

**A Sustainable Trust Fund for Managing Invasive Alien Species
in Barbados and the OECS**

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**“Preventing COSTS of Invasive Alien Species (IAS) in Barbados and the OECS Countries”
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ACRONYMS

BEF	Biodiversity Enhancement Fund (from CBF's Tourism Enhancement Fund)
BIOPAMA	Biodiversity and Protected Areas Management Programme
BPAF	Bahamas Protected Area Fund
CABI	Center for Agriculture and Bioscience International
CAFÉ	Consortium of African Funds for the Environment
Caribbean Gateway	Caribbean Protected Areas Gateway
CARICOM	Caribbean Community
CBD	Convention on Biological Diversity
CBF	Caribbean Biodiversity Fund
CCCCC	Caribbean Community Climate Change Centre
CCI	Caribbean Challenge Initiative
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CEPF	Critical Ecosystem Partnership Fund
CFA	Conservation Finance Alliance
CIAS	Caribbean Invasive Alien Species
COP	Conference of the Parties
CSO	Civil Society Organization
CTF	Conservation Trust Fund
DCNA	Dutch Caribbean Nature Alliance
EF	Environmental Fund
EFJ	Environmental Foundation of Jamaica
FEED	Farmers Empowerment and Enfranchisement Drive (Barbados)
FUNBIO	Brazilian Biodiversity Fund
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GET	Global Environment Trust
GLISPA	Global Island Partnership
GSDTF	Grenada Sustainable Development Trust Fund
IAS	Invasive Alien Species
IDB	Inter-American Development Bank
IMO	International Maritime Organization
IPPC	International Plant Protection Convention
ISO	International Organization for Standardization
IUCN Green List	International Union for Conservation of Nature Green List of Protected and Conserved Areas Program
IUCN SSC	International Union for Conservation of Nature Species Survival Commission
IUCN	International Union for Conservation of Nature

IUCN–ORMACC	International Union for Conservation of Nature Regional Office for Mexico, Central America and the Caribbean
IUCN–WCPA	International Union for Conservation of Nature World Commission on Protected Areas
KfW	German Development Bank
LAC	Latin America and the Caribbean
MARENA	National Fund for the Environment and Natural Resources
MEPA	Marine Ecosystem Protected Area
METT	Management Effectiveness Tracking Tool
MOU	Memorandum of Understanding
MTIASIC	Mitigating the Threat of Invasive Alien Species in the Insular Caribbean
NBSAP	National Biodiversity Strategy and Action Plan
NCTF	National Conservation Trust Fund (or Trust Fund)
NCTFJ	National Conservation Trust Fund of Jamaica
NGO	Non–Governmental Organization
OECD	Organization for Economic Cooperation and Development
OECS	Organization of Eastern Caribbean States
PA	Protected Area
PES	Payment for Ecosystem Services
PIF	Project Identification Form
PSF	Private Sector Facility (Global Climate Fund initiative)
R, M&E	Reporting, Monitoring & Evaluation
RAPPAM	Rapid Assessment and Prioritization of Protected Area Management Tool
RedLAC	Latin American and Caribbean Network of Environmental Funds
SCNCF	St. Kitts and Nevis Conservation Trust Fund
SDG	Sustainable Development Goal
SEM	Strategy Effectiveness Measures
SIDS	Small Island Developing States
SLUNCF	St. Lucia National Conservation Fund
SPAW	Specially Protected Areas and Wildlife
SVGCF	St. Vincent and the Grenadines Conservation Fund
T & T Green Fund	The Green Fund of Trinidad and Tobago
TEF	Tourism Enhancement Fund
TF	Trust Fund
TNC	The Nature Conservancy
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UWI	University of the West Indies
WfW	Working for Water Programme (South Africa)
WWF	World Wide Fund for Nature

EXECUTIVE SUMMARY

Invasive Alien Species (IAS) are a significant global biodiversity conservation challenge estimated to cost economies over \$1.4 trillion annually, an estimated 5% of world Gross Domestic Product (GDP) in 1998.¹ This is in addition to the significant adverse impacts of IAS on food security and human health and well-being and the attainment of the Sustainable Development Goals (SDGs).² To address the issue of IAS in the Caribbean hotspot, the Global Environment Facility (GEF) has supported several IAS management projects, with significant co-financing provided by regional national governments and international and regional multilateral and bilateral organizations, Non-Governmental Organizations (NGOs) and public and private entities. Lead project implementors are UNEP and the Center for Agriculture and Bioscience International (CABI), supported by national executing agencies, the University of the West Indies (UWI) and other public and private regional Agencies and organizations. As a developing region however, Caribbean IAS management remains largely un-coordinated and under-financed.

Regional projects^{3,4,5,6} executed thus far have all pointed to the same broad conclusions, which are consistent with global findings regarding IAS amongst geographically proximate islands. Firstly, prevention is more cost effective than control and management. Experiences have taught us that it is very likely that once an IAS enters the region it spreads quickly from one island to another. Therefore, prevention in the regional or sub-regional context requires that IAS management must take a structured, programmatic approach, which means that regional IAS management is essential to prevent IAS introductions, re-introductions and spread among the islands. Second, IAS management is cross-sectoral in nature and therefore complex and in need of being coordinated on an overarching regional level. Third, the nature of IAS is such that IAS management will be required into perpetuity, which means that management is ongoing and therefore costly and maintenance following restoration is critical to prevent re-introductions. IAS management therefore requires scientific and systematic planning and must follow a standardized and rigorous sequence of steps to achieve and sustain results.

The conclusions from these projects and those conducted globally indicate that the only efficient and therefore cost-effective method for IAS management in the Caribbean is through the establishment of a regional entity that develops and spearheads the implementation of an ongoing, systematic, science-based regional IAS management approach that prioritizes prevention. This approach is also endorsed by various National Biodiversity Strategy and Action Plans (NBSAPs). As the region is a developing one with budgetary constraints however, a sustainable funding mechanism must be identified to fund this overarching regional entity into perpetuity if we are to be successful in preserving the Caribbean as a biodiversity hotspot.

This Report analyzes two sustainable financing mechanism options and concludes that a Caribbean IAS Trust Fund (CIAS TF) is likely to be the most feasible financing option for managing IAS that are a common threat to multiple islands or the wider Caribbean. While the other possibility, regional, unified Policy Options is technically ideal and can still be pursued to provide intermittent financing to the CIAS TF, it may not be a viable, stand-alone, sustainable

solution in a developing region where ongoing funding demands are varied, unplanned and significant. A CIAS TF on the other hand, will independently mobilize, blend and oversee the collection and allocation of financial resources to facilitate its one overarching reason for existing: "...strategic focus, rigorous [IAS] project management, solid monitoring and evaluation and high levels of transparency and accountability",⁷ all proven to be essential components when independently mobilizing large scale resources for the public good. As will be described hereunder, further analyses must be conducted as a follow-on to this Report to establish CIAS TF budgetary and capacity requirements for CIAS TF operations, inclusive of the formulation, co-ordination and execution of national and regional NBSAPs.

There are existing synergies in Barbados and the Organization of Eastern Caribbean States (OECS) that suggest that the sub-region is the ideal starting point for Caribbean IAS management under the CIAS TF. Not least of these is the GEF funded project that is presently ongoing, "Preventing COSTS of Invasive Alien Species (IAS) in Barbados and the OECS Countries"⁶ (referred to as Preventing IAS Costs herein). However, this is not to say that other Caribbean nations cannot immediately come on board with preliminary IAS management initiatives such as capacity building and awareness-raising, and even consultations with the CIAS TF on independently financed and executed IAS management initiatives. Further, while the Barbados and the OECS sub-region and the ongoing Preventing IAS Costs project is a good start for selling the idea of unified, systematic, science-based IAS management in the region, the CIAS TF initiative must eventually be expanded throughout the wider Caribbean if strategically and scientifically planned and executed, and sustainably financed regional IAS management are to become a reality.

This Report clearly shows that the regional infrastructure is in place for successful TF execution in the Caribbean: the success of the longstanding Latin American and Caribbean Network of Environmental Funds (RedLAC) and the government-led Caribbean Challenge Initiative (CCI) that resulted in the formation of the TF umbrella, Caribbean Biodiversity Fund (CBF). In fact, RedLAC was a major supporter of the Conservation Finance Alliance (CFA) and the Consortium of African Funds for the Environment (CAFÉ) in the development of Practice Standards for structuring and executing TFs⁸ that have become internationally-recognized. Also, RedLAC and the CFA provide capacity building tools plus a supporting TF network to assist in the implementation of these Practice Standards. CBF is a staunch advocate of these Standards, which means they have been implemented by all of the TFs under its umbrella. A CIAS TF under the CBF umbrella is therefore a viable IAS management solution. An essential requirement however, is to identify a sustainable funding mechanism to finance overall CIAS TF operations.

While the CIAS TF is the most practical solution for IAS management, and this Report describes components to ensure its success, the question may arise as to whether it is more financially viable to have an existing regional TF adopt the Caribbean IAS management objective as one of its key objectives. For example, the incorporation of Caribbean IAS management by the Saint Lucia National Conservation Fund (SLUNCF), one of the CBF's leading Partner TF and the only

CBF Partner TF that lists IAS as an ecosystem threat, albeit specifically to marine ecosystems.⁹ Or a perhaps less appealing possibility because it pertains to the wider Latin America and the Caribbean (LAC) region, may be to incorporate the Caribbean IAS management function under a TF in the RedLAC network, for example the Brazilian Biodiversity Fund (FUNBIO) that operates as a GEF implementing agency and coordinates with regional TFs, Civil Society Organizations (CSOs) and other Agencies to execute LAC biodiversity conservation objectives.¹⁰ But these options are not ideal, as neither SLUNCF nor any of the Caribbean TFs are regional, but instead highly focused on national objectives that are significant in their own right, and the TFs under RedLAC are primarily focused on Latin American countries with their own significant biodiversity challenges, plus IAS management among proximate islands is separate and distinct from IAS management on continents. And most importantly, IAS management in the Caribbean hotspot is a challenge unto itself with global repercussions, suggesting that a regional TF dedicated to Caribbean IAS management is warranted.

In considering capital and resource mobilization for the CIAS TF, it becomes clear very early on that as is the case with all TFs, all aspects of the CIAS TF's design and structuring must be geared toward capital and resource mobilization. This is because outside of unrestricted funds that may be generated, the CIAS TF is likely to be funded by multilateral and bilateral organizations, governments and other donors that must have confidence in the ability of the TF to use scarce resources in the agreed manner: with transparency and accountability to efficiently and effectively achieve or surpass agreed outcomes at the lowest possible overall cost. Capital and resource mobilization must therefore be kept in mind when structuring all components of the TF identified by the Practice Standards:

- **Resource Mobilization** that develops a fundraising strategy based on traditional and innovative resource mobilization vehicles that appeal to donors and other stakeholders and are compliant with the regional and national legal and regulatory environment.
- **Asset Management**, that defines the TF's investment strategy and its use of endowment, revolving and/or sinking funds to maximize returns on donor investments while minimizing investment risks.
- **Reporting, Monitoring and Evaluation**, which is where environmental management systems and environmental financial accounting can be employed to achieve and communicate TF effectiveness while helping to build biodiversity conservation lifestyles in the region.
- **Operations**, that entail strategic planning and financial planning, an appropriate communications strategy and an effective grant-making program to illustrate successful and effective TF operations.

- **Administration** that incorporates day to day TF operations based on stringent policies and procedures that engender transparency and accountability while minimizing administrative costs.
- **Governance**, including well-defined, exacting policies, and legal structuring that minimizes taxation costs while maximizing taxation benefits to donors.

This Reports provides a description of the manner in which these TF Practice Standards can be implemented so that the CIAS TF optimizes its chances of success in attracting support from donors and other stakeholders to effect stated IAS management outcomes. However, the financial sustainability of the CIAS TF is based on its ability to secure sufficient funding to cover its annual operating expenses plus annual allocations for regional IAS management. An endowment is typically the funding mechanism utilized by TFs to ensure financial sustainability, while providing the added benefit of the perception of TF longevity and therefore reliability in addressing challenges as great and as enduring as IAS.

An endowment of US\$50 million that can be accumulated over a few years is being proposed as the CIAS TF's means of achieving financial sustainability at the outset. This amount can be increased over time to address the IAS challenge, but as a starting point it is based on the high biodiversity value of the Caribbean, as evidenced by the high value IAS and biosecurity projects executed by the GEF/UNEP and related agencies, matched by contributions from regional governments in conjunction with NGOs and other public/private entities. These projects exceeded US\$7 million each at the low end. An endowment of US\$50 million may yield sufficient annual returns, approximately US\$1.2 million, to cover annual CIAS TF operating costs of around US\$300,000 in keeping with global TF experiences, plus IAS management projects on the scale of regional projects executed thus far. CIAS TF cost efficiencies, for example using regional CSOs to carry out IAS projects can be factored in to reduce annual operating costs so as to release higher amounts to be allocated to IAS management. Further endowment considerations must therefore be considered, along with opportunities for sinking and revolving funds to allow the achievement of even greater IAS management outcomes, keeping in mind the tremendous positive impact of healthy ecosystem services on the attainment of the SDGs in a developing region.

Donors and resource hubs such as the GEF, the Global Island Partnership (GLISPA), Biodiversity and Protected Areas Management Programme (BIOPAMA), International Union for Conservation of Nature (IUCN), Inter-American Development Bank (IDB), Caribbean Development Bank (CDB), The Nature Conservancy (TNC), the German Development Bank KfW, World Bank and Caribbean national governments, NGOs and public/private entities have all contributed significantly to biodiversity conservation in the Caribbean. These entities can be approached to support IAS management in the Caribbean hotspot where none of the existing Caribbean TFs address IAS impacts, an extremely significant and ongoing challenge because of island proximity and

international and inter-island travel and trade. This challenge impacts both regional and global biodiversity conservation and ecosystem services and therefore regional and global SDGs. This Report represents one aspect of the investigation into the feasibility of the CIAS TF as a sustainable IAS management funding mechanism. It defines the viable structural components for the design of the TF and confirms that these components are supported by existing business and services infrastructure in the Caribbean, along with access to developed global investment markets and TF infrastructure. Further, it suggests that there are substantial donors that have, and are interested in continuing to contribute to biodiversity conservation in the Caribbean hotspot. IAS awareness and its impact on the attainment of the SDGs must be enhanced to attract donor funds however, which will be a key function of the CIAS TF.

However, viable TFs, and particularly a regional TF of the caliber being proposed for the CIAS TF, cannot be based on appropriate design, infrastructure and the existence of viable donors alone. The CIAS TF will require the support of a host of stakeholders in order to be successful, from international conventions and champion donors, to regional governments and public agencies, regional and international private entities, NGOs, national communities and individuals etc. This means that these stakeholders must be made a part of the decision-making process in the final formulation of the design, structuring, governance, operationalization and financing, that is, all components of the development and establishment of the CIAS TF. A road map to accomplish this would involve:

1. **Commissioning a feasibility study**^{11,12,13,14} to first identify and then begin involving all stakeholders that will be impacted by the CIAS TF, so that their buy-in, trust and ownership commitment can be secured. This step will acquire ideas and a consensus from stakeholders on the guiding principles of the CIAS TF, its mutually agreed objectives and desired outcomes, its legal and operational structuring and the manner in which financial sustainability will be achieved in accordance with regional laws.
2. **The formation of a Steering Committee**¹⁴ that will finalize the design of the CIAS TF and collaborate with, or accompany regional governments in approaching donors to capitalize and fund the CIAS TF. The Steering Committee will also take on the role of the transitional governing body in formalizing the structuring and legal establishment of the CIAS TF, including retaining the first governing body or board of trustees/directors and the executive director that will oversee the ongoing operations of the CIAS TF.
3. **A CIAS TF Profile**¹⁵ must be produced by the Steering Committee that briefly but clearly defines the core principles and orientations of the CIAS TF for use in marketing and fundraising. The Profile will include the CIAS TF's mission, eligible activities, legal status, tax exemptions, governance, operations and finance structure etc.
4. **Establishment and development**¹⁶ of the CIAS TF can begin once financing is committed for start-up operations. At this stage the CIAS TF will be legally established and

operationalized in accordance with the design, structure and strategic plans formulated by the Steering Committee per ongoing communications with stakeholders, both during and after the feasibility study. Once the new governing body is put in place, the Steering Committee will remain accessible to ensure a smooth transition.

This Report strongly supports the creation of the CIAS TF as a feasible sustainable financing mechanism for ongoing IAS management in the Caribbean, starting with Barbados and the OECS where work is presently ongoing under the GEF funded project, Preventing IAS Costs. Until such a coordinated, science-based, regional approach is taken for IAS management, the present ad hoc approach will remain akin to throwing good money after bad, with intermittent successes that do not build momentum to sustainably resolve the IAS problem in the most cost-effective way possible. IAS remains too significant a threat to the Caribbean as a biodiversity hotspot with global implications, to continue with such an approach. As CABI's IAS Regional Coordinator opined: **IAS "...continue to pose one of the biggest threats to economic development on this planet...and in the absence of up to date, comprehensive data one can assume that the costs of IAS to small island states are comparable or even significantly higher than the impacts associated with Climate Change, one of the biggest challenges of our time."**¹⁷

The Way Forward

This Report has been reviewed by CBF and their comments have been incorporated herein. CABI and CBF are presently collaborating on the process of preparing a Concept Note and a proposed Memorandum of Understanding (MOU) to finalize and begin the implementation of the Road Map regarding the establishment of the CIAS TF under the CBF umbrella.

At the same time, CABI has committed to:

- securing CABI-leadership agreement to the establishment of the CIAS TF under the CBF umbrella so that the CBF MOU and CBF-endorsed Road Map can be executed;
- obtaining governmental endorsement of the CIAS TF from Caribbean member countries;
- the preparation of communication materials to garner Caribbean-wide support for the establishment of the CIAS TF; and
- retaining a Consultant to work along with CBF to implement the CIAS TF Road Map, including securing donor commitments required for operationalization of the TF.

Completely executing the CIAS TF Road Map will take time. It is therefore highly recommended that implementation begins during the Preventing IAS Costs project lifecycle while there is a high level of stakeholder awareness on the severity of the IAS problem that is being highlighted

by the outputs from the risk assessments that are being undertaken for several high risk pathways, including the pet and aquaria trade, international passenger luggage, international trade specifically in used vehicles and tires, forestry products, agricultural commodities, and a marine assessment. These analyses will assist in quantifying the problem and assist in setting priorities for the CIAS TF once it become operational. It will also greatly assist in securing donor commitments to establish the CIAS TF, and in effect, a lasting solution to the pervasive Caribbean IAS problem.

CARIBBEAN IAS MANAGEMENT – STRATEGIC FOCUS

Political, Country, Economic, Regional and Social Contexts

According to the Convention on Biological Diversity (CBD), ““alien species” refers to a species, subspecies or lower taxon, introduced outside its natural past or present distribution; includes any part, gametes, seeds, eggs, or propagules of such species that might survive and subsequently reproduce.”¹⁸ “Invasive alien species” means “an alien species whose introduction and/or spread threaten biological diversity.”¹⁸

“Alien species that become invasive are considered to be main direct drivers of biodiversity loss across the globe”,¹⁹ estimated to cost our economies over \$1.4 trillion each year.¹ As CABI notes, “Invasives disproportionately affect vulnerable communities in poor rural areas, especially in developing countries [such as the Caribbean] which depend on natural resources, healthy ecosystems, trade and tourism for their livelihoods. Key issues and actions to mitigate IAS are captured in COP 6 Decision VI/23¹⁸;

Various entities have been involved in IAS management in the Caribbean. Starting in 2003, several Caribbean regional projects on IAS have been funded mainly by the GEF with regional co-financing in cash and in-kind. These projects were, or are in the process of being executed by CABI in conjunction with other national, regional and international governmental and non-governmental entities. Key among these projects are:

- Invasive Species Threats in the Caribbean Region: Report to the Nature Conservancy³;
- The Aid Trade: International Assistance Programs as Pathways for the Introduction of Invasive Alien Species⁴;
- Mitigating the Threat of Invasive Alien Species in the Insular Caribbean (MTIASIC)⁵; and
- Preventing COSTS of Invasive Alien Species (IAS) in Barbados and the OECS Countries⁶ (presently on-going).

These projects have been consistent in their findings regarding the requirements for IAS management in the Caribbean region. The substantive conclusions throughout are that:

1. IAS management must take a structured, programmatic approach, so for example a regional project effected simultaneously in several islands. This is supported by the IUCN that suggests “horizon scanning” “...to identify high-risk potential invasives and their introduction pathways, based on the presence of invasive species in nearby islands or key trading partner countries, and on actual or likely economic, societal or environmental trends.”²⁰

The CBD, IUCN and CABI all concur that the most cost-effective measure to address IAS impacts is to prevent their introduction. Prevention requires cross-sectoral collaboration among governments, economic sectors and non-governmental and international organizations. This is critical among the Caribbean islands where priority pathways of introduction must be managed via strengthened and regulated biosecurity systems and the implementation of early warning systems, controls and eradication capacity.^{21,2,22,3}

2. As a result of the complexity of IAS management and the cross-sectoral nature of it, project durations take many years and must therefore be sufficiently funded. Caribbean Community (CARICOM) points to regional resource constraints and competing national priorities, but recognizes the new sustainable biodiversity conservation funding mechanisms that are emerging and promotes the inclusion of biodiversity funding in national budgets. CARICOM also notes the potential for private sector and civil society conservation investments.²³
3. IAS management projects must follow a standardized and rigorous sequence of steps, beginning with a desktop study that leads to a feasibility assessment, which is then followed by control and/or eradication plans, then post-operation plans to monitor IAS management success and ecosystem restoration. IUCN reiterates this recommendation for detailed and systematic planning and has documented rigorous IAS management steps that can be used by islands worldwide.²⁰

On a more granular level, the IAS regional projects were consistent in their recommendations:

- the revision of the national and regional legislative and regulatory frameworks to facilitate IAS management. Added to this, IAS projects should indicate whether new or modified regulations are necessary for effective IAS management;
- the mobilization of resources, for example GEF funds allocated to islands in the region and national and regional allocations, to obtain economies of scale while tackling the IAS problem on a regional scale where high risk pathways exist;
- the engagement of multiple implementing agencies and regional components, including those that manage IAS pathways, such as customs, biosecurity and tourism;
- the prevention of IAS introductions, the most effective measure for IAS management, particularly in developing regions where pathways are unclear. Also, if introduction occurs, the determination of whether IAS control and/or eradication is feasible based on the prioritization of biodiversity to be conserved and the national regulations and social practices;

- the ongoing development of a publicly available and consistently updated regional IAS database that links to global efforts. This will strengthen national and regional IAS management mechanisms, provide baseline information on IAS distribution and be a repository of technical documents, priority-setting exercises, IAS impacts and the identification of related expertise;
- the realization of economies of scale in addressing common regional IAS problems in order to maximize results from resources employed. This includes capacity building, training in specific priority areas and support in important areas such as taxonomy;
- outreach programs that share knowledge and information on the short- and long-term effects of IAS and how individuals can help the national community to resolve the problem;
- awareness-raising via consultations, seminars and media briefings etc. among policy-makers, national communities and individuals, that is, all stakeholders, to emphasize the cross-sectoral nature of the IAS problem and the roles of all stakeholders in resolving the problem;
- the start-up of pilot activities on different islands simultaneously to address shared pathways and achieve traction in IAS management;
- the link with other conventions such as International Plant Protection Convention (IPPC) and International Maritime Organization (IMO) etc.; and
- the development of national IAS policies and strategies by all islands, that link national commitments with international treaties. This will allow:
 - the development of national IAS action plans to facilitate IAS prevention or mitigation;
 - the assessment and prioritization of the existing national IAS problems;
 - the identification of national requirements to address IAS, such as training and infrastructure, information management, networking and cooperative links; and
 - the development of a cross-cutting sectoral approach, as IAS impacts a broad range of stakeholders;

UNEP, in its 2016 assessment of The State of Biodiversity in Latin America and the Caribbean,²⁴ reiterates the recommendations made by the Caribbean regional IAS projects:

- Mainstream biodiversity across governments and productive sectors – via policies, institutions, laws, regulations and productive sectors such as agriculture, fisheries, tourism and forestry.

- Enhance environmental rule of law and regulation enforcement – by implementing mechanisms for compliance and enforcement. This may entail strengthening capacities and enhancing cooperation amongst all actors, particularly the enforcement community.
- Increase available resources for biodiversity – as effective and sustainable conservation practices require secure financing and capacity. Policymakers must be influenced to allocate sufficient financing to biodiversity conservation and sustainable use and civil society and communities must be engaged in conservation activities.
- Increase multi–sectoral coordination – so that government, civil society, private sector, academia and intergovernmental agencies improve communication and coordination on biodiversity conservation work.
- Enhance the availability of data – to measure progress towards biodiversity conservation.
- Promote South–South and Triangular cooperation – to obtain synergies from regional networks and collaborations to strengthen science in the region.
- Include biodiversity goals in decision making processes, including amongst government agencies not directly related to biodiversity, such as Ministries of Finance, Agriculture, Infrastructure, Tourism and Education etc. This addresses the cross–sectoral nature of biodiversity conservation.
- Mainstream biodiversity into business practices – so that biodiversity values are considered in decision–making in the private sector.
- Utilize Payments for Ecosystem Services in the region – that contribute to solving biodiversity challenges sustainably.
- Link tourism to development planning in coastal nations – to incorporate natural resource accounting and biodiversity values and services into decision–making.
- Invest in raising public awareness of biodiversity values to change behaviors – through education in schools, workshops at different levels, mainstreaming biodiversity into government policies, incentives, campaigns by civil society and non–governmental organizations, partnership with the private sector, enhancing university training and mainstreaming national ecosystem accounting across government.
- Strengthen protected area (PA) networks and biological corridors – including community–managed reserves.
- Enhance the implementation of biodiversity–related Conventions to build institutional

capacity – such as capacity development programs, technology transfer, assessment of ecosystem services to strengthen the science–policy interface for decision–making and building new partnerships. There is potential to mobilize sustainable financing from sources such as national governments, regional and global funds and private businesses etc.²⁴

The Project Identification Form (PIF) for “Preventing COSTS of Invasive Alien Species (IAS) in Barbados and the OECS Countries” (Preventing IAS Costs), notes that the Small Island Developing States (SIDS) that participated in MTIASIC developed IAS policies, created awareness, built capacity, developed best management practices for selected IAS and produced a draft Regional IAS Strategy. Other successes include a “...web portal for the project that shares the many outputs, including national invasive species strategies, critical situational analyses, available data on IAS species, and cross referencing of good practices and resources.”⁶ The PIF concludes that the need for a regional IAS management mechanism is clear: “...the region at large still remains at risk because a number of other SIDS have ineffective or no strategies to manage IAS. As such it is critical to include as many other SIDS in a Regional Strategy and to enhance national IAS management strategies throughout the region.”⁶

While the Preventing IAS Costs project is still ongoing and therefore does not yet have recommendations, the PIF noted that “The current lack of regional cooperation is a major impediment, especially with regard to the management of pathways. Failure of one SIDS to effectively manage IAS means that all other islands are at increased risk...A review of available data from the six OECS countries reveals a wide range of invasives already affecting the economy, human and animal health and biodiversity of global significance...Although precise figures on the impact of IAS regionally are not available, the Commonwealth of Dominica estimates...”⁶ an annual cost of US\$2.7 million to manage just 3 particular IAS on that island alone.

It is unquestionable that the Caribbean–wide archipelago of islands with a common maritime border and shared IAS pathways need an overarching entity that is responsible for coordinating and collaborating with national, regional and international entities to devise unified regional IAS planning, implementation and on–going oversight in a proactive manner.

IAS Management – A Sustainable Funding Vehicle

The project “Preventing COSTS of Invasive Alien Species (IAS) in Barbados and the OECS Countries” is geared toward reducing the risks posed by invasive species. The project is therefore assessing the key risks posed by the more important pathways and the mechanisms required to manage IAS, for example capacity building, awareness raising and the sharing of information and resources to combat the shared IAS challenge. This information will be used to implement strategies for minimizing future invasions. However, to accomplish this, a sustainable funding mechanism is a prerequisite. This Report addresses that need. Successful

regional environmental trust funds were reviewed to define potential components for a regional financial system to manage IAS that pose a threat to biodiversity and socio-economic sectors in Barbados and the OECS and the wider Caribbean. Consideration was given to two alternatives:

- a sustainable trust fund (TF) mechanism that, upon review, appears to be the more viable option; and
- the implementation of Policy Options or amendments to existing Policies in the Barbados and OECS sub-region to sustainably fund IAS management.

Although, for reasons outlined below, Barbados and OECS has been identified as the first sub-region within the Caribbean to be addressed for sustainable IAS management, the scope of the sustainable funding mechanism for IAS management will, in the long-run, be Caribbean-wide.

Strategic Focus: Barbados and the OECS Sub-Region

The Preventing IAS Costs project is the ideal start to adopting a structured, programmatic, regional approach to IAS management in the Caribbean, as recommended by the GEF, UNEP and CABI via the Caribbean regional projects reviewed. Some reasons are outlined in the Preventing IAS Costs project PIF that indicates that all factors for successful IAS management have been established as a precursor to the Preventing IAS Costs project. It is the GEF's intention that the "...project will lay the foundations to ensure that there will be potential for scaling up in the future...",⁶ so that effective and cost-efficient Caribbean IAS management can become a reality.

The OECS region comprises:²⁵

- 7 founding members: Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines;
- 4 associate members that are treated as full members for many of the OECS' activities: Anguilla, the British Virgin Islands, Martinique and Guadeloupe; and
- Saint Martin has Observer status and can participate in OECS' activities.

Barbados is not a member of the OECS, but as will be described below, its grouping with the OECS for IAS management is intuitive. Other than Barbados' participation with the OECS in the Preventing IAS Costs project, there are also socio-economic-political reasons that the Barbados and the OECS sub-region are an ideal start to Caribbean IAS management.

First, the 2010 revised treaty of Basseterre (commissioned in 1981) established the economic union recognizing the OECS as an international intergovernmental organization.²⁵ This means that the islands make up one economic space with free movement of goods, people and capital and monetary and governmental policies relating to taxes and revenue are unified. As a result,

“The countries of this economic union continue to adopt a common approach to trade, health, education and the environment, as well as the development of critical sectors such as agriculture, tourism and energy.”²⁵ The socio-economic-political grouping of the OECS islands and their proximity to each other therefore represents key IAS pathways and shared risks.

Second, the OECS is already aligned with the recommendations made by the regional IAS projects:

- the people recognize the value of healthy, productive and diverse ecosystems to their economic viability and survival;
- the OECS Biodiversity and Ecosystems Management Unit was created to conserve the sub-region’s rich biodiversity through the management of ecologically sensitive areas. A 2018–2021 work plan is presently being implemented that “...calls for the formation of strategic partnerships and resource mobilisation for effective implementation including public and private sector partnerships, civil society engagement, private sector investments and other financing mechanisms”;²⁵
- in 2006 UNEP developed the sub-region’s Harmonized Model Biodiversity Legislation that led to a legislative instrument in 2007; and
- a 2016–2025 Regional IAS Action Plan was formulated for the island chain, along with “...Regional level activities that can maximise economies of scale, mutual learning and sharing of experiences; and shared problem solving and cooperative action among the Member States through, for e.g. the development of regional agreements, policies and management frameworks.”²⁵

And finally, six of the [OECS] islands have already been grouped by TNC in ocean preservation projects emanating from the Caribbean Challenge Initiative to “...protect and enhance the harmony between nature and people...[and] strengthen a unified network across the islands.”²⁶ CBD summarizes the initiative: “With leadership from Grenada and The Bahamas, six members of the Organisation of Eastern Caribbean States (OECS)...along with the Dominican Republic and Jamaica are working together on an ambitious regional framework of conservation commitments and sustainable financing for national systems of protected areas.”²⁷

Barbados is an outlier to the OECS, east of St. Vincent and north-east of Grenada. The island shares “...the close historical, cultural and economic relationships fostered by the British colonial heritage of the majority of the [OECS] islands, [which] is as much a factor in their membership of the OECS as their geographical proximity.”²⁵ In fact, the United Nations Development Program (UNDP) has an office location in Barbados that serves Barbados and the OECS due to the islands’ “...geographic and socio-economic similarities.”²⁸ UNDP’s objective in the sub-region is “...to create an enabling environment where national governments have the capacities for inclusive and sustainable human development; meet their regional

commitments, and internationally agreed goals including the Sustainable Development Goals (SDGs).”²⁸ Barbados is therefore included in the sub–region based on international commitments.

Like the OECS, Barbados is also already aligned with the IAS management recommendations made by regional projects. The National Heritage Department is the governmental body assigned to “Protect the quality and integrity of ecosystems...[and] focus on linkages and relationships among ecosystems...”²⁹ In February 2020 Barbados completed the updating of its National Biodiversity Strategy and Action Plan (NBSAP), a GEF–funded exercise, and at its release the Minister of Environment and National Beautification noted that conservation is one of the government’s highest priorities. The NBSAP incorporates strategic objectives and actions, achievable targets, measurement indicators, risks and constraints, all based on the island’s present circumstances. Knowledge, awareness–raising and stakeholder involvement are also objectives identified.³⁰

The ecological, economic, political and social factors shared by Barbados and the OECS stem from their proximity that facilitate inter–island travel and trade, a shared dependence on tourism, ocean life – fishing etc. and the impact of climate change. Further, collaborations between Barbados and the OECS are not uncommon, and in fact are slated to intensify. In mid–2018 the OECS Director General announced that “There will be a caucus between [Barbados’]...and the heads of Governments of the OECS to commence dialogue on better ways of collaboration between Barbados and the OECS...[Given] the challenges Barbados faces, the leaders can discuss a range of issues “around which we may find common purpose”... [such as] critical areas related to climate change...[e.g.] the problem of [IAS] sargassum where the OECS hopes to initiate a regional approach...Building resilience in the Caribbean is also high on the agenda in terms of, not just infrastructure, but economic, social and community resilience.”³¹ So Barbados has strong ties with the OECS, even as it relates to IAS management.

Yet another compelling reason to group Barbados and the OECS to launch the CIAS TF initiative is captured in the theory of island biogeography, as explained by CBD. This theory “...states that species richness is maintained by equilibrium between opposing rates of colonization and speciation, and of extinction. This equilibrium between extinction and immigration rate is determined by two major factors: distance from the mainland and island size. Larger islands can support more species and have lower extinction rates than small ones because they cover larger areas, with a greater diversity of habitats and resources. [Although there are exceptions to the rule,] Less isolated islands [such as Barbados and the OECS] tend to support more species than remote ones, because they have higher rates of immigration...Organisms that are capable of colonizing islands naturally are typically adapted to be dispersers, are small and numerous in their original habitat and have a propagule (seed, larva, spore, etc.) that can be dispersed over water, through wind or vectored by an animal from the mainland...bearing little resemblance to island biota, their effects on “native” species are highly unpredictable.”³²

Barbados and the OECS therefore share the susceptibility to IAS immigration due to geographic reasons in addition to ecological, economic, political and social ones.

