



IMPLEMENTATION OF SADC TFCA FINANCING FACILITY



SADC Council Decision March 2018

- i. approved the establishment of Regional Financing Facility for SADC Transfrontier Conservation Areas to be supported by ICP partners resources;
- ii. directed SADC Secretariat to:
 - a. Convene technical meeting to prepare a mechanism to ensure that the regional conservation priorities and SADC interests are safe-guarded;
 - b. Finalise implementation modalities for operationalisation of the Regional Financing Facility for SADC Transfrontier Conservation Areas; and
 - c. Identify the Executing Agency and negotiate terms and conditions for the Agency, learning from experience of existing facilities such as the Project Preparation and Development Facility.



Objectives of the TFCA Facility

Overall Objective

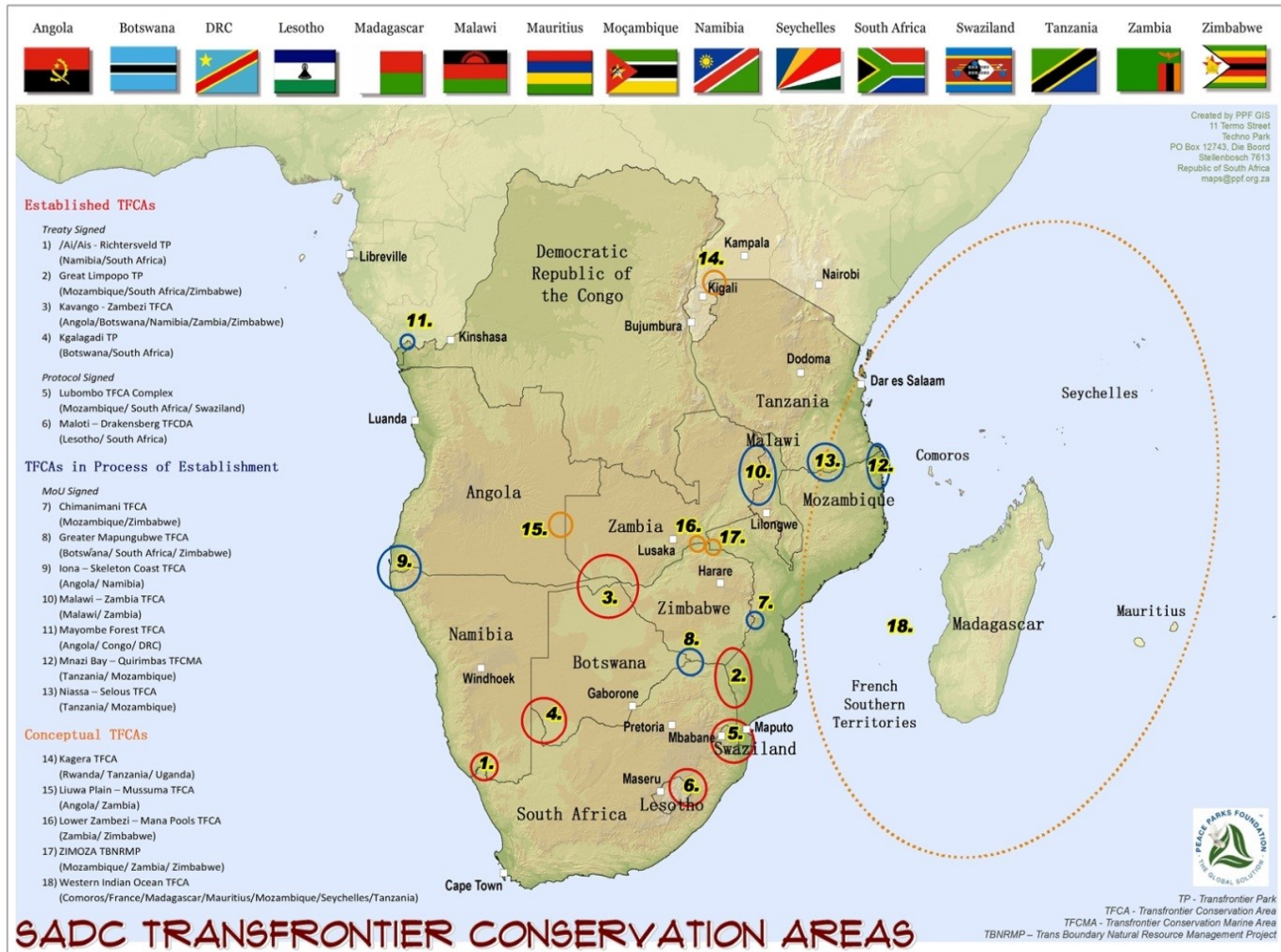
- To provide the basis for longer-term and more sustainable funding to support conservation and management actions in SADC TFCAs.

