from the central government through royalties & fees; multilateral and bilateral donors and private sector funding; Charities; Trusts and Foundations; United Nations Agencies; Multinationals, Trans-nationals and Corporate World; Private sector funding and endowments.

Funding to conservation and research can be enhanced through; improving existing sources; developing new ones; encouraging conservation investment and soliciting private donations. Fundraising can be through; fairs, walks and runs advertisements; social corporate responsibilities; exhibitions & trade fairs; donations and membership.

Project sustainability is paramount if it will offer both conservation and community benefits. Initiatives of ensuring sustainability include; enterprise related activities; endowment fund, through collection of conservation fee; royalties; village conservation fund; institutionalization of user fees and moderate taxation for conservation support – policy shift; information and community sensitivity on conservation and capacity development as an element of ensuring conservation support and awareness.

1.0 Introduction

1.1 International perspective

While the earth's plants and animals and natural ecosystems provide goods and services which form the very basis upon which human prosperity and survival depend, and although man has made tremendous technological advances in exploring its potential, species extinction is on the increase. The highest loss is in the developing countries, which is attributed to a number of factors of which economic is overriding. Generally developing countries characterized with high poverty levels, financial mismanagement have limited financial resources to meet their growing financial demands. Owing to the huge demand for financial support to the various sectors, most governments end up giving little attention to conservation and research and it is no wonder that very few financial resources are voted towards the sector at the time of developing government budgets. Due to little attention given to conservation at planning, the role of the sector towards economic growth is little understood. As financial resources are distributed according to the perceived importance of the service, conservation and research receive least priority when it comes to distribution of financial resources. Other public services such as health, water, education and security get the lion share. The worst hit sector is forestry where public expenditure accounted for less than 1% of the total budget. A study by the State of the World Forests, carried out in 2003 covering 24 African countries revealed that budget towards the forestry sector over the years has been declining. In 1999 these 24 countries spent on average US\$0.82 per hectare. This is as opposed to US\$32 per hectare per year recommended by KIFCON. Kenya spent US\$1.08 per hectare for this period. Of the funds in reference, international financing accounted for 45% with the local governments accounting for only US\$0.45 per hectare. Even this domestic contribution covered recurrent expenditure rather than capital, which represented 86% of the budget allocated to forestry in 1999. Of the international financing, 73% went towards investment. Governments in the East Africa region spend on average, less than US\$3 per hectare on managing indigenous forests (Lucy Emerton & Francis Karanja, 2001). The low allocation towards forestry is attributed to low values attached to the

forest sector as only direct benefits are valued, there being no appropriation in aid for motivation and plough back and as a result of threatening or competing alternative land uses.

1.2 Kenyan context

Kenya has a diverse assemblage of natural resources requiring huge financial resources. Overall Kenya's wildlife protected areas have been estimated to have a global value of some US\$ 250 million annually (Moran 1994). Annual direct wildlife management expenditures are estimated at US\$ 8 million and a further US\$ 2 million for "charismatic" species such as the rhino and elephant. Opportunity cost for conserving wildlife habitats is estimated in excess of US\$ 215 million annually and a third of the foreign exchange earning (Lucy Emerton, 1998). Although wildlife tourism generates up to US\$ 27 million annually, contributing up to 10% to formal employment and 5% to GDP, little of this fund is ploughed back either to support conservation or to benefit communities which support conservation. The World Bank estimates that 55 per cent of gross revenues find their way back to developed countries through repatriated earnings, advertising costs and payments for tourism-related imports. Of what remains, little goes into conserving biodiversity that makes eco-tourism possible (World Resources Institute, 1992). Conservation has both public and private costs. These costs are significant – some over US\$ 25 million is required to manage wildlife conservation areas. As conservation sites do not generate enough financial returns to cover huge costs involved, there is a huge gap between the generated financial returns and conservation costs. Due to low priority given to conservation, the sector has continued to receive very little attention. The low allocation of financial resources towards wildlife conservation by treasury led to loss of keystone species with elephant population declining by approximately 85% and rhino population by around 97% by the late 1980s. This loss led the government managed department, Wildlife Conservation and Management Department (WCMD), which had been in existence for 15 years, being transformed in to a parastatal, the Kenya Wildlife Service (KWS) in 1989. For period 1979 - 1983, the government department received K£ 9,000,000 averaging an annual allocation of K£. 1.8million as recurrent budget while for same period the department received approximately K£ 10,000,000 as development budget which translates to K£ 2.0million per year (see table 1).