Historically, geographically, ecologically, politically, economically, socially and in terms of international commitments and IAS management work underway, Barbados and the OECS are a good fit for efficient and cost-effective sub-regional IAS management initiatives as a starting point to Caribbean IAS management.

Caribbean Trust Fund Infrastructure

One of the sustainable funding vehicles being utilized globally to fund biodiversity conservation initiatives is the Trust Fund (TF). According to the UNDP, a TF is an “Independent legal entity and investment vehicle to help mobilizing, blending, and overseeing the collection and allocation of financial resources for environmental purposes. It...facilitates strategic focus, rigorous project management, solid monitoring and evaluation, and high levels of transparency and accountability.”⁷ Further, TFs should “...be firmly aligned with existing national social and development strategies, frameworks and systems. The critical element to enhance their impact is the identification of projects that can deliver multiple benefits...designed to foster social and economic benefits.”⁷ A TF would be the ideal IAS management vehicle, as long as financial sustainability can be achieved, as examined in this Report.

Several developments have taken place in the Caribbean that have led to the evolution of the TF mechanism as a viable source of sustainable financing for regional IAS management:

- RedLAC was formed in 1999 to promote “...the interrelationships of Environmental Funds in the [Latin America and the Caribbean] LAC region through capacity building and knowledge management initiatives that contribute to biodiversity conservation and sustainable development.”³³ The organization oversees and strengthens its “...members’ capacity to be effective fund managers and financial innovators for conservation and sustainable development.”³³

What this means is that a wider LAC regional presence exists to build capacity in strong Trust Fund management and execution expertise, incorporating sound governance, accountability and transparency principles. This provides credibility that attracts TF contributions to the region, to the point where it can be considered whether a TF in the RedLAC network is suitable for the adoption of the Caribbean IAS management function so as to reduce operating costs that would be incurred if a separate CIAS TF is established. FUNBIO, for example, is a part of the RedLAC network that manages endowments and sinking funds on behalf of TFs in Latin America so they can carry out their functions. FUNBIO procures funds for protected areas, manages calls for proposals for CSOs, executes private sector legal obligations regarding environmental conservation, secures related research scholarships for individuals, directly executes

projects and operates as a GEF implementing agency.¹⁰ However, a key consideration is that RedLAC is strongly focused on the Latin American countries, which is likely to impact the success of Caribbean IAS management if one of the TFs in its network adopts the function for islands in the Caribbean. At the very least IAS management among islands is likely to be significantly different from IAS management on mainlands.

Of RedLAC's 23 Members, only 5 are established on 4 islands in the Caribbean:

- The 2012 CBF, a Regional umbrella Trust Fund located in The Bahamas is described further below. CBF is in the process of executing the oversight of twelve National Conservation Trust Funds in various Caribbean islands. Of the Caribbean RedLAC Members, the National Fund for the Environment and Natural Resources (MARENA Fund) and SLUNCF funds described briefly hereunder, fall under the CBF umbrella;³⁴
- The 2009 MARENA Fund in the Dominican Republic has disbursed a total of US\$2 million on projects that impacted 5 million people. It "...sponsored the construction of small community hydroelectric plants, sustainable forest management with a payment model for ecosystem services, environmental education and the training of its partners. At the end of 2016, MARENA signed an association agreement with the CBF, which aims to improve the management of marine protected areas in the country.³⁵ It will be described further below.
- The 2015 SLUNCF benefits from payments from an endowment of US\$4.5 million within the CBF Endowment, currently managing just under US\$1 million and "...supports projects in Saint Lucia dedicated to the sustainable use of resources, protection and maintenance of biological diversity and natural resources and the creation of sustainable alternative livelihoods."³⁶ The SLUNCF has already begun operations under the CBF umbrella and will be described further below.
- The 1993 Environmental Foundation of Jamaica (EFJ) has disbursed US\$39 million to 1,200 Projects. EFJ "...works in different parts of Jamaica, especially in the main watershed and public protected areas, covering freshwater, terrestrial and oceanic ecosystems."³⁷ Funding for EFJ is largely based on debt swaps between the Governments of Jamaica and the United States. EFJ Partners include the IUCN and Nature Caribe, a network funded by the Critical Ecosystem Partnership Fund (CEPF) to unite CSOs that are actively engaged in researching and sharing knowledge, advocating and building capacity in conservation.³⁷
- The 2001 Sur Futuro Foundation in Dominican Republic disbursed US\$27 million to 210 local community organizations and "...executes projects directly to help raise the quality of life of its beneficiaries in economic, social and environmental

aspects.”³⁷ Sur Futuro donors are from public and private entities and individual donors.³⁷

- Another significant development in the region was the 2008 CCI voluntary collaboration by some Caribbean governments desirous of marine and coastal conservation, in collaboration with TNC and KfW.³⁸ Of great significance is the fact that CCI, and inspiration taken from the RedLAC capacity building models, led to the 2012 formation of the CBF mentioned above. CBF is an umbrella TF with a vision “...to create reliable, long-term funding for conservation and sustainable development in the Caribbean region.”³⁴ Presently CBF successfully invests and manages a total of c. US\$125 million in Endowment and Ecosystem-based Adaptation (EbA) Sinking funds. CBF is not only a member of RedLAC, but it is also a step up for the Caribbean region, in that it utilizes CBF’s stringent, globally acknowledged Trust Fund execution Practice Standards and Workshops to oversee and assist with the formation of National Conservation Trust Funds (NCTFs or TFs) operated under the CBF umbrella, specifically within the Caribbean region. The Caribbean region then, separate and apart from its Latin American neighbors now possesses a cadre of human resource to successfully manage the proposed TF.

As UNEP notes, the LAC region in its entirety “...supports rich biological diversity, with around sixty per cent of global terrestrial life found within it, alongside diverse freshwater and marine flora and fauna...[However,] Latin America and the Caribbean is large and diverse politically, geographically, economically and in terms of biodiversity...driven by a number of environmental factors, including a complex evolutionary history and highly variable geography, geology and climate”³⁹ A separate Trust Fund specifically for the Caribbean is therefore self-evident. CBF not only enhances awareness of biodiversity conservation confined to and focused on the Caribbean region, but it also ensures the achievement of efficient, effective and consistent biodiversity conservation initiatives exclusively in the Caribbean hotspot where such initiatives are sorely needed.

CBF is funded by KfW, TNC and GEF through the World Bank and UNDP and currently manages 2 programmes (i) a Conservation Finance Program that uses an Endowment Fund, now totaling US\$75 million, and (ii) a Climate Change Program with a Ecosystem-based Adaptation Facility, a sinking fund totaling US\$50 million. The Endowment Fund aims to solidify its own cash flows and to “...benefit the [self-sustainable] partner national funds, who in turn lead the grant-making programs at the national level.”³⁴ A CBF goal is to solidify and expand the role of the CBF as a regional hub for TF investment and as a facilitator of multi-country funding projects to support sustainable finance mechanisms and TFs.³⁴

Some TFs that are already in a dialogue with the CBF to partner under its umbrella, and for which resources have already been deposited by the TF in their respective Participating Country Sub-Account, may be eligible to receive operationalization pre-financing from CBF. This pre-financing is specifically targeted towards the establishment and operationalization of the respective TF under the CBF umbrella. TFs that are already established and fully operational are not eligible for CBF pre-financing and CBF pre-financing resources to a TF is deducted from the relevant Participating Country's Sub-Account. CBF's pre-financing does not have to be matched/co-financed by recipient TFs. CBF then works with the TFs to obtain 1:1 co-financing when the TFs enter into CBF's consolidation or operationalization stage.

Added to this, CBF donors KfW and TNC lead debt swap negotiations on behalf of the TFs under the CBF umbrella, notably SLUNCF and Grenada Sustainable Development Trust Fund (GSDTF) described below, to provide longer-term sources of funding. Finally, the TFs under the CBF umbrella are encouraged to negotiate formal Funding Agreements with other partners, including private entities. One such Agreement is a Tourism Enhancement Fund being pursued by SLUNCF and National Conservation Trust Fund of Jamaica (NCTFJ) described below, and SLUNCF has secured funding from a leading regional supermarket chain that it would ideally like to convert into an annual Funding Agreement. (Source: Annex 1).

CBF, despite its short lifespan of just over 7 years, is presently guiding the development of 12 TFs on ten Caribbean islands, which gives an idea of the significance of CBF to the region. The TFs under the CBF umbrella are:

- The 2016 St. Lucia National Conservation Trust Fund (SLUNCF) introduced above as a RedLAC Member. SLUNCF was initially developed to manage funding flows from CBF, and is "...designed to accommodate a diverse range of funding flows that will catalyse and support the conservation, restoration, and effective management of Saint Lucia's biodiversity and natural resources...habitat loss and fragmentation, overharvesting, pollution (including noise pollution affecting marine organisms), climate change and introduction of invasive species...[which are] top threats to the country's biodiversity."³⁶ Technical support for the establishment of SLUNCF was provided by the World Bank, TNC and CBF. The fund has a Partnership Agreement with the CBF, receiving regular grantmaking support, and is at the consolidation or full operational stage.

An option that that may come to mind in the interest of time and resources is the incorporation of IAS management under SLUNCF, as not only is SLUNCF the most operationally advanced Partner TF under the CBF umbrella, but it is also the only TF to report IAS as a threat, even if only as it relates to marine ecosystems.⁹ However, while this may be a more feasible arrangement than the use of a TF within the

RedLAC network due to geographic, ecosystem, social and political considerations, SLUNCF is a national, not regional TF that is focused on its own conservation challenges that are highly relevant within the country context.

- The 2016 MARENA Fund from Dominican Republic, also a RedLAC Member introduced above, "...[signed] an association agreement...with the Caribbean Biodiversity Fund, which aims to improve the management of marine protected areas in...[Dominican Republic]."³⁵ MARENA Fund has a Partnership Agreement with the CBF, receiving regular grantmaking support, and is at the consolidation or operational stage with CBF.
- The 2015 Antigua and Barbuda Marine Ecosystem Protected Area Trust Inc. (MEPA Trust) received a US\$4.2 million endowment from CBF. "These funds are specifically dedicated to the protection and maintenance of biological diversity and natural resources and other activities that contribute substantially to the conservation, protection and maintenance of biodiversity."³⁵ MEPA Trust has a Partnership Agreement with the CBF, receiving regular grantmaking support, and is at CBF's early operations stage gearing toward full operational status.
- The 2016 GSDTF has a Partnership Agreement with the CBF, receiving regular grantmaking support. The Fund will carry out "Activities conserving the biodiversity and natural ecosystems of the coastal and marine environment of Grenada."³⁵
- The 2014 NCTFJ came out of a GEF-funded "...project to strengthen the operational and financial sustainability of Jamaica's Protected Areas System."³⁵ NCTFJ has a Partnership Agreement with the CBF, receiving regular grantmaking support.
- The 2015 Saint Vincent and the Grenadines Conservation Fund (SVGCF) was founded by the "...Government of Saint Vincent and the Grenadines, and a broad group of civil society actors including members of the conservation community and private sectors"³⁵ Technical support was provided by the World Bank, TNC and CBF. SVGCF has a Partnership Agreement with the CBF, receiving regular grantmaking support.
- The 2016 St. Christopher (Kitts) and Nevis Conservation Trust Fund (SCNCF) was established "...to provide long term and reliable funding to support the management of the country's marine and terrestrial resources, with special emphasis on marine ecosystems."³⁵ SCNCF has a Partnership Agreement with the CBF, receiving regular grantmaking support.
- The 2014 Bahamas Protected Area Fund (BPAF) is "...a national conservation trust fund devoted to helping ensure that Bahamian marine parks will have a dedicated, sustainable source of revenue to employ staff, galvanize local community support,

purchase equipment, build visitor facilities and monitor ecosystem health.”³⁵ Its regulations include a “...Partnership Agreement to accommodate the Caribbean Biodiversity Fund (CBF) and other donors both local and international...”³⁵ The fund is at CBF’s early operations stage on its path to full operational status.

- In 2019, the following countries opened Sub–Accounts under the CBF Endowment Fund. Two already have NCTFs established and two are in early stages, yet to identify NCTFs:
 - Haiti (Haiti Biodiversity Fund – FHB)
 - Guyana (Guyana Protected Area Trust – GPAT)
 - Cuba
 - Dominica

- Observers to the CBF Board include:
 - Puerto Rico
 - British Virgin Islands

These Trust Funds do not represent all environmental Trust Funds or environmental conservation activities in the Caribbean. But they do represent key internationally funded ones with, of course, regional and national co–financing, that relate to regional Trust Fund initiatives that are evolving as the Caribbean way forward: the RedLAC network and the CBF umbrella. A review of the Trust Funds listed reflects the fact that while all aspects of biodiversity conservation positively impact IAS management, **none of the existing National Trust Funds under the Caribbean umbrella are focused primarily on IAS management, which, as has been discussed, is a challenge unto itself.** This is unfortunate, since it is widely accepted that IAS is the main driver of biodiversity loss on islands.

This conundrum is suggested in the Keynote Address to the Proceedings of the International Conference on Eradication of Island Invasives compiled by the IUCN Species Survival Commission (IUCN SSC). The Address noted that “The evolution of more comprehensive monitoring and reporting systems, as well as more rapid response procedures, should lead to the more frequent eradication of invasions before they become metastatic...Many invasions that would, a priori, appear suitable...for eradication have not been attacked because no one has mustered the enthusiasm to try it or generated the political support to provide the necessary resources and framework...As with many other aspects of the invasion problem, eradication may largely be a victim of an unwarranted fatalism that could generate the very outcome that is most feared...we will surely lose this war if we do not aim high.”⁴⁰ It is noteworthy that a portion of the title of this Keynote Address is “...Are we Aiming Too Low in Invasives Control”.

As CABI aptly put it, “Now that the threat of IAS is being acknowledged as being immense and sometimes irreversible, the science and management of species is moving away from being reactive towards a more proactive approach to prevent or mitigate invasion threats. There is

therefore the need to find mechanisms to deal with this threat in a practical, structured and effective method.”³ The Preventing IAS Costs project PIF reiterates this: “On a global scale, there have been advances in techniques to prevent, control and eradicate invasives, and address threats to biodiversity technically, but it is not targeted...to engender necessary behavioural changes required at scale to slow the pace of [native species] extinctions and damage.”⁶

At the very least, a sustainable IAS management funding mechanism is not only warranted for Caribbean IAS management, it is mandated. It would be appropriate for such a mechanism to be in the form of a sustainable environmental TF, as the capacity and infrastructure certainly exists in the region. A review of successful TFs can guide recommendations regarding a Caribbean IAS (CIAS) TF.

REVIEW OF SUCCESSFUL TRUST FUND MODELS

Recommendations for Potential Components for a CIAS Trust Fund

CFA Practice Standards and RedLAC Capacity Building Workshops

CFA's Practice Standards for Conservation Trust Funds (CTFs),⁸ (referred to as Practice Standards herein), details all the standards highlighted below, and are at the core of the recommendations being made for the components of the CIAS TF. The Practice Standards were developed in collaboration with RedLAC and CAFÉ. According to CBF, the Practice Standards "...have become the most authoritative, internationally-recognized standards for the design, management, and monitoring and evaluation of independent CTFs." (Source: Annex 1). The Standards are based on the experiences of TFs, the oldest of which are in the LAC region and are also useful to individuals providing financial and technical support to TFs. They concentrate on the core business of grant-making, while taking a wide view of the TF discipline, as TFs have evolved to also play roles in policy-making, capacity building, strengthening of civil society and the design of sustainable financial mechanisms etc.

The Practice Standards themes are:

- **Resource Mobilization** – 7 standards that cover fundraising, the management of payments for environmental services (PES), compensation funds, offset payments, etc and the mobilization and management of additional funding sources to enhance overall financial sustainability of biodiversity conservation.
- **Asset Management** – 9 standards that address the components of investment strategies, fiduciary responsibilities and relationships with different investment professionals.
- **Reporting and Monitoring & Evaluation (R, M&E)** – 10 standards that address conservation impact monitoring, frequency, format and content of technical and financial reporting to donors and dissemination of results.
- **Operations** – 10 standards that cover strategic planning, grant making, government interactions and partnerships with other organizations.
- **Administration** – 6 standards that cover organizational roles and responsibilities, operations manuals, use of financial resources and auditing.
- **Governance** – 10 standards that address the composition, Governance functions and responsibilities of the CIAS TF and the content and role of governing documents.

In addition to the Practice Standards, RedLAC also developed a Capacity Building Project to strengthen member TFs in the development of innovative financial mechanisms so they are less dependent on donations.⁴¹ This project takes the form of 11 detailed "how-to" Workshops that

build capacity to execute successful, sustainable TFs. The Workshops can therefore be used to guide the development of the 6 components of the Practice Standards outlined above.

RedLAC's Capacity Building Workshops that are relevant to the CIAS TF include:

- **Resource Mobilization** – that describe sustainable funding mechanisms.
- **Fundraising Strategies for EFs** – that showcase TF programs and “sell” the TF to attract financial support.
- **Environmental Funds (EFs) and Payments for Ecosystem Services (PES)** – that can be a source of sustainable financing when ecosystem services can be financially valued.
- **Opportunities for EFs in Compensation and Offset Schemes** – where entities responsible for biodiversity degradation bear the cost of replenishing biodiversity in alternative sites so there is no net loss in biodiversity, and preferably a net gain.
- **Strategic Planning for EFs** – which is one of the most important steps in resource mobilization. Customized to the needs and corporate culture of the TF, it provides the “big picture” that delineates the mission, vision, values, context of the RF and barriers to success to be tackled
- **Communication and Marketing for EFs** – to build institutional value and guide fundraising activities and the securing of new funding. It can leverage innovative financing mechanisms plus provide transparency and clarity on the objectives of TF partnerships.
- **Case Studies to Share Experiences of EFs** – to help build institutional value and attract resources.
- **Governance Strategies for Environmental Funds (EFs)** – to attract donor interest by highlighting key principles of transparency, accountability, responsibility and relationship with stakeholders.

The Practice Standards for CTFs supported by the RedLAC Capacity Building Workshops are being recommended for the design and structuring of the components of the CIAS TF, supported by the Workshops along with additional literature as necessary. Table 1 below shows these Capacity Building Workshops and suggests the way they can be used as tools to aid in the development of the Practice Standards for implementation by the CIAS TF.

Table 1. Practice Standards and Capacity Building Tools for Structuring the CIAS TF

PRACTICE STANDARDS FOR TFs		
Governance	Operations Administration Reporting, M&E	Asset Management Resource Mobilization
↑	↑	↑
RedLAC CAPACITY BUILDING TOOLS/WORKSHOPS		
Governance	Strategic Planning Communication & Marketing Case Studies	Resource Mobilization Fundraising Strategies Payments for Ecosystem Services Compensation & Offset Schemes

Capital and Resource Mobilization

Capital and Resource Mobilization is the subject of Practice Standard 6: Resource mobilization. This critical topic is being introduced first however, because in order to attain financial sustainability it must be kept top of mind when developing each of the six Practice Standards. According to the IUCN and UNDP, all aspects of a TF are geared toward one end: capital and resource mobilization, because funding is just a part of a broader resource mobilization strategy. Capacity building, institutional strengthening, technology transfer, the reform of environmentally harmful subsidies, the introduction of incentives that promote biodiversity conservation, the engagement of businesses and other stakeholders, a political commitment to allocate financial resources and regulatory provisions etc. are all a part of the resource mobilization strategy.^{42,43}

The implementation of the Practice Standards will be the means of ensuring that the CIAS TF is well-designed as described by the IUCN and UNDP, so that not only does it achieve results, but it also attracts sufficient funding to remain well capitalized on an ongoing basis. According to UNEP and GEF,^{7,44} such proper CIAS TF structuring will attract capital and resource mobilization by driving:

- TF management that is results-based, with transparent and rigorous operational, financial and risk management discipline and project oversight;
- the creation of a strong governance instrument well suited to the vision and mission of the TF;
- the recruitment of a well-positioned and knowledgeable executive director and board of directors and the acquisition of national and regional political support and high-level stakeholder involvement

- the alignment of stakeholder strategies, while reducing transaction costs for donors, governments and implementing agencies. This includes alignment with national and regional environmental action plans;
- the effectiveness and scale of environmental projects;
- the establishment of clear, realistic and measurable objectives, with related M&E frameworks that employ appropriate impact indicators, including the measurement of the long-term impacts attained by both the TF and the Grantees;
- the tracking of socio-economic benefits to understand the TF's contribution to sustainable development. This can even go further into environmental and social impact assessments.³²

As noted by UNEP however, care should be taken to ensure that the TF never duplicates core governmental functions.⁷

Having outlined the broader perspective of Capital and Resource Mobilization, the following successful TFs were reviewed to make additional recommendations for components of the CIAS TF:

- CBF
- Caribbean Court of Justice (CCJ) TF
- Brazilian Biodiversity Fund (FUNBIO)
- Green Climate Fund (GCF)
- Bahamas Protected Areas Fund (BPAF)
- The Green Fund of Trinidad and Tobago (T&T Green Fund)
- Global Environmental Trust (GET)
- Dutch Caribbean Nature Alliance (DCNA)

For clarity and ease of reference, the recommendations will be categorized under the 6 Practice Standards⁸ shown in Table 1 above, with the RedLAC Capacity Building Workshops⁴¹ and other tools recommended for use in building out the Practice Standards. As discussed, capital and resource mobilization must remain a central component when developing each Practice Standard as described below.

Resource Mobilization

The 7 Practice Standards for Resource Mobilization are summarized on page 33 of Annex 1. As discussed under the Asset Management section, the diversification of funding sources can provide the CIAS TF with financial sustainability and independence from a single donor. Also,

as IAS is a cross-cutting issue it can lend itself to diversification, particularly when it focuses on the attainment of food security and the SDGs. This means that various sources of funding must be explored, which may require different types of specialized expertise. International NGOs are a source of assistance with expert advice in this regard. Also, tax attorneys can be retained to set up new legally separate charitable organizations in countries where there are a significant number of potential donors, so donors can be eligible for tax benefits, an essential component in attracting investments for TF asset management.^{8,38}

Fundraising Plan

Successful resource mobilization can be achieved by developing a proactive, planned and methodical approach that focuses the attention of the governing body and executive director on the task. This is detailed in a Fundraising Plan during the CIAS TF's strategic planning process, as described in the Operations section. The governing body members are often the most effective fundraisers through the use of their personal contacts in the private and public sectors. The CIAS TF's management may work along with the governing board members plus retain professional fundraising consultants to prepare the resource mobilization or fundraising plan. Such a plan is updated every 2 to 3 years and is based on:

- financial planning to determine the CIAS TF's annual funding requirements under basic needs and optimal scenarios, such as shown in Table 8 of the Asset Management section. This is used to estimate the financial gap that must be filled;
- identifying potential donors and funding sources as suggested in the fundraising strategies described below;
- researching potential donor requirements, priorities and budgets for the Caribbean region, resulting in projections such as those shown in Table 8;
- analyzing how to promote the CIAS TF as an attractive mechanism for implementing the Caribbean IAS management program; and
- preparing several different grant proposals to submit to different potential funders based on donor criteria, preferences etc. and focusing on proper marketing, for example, the impact of IAS challenges on the attainment of the SDGs.

The resource mobilization/fundraising plan, or a separate plan, or the CIAS TF's governing instrument must include the CIAS TF's board approved policies for screening donors to determine which contributions and conditions to accept. For example, accepting donations from companies with questionable reputations, or companies that do not meet environmental criteria represent a conflict of interest that can undermine the TF's reputation and credibility and its ability to achieve its mission and goals, or it may deter other potential donors.

The CIAS TF should also seek opportunities to leverage donor funds as a means of obtaining additional resources. In such a situation, donors can be encouraged to make contributions if those contributions have a multiplier effect, so for example, the TF can commit to securing matching funds from other donors. This can be achieved by running fundraising “challenge campaigns” or governments can be incentivized to increase their IAS management budget if the increases are matched. This fundraising mechanism can be both a challenge and an opportunity.

The CIAS TF can also raise funds by leveraging relationships with the national governments in the region to request international contributions. Some of the most successful resource mobilization strategies have involved requests made by a country’s Prime Minister and some donors even require this endorsement.

And the CIAS TF can use its effective communication strategy (discussed in the Operations section) to raise funds by showcasing its role in the use of donor contributions to provide local communities with sustainable livelihoods, for example via PES and bioprospecting.

Overall, resource mobilization involves the establishment of sustainable funding so that conservation efforts including maintenance following conservation can remain uninterrupted. This is best achieved via the implementation of traditional and innovative diversified long- and short-term fundraising mechanisms to spread risk and bring financial sustainability. Some general recommendations to successfully establish a financially sustainable CIAS TF follow.

Fundraising Strategies including Innovative Financing Mechanisms, PES and Offsets

1.1 Adoption of the CIAS TF Under the CBF Umbrella:

CBF is a Caribbean umbrella fund that is receiving global funding support, and as a RedLAC Member it embraces the Practice Standards and RedLAC Capacity Building tools. The logical recommendation is therefore for the CIAS TF to be brought under the CBF umbrella. This is beneficial from both the broader resource mobilization perspective and the narrower fundraising view:

- CBF’s Strategic Plan 2016–2020 includes expanding its work programmatically plus geographically. (Source: Annex 1). This means that the establishment of the CIAS TF under the CBF umbrella will be mutually beneficial to both parties. Such an alliance will ensure the quickest and most efficient start up for the CIAS TF, as it will be backed by:
 - CBF’s knowledgeable guidance and capacity building in implementing the Practice Standards and Capacity Building Workshops that as mentioned, are also utilized and promoted by CBF. This is particularly valuable, as CBF employs a highly supportive relationship with its Partner TFs. In addition, the CBF has invaluable experience through its support for the start-up and establishment of 8 new TFs in the Caribbean in the last 6 years;

- CBF's financial support, from start-up to consolidation, as CBF provides pre-financing to its Partner TFs with no co-financing requirement. Further, CBF may assist the CIAS TF in securing co-financing once it becomes necessary;
- Immediate credibility born of being a CBF Partner TF within the cohesive, long-standing and successful RedLAC Network. This alone may be justification for the CIAS TF's receipt of global, regional, national, Foundational, private etc. financial and other support;
- CBF's defining and differentiating feature of its grouping of the 6 Practice Standards shown in Table 1 under three Pillars of sustainability referred to as Caribbean Sustainable Financial Architecture. CBF's sustainability Pillars are:
 - (i) Governance that incorporates the Governance Practice Standards;
 - (ii) Operations that incorporates the Operations, Administration and Reporting and M&E Practice Standards; and
 - (iii) Finance that incorporates the Asset Management and Resource Mobilization Practice Standards.

This structured approach will provide clear guidance to the CIAS TF on the creation and execution of a dynamic Sustainability Action Plan under CBF's strict oversight, an extension of RedLAC's capacity building and sustainability objectives. A significant part of this plan includes resource mobilization to guide the actions required for the TF to become established and remain operational and well-funded in order to achieve its goals into perpetuity. (Source: Annex 1).

Under CBF's leadership and support, the use of the Practice Standards and Capacity Building Workshops and other literature to structure the CIAS TF will evolve from that shown in Table 1 above, to that shown in Table 2 below.

- CBF may even be able to source funding from its donors specifically for the CIAS TF start-up. As an example of timeliness and resource mobilization, CBF welcomed Guyana as an observer in June 2019, and by December 2019 the Guyana Sub-Account was established in the CBF Endowment Fund with support from KfW.³⁴ This suggests that with appropriate national, regional and international support and commitment, the CIAS TF can be operational within 2 years!
- Regional debt conversion can be considered as a source of endowment funding for the CIAS TF as is presently being attempted in St. Lucia and Grenada, led by CBF's donors and partners, KfW and TNC. This mechanism reduces the national or regional debt and would allow long-term debt repayment to be channeled through the CIAS TF. (Source: Annex 1).

Table 2. Practice Standards and Capacity Building Tools for Structuring the CIAS TF Under CBF

CBF SUSTAINABILITY PILLARS		
Governance ↓	Operations ↓	Finance ↓
PRACTICE STANDARDS FOR TFs		
Governance	Operations Administration Reporting, M&E	Asset Management Resource Mobilization
↑	↑	↑
RedLAC CAPACITY BUILDING TOOLS/WORKSHOPS		
Governance	Strategic Planning Communication & Marketing Case Studies	Resource Mobilization Fundraising Strategies Payments for Ecosystem Services Compensation & Offset Schemes

It should be noted however, that initial funding of CBF's Partner TFs typically comes from national governments, accompanied by governmental expressions of interest in setting up a TF under CBF. In the case of the CIAS TF then, at a minimum the governments of Barbados and the OECS would have to provide endorsement and some regional funding commitments, at which point full support will be obtained from CBF in the implementation of all Practice Standards and the legal establishment and operationalization of the CIAS TF as outlined in the CIAS TF – A Road Map section. Perhaps an early lesson to be learned by the CIAS TF is the diversification of funding sources. The SLUNCF moved to CBF's operational or Consolidation Phase within just 2 years of becoming established, which may be related to the fact that they have acquired funding commitments from the private sector to go along with governmental financial support.

1.2 Affiliation with Public & Private, National, Regional & International Entities:

As discussed, the CIAS TF will be required to raise an endowment and/or funding to sustainably cover its operating expenses plus consistently carry out IAS Projects, site restoration and IAS maintenance across the region. According to CBF, all TFs should eventually have sustainable finance mechanisms to support their operating and Grant-making accounts. An endowment is a typical funding mechanism utilized by TFs to secure sustainable financing into perpetuity and should be considered essential for the CIAS TF.

Based on the objectives of the following entities, they are being recommended as leads to secure initial and ongoing funding for the CIAS TF. While some of these organizations are noted in Table 8 due to their Caribbean and/or IAS focus, the entities not identified in Table 8 are also excellent prospects to explore when defining the CIAS TF's fundraising strategy:

- GLISPA was launched in 2006 and is recognized by CBD as one of the mechanisms to implement the island biodiversity program of work, regardless of island size, location or political status. GLISPA promotes public–private–civil society partnerships regionally and internationally, such that islands work together to develop solutions to island challenges. GLISPA has engaged high–level leaders to catalyze US\$150 million for island action and assisted over 35 countries in the launch for strengthening of major sustainable island commitments.⁴⁵
- The Critical Ecosystem Partnership Fund (CEPF) program in the Caribbean supports civil society in coordinated planning and action to confront IAS threats at the most affected sites, particularly through partnerships that build local civil society IAS capacity and/or leverage resources for ongoing IAS management, promote formal and informal networking, information sharing, and capacity building among CSOs, scientists and government institutions. Preference is given to initiatives that eradicate and prevent reintroduction of IAS, as these projects require limited additional funding beyond the project period. Control efforts must have a clear plan for financial sustainability after the end of CEPF support.⁴⁶

Even if the CIAS TF is not eligible for CEPF funding at this point in time, the CEPF’s Caribbean Regional Integration Team (RIT) may be aware of other funding opportunities and relevant programs in the region.⁴⁶

- BIOPAMA provides a variety of tools, services and funding in the African, Caribbean and Pacific (ACP) countries.^{47,48} In March 2018 BIOPAMA, led by the IUCN, launched the second consecutive round of 5 year funding to UWI and stakeholders from 21 countries from the Caribbean and beyond. The purpose was to manage and utilize land and sea resources.⁴⁹ Also through BIOPAMA sponsorship, in March 2017 the Government of St. Lucia started work on legal, regulatory, financial, policy and communications strategies and actions to implement Saint Lucia’s Systems Plan for PAs through capacity building of technical personnel and strengthening national institutions’ governance and management of natural resources.”⁵⁰

Further, BIOPAMA shares the CIAS TF’s capacity building and data building mandate with the establishment of four regional resource hubs for decision–making. They support data collection, analysis, monitoring and reporting, and build staff capacity to manage this information.⁵¹ This can also be a source of support for further development of the CIAS website (CIASNET).

An option related to BIOPAMA to be considered is the integration of the CIAS TF data–sharing function, the CIAS Website/CIASNET, with BIOPAMA–funded The Caribbean Protected Areas Gateway (Caribbean Gateway). The Caribbean Gateway was launched in 2015 by the IUCN and UWI, Cave Hill Barbados, Center for Resource Management and

Environmental Studies (CERMES). The Caribbean Gateway will be one of the four inter-linked regional resource hubs mentioned previously. It will host the Regional Reference Information System (RRIS), an online data and information platform that will provide open access to data and information on protected areas and livelihoods, including management effectiveness and governance.⁵² Connecting with Caribbean Gateway for data sharing will free-up valuable CIAS TF time so the TF can focus on its grand mandate, and it will eliminate the possibility of duplications while fully integrating the CIAS TF with one of the four regional resource hubs. This will be a strategic move that adds to the integration and global standardization of IAS management in the Caribbean and the world over.

- The IUCN's Regional Office for Mexico, Central America and the Caribbean (IUCN-ORMACC) is a consistent theme in supporting Caribbean biodiversity. In February and June 2017 the IUCN-ORMACC worked with UNEP in Antigua and Barbuda, Barbados, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia and Trinidad and Tobago on legislation revisions and bioprospecting.^{53,54} This was specifically related to compliance with obligations of the Nagoya Protocol and Access and Benefit Sharing (ABS) which, along with MTIASTC, has created a foundation that the CIAS TF can build upon for regional IAS management legislation and policy changes, plus CIAS TF funding.
- A request can be made to the CBD/GEF and any relevant agencies to allocate a portion of annual funds assigned to Caribbean countries to the CIAS TF for regional IAS management. This is based on the fact that IAS represents the greatest threat to biodiversity. National governments where IAS management projects will be conducted can then co-finance the various projects in cash and in-kind.

Another possibility is for these agencies to be asked to contribute any surplus funds from Caribbean-based biodiversity conservation projects to the CIAS TF for regional IAS management. Again, national governments can be asked to co-finance projects.

- IDB launched a Biodiversity Platform for LAC in 2012 with the following objectives:⁵⁵
 - Promote a full understanding of the value and the potential associated with managing the natural capital of LAC for sustainable and inclusive growth;
 - Support countries of LAC to achieve more effective policies; and investments in biodiversity conservation and the maintenance of associated ecosystem services; and
 - Create new economic, financial, and business opportunities that enhance the value of the region's natural capital as a contribution to sustainable development.