Specific objectives:

- To establish a standardised grant mechanism for the development of SADC TFCAs in line with the overall socioeconomic development and regional integration goals of SADC
- To provide a financial response mechanism for urgent needs critical to the success and integrity of TFCAs
- To leverage funding for like-minded programmes and foster exchange of information and good practice to strengthen strategic alliances



TFCAs in SADC Region – List of Potential TFCFA Facility Beneficiaries



Scope of the TFCA Facility

- Initial geographical focus for 3 years:
 - Three pilot TFCAs that are currently receiving support from KfW i.e. Great Limpopo, Kavango-Zambezi and Malawi-Zambia (80% of grant funds) 8 SADC Member States participate in these TFCAs.
 - Other TFCAs in the SADC region (20% of the funds)
 - 15 TFCAs (3 established; 7 in the process of establishment; and 5 in conceptual stage)
- All SADC TFCAs to be equitably eligible to benefit from the Facility in the medium to long term beyond 3 years.
- Grants will be awarded to TFCAs based on pre-determined selection criteria.
- Limited funds will be available to support preparation of grants where required.



Eligibility Criteria

- Governments, Government Entities, NGOs, Community Based Organisations and partnerships between these organisations will be eligible for funding.
- Projects will be selected based on pre-determined criteria that will be developed based on among others:
 - Objectives of the TFCA Facility
 - Functional dimensions (species, habitat and people)
 - Alignment to objectives of the SADC TFCA programme (2013)
 - Strategic plans of specific TFCAs; and
 - The principle of equity
- Only projects that meet the selections criteria will be considered.
- The Operational Manual for the Facility will be developed. It will stipulate rules and procedures to guide selection without prejudice.



GUIDELINES OF ELIGIBLE ACTIVITIES

- Activities relating to the implementation of existing TFCA integrated development plans (IDPs);
- Development of IDPs or similar plans where they do not exist;
- Activities aimed at addressing development challenges that are critical for the success and integrity of a TFCA;
- Thematic proposals covering more than one TFCA e.g. law enforcement, tourism and business development, infrastructure development; etc.
- Implementation of transfrontier agreements (e.g. standard operating procedures, joint wildlife protection measures, joint border control, planning and mapping); and
- Infrastructure development projects and funding in support zones and protected areas of specific regional importance



PROPOSED GOVERNANCE ARRANGEMENTS



The proposed governance structure consists of three entities:

1. The Funding Facility Steering Committee (SC)
2. The Funding Facility Executing Agency (EA)
3. Coordination by the SADC Secretariat



PROPOSED GOVERNANCE ARRANGEMENTS

1. The Funding Facility Steering Committee (SC)

- The SC will comprise of SADC Secretariat, SADC double Troika (represented by respective line Ministries) and current donors to the fund.
- The role of the SC will be to:
 - provide oversight, strategic guidance and policy direction pertaining to the utilization of fund.
 - approve proposals and grant allocation.
 - Oversee activities of the Executing Agency
 - Approve Operational Manual for the Facility including any proposed changes, and the criteria for selecting an Expert Group Roster.
 - review the overall progress of the Facility including monitoring and evaluation
- The Funding Facility SC will report to the SADC Technical Committee on Wildlife
- The SC can co-opt observers based on agreed criteria – to leverage resources and ensure synergies.
- The SC can set up **Sub-committees and ad—hoc working groups** to provide technical advice on specific issues.
- The SC will meet at least once a year.