Table 1: Ministry of Tourism and Wildlife Recurrent & Development Expenditure for Period 1979/80 & 1982/83

	Recurrent expenditure for Period		Development expenditure for Period	
	1979/80	1982/83	1979/80	1982/83
Total for Tourism	K£7,447,400¹	K£10,196,900	K£8,178,998	K£7,519,750
Administration	802,205	1,719,530	1,238,160	1,212,020
Loans & Grants	0	0	332,540	610,040
Tourism services	1,275,635	1,849,060	670,170	0
WCMD ²	4,295,098	4,900,490	5,360,198	4,877,775
Fisheries	1,074,462	1,353,550	577,960	699,915
KICC	0	374,270	0	130,000

Source: GOK Recurrent & Development Estimates 1979/80 & 1982/83

¹ K£ (Kenya Pound) = 20 Kenya Shillings

² Wildlife Conservation & Management Department

KWS received a boost from the donor community who were keen to support the rehabilitation of the dilapidated infrastructure and huge financial resources were injected into the new parastatal. Financial resources to Kenya Wildlife Service for period 1999-2004 are shown in table 2. Though records for period 1990-1998 were not available at the time of writing this report, records after 1999 still show an institution with huge financial resources. This situation however, does not imply the parastatal has sufficient funds and has to operate with huge deficits.

Table 2: Kenya Wildlife Service (KWS) Recurrent & Development Expenditure for Period 1999/2000 – 2003/2004

Financial Year	Recurrent expenditure (Kshs)	Development expenditure (Kshs)
1999/2000	155,600,000	405,290,000
2000/2001	170,730,505	467,600,000
2001/2002	209,374,874	184,600,020
2002/2003	286,113,010	309,940,000
2003/2004	412,113,010	312,050,000
Grand total	1,233,931,399	1,679,480,020

Source: KWS

While the recurrent budget has increased over the years, development package has not increased at the same rate and for period 2001/2002 it declined by 50% from the previous period (2000/2001). This scenario could be attributed to declining returns from tourism due to tribal clashes witnessed at the coast in 2002. Both recurrent and development costs are higher than the income for KWS as depicted in table 3.

Table 3: Kenya Wildlife Service (KWS) income and expenditure flow for Period 1990/91 – 1998/99

Financial Year	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Income (Kshs '000)	154,629	291,245	344,573	730,898	710,752	809,116	946,510	726,525	739,258
Expenditure (Kshs '000)	309,795	331,872	597,964	1,039,180	1,290,827	1,473,432	1,685,706	1,718,050	1,359,057
Deficit	(155,166)	(40,627)	(253,391)	(308,282)	(580,075)	(664,316)	(739,196)	(991,525)	(619,799)

Source: KWS records

KWS has huge operating deficits, which have been increasing over the years. The huge deficits reflect the huge costs required to protect the nation's wildlife resources. While most KWS income is from gate fees, lease, royalties and shops, operating cost is high due to direct management cost towards security and maintenance. While park fees increased more than five times from the mid-1980s to mid-1990s, these financial resources are unable to effectively support all conservation areas. Half of the Parks under KWS management are non revenue generating and are supported by some ten or so high revenue generating parks being maintained as gene banks.

Forest products and services on the other hand contribute about 7.0billion shillings to the economy and contribute about US\$4million to the country's GDP and US\$0.22 million per year