In 2013 IDB established a special multi-donor fund to finance grants, loan preparations, knowledge products and capacity building.⁵⁶

- CDB has a range of programs designed to support economic and social development throughout the region. The programmes provide technical assistance and grant funding.⁵⁷
- CCCCC seeks to implement effective solutions and projects to combat the environmental impacts of climate change and global warming.⁵⁸ As climate change impacts IAS, the CCCCC may be interested in supporting IAS management. Again, marketing on the part of the CIAS TF as it relates to the significant impact of IAS on the attainment of the SDGs is critical for attracting donor interest.
- Typical other multilateral and bilateral organizations and NGOs, such as World Bank, TNC, Global Conservation Fund, WWF, the United States Assistance for International Development (USAID) that may be interested due to proximity of the Caribbean and therefore shared IAS pathways, KfW that can be approached via CBF, French Facility for Global Environment (FFEM), Caribbean national governments and regional governmental bodies such as the OECS and CARICOM, national and regional NGOs and corporations with a strong regional presence and individual donors the world over.

National governments and regional organizations are of special interest, as governments are not only signatories to CBD Agreements, but along with NGOs they have been co-financing in cash or kind the IAS regional projects that have been executed thus far. Also, since in addition to traditional funding sources, innovative funding mechanisms are being proposed, plus the CIAS TF will generate unrestricted revenues from perhaps Consultations and Project Management and Execution, the financial pressure being added to the developing region will be minimized. This, while the benefits of healthy biodiversity and ecosystem services can be increased, or at least not degraded further, to continue to attract tourism, trade and the greatly appreciated Caribbean lifestyle. Also, as Organization for Economic Cooperation and Development (OECD) reports, “Domestic public expenditure accounts for the majority of biodiversity spending”,⁵⁹ which makes this the most likely source of routine cash streams for the CIAS TF. There may be constraints to this, as the Caribbean is a developing region, but in the long term and following CIAS TF IAS successes, capacity building, knowledge sharing and awareness raising, it may be achievable.

Ideally, a revolving fund would be established by the CIAS TF, funded by routine cash streams from Policy Options implemented in the Caribbean, beginning in Barbados and the OECS. Policy Options are examined in that section below. But if this is not possible, annual or periodic funding commitments can be sought from national governments to establish sinking funds for identified IAS challenges, or to periodically replenish the CIAS TF’s endowment fund, a likely necessity based on discussions in the Asset Management section. At a very minimal, one-time contributions can be sought from national governments to establish the CIAS TF’s endowment fund. This can then be

followed with ongoing fundraising activities that include the CIAS TF consistently approaching regional national governments.

- Private Foundations such as MacArthur, Packard, Summit, Ford, Avina, Oak and Skoll typically support specific biodiversity programs, but IAS knowledge and awareness are low, so entities such as these can perhaps be sold on adding IAS management to their list of biodiversity conservation initiatives supported.

1.3 Generation of Unrestricted Income Streams:

The CIAS TF will have several roles to play besides channeling funds through its Grant-making Program. These may include "...the development [and execution] of national conservation strategies, as technical experts who can work with public and private agencies to develop effective management approaches and as capacity-builders of a range of stakeholders becoming involved in biodiversity conservation."¹⁴ These are among the varied functions of the CIAS TF that will be a source of unrestricted income streams earned from activities it carries out as the Caribbean expert spearheading IAS management.

Unrestricted funds will emanate from work conducted under the Business Plans that are developed under the TF's Operating Practice Standards. They can include consultations regarding IAS management and eventually innovative schemes such as PES, Offsets, IAS bonds etc. that enhance the CIAS TF's reputation and value added. Additionally, they can include non-technical fundraising activities such as Events, TF Membership Fees, t-shirts, calendars and intangible items etc. Unrestricted funds of this nature are earned by CBF for example, for providing Investment Management services to Partner TFs who pool their endowments with CBF's endowments. CBF passes the investment function onto expert professionals, but earns a fee that enhances its own 1% allocation of returns earmarked for its operating expenses.

1.4 Innovative Financing Mechanisms:

1.4.1 *Biosecurity Fees:*

Biosecurity fees should be assessed such that full recovery of direct and indirect biosecurity costs by all Caribbean nations is achieved, as is done in Australia.⁶⁰ In keeping with the Australian model, the regulation must first be enacted and/or strengthened and must provide for future increases in these particular costs as tourism, trade etc. grows. There should also be some level of flexibility and fairness in the fee structure established. For example, infrastructural costs such as quarantine facilities, technology etc. can be assessed for financing, implementation and incorporation into the full cost recovery biosecurity fee structure. As it relates to IAS management, perhaps a component can be added that goes directly to the CIAS TF to secure sustainable funding for the ongoing IAS management issue.

Such a standardized Caribbean-wide funding mechanism is justified by the fact that IAS migration between islands is a significant pathway that is best managed via a well-versed, regional oversight body, the CIAS TF, in conjunction with national Environmental Agencies,

NGOs, communities etc. Another key rationale is that biosecurity risks do not end at the ports of entry, because if they did there would be no new IAS introductions! This means that the CIAS TF will be executing IAS management outside of the ports of entry, even though the IAS problem may have originated at the ports. Again, it is justified by New Zealand's⁶¹ concept that biodiversity services must be paid for by those that use them, even when the devastation resulting from IAS does not occur at ports of entry.

1.4.2 Cruise Ship Port Fees:

Standardized and increased Caribbean-wide cruise line passenger port fees can be implemented, as these fees are currently well below those of airline ticketing taxes, airport departure taxes and hotel taxes that are based on overnight and therefore air travel. While cruise liners have a strong negotiating arm in determining port fees, if the islands work together, the region will significantly increase its own negotiating power to achieve standardized regional fees that are more in line with ports in developed countries.⁶²

The rationale is that the risks posed by cruise liners are as high, and potentially higher than the risks from air-passengers, vis a vis both island-hopping cruise line passengers and ships' ballast water. Also, cruise line passengers already contribute significantly less than airline passengers for the enjoyment of island biodiversity. Finally, this option would be more palatable to island leadership that is already aware of the high air travel taxation regime, but may not have alternative revenue options.⁶³ This challenge is discussed further in the section titled Increased Taxes – A Precautionary Note.

1.4.3 IAS-Related Taxes:

Similar to the New Zealand pay for use model, taxes that lead to IAS challenges can be enforced. For example, in 2019, the Barbados Ministry of Agriculture and Food Security introduced a farm development program, the Farmers Empowerment and Enfranchisement Drive (FEED) with the objective of significantly reducing the imports of primary agricultural goods by 25% to 30% between 2019–2020 and an additional 10% each year thereafter. This project involves the implementation of controlled systems that are organic and free of pests and disease.⁶⁴ Given the nature of the project, the Ministry of Agriculture and Food Security could be approached to provide funding to the IAS Trust Fund with the FEED program being the ultimate beneficiary for IAS management work conducted under the oversight of the CIAS TF.

1.4.4 Biodiversity Enhancement Funds:

The use of Tourism Enhancement Funds (TEFs) should become more wide-spread to capture biodiversity conservation funds from the private sector. This can be extended beyond the tourism industry, perhaps to be re-named a Biodiversity Enhancement Fund (BEF) that can be promoted for use for any biodiversity conservation initiative, not least of them IAS management. For the CIAS TF, BEFs would be formal agreements made with private entities to support IAS management via the CIAS TF. The advantage of this funding mechanism is that the contributions are voluntary but committed and much needed private sector funding can be

targeted. It goes along the lines of GCF's Private Sector Facilities (PSFs), even if not on the scale of the complex financial or debt-related and other private sector mechanisms utilized by GCF. BEFs can be marketed to organizations as commitments to contribute to the CIAS TF based on percentage of their profits or percentage of their profits from a specific segment of their business operations etc.

1.4.5 Public-Private Partnerships:

Another means of targeting private sector funds, public-private partnerships can be explored, wherein national governments seek partnerships with private entities for the latter to fund certain aspects of IAS management or maintenance via the CIAS TF. A similar situation exists in Barbados on a small scale, where companies maintain the well-used traffic roundabouts in exchange for the use of the roundabout space for direct product advertising, and indirect advertising wherein they are perceived as organizations that care about the island's environment. The roles of the CIAS TF can include Consultation or execution of these types of IAS management projects, as the government and private enterprises are unlikely to have the capacity. Following IAS control, the private entity may even be able to take on the maintenance function both financially and in terms of employing and perhaps training appropriate personnel under the CIAS TF's guidance. The CIAS TF can also develop national relationships to assist with carrying out national IAS management mandates. This was seen in all of the regional projects completed and is similar to GCF's strategy of working with Partner organizations in developing countries, who they refer to as Accredited Entities. The Accredited Entities must meet GCF's criteria and GCF works with them to accomplish this. The CIAS TF can develop a similar formal mechanism to broaden its regional capacity resource base.

1.4.6 Sinking Funds and Royalty and Bioprospecting Allocations & Offsets:

Sinking Funds can be sought from national governments in the region to address specific pressing IAS management problems that are a threat to local people and the Gross Domestic Product (GDP). An example of this is provided by the Economic Impact of IAS in the Caribbean: Case Studies,¹⁷ where IAS were either controlled or eradicated based on socio-economic-political considerations. Similarly, Offsets can be pursued to secure private conservation investments while ensuring that the users or destroyers of ecosystem services pay for them.

Payments and/or Royalties for bioprospecting⁶⁵ can include an allocation to the CIAS TF, as bioprospecting is directly related to healthy biodiversity that is only possible if IAS management and maintenance are securely in place. This would be a good follow-on to the 2017 bioprospecting legal framework developed in the region under the guidance of IUCN and UNEP. The Working for Water Programme (WfW) in South Africa comes to mind as an example in which employment is created to restore ecosystem services.⁶⁶

Along these lines, private capital investments into funds that invest in "...'biodiversity businesses such as ...organic agriculture, eco-tourism, sustainable forestry and non-timber forest products"⁶⁷ can be fostered as a part of the evolving global biodiversity conscious

landscape. In this case, the funds invest in the equity of the financed conservation venture in return for dividends and/or capital appreciation. This allows private capital to be used to manage biodiversity conservation. The CIAS TF can function in a consultation capacity for the biodiversity businesses and to train personnel to execute IAS management and maintenance so that venture profitability can be achieved.

1.4.7 Regional Trust Fund Grants:

Grants from Trust Funds in the Caribbean can be sought by CIAS TF to hit the ground running with regional IAS management. As an example, CBF has 5 Partner TFs in the OECS, of which 1, SLUNCF, ended its first Call for Proposals in Jan 2020. Although the Grant amount is relatively small, in this case, US\$5 – \$50,000, and there is an eligibility requirement that the Grantee be local, there is nothing to prohibit the CIAS TF from partnering with local entities throughout the region to manage IAS aspects on those islands through TF Grants on those islands. To add to this idea, more established funds are likely to grant larger amounts. The CIAS TF can also provide assistance in securing additional public or private sinking or revolving funds for maintenance following project execution.

The rationale for this proposal becomes clear when it is considered that based on survey results, SLUNCF listed IAS as the sixth leading biodiversity threat to the St. Lucia biodiversity hotspot.⁶⁸ This means that IAS was perceived as the lowest of the 6 biodiversity threats. As discussed, lack of IAS knowledge and awareness may result in the under-reporting of the IAS problem until the adverse consequences become apparent. This means that the IAS problem is potentially worse than reported, which makes management, inclusive of knowledge and awareness-raising, essential.

1.4.8 Tourism Related Charges:

Entry charges for PAs, tour buses and other tourist attractions can be made to allocate a portion of their revenue streams toward IAS management, as island-wide IAS management impacts the appreciation of individual PAs and Sights. The same is true of eco-tourism entities and concessions. It should be noted however, that according to CBF PA entry fees have not worked well anywhere in the Caribbean, although if implemented it can be more effective to separate the collection and use of fees. Again, as is done in New Zealand and Costa Rica where airport departure taxes assigned to conservation are identified, payors should be advised on the use of the IAS management portion of tourist fees, even if only that portion. This adds to awareness raising and increases the chances that tourists would be happy to pay for such a cause. Still, the section on Increased Taxes – a Precautionary Note applies here, as there is a question of whether across-the-board tourist-related taxes can continue to be the answer to Caribbean cash requirements, regardless of the use of funds, for the greater good or otherwise.

1.4.9 Community and Volunteer Resources and PES:

Communities impacted by IAS challenges can participate in the resolution and contribute to the management of the problem. This is particularly so if there is a way for them to earn income,

either through PES as was done with the WfW Program, or as participants trained to do the work involved in IAS management and maintenance under the guidance of the CIAS TF.⁶⁹ The incorporation of PES in the MARENA Fund in Dominican Republic and WfW in South Africa, both countries in developing regions, indicates that this funding mechanism is not too complex for use in the Caribbean. This work can be both physical and mental, for example persons can also contribute to project research and monitoring. As IAS management is likely to be a year-round exercise, involving communities in this manner can by-pass the problem of seasonal employment in the tourist sector.

Similarly, volunteers can be recruited to indirectly provide funding via the opportunity cost of not having to pay staff to do required IAS management functions.⁶⁵ As a study on sustainable PA financing has shown, PAs that get local communities involved in PA management are more successful and cost-effective, and they engender a sense of community ownership. This is particularly true if the PA ecosystem services benefit the livelihood of the communities. Those communities will demonstrate a willingness to pay for ecosystem services and to contribute their time to manage it, such that the annual operating costs of the PA can be met by community participation.⁶⁹ Capacity building and community engagement is a strategy employed by SLUNCF for example, to build resilient human and ecological communities.

1.4.10 Lotteries, Raffles, Gambling and Alcohol Levies and Other:

According to UNDP “The potential of lotteries to fund social and environmental objectives is high and growing steadily. The World Lottery Association estimates national lotteries generated US\$189 billion in 2013. Out of the latter, US\$52 billion were allocated to the Treasury (41.4 per cent), education (28 per cent), sport (5.4 per cent), culture (3 per cent), social activities (1.4 percent) and other good causes (20.8 per cent).”⁷⁰

The Dutch Postcode Lottery for example, was founded in 1989 to support charitable causes by distributing half the price of each lottery ticket among 92 charities, including United Nations Children’s Emergency Fund (UNICEF), WWF and others. To date over US\$4.5 billion has been contributed to those charities. The DCNA, since 2009 has been steadily receiving almost US\$563,000 annually from the Dutch Lottery. Over US\$225,000 of this is allocated toward the establishment of their TF endowment, while the remainder is utilized in conservation work in the Dutch Caribbean Islands.⁷¹

Similarly, annual Raffles for IAS management and biodiversity conservation can be implemented throughout the Region, perhaps in commemoration of the CIAS TF launch date. In June 2020 an Irish International Hotel produced 5,000 Raffle Tickets at c. US\$22 per ticket to raise c. US\$112,000 for Autism.⁷² A “Black Lives Matter” Raffle was launched to combat racism by providing proceeds to the American Civil Liberties Union, the Equal Justice Initiative and Art Start.⁷³ And the Professional Golfers Association (PGA) of America ran a Raffle to support COVID-19 Relief Efforts, the Golf Emergency Relief Fund and 33 Charities the organization traditionally supports.⁷⁴

On a slightly different note, gambling can be taxed for its contribution toward enjoying that activity amidst healthy Caribbean biodiversity, and alcohol can be considered for additional taxation, as it is a non-essential item that goes along with enjoyment of the surroundings. Where these items are already taxed, a portion can be allocated to the CIAS TF, or if necessary, a fractional percentage can be added for the support of the CIAS TF. For Apr 2019–Mar 2020, the value of gambling revenues in Barbados alone was c. US\$7 million.

Along these lines the CIAS TF can have special events, perhaps even an anniversary gala at which the annual Raffle is drawn, so that additional private funding can be sourced. This can even inspire planned giving, where resources are willed to the CIAS TF by private individuals.⁶⁹

1.4.11 National Incentives and Concessions:

The CIAS TF can utilize its existing and developing regional network of relationships built whilst conducting capacity building and awareness-raising components and campaigning for lifestyle reform and the reform of the policy and regulatory frameworks in the region, to assess and instigate the reformation of national incentives and concessions so they support environmental protection, as opposed to environmental degradation. A 2012 report indicated that 1–2% of global GDP is spent on a range of subsidies that often perpetuate unsustainable resources, for example fossil fuels and agricultural pesticides etc.⁷⁵ Along these lines tax concessions and/or rebates can be granted for planting native species when landscaping and taxes can be imposed when exotic species are planted, particularly those that are known to be invasive. And as discussed above, bioprospecting can be promoted and the groundwork for the introduction of PES and Offsets can be incorporated simultaneously, as these are the most utilized and well-understood innovative mechanisms for raising funds for IAS management.

Evidentiary documentation that the Resource Mobilization Practice Standards have been met include:

- governing body minutes regarding the diversification of funding;
- resource mobilization strategy/Plan;
- correspondence with potential donors;
- budget allocations for carrying out CIAS TF strategies or plans and budgets related to particular projects or programs;
- gift acceptance policy or equivalent document, for example a section of the operations manual that screens which donor contributions and conditions are acceptable;
- correspondence with and proposals sent to relevant government officials to source funds as a way of leveraging additional resources through the multiplier effect;
- feasibility and legal analysis for implementation of new financial mechanisms, for example PES, Offsets, user fees etc. so the CIAS TF can be seen as the vehicle for those mechanisms;
- budgets and conservation budgets to demonstrate the CIAS TF's long-term conservation role to potential donors;

- use of standardized tools to demonstrate CIAS TF successes; and
- Annual Report that showcases the CIAS TF's IAS management action plans;

As discussed, there are many traditional and innovative financing mechanisms that can be used by TFs to achieve financial sustainability, and more are constantly evolving. This is particularly so as it relates to the increasingly important innovative mechanisms that target private capital to conserve biodiversity for the public good. Resource mobilization to sustainably fund a CIAS TF is therefore viable. With the availability of asset management capability, both through CBF and international sources, a CIAS TF with the required capacity and a focused vision is highly recommended as the financially sustainable mechanism to be used for achieving Caribbean IAS management that will always be required in the hotspot. The fact that biodiversity conservation is based on international commitments and conventions adds even more value to this sustainable IAS management mechanism.

Increased Taxes – A Precautionary Note

It has been pointed out by industry stakeholders that there is an inordinate amount of taxes added to airline tickets for travel to the Caribbean, which has been adversely impacting the volume of Caribbean inter-island and international air traffic.^{76,77} Similarly, hotel occupancy taxes have skyrocketed, averaging over 10% across the region and resulting in less re-investment in, and marketing of Caribbean hotels, which makes the hotels less competitive globally.⁷⁶ This, while hotels are one of the lead employers in the region, therefore generating the most income tax revenues and revenues from import duties, corporation taxes, property taxes and Value Added Taxes, when applicable.⁷⁶ As shown in Table 3 airport taxes, service charges and other fees are also factors impacting the region as a tourist destination.

Table 3. Taxes and Fees – Barbados and Some OECS Islands⁷⁸⁻⁹³

Barbados & OECS Islands Participating in "Preventing IAS Costs" Project	Airport Departure Taxes – Tourists	Airport Departure Taxes – CARICOM	Additional Airport Taxes – Tourists	Additional Airport Taxes – CARICOM and Other	Hotel Surcharge per Night	Airport Development Charge	VAT – Hotels	Hotel Service Taxes	VAT – General Purchases
	\$	\$	\$	\$	\$	\$	%	%	%
Barbados	27.50		70.00	35.00	2.50 – 10		15	10	17.5 – 22
Antigua and Barbuda	-						11		15
Commonwealth of Dominica	31.00	26.00					10	10	15
Grenada	22.00						10		15 – 20
St. Kitts and Nevis	14.00						10		17
St. Lucia	63.00				3 – 6	35.00	7	10	13
St. Vincent and the Grenadines	37.00						11		16

Some islands also impose special Restaurant Taxes of 7-15% and nightly resort fees of \$10-\$20 or 10% of hotel charges

High tourist taxes is comprehensible, as tourism is considered an economic mainstay of most Caribbean islands, accounting for significant national cash-inflows. Even so, it can be devastating if not addressed, especially following the COVID-19 pandemic:^{63,77} “Up to now, governments in the region have taken the view that there is little down-side to taxing foreigners seeking a dream vacation...because the Caribbean remains a desirable destination...However, there are signs of a debate emerging in some parts of the region and externally as to whether a point is being reached where the widening mix of visible and invisible taxes a visitor must pay, may be starting to make some Caribbean destinations and stay-over tourism of questionable value for money. The danger is that in Barbados [that just hiked tourism related taxes,] and elsewhere in the region, a moment may come when rising levels of tourism taxes mean that middle-market visitors stay for shorter periods, turn to cruising, seek alternative warm water destinations offering better service, cuisine, comfort, and value for money, or worse: they simply say that the Caribbean has become too expensive.”⁶³

It is therefore being suggested by industry participants that some of these taxation pressures should be redirected to the cruise line industry,⁷⁷ where ships are larger, more efficient and therefore more inexpensive than air travel, plus they offer more and better onboard facilities, capturing “82% of the discretionary spend of a cruise ship passenger...”^{62,76} In addition, stays in ports are shorter and “Over the last two decades cruise lines have increased their share of shore excursion prices from 10% to 50%, resulting in a further decrease in local island company revenue”,^{62,76} accompanied by higher revenues to foreign cruise liner companies for the use of Caribbean biodiversity services. Further, “The very low port taxes currently levied in the Caribbean total only 12 - 15% of the cruise ticket price and that percentage total is shared between the governments of all the islands visited on any particular cruise itinerary, say, 3% per port. Compare that low percentage with the 100% tax burden imposed on almost half of LIAT [a key regional airline] flight itineraries and the average 10%+ for hotel room taxes per night.”⁷⁶

“Today, around 60% of the world’s cruise ships spend the winter in the Caribbean...there is no alternative to the Caribbean for them - a winter cruising area with a high level of differentiated tourism infrastructure and port facilities, located close to North America and Western Europe, which are the major outbound cruise markets.”⁷⁶ ^{62,76}The CIAS TF can lobby for regional governments to align their objectives and become a unified region to together negotiate for significantly higher regional cruise line port fees as was done in Alaska, Bermuda and Hawaii,⁶² and on US, New England and Canada cruise itineraries port taxes average 33% of the cruise ticket price compared to 14% for a Caribbean itinerary. ^{62,76}

The regional unification concept coincides well with the regional unification of IAS Management through a regional CIAS TF. Unification on port charges failed when CARICOM attempted it,⁶² so perhaps the greater-good biodiversity conservation objectives of the TF may succeed. As a proponent for this unification at every level, the CIAS TF should appropriately receive a portion of the increased port fees so it can sustain regional ecosystem services that are severely impacted by cruise ship arrivals. This is the matching principle: “There is a growing sense in

the islands with the highest cruise ship volumes, like St. Thomas and Sint Maarten, that today's port taxes are not adequate compensation for the overcrowding of down town areas, the pollution from the burning of heavy fuel oil and the minimal spend ashore of today's cruise ship passengers."⁶² An idea of the funds that can be raised from increases in port taxes can be contemplated from the following information:

- Statistica Reports that "In 2018, over eleven million cruise passengers arrived to the Caribbean, up from the 6.2 million recorded in 2010. In total, the Caribbean region registered more than 25 million [25.68 million] international tourist arrivals in 2018...down from 36.64 million the year before."^{94,95}

This suggests a trend, in which total Caribbean cruise passengers are increasing: over 77% increase in the eight years between 2010 and 2018. Also, in 2018 cruise passengers represented a whopping 44%, just under half of total international tourist arrivals to the region. A fee of US\$50 per passenger on 11 million passengers to the region (as occurred in 2018) results in US\$550 million per annum, a portion of which, say 5% or US\$27.5 million, can be allocated to regional IAS management.

Further:

- "The total number of cruise ship passengers was over 27 million world-wide in 2018, up nearly 10 percent from two years earlier. In the next 10 years, 106 new ships are expected to enter service and, currently, over 50 percent of the world's cruise fleet is based in the Caribbean for the Winter."⁶²

This means that the trend toward cruise line tourism is not only slated to intensify, but is also global. It is here to stay! At the same time, Caribbean port taxes per passenger range from US\$18 in the Bahamas and British Virgin Islands to US\$15 in Jamaica, US\$13.25 in Puerto Rico, US\$6 in St. Kitts, US\$5 in St. Lucia, US\$4.50 in Grenada and US\$1.50 in Dominican Republic.⁶² Compare this to \$50 per passenger in Bermuda.⁶² As noted by a sector stakeholder, "The hugely profitable cruise industry can afford to absorb higher port taxes in the Caribbean and will do so, once faced with a stronger negotiating entity",⁶² a united Caribbean front.

Added to this, the United States Congress is considering implementing an 'Explore America' Tax Credit for travel within the USA through the end of 2021.⁹⁶ This will be applicable to 50% of a US household's total vacation expenses, up to a maximum of \$4,000. If approved, it could negatively impact the number of US visitors to the Caribbean.

A SUSTAINABLE FINANCING ALTERNATIVE

Policy Options

In examining options for sustainable funding for IAS management starting in Barbados and the OECS, options other than a TF must be considered. This is because as seen from these discussions, setting up a TF involves several time-consuming steps:

1. Setting up the Legal and Operational framework – which is started in this report;
2. Gaining buy in by the political directorates at the national and regional levels;
3. Sourcing initial grant funds as seed capital;
4. Hiring competent fund managers to manage the fund; and
5. Waiting for a minimum of a year to get returns on the investment to draw down for IAS management and control.

The CBF review has shown that these processes can take at least two to three years. As also discussed, Trust funds can suffer the vagaries of international stock markets, as is currently the case with the COVID-19 pandemic, plus the demand for biodiversity conservation funds are outstripping supply.

Well thought out policy options can more easily be introduced where they do not exist, or existing policies relating to taxes and fines can be amended where they do exist, to generate the necessary funding in the short term. In this section some policy options that are considered workable in the context of Barbados and the OECS Island States are evaluated. Once successful, they can be considered for Caribbean-wide implementation.

Shine, Williams and Gudling (2000), in a guide to designing legal and institutional frameworks to IAS management noted four possible policy options that have been tried by one or more countries in their efforts to sustainably fund the management of Invasive species.⁹⁷ These include:

- a. Mandatory Insurance
- b. Deposit/performance bonds
- c. Fees or charges
- d. Levies and taxes

In addition to these suggestions made by Shine et. al. (2000), another option is:

- e. Environmental Taxes and User Fees.

a. Mandatory Insurance:

Shine et. al. (2000) cite the example of the Hungary Nature Conservation Act of 1996. This Act requires any person using hazardous substances in protected areas or pursuing activities dangerous to the character or condition of the natural value of the site to provide security or

draw up an insurance contract in accordance with special regulations under the Act. Another example cited is the proposed mandatory insurance to cover the risk associated with escapes and damage to third parties and the cost of eradication measures in the event of abandonment. Other areas where insurance may work is in animal breeding and trade in live animals, with insurance coverage against the risk of escapes and or a levy to finance necessary surveillance work.

b. Deposit/Performance Bonds:

Deposit/Performance bonds are routine under construction law, requiring contractors to post a bond to ensure that funds will be available to pay the costs of completing and clearing up the project if the contractor fails. A similar concept can be applied to the management of IAS in Barbados and the OECS. A performance bond is in place in the Philippines for damage to the environment, which includes the introduction of IAS while conducting any prospecting activities.

c. Fees or Charges:

As a minimum, costs directly linked to development permit applications, risk analysis, and environmental impact assessments should be met by the applicant. Where possible the revenue generated from this and other sources could be used to fund a specialist assessment body that can conduct risk analysis for the introduction of IAS and thereby contribute to sustainable funding for activities geared to preventing the introduction of new Invasive Species.

Another example of a fee or charge to provide for biosecurity at airports that significantly contribute to the prevention of new IAS introductions is a dedicated percentage of departure tax for biosecurity, as is done at airports in Costa Rica. Costa Rica's Phytosanitary Protection Act 7764 of 1997, under decree 36341 addresses this. The implementing agency for this law, the Ministry of Agriculture and Livestock, receives US\$2 of the US\$29 dollars charged to each international passenger leaving the international airport (personal communications E. Hidalgo, CABI Costa Rica). This is close to seven percent of the departure tax paid and the use of the funds is clearly displayed on a billboard at the payment location. These funds are then dedicated to funding the biosecurity operations at the airports. The British Virgin islands, an Associate OECS Member, also has a US\$10 Environmental and Tourism levy paid by visitors upon entry. As noted above, this recommendation is being made because the volume of work required and the resources needed are directly proportional to the number of passengers using the airports. The same is true of shipping ports.

A funding mechanism such as this is important because relying on fixed allocations from central government funding to "get the job done" is not the most efficient funding mechanism. Richards and Ramnanan (2020) noted the lack of sustainable funding for port biosecurity and the lack of need for improvements in infrastructure, equipment and personnel to improving biosecurity arrangements at ports.

For the purpose of evaluating the feasibility of this policy option let us examine the current state of funding for Port Biosecurity. Based on the section on Increased Taxes: A Precautionary Note), if it is assumed that a nominal fee of \$1 is added to Airport Departure taxes and \$10 to port charges for IAS management in Barbados and the OECS this will lead to the following analysis.

Statistica reports total Caribbean tourist arrivals of 25.68 million in 2018 and over 11 million cruise ship arrivals in that year. Assuming total tourist arrivals of 25.68 million includes both airport and cruise ship arrivals, airport arrivals can be estimated by reducing total arrivals by cruise ship arrivals: 14.68 million airport arrivals. The percentage of airport to cruise ship arrivals can also be estimated: 57.17% airport arrivals and 42.83% cruise ship arrivals to the Caribbean region for 2018. Assuming say, a minimal US\$1 IAS management airport departure tax and say, a US\$10 per passenger port charge, this results in total IAS management fees of US \$124.68 million annually as shown in Table 4, subject to COVID-19 tourist arrivals impact adjustments.

Table 4. Caribbean Airport and Cruise Ship Arrivals 2018

Caribbean Region	Year	# Total Tourist Arrivals	IAS Departure Tax & IAS Port Charge (US\$)	IAS Airport Departure Taxes & Port Charges
Caribbean-wide (Source Statistica)	2018	25,680,000		
Cruise arrivals (Source Statistica)	2018	11,000,000	\$ 10	110,000,000
Estimated Airport Departures	2018	14,680,000	\$ 1	14,680,000
TOTALS				\$ 124,680,000
Airport Arrivals as % Total		57.17%		
Cruise Arrivals as % of Total		42.83%		

If it is further assumed that Total Tourist Arrivals for Barbados and the OECS include both airport and cruise ship arrivals, then airport and cruise ship arrivals can each be estimated using the percentages of total arrivals calculated above. As shown in Table 5, IAS management fees for this sub-region will therefore estimate US\$11.9 million annually, subject to COVID-19 impact adjustments. While these are estimates, they provide an idea of the level of funding that can be raised in the short to medium term through Policy Options.

Table 5. Barbados and the OECS Tourist Arrivals 2017–2018

Barbados & OECS Countries	Year	# Airport Tourist Arrivals (<i>Source: Statistica</i>)	Estimated # Airport Arrivals	Estimated # Cruise Ship Arrivals	Est. IAS Airport Departure Tax (USD)	Estimated IAS Port Charges (USD)	Total Estimated IAS Airport & Port Fees (USD)
Antigua and Barbuda	2018	270,000	154,346	115,654	\$ 1	\$ 10	1,310,888
Barbados	2017	1,350,000	771,729	578,271	771,729	5,782,710	6,554,439
Dominica	2018	63,000	36,014	26,986	36,014	269,860	305,874
Grenada	2018	185,000	105,755	79,245	105,755	792,445	898,201
St. Lucia	2018	396,000	226,374	169,626	226,374	1,696,262	1,922,636
St. Kitts and Nevis	2018	116,000	66,312	49,688	66,312	496,885	563,196
St. Vincent and the Grenadines	2018	80,000	45,732	34,268	45,732	342,679	388,411
TOTALS		2,460,000	1,406,262	1,053,738	\$ 1,406,262	\$10,537,383	\$ 11,943,645

South Africa's Water Act of 1998 is another possible way in which the use of fees and taxes to fund IAS control can be employed. The Act provides a legal basis for the use of land for afforestation. It has been or is being established for commercial purposes, to be classified as a "stream flow reduction activity" for which landowners are required to pay charges linked to acreage. The government can declare the use of invasive plant species as a "stream flow reduction activity" and impose a tax by the acreage under alien plant cultivation, unless managed to agreed standards and precautions.

d. Corrective Taxes/Levies:

Several states use taxes or levies to implement provisions of multilateral environment agreements. For example, the MARPOL treaty that deals with marine pollution allows signatories to the treaty to levy charges on shipments/passengers to cover the cost of post waste treatment facilities. They also identified other examples such as a special tax levied in Western Australia to fund the eradication of invasive alien species. In New Zealand the Biosecurity Act of 1993 allows for the imposition of levies to generate financial contributions for specific pest management strategies.

e. Environmental Taxes and User Fees:

In many jurisdictions it is recognized that doing business impacts directly on the environment. As such, a tax on all businesses is instituted. For example, in Trinidad and Tobago it is called the Green Fund Levy. Similarly, where they exist, tourist levies and taxes are in place and a portion of these can be dedicated to funding invasive species management.

Conclusion

While Policy Options are viable in theory and comply with the matching principle where users of biodiversity services pay for them, as a standalone sustainable IAS management funding vehicle in a developing region, Policy Options are risky at best. As noted by CARICOM,²³ there are high demands on funding generated in the region. This is also illustrated in the section on Increased Taxes: A Precautionary Note, where it has been shown that the need to generate national cash

inflows has resulted in the escalation of tourist-related costs in the region, to the point where they are detracting from the Caribbean as an attractive and affordable tourist destination. This means that taxes, levies, fees etc. are beginning to jeopardize what has been the traditional income earner in the region: tourism. Even so, like Costa Rica and the British Virgin Islands with their Environmental and Tourism Levies, there may be ways to select Policy Options that are less detrimental, such as from cruise-line tourism where charges are below market. Having viable policy options implemented must remain an objective of the CIAS TF as an intermittent or partial source of funding, if not a permanent and consistently dependable one, which is more of a long-term objective.

In the meantime, national governments in the region have demonstrated their intent to honor international commitments and conventions, specifically by matching international financing contributions in cash and in-kind. This makes a CIAS TF that is endorsed, funded and otherwise supported by the CBD and associated international biodiversity conservation entities more likely to secure funding and other necessary commitments from leaders in the region to enable it to carry out the IAS mandate in its entirety and into perpetuity. For this reason, the CIAS TF is being recommended as the immediately achievable and preferred sustainable funding mechanism for Caribbean IAS management.