PROPOSED GOVERNANCE ARRANGEMENTS

2. The Funding Facility Executing Agency (EA)

- The EA will be an Independent and reputable Organisation with regional and/or international mandate as well as experience in managing similar facilities.
- The EA will be contracted by SADC Secretariat through a Memorandum of Agreement and will assume full responsibility of funds provided under the facility
- The EA will be responsible for:
 - Grant management and administration of the Facility and will report to the Steering Committee (SC).
 - All aspects of fund management including: calls for proposals, preparation of a short-list of projects, grant administration and closure.
 - Compiling and maintaining **Expert Group roster** consisting of regional experts and international experts (if required) who will be called in to assist Member States in project development and peer review.
 - Mobilizing additional resources from other interested parties in order to expand the facility (marketing of the Facility)
- A mid-term review will be conducted after 2.5 to 3 years to assess performance of the EA prior to extension of any services.



PROPOSED GOVERNANCE ARRANGEMENTS

3. Coordination by the SADC Secretariat

The role of SADC Secretariat to include the following:

- Provide strategic advice and guidance to ensure alignment with SADC priorities, strategies and policies.
- Provide guidance to the Executing Agency on aspects related to the TFCA Facility.
- Ensure functional linkages between the TFCA Facility indicators and the SADC M&E System.
- Provide Secretariat functions to the Steering Committee.
- Prepare progress reports and submit to SADC Statutory structures an annual basis and as required.



ROLE OF INTERNATIONAL COOPERATING PARTNERS (ICPs) – KfW AND OTHER ICPs

- Provide financial support.
- Provide technical advice.
- Promote strategic partnerships
- Supporting projects in TFCAs or related sectors in the region such as Forestry, Water and Climate Change.
- Joint programme development and coordination.
- Not aspiring to benefit from the facility



Grant making process

1. Grant call
2. Concept note
 - Government endorsement
 - Technical peer review mechanism (screening and scoring)
 - Approval by Steering Committee
3. Proposal development
 - Technical peer review mechanism
 - Approval by Steering Committee
4. Contracting
5. Implementation
6. Evaluation



Proposed duration

- The TFCA Facility is initially intended to run for 6 years (2018-2023), with 2 phases, based on the current levels of investment.
- Initial funding from German Government through KfW is expected to be 12-20 m Euro for Phase 1 (EUR 12 m is already allocated)
- The intention is to leverage additional funds from various sources to reach a volume of EUR 100 million in the medium to long term beyond six years.



The costs of the TFCA Facility

The costs of the TFCA Financing Facility are composed of four components:

- Grant management and administration
 - Management fee by the EA
 - Cost recovery for direct costs
- Grant Preparation costs (on needs basis);
- Grant Project costs; and
- Contingencies and audits



Grant Management Costs

- Management costs benchmarked with other facilities such as the Water Fund and Project Preparation and Development Facility (PPDF) managed by The Development Bank of Southern Africa (DBSA)
 - charge 5% of management fees **plus** cost recovery of direct (proved) expenses for Water Fund
 - ring fenced account for PPDF on cost recovery **plus** negotiated fee for funds mobilised at a time.

Recommendation: The management fees may vary from 7 to 11% , **plus** recovery on proved expenses related to running the fund.



Major steps for establishment of TFCA Facility

1. Internal consultations (May-July 2018)
2. Consultations with KfW and Executing Agency (June 2018)
3. Develop revised Concept Note (July 2018)
4. Proposed budget from Executing Agency (July 2018)
5. Draft Agreement between SADC Secretariat and Executing Agency (September 2018)
6. Consultation with Member States through the SADC Technical Committee on Wildlife (November 2018)
7. Convene Inception meeting of the Steering Committee (July 2019)



Deliverables to be presented to the Technical Committee meeting

1. Eligibility Criteria for accessing funds from the TFCA Facility
2. Proposed governance structures including roles and responsibilities of the SC, EA, SADC Secretariat and ICPs.
3. Proposed EA and rationale for selection
4. Management and Administrative arrangements, including management fees, bench-marked with similar arrangements such as Water Fund, and PPDF.
5. Reporting and accountability arrangements (Secretariat, EA, and KfW)