as foreign exchange earnings. The sector also employs 50,000 people directly and another 30,000 indirectly (Lucy Emerton & Francis Karanja, 2001). In spite of this contribution, the sector receives little attention from the Ministries of Finance and Planning & National Development both in terms of planning and budgetary allocation. During the financial year 2000/2001 most funding (development and recurrent) came from the donor community with latter contributing 78% while government only 22%. During the financial year 1999/2000 the total investment portfolio was Kshs. 720million compared to a total government budget of Kshs. 287840million. Economic costs to Kenya's forests relate to annual development and recurrent costs estimated at US\$1.2million, opportunity costs of agriculture foregone in all Kenyan forests, US\$307million per year, opportunity costs of agriculture forgone around Mount Kenya US\$72million per year and animal damage around Mount Kenya US\$1.04million per year. Direct financial costs for managing the 1,090,619 hectares was estimated at Kshs.393 million per year (Peter Wass, 1995). However, in 1990/91 the budget to Forestry Department was K£59million or Kshs. 1180 million of which a tenth was towards indigenous forests which represents approximately Kshs. 100 per hectare of indigenous forest cover. In order to finance forest conservation, indigenous forest should be made financially self supporting where income generated from the forest should finance conservation directly. There should be increase in user charges for forest products. Financial resources to Forest Department have been low from the late 70s through to the 2000s (see table 4).

Table 4: Ministry of Environment and Natural Resources Recurrent & Development Expenditure for Period 1979/80 & 1982/83

	Recurrent expenditure for Period		Development expenditure for Period	
	1979/80	1982/83	1979/80	1982/83
Total for MENR	K£1,926,200	K£1,971,600	K£9,495,818	K£11,801,367
Administration	611,469	0	0	0
Forestry Development	860,960	680,190	8,349,718	11,302,027
Mineral Development	453,771	579,590	306,100	494,330
National Environment protection	0	213,750	0	5,010
General Development Planning	0	498,070	840,000	0

Source: GOK Recurrent & Development Estimates 1979/80 & 1982/83

Of the recurrent expenditure for period 1979-1983, the finances were from the Government of Kenya. Development support was largely from donors who included African Development Bank (ADB), European Development Fund (EDF), European Investment Bank (EIB), and a number of governments from Europe. For period 1982/83 the recurrent expenditure for the Ministry of Environment & Natural Resources, was K£1,971,600 out of the total government budget of K£868,161,085 which represents less than 0.2% of the national budget. Budgetary allocation to Forest Department and donor contribution to the sector are represented in tables 5 & 6

Table 5: Forest Department Recurrent & Development Expenditure for Period 1999 - 2004

Financial Year	Recurrent expenditure (Kshs)	Development expenditure (Kshs)
1999/2000	1, 468,723,120	5,613,420
2000/2001	1,339,407,480	18,000,000
2001/2002	1,561,898,160	15,614,000
2002/2003	1,890,030,434	57,780,000
2003/2004	2,353,967,147	-
Grand total	7,614,026,342	97,007,420

Source: Forest Department

Table 6: Donor contribution to Forest Department programmes as a percentage of total development budget for Period 1993 – 2003

Financial Year	1993/94	1994/95	1995/96	1997/98	1998/99	1999/2000	2000/01	2001/02	2002/03
Development Budget (Kshs)	308,510,660	241,711,160	184,841,580	49,978,500	4,695,700	5,613,420	18,000,000	15,614,000	57,780,000
% (Donor)	66	53	40	18	11	34	15	52	57

Of the recurrent budget, over 80% has been spent on maintenance leaving operations some 20%. While in the early 90s donors contributed over 50% of the development budget, this greatly went down by mid 90s and by 2000-2001, it represented only 15% of the budget. This is attributed to withholding of donor funds as a result of attaching conditionality to aid (good governance and protection of human rights). Donor support went up with the NARC government taking over and development budget went up to 57%.

Other key sectors such as water development have not been any better. Water development relates to provision of water for domestic and industrial use and protection of catchment areas. Financial allocation in water sector development dropped from US\$ 26million to US\$7.2million between 1996/97 – 2000/2001 and recorded a decline of 19.8 % from Kshs.716.3million in 1999/2000 to 574.5 million in 2000/2001 (Economic Survey 2001)

Based on the financial resources to wildlife, and forest sectors, it is apparent that conservation receives inadequate financial resources compared to other sectors which is attributed to:-

- Inadequate coordination in funding and fundraising
- Varied interests – corporate, government, individuals, foundations, trusts etc
- Weak policy foundation for conservation fund raising
- Failure to match up allocation to conservation with other sectors. Conservation is viewed as a drain rather than a gain.
- Inability of conservation initiatives to sustain themselves.
- Policy, marketing and institutional failures

2.0 Biodiversity conservation costs in Kenya

The cost to biodiversity conservation relates to the cost of establishing conservation areas and then maintaining them. These costs, which are direct or indirect, are classified as:-

2.1 Management costs estimated at US\$ 25 million and entails:-

- Costs of equipment
- Capital
- Wages
- Buildings
- Running costs
- Policing

2.2 Indirect costs cover estimated at US\$104/km²

- Human disease and injury
- Livestock losses
- Crop destruction
- Competition for resources

2.3 Opportunity costs (US\$200 million)

- Alternative land uses
- Technologies
- Profits forgone

2.4 Who is in Conservation in Kenya?

Table 7 International, regional and National agencies involved in conservation in Kenya

International; Donor community	UNEP, UNDP, World Bank, EU
International; Support agencies	WWF, IUCN, IFAW
Regional	East Africa Wildlife Society, AWF
National	ACC, KWS, National Museum of Kenya, Nature Kenya

3.0 Funding Sources

- Central government
- Royalties & Fees
- Multilateral and bilateral donors
- Charities, Trusts and Foundations
- United Nations Agencies
- Multinationals, Trans-nationals and Corporate World
- Private sector funding
- Endowments

3.1 Government

This is either through domestic financing and budgetary allocations or through government revenue and borrowing. Government funding towards conservation and research is generally low due to the low priority given to these sectors. Government support is also rare and most conservation is through external support. There is need to increase budgetary allocation to conservation and research through:-

- Proper justification of conservation by properly understanding the resource base and giving proper value to conservation (Economic, social-cultural and ecological).
- Managing conservation as a business through value adding and market creation. This can be done through initiatives such as butterfly farming as is happening in Arabuko Sokoke, mushroom growing, production of organic based products (Neem soap, tea, aloe vera, Mukombero tea among other organic products).
- Re-engineering conservation approaches in the country through policy influence.

Government sources are user fees which either target foreign tourists to Parks and Reserves, estimated at Kshs. 20,000 million (Economic Survey 2001, 2002, 2003) and fees and taxes that apply to individuals or business residents which account for Kshs. 3billion. Tourism charges include park entry fees, airport taxes, hotel surcharges, conservation fees and sporting which accounted for Kshs. 21,734 million in 2002 and which was a decline by 10.4% compared to 24,256million in 2001 (Economic Survey, 2003). Other fees include leasing fees for mineral and timber concessions; fees for watershed protection and pollution fees.

3.2 Multinationals, Trans-nationals and other corporate entities

There are a number of organizations, which either due to their social corporate responsibility, interest in conservation, or due to a requirement (development being tied to protecting the environment), image building, association, and profiling support environmental conservation. Some multinational corporations such as Total Oil Company, La Farge (running Haller Park – formerly Nature Trail, Bamburi), BP Shell, and British Airways have supported conservation initiatives. Total oil participated in the translocation of 10 white rhinos from South Africa to Kenya in 1994. Other corporations are Kenya Airways, KENGEN, Kenya Commercial Bank, and Nation Media Group.

3.3 Trust Funds, Foundations and Charities

These are a funding mechanism where a donor country or countries channel financial resources through the government or NGOs in support of conservation. Individuals also contribute. These therefore are multilateral, bilateral or privately initiated. The support is either period or activity tied, or focused on specific interests such as translocations, conservancy establishment and fencing. Funding is also released based on project appraisals concepts among other requirements. Trust funds are also known as environmental funds, national environmental funds or conservation funds. In Kenya, Community Development Trust Fund (CDTF) and Tourism Trust Fund (TTF) are the best examples both under support of the EU. The Biodiversity Conservation Programme (BCP), a five year programme (2000-2005) had a total of budget of Kshs. 400 million to support biodiversity conservation. TTF has an allocation of more than Kshs. 1billion. On 30th January 2004, the Rare Species Conservation Foundation (RSCF) facilitated repatriation of 18 mountain bongo antelopes from the U.S. to Kenya. Others are Save the Elephant (STE) aimed at securing safety of elephants in Africa, Born Free Foundation; Friends of Conservation (has supported a range of conservation activities). The Technical Corporation Trust Fund on the Conservation and Management of Marine Turtles and their Habitats of the Indian Ocean and South East Asia received a total of US\$ 142,194 in 2002 from Australia, United Kingdom and United States of America.

The funding is through NGOs and CBOs rather than governments. These provide few resources towards the cost of conservation. In the US over US\$ 100 billion dollars are donated every year. These are National Environmental Funds (NEFs) and Conservation Trust Funds (CTFs) as grants for conservation. They are funded jointly by government budgets, ODA sources, and corporate or personal philanthropic donations or from the proceeds of debt forgiveness or debt for nature swaps. Since 1990, approximately US\$370 million have been provided through NEFs to 17 developing countries, mainly for NGO and local community protected area activities (Mark Dillenbeck, IUCN US 1994). The International Finance Corporation (IFC) – private sector investment bank within the World Bank Group has been co-financing biodiversity linked enterprise in sectors such as forestry, agriculture, tourism and wildlife use. Within the private sources of funding, philanthropic initiatives play a critical role in sourcing support, providing and management. Some of these agencies are active in Kenya either through local offices or represented through contact agencies. These include

- Trusts; Tusk Trust, David Shedrick Trust, Eden Trust, Rhino Ark, among others.
- Foundations and Charities; MacArthur Foundation, Save the Elephant, Save the Rhino International, The Fauna and Flora International (FFI), Earth Watch (mostly supporting research), Zoological Society of London (ZSL) and BirdLife International (BLI), Rockefeller Foundation, and Ford Foundation are conservation charities dealing with species conservation.
- International conservation agencies; IUCN, WWF-UK, ICIPE, IFAW

3.4 Private sector funding

Pure direct private sector funding to conservation is rather remote. In most cases, the corporate world has either engaged in supporting conservation charities of evolving time-specific projects. Where successful examples can be cited, the tendency has been to shift the project and register it as a different entity. However, such rarely provide conservation funds but support conservation in specific sites of their interest as social corporate responsibility. In Kenya, examples of such initiatives include;

- Total Oil Company – the Total Eco-challenge aimed at increasing the country’s capacity to plant trees in the rural areas
- La Farge /Bamburi Cement Initiative – Supporting tree planting in primary schools within Eastern and Coastal Provinces through provision of tanks and seedlings
- Nation Media Group – support to the Aberdare fence conservation programme

3.5 Donors

The international community provides the bulk of conservation finances, which are either in the form of grants or loans. Donors are either international or national and bilateral or multilateral.

International donors -Bilateral and multilateral development

Bilateral donors; In Kenya, most of the foreign countries, and especially of the developed economies with embassies in the country support development initiatives locally. This financing mechanism and arrangement through Treasury in the Ministry of Finance are entered at the government level. Of the support provided, conservation and environment form an important focus. Over the years, this financing has been channeled through overseas development offices of the providing countries. The support is directed to broad programmes management through dedicated department or government institutions in conservation in particular such as Kenya

Wildlife Service, the Kenya Marine and Fisheries Institute, Kenya Forestry Research Institute, and Kenya Agricultural Research Institute, among others. Examples of such funding arrangements include;

- United States International Development – the support to conservation through COBRA managed by KWS
- United States International Development – the support to conservation through consortiums under CORE
- Kenya Wildlife Service in the 1990s under the PAWS
- The French Foreign Development Office – funding KWS in the rehabilitation of parks in late 1990s
- JICA support to KEFRI and KWS in institutional strengthening in 1990.

Multilateral donors; Like bilateral donors, multilateral donors have been providing support in the country over a long period in the country. The difference is rather minimal; based on the sourcing of funds, project coverage and utilization and management mechanisms. Multilateral donors are mainly made up of leading economic blocks and institutions as well as international agencies under the UN framework. Most of the programmes they support are ‘outside’ designed and monitored. They also present an international rather than local importance although such may incorporate micro- community based interventions and targeting. In other cases, the arrangement is multilateral in the nature of funding – where various donors pull resources to fund a single but broad conservation or development theme. Within the East Africa region, known multilateral programmes include;

- LVEMP – funded by SIDA, World Bank and SDC, among others
- Cross Border Biodiversity Conservation Programme – funded by UNDP through DDC
- PAWS of KWS – funded by DFID, USAID, KfW, World Bank, JICA, DGIS
- Biodiversity Conservation Programme under CDTF – funded by the European Union
- Tourism Trust Fund – funded by the European Union
- The Nile Basin Initiative – funded by UNOPS /UNDP and SIDA, among others
- The COMPACT project in Mt. Kenya – funded through UNDP and GEF.

The key international partners in conservation include the World Bank, UNEP, the Global Environment Facility (operated by the World Bank, UNDP and UNEP), NORAD, Netherlands DFID, the main source of forestry funding (DFID formerly ODA given to developing countries US\$1545 million for 1993), European Union (EU), KfW (German bilateral agency which in 1995 gave loans for forestry projects worth DM 712 million (approximately US\$ 500 million) while a number of non-governmental organizations exist in the US and Europe. These include the Critical Ecosystems Preservation Fund (CEPF) through financial support from World Bank, GEF, and Japanese Government. The WB has supported conservation activities at the tune of US\$2billion over the past decade. GEF has over 400 biodiversity projects in 140 countries worth US\$5.4billion (Wildlife & Poverty Study, 2002).

3.6 Endowments

The World Parks Endowment run by IUCN was created in 1989 to support conservation in “250 world’s biodiverse areas” Endowments are considered as a steady long term source of financial support for conservation. One such fund is established in Bhutan with a principal of more than \$10 million; the interest earned will be used to fund training, inventory, protected areas

management, environmental education among other development activities. Rhino Ark has launched a direct overseas fund raise for the maintenance endowment fund for the already completed fence- 171.5km and 40 fence attendants.

4.0 Funding guidelines

Each of the funding agencies has developed its own eligibility and funding principles. For a conservation or research-based project to attract funding, it has to meet certain eligibility criteria. There are donors who provide proposal development funds where a concept is developed into a full proposal by the donor providing both technical and financial support to the beneficiary. The best example is GEF, which gives up to Kshs. 3,500,000 towards the same. The Biodiversity Conservation Programme of the European Union allows some Kshs. 350,000 for proposal development. Other donors only support activities that go directly towards conservation.

Illustration of funding guidelines – The Biodiversity Conservation Programme (BCP)

The Biodiversity Conservation Programme (BCP) funded under the European Union was created by the Kenya government to provide financial and technical support to communities to participate in biodiversity conservation in and around important biodiversity areas. The five-year funding Programme (2000-2005) has a total investment budget of Kshs. 280 million with an integrated project receiving a maximum of Kshs. 14million. The Programme will contribute to reducing the human pressure and anarchic land use practices, which are currently putting natural resources to unsustainable use. The funding covers: *biodiversity conservation education and awareness; conservation based revenue generating projects; initiatives that reduce conflict between human and biodiversity interests and initiatives that reduce threats to biodiversity conservation.* The Programme is integrated within and complementary to the existing CDTF, established jointly by the European Commission and the Kenya government on 26th March 1996 under legal notice No. 303 of the Exchequer and Audit Act of the Government of Kenya, a legal framework for the Community Development Programme (CDP). The funding is demand driven where the beneficiaries send funding proposals to BCP. The received proposals are subjected to the following process: -

1. Desk Appraisal- to ensure that proposals conform with set out objectives.
2. Field appraisal to verify the facts on the ground
3. Project Management Unit (PMU) appraisal- to ensure that all issues relating to BCP objectives area address and also to get a consensus on the suitability of the proposal
4. Technical Advisory Committee appraisal- A technical review is carried out to ensure that project proposals prepared and appraised by PMU meet the funding criteria as set by the board of trustees.
5. Board of trustees (BoT) approval- to ensure that supported projects are relevant and inline with the countries objectives and policy directions.
6. Financing agreement will contain obligation of the contracting agency & beneficiaries
7. Monitoring- Project monitoring will be on regular basis by the PMU with quarterly reports submitted to BoT while annual reports will be prepared assessment carried out to ensure meeting of objectives
8. Reviews/evaluation reports-mid-term and final evaluation at the end of the project
9. Project hand over-Issuance of completion certificate

5. Potential sources of funding

There is need to allocate sufficient and sustainable finances towards conservation programmes. Some of these sustainable financial sources include: -

- Improving existing ones
- Developing new ones

- Encouraging conservation investment
- Soliciting private donations

5.1 Improving existing ones

- Renegotiating lease for facilities (lodges, tented camps, campsites)
- Improving existing charges (park fees)
- Introducing a premium for conservation-Eco-labeling Kenyan products (coffee, tea)
- Efficiency of revenue collection
- Increasing forest charges
- Strengthening eco-tourism

5.2 Developing new ones

- Payments for environmental services-hydropower & watersheds
- Bioprospecting-coral reefs and plant based medicines (aloe)
- Tradeable carbon dioxide permits
- Deforestation charges
- Resource extraction fees-oil/gas exploration, logging and mining
- Eco-options (safaricom)
- Hiring out services

5.3 Encouraging conservation investment

- Biodiversity leases, franchises & concessions
- Joint ventures in biodiversity business

5.4 Soliciting private donations

- Income tax relief on private donations-charitable giving in the USA & Canada- US Inland Revenue has granted tax-deductible charity status.
- Corporate giving-BP, BirdLife, Kenya Breweries Limited, Coopers Motor Corporation, Toyota Kenya, Kenya Vehicle Manufactures, Coca-Cola, DT Dobie
- Advertising & sponsorship – Banks

6.0 Strategies for fund raising

- Advertisements - Canon Europa has entered into partnership with WWF where jointly will raise environmental awareness through joint promotional and marketing activities. Other advertising partnerships are with the Italian pasta manufacturer. Other initiatives are corporate club partnerships. These corporate clubs provide financial support towards conservation programmes while they benefit from attending events affiliated to WWF.
- Funs, walks and runs - Safaricom has supported conservation through Lewa marathon since 2000 raising a total of Kshs. 30million (US\$400,000) Kshs. 7,360,890 (US\$ 100,000) was raised in 2003 towards conservation projects in northern Kenya (The Option. Safaricom magazine April-June 2004). The Rhino charge, an event organized by the Rhino Ark is perhaps the biggest fundraiser towards conservation in Kenya. The event raised Kshs. 26 million in 2003 towards the construction of the longest single electric fence measuring 320km). The single event raised some Kshs. 17million in 2002 and Kshs. 32,423,780 in 2004.

- Social Corporate responsibilities - As part of its social responsibility notwithstanding that paper on which printing depends emanate from forests, the Nation Media Group pledged Kshs. 1.4 million every year for the next four years towards the construction of the Aberdare fence through the Nation Aberdare Forest Fund. (Arkive). The Newsletter of Rhino Ark No. 21, 2002). The amount however totaled to Kshs. 9million within one year of the launch.
- Exhibitions & trade fairs; Tourism week, annual hospitality exhibition in Sarit Center, Nairobi.
- Donations- Safaricom donates Kshs. 1 million every month to Rhino Ark, Safaricom given Kshs. 9million towards agro-forestry around Ngare Ndare forest.
- Membership. The East African Wildlife Society through membership has over the past forty years invested more than US\$ 2million towards conservation in the East African region. Born Free Foundation also runs a membership fundraising strategy to support local youth groups involved in conservation in the country.

7. Keeping communication channels open

A clear communication channel is required between the donor and the beneficiary prior to and after receiving financial resources for conservation. The most commonly used channel is monitoring and evaluation agreed with the donor. Others include reviews and missions and reports (feedback).

- The M&E component
- Filing successful case-studies
- Supported program reviews and being informed of new strategies and shifts
- Broadening opportunities for collaboration and scaling up

9. Sustainability

A good project is one that will support itself beyond the external funding period. Financial sustainability is therefore an important ingredient for the success of the conservation project. Initiatives of ensuring sustainability include, enterprise related activities, endowment fund, through collection of conservation fee, royalties, village conservation fund. Along with economic sustainability, there is need to ensure empowerment sustainability. Communities are generally weak on institutional and financial sustainability. This should be spread across the community spectrum. Ecological sustainability is equally important. A clear mechanism should be inbuilt in the project to ensure and monitor sustainable resource use as in some cases conservation may not translate to sustainable wildlife and habitats as it may even accelerate loss.

- Endowment funds – exit strategy
- Institutionalization of user fees and moderate taxation for conservation support – policy shift!
- Information and community sensitivity on conservation
- Capacity development as an element of ensuring conservation support and awareness
- M&E in-built within relevant programmes for lesson-learning and sharing

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