

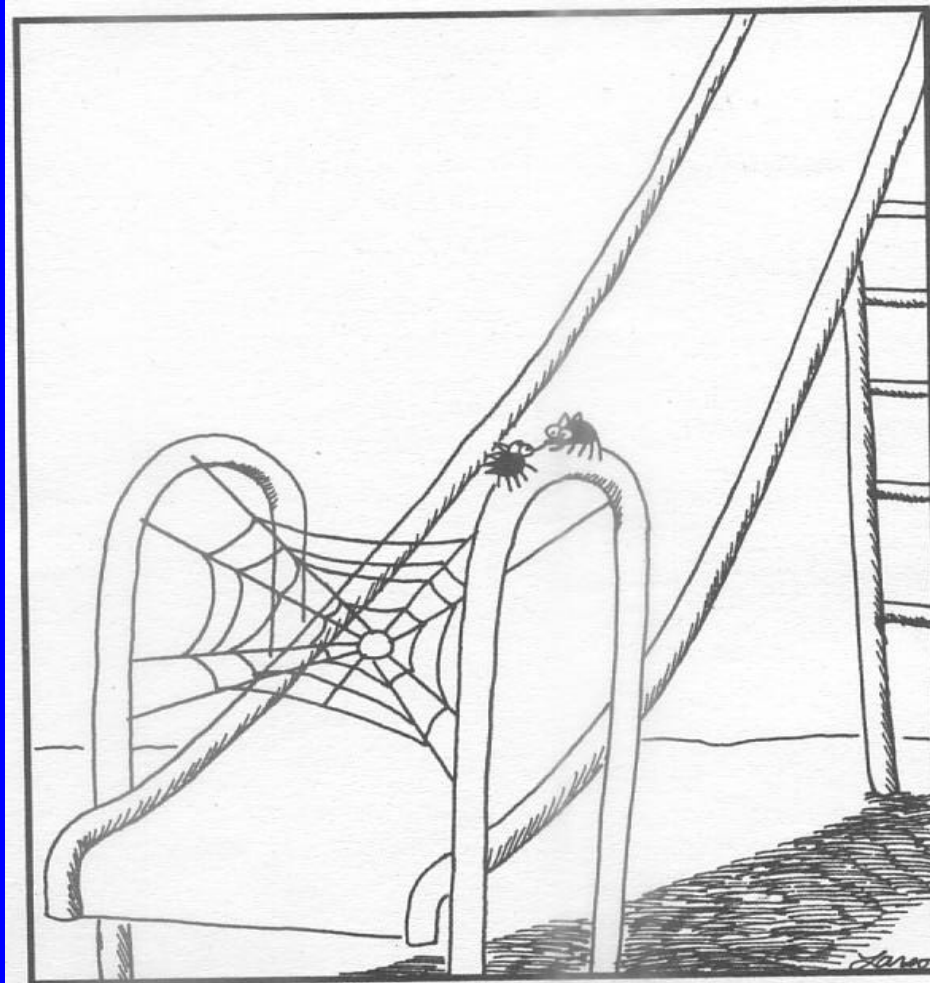
Financing for the Earth: Environmental Trust Funds in Jamaica

Presented by David C. Smith
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JAMAICA

- Area 11,000 km
- Population 2.5 million
- Per capita GDP 3,500
 - Tourism
 - Bauxite Mining & Alumina production
 - Agriculture
- Social unrest in the capital, Kingston
- Little emphasis on the environment
 - Support to National Parks cut by 85% in 1999

Working in the environment in Jamaica requires optimism



“If we pull this off, we’ll eat like kings.”

A Tale of Two Funds

- Environmental Foundation of Jamaica
 - Established as a result of the “Enterprise for the Americas initiative” of G. Bush (Senior)
 - Makes grants to NGOs CBOs and academic institutions in the fields of Environment and Child Welfare.
 - Carries out larger Special Projects of National importance.
- National Parks Trust Fund
 - Established as an output of the USAID-funded PARC project
 - Makes grants to NGOs managing National Parks and Marine Parks

The Use of Debt

- EFJ
 - The US Government reduced the debt owed by Jamaica.
 - US rescheduled the remainder, and allowed the interest payments to go to the “Fund” as Jamaican dollar payments
 - Payments on the principal go to the US Government in US dollars

The Use of Debt

- National Parks Trust Fund
 - A swap of Commercial debt owed by Jamaica to various banks
 - Took advantage of the Government's debt conversion programme
 - Helped by The Nature Conservancy and American Express Bank
 - Interest and principal payments paid to the "Fund" one time, at a discount, debt cancelled

Purpose of the EFJ

- “Conserve the natural resources and the environment of Jamaica and foster the well-being of our children”
- Grant making Foundation, now considering other ways of influencing action beyond grants

History of the EFJ

- Established in 1993 as a result of a debt reduction agreement.
- Was overwhelmed in early years, received project applications amounting to several times the total assets of the Fund, most of which were not fundable due to poor quality.

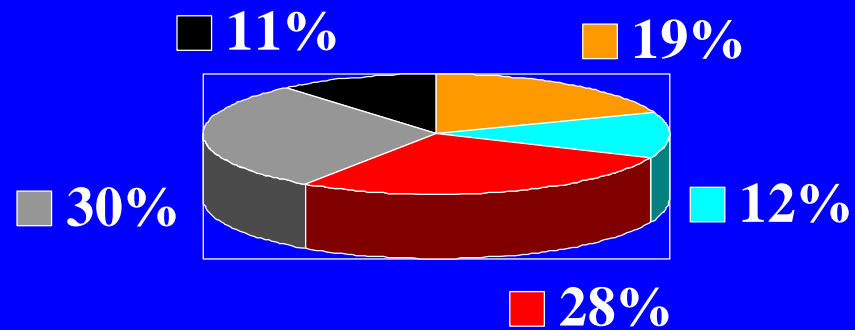
History of the EFJ

- Developed a reputation as an “unfriendly” donor, at this time 42% of applications were approved.
- The Canada/Jamaica Green Fund at the same time was rated as a better donor even though it made less grants.

Current Focus

- Product Diversification beyond grants
- Capacity building
- Investment diversification
- Partnerships
- Building the PR profile/image

Grant Program, last 3 years



- Capacity Building
- Resource Management
- Child Survival
- Education
- Technology

Grant Program, last 3 years

Capacity Building	19.10%
Sustainable livelihoods	12.23%
Child Survival	28.03%
Environmental awareness	29.43%
Technological innovation	11.20%

Operations

- Board of Directors
 - Policy direction
 - Fiduciary oversight
 - Management oversight
 - Grant approval over US\$10,000
- Administration & Management
 - Implementation of programmes
 - Fundraising

Operations

- Projects Unit
 - Process applications
 - Interact/advise applicants
 - Monitoring & Evaluation
- Special Project Unit
 - Project design & oversight
 - Coordination and some implementation
- Membership
 - Public Relations

Special Projects

- Proactive works with stakeholders
- Established to create impact by focusing more resources on a specific problem
- Established to carry out larger projects with multiple implementers including government.
- Average size US\$750,000 to one million

Benefits

- 461 grants made in 8 years (55 grants per annum)
- Largest source of local funding for local NGOs/CBOs
- Allowed NGOs to carry out programmes and to be viable
- Some members have had capacity increased

Challenges: capacity & ***u**ainability** (the 's' word)

- Assets: US\$ 28,200,000
- Annual grant budget: US\$1,300,000
- Average grant size (2001): **US\$19,500**
- Annual budget of largest NGO/CBO grantee: US\$863,000
- Annual budget of average grantee: **US\$50,000**
- **EFJ is the major donor for many of its grantees, and may often be the sole donor**

Challenges: the problem of being in a small island

- Finding suitably qualified Board members
 - Governance vs. Management
 - Balance of technical and other knowledge
- Fundraising
 - Responsibility of the Board or of the Staff?
- Conflicts of Interest
 - Small professional community, even smaller number interested in volunteering for the environment.
 - Everyone wears several hats

Challenges: generating IMPACT!!

- It is difficult to solve a problem by making a large number of very small reactive grants
- Little effort made in determining outputs of the programme
- EFJ has attempted to solve this by the Special Projects Unit
- Requires a much more focused effort on building capacity in potential & actual clients

Other ideas in Jamaica

- Forest Fund
 - Water Royalties
 - Carbon sequestration
 - Joint Implementation
 - Clean Development Mechanism
 - Partnerships with private land owners

Input from the Fellows

- I would like to hear from other Fellows how they may have solved problems of:
 - Fundraising
 - Political Independence
 - Conflict of interest
 - Self-interest
- Thank You