Asset Management

The 9 Practice Standards for Asset Management are summarized on page 33 of Annex 1. An investment policy must be developed to clearly define the core principles to be used in managing the CIAS TF's assets.^{8,41} The policy must align with the mission and goals of the TF to the point where the elements addressed may appear in the founding legal documents of the TF. The investment policy and related investment guidelines are prepared by the governing body, or a committee it delegates, in collaboration with a competitively acquired and board-approved investment management professional. Final approval of the investment policy and guidelines is given by the CIAS TF's board of directors.

Investment Policy

To be clear on the objectives of investing the TF's assets, the investment policy generally:

- defines and assigns the responsibilities of all parties involved in investment decision-making, including the board, the investment committee and any investment professional retained;
- states the elements of prudent decision making by the governing body;
- establishes the relevant investment horizon for which the assets will be managed;
- states the investment objectives and defines the TF's risk tolerance;
- defines the spending rule, that is the investment income that can be distributed annually for the TF's operations and grant-making program;
- provides clear guidance and limitations to the investment professionals for asset management;
- defines the basis and reporting requirements of the consulting investment managers and establishes a basis for evaluating investment performance and for changing consulting investment managers;
- states the approach for addressing environmental, social and governance considerations, that is, the application of filters to eliminate or choose companies based on positive environmental or social performance; and
- provides for regular review of the investment policy.

Investment Guidelines:

The core principles of the investment policy are further developed in the investment guidelines. These translate the general principles of the investment policy into transactions to be executed by the investment manager to create earnings for the TF to be used in carrying out its functions. The guidelines also provide the basis on which investment performance is measured by facilitating the comparison of actual to targeted returns and asset class performance to benchmarks. The investment guidelines generally include:

- strategic asset allocation, allowable, prohibited and percentage limitations of asset class categories;
- target returns, risk management strategies, asset liquidity and performance benchmarks;
- diversification obligations of the investment manager, inclusive of specific guidelines for types of assets; and
- asset management reporting requirements.

The governing body reviews the investment guidelines with the investment consultant annually to confirm it matches the investment policy and to assess changes required. The investment professional retained to manage the TF's assets must be closely monitored by the board and investment committee, with monthly reviews, quarterly at a minimum, and substantive reviews no less than every 5 years, or sooner if asset performance is not up to mark. Investment managers must provide periodic performance reports, risk surveillance and investment guideline compliance, along with an annual report disclosing their investment management and other costs. Their investment performance reviews may include an economic briefing, an overview of the investment account and its performance, a review of the investment allocation and updates on the TF's finance committee's executive process and actions authorized by the TF's investment committee.

Once the TF ascertains a target return to generate required income streams while minimizing risk, firm commitments on capital contributions are required to create the investment portfolio.

Throughout the investment management process, the governing body must act as prudent investors, as they would if investing their own funds. This is facilitated by reviews and reports the board or delegated investment committee develops in conjunction with the investment manager. Such reports are based on the factors documented in the investment policy, such as: general economic conditions, inflation or deflation impacts, exchange rate factors, anticipated tax consequences of investment decisions or strategies, the role of specific investments in the overall investment portfolio, the expected total return in both income and asset appreciation and any assets that bring special value in supporting sustainability.

The process for selecting the investment manager is a two-part process that begins with the CIAS TF clearly stating its investment needs in order to elicit the provision of essential information by competing firms. This allows the options in investment management firms to be narrowed, while minimizing time and costs incurred by competing firms. The full request for proposal (RFP) with more detailed information on the CIAS TF, its assets and investment policy is then submitted to the short-listed firms to obtain details on their specific services offered, the individuals that will provide them, an asset allocation strategy, the investment manager's commentary on the TF's investment policy, the investment manager's performance measurement practices, their cost structure and fees for service and a description of how collaboration with the board and investment committee will be conducted. Interviews are then conducted and fees for services evaluated to make a final selection.

Upon the recommendation of the CIAS TF's investment committee, the governing body must execute the contract with the investment professional selected. The contract clearly and comprehensively states: services to be provided, the objectives, costs, reporting arrangements including frequency, the TF's means of conveying written instructions, restrictions on services due to conflicts of interest, full confidentiality, the governing law and regulations, the right to terminate the services and the manner in which assets will be transferred if termination occurs.

At least one member on the CIAS TF's board should be a qualified professional with expertise in one or more fields of finance, business or economics, to head the investment committee and to provide unbiased and targeted training in key concepts to the rest of the board. This is important because by implementing the investment policy and guidelines, the board is confirming that it is fulfilling its fiduciary duty to the TF, both as individual members and collectively as a group. This learning process can be further enhanced if the CIAS TF becomes a RedLAC member and participates in the annual Conservation Trust Investment Survey and other RedLAC capacity building initiatives.

As discussed, CBF offers Investment Management services for a fee, which is likely to be the optimal solution for the CIAS TF as it relates to maximizing returns on its invested assets while adhering to similar investment criteria. This is because CBF retains world class Investment Management expertise, and by pooling funds, the higher asset base is likely to be better diversified, plus yield higher returns to be pro-rated amongst contributors. This direct relationship between investment returns and the size of the investment portfolio is documented by CFA.⁹⁸ This benefits CBF and all Caribbean TFs that pool their endowments with CBF. It increases the total asset value of CBF's endowment so that CBF itself, via its allowed annual 1% allocation of the endowment market value toward its operational expenses, will receive higher operating fees to expand regional TF operations, and all contributors to the endowment will receive higher pro-rated distributions. It should be noted that if the CIAS TF's assets are pooled with CBF the CIAS TF will still be responsible for ensuring compliance with its own investment policy.

Endowment Fund

An endowment is the typical fund established to secure financial sustainability of a TF and must therefore be a component of the CIAS TF's financing strategy. For an idea of scale, a 2017 CFA Investment Survey reported that of the 33 participating CTFs managing 59 investable funds, "...45 of these are endowments, 13 are sinking funds, and one was reported as combined data. In addition, one of the CTFs reported that they manage two revolving funds."⁹⁸

"An Endowment fund is a sum of money that is intended to exist in perpetuity or preserve its capital over a long-term timeframe; an endowment's capital is invested with a long-term horizon and normally only the resulting investment income is spent, in order to finance particular grants and activities."⁹⁸ The endowment then, should be sufficient to generate returns that can sustain the operations of the TF into perpetuity. It must keep pace with inflation to do so.⁹⁸ An advantage of an endowment is that the CIAS TF would be, and **would be perceived** as a long term solution to the Caribbean IAS problem. Such a perception will enhance community buy-in, allow for the creation of PES and other mechanisms that provide long-term incentives and allow for the building of government and other public and private relationships for conservation results.⁹⁸

CABI has developed a budget that estimates the cost of IAS management expenses for one year under the assumption that capacity building work will begin in Barbados and the OECS. This is a logical representation of the preliminary IAS work that must be done in the Caribbean if a consistent, regional effort must be made to combat IAS and prevent reintroductions. This annual budget, inclusive of travel and reasonable general operating expenses of 20% of the cost of the Capacity Building Program is shown in Table 6 below.

Table 6. CABI Regional IAS Capacity Building
Barbados & the OECS - Annual Budget

Capacity Building Modules	US\$
Regional Capacity Building Training	55,770
Regional Meeting of IAS Experts	22,506
Research Project	267,432
Public Awareness Campaign	89,826
Total Annual Budget	\$ 435,534

Based on this, an estimate of approximately US\$450,000 can be assumed as the amount of funding that will be required in the first year or two after the CIAS TF is established and enters its operational Phase. This budget will only suffice at the outset because it represents capacity building only, without incorporating the other precursory lines of work that must be done to establish adequate IAS management in the Caribbean region: policy and regulatory changes, continuing the work of identifying priority IAS species and pathways, ensuring biosecurity regulations and adequate facilities are established throughout the Caribbean to manage IAS pathways, continued and widened awareness raising etc. The cost of thorough, ongoing IAS

management can therefore be substantially more than US\$450,000 per annum.

An endowment is therefore unlikely to be the only financing mechanism required by the CIAS TF, and that is assuming the funds required to establish an endowment can be acquired in a large enough lumpsum in the first place. The endowment challenge is evidenced by the scenario analysis shown in Table 7 below. This Table shows the present value of future payments into perpetuity for a range of assumed Capital, Annual Payment (or pay-out) Amounts and Net Annual Returns. Simply put, Table 7 represents annual achievable Cash Flows into perpetuity from an endowment based on a range of possible Capital amounts and Net Asset Returns:

Table 7. CIAS TF Endowment Returns – Scenario Analysis

Year	Annual Payment Amounts Into Perpetuity ----->					
	1	2	3	4	5	6
Annual Payment Amt.	300,000	450,000	500,000	700,000	800,000	1,200,000
Net Asset Rtn	Capital Required ----->					
1%	117,415,912	118,288,575	119,019,216	119,706,915	120,200,493	120,598,507
2.5%	45,509,980	46,344,002	47,047,012	47,716,976	48,201,204	48,596,296
3%	37,540,121	38,361,858	39,056,014	39,720,249	40,201,435	40,595,566
4.4%	24,894,200	25,683,016	26,353,275	27,001,937	27,474,788	27,866,269
5%	21,655,021	22,430,364	23,090,769	23,732,960	24,202,322	24,592,682
6%	17,709,269	18,462,956	19,107,430	19,739,094	20,202,746	20,591,260
7%	14,904,378	15,637,362	16,266,494	16,887,944	17,346,015	17,732,709
8%	12,811,874	13,525,055	14,139,406	14,750,943	15,203,557	15,588,457
9%	11,193,754	11,887,983	12,488,087	13,090,000	13,537,278	13,920,409
10%	9,907,245	10,583,327	11,169,696	11,762,261	12,204,321	12,585,706

As an example to clarify this Table, the capital required to generate a mere US\$300,000 into perpetuity – when the Return on Assets averages 1% per annum *net of inflation*, is US\$117,366,653. This means that the actual Return has to be even higher than 1% to allow for inflation. For example, if the inflation rate is 2% the actual Asset Return, net of taxes and fees, would have to be 3% to end up with the 1% Net Asset or real Return shown in Table 7. And a *Net* Asset Return of 1% is unlikely to be realistic in the current and immediate post-COVID markets,⁹⁹ plus US\$300,000 is not even sufficient to cover a CABI Budget that is limited in the work it addresses! This means that in order to effectively carry out the CIAS TF mandates, annual cash flows required will more likely fall in the higher ranges, say US\$700,000 to US\$1.2 million per annum and will grow as maintenance requirements following each project begin to accumulate.

Whether this level of cash flows is achievable from an endowment depends on the ability to raise that much capital in a short enough space of time for it to make sense, since biodiversity conservation is time-sensitive. Also, under current market conditions, the ability to achieve sufficiently high returns from the typically conservative portfolio of assets held by CTFs is

questionable. This challenge is made clear by a review of the annual CTF Survey produced by RedLAC in collaboration with CFA and CAFÉ. The latest 2017 Survey⁹⁸ is:

- Based on a total of 33 CTFs from 36 countries on 6 continents.
- Of those, 30 CTFs provided information on financial returns and portfolio allocations, on which this discussion is based.
- Five CTFs had total investments of over US\$50 million, 8 had investments between US\$20–\$50 million, 5 between \$10–20 million and 12 less than US\$10 million.
- The CTFs range from “...small endowments protecting a single species in a specific ecosystem, to large national or regional institutions funding conservation efforts, supporting protected areas and conserving biodiversity throughout an entire country or for a transnational ecosystem or protected area.”⁹⁸ Also included was a global CTF.
- African CTFs accounted for 37% of participants, LAC CTFs 33%, Asia/Pacific CTFs 21% and Europe CTFs 9%.

CTF representation was therefore broad-based and the LAC region well represented. Within this group, “Average asset allocation for endowment funds...was 37% equities, alternatives & other, and 63% fixed income & cash.” In investment terms, the higher the percentage of fixed income assets and cash in a portfolio, the lower the risk and returns. But conservative investment strategies of this nature, and therefore conservative returns, are expected for CTFs. CTFs must closely match cash flows from assets with their payment cash flows required, hence the need for a portfolio heavily weighted with fixed income assets. Also, along with liquidity requirements, CTFs have a low tolerance for asset default and depreciation risk and interest rate risk, hence the reliance on safer fixed income assets. Even so, non-fixed income assets such as equity and real estate are also required to keep pace with inflation via capital appreciation. Suffice it to say however, that there are no profound insights to capital markets and therefore no guaranteed net asset returns!

The results of the CTF Survey showed that “Overall, CTF endowments are producing real returns [i.e. net of inflation,] at just under 2.5%. Given reported spending rates that range from 3.5 – 5%, this suggests that CTFs, on average, are probably not recapitalizing to cover inflation. Long-term, this means the asset base will erode relative to future expenses, and the endowment will be of less economic benefit to the CTF.”⁹⁸

Having said that, Table 7 indicates that at a 2.5% net asset return, endowment capital of c. US\$47.7 – \$48.6 million would be required to generate US\$0.7 – \$1.2 million per annum to carry out effective IAS management work in the region. Approximately US\$46.3 million would be required to generate US\$450,000, just enough to carry out a precursory aspect of the work

required by the CIAS TF in its first year or two of operations: capacity building.

But those real returns of just below 2.5% achieved by the CTFs include exceptional returns for 2017. “The S&P 500 returned 21.8% for the year overall, compared to 11.96% in 2016 and 1.38% in 2015. The Morgan Stanley Capital International (MSCI) World Index, a measure of developed markets total equity return, had a return of 22.4%, 8.15% in 2016 and -0.32% in 2015. And in the bond market, the Barclays US Aggregate Bond Index returned 3.54%, up from 2.65% in 2016 and 0.55% in 2015.”⁹⁸ During such good times not even the CCJ TF performed much better, even though it had a relatively aggressive asset mix comprising riskier assets, as shown in their 2018 Annual Report: Hedge Funds representing 23.7% of their asset portfolio, Private Equity 11.5% and Emerging Market Equity 6.1%. Their less risky Global Fixed Income assets represented just 5.3% of their portfolio, and Cash 5.6%, a total of 10.9% compared to 63% for the CTFs surveyed. Even with such an aggressive investment portfolio, the CCJ TF experienced steadily declining Annualized Rates of Return from inception: from 9.3% in 2007 to 4.4% in 2018. It would be interesting to see the position during and post COVID-19!

Even in the unlikely event that CIAS TF assets were as aggressively invested as the CCJ TF, with a net asset return of 4.4% the amount of endowment capital that would be required to meet a reasonable annual cash flow of US\$0.7 – US\$1.2 million is a hefty c. US\$27 – \$27.9 million.

For information purposes, a separate scenario analysis was performed to find out the net asset return that would be required to achieve minimal cash flows of c. US\$450,000 per annum if the capital received was a reasonable say, US\$8.5 million. Variables in this analysis were the inflation rate which is critical to retaining purchasing power and the receipt of the lumpsum endowment in 2 tranches as opposed to one. As an example of the significance of inflation, the rate of inflation in Barbados was 4.1% in 2019 and expected to be 4.46% in 2021, pre-COVID-19. A third significant variable was the aggressiveness of the asset mix, which in this analysis comprised 60% equities, a high amount of risk for a TF where the less risky and lower yielding asset mix typically comprises 63% fixed income and cash.⁹⁸ The results of this analysis showed that an endowment of US\$8.5 million yielding annual cash payments of c. US\$450,000 can only last into perpetuity if the net annualized returns never fall below 7% per annum on average. This is virtually not possible from the typical TF asset mix, even when they are aggressive, as with the CCJ TF endowment that attained annualized returns of just 4.4% in 2018.

It is perhaps necessary for TFs to begin considering other options besides their typical endowment asset mix if the purpose of the endowments is to achieve sustainable financing. The CIAS TF can give thought to phasing in riskier assets over time to manage market risk. In fact, the CTF Survey suggests that CTFs begin accepting some risk in favor of potentially higher returns, by transitioning their asset mix to include a higher percentage of equities and alternative investments such as real estate, commodities, hedge funds, private equity, venture capital etc.¹⁰⁰ This type of uncorrelated and aggressive asset mix that has limited dependence on one class of assets was seen with the CCJ TF where retaining the value and purchasing

power of their endowment and generating operating cash flows are essential for its continued existence. Their highly diversified asset mix includes Hedge funds, Private Equity, U.S. Equity, non-US Developed Equity, Real Estate Assets, Emerging Markets Equity, Global Fixed Income securities and Cash. Similarly, the top 5 performing endowments in TFs surveyed by CFA in 2017 had a significantly lower percentage of their assets invested in safer and lower yielding fixed income and cash, 35.5% compared to the norm of 63%.⁹⁸

In addition to asset mix, CIAS TF assets should also be diversified based on location and currency. Asset location refers to where assets originate. Generally, groupings are US, non-US, International including Europe, Japan and emerging markets and Domestic.¹⁰¹ This is important because as discussed above, inflation which is used in the determination of the real rate of return on assets differs across countries, so for example, if the same nominal return is earned in Japan and the US in 2019, the real return in Japan is higher because its inflation rate is 0.48% compared to the US inflation rate of 1.81%. TFs typically have a significant percentage of assets in domestic markets due to risk tolerance, specific investment policy criteria or legal prohibition on converting currency. Unfortunately however, this bias towards domestic markets leads to the risk of non-diversification.⁹⁸

The CIAS TF should also diversify based on asset currency, that is, the currency denomination of assets. This is important so as to experience different growth dynamics, spread the risk of currency depreciation (domestically and abroad) and reap rewards from currency appreciation through exchange rate differentials.¹⁰⁰ Diversification requires at least 1 of the hard currencies – the US dollar, the British pound, the Euro or the Japanese yen.¹⁰¹ It also entails not keeping more than 50% of total investments in any one currency, unless donors require otherwise.¹⁰¹ For TFs that participated in the 2017 CFA Investment Survey, real returns in domestic currencies were the lowest due to a high inflationary environment in the respective domestic markets. About 58% of the endowment funds in the Survey were considered diversified with respect to currency.⁹⁸

Apart from an appropriate investment policy as described above, the CIAS TF can also establish a reserve fund that covers at least 6 months of operating expenses to cover capital market declines. This can be accomplished by allocating earnings to this fund in high performing years, or through the consistent allocation of a portion of earnings or capital gains to the reserve.

Despite market challenges, an endowment is being recommended for the CIAS TF to achieve financial sustainability. It can be replenished as needed from reserve funds, annual donor contributions, or revolving funds discussed next. In the absence of the endowment, and even with it, the high level of on-going IAS management required in the region and a growing expense base due to new projects continuously coming onstream followed by continuous maintenance, means that revolving and sinking funds are also required. As the 2017 CTF Survey coined it, “Without large new donations, inflation and the growing demand for

conservation work will inevitably reduce the purchasing power of trusts that only invest in safe but low-yielding short-term financial assets, and will result in those trusts becoming irrelevant over time.”⁹⁸ This is where the innovative financing mechanisms and revolving funds must play their roles, perhaps along with sinking funds if the opportunities present themselves.

Revolving and Sinking Funds:

As global funding sources become more difficult to acquire, so too is an adequate endowment fund, particularly in the short to medium term. The CIAS TF may therefore be able to seek revolving and/or sinking funds to immediately begin carrying out IAS management work, potentially during the 2–3 year time-span during which the TF is becoming established.

A **revolving fund** “...provides for the receipt of new resources on a regular basis – such as proceeds of special taxes designed to pay for conservation programs – which can replenish or augment the original capital of the fund and provide a continuing source of money for specific activities.”¹⁴ The general objective when investing revolving funds is to ensure adequate liquidity to meet short to medium term program expenses. The revolving fund can be the mechanism used to acquire funds needed to start-up CIAS TF operations and grant-making programs and to perhaps allocate some portion of routine cash flows to build and keep an endowment replenished. The fundraising strategies described under Practice Standard 6, Resource Mobilization makes recommendations for some sources of funds for a revolving fund.

A **sinking fund** is “...a pool of monies that will spend down its capital within a designated period of time (e.g. 10, 20, 30 years). The entire principal and investment income is disbursed over a fairly long period (typically 10 to 20 years) until it is completely spent and thus sinks to zero.”⁹⁸ Like endowments, investment returns are an important component of sinking funds that are therefore subject to the same unpredictable market deviations. Despite this, opportunities for sinking funds in the start up CIAS TF exist, for example to accept donor or private market investments for specific regional IAS management projects or ongoing projects that require annual disbursements. Sinking funds can also be used to allow endowment capital time to grow.

As discussed, the CIAS TF’s investment portfolio must be relegated to professional asset managers to factor these and other variables in, so as to minimize risk while maximizing returns. But it is unlikely that an endowment can be the sole, or even the lead funding mechanism for the CIAS TF, especially at the outset when markets are still underperforming or recovering from the COVID–19 pandemic and donations are becoming more difficult to acquire. Under present market conditions an endowment may be more suited to being an operating fund for the CIAS TF. Market conditions are likely to normalize again however,⁹⁹ so building an endowment while relying on a revolving or sinking funds may be a solution.

Such a scenario may result in conservative CIAS TF financing arrangements such as those shown in Table 8 based on assumptions described below. These assumptions will be transformed into

Table 8. CIAS TF Potential Financing Plan

Type of Fund	Description	Time to Maturity	Overall Contribution within 3 Years–USD
ENDOWMENT FUND	Total Donor Capital Contributions*	Perpetuity	\$ 50,000,000
Endowment Net Asset Return at 2.5% – Annual		Annual	1,200,000
Unrestricted Income–Annual	Public–private consultations managing IAS, implementing PES or Offset Programs etc.	Annual	100,000
SUSTAINABLE ANNUAL CASH INFLOWS–GROSS			1,300,000
CCTF Operating Expenses (including maintaining regional relationships)		Annual	(300,000)
Regional Regulatory and Policy Amendments and Capacity Building etc. – Annual		**First 3 Years of CCTF Operations	(600,000)
Awareness–raising and Relationship maintenance – Annual		Perpetuity	(200,000)
SURPLUS: TO FUND RESERVES/ ENDOWMENT REPLENISHMENT/GRANT–MAKING		Annual	200,000
GRANT–MAKING including CCTF IAS Management Projects Implemented	CCTF Endowment Returns	First 3 Years	200,000
	Additional Endowment Returns – After **First 3 Years of CCTF Operations	Perpetuity	600,000
	Donor Contributions	Every 3 Years	3,000,000
			3,800,000
REVOLVING FUND	Caribbean National Governments – Annual	Perpetuity	1,000,000
	GEF/UNEP and related Agencies – Portion of Funds Allocated to the Caribbean and Surplus from Caribbean Biodiversity Projects – Annual	Perpetuity	3,000,000
GRANT–MAKING TOTAL EVERY 1–3 YEARS			7,800,000
SINKING FUNDS	Donor Contributions	10–15 Years	8,000,000
	Caribbean National Governments–Cash	10–15 Years	2,000,000
TOTAL NEW SINKING FUNDS EVERY 10–15 YEAR PERIOD			10,000,000

Potential Donors: GEF, UNEP, GLISPA, CEPF, BIOPAMA, IUCN–ORMACC, IDB, CDB, CCCCC, TNC, KfW, World Bank, USAID, FFEM, and Caribbean National Governments in Cash and In Kind

achievable projections during the Feasibility Analysis stage of CIAS TF development, as described in the final section titled The CIAS TF – A Road Map. In the meantime, suffice it to say that a CIAS TF objective must be to continuing building the CIAS TF's endowment over time beyond the initial amount shown in Table 8 to offset adverse market deviations while working toward achieving long-term financial independence in sustainable Caribbean IAS management.

At this stage, it is assumed in Table 8 that the CIAS TF's endowment can be built to US\$50 million within the 2–3 years required to establish and operationalize the CIAS TF. It is also assumed that markets would have normalized by then⁹⁹ and the TF will achieve annualized net asset returns of 2.5%, the approximate average net asset returns observed for TFs surveyed by CFA in 2017. It is possible for the endowment to earn more if, as discussed, investment risk is increased moderately. If higher returns are achieved the CIAS TF can add the surplus to its reserve fund, replenish or add to the endowment to cover the years when market performance is poor, increase the funds allocated to the Grant-making function or create sinking funds for pressing IAS challenges etc.

If the endowment shown in Table 7 is attained and sustained, the net annual returns will be around US\$1.2 million or greater, depending on market performance, investment risk taken and whether the capital base can be increased beyond US\$50 million over time. Unrestricted funds earned by the CIAS TF may add an additional US\$100,000 to the TF's income stream, a conservative amount due to time constraints that may arise from the many requirements the CIAS TF must fulfill. Of total annual income streams of US\$1.3 million, if say US\$300,000 is used for CIAS TF operations to expand its presence Caribbean-wide, including building relationships with regional national entities, NGOs etc. and seeking regulatory and policy amendments, US\$1 million will be left for the Grant-making function, capacity building, IAS management training, regional awareness-raising, maintenance of regional governmental relationships etc. Of course, the distribution of funds amongst those priority objectives will change over time as objectives are achieved and priorities shift.

The reasonableness of US\$300,000 per annum for CIAS TF operating expenses can be assessed by an overview of global TF operating costs. CBF estimates initial TF operating costs in the Caribbean of US\$190,000 per annum under a best case scenario. Global experience suggests US\$200,000 to US\$300,000 or 30% of the TF's portfolio per annum, falling to as low as 15% as the TF grows in size and experience.¹¹ And those estimates are for single in-country TFs, as opposed to a regional one with a presence in several islands. GEF-financed IAS projects executed in the Caribbean involved investments of over US\$3 million each, over US\$7–10 million when co-financing in cash and kind are included. Caribbean biosafety projects have required investments exceeding US\$12 million excluding co-financing. These regional projects can last up to 3 years or more. Biodiversity value in the developing region is therefore high.¹² Added to this, the CIAS TF is a regional entity managing a pressing global need and may be most effective if it has a physical presence in all islands to foster buy-in and support throughout the region. A presence in each island may also facilitate donations that are

earmarked for certain islands or purposes. All things considered, CIAS TF estimated annual operating costs of US\$300,000 are, if anything, conservative.

Table 8 indicates that after deducting operating expenses and the costs of regulatory and policy amendments, capacity building, awareness raising and relationship building, a small portion of total cash inflows from the endowment and unrestricted funds may remain to be allocated to the grant-making function. However it is unlikely to be sufficient, around US\$100,000 at the outset, increasing to US\$700,000 after the first 3 years of CIAS TF operation. This means that international support will be required for the grant-making, sinking and revolving funds required to execute thorough, consistent IAS management. This is why a CIAS TF objective must be to continue to build its endowment as described above, to achieve independence in IAS management in the long-term. This may eventually be complemented by revolving funds provided by Caribbean governments once the results from the activities of the CIAS TF and the significance of those results begin to be recognized and valued. In the meantime, intermittent contributions must be sought from national governments in the region, even if only to meet co-financing requirements.

As the IUCN notes, "Invasive species are an international problem, so their effective management on islands requires coordinated action by international and government agencies, NGOs, the private sector and local communities. Good resources exist to help planners and managers with many aspects of invasives management, including species control techniques, biosecurity, project design, legislation, raising awareness and many others."²⁰ The CIAS TF provides the opportunity for the developing Caribbean region to work along with the international community to begin gaining its independence in managing the tremendous, regional IAS challenge on its home-front.

Evidentiary documentation that the Asset Management Practice Standards have been met include:

- investment policy adopted by the governing body that sets out the core principles for managing assets;
- minutes of meetings of the governing body or its committee responsible for oversight of investment management, including minutes covering approval of the investment policy and performance reviews of investment professionals;
- investment guidelines adopted by the governing body;
- contract with investment management consultant and/or investment manager(s);
- reports of the investment management consultant and/or investment manager(s) or quarterly reports produced by the CIAS TF's own monitoring system;
- terms of reference for the investment or finance committee;
- content of meetings with investment management consultant, investment manager or other qualified professional providing investment advice;
- investment reports;

- CVs of governing body members indicating that at least 1 person has asset management expertise;
- governing body training materials related to asset management training;
- qualifying letter and request for proposals and report on evaluation of proposals regarding the provision of asset management services;
- offer of service provider;
- minutes of governing body or investment committee that has reviewed the service provider contract;
- service provider contract;
- agenda for quarterly review meetings regarding investment management performance, with documents for each section of the process;
- summary of recommended actions to be taken as a result of investment performance review; and
- record of confirmation that all actions authorized by the committee responsible for overseeing investment management were carried out.

Reporting, Monitoring & Evaluation

The 10 Practice Standards for R, M&E are summarized on page 32 of Annex 1. The CIAS TF can have different methods for monitoring ongoing projects and working with grantees to ensure proper tracking of expenses, activities and outcomes. It can be as simple as a spreadsheet that is kept updated with current projects, regular field visits and grantee reports, which can later be used to complete more formal annual progress reports and scorecard checks, or it can be well developed, full scale monitoring guidelines. The objective is to meet M&E criteria, which comprises:

- **performance assessments** that measure inputs, activity implementation and outcomes, that is, how well grantees are expending CIAS TF funds to enhance conservation outcomes. This assessment relies on baseline data and a mix of methodologies that measure threat abatement; and
- **impact assessments** that measure effects and impacts arising from conservation activities. This illustrates how the CIAS TF is growing its own institutional capacity and that of its grantees to advance IAS management outcomes in the region. This may involve, for example, the use of self-assessment templates completed by grantees, or grantee surveys completed by the CIAS TF.⁴¹

It may be a good idea for the CIAS TF to comply with multilateral donor M&E expectations, for example independent evaluations at mid-points and at the conclusion of large projects that feed into appropriately designed reports that clearly communicate outcomes.^{41,102}

The purpose and various forms of TF R, M&E is codified in the TF's governing documents or donor agreements and articulated in its Operations Manuals. TFs are intentional in reporting to different audiences for different purposes. Audiences include donors, governments, the governing body, grantees, and TF management etc., often for compliance with international conventions. Reporting is therefore either externally or internally motivated. Sometimes the different audiences may share reporting purposes, so TF reports are additive, so the type and quality of data produced by the TF and its grantees must be of exceptionally high quality. To achieve this, the TF's management must put systems in place for gathering data and conducting evaluations to produce quality reports.

While the reporting needs of different stakeholders vary, they almost always include requirements for annual reports, work plans, financial statements and program and financial audits. Donors may also require reports on grant-making and governments may require legal and regulatory reports.

Most of the CIAS TF's reporting will be based on information derived from M&E. It should be compiled based on adaptive management, in which information required for various reports and audiences drives the evaluation questions which drives the monitoring information required, all of which is modified by the information reflected in the reports.

The CIAS TF should develop harmonized Donor Agreements that stipulate information requirements, formats, procedures and timing for technical and financial reports to donors. This facilitates efficiency and cost effectiveness in meeting donor reporting requirements. Although some donors may have their own reporting requirements and formats, almost all major bilateral and multilateral donors have signed the Paris Declaration on Aid Effectiveness that commits international aid donors to the harmonization of their M&E requirements.⁸

As it relates to national governments and Caribbean regional entities, a regularly updated checklist and reporting schedule itemizing the reporting requirements of each entity can aid the CIAS TF in meeting regional compliance obligations on time to avoid fines, penalties, loss of capital, loss or suspension of tax privileges or even TF registration cancellation. The chief executive and staff are responsible for keeping the regional checklist up-to-date and ensuring that reports are completed, appropriately signed and distributed.

The CIAS TF's M&E must be grounded in its purpose, which, as described in the Operations section, is captured in well-written strategic and other plans that show cause-and-effect relationships and factor in performance and impact evaluations and an adaptive management framework. As a regional entity, the success of the CIAS TF will be measured by its effectiveness in contributing to defined national, regional and international commitments and conventions regarding IAS targets, that is, Aichi Biodiversity Target 9. This will be the basis on which the CIAS TF will attain greater engagement, political support and fundraising

opportunities. At least once every three years the CIAS TF should be independently evaluated and modify their plans accordingly.

The governing body of the CIAS TF must strive for managerial excellence, program effectiveness and efficiency, which will bring confidence to existing and potential donors. This requires certainty in ensuring compliance, reviewing progress and making informed decisions based on timely, well-written planning, budgeting and financial reports from the TF's management and staff. It can be achieved through systematic performance management systems involving program implementation activities followed by the collection and analysis of performance information to track progress towards planned results, the use of performance information and evaluations to influence decision-making and resource allocation, and communicating results to promote organizational learning and stakeholder involvement.

Internal reporting regarding M&E includes:

- Periodic reports such as quarterly or semi-annual and annual work programs and variance analysis between budgets and actuals, financial and technical progress reports on the grant program and interim mid-year financial statements; and
- Variance analysis reports that compare budgeted and actual costs for: program management expenses, project/grant disbursements, performance ratios and indicators, investment performance and cash available.

The CIAS TF's staff and grantees monitor projects using indicators and agreed measures documented in the grant agreement between the CIAS TF and the grantee. The CIAS TF is responsible for the selection of appropriate indicators and proper use. Explicit indicators raise grantees' awareness of the basis on which performance is being measured. Indicators should be based on the project's theory of change to show cause and effect.

As mentioned, performance monitoring, that is, grantees' compliance with work plans, implementation of activities and delivery of outputs must be differentiated from impact or outcomes monitoring, which focuses on the results achieved through grantees' compliance with project work plans and activities. A balance of both types of indicators is needed to assess whether the projects are on track plus achieving intended results.

Best practices for indicator use include them being: specific but not too many, measurable, attainable, relevant and time-bound (SMART). When possible they should be quantifiable, discrete and indicative of the process measured and should be defined in a monitoring plan. Monitoring should be cost-effective and reproducible. As the CIAS TF will be regional, a harmonized suite of CIAS TF metrics can be devised that apply to projects regardless of context, so the aggregate impact and effectiveness of CIAS TF investments can be tracked.

The IUCN proposes the following a process to develop indicators to measure biodiversity performance in any business. The process is based on the synthesis of a large body of academic research and practice on biodiversity indicator development that is directly relevant to businesses:¹⁰³

Overarching Process to Develop Indicators to Measure Biodiversity Performance

STEP IN THE PROCESS	DESCRIPTION OF THE STEP
1. Define the decision context	– Define all elements of the business application for biodiversity indicators: why? what? when? for who? how often? and how detailed?
2. Set management objectives	– Set clear objectives that relate to what the business wants to achieve in relation to biodiversity management and how that can be measured. Set monitoring objectives that link to management objectives. – The objectives should align with corporate biodiversity commitments which may be voluntary, regulatory, or could relate to international biodiversity goals like the SDGs.
3. Explore and set management actions	– Explore and prioritize management actions that could be implemented to help achieve management objectives.
4. Develop or select indicators	– Select existing indicators or develop new indicators that will help measure whether management or monitoring objectives are being achieved, which take into consideration an understanding of the natural system and uncertainty in how the system will respond to management.
5. Conduct monitoring, assessment and reporting	– Begin monitoring, assessment and reporting to meet the decision context requirements.
6. Adapt and refine	– Assess whether management and monitoring objectives are being achieved. – Ensure an information management system is in place to ensure the quality control and accessibility of data collected. – As new information is revealed about the system adapt management and/or monitoring as required.

The CIAS TF should design its M&E to support evidence-based reporting of conservation impacts or results to verify its success in achieving its objectives, which will attract political, financial and partnering support. Such impact-based reporting can be accomplished with plans that contain a system of metrics that provide evidence of biodiversity conservation results. A baseline must be established for each strategic and financial plan indicator from which conservation change will be measured and performance evaluations and impact evaluations assessed. Alternatively, baseline data collected by others or the use of “proxy” indicators that can be easily monitored can be used.

TNC’s Conservation Gateway provides a host of tools to evaluate the success of different aspects of conservation work: assessing strategies, indicators and monitoring tools and information management tools that can be utilized by the CIAS TF.¹⁰⁴ Of these, the two most frequently used tools are discussed briefly later in this section.

As it relates to grant contracts executed, in addition to identifying administrative and financial reporting requirements, clear and explicit requirements for reporting and M&E on conservation impacts should be identified. It is important to select a manageable number of key indicators and to provide clear reporting templates to grantees, for example log-frames, to ensure that grantees can comply with grant conditions and the achievement of conservation impacts. This, and in some instances training and other technical assistance, builds grantee capacity and accountability that foster reflection and adaptive management and independence. It also allows the CIAS TF to efficiently and effectively manage a diverse portfolio of grants, along with the reporting and M&E of its entire portfolio of grants.

It will be the CIAS TF's responsibility to perform due diligence and monitor grantees' progress towards achieving outputs and outcomes. This is best done through the TF's observation of grantees' project implementation progress, at which point the TF can also assist grantees in applying adaptive management principles. TF due diligence entails the review of periodic technical and financial reports from grantees, conducting interviews with grantees and other relevant stakeholders and project site visits. This means that both the TF and the grantees must have the staff capacity and budgets to monitor technical, administrative and financial aspects of a grant and to prepare the reports on monitoring results to inform the governing body.

TF monitoring involves comparing grantees' expenditure against project implementation activities to ensure funds were used for intended purposes and to adaptively manage as appropriate.

Grantee reporting requirements are outlined in the agreements between the CIAS TF and its grantees and the TF should remind grantees in writing when specific reports are due. These technical and financial reports supported by receipts, procurement activities and an activity report, tracks expenditure and progress compared to targets and planning schedules that were set out in proposals and project plans. Extraordinary events are also detailed in the same, or additional reports. These reports undergo a review cycle in which the TF program and financial officers review the reports in a timely manner and give feedback to grantees, who make corresponding amendments to the report. This review cycle builds grantee capacity while determining whether to continue funding.

When a project is on track and progress satisfactory the CIAS TF will notify the grantee accordingly in writing. Similarly, the grantee is notified of insufficient progress in writing, along with a request for an explanation and proposed corrective measures. The grantee must respond within the timeframe allotted by the CIAS TF. The TF's staff will determine whether time delays are justified and corrective measures proposed are feasible. The governing body determines whether the grant should be suspended or terminated.

The CIAS TF will prepare Annual Reports for distribution to donors, key stakeholders and the general public, to inform on the TF's mission, activities, management and financial situation and as a marketing tool to attract new donors. The Annual Report provides a concise but comprehensive review of TF activities, including a description of grants made and annual financial statements showing assets, liability, income from investments or donations, operating expenses and total grants disbursed. Publishing the Annual Report on the TF's website is a cost-effective way to disseminate the report to the public while sharing other information on the TF, such as its mission, its strategic plan, a summary of progress made toward biodiversity conservation objectives and challenges encountered. The Annual Report and TF website will also provide the names of the members of the governing body, senior management staff and donors.

The World Bank supports a 10 step process to creating a results-based R, M&E system.¹⁰⁵ Regardless of the number of steps, the essential actions include:

- formulate outcomes and goals;
- select outcome indicators to monitor;
- gather baseline information on the current condition;
- set specific targets to reach and dates for reaching them;
- regularly collect data to assess whether the targets are being met; and
- analyze and report the results.

During the R, M&E process, it is important not to miss the complexities and subtleties of the country, government, or sector context such as organizational, political and cultural factors, particularly since the CIAS TF will be a regional entity. In fact, this foundational step is so important that it represents the first preliminary step in the establishment of the R, M&E system:

1. Readiness assessment – to understand context and prevent difficulties and ultimately failure in the implementation and execution of the R, M&E system. Political, participatory and partnership processes, that is, internal and external stakeholders must be consulted and engaged in setting outcomes, indicators, targets etc.
2. Choose outcomes to monitor and evaluate, which represents the way forward.
3. Set key performance indicators to provide continuous feedback in monitoring progress with respect to inputs, activities, outputs, outcomes and impacts. This takes time and may require several iterations. It involves identifying the outcome to be measured and

selecting an indicator that is as direct as possible, is sufficiently precise to ensure objective measurement, calls for the most practical, cost-effective collection of data, is sensitive to change in the outcome but relatively unaffected by other changes and is disaggregated as needed when reporting on the outcome.

4. Establish performance baselines – either qualitative or quantitative, to be used as the starting point from which to later monitor and evaluate results.
5. Select results targets – or interim steps on the way to a longer-term outcome. This can be done by examining baseline indicator levels and desired levels of improvement.
6. Monitoring for results – includes both implementation and results monitoring. It entails collecting quality performance data for which guidelines are stated.
7. Determine the uses, types and timing of evaluation.
8. Reporting findings – looks at ways of analyzing and reporting data to help decision makers make the necessary improvements in projects, policies and programs.
9. Use findings – to generate and share knowledge and learnings among stakeholders.
10. Sustain results-based M&E systems – including setting clear roles and responsibilities and maintaining trustworthy and credible information, accountability, capacity and appropriate incentives.

In devising R, M&E systems, the CIAS TF should keep in mind that a review of M&E approaches used by TFs¹⁰⁶ indicates that:

- different M&E needs require different M&E approaches and tools, depending on whether the objective is a status assessment or an effectiveness measurement etc.;
- M&E approaches share conceptual similarities within a specific purpose, meaning that general steps and fundamental principles underlying the various approaches are the same;
- despite conceptual similarities, inconsistent use of language in M&E approaches impedes communication and understanding among organizations, which means that the CIAS TF should make an effort to use standardized M&E terms;
- confusion among components of M&E systems hinders practitioners' abilities to choose the components appropriate for their needs, which means that the CIAS TF must be specific about what it would like to accomplish so as to clearly define the purpose and

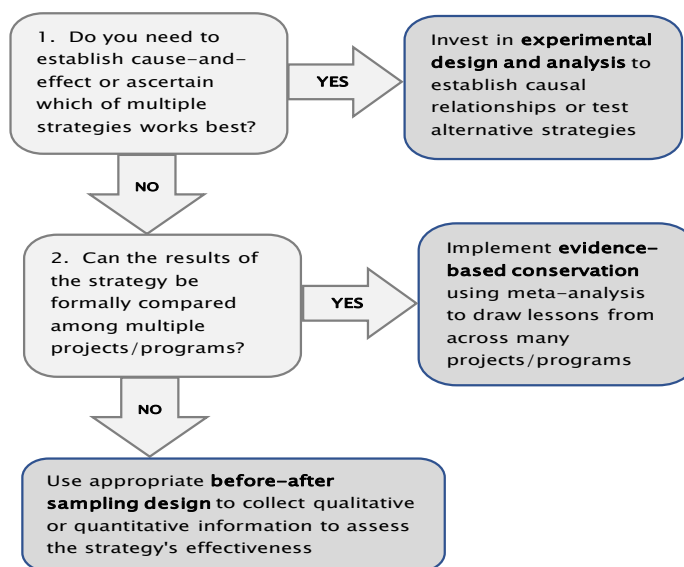
correct use of the various M&E components; and

- monitoring only quantitative biological information is insufficient – social, political and cultural information and qualitative data help provide a more complete understanding of what is happening at a site, as is seen in CABI’s Economic Impact of IAS in the Caribbean: Case Studies,¹⁷ a sub-activity of the MTIASIC project.

TNC suggests improving conservation practices by investing in monitoring strategy effectiveness measures (SEM), where monitoring is used to demonstrate the success of the best strategies, or alternatively guide a change of strategy when intended outcomes are not being achieved.¹⁰⁷ In SEM the key factors to consider when planning M&E are potential for risk to the organization: ecological, reputational, legal and the risk of uncertainty, and the potential for leveraging, that is, the potential for replication and/or institutional learning. The rigor of monitoring is directly correlated with risk and the strength of inference needed to answer conservation questions.

Monitoring costs can range from very inexpensive to significant depending on circumstances, and monitoring results do not necessarily require statistics. The key is to achieve monitoring strategy effectiveness, which allows the tracking of progress toward goals and adaptation of strategies if progress is not being made. It must first be decided how much effort should be invested in monitoring based on a project’s potential for risk and replication. The level of inference required to answer conservation questions can then be determined. As shown in Table 9 below, this combination of the appropriate levels of investment and inference should guide the selection of practical indicators that answer conservation questions.

Table 9. Selecting a Design for Applying Monitoring Information to Management Decisions



Source: *Improving Conservation Practice by Investing in Monitoring Strategy Effectiveness*¹⁰⁷

Implementing best monitoring practices for all levels of investment and inference will allow the CIAS TF to:

- confirm to the public, partners, donors and themselves that it is a science-based entity;
- gather and use the best evidence available for making thoughtful decisions about IAS management strategies;
- contribute to improving IAS management by developing well-supported successes; and
- document planning logic and evaluation data, which can contribute to future endeavors to evaluate strategies across projects and organizations.

TNC has also developed adaptive management guidelines that describe the required steps that constitute the conservation process, with monitoring and evaluation taking place in steps 11 to 14:¹⁰⁸

Identify Challenges and Goals:

1. Specify planning context – define the scope to focus on significant conservation problems and geographies where they will be addressed;
2. Conduct situation analysis – in close collaboration with key stakeholders to identify IAS management targets directly related to human interests, threats, divers, risks and opportunities for creating change;
3. Draft goal statement – specifying the minimum change needed to contribute to desired systemic change, both for nature and human well-being; and
4. Share advances in knowledge through relevant pathways – to others that need or will use the knowledge, document and disseminate appropriately.

Map Strategies and Places:

5. Identify candidate strategies – that will meet the goal to seek strategies that will lead to systemic change;
6. Construct results chains – by articulating the assumptions that show the logic in why proposed actions will lead to desired states and synthesize evidence regarding these assumptions;
7. Strategy and opportunity mapping – to show the potential magnitude of the effect of different candidate strategies and a return on investment (ROI) for each, which informs strategy and opportunity mapping and where each strategy can be most

effective;

8. Select strategy or strategies – that meet minimum goals, have a relatively good conservation ROI, avoids negative impacts to vulnerable people and have acceptable levels of financial and reputational risk; and
9. Share advances in knowledge through relevant pathways – by determining who needs and will use the knowledge, then document and disseminate appropriately.

Finalize Outcomes and Develop Measures:

10. Articulate theory of change – by articulating the problem, the solution and why the CIAS TF is positioned to implement the solution in such a way that it garners support;
11. Define measures and create an M&E plan – where it is explained how essential evidence gaps and monitoring needs are used to determine project success or failure, mitigate legal and reputational risk, avoid and mitigate negative impacts, influence others to replicate and leverage work, satisfy donor expectations, and adaptively use M&E information to manage the project.

Take action

12. Implement strategy(ies) using sound Project Management – such that there is clarity in roles, work plans and budgets to allow for the implementation of the M&E Plan.

Evaluate and Adapt:

13. Evaluation – in which analyses and evaluation are conducted to fill essential evidence gaps and satisfy monitoring needs; and
14. Adapt – in which M&E is used to assess progress towards goals and outcomes and assess the need to adapt to changing conditions, unintended consequences, and new opportunities and to share lessons learned via relevant pathways.

In addition to monitoring SEM as suggested by TNC, World Wide Fund for Nature (WWF) in collaboration with the World Bank developed a Management Effectiveness Tracking Tool (METT) that is one of the two most widely used/adapted globally applicable generic systems developed to track and monitor progress toward PA management effectiveness.¹⁰⁹ METT may be useful if adapted as needed for incorporation into the monitoring of IAS management projects. METT is a rapid scorecard assessment that is based on the 6 elements of management identified by the IUCN–World Commission on PAs (IUCN–WCPA) Framework: context, planning, inputs, process, outputs and outcomes, but with an emphasis on the first 4 elements. It is easy to use and

enables PA managers and donors to identify needs, constraints and priority actions to improve the effectiveness of PA management.

GCF uses a modified version of METT to track PA management effectiveness by tracking the progress and performance of projects in its portfolio, both during the stage of PA development and after long-term financing has been established. GCF pairs this with a separate device that uses indicators developed based on best practices for the success of TF endowments, TFs and other long-term financing arrangements. The indicators in this device are designed to track the effectiveness of conservation endowments and TFs.¹¹⁰

The second most widely used/adapted globally applicable generic system developed to assess PA management effectiveness is the Rapid Assessment and Prioritization of Protected Area management Tool (RAPPAM).¹¹¹ Like METT, RAPPAM is used to report progress towards the CBD, and can be valuable if adapted as necessary and incorporated into the monitoring of IAS management projects. RAPPAM is designed for broad level comparisons among many PAs that together make a PA network or system. For the CIAS TF it can provide a Caribbean-wide overview of the effectiveness of IAS management, threats, vulnerabilities and degradation. A key use is for prioritization and resource allocation, to raise awareness and support and to improve management, – adaptive management – at a system level. Additionally, it can:

- identify management strengths, constraints and weaknesses;
- analyze the scope, severity, prevalence and distribution of a variety of threats and pressures;
- identify areas of high ecological and social importance and vulnerability;
- indicate the urgency and consideration priority for individual protected areas; and
- help to develop and prioritize appropriate policy interventions and follow-up steps to improve IAS management effectiveness.

The Forestry Institute and Forestry Foundation of Sao Paulo, Brazil implemented RAPPAM to promote the improvement of their forestry management system comprising 5 ecological stations responsible for 18 state parks and 2 ecological parks. These were divided into 32 areas totaling just under 773 hectares of forest under management for RAPPAM analysis.¹¹² This resulted in recommendations for priority improvements in regional management, the protection structure and finance strategies, all to be implemented through an integrated strategy amongst stakeholders.

KfW has created a Guide that outlines best practices in assessing management effectiveness for use by itself and its partners in financial cooperation. The Guide outlines the application of

METT and RAPPAM, along with two additional methodologies: Enhancing our Heritage (EoH) and IUCN Green List of Protected and Conserved Areas Program (IUCN Green List).¹¹³ The EoH provides for a more in-depth management effectiveness assessment than the METT and is useful in analyzing a certain topic or issue in more detail. The IUCN Green List includes external verification of PA performance by setting globally accepted quality benchmarks for effectively managed and equitably governed PAs, and therefore offers international public recognition of successful conservation work.

Other evolving methodologies that can be incorporated by the CIAS TF into R, M&E to achieve desired IAS outcomes is the use of ISO 14001:2015, Environmental Management Systems and Environmental Financial Accounting, or social accounting.

ISO14001:2015 (or ISO 14001) – Environmental Management Systems

ISO 14001 is the international standard that specifies requirements for building a framework for an effective environmental management system (EMS).^{114,115,116} Such a system is based on an organization's adoption of preventive or best practices to reduce or eliminate ecosystem damage brought about by the organization's operations. It also includes considerations on the manner in which environmental issues impact the business. With maturing legislation, growing investor and stakeholder expectations, and improving technology, environmental management must now be factored into core business decisions, hence ISO 14001.

The key requirements for developing the ISO 14001 structure include:

- Understanding the context of the organization – in terms of internal and external issues, identifying interested parties and their expectations, defining the scope of the EMS and identifying the processes required for the EMS.
- Leadership – requirements cover the need for top management to be instrumental in the implementation of the EMS by ensuring environmental commitment, defining and communicating the environmental policy and assigning roles and responsibilities throughout the organization.
- Planning – by top management is essential, through the assessment of risks and opportunities of the EMS, the identification of environmental objectives for improvement and development of plans to accomplish these objectives. Additionally, it is necessary for the organization to assess all the ways in which the organizational processes interact and affect the environment, as well as the legal and other commitments that are required.
- Support – is required, through the management of all resources for the EMS, including requirements around competence, awareness, communication and controlling documents and records required for processes.

- Operation – requirements deal with all aspects of the environmental controls needed by the organizational processes, as well as the need to identify potential emergency situations and plan responses to be prepared to respond, should an emergency occur.
- Performance evaluation – requirements are needed to make sure that the EMS is functioning well, including monitoring and measuring processes, assessing environmental compliance, internal audits, and ongoing management review of the EMS.
- Improvement – is ongoing and includes the requirements needed to make the EMS better over time, including the need to assess process nonconformity and take corrective actions for processes.

As noted, implementing ISO 14001 is driven by an entity's leadership, which means more accountability for the EMS, as well as more support and resources to effectively manage environmental issues. ISO 14001 is based on the Plan-Do-Check-Act cycle of continuous improvement, and guides the organization in establishing, documenting and storing leadership-approved operations procedures. While there are costs to implementing ISO 14001, the benefits to the organization are likely to exceed the costs:

- improved image and credibility – is achieved by demonstrating a commitment to measuring, managing and improving environmental impacts to improve community relations and consistently manage environmental obligations. This leads to an increase in stakeholder trust and a competitive advantage in the supply chain design, securing new business opportunities and meeting legal obligations;
- improved cost control – by conserving energy and input materials while reducing waste and incidents for which an entity can incur liability costs, and reduced insurance due to improved environmental controls;
- use of evidence-based decision making – to track progress in improvements implemented, which saves time and costs;
- creation of a culture of continual improvement – to continuously and systematically improve processes and reductions in environmental impacts, which improves environmental outcomes and public image; and
- engaging people in the entity – by showing care and concern and a team effort to reduce the entity's environmental footprint.

More than just managing environmental risks and impacts, ISO 14001 includes a requirement to identify opportunities arising from better environmental management or “whole life thinking”. Like ISO 9000, ISO 14001 can be implemented independently by diligent

organizations, or a Consultant can be retained to implement it, followed by the attainment of ISO 14001 certification upon implementation and with ongoing maintenance.

ISO 14001 fits well with the mission of the CIAS TF and can be considered in terms of the structuring of the CIAS TF itself and as it relates to project design and the establishment of criteria for R, M&E during and after project completion. For example, the regional IAS management plan developed by the CIAS TF can be formulated as a regional EMS using the plan–do–check–act cycle for the various components of IAS management. The CIAS TF can then consider whether requirements for grantee funding should include the creation, implementation and maintenance of an EMS or whether full ISO 14001 certification should be a criterion, if affordable and/or if environmental damage caused by the entity is extreme. Whatever level of ISO 14001 is implemented, whether just the EMS or full certification, can then be supported by associated R, M&E requirements that must be sustained during and after project completion etc.

The Global Reporting Initiative (GRI), Amsterdam has also developed a sustainability reporting framework that establishes performance indicators for measurement of social, environmental and economic impact through business decision making. As with ISO 14001, reports based on the GRI Framework can be used as internal measures or as a means to demonstrate compliance with laws. A business that joins the alliance or participates in the training process applies the framework's measurement principles to its accounting practices.

Environmental Financial Accounting

Environmental financial accounting (or environmental accounting) can be used independently, or to complement ISO 14001 (or the GRI framework) to define the R, M&E function of the CIAS TF, as the same pressures apply: existing and new legislation, government regulations, market pressures from the “green consumer”, interests of stakeholders and general public awareness focused by the activities of environmental groups and media reporting.^{117,118,119,120}

For the purposes of these discussions, environmental conservation is defined as the prevention, reduction and/or avoidance of environmental impact, removal of such impact, restoration following the occurrence of a disaster and other related activities. They are the burden placed on the environment from business operations or other activities carried on by any entity.

Environmental financial accounting is the practice of incorporating principles of environmental management and conservation into cost/benefit analyses, organizational decision–making and reporting practices, including the preparation of management accounts for internal use and financial reports that use international accounting standards (IAS) for external audiences. Disclosure is a key process in being accountable to stakeholders and earning credibility and trust, as it enables the parties using the information to understand the entity's stance on environmental conservation and how environmental issues are handled.

Environmental financial accounting is a structure that allows entities to systematically identify, measure and communicate the economic impact and benefits of ecologically sustainable practices in all aspects of operations and to facilitate proactive decision making about processes that meet environmental regulations while also adding to profitability. It aims at achieving sustainable development, maintaining a favorable relationship with communities and other stakeholders and pursuing effective and efficient environmental conservation activities during the normal course of entity operations. As needs of different stakeholders vary, environmental accounting information provided must also vary. Although environmental accounting can target the activities of a company or any other entity, large or small, it can also be used to provide insight on the interaction between the environment and a nation, a region, a business or community or individual etc. It can therefore help in creating biodiversity conservation lifestyles in which prevention of biodiversity degradation, like prevention of IAS, is the most cost-effective solution.

Under ISO 14001 all entities develop an environmental policy that prioritizes the overall objectives of the entity, informs information systems and integrates with the entity's mainstream management structure and systems, such that policy objectives are reflected in both the external reporting and regulatory compliance obligations and the internal decision making and control processes. In effect, under ISO 14001 mission statements are inadequate if they are not accompanied by an internal system of management control and reporting that feed into the entity's financial statements based on environmental financial accounting. In the absence of ISO 14001, environmental accounting requires the same use of an environmental policy and internal system of management control that feed into financial and other reporting.

In the US the Securities and Exchange Commission (SEC) and Financial Accounting Standards Board (FASB) have requirements relating to the disclosure of EMS information in financial reports, and in the UK the Institute of Chartered Accountants in England and Wales (ICAEW) have recommended it as a part of the annual reporting cycle. There has been limited but improving response in the UK and higher response in the US where over 25% of US companies surveyed by KPMG as far back as 1993 provided some information on environmental expenditure. The numbers would be higher today when, as discussed, more emphasis is being placed on ecosystem conservation and legislation and stakeholder and community involvement, all of which feeds into the management and reporting practices of organizations, even organizations that do not adversely impact the environment in any obvious way.

The 2005 Kyoto Protocol is environmental accounting in action on an international scale. It is a legally binding agreement entered into voluntarily by developing and fully industrialized nations to reduce six greenhouse gasses that are believed to contribute to global warming. Using metrics established by the United Nations, the Kyoto Protocols measure change in carbon emissions. National governments develop collaborative relationships with industries that produce greenhouse gasses, or industries that manufacture products that result in consumer-

generated emissions (cars and trucks, for instance), and assume responsibility for developing and enforcing legislation that facilitate compliance with the Kyoto Protocol.

Measurement and metrics are the cornerstone of the Kyoto Protocol, and industries that fall under the specter of its oversight have adopted an aggressive pursuit of environmental accounting, not only in response to the reporting action required by the protocol, but to develop systems and execute decision making that ensures that companies remain profitable through the cycle of manufacturing and air quality control changes, which almost always leads to cost increases.

When the Kyoto Protocol was in the news, attention was principally on the cost of compliance and the impact on fully industrialized nations. The US refused to ratify the protocol over economic concerns. But countries that have willingly agreed to participate in the Protocol have turned to sound environmental accounting practices to mitigate the costs associated with participation.

Like ISO 14001, implementing environmental financial accounting means implementing a preventive process to avoid environmental damage. This is then backed by the financial reporting of the cost of the preventive activities and the benefits or revenues from environmental activities, both of which formulate the entity's operating methodology:

- management must establish clear lines of responsibility on environmental matters and give a board member overall responsibility for such issues;
- the environmental policy must be set out, objectives prioritized and information systems developed for monitoring performance. The same must be done for both external regulation and reporting, as well as for internal decision-making and control;
- the structure and systems adopted should be integrated within the company's mainstream management structure and systems to provide clear signals and incentives for action at all levels of the organization;
- there should be an internal environmental auditing program to ensure that environmental policies are being properly implemented;
- entities that suffer environmental incidents, for example oil spills, should establish procedures for managing such events; and
- revenue streams should be sought from environmental protection activities, for example the sale of waste and/or by-products, or in the case of IAS, PES schemes.

The environmental accounting system utilizes cost accounting systems that allow entities to recognize that biodiversity conservation is in their own interest. Investments and costs related to environmental conservation activities are accurately identified and measured so the data can be prepared and analyzed. This leads to a cultural change or mind shift that results in improved efficiencies and rational decision-making, culminating in the following advantages:

- The significant reduction or elimination of environmental costs resulting from business decisions, ranging from operational and housekeeping changes to investment in “greener” process technology, to the redesign of processes/products. Many environmental costs, for example wasted raw materials, may not provide any value to a process, system or product.
- Environmental costs, and therefore potential cost savings, may be obscured in overhead accounts or otherwise overlooked.
- Environmental costs can be offset by generating revenues, for example through the sale of waste or by-products or licensing clean technologies etc.
- Better management of environmental costs can result in improved environmental performance and significant benefits to human health plus business success.
- Understanding the environmental costs and performance of processes and products can promote more accurate costing and pricing of products and can aid companies in the design of more environmentally preferable processes, products and services.
- Competitive advantages with customers and other stakeholders can result from processes, products and services that can be demonstrated to be environmentally preferable.
- Accounting for environmental costs and performance can support a company’s development and operation of an EMS (as prescribed by ISO 14001). Such a system is becoming a necessity for companies engaged in international trade.

Environmental accounting changes mindsets and behavior by directing management’s attention during the planning processes, informing decisions such as purchasing – for example make versus buy, capital investments, product costing and pricing, risk management, process/product design, compliance strategies and controlling and motivating behavior to improve business results. The type of management decisions that can benefit from environmental cost accounting include product design, process design, facility siting, purchasing, operational processes, risk management, environmental compliance strategies, capital investments, cost control, waste management, cost allocation, product retention and mix, product pricing and performance evaluations.

A summary of some guidelines for the implementation of environmental financial accounting include:

- The quality of information reported should be:
 - Relevant – to stakeholder decision-making, meaning material, or significant quantitatively and qualitatively.
 - Reliable – or:
 - accurate, unbiased and truly representative of the costs and benefits that could be reasonably expected from the IAS management activity;
 - substantial and representative of substance over form, with supplementary information provided to fully explain information provided;
 - neutral or fair and impartial and avoids the arbitrary selection of information to intentionally direct readers toward a given conclusion;
 - complete, material and significant for all environmental conservation activities; and
 - prudent to carefully select information, projected results and predicted comprehensive impacts, along with the reasoning behind the disclosures.
 - Understandable – to ensure that the IAS management or EMS information disclosed is easy for stakeholders to understand and all essential information is disclosed.
 - Comparable –that allows for comparison between similar organizations and between companies in the same sector, with methodologies clearly stated if required to prevent misunderstandings among stakeholders.
 - Verifiable – such that the same results can objectively be obtained by any entity that uses the same IAS management premises, standards and methods.
- Environmental conservation costs – include investments and expenses related to the prevention, reduction and/or avoidance of environmental impact due to IAS invasions, removal of such impacts, restoration following the occurrence of a disaster and other activities measured in monetary value. Amounts invested for which the environmental benefits will be seen over several periods are depreciated over that period, or expensed if only seen in the current period.
- Environmental conservation benefits – from the prevention, reduction and/or avoidance of the IAS environmental impact, removal of such impact, restoration after disasters etc. are measured in physical units and carried forward to profits over the period in which the benefits are realized.

The target period, scope of calculations and units used – is the same for both the

environmental financial accounting report and the EMS or IAS management report.

- Environmental conservation cost categories – will vary depending on the IAS impacts and the potential for environmental degradation. Formulating appropriate categories improves the usability of environmental data. Direct cost categories related to IAS environmental conservation may include but are not limited to:
 - business area costs – that is, the cost of activities performed to reduce IAS challenges that occur due to key business operations. This is where the entity should directly manage environmental impacts, for example waste materials that create IAS invasions;
 - upstream/downstream costs – where upstream costs are the costs for reducing environmental impacts created prior to and as a result of inputs into business areas, for example a landscaping company taking measures to prevent IAS invasions when importing plants and flowers. And downstream costs are the total costs of reducing the environmental impact created as a result of IAS introductions due to outputs from business operations, for example the same landscaper unknowingly installing plants that have adverse impacts on surrounding flora and fauna;
 - administration costs – which are the costs that directly contribute to environmental conservation, such as the costs of implementing and maintaining an EMS, the costs for disclosure of environmental information associated with business activities, environmental advertising, the costs for monitoring environmental impacts, the cost for environmental training of employees and the cost for environmental improvement activities such as landscape biodiversity conservation at the business site, greening etc.;
 - Research & Development (R&D) costs – incurred to develop and/or adapt products so that they contribute to IAS management and/or curtail environmental impacts during manufacturing and/or reduce environmental impact during the distribution or marketing of products;
 - social activity costs – may include environmental improvement by contributing to IAS management excluding the business site, donations or financial support for IAS management or environmental groups, communities etc.;
 - environmental remediation costs – to restore the natural environment back to its original state following IAS management, costs to cover degradation penalties and/or lawsuits and the insurance fees to cover environmental degradation.

In cases where costs are partly environmental and partly not, a portion can be allocated to environmental costs based on some rational methodology that is stipulated.

- Environmental conservation benefits – are the benefits obtained from the prevention, reduction and/or avoidance of environmental impact, removal of such impact and restoration following the impact. The economic value of IAS management – are calculated using confirmed data to calculate actual or estimated monetary benefits or revenues earned from conservation activities and actual expenses related to conservation activities. Actual benefits include both:
 - a. revenues realized as a result of IAS management activities, for example revenues earned from bioprospecting facilitated by IAS management; and
 - b. expenses avoided because of IAS management, for example reduced bioprospecting costs because of the elimination of the IAS problem.

Estimated benefits are calculated based on stipulated premises made by the entity and are used mainly for internal management purposes, for example IAS management investments expended in prior periods and depreciated and therefore realized in a current period. Savings from IAS challenges experienced in a current period may be estimated based on reduced or eliminated IAS challenges due to IAS prevention strategies employed by the entity.

- Economic benefits created by environmental conservation activities may not end up on an entity's bottom line or profit/loss statement as discussed above, but it results in social benefits to society as a whole. If such benefits cannot be quantified in monetary revenues or expenses to the entity and/or no market exists, the benefits are measured in physical units so as to evaluate the monetary value. As such, it is measured using indicators that can properly express the reduction in the environmental impact of the entity due to the conservation activities.

Input indicators may be for example, volume of energy or water inputs, with environmental impact measured by comparing the volume in the current period over the volume in the base period. Output indicators may be volume of wastewater or chemicals emitted. Indicators that can be used to measure benefits when goods or services are used can include volume of output materials causing an environmental impact, and indicators related to distribution can include surface area of contaminated ground for example or motor vehicle emissions. These calculations represent the social benefits of IAS management that can be reported, even if not monetized to the company's profit and loss statement.

- Disclosures based on environmental financial accounting vary depending on the situation and the information the entity chooses to disclose. As such, it is necessary

when disclosing environmental accounting data externally to clarify the preconditions of the data disclosed so stakeholders gain a consistent understanding. Basic disclosures include:

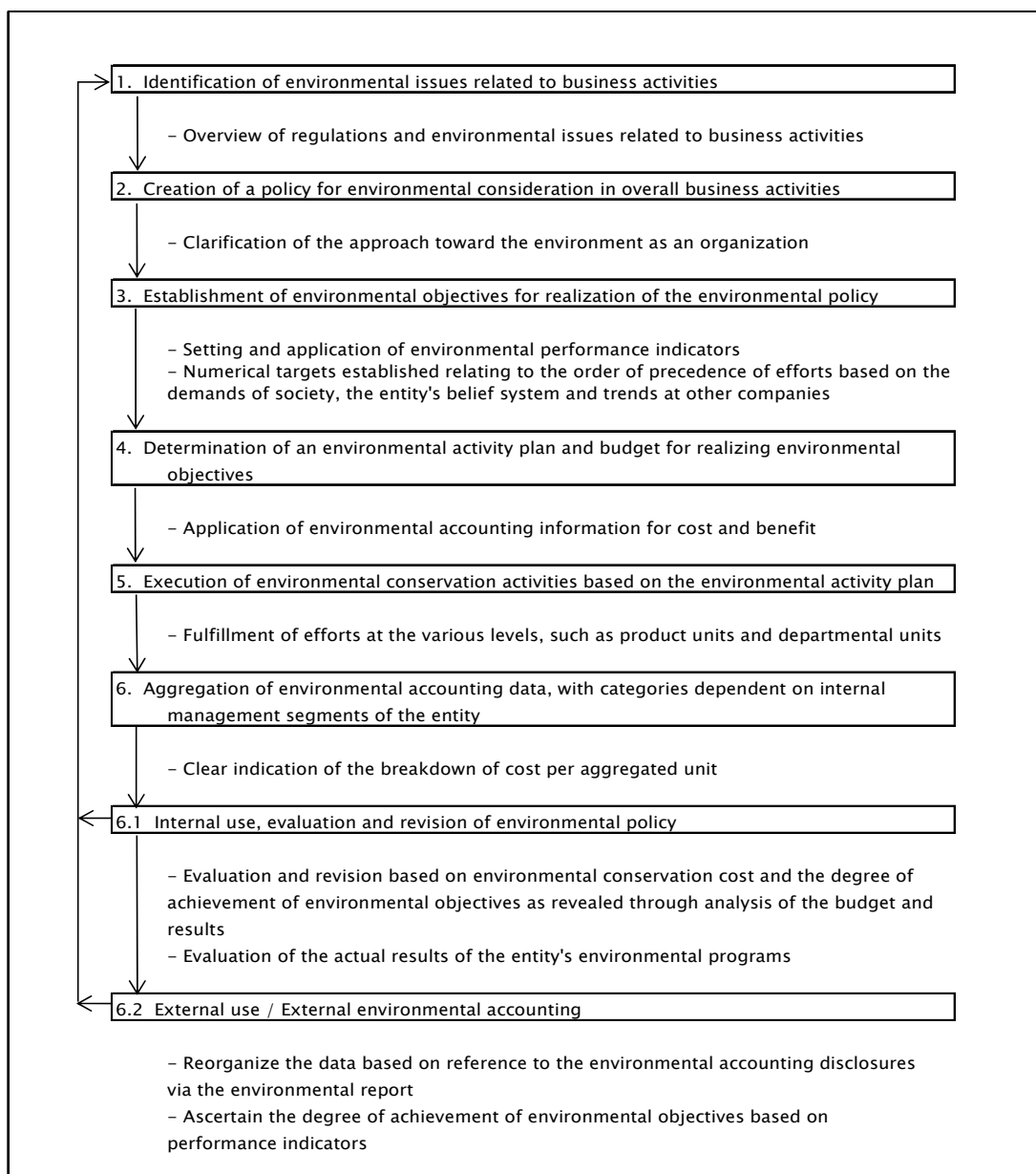
- Processes and results of environmental conservation/IAS management activities and a summary of aggregated results, along with an explanation of the results: an evaluation of large and small figures, the reasons for increases or decreases compared to the previous period, policies activated regarding future environmental conservation/IAS management activities and changes in the entity's management environment and their impact(s) on current and future aggregated results. It should be noted that there is a tendency for the benefit of environmental conservation activities to diminish over time, even when additional costs are expended in current periods.
 - Key items forming the bases of environmental accounting, such as the target period, which may not be the fiscal year, in which case the reasons should be provided, the scope of aggregation that describes the importance and criteria of environmental/IAS management, the content and calculation standards for environmental/IAS management costs, details of environmental/IAS management benefits and the calculation methodologies, details of economic benefits associated with environmental/IAS management activities and calculation methodologies and revisions to significant environmental accounting policies.
 - Aggregated results of environmental accounting such as environmental conservation/IAS management costs, environmental conservation/IAS management benefits, economic benefits according to environmental performance indicators and schedules of environmental statements that show information necessary to support the data for environmental conservation costs, benefits and economic benefits.
- Environmental accounting information published externally is drawn from the same sources as the detailed information available to internal management, and is closely connected to other management data such as financial, personnel and facility information. The use of environmental accounting information in internal management is referred to as environmental management accounting, which mandates clearly defined data to achieve management objectives in attaining environmental/IAS management goals early in the planning process. This makes the data also applicable to internal management objectives.

Environmental accounting introduces new thinking into cost control for business areas, contributing to the decision-making processes concerning facility investment, developing innovations in process control and budget management. This means that

environmental accounting information can be effectively combined with other management information to implement multifaceted planning and revisions of environmental accounting activities. Some of this management information can be published so a proper assessment of the organization can be made by external parties.

Table 10 illustrates the flow of environmental management activities of entities and the data accumulated. It involves the data for environmental conservation/IAS management costs and benefits adjusted to become environmental accounting data that can be used for internal management and external disclosures.

Table 10. Application of Environmental Financial Accounting Data and Reporting¹²⁰



Environmental financial accounting can be used as an R, M&E tool by the CIAS TF in much the same way as ISO 14001. Perhaps a beginning can be the employment of these tools by the CIAS TF itself, whereby inputs and waste disposal, for example photocopier and computer toner and ink can be environment friendly and costs and benefits measured and reported through environmental financial accounting etc. so that there is leadership by example. This can then be extended by making these tools criteria for grantees so the measurement, management and reporting of environmental costs and benefits can begin to be instituted regionally. The full implementation cycle can then be addressed by promoting environmental financial accounting amongst governments to influence national entities, which adds to the credibility of the CIAS TF, not just to governments, but also to stakeholders, donors, grantees and communities etc. This process goes along with the idea of “living biodiversity conservation” as is done in New Zealand, the ultimate objective that can only be attained by living it in every aspect of life.

ISO 14001 and environmental financial accounting are just some of the tools arising from the idea that the measurement of the impact of an entity on the environment is no longer the purview of governments under the watchful eyes of environmental protection agencies. Measurement and proactive management of practices that have the potential to influence the environment and surrounding community also impact the economic health of the organization that applies them. But although there is significant progress in the “greening” of accountancy, the current lack of development in related internal management–reporting, decision making and cost–accounting systems is considered to be the major inhibitor to further improvement.

Even so, the Natural Capital Project is a joint venture among Stanford University's Woods Institute for the Environment, University of Minnesota's Institute on the Environment, TNC, and WWF¹²¹ that is developing tools to quantify the value of natural capital and demonstrate the use of these tools to integrate scientific and economic understanding of natural capital into decision–making. ISO 14001 and environmental financial accounting are clearly the way forward.

Evidentiary documentation that the R, M&E Practice Standards have been met include:

- grant agreements between the CIAS TF and the grantees;
- legal agreements between the CIAS TF and donors;
- relevant government regulations and standardized forms;
- operations manual;
- reports by grantees to the CIAS TF, by management to the governing body and by the CIAS TF to donors;
- minutes of governing body meetings;
- minutes of negotiations with donors regarding formats, information requirements, procedures and timing for technical and financial reports;
- donor agreements;
- checklist of obligations and due dates so that government, donor and other reports can

- be completed and submitted on time;
- strategic and financial plans, internal reports and independent evaluations of the CIAS TF to ensure they are in alignment with the CIAS TF's objectives, strategic plan, national-level and international-level conservation indicators, targets and strategies;
- internal planning, budgeting and financial reports to support informed decision-making by the CIAS TF governing body;
- minutes of governing body meetings;
- conservation plans;
- CIAS TF evaluation reports on individual grants using indicators and measures from the grant contract's required monitoring plan;
- Instructions to grantees on submitting proposals so M&E plans support evidenced-based reporting;
- approved grant proposals;
- instructions to grantees via clear reporting templates, frameworks and information requirements for M&E of grant performance in achieving planned outputs and outcomes;
- reports, evaluations and field notes from grantee M&E by CIAS TF staff;
- correspondence between the CIAS TF and grantees following CIAS TF due diligence on grantee's progress towards achieving outputs and outcomes;
- reporting templates and log-frames; and
- Annual Report for distribution to donors, key stakeholders and the general public.

Operations

The 10 Practice Standards for TF Operations are summarized on pages 31–32 of Annex 1. The CIAS TF must develop board-approved strategic and financial plans that translate its broad vision and mission statements into prioritized goals, objectives, activities and outcomes.⁴¹ As a part of this, active partnerships must be built for collaboration amongst national and regional public and private entities, NGOs, academia and communities etc. to facilitate regional IAS management and support. TFs usually achieve their objectives through other organizations and grantees, strong partnerships are crucial.

The grant-making function is also an aspect of TF Operations. While strong partnerships will be built to support the execution of this function, it is expected that due to capacity limitations in the region the CIAS TF will also play a direct implementation role in the field. An advantage of the CIAS TF being a regional entity is the possibility that it can achieve greater efficiency in fundraising by working with multiple national governments and entities at once.

Strategic Plan

Strategic planning is one of the most important steps in resource mobilization. The Strategic and Financial Plan(s) are prepared by management with the participation of the governing body and staff and incorporates insights from discussions with donors, national governments,

regional oversight bodies, community leaders, potential grantees and academia etc.⁸ The strategic plan will be highly customized to the needs of the CIAS TF and will therefore factor in the TF's corporate culture to ensure that it will in fact be implemented.

The strategic plan is the framework that provides the "big picture" while leaving specific details to accompanying plans. It typically has a 3–5 year planning horizon, but is periodically reviewed. It is "...general enough to be easily understood and communicated and specific enough that everyone knows their role."⁴¹ The "big picture" entails the delineation of the TF's mission, vision, values, context and barriers to success, as well as the identification of prioritized goals, objectives, activities and outcomes and related milestones or benchmarks. Additionally, the persons responsible for carrying out the activities to achieve the objectives in the plan are identified, along with the resources required. All of the CIAS TF's projects and day-to-day work, including the Grant-making function, should link to the outcomes identified in the strategic plan.^{8,41}

In its regional capacity, the CIAS TF will be collaborating with national governments to plan and implement sustainable IAS management. This will provide the opportunity for the TF to contribute to some IAS management recommendations that can be incorporated into the strategic plan for the region:

- the implementation of relatively standardized national regulatory and policy frameworks, including the revision of policy options and tax policies, concessions and incentives to release funding for IAS management or incentivize it;
- national strategic planning documents (NBSAPs) to achieve regional objectives;
- prioritization of IAS management objectives;
- creating jobs linked to IAS management to foster sustainability; and
- facilitating collaborations with civil society.

Synergistic relationships with governments will achieve the CIAS TF's goals while allowing for the exchange of knowledge, expertise and other resources and building the credibility of the CIAS TF.

In addition to national governments, relationships must also be built with donors to harmonize their requirements as it relates to management tools and systems such as accounting, procurement, operating manuals, investment policies, M&E and reporting. This can also be accomplished effectively by the CIAS TF adopting internationally recognized standards of operation, for example International Standards Organization (ISO) 9000, which implements the achievement of universally applicable quality management systems and controls within the CIAS

TF. And the CIAS TF can seek public, private, national, regional, academic and research, NGO, civil, community and other synergistic win-win partnerships where human and financial resources can be pooled to achieve mutual objectives, for example training, at best costs. The partnerships with NGOs and businesses also help to build public image and confidence in the TF and allows for transparency and sensitization.

The CIAS TF's strategic plan must be accompanied by an **Operating Plan** that outlines actions and the budgets required to achieve the Financial Plan(s), Business Plan(s), the Fundraising Plan and Communication Strategy:⁴¹

Financial Plan:

"A financial plan allocates future revenue to various types of expenses and may also reserve for future expenses."⁴¹ The complexity of the CIAS TF's Financial Plan will be determined by its sources of income, whether from fundraising alone or from endowments etc. that generate revenue from various investment types. Donors and investors expect that the financial plan will have the requisite level of complexity depending on the complexity of the organization.

Business Plan(s):

Business Plans are stated business goals accompanied by the reasons the plans will succeed, cost benefit analyses and required skill sets, scheduling and budgeting to achieve results. They may be based on key segments of the TF's strategy and justify projects and revenue-generating activities. A TF with a highly diversified funding base may have several business plans, with each acting as a profit center.

Another type of plan, a PA management and conservation plan, focuses on activities in the field and are driven by goals aimed directly at biodiversity conservation and/or the sustainable use of natural resources.

Fundraising Plan:

The CIAS TF's fundraising plan will be contingent upon local regulations in participating countries. The fundraising plan details the ways the CIAS TF will raise funds from traditional and innovative financing mechanisms such as those outlined in the Resource Mobilization section, as well as how those funds will be used to finance operations and Grant-making. Key variables in constructing the fundraising plan are predictability and flexibility of funds.

Internally, a clear fundraising strategy will help the CIAS TF:⁴¹

- gain clarity and agreement on realistic budgets and the time and resources needed to mobilize new funds;
- prepare for the future by calendaring and having Plan A and B!

- improve the decision-making and priority setting processes;
- prepare for better diversification of funding sources;
- align the board and staff and increase role clarity;
- reduce fundraising emergencies and crisis appeals;
- prevent and control distractions;
- educate all staff about fundraising efforts and inspire all staff to help; and
- develop effective language for proposal formats and great case statements to showcase both the need and capacity of the CIAS TF to make a difference.

Externally a clear fundraising strategy will help the CIAS TF:

- Educate donors and partners about the CIAS TF;
- Tout the existing strengths of the CIAS TF;
- Focus on critical relationships by building trust and confidence with key donors and partners; and
- Raise the bar by engaging supporters in expanding the scope and ambition of the CIAS TF to be ever more effective in advancing its goals and programs.

Although fundraising is typically the largest part of the executive director's job, the governing body also has a critical role to play and a diverse range of participants is involved in fundraising:

- the governing body must provide active leadership, build institutional commitment, capacity and partnerships and there must be legal accountability for a continuously evolving Board that sets TF policies and direction, ensures financial sustainability, raises funds, and manages resources;
- program managers and scientists can be engaged to play a part;
- the CIAS TF's communications staff must convey the mission, programs and accomplishments of the CIAS TF and display donors' logos and information appropriately;

- government officials can be engaged to open doors with bilateral, multilateral and other donors and national environmental agencies;
- key partners at the multinational level can also open doors, act as technical supporters and providers of funds; and
- local partners and community-based organizations can provide endorsements, assist with donor field visits and showcase the CIAS TF's capacity and creation of sustainable livelihoods, for example with Payment for Ecosystem Services, as will be described in the Resource Mobilization section.

The fundraising plan is built on work completed in developing the overall strategic plan for the CIAS TF:

- a clear mission statement that clarifies the overall goal of the vision and values statements;
- clear program goals that show the path from CIAS TF activities to outputs that lead to outcomes that lead to achieving the TF's goals and therefore its mission;
- a case statement that clearly explains the CIAS TF's niche and why donor dollars will be more effective if expended with the TF; and
- clear fundraising goals and program budgets that reflect a serious financial analysis of what it will take to achieve the goals of the CIAS TF.

The plan reflects a thorough analysis of fundraising prospects, relationships and the required approach. It does this by assessing whether donors:

- have a clear overlapping compatibility with the CIAS TF's mission and programs;
- are interested in investing in the Caribbean and have a history of prior investment in the region;
- have knowledge of the executive director, board or any stakeholders;
- will benefit from an alliance with the CIAS TF by achieving their goals or, for example, increased visibility for corporate donors; and
- can provide the level of financial support or technical assistance or in-kind contributions that the CIAS TF requires.

If there is no relationship with the donors the CIAS TF should think about how to build one, as opposed to submitting “cold” proposals. The fundraising action plan must therefore develop strategies and activities to identify shared passions and build relationships with the best fundraising prospects. This means that **before** applying for funding, the TF should meet with key prospects to determine what elements of the CIAS TF interests them most, what they view as the most viable investment and what ideas they have for making the program idea more compelling. The “ask” can take place after this, with the expectation that the donor will request a concept paper or full-scale proposal. If the proposal is of value to both the CIAS TF and the donor there is a realistic chance of securing funding.

It should be noted that donors have a rigorous and careful process for selecting projects, so their requirements, templates and timelines should be researched before submitting the proposals and the details provided by the CIAS TF must be correct. Developing effective concept papers and outreach strategies take time. Also, an institutional calendar should be built for preparing to receive funds and spending them in accordance with the grant agreement or MOU with the donor(s).

One aspect of fundraising that must not be overlooked is the fact that potential capital donors will be less inclined to support a Trust Fund if local governments do not show more commitment to creating an enabling legal and policy environment. An important incentive would, for instance, be a broader income tax deductibility of private or corporate donations to charities (similar to the 501(c)3 status of charities in the US), or revising tax policies to allow for the collection of special taxes and the revision of national regulatory and policy frameworks to go along with national strategic IAS management planning. Accelerating this process through lobbying island and national governments can be expected to increase the interest of potential donors.⁹

Communications Strategy:

The CIAS TF strategic plan also involves the development of a communication strategy.⁴¹ The first step in developing the strategy is a part of the strategic planning process, where research is conducted and background information gathered on the CIAS TF’s audiences, world views, what the audiences already know and think about IAS issues, statistics, data, research reports, papers, media reports, opinion polls, previous communications activities, etc. The leader for the entire communication process is also identified and the objective of the communication strategy defined: to allow the CIAS TF to achieve objectives that are specific, measurable, achievable, realistic and time-bound (SMART). The audience is then defined, as well as key messages that are concise, strong and easy to understand, clear on what is expected of the audience, a call to action and an indicator of the benefit to the audience.

The implementation of the communication strategy comes next, where the way key messages are delivered to priority target audiences impact the audience’s response to the TF’s call to action. Parties that are well respected by the target audience such as politicians, board

members, teachers etc. can be engaged to deliver key messages at activities such as meetings, events, presentations, email petitions, advertisements etc. and the tone of voice used is based on the target audience, whether government or business people etc.

Finally, the communication strategy is monitored and evaluated as it is being rolled out so it can be adapted as needed, with results linked to desired outcomes and lessons learned guiding the ongoing development of the plan.

The communication strategy must also incorporate:

- Institutional communication – where the CIAS TF’s mission, values and strategy are incorporated into the TF’s **brand, identity and logo** for consistent use on all communication, education and fundraising activities.
- Internal communications with all stakeholders to develop a cohesive culture where everyone is focused on the same goals and has the same objectives.
- Events and networking – such as face-to-face meetings that are still one of the most powerful ways to do business and to promote the CIAS TF and participating in key relevant international events to stay up to date with research and connected to experts that can strengthen the CIAS TF’s core mission and activities.
- Developing case studies to illustrate the type of work done by the CIAS TF in developing solutions to challenges by conducting research, analysis and writing that allows the reader to assimilate the information presented, engage in their own discussions and convey the issue to other key audiences.
- Communications for fundraising where the CIAS TF sells itself to gain the required support and funding for its mission and beliefs. Communication for fundraising will be directly tied to the CIAS TF’s ability to implement effective programs and manage partnerships with key donors.
- The funding strategy for the communication strategy, for example the cost of institutional activities such as the website, press kits, annual reports, organizational meetings and programmatic activities such as stakeholder engagement activities, posters, flyers, videos etc. Partnerships can be built to facilitate this, for example with a public relations or marketing firm, universities and/or scientists for research needs, a photographer for images, brand sponsorship with companies etc.
- Getting new donors and keeping them happy involves communication to build the CIAS TF’s profile, its mission, programs and accomplishments, and to support fundraising according to the donor’s point of view so they are made to feel like partners the CIAS TF

cares about. This means sharing progress reports, Annual Returns, the website, e-newsletters, external media clippings etc., and thanks and recognition.

- Online Communications – where key audiences such as donors and civil society partners etc. are likely to find out about the CIAS TF’s work. This means:
 - a website that is planned before it is implemented, easy to use, relevant, engaging, dynamic and directed to the target audience, so it can offer a direct and quick route for making information available, providing background information and updates on the CIAS TF.
 - Social Media such as Facebook, Twitter or LinkedIn that provide a large public user-base where communications can be turned into an interactive dialogue among organizations, communities and individuals etc. Social media success requires a strategy, prioritization and dedicated staff. Some pointers include building the base of supporters, engagement with consistent updates, holding the audience’s interest with compelling news and making it a two-way process by engaging and providing feedback.
 - Online tools such as web-search engines to promote the website and generate traffic, google analytics to monitor website hits and inform what drives traffic to the site, NING or engaging with smaller communities and invited participants, e-newsletters for cost-effective communications that build relationships, increase engagement, educate the audience on the TF’s mission and drive traffic to the website and crowdfunding that is worth it if significant resources can be raised.
- Media Relations to disseminate and multiply information in a coordinated and consistent way, build positive awareness, strengthen the core mission and demonstrate the effectiveness of the CIAS TF to donors while showing recognition to their work. Journalists are pressed for time, so media releases must grab their attention.
- Press Releases related to time-sensitive news that is specific and relevant to the CIAS TF’s audiences should be sent to numerous journalists, and again must grab the journalists’ attention by opening with the most important part of the story.
- Media interviewing skills must be developed and can be improved with practice. Tips to be effective include remaining focused on the message, expressing passion, making eye contact with the host to appear trustworthy etc. Performance should be evaluated after the interview.

Some barriers to the successful planning and implementation of a Strategic Plan include unfocused vision, an underestimation of the time required from senior managers, unengaged

stakeholders, an unrealistic view of the TF's strengths and weaknesses, unclear objectives, waning interest in the plan once its printed, unrealistic schedules or budgets, failure to stay on-task, wrong metrics which equal wrong incentives, distracted senior management and disillusioned stakeholders.

These barriers can be overcome by:

- choosing a planning approach, for example goals or issues based;
- confirming leadership and stakeholder support;
- clarity in the TF's mission, vision and value, which also appeals to stakeholders;
- understanding TF context as defined by its clients, stakeholders, competitors and partners and using analytical planning tools such as Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis, Political, Economic, Social and Technological (PEST) Analysis, Boston Consulting Group (BCG) Matrix and Balanced Scorecard;
- understanding the relationship between the TF's purpose expressed by its mission, vision and values, its results in the form of goals and objectives identified and its actions that are broken into activities and tasks;
- assigning the right resources to the right tasks and working together to create realistic timetables; and
- staying on task by selecting the appropriate M&E or performance monitoring plan (PMP) to engage team members while utilizing appropriate indicators and a realistic amount of effort to collect data that provides the information required for proper progress monitoring.

But TFs have a dual nature: securing funding and effectively distributing it to achieve their mission. A significant part of the CIAS TF's operations will therefore be its Grant-making program, also incorporated into its strategic planning process.

Grant-Making Program:

Grants are awarded in accordance with grant-making policies and procedures approved by the governing body and either documented in a grant-making manual or incorporated into the Operations Manual discussed in the Administration section. The Grant-making program should be well-defined and rigorous enough to ensure optimal use of CIAS TF resources and the timely and competitive selection of high-quality proposals. Additionally, it should incorporate the identification of funds for sustainability following project completion, such as that required by the Critical Ecosystem Partnership Fund (CEPF).⁸ In addition to disbursing funds for IAS

management, the grant-making policies include the process for handling contentious cases and the identification of the persons responsible for approving the grants, either the governing body, the chief executive or an authorized manager.^{41,122}

A good option for the CIAS TF is to design the grant-making program to promote working alliances among diverse regional stakeholder groups to minimize duplication of efforts and foster comprehensive, coordinated regional approaches. And periodically ideas and suggestions can be solicited from various stakeholders to ensure that the grant-making program has the desired IAS management impact.

Grant-Making Manual:

The grant-making manual provides a framework on how the CIAS TF will make grant funds available to stakeholders. It provides an overview of the TF's governance and management and creates a smooth process for the grantee by detailing the various funding programs available, eligibility for accessing funds under each program, the CIAS TF review process, criteria that will be applied, the method for withdrawals, returns, declinations and administration. The manual may be structured as follows:^{8,122,123,124}

- Introduction – to outline the purpose of the CIAS TF, how the vision for it evolved, key stakeholders that made it happen, duration and steps in the establishment process and thematic focus etc. Information can also be provided on the organizational structure, policy framework and guiding principles that define the vision, mission and objectives of the CIAS TF, the TF's process from fundraising to grant-making, its philosophy on the sharing of IAS management information and the role of the governing body and any other key figure(s), such as the Secretariat.
- Programs and funding opportunities – describe the overarching rationale for project grants and grant categories based on priority thematic areas:
 - the types of grants are defined, such as grants based on some maximum value, single year or discrete project grants, multi-year program grants etc.;
 - general grant provisions provide information on the various types of grants based on thematic focus;
 - general grant eligibility is outlined;
 - targeted grantees and the rationale may be briefly defined, for example community or research-oriented grants etc.;
- Project Proposal Preparation and Submissions – provide an idea of the quantum to be expended on each thematic area, indicate whether submissions are accepted all year round or for specified periods etc. and give step by step details for preparing the proposal for submission to the CIAS TF. Proposal submission based on project type is also explained, including the manner in which the CIAS TF will confirm receipt, and

whether electronic submissions are permitted.

- Project Proposal Processing and Review – is a description of the processing and review process that may entail confirmation that the proposal is correctly assigned based on project type, transfer of the proposal to the committee specified and/or for technical review and proposal evaluation based on specific criteria annexed in the Grant-Making Manual. Details may then be provided on;
 - steps grantees must take to submit revisions to the proposal during the review process;
 - how award recommendations are made, including scientific, technical and program reviews and executive director or governing body or grant committee approvals etc.;
 - the availability of copies of the proposal reviews;
 - steps grantees must take to withdraw project proposals;
 - conditions under which proposals will not be considered for review;
 - the manner in which rejections will be handled;
 - whether proposal re-submissions are permitted if the applicant disagrees with the reason for rejection; and
 - criteria for proposal resubmission.

- Grants administration – may provide information on any statutory requirements pertaining to financial assistance in the form of the grant, as well as:
 - criteria for suspension or termination of grants;
 - reporting requirements that may vary based on type of project or program under which the grant was issued;
 - supervision that may allow the CIAS TF visitation rights to meet with stakeholders during implementation and to monitor project progress against the agreed time schedule, physical and financial plans;
 - a definition of financial audits of the grantee;
 - a description of the flow of funds within the project, for example, in tranches, the method of transfer of funds, for example if a separate bank account is required, timing for disbursements based on the agreed project implementation plan, requests for modifications of the project workplan and materials procurement etc.
 - a detailed explanation of monitoring and evaluation arrangements, criteria and indicators to be used in assessing project impact and outcomes and to establish a knowledge base to incorporate lessons learned into the design and implementation of future projects;

- Miscellaneous information may be provided, such as:

- the CIAS TF's advocacy and terms for sharing findings, data and other research products;
 - grantee requirements to acknowledge the support of the CIAS TF in all forums and a disclaimer regarding the views of findings not being those of the CIAS TF;
 - the CIAS TF's right to disclose grantee proposal information upon request, unless privileged, personal, proprietary or prohibited by law and the right to retain rejected proposals for a prescribed time, although not for public release;
 - grantees' legal rights to intellectual property, but the responsibility to make results and data available to the research community; and
 - potentially disqualifying conflicts of interest in which proposals cannot be reviewed, such as nepotism and similar personal or employment relationships etc.
- The policy manual may conclude with annexes that provide detailed principles for project selection based on project type, project approval methodology, applicable proposal submission formats and templates, such as application forms, budgets and a financial management competence assessment, proposal preparation checklists, CIAS TF review checklists, scoring procedures based on project type, the sample Grant Agreement or MOU, the fund disbursement schedule and an organization chart of the CIAS TF as it relates to the grant-making function etc.

The grant-making process is typically as follows:

- funding priorities are established through CIAS TF consultations with regional stakeholders and the manner in which grants will be administered is fully defined in the Grant-making Manual;
- a call for proposals is widely distributed to reach a broad representation of potential grantees. This is a public announcement of grant availability and general eligibility requirements: who can apply, where the work should take place, thematic priorities, and deadlines etc. A section of the CIAS TF's website can be dedicated to the grant award process so that grant objectives, eligibility, proposal submission guidance and award selection criteria are publicly available. Grantee questions and answers are also posted to the website to ensure that all potential grantees have access to the same information. In some cases where, for example, the pool of applicants is small, the CIAS TF may outline the technical parameters of priority projects or activities that it wishes to finance and allow grantees to compete on the basis of their approach to implementation;
- grant applications, often based on donor requirements, are submitted to the CIAS TF to provide more details and specific information about the grant applicants. The

information requested may include grantee's governance structure, projects and/or activities conducted, publications, annual budgets, sources of revenue, financial statements, administrative procedures, auditing arrangements and procurement practices, human resources files, education, experience, references and previous grants awarded.

- concept notes are first submitted to provide key information on the grant-seekers, the activities being proposed, objectives to be addressed, a summary of the execution approach and a cost estimate;
- a two-step process may be employed for grantee selection, where pre-screening selects high-potential projects based on grantee eligibility;
- for concept notes that the CIAS TF judges to be acceptable, full proposals must then be submitted that may or may not adjust ideas in the concept note. The final proposal is evaluated according to criteria outlined in the call for proposals and an interview or site visit is conducted as a part of the evaluation process. The interviews and site visits are used to appraise the physical capacity and capability of the grantee's institution to organize and execute the project successfully. Grantee personnel is evaluated, including personnel proposed to carry out the grant activities, as is grantee materials and equipment, record-keeping system and capacity for accurate and timely expense and progress reporting. External technical reviewers or advisory bodies can be utilized at this stage of the process to ensure objective or specialized guidance on grantee selection;
- once grantees are selected a contract in accordance with the laws of Barbados and the OECS must be executed between the grantee and the CIAS TF to set out the key understandings and obligations related to funding from the CIAS TF. This prevents disagreements during grant implementation and ensures grantee compliance requirements are clear. Contracts with grantees typically include the following key terms:
 - definition of terms, grant reference number, and grant amount;
 - grantee actions required for the receipt of grant funds;
 - name and title of the designated representative of the grantee;
 - procedures for transferring the grant to the grantee;
 - designated use of the approved grant;

- confirmation that all the requisite procedures were submitted along with the proposal;
- confirmation that the procedures for acquiring goods and services follow best practices to facilitate the best use of CIAS TF funds and to avoid conflicts of interest. Grantees must adhere to the Public Procurement and Fair Competition legislations and maintain transparency in their acquisition processes and practices. The primary objective of procurement is to obtain high quality goods and services at the lowest possible price or, more generally, to achieve the best value for money in the particular market, in an open and impartial manner;
- confirmation that the grantee's financial record-keeping is as agreed with the CIAS TF. In the case of public entities, national public procurement laws are generally followed;
- agreed indicators for grant monitoring – usually in an annex;
- confirmation that the CIAS TF has the right to (i) visit the project site for M&E purposes; (ii) request information on the project; and (iii) inspect the financial books and records of the grantee;
- notification that ineligible expenditures will be deducted from remaining payments or must be reimbursed;
- incorporation of the approved proposal, perhaps in an annex, and reference to it as the basis for grant funding;
- progress and completion reporting requirements;
- procedure for amending and terminating the contract;
- ownership of the grant-financed project and intellectual property related to any research reports produced;
- dispute resolution and a hold harmless clause for the CIAS TF;
- the right to disclose information on the grant and its implementation;

Timely notification should be given to all applicants that do not receive funding.

Where the CIAS TF has execution responsibility additional clauses will be required, for example clauses regarding ownership of items, infrastructure delivered to the grantee

and oversight responsibility for services being rendered during the project. If the IAS management work is being executed by the CIAS TF in conjunction with a PA, a MOU is required to clarify the manner in which the two parties will work together;

- As a condition to the grant award, the grantee should be required to co-finance the project in cash or in kind through the provision of human resources or training as outlined in the operating manual. This will allow the CIAS TF to increase its impact by executing a greater number of IAS management projects, while at the same time assuring grantee commitment that can be structured as conditions precedent to grant disbursement and monitored and evaluated as part of the grantee's performance. Grants at the community level or to small NGOs may allow contributions in kind and grants for IAS management in PAs may include government contributions, park fees and other revenues.

Measures to strengthen grantee capacity must be conducted as a part of the grant-making procedure so that proposals can be well written, activities sensibly planned and the project executed under proper management and reporting criteria. This increases the probability of project success and is therefore treated as a CIAS TF cost of managing the grant-making program. Training and technical assistance provided can be provided by the staff of the CIAS TF or consultants, or special grants may be awarded for this purpose. Training must be accessible to all grantees on the basis of need. Effective grantee capacity building includes:

- workshops run by the CIAS TF or experienced trainers;
- collaboration with appropriate entities to develop a curriculum and share training costs;
- technical assistance provided to grantees during project monitoring;
- pairing of inexperienced and experienced grantees to facilitate knowledge transfer during project execution; and
- providing small grants to less experienced grantees to be used in small projects to facilitate learning.

If grant writing assistance is provided, the CIAS TF must take measures to have the grant proposals independently reviewed. The training should include how to prepare a simple table of goods, works and services and how they will be purchased, while project management training should cover topics appropriate to small, low value contracts such as obtaining several price quotes, contracting local labor, buying materials, and hiring equipment.

When the CIAS TF accepts project execution responsibilities the standards that apply to grantees must also apply to the CIAS TF. This means that procurement and financial record-

keeping for the project should follow the CIAS TF's own administrative procurement and accounting standards. Donors and other sponsors will have more confidence in the CIAS TF if there is such uniformity.

Evidentiary documentation that the Operations Practice Standards have been met include:

- strategic and financial plan that translates the CIAS TF's broad vision and mission statements into specific goals, objectives and activities;
- operating, business or annual work plans;
- budgets;
- national/regional planning and strategy documents related to biodiversity conservation to reflect the CIAS TF's collaboration with all relevant levels of national governments;
- Annual Report;
- annual work plan and budget reflecting the CIAS TF's partnerships at the national or international levels with key actors in donor agencies, businesses, non-governmental organizations, communities and research and academic institutions ;
- MOUs with partners;
- governing or promotional documents of funds created as partnerships;
- grant application indicating the evaluation of potential grantees through key information submitted;
- evaluation of candidate grantees;
- records of interviews or site visits;
- grant-making manual and/or grant-making section of operations manual indicating that the CIAS TF is following a well-defined grant award process aimed toward the timely and competitive selection of high quality proposals;
- website;
- distributed Calls for Proposals;
- grant contract that sets out all important understandings and obligations related to the grant;
- MOUs with grantees if the CIAS TF and the grantee will work together;
- approved grant proposals;
- project or grantee accounts to monitor cost-sharing arrangements;
- grantee progress reports;
- budget proposal for grantee capacity building to improve the odds of successful project implementation;
- minutes of meeting of governing body and relevant committees;
- grant request section on grantee information to ensure that grantees make the most use of funds;
- operations manual section on acquisition of goods, services and works if the CIAS TF is acting in an execution capacity, in which case the same rules apply to it as to the grantees;
- documentation relating to acquisitions for funds or programs for which the CIAS TF has

- execution responsibility; and
- documents on auditor selection and audit report for funds or programs for which the CIAS TF has execution responsibility.

Administration

The 6 Practice Standards for TF administration are summarized on page 32 of Annex 1. The CIAS TF must be able to manage expenses and administrative processes with accountability, efficiency and transparency to build its reputation, growth and long-term sustainability. This builds donor confidence and therefore contributions. Accountability to donors may include currency conversion and tracking, indirect administrative cost rate calculations and procurement restrictions that can require high levels of financial sophistication. These requirements will be reflected in the CIAS TF's operations manual that explains the administrative processes so that staff, partner organizations and donors understand how money can be committed, spent and tracked to ensure effectiveness and compliance with evolving TF policies, donor guidelines and laws.^{122,123} The point is that management and staff must have a clear understanding of the work that is expected of them, the skills and resources required to achieve it and the motivation as it relates to the objectives of the CIAS TF.

The duties and responsibilities of the board of trustees can be broadly divided into five categories:

1. Legal and Governance – described in detail in the Governance section;
2. Financial;
3. Representation;
4. Fund raising; and
5. Administration.

Duties and Responsibilities of the Board of Trustees as it relates to Operations include, but are not limited to:

LEGAL-GOVERNANCE
Reviewing the fund's mission and objectives along with the governing documents periodically and revising them if necessary
Reviewing all the fund's activities and grants to ensure that they reflect the fund's mission, purposes, and priorities
Serving the interest of the fund in its entirety rather than any specific interest group (even if they were appointed by an organization)
Attending meetings on a regular basis and being well informed about the fund's affairs
Reviewing and approving the annual budget and all annual and long- term activity plans prepared by the executive director based on the fund's purposes, priorities, and financial and human resources
Appointing board members, allocating board duties, and establishing committees to serve the fund
Approving annual reports of the fund's activities
Supporting decisions, policies, and actions of the board
FINANCIAL
Overseeing the prudent management of the fund's assets
Staying well informed about the management of the fund's assets
Deciding under what terms and conditions funds may be accepted and for what purpose
Determining the acquisition and disposal of rights in real estate on behalf of the fund
Approving annual budgets and financial plans prepared by the executive director/ chief executive based on the fund's purposes and priorities and its financial and human resources
Approving balance sheets, calculation of revenues and annual accounts of the fund's assets and ensuring that external independent audits are conducted annually
REPRESENTATION
Actively representing the fund to the best of their ability at all times
Supporting the fund, its staff, programs and activities in a positive manner
FUND RAISING
Actively participating in the development of a fundraising strategy for the fund
Actively participating in fundraising and work with the executive director/chief executive to solicit funds from corporations, foundations, individuals, government, or international agencies.
Sharing relevant information on potential donors
ADMINISTRATION
Approving the job description of the executive director/chief executive and recruiting the executive director/chief executive on a competitive basis in accordance with a clear and complete job description
Establish specific goals and objectives for the executive director (with his/her agreement and input)
Reviewing and evaluating the performance of the executive director, as measured against the specific goals and objectives, and revising them if necessary
Monitoring the effectiveness of all existing programs and activities

The Executive Director is responsible for day to day management of the fund, the implementation of action plans, work plans and budgets that have been approved by the Board of Trustees, the proper maintenance of the fund's financial books and records, the supervision of the staff of the fund, administering and monitoring grants, representation and promotion of the fund in dealings with government and the media, fundraising and otherwise assisting the Board.

Duties and Responsibilities of the Executive Director/Chief Executive include, but are not limited to:

Maintaining good relations, reporting to the board of trustees
Hiring, allocating duties and managing the staff
Professional development of staff
Supporting reasonable and competitive remuneration and regular performance appraisals for staff
Executing the financial and strategic plan, with the involvement of the board of trustees, staff and stakeholders
Developing policies and preparing long term strategic plans, annual operating plans, annual budgets and work plans for the approval of the board of trustees
Overseeing and ensuring the quality and effectiveness of the execution of the annual work plan
Making sound financial decisions that are compliant with rules established by the governing body, particularly as it relates to budget preparation, mid-year performance evaluations and year end budget analyses
Monitoring compliance with legal and regulatory requirements
Developing policies for approval by the governing body and overseeing day to day implementation/compliance
Supporting the board of trustees and providing the board with timely information to facilitate decision-making in the best interest of the fund
Networking and building relationships with key partners and ensuring effective involvement by the board of trustees in fundraising
Administering projects and grants: implementing projects and administering grants; monitoring and evaluating performance of grantees and reporting to the board of trustees
Ensuring proper maintenance of financial records and accounts of the TF either by supervising staff or outsourcing to a recognized accounting office
Ensuring that annual audits are conducted in accordance with recognized standards
Signing contracts, leases, tax returns grant agreements applications, permits and all other documents on behalf the fund, provided that any required board of trustee approval has been obtained prior
Promptly, regularly and fully updating the board of trustees about the current affairs of the fund
Serving as the primary relationship manager of the fund
Outsourcing work to appropriate individuals and organizations and developing TORs and overseeing the efficient execution of the work

The chief executive and managers recruit the remaining TF staff on a competitive basis and based on complete job descriptions. The governing body may be consulted on mid-management positions and is informed on staff recruitments. Staff are competitively remunerated and receive regular performance reviews. The CIAS TF should aim to provide professional growth and opportunities for increased responsibilities.

Proper TF administration entails the transparent presentation of management expenses so that the governing body can fully understand and analyze the costs of achieving strategic objectives, inclusive of the grant-making program. The chief executive prepares budget requests for approval by the governing body and justifies actual budget implementation to them, while the governing body monitors the process.

Management expenses should be broken down into direct costs related to particular products, for example expenses related to programs funded by the TF, and indirect costs necessary for the general operation of the TF. This type of presentation facilitates analyses and better resource allocation and financial decision making by the governing body. Performance indicators can then be applied to link the use of resources to the achievement of strategic objectives and institutional and operational effectiveness and efficiency.

There must be a reasonable allocation of the available budget between management expenses and the CIAS TF's grant-making program such that maximum funding is available for grant-making while also achieving institutional strategic objectives. This is because while the impact of grant programs is important, the CIAS TF will be most effective if it is also appropriately resourced and its institutional goals supported.

Donors typically focus on cost-ceilings that limit the resources allocated to management expenses in the hope of maximizing funds allocated to grant-making. As such, the chief executive is responsible for justifying the reasonableness of management expenses by utilizing agreed performance indicators to demonstrate that both the grant program and strategic objectives of the CIAS TF are being met.

As 50–80% of total management expenses are typically due to personnel costs, this expense category captures the attention of management and the governing body and must therefore be closely managed. The review of TFs suggests typical management expenses of 25–30% of funds under management, but the CIAS TF is likely to have IAS execution responsibilities as well, so a higher percentage may be acceptable. A higher proportion of management expenses is also likely during the start-up stage and at the stage when the CIAS TF begins to wind up grant operations. Also, if projects are not being effectively executed management expenses may increase, since the CIAS TF may be forced to undertake services that the grantees are incapable of carrying out. Regardless, the CIAS TF must define the rationale and basis for the percentage of funds allocated to management expenses.

Operations Manual

As mentioned, board approved operations manual(s)⁴¹ with up-to-date policies, procedures and practices that guide the day-to-day management of the CIAS TF must be maintained.

Managers and staff need the operations manual so that processes and procedures can be performed reliably and consistently, and as both a reference and training tool for newly hired personnel. Substantive revisions to the manuals, as defined by the governing body, must also be board approved. The chief executive in consultation with TF managers decides when revisions to the manual are required. Operations manuals cover administrative, financial and operational matters, that is, general administration, accounting, budgeting and information technology rules and procedures. It clearly delineates the roles to be performed by management and staff and the skills, resources and motivation required to achieve them. Procedures related to the governing body may be included in the operations manual or they may appear in a separate manual or be covered in part by the TF's by-laws. Contents of the operations manual are illustrated in Table 11 below.

Table 11. Contents of Operations Manual

A description of the fund and its mission
<p>The funds organizational structure: –</p> <ul style="list-style-type: none"> ▪ Governing body–Board of Directors/Trustees • Committees • Management • Other staff
Roles and responsibilities of the Board of Trustees, Committees, Executives/Managers and staff
<p>Administration matters:–</p> <ul style="list-style-type: none"> • Human Resources, including recruitment • Contractual arrangements • Personnel files • Salaries • Benefits • Ethics • Termination • Conflicts of interest policy for managers and staff • Acquisition of goods, works and services • Inventory and vehicles and materials • Travel, correspondence, information management and document retention
<p>Finance and accounting matters:–</p> <ul style="list-style-type: none"> • Accounting rules and systems • Accounting framework: accounting records and software instructions

<ul style="list-style-type: none"> • Preparations of financial statements and annual independent audits • Budget cycle, format and analysis
<p>Investment management matters: –</p> <ul style="list-style-type: none"> • The fund's investment policy • Annual portfolio performance review • Relations with and performance review of financial consultant
<p>Fund operations matters:–</p> <ul style="list-style-type: none"> • Process and procedures for awarding grants • Process and procedure for making payments to grantees and evaluating grants under execution • Grant completion, final evaluation and closing • Process for handling issues of contention
<p>Information technology matters: –</p> <ul style="list-style-type: none"> • Long term technology planning • Password rules, authorization access, definition of “valid use” of assets, internet restrictions, email policies, rules for remote access and mobile devices

Templates of all the main forms should be annexed to the operations manual and cross-referenced in the body of the manual. Templates should begin with an explanation of the relevance or importance of the procedures to place them in the overall context and should show the initial date of release and, if relevant, the date on which it was last updated.

As indicated, the CIAS TF’s policies for the acquisition of goods, works and services is an issue that is addressed in the operating manual. Limited TF resources and the strict allocation of funds means that the processes used to acquire high quality goods, works and services must be efficient, cost-effective and transparent, all geared toward obtaining the best value for price that is available in the market. Acquisition processes and procedures in the operations manual may take the form of a board-approved annual procurement plan that is updated when the budget is updated. This plan, for which donor agreement should be obtained, defines:

- types of goods, works and services permitted;
- methods of acquisition such as competitive bidding, direct contracting etc. as appropriate;
- procurement methods to be used for different contract values or range of values;
- acquisition thresholds for each type of acquisition;

- quality to cost comparisons for the different types of acquisitions;
- responsibilities of the governing body, management and staff in the acquisition process;
- detailed steps for each method of acquisition, from bid preparation to content of bid documents, contract award and requests for proposals;
- templates of bidding documents for goods and of the request for proposals for services
- types of contracts – time-based, lump sum etc.;
- linkages between the acquisition, accounting and recordkeeping functions; and
- elements to ensure transparency in acquisitions.

The board of directors of the CIAS TF must approve the terms of reference to contract reputable, independent external auditors to audit the TF's financial statements using internationally accepted accounting standards. The executive director is responsible for ensuring that the auditing company receives all the necessary records to conduct the audit and, on its completion, will arrange for payment. Where possible, the executive director should request quotations from three or more recognized auditing firms to prepare a matrix comparing the companies' responsiveness attitude, ability to meet the prescribed deadline and the quotation received. The financial expert(s) on the board of directors can then give their advice to the finance committee or executive director who selects the auditing company. The executive director negotiates a contract with the auditing company, taking into account any comments or concerns of the finance committee. The executive director signs the contract with the audit firm, but the external auditors report to the governing body or appointed committee and they audit the financial statements produced by the TF's staff.

The auditors' terms of reference should include recommended improvements to the TF's accounting and internal control systems. The annual audit will provide a high level of assurance to the governing body and donors regarding the accuracy of the TF's financial statements and the identification of material financial management issues that must be corrected.

Grantees are responsible for providing audited statements to confirm that they possess accurate records of grant monies awarded and that fund use is in compliance with contractual obligations. When it is not practical for grantees to do audits the CIAS TF may take on the execution responsibility by preparing the terms of reference and selecting and overseeing the audit of the grantees.

One general operations manual may be prepared or separate manuals for each operating area. Separate manuals may include, for example, an accounting procedures manual,¹²⁷ a work plan and budget,¹²⁸ which is a short term schedule for implementing an action, a monitoring or operational plan, a human resource policy manual¹²⁹ etc.

Accounting Procedures Manual:

The accounting procedures manual may include:

- Introduction – that states the purpose of the manual in describing the CIAS TF’s existing accounting procedures, the composition and roles of the committees, the executive director and any other key positions involved in the accounting function, any accounting functions sub-contracted and the entities sub-contracted and the auditing agency etc. The accounting procedures manual may also make reference to an Office Handbook that all staff have access to that further defines detailed information on procedures for financial and other administrative matters.

As it relates to committees, an Executive Committee may be set up to:

- manage the affairs of the CIAS TF;
- take urgent decisions;
- liaise with the Finance Committee;
- ensure that decisions of the Board are implemented and the affairs of the TF conducted in a proper and efficient manner at all times; and
- manage the day to day affairs of the TF in the absence of the Executive Director.

The Finance Committee will likely:

- manage the day to day financial affairs of the CIAS TF between Board meetings;
- regularly communicate with the Asset Management company to oversee the management of financial assets between Board meetings;
- review and advise on all matters related to financial asset management including investment strategy and overseeing the third parties such as the Asset Management company;
- ensure that correct and appropriate financial records are kept and procedures followed;

- ensure that end of year financial reports, budgets and financial audits are completed correctly and in a timely manner;
- approve balance sheets and reserve calculations;
- acquire and dispose of real property and oversee grant-making activities to ensure that eligibility criteria are met and the rules and responsibilities of grantees adhered to.

The Executive Director's financial administrative responsibilities are likely to include:

- supervising staff, consultants and sub-contractors;
- overseeing all accounting and financial reporting, financial services, cash management, assisting in the management of the endowment and other funds;
- taking decisions regarding staff hiring, processing benefits, maintaining personnel records and insurance ;
- approving purchase orders, cheque requests, bank payment instructions and other payments;
- producing technical and financial reporting for grants and other income;
- signing payments, staff salaries and benefits – except his own, transfers, purchase orders etc.; and
- exercising his liberty to assign responsibility for elements of internal oversight of financial administration to other staff members, but not the Administrator.

A key role required is likely to be that of an Administrator who is responsible for:

- maintaining an overview of income and expenditure for each bank account and the CIAS TF's credit card;
- preparing wire transfers, banking cheques received, making bank deposits and payments,
- processing all authorized purchase orders, invoices and cheque requests, payments to third parties and bank transfers;
- ensuring that the month end book-keeping is passed to the Accountant or if out-sourced, the Accounting Agency charged with providing financial services, it

is properly processed, coded on time and in good order;

- processing payroll and payments to consultants and contracting agencies; and
- providing secretarial services for the office.

The Accountant or Accounting Agency if outsourced, will be responsible for:

- inputting and maintaining the general ledger system, including maintaining bank balances, overview of income and expenditure, monthly reports, journal entries and reconciliations;
- maintaining overviews of grant spending and payments, for example to consultants;
- ensuring that the Auditing Agency charged with providing annual audits has all of the information required and facilitating the auditing process;
- processing the month-end book-keeping; and
- providing payroll services.

The Auditing Agency will be selected by the CIAS TF board under the advise of the Finance Committee and hired under contract for a specified period of time.

- General ledger accounting methodology – that briefly describes:
 - the chart of accounts and its approval by the Accountant or Accounting Agency and its compliance with generally or internationally accepted accounting practices and standards and the method of accounting, for example, accrual basis;
 - the use of payment receipts by the administrator, checked by the executive director to ensure that all payments/receipts are made to the correct account and budget line;
 - significant accounts such as unrestricted funds that is used to record budgeted revenues and expenditures from non-earmarked funds and restricted funds used when grants or funds received are designated for a specific operating purpose;
 - the internal procedures regarding the maintenance and distribution of financial

reports. The Balance Sheet, which shows the financial position of the CIAS TF by providing an overview of assets, liabilities and equity and the Profit and Loss Statement which provides an overview of income and expenditure by budget category with a variance analysis against the board-approved Budget, are likely to be the two informational reports distributed monthly, with copies sent to the Finance Committee. The General Ledger must be available for inspection by the Finance Committee at all times and provides the current month's activity in detail;

- the timeline for the gathering, inputting of information, collating and balancing of reports is defined, as well as the responsibility of the Accountant or Accounting Agency in the production of the monthly General Ledger, Balance Sheet and detailed plus summarized Profit and Loss versus Budget reports to the Finance Committee and Chairperson;
 - requests for corrections of errors to the accounts, transfers between accounts, the reason for the adjustment, the date, corrected amount, account charged and account that should be charged and reference number etc. must be put in writing, approved by the executive director and passed to the Accountant or Accounting Agency as soon as possible; and
 - the person to direct questions to, usually the Administrator is stipulated.
- Revenues and cash receipts – that summarizes:
 - the sources of revenues, for example grants, private gifts, donations, corporate sponsorship, investment income and occasional miscellaneous income; and
 - the handling of cash receipts, which includes for example, whether deposits are made to the interest-bearing savings account or placed on a current account or with the Account Manager. Receipt is acknowledged in writing by the executive director and a copy of the bank statement showing the deposit is sent to the grantor upon request. Other cash receipts and gifts of tangible property must be acknowledged and processed by the Administrator who completes a receipts form that describes the transaction and the account credited, the name of the donor or donating agency and a signature by the person handling the transaction, with a copy given to the donor and the executive director. Cash should never be kept at the office.
 - Cash management – addresses:
 - petty cash that may not be kept at the office. Small payments can be covered by the executive director and an itemized account made by the Administrator of expenditure using a cash reimbursement form. The executive director can then

- approve reimbursement by cheque at a stipulated period, for example month-end and receipts submitted to the Administrator to substantiate the use of the cash;
- the account to which monies received by the CIAS TF should be deposited is identified, as well as the timing for the deposit; and
 - the executive director must approve wire transfers up to his limit, with higher amounts approved by a board member, preferably the treasurer.
- Purchasing and accounts payable –describes:
 - the basis of purchases and expenditure, that is, they must meet the ordinary business standard of being reasonable and necessary, with prudent consideration of the fact that the CIAS TF has limited financial resources;
 - the executive director must authorize all purchases within budgeted amounts; and every effort should be made to obtain the best possible quality, service and price. For larger non-routine purchases and contracts competitive proposals should be solicited and evaluated and for routine purchase vendor prices should be checked periodically with those of reliable competitors.
 - competitive bidding is required for purchases, leases and contracts over a stipulated amount. The process for conducting the bidding process is described, and the instances in which it is not required, for example for specialized equipment available from only one source etc.;
 - instances or amounts for which a purchase order is required are stipulated, as well as the approval limits of the executive director, followed by the necessity for board member approval, preferably the treasurer. Purchase orders are agreements that must contain all pertinent details of the agreement, for example terms and conditions of sale and delivery; and
 - stipulations are provided regarding when the CIAS TF's credit card can be used, when cheques can be issued and the parties involved in processing invoices.
 - Human resources and payroll – summarizes the human resources role, payroll processing, how outside contractors are paid, the basis of salary advances and how resignations and terminations are managed to ensure proper final payment and the collection of the CIAS TF's property.
 - Fixed assets – are defined and policies for purchase authorization, capitalization, obtaining property insurance and disposals summarized;

- Grants and contracts – provides a summary of the policies on grant administration:
 - the executive director is responsible for administration of the fiscal aspects of grants and contracts, such as grant accounting, development and the review of budget proposals. However, all other aspects of grant and contract administration are coordinated through the board;
 - for each grant the person responsible for ensuring compliance with the guidelines of the donor is specified in advance, as it is essential that the guidelines be followed accurately, with the executive director, and if necessary in consultation with the board, determining whether questions about proposed changes must be approved by the donor. Some grants may require advance approval by the donor to make budgetary changes during the grant period, but others may not;
 - the executive director must prepare and review all proposals to donors for grants to the CIAS TF, with the signatory depending on the type of grant. If a grant is awarded the CIAS TF may not receive the actual cash in advance, but may be periodically reimbursed for expenditures, in which case he may have to submit technical and financial reports, including a detailed overview of expenditure, with or without copies of original invoices and receipts; and
 - Grant-making reporting requirements are stipulated, including any technical and financial reports. These reports must be presented using approved templates, with the Accountant/Accounting Agency responsible for preparing the expenditure reports and financial statements to donors and the executive director responsible for preparing any program reports, end of project reports or updates contractually required by donors.
- Budgeting – summarizes the budget cycle:
 - when planning for the preparation of the budget for one fiscal year begins;
 - the date by which each CIAS TF country sub-TF must submit their approved annual budgets and action plans, inclusive of salaries, operating expenditures and projects for the following year; and
 - budget controls for review by the Finance Committee, for example monthly reporting that describes spending in individual line items within each budget, with expenditure limited to amounts agreed during the budgeting process, although amounts can be shifted between categories. The chairperson of the board must approve proposals to spend amounts that exceed the budget.
- Year end close and audit – that summarizes:

- the date by which invoices and cheque requests must be submitted and gifts and grants postmarked in order to be recorded in that fiscal year. An annual physical inventory with items priced must be submitted to the Accountant or Accounting Agency at or near the last day of the fiscal year;
 - the date for the completion of the external audit is stipulated; and
 - the stipulated date that the audit process must begin, starting with a review of the Management Letter and the development of an action plan to address and implement all items.
- travel and other items – that provide guidance on travel policies, advances and reimbursement and policies regarding transportation costs, per diem expenses, travel arrangements, entertainment expenses, conflicts of interest, gifts and the use of the CIAS TF’s property.

Workplans and Budgets:

Workplans are short-term schedules that implement an action, monitoring or operational plan. Adaptive management is necessary to regularly revise and make amendments to these plans as the situation changes. Workplans identify specific tasks required, the persons responsible for each task and the timing and sequencing of tasks. They are accompanied by budgets that identify the cost of each task and how it will be funded. This is important to ensure that the full costs of the project in the workplan timeframe is understood, required resources are available, including cost recovery, financing gaps resolved, a baseline is created and transparency increased for donor and other stakeholders. As with workplans, budgets must be revised regularly.

Workplans can be recorded in a table, Gantt chart and/or project calendar and can be further developed into workplans for sub-projects, teams or individuals. They are important to break down projects into small, manageable pieces: short-term tasks, deliverables, delivery times, costs and people responsible. Project teams should consult regularly on workplans and budgets, with formal reviews and revisions at appropriate intervals.

Human Resources Policy Manual:

The purpose of this manual is to provide a comprehensive overview of the CIAS TF’s human resources policies and to establish approved processes and procedures for staff management. The manual must be kept updated if there are significant changes in workload or staff and at least every 5 years. The manual may include:

- introduction – of the CIAS TF and its objectives, its organizational structure and the purpose of the human resource policy manual;

- the hiring process – from the application to the interview and final selection, the probationary period and required documentation such as references, psychological assessment and medical exam;
- positions – whether full, part-time or on-call basis, staff location and sub-contracting, staffing categories, for example administration, management, communications, projects etc., requirements of labor agreements and bases for the periodic review of job descriptions;
- terms of resignation, redundancy, layoffs and involuntary dismissal;
- salaries – how scales are established, initial salaries, cost of living increases, performance-based increases, salary caps and performance bonuses if caps are reached;
- staff appraisals – that define the staff appraisal system, for example performance review and performance appraisal interviews;
- vacation provisions – such as number of days and time allowed, process for applying, minimum days to be taken consecutively, carrying vacation days forward into the next year etc.;
- bonuses and benefits – including vacation bonuses depending on the financial situation, performance bonuses, relocation allowances etc.;
- employee insurances – those covered and not covered by TF insurance plans;
- sickness provisions – such as calling in sick, disclosure of sickness, maternity leave etc.;
- pension – if provided by the TF, termination of labor at the pension age or continuation beyond it etc.;
- training – whether mandatory or voluntary; and
- the complaints procedure.

In addition, the human resources policies manual may include annexes that describe:

- the workplace polices and practices such as working hours, general conduct and confidentiality, dress code, phone/internet and printer use, company vehicle policies and any others;

- what is kept in the staff's personnel files; and
- sample forms such as a personnel information form and an absence request form etc.

Evidentiary documentation that the Administration Practice Standards have been met include:

- board approved job description of the chief executive;
- documents pertaining to the chief executive selection process on a competitive basis;
- annual performance evaluation of the chief executive;
- board approved job descriptions of mid-level managers and staff;
- documents pertaining to hiring of mid-level managers and staff on a competitive basis;
- performance evaluations of mid-level managers and staff;
- annual work program;
- annual budget that allows for the analysis of direct and indirect costs;
- a section of the operations or other manual covering administration;
- budget request to indicate transparency and quality assessment in acquisition of goods;
- mid- and year-end actual budgets;
- operations manual reflecting up-to-date policies, procedures and practices;
- budget updating reports to indicate efficient and effective acquisition of goods, works and services;
- a section of the operations manual on acquisition;
- records of acquisitions;
- audit terms of reference indicating the application of international accounting standards;
- auditor's contract;
- audit report; and
- audit management letter.

Governance

The 10 Practice Standards for TF Governance are summarized on page 33 of Annex 1. These standards call for clearly defining the purpose of the TF and the use of its assets, as well as the Board composition, powers and responsibilities.⁴¹ If the CIAS TF is brought under the CBF umbrella, CBF will guide and assist in the process of creating the Governing Instrument(s) to ensure checks and balances that reflect routine consultation and accountability between the TF and its stakeholders. Such Governing Instrument(s) will ensure that stakeholder interests are served and TF performance and results maximized, both of which are important criteria that attract donors and investors. As discussed in the Capital and Resource Mobilization section, strong governance is a pre-requisite for resource mobilization.

The Board of Directors has the financial oversight role of ensuring that the CIAS TF is financially sound and well-managed in the short-term, with long-term sustainability. This means

developing fund-raising strategies utilizing mechanisms described in the Resource Mobilization section. The skills of the Board and management are key to fundraising. The Board must also ensure that members have financial expertise and it must review and approve the annual operating budget to ensure resources can meet the TF's strategic objectives. Going along with this, the Board must monitor regular financial reports and commission an annual audit by a reputable independent accounting firm. The Board's financial oversight can be facilitated through the use of financial indicators such as Cash in Hand, Cash Flow Projections, Income and Expenditure, variance analysis between forecasts and actual budgets and the maintenance of a pre-defined balance of reserves.

As noted above and outlined in the Operations section, the Board must set the strategic direction that upholds the TF's mission, vision and values. This means that it must be effective in collectively ensuring the TF's progress towards planned objectives and must be responsive and have clear and open communication with its key stakeholders, partners, beneficiaries, members and any parties interested in the TF's work.

The TF's governing body should comprise members from different sectors, to incorporate diverse constituencies and to develop operations procedures and management practices that are credible, transparent and sound. Credibility is engendered by the creation and issuance of Annual Reports, Policies, principles and procedures, TF standards, M&E and annual Progress Reports. Consistency is engendered by clearly communicated vision and values, mission, testimonials, best practices and regular communication to actively manage stakeholder relationships. Donors and investors must be comfortable that their funds are managed and used appropriately and credibility and consistency bring legitimacy, which leads to resource mobilization and ultimately sustainability.

The Governing Instrument of the CIAS TF, (Bylaws, Operations Manual(s) etc.), must provide a clear distinction between the CIAS TF's board of directors and its management, and the distribution of decision-making power between them. This limits the powers of control held by any one person or group to ensure that resources are well-managed and accountability to stakeholders is achieved. Healthy Board-staff relations are attained by Governing Instruments that clearly detail the roles of the Board and Executive Director.

Once the Board develops a strategic plan clearly defining the vision, mission, goals and objectives of the CIAS TF and the required actions to attain them, it is then possible to specify staff requirements and responsibilities for all staff positions and technical positions can be competitively filled. The CIAS TF's staff size, roles and titles will depend on financial resources, the size and type of grants that will be administered, the regional geographic scope of the TF, its mission, its conservation strategies and its relationship with government agencies and non-government grantees. A typical TF might have between 4 and 30-40 staff, and large TFs may have up to 60 or more staff. This staff should include at least:

- one Executive Director;
- program staff and Grant Managers;
- financial staff;
- administrative staff;
- communications staff;
- lawyers; and
- additional support staff for large funds”⁴¹

The Executive Director should be hired based on a competitive process, and one or two senior managers are essential. The Executive Director is responsible for recruitment of all other staff, except key positions such as Grants Manager and Financial Officer that may be relegated to the Board. The Board should remain involved in defining overall recruitment policies, validating overall staff budget, and in all issues relating to the growth of the Fund. This includes ensuring that there is a formal mechanism for setting the remuneration of the Executive Director, which should be ratified by the Board. The Executive Director should be present and allowed to speak during Board meetings (except when his annual performance evaluations or compensation is being discussed), but he should not be a voting member of the Board, to avoid conflicts of interest resulting from his role in implementing the vision, policies and decisions enacted by the Board.”⁴¹

The CIAS TF’s Governing Instrument and/or Operations Manual must provide clear and comprehensive provisions to address conflicts of interest, that is, potential conflicts between the duties and private interests of CIAS TF Board and/or staff members, in which private interests can improperly influence the performance and integrity of TF staff’s duties and responsibilities. This is to prevent staff or family members from benefitting from grants or grantees so that the TFs reputation with all stakeholders remains intact. A conflict of interest policy or code of ethics for Board Members and staff should define potential conflict of interest situations and should be signed by board members and managerial staff to indicate that they have read and understood the policy. A written declaration of any potential conflicts of interest that can exist should also be signed by board members and managerial staff.

Donor representatives must be focused on the TFs interests. Financial arrangements with them should be regulated through Agreements with up to 10–15 year terms. These Agreements should clearly state what is expected of the CIAS TF and should be flexible enough to accommodate changes in direction as the TF expands. It should define M&E, reporting and supervision requirements and periodicity, provide for the Financial Management of the TF and environmental and social safeguards, stipulate the obligations of the TF to retain an Investment Manager, specify the amount and pace of disbursements and whether this is impacted by fundraising obligations and provide rules for the use of funds for project activities. It should also address TF administration and investments, whether Bylaws can be changed without donor approval, the commitment of the TF regarding taxation payments and if the TF is obligated to

refund the donor in the event of a contractual violation. An example of stipulations regarding donor governance criteria was seen in all of the governing instruments of the TFs reviewed. The Board should meet regularly, including face-to-face at least twice per year, with frequency determined by the size of the CIAS TF and the level of technical and sub-committee support. Not only must the rules for organizing, conducting and recording Board meetings be included in the Governing Instrument(s), but documentation for meetings must be available at least 2 weeks prior to meetings and written minutes retained and accessible.

The Board should regularly review and assess its own performance and that of individual Members, sub-committees and other bodies:

- by assessing its effectiveness in achieving its mission and functioning and its progress in meeting objectives via measurable targets;
- by reviewing its progress in attaining priorities;
- by collectively defining actions required to achieve its mission;
- by mandating periodic external reviews of the TF, including internal audits and key stakeholder reviews, the results of which are shared with stakeholders, along with innovative corrective actions that include collaborative work with other organizations to achieve desired changes and requisite adjustments to the TFs strategic or operational plans.

The CIAS TF must also develop a communication strategy with the objectives of ensuring effective communication with its main stakeholders, beneficiaries, members and users and smooth and effective internal communication between the Board, the Executive Director and other staff. Communication and Marketing is discussed in greater detail in the Operations section, but overall, it entails clear communications on available information, pointing out confidentiality requirements, complying with external requests for information, transparency in the Funds governance and strategic reviews and adhering to the principles of equality and diversity. There also must be a reliable communication mechanism between the Board and the Executive, with the Executive Director as the liaison between the two. A productive working partnership between the Chairman of the Board and the Executive Director along with routine management reports and meetings will ensure that Board Members remain informed and engaged and all staff are represented at Board meetings.

The TF should keep a “compliance list” to be sure it is always in full compliance with all applicable laws, regulations, legal agreements with its donors and its own governing documents. It is established according to country laws to ensure its independence and optimal taxation status, so the compliance list must also include laws and regulations regarding asset management and resource mobilization.

In addition to these governance recommendations based on the Practice Standards and Capacity Building Workshops, following are additional recommendations based on TFs reviewed:

- The governing documents should be concise and should state the purpose of the fund and outline the composition, powers and responsibilities of the governing body, including, but not limited to, the procedures for selecting members, procedures for replacing members, the length of the terms of office, and remuneration of members of the governing body. This was the case with all the TFs reviewed, even GCF with its international, high-monetary-value projects.
- The operating rules of the fund should be clearly outlined as is done by CBF.
- The composition of the governing body should lend itself as much as possible to independence and stakeholder representation.
- The governing body should be diverse and representative of the major stakeholders. Members of the governing body should be selected for their competencies and commitment to the fund's focus, which generally leads to the development of the strongest vision for the TF, members adopting greater responsibility in their board roles and the implementation of the TF's mission. The BPAF for example, provides that every member of the Board of Directors of the Fund shall have experience and expertise in at least one of the following fields:
 - Ecological science
 - Biodiversity conservation
 - Finance
 - Law
 - Investment management;
 - Fund-raising
 - Grant writing
- The TF should be established as a non-governmental private institution with a mixed public-private governing body, with non-governmental representatives in the majority. Having a majority of non-governmental representatives or appointees on the governing body helps to ensure greater transparency in reporting, policies, priorities and grant-making, higher effectiveness in meeting biodiversity goals, greater likelihood of attracting funds from international donors and the private sector, wider local support, and more long-term continuity which is not tied to any government administration or political party. This was seen in most of the TFs reviewed.
- Non-governmental members on the governing body should represent NGOs, the business sector, academia, research and scientific organizations, or other sectors

elected by their constituency organizations. Donor agencies may have representatives even with non-voting power, as is the case with “Up to three members who are representatives of international nature conservation organizations which have provided (or have firmly committed to provide) significant financial and/or technical support to the Foundation” (DCNA Version 2008–2). Some donors may require representation on the governing body as a condition for making a large donation as seen with CBF, and donor agencies can play a helpful and facilitating role when represented on the governing body.

- Government members on the governing body should represent specific “meaningful” positions, such as the Minister of Environment, or Minister of Agriculture and Marine and Fisheries. Governmental ex-officio membership with no voting rights is also an option. Government members on the governing body can help to attract funding from international donors, because this can be seen as evidence of the government’s commitment to supporting the fund. Also, government funding from sources such as those described in the Resource Mobilization section can be acquired. Having Government members on the governing body will also help in aligning the fund’s activities with Government’s policies. This was evident in the BPAF.
- Because multiple states are involved but there will only be one governing body, it will be important for the fund to maintain autonomy, with neither Barbados nor any member state of the OECS or any other stakeholder having dominance.
- It is recommended that specialized, technical working committees linked to the fund’s diverse governing members be established to deal with the diverse technical issues of the fund such as financial management, fundraising, technical oversight, and other ad hoc committees based on the fund’s objectives. This will allow more in-depth reviews of specific issues that can be facilitated by more frequent committee meetings, the co-opting of non-Board Members that have the required skills and expertise to address the particular issues, the broadening of participation within the sub-region and the contextual review and award of grants to allow equitable participation of stakeholders. In order to more effectively carry out its fiduciary responsibilities, support from specialized advisory committees and delegation to small committees can make the work of the full governing body more efficient and effective.
- Each local CIAS TF sub-fund in each territory can serve as a separate committee in each island state to award and oversee grants in each island, which can enable greater participation of local stakeholders.
- The members of the governing body of the funds reviewed ranged between 3 to 20 members. Board size depends on the number of stakeholders that must be given a decision-making role and the requisite amount of diversity and representativeness,

knowledge and technical expertise and geographical background. A small governing body is less diverse and is not recommended. Many TFs establish a smaller executive committee that meets more frequently and handles short-term and urgent decisions, while the full board focuses on larger and more strategic decisions, as well as approving an annual budget, work plan, and grants program. Recognized national networks or associations and non-government institutions can be used to acquire Board nominations.

- A large, strong, influential, cohesive, governing body that is representative of the TF's diverse constituencies, can serve as an influential voice and can provide strong, sound direction and oversight is recommended. However, the governing body should not be too large, exceeding 20, because it may then face difficulties in scheduling meetings and reaching decisions, especially since members will be drawn from several different island states.
- The size of a governing body may depend on many different factors, including the scope of activities of the fund and the legal requirements of the country of establishment.
- There must be a stated high quorum for decision making and because several island states are involved care must be taken to avoid decisions being made only by members from specific countries, governments, ministries, donor groups or special interest groups. For example, it should not be possible for government-appointed members of a governing body to take any actions or decisions without the votes of at least some of the members who are not appointed by the government. This was seen in all funds reviewed.
- Veto rights should be given to a few key members for certain major decisions such as the hiring and firing of high-level staff such as the Chief Executive, the Fund Manager or Investment Manager.
- The terms of office of members of the governing body should be stipulated in the governing instrument and rotated and staggered to provide well-planned transitions in membership, better institutional continuity or succession planning, and to allow for the introduction of fresh new ideas. Greater continuity can be achieved if an advisory Council of former Board Members is established.
- In order to give the Trust Fund the highest possible profile among potential donors, well-known and influential people could be invited to join a Trust Fund "Council of Patrons" or become Trust Fund "Honorary Board Members. Their primary mission would be to publicly (and privately) appeal to national and international political and business leaders to give political or financial support to the Trust Fund.⁹

The Interagency Planning Group adds to this that the Board must be aware of its strengths and weaknesses so that it can work on becoming stronger and more effective. Further:

- Board rotation is healthy in moderation;
- Healthy board–staff relations are key to effective TF management; and
- The participation of donor organizations can be a double–edged sword due to the potential for conflict of interest.¹⁴

CIAS TF Legal Structure

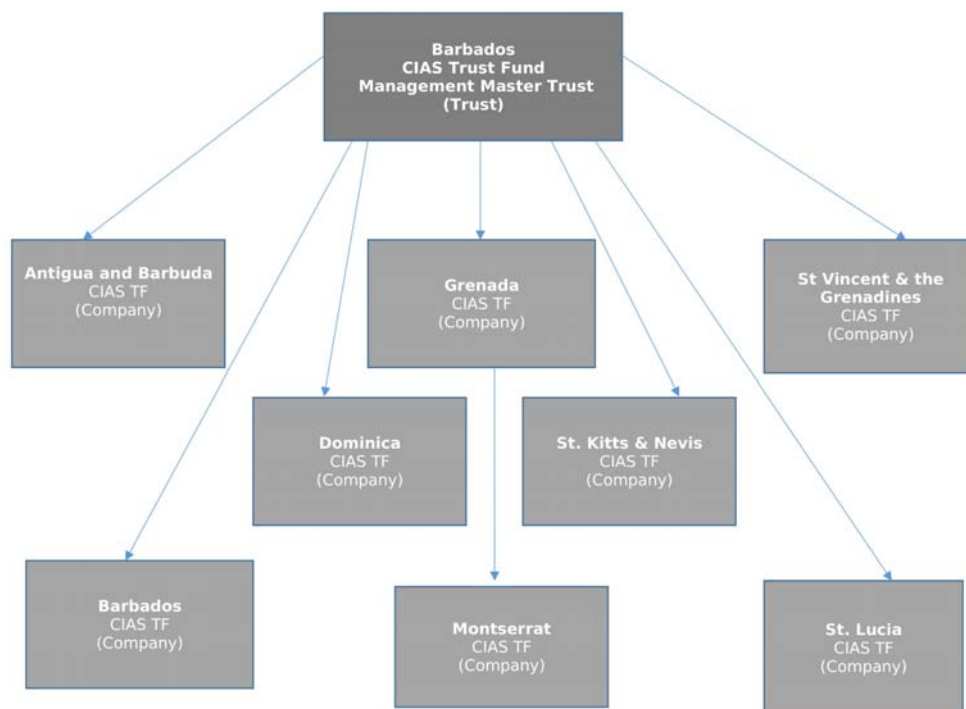
A Trust is a legal structure through which money or other property is held, invested, and spent by a board of trustees exclusively for a specific charitable purpose, or for specified beneficiaries as defined in a charter or deed of trust. It is administered by a trustee or board of trustees who legally own the Trust property.

It is simplistic to assume that the method of legally establishing the CIAS TF should be along the lines of the more easily amended Bylaws, accompanied by Operating and other Manuals that detail the internal governing rules of the TF. This is suggested by the Practice Standards and reiterated by CBF because CBF observed that one of its Partner TFs that set up the TF under law experienced an extremely lengthy legal establishment process. Because of this, CBF considers the establishment of TFs as companies a faster process that also promotes the identity, independence and autonomy of the TF, important for TFs and Donors, even though Government Members do sit on TF Boards in the minority. But a TF's legal structure will depend on the legal system of the country in which it is being established and how that country's legal system recognizes the concept of a trust.

An examination of the laws of Barbados and the OECS and a review of various TFs in the region suggest that the CIAS TF should be established by Trust Deed under the Barbados Trust (Miscellaneous Provisions) Act as a Charitable Purpose Trust with elements of an endowment, sinking and revolving fund, to provide long–term financing for the control of IAS in Barbados and the OECS.

From a legal standpoint it is also being recommended that the overall structure of the entity be modeled closely to the relationship between CBF and its Partner TFs. This means that while the umbrella CIAS TF is registered in Barbados under a Trust Deed, the OECS IAS country sub–TFs will be registered as Companies in their jurisdictions. This is illustrated in Table 12 below.

Table 12. Recommended Structure of CIAS TF



Generally, there are two major legal systems, either Common law or Civil law. The Common law system is derived from the English common law tradition of creating and modifying law in the courts, relying on the precedents established by judicial rulings. The Civil law system relies primarily on legislation that is the codification of law through statutes, and do not recognize the concept of judge made law. In civil law jurisdictions there is no legal basis for the establishment of a trust. However, those jurisdictions generally use the statutory concept of a "foundation," "association," or "fideicomiso".

Barbados and the OECS are common law jurisdictions. Generally in common law jurisdictions a trust fund can be established by Statute, Articles of Incorporation or by Trust Deed. This means that they may be structured and registered through three different legal entities: through a Trust, through an Act or through a Corporation.

Like all the laws in Common Law jurisdictions, the law of trusts is created through judicial decisions or case law. However, some Common Law countries have gone on to codify trust law by enacting trust statutes. Barbados is one of them. The common law imposes rules, guidelines, doctrines and responsibilities for the prudent management of trusts. Jurisdictions

which have codified the Common Law rules have incorporated all of these into comprehensive statute. The statutory laws regarding trusts that have been enacted in these particular common law jurisdictions have led to more certainty, as they specify exactly how the trust can be established, registered and managed. Such is the case in Barbados, hence the reason for the recommendation to register under the already established and well-defined Trust Deed. Added to this, under the Charities Act the board of trustees may apply to the Registrar for their incorporation as a Board, which gives an added layer of protection and limitation of liability and indemnification for trustees. (Source: Barbados Charities Act Cap 243).

Barbados also has a well-developed financial services market, well defined modern trust laws and experienced professionals with the requisite experience and knowledge. Clear Trust Legislation under the laws of Barbados removes any doubt from the establishment and its management process and will allow the fund to be an independent, legally enforced entity. It will also allow the fund tax benefits and will not place undue restrictions on operating issues, for example it allows the acceptance of funds from legitimate sources and the nationality of governing body members is irrelevant. Barbados has political and financial stability, has enacted a concise and strict Charities Act and clear guidelines addressing the taxation of charities.

Also, Barbados' Income Tax Act has been specifically amended to provide for Charities. A Charity registered under the Barbados Act qualifies to receive income tax exemptions both for the charitable organization and the donors. There are also VAT, Customs duties and transfer tax exemptions available for a registered Charity. Under Barbados law, donations to a registered charity are allowed as deductions against assessable income.

General Characteristics of the CIAS TF under this legal structure are:

- the assets of the trust will constitute a separate fund not forming part of the trustee's estate;
- title to the assets of the trust will be held in the name of the trustee or in the name of another person on behalf of the trustee;
- the trustee will have the power and the duty to manage, employ or dispose of the assets of the trust in accordance with its terms and the special duties imposed upon him by law; and
- the trustee will have a fiduciary duty and be accountable to the beneficiaries for the management and administration of the assets of the Trust.

The laws that will be applicable to the CIAS TF are as follows:

1. Trusts (Miscellaneous Provisions) Act 2018 [Repealing International Trust Act Cap 245];
2. Trustees Act Cap 250; and
3. Charities Act Cap 234.

For clarity ,the following definitions are relevant:

Trusts: Under the Trusts (Miscellaneous Provisions) Act 2018 (“the Act”) trust is defined as the legal relationship created when assets have been placed under the control of a trustee for the benefit of a beneficiary or for a specified purpose. Under the Act, Trust assets would constitute a separate fund from the trustee's estate and the wide range of powers and duties of the trustee is outlined.

Charity: According to the Charities Act Cap 234 of the Laws of Barbados, (the “Charities Act”), Charity means any organization or institution whether corporate or otherwise established for charitable purposes, is intended to and does operate for the public benefit and is subject to the control of the court in the exercise of its jurisdiction with respect to charities.

Charitable purpose: Charitable purposes are defined in section 3 (a)–(z) of the Charities Act. Based on the Charities Act, the Trust’s charitable purposes will include, but not be limited to: the advancement of education, improvement of knowledge and its public dissemination; the promotion and publication of research with a view to increasing the common stock of knowledge; the advancement of science and all recognized branches of learning; promotion and improvement of the national environmental heritage; the welfare of animals; the promotion and encouragement of projects for community development; and any purpose within the spirit of, and analogous to, the foregoing.

Purpose Trust: A trust which is not for the benefit of particular persons, whether or not immediately ascertainable.

The legal process will entail the following:

1. Trusts (Miscellaneous Provisions) Act 2018 and Trustees Act Cap 250

The Trust will be established by payment of the prescribed fee, filing the requisite confidential information and applying to the Director of International Business for a certified copy of a certificate of registration issued in respect of the trust. The trustee will be required to keep the following confidential documents:

- A copy of the instrument creating the trust and copies of any other instrument amending or supplementing the instrument;
- A register in which the following information is set out:

- a. the name of the settlor;
- b. a summary of the purposes of the trust;
- c. the name of the protector of the trust; and
- d. such documents as are necessary to show the true financial position of the trust.

2. Charities Act Cap 234

The Trust will then be required to submit an application to the Registrar of Corporate Affairs and Intellectual Property along with copies of the Trust documents. A charity which is NOT registered will not be entitled to claim any tax exemptions in respect of that charity for the income year.

Trustees are required to keep proper books of accounts and to prepare statements of accounts consisting of income and expenditure accounts relating to a period of not more than 15 months and a balance sheet relating to the end of that period. These books and statements of accounts must be conserved for at least 7 years. The charity's statement of accounts must be open to public inspection and the Registrar may require the accounts to be audited.

The **Deed of Trust** will include some of the matters discussed above.

Table 13. Contents of The Deed of Trust

The name of the Trust
The name of the Settlor
The purposes for which the trust is established
The duration of the trust, which could be in perpetuity since the rule against perpetuity does not apply
Whether the Trust is revocable or irrevocable (the Trust will be irrevocable)
The composition of the Board of Trustees
The powers of the Board of Trustees
The procedures for appointing and replacing Board members
The responsibilities of the Board of Trustees
The term of office of Trustees
The remuneration of Trustees
The required frequency of Board meetings
The number of Board members whose presence is required in order to constitute a quorum
The number of Board members whose vote is required in order to approve any proposed action.
The mode of appointment and responsibilities of the executive director and other staff

The mode of appointment of a Protector (Guardian or Advisor)
The rights and powers of the Protector (Guardian or Advisor)
The terms for the appointment of successor Protector (Guardian or Advisor)
The mode of establishment and functions of any non-voting advisory committees
The potential sources of revenue for the trust
The rules on investment and expenditure
The accounting procedures, and provision for independent auditors
The types of activities permitted to be funded by the trust
The rules regarding disclosure of conflict of interest for trustees and staff
Conditions and procedures for termination of the trust if necessary
Provisions for the disposition of surplus assets of the trust upon its termination

The Trustee Act provides for the **powers and authorities of the Board of Trustees**. The Trustees shall have and may exercise any of the following powers and authorities which may be exercised by it in its sole judgement and discretion, and in such manner, and upon such terms and conditions as it may from time to time deem proper. The Trustees shall engage Managers and staff to manage the fund.

Table 14. Responsibilities of the Board of Trustees as it relates to Governance

To subscribe for, invest in, reinvest, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of the investments (not limited to the investments prescribed by the Trustee Act or other Applicable Law)
To realise any asset in the Trust Fund in order to invest the proceeds of sale or any part thereof, in any investment permitted by the Trust Deed, or to provide the cash required for the purpose of carrying out any provision of the Trust
To dispose of any or all of the property of the Trust Fund by legal instruments for any authorised purposes, and to execute and deliver instruments on behalf of the Trust
To borrow money and give negotiable or non-negotiable instruments to guarantee, indemnify or act as surety, and to enter into other obligations on behalf of the Trust,
To lend money, whether secured or unsecured
To incur expenses or pay out of the Trust Fund any charges or expenses, which in the opinion of the Trustees, is necessary, or incidental to, or desirable for the carrying out of the purposes of the Trust.
To pay out without limitation, taxes or other governmental levies, charges and assessments, imposed on or against the Trustees in connection with the Trust or the Trust Fund, or upon or against any property held in the Trust Fund, and for any of the purposes.
To deposit the Trust Fund for safe keeping with banks or other registered trusts companies and other depositories and to withdraw on such terms and in such manner and by such person or persons as the Trustee determines.

To vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution.
To take the opinion of legal counsel locally or where necessary or appropriate elsewhere concerning any legal issue arising under the Trust or any matter in any way relating to the Trust.
To elect, appoint, engage or employ officers for the Trust in such capacity and for such office as may be designated by the Trustee (including a Secretary, Treasurer and such other officers as the Trustee may determine).
To engage or employ any persons as agents, representatives, employees, independent contractors, professional advisors in one or more capacities, and to pay compensation from the Trust Fund for services.
To purchase and pay for out of the Trust Fund, insurance contracts and policies insuring the Trust Fund against any and all risks, and insuring the Trust and/or the Trustees, the Beneficiaries, and the officers against any and all claims and liabilities of any nature. To renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligations to or of the Trust.
To do all such other acts and things and to exercise all powers necessary or useful to carry on the business of the Trust, to promote any of the purposes for which the Trust is formed.

Evidentiary documentation indicating that the Governance Practice Standards have been achieved include:

- governing documents that clearly define the purposes for which TF assets can be used, composition, powers and responsibilities of the governing body;
- CVs of governing body members that show appropriateness of expertise to fulfill responsibilities and achieve the overall mission of the CIAS TF;
- terms of reference for committees to ensure effective and efficient TF operations;
- minutes of committee meetings;
- minutes of governing body meetings and Resolutions to document decisions taken;
- national and regional laws so that the CIAS TF governing body can meet fiduciary responsibilities;
- conflict of interest policy to reduce the exposure of the CIAS TF to favoritism and reputational risk;
- operations manual to delineate the day to day operations of the TF;
- the Chief Executive's Terms of Reference and employment contract;
- the Administrator's contract;
- applicable laws and regulations that form the basis of a compliance list that is monitored by the CIAS TF to ensure compliance with legal, regulatory, donor and CIAS TF governance documents and avoid unnecessary penalties, taxes and disruptions to operations;

- donor Agreements; and
- archives of documents relating to legal, regulatory and contractual obligations.

THE CIAS TF – A ROAD MAP

This Report represents the beginning of a feasibility study on the CIAS TF as the optimal solution for sustainable IAS management in the Caribbean. Thus far, it appears to be the most viable solution.

First, the CIAS TF meets the GEF's 4 essential conditions for successful TF execution:¹³⁰

- (i) IAS management is a financial commitment that extends into perpetuity, surpassing the required 10–15 year commitment timeline indicated by the GEF as ideal for a TF mechanism.
- (ii) National governments have signed international commitments related to IAS management and have welcomed the support of international organizations and CABI in regional projects to address it. This confirms that governments in the Caribbean supports the use of public–private mechanisms to address IAS management.
- (iii) International entities, national governmental agencies, regional bodies, NGOs, CSOs and even communities have worked along with scientifically based CABI for IAS management, indicating that diverse sectors of society are committed to the IAS management objective.
- (iv) The legal and financial practices and supporting institutions in the region are well established to meet the infrastructural requirements for the CIAS TF.

Second, as this Report indicates, TFs have an exemplary level of credibility because of the high level of accountability and transparency at every pillar: governance, operations and finance, which is combined with a singular focus on achieving or surpassing stated results, while remaining within defined expense criteria. The TF has therefore proven to be the most viable, legally independent vehicle for providing reliable, long–term planning and funding for IAS management for the public good, without the constraints imposed by being publicly managed.

Third, global standards of TF execution have evolved in the form of the TF Practice Standards and other guidance supported by capacity building tools, TF networks and R, M&E execution tools, not to mention the close mentorship available under the CBF umbrella. This means that there is proven guidance on the design, structuring and execution of successful TFs.

Finally, the required legal and professional services infrastructure exists in the Caribbean, as well as access to regional and global investment expertise, which allows for the establishment and development of a sustainable regional TF.

But although these factors all indicate that successfully executing the CIAS TF is highly plausible, other critical components of the TF's feasibility must be examined. These components are based on the fact that, as also observed in this Report, a TF is far more reliant on relationships with governments and regional and international private and public entities and community organizations than any other independent entity. This means that a key aspect of the feasibility assessment of the CIAS TF is the identification of the CIAS TF's international and regional stakeholders and their involvement in the design, creation and joint ownership of the CIAS TF for the mutual benefit of all. There must be stakeholders' consensus on the structural design described in this Report, and on the objectives of the CIAS TF and the role it will play as the guardian of regional IAS management. This buy-in will be the basis for eliciting the required financial and other support for the long-term regional success of the CIAS TF.

The road map to confirm that the CIAS TF is the ideal solution therefore involves:

1. The completion of the feasibility study by attaining stakeholder consensus on CIAS TF guiding principles, the governance and operations structuring and means of achieving financial sustainability as discussed in this Report, as well as their consensus on the purpose and role of the CIAS TF in the region.
2. The formation of a Steering Committee that fairly represents the CIAS TF stakeholders, comprising regional influential public-private sector members, NGOs and Community-based organizations. The Steering Committee is a means of achieving the key TF requirement of good working relationships and political support from inception. The purpose of the Steering Committee is to guide the establishment and development of the CIAS TF, including the formalization of the legal and operational instruments, founding the governing body and initiating capital and resource mobilization.
3. The creation of a CIAS TF Profile by the Steering Committee in consultation with key stakeholders to describe the intended legal structure of the CIAS TF and operational and financial components for sustainability. The Profile provides the basis for legally establishing the CIAS TF and is used for marketing purposes to attract donor attention.
4. The establishment and development of the CIAS TF, the final step in which:
 - the independent TF entity is legally established in participating countries;
 - governance and operations, including fundraising plans are transitioned to the new governing body; and
 - the competitively recruited executive director is retained to oversee the day to day operations.

1. Completion of Feasibility Study

Methodology:

A review of feasibility studies that incorporate the experiences of TFs around the world^{11,12,13,14} suggests that an appropriate methodology for conducting a TF feasibility study includes a review of the relevant literature, and conducting interviews, discussions, meetings and/or workshops/conferences with a wide range of stakeholders.

This Report has already reviewed the literature to make recommendations for the design of the CIAS TF. Stakeholder participation must now be layered in, so that the design elements recommended can be confirmed and finalized for adoption. This can be done through interviews and discussions, workshops etc. with Caribbean-wide national governments, regional entities including NGOs and the private sector, and national and international donor organizations. The objectives would be to:

- identify stakeholders and differentiate “key” stakeholders;
- obtain stakeholder consensus on the guiding principles, purpose and objectives of the CIAS TF;
- confirm and obtain consensus on the governance and operational structuring of the CIAS TF;
- obtain consensus on how the CIAS TF will legally achieve financial sustainability utilizing asset management principles, resource mobilization mechanisms and relationships with donors. Actual donor interest and requirements, and the possibility of obtaining commitments must also be explored; and
- clearly define and obtain consensus on the regional role the CIAS TF will play as the reliable repository for regional IAS management funds and executor/overseer of efficient and cost-effective regional IAS management.

For efficacy it may be necessary to begin the interviews by clarifying what a TF is and the role it will play in conserving Caribbean biodiversity and ecosystem services and the attainment of the SDGs. Such an introduction would place socio-economic-political value on IAS management, “...a powerful tool for raising awareness about the economic value of natural resources and about the implications of different development or management decisions.”⁹ This will also begin the process of achieving the New Zealand model of biodiversity conservation as a lifestyle, which is an ultimate desired outcome for biodiversity conservation initiatives.

It is also important to advise regional leaders of the rationale for the CIAS TF initiating IAS work in the Barbados and the OECS sub-region, while also providing a likely timeline for expansion into the wider Caribbean. This will secure the support the TF will require in the long run when

it's work extends to the wider Caribbean. It will also open doors for discussions with national governments regarding the possibility of them working along with the CIAS TF from the outset to independently finance the work required for regulatory and policy reform and capacity building and awareness-raising. This would capture economies of scale and begin Caribbean-wide IAS management, while simultaneously focusing on Barbados and the OECS islands for reasons given in this Report. On-going and continuing work in Barbados and the OECS will also demonstrate the results-orientation of the CIAS TF from the outset, which in and of itself can be a catalyst for Caribbean-wide IAS management interest and momentum. Timely implementation of the CIAS TF would be important to reaping this synergistic effect.

This Report, along with regional IAS studies conducted and international IAS concerns can provide guidance on the questions to ask and the basis of discussions.

This is also the point at which the process of securing the endorsement and financial commitments of the governments of Barbados and the participating OECS islands can be secured, both precursors for CBF's acceptance of the CIAS TF under its umbrella. CBF discussions should begin as well, particularly to address start-up requirements and funding and other support that can be provided by CBF during this beginning stage, along with the possibility of funding by CBF donors and regional debt-swap negotiations led by them.

1.1 Guiding Principles:

This Report details the guiding principles that must be followed in setting up the CIAS TF, and as indicated, there is every reason to believe that achieving them is feasible. The feasibility work in this regard therefore entails bringing stakeholders on board with CIAS TF guiding principles as a means of building support and confidence:

- strong government support but not control;
- government and grantee co-financing;
- accountability to donors, stakeholders, the regional governments and people;
- participation from major stakeholders such as national and regional governments in the design and evaluation of the grant-making program. Donors will be encouraged to respect stakeholder priorities;
- transparency in all aspects of the grant-making process;
- rigorous, regular, technical and financial monitoring and evaluation and oversight and review of operations, with reviews by competitively tendered, independent consultants and auditors;

- results-based management to establish efficiency and effectiveness in timely grant-making;
- adaptive management to encourage continuous learning and change, the identification of new opportunities and the revision of procedures and improvement in performance when weaknesses are identified;
- institutional diversity by supporting the existence, growth and well-being of a diverse set of biodiversity-related institutions, financial intermediaries, financial instruments or sources, donors and private sector partnerships; and
- governance of the TF being held to the highest standards of ethical conduct, with conflicts of interest scrupulously avoided.

1.2 Objective:

The objective of the CIAS TF has been summarized in this Report based on IAS knowledge, the outcomes of regional projects, and intended plans for IAS management in Barbados and the OECS. The feasibility study must now involve stakeholders in confirming the purpose of the CIAS TF based on long-term regional IAS management goals and priorities.

Although work will begin in Barbados and the OECS, consideration should be given to broadening the scope of the CIAS TF's objective to incorporate the wider Caribbean, for example, "Preventing the costs of IAS in the Caribbean", as opposed to Barbados and the OECS to capture the long-term goal. Again, this will result in regional buy-in. Later on, this regional objective will be further enhanced by linking it with national NBSAPs that feed into the regional NBSAP.

The feasibility study should also clarify the role of the CIAS TF as the reliable central hub and IAS knowledge center that accumulates and equitably disburses regional and international financing for timely, ongoing implementation and oversight of Caribbean IAS management.

1.3 Thematic Focus:

Regional stakeholders themselves should determine, or contribute to the determination of the priorities of the CIAS TF. It must be borne in mind however, that a narrower thematic focus leads to a greater measurable impact, which leads to greater TF success, and TF success leads to on-going funding and support.

Features of the grant-making program should be addressed, for example whether the grant-making program will vary by country, or whether it should be based on agreed regional priorities, or whether it is based on requests for proposals for specific purposes over a specified timeframe, or year-round etc. The use of funds remaining after disbursements should also be

addressed, for example, whether to increase the endowment or to issue additional grants for eligible CIAS TF activities etc.

This will guide the development of the CIAS TF's Grant-making program by determining grant eligibility, the types of projects that will be eligible and the approaches to grant-making.

1.4 Governance:

Stakeholder consensus and confidence in the CIAS TF can result from governance discussions, particularly as it relates to key TF principles discussed in this Report:

- the selection of the governing body based on a non-governmental majority to attract donations from the private sector and international donors, non-governmental board members that possess personal competencies to facilitate effectiveness via the formation of expert committees such as finance, investment and technical committees etc., the identification of donor places on the board, staggering of Board Members' terms to create institutional continuity, the correct board size to facilitate decision making while factoring in technical expertise and geographical diversity etc., and very importantly, how a balance will be achieved in selecting the steering committee and the governing body and executive director from amongst the various islands in the region.
- policies to be incorporated in the governance instrument: the CIAS TF's is independence and establishment in the interest of the public good, investment policy provisions, reporting requirements inclusive of annual audits and perhaps environmental accounting, limits on administrative expenses, handling conflicts of interests and grantee co-financing requirements etc. Policy options to create funding for the TF and its inclusion in the governance instrument can also be explored, as well as tax deductibility of TF donations, which may be useful in attracting private capital etc.
- the responsibilities of the board of directors and relationships with the executive director and staff, including the crucial role of the governing body in:
 - appointing the Executive Director;
 - approving the strategic plan, operations manual, fundraising strategy, annual work program and investment guidelines;
 - determining eligibility criteria for grantees;
 - establishing board committees and determining their roles and responsibilities, for example, a Grants Committee to work with a Project Administration Committee to develop the grants program based on agreed priorities and available funding, an M&E committee to review and evaluate projects while making recommendations for improved approaches and projects etc.;
 - perhaps establishing an advisory committee for setting TF priorities, harmonizing donor and grantee coordination, making required changes in the

grant-making process etc. This committee can comprise donors, environmental NGOs, national Ministries of Environment etc.;

- approving the grant-making policy and grants;
 - approving funding priorities; and
 - taking action on technical and financial evaluations and audits.
- Identification of principal regional stakeholders and agreement on their roles and responsibilities, which preempts the issue of conflicting stakeholder perceptions and priorities. Stakeholders may include donors, the board of directors, committees identified by stakeholders as necessary such as finance, investment, technical and project management committees, specific government agencies, NGOs, communities and private sector organizations and interested bi- and multi-lateral organizations.
 - Identification of the role of donors outside of financing, which may include important functions such as encouraging other donors to support the TF, suggesting improvements in the grant-making process, lobbying for government support and identifying potential grantees etc.
 - Consensus on the Steering Committee and its role, inclusive of approving the Governing Instrument of the CIAS TF, legally establishing and launching it, selection of the members of the initial governing body and the transition of oversight of the CIAS TF to them.
 - The various committees required by the CIAS TF can be defined and their ideal composition and role determined. For example, a Grants Committee may work along with a Project Administration Committee and the CIAS TF's Executive Committee to develop the grants program based on agreed priorities and estimated available funding for the year. An M&E Committee can be responsible for reviewing project evaluations and making recommendations for improved or re-designed approaches or projects. The Executive Committee may work with stakeholders to implement all phases of the grant-making program approved by the board of directors. The Technical Committee may set priorities, evaluate the strengths, weaknesses, threats and opportunities of the grant-making program and suggest changes etc. If there is a need for separate project accounts, Administrative Committees may need to be established to facilitate this. While this is not the preferred scenario, it may occur where donors do not contribute to the general CIAS TF, but may wish to enforce specific investment, administrative or grant-making procedures and criteria, which associated administrative committees must enforce.

The committees selected may depend on prioritizing and perhaps merging functions between roles, depending on likely available resources.

- Grant administration must be defined to optimize efficiency and effectiveness, including project implementation in accordance with Grant Agreements vis a vis accountability for results, spending of grant funds, agreed M&E systems and the use of independent technical and financial audits.
- Channels between donors, grantees and government agencies, NGOs, private sector organizations etc. must be defined, as these are the stakeholders that will be affected by the CIAS TF's grant-making function.
- Provision must be made to keep interested international organizations, NGOs and private sector associations regularly informed on the CIAS TF's activities, as they all have the potential to become donors. Communication strategies are therefore essential.

Legal Structure:

Confirmation of the legal structure recommended in this Report based on donor or other requirements, keeping in mind that the ultimate objective of the legal structure is to maximize fiscal and taxation advantages.

The options for the legal structure of the CIAS TF, including¹³ those outlined in the Legal Structure section of this Report should be assessed for best-fit:

- as in-country TFs in common law countries – which is the suggestion made in this Report: sub-CIAS TFs in the OECS islands falling under the CIAS TF's Barbados umbrella;
- as in-country foundations in civil and common law countries;
- as offshore foundations, for example in Europe or the US, as is the case with CBF;
- by special legislation, as exists in Barbados with the Barbados Trust Act and Charities Act; or
- by international agreements between donor and beneficiary country governments.

Governance Terms of Reference:

Terms of Reference must be drafted for:⁹

- the Steering Committee, as that is the Committee that will take the CIAS TF forward to legal establishment and start-up;
- Legal Counsel to prepare the governance instrument, make any amendments to the Legal Structure recommended in this Report and to legally register the CIAS TF and OECS in-country TFs under the Barbados CIAS TF's umbrella;
- Consultants to develop the Strategic Plan inclusive of the Communications strategy and the Operations Manual; and
- an individual to coordinate the CIAS TF Start-up process.

1.5 Finance:

The objective is to confirm the financial sustainability of the CIAS TF.

1.5.1 Asset Management:

Consensus on the investment policy and guidelines must be attained, including agreement on the aggressiveness of the investment portfolio, and bearing in mind that the means of achieving investment income streams and capital gains that are not taxed is a significant factor in achieving financial sustainability from endowment and sinking funds. The same is true of tax exemptions for donors. Consideration must also be given to the fact that the GEF indicates a feasible endowment capitalization threshold of US\$5 million, or US\$10–20 million to capture significant economies of scale.¹⁵ An endowment of under US\$10–20 million means that sinking and revolving funds are necessary for financial viability, unless:

- financial commitments are in place for the future; or
- a donor agrees to pay CIAS TF administrative costs in the first few years; or
- a structure can be established to reduce administrative costs, for example the use of communities or volunteers as discussed in this Report.⁹

The affiliation with CBF as the investment manager should also be examined.

1.5.2 Resource Mobilization:

As fundraising opportunities vary depending on context, for example a country's legislation and policy framework, biodiversity values, international relations etc., stakeholders in different countries must be involved in identifying the feasible CIAS TF fundraising mechanisms that will be selected. Mechanisms may even vary by country, with the final determination being impacted by the costs and benefits of each, all of which must be assessed. Obtaining non-financial resources must also be assessed by stakeholders.

The potential donors identified in this report must be examined, along with new ones suggested by stakeholders, as well as the possibility of Policy Options. Policy Options discussions should continue on an ongoing basis until they are achieved on some level, especially as the positive impacts of IAS management become noticeable and therefore saleable. This is the key to independence in IAS management, albeit a challenge in a developing region.

Other periodic national contributions for the maintenance of the CIAS TF endowment, revolving or sinking funds, or co-financing funding commitments from regional governments must begin. Similarly, debt for nature swaps assessed, and other commitments in cash or kind identified to close financing gaps.

Finance Terms of Reference:

The Terms of Reference for Consultants to develop the Fundraising Strategy should also be defined during the Feasibility Study.

1.5.3 Operating Costs:

Operating costs of US\$300,000 estimated in Table 8 of this Report must be reviewed and stakeholder inputs and consensus obtained to confirm realistic annual operating costs for the CIAS TF. This should take stakeholder consensus into consideration as it relates to regional structuring and the optimal use of capital that can be raised, whether to build an endowment or to be allocated to IAS projects or to some combination of the two.

The bottom line is that a budget for the establishment of the CIAS TF must be done as a part of the Feasibility Study so that required funding for operations can be sought. Funding from governments to meet CBF and international co-financing requirements should be factored in, along with CBF's pre-financing of the CIAS TF for the first 2 years of its operation. The Budget will allow the CIAS TF to close any financing gap so it can continue to the next stage of its development, the formation of the Steering Committee and TF establishment and development. It should be pointed out that outside of cash contributions, donors and national governments may be willing to provide in-kind services to close some of the financing gaps.

Developing the budget to establish the CIAS TF may include obtaining costs for⁹:

- preparing the CIAS TF profile and donor proposals;
- formally preparing the Terms of Reference for the positions outlined under Governance in Road Map section 1.4 and Resource Mobilization in Road Map section 1.5.2, that is, Terms of Reference for the Steering Committee, Legal Counsel, the Consultant(s) to prepare the Strategic Plan, Operating and Fundraising Plans and a CIAS TF Administrative Coordinator;
- the registration and legal establishment of the CIAS TF and the related OECS in-country sub-CIAS TFs under its umbrella;
- preparing the Strategic Plan, Operations Plan, Fundraising Plan, initial Investment Policy and Annual Work Program;
- training the governing body at inception and any other training deemed necessary;
- start-up and operations for the first 1–2 years of CIAS TF operations in Barbados and the OECS, such as legal, accounting and human resources, office rental, furniture, equipment, supplies, vehicles and maintenance, salaries and benefits for the Executive Director, Administrator and other staff, travel, communications and administration.

The requirements for completing the Feasibility Study discussed above are summarized in Table 15 below.

A point that should be noted is that in terms of relevance to the Caribbean, TFs have reported the following reasons for delays in the establishment of TFs:¹³

- Changes in a country's government administration;
- Opposition by certain stakeholders to the purpose or structure of the trust fund;
- Long delays in obtaining funding commitments from donors;
- Long decision-making processes among donors and other stakeholders with respect to the contents of a trust fund's proposed statutes, bylaws and investment policies;
- Unexpected international, domestic political or financial crises.

Once the Feasibility Study is complete and the decision to establish the CIAS TF is further confirmed, the Steering Committee must be selected to legally establish the CIAS TF, select its governing body and transition management of the CIAS TF to them.

2. Formation of a Steering Committee

The Terms of Reference developed during the feasibility study is updated if necessary and used to retain a Steering Committee for the CIAS TF. Selecting the Steering Committee can be spearheaded by CABI as the rational home for the CIAS TF, or CABI in association with interested champion donors.

Logically, the steering committee must include both workers that have the time and expertise to work out the final detailed design of the CIAS TF, and people with clout who can secure the necessary high-level agreements and meetings with government ministries and international donors etc. The influential members of the steering committee and governments should both approach potential donors to optimize results.¹⁴

Ultimately, the steering committee acts as the board of directors until one is elected. It updates and utilizes Terms of Reference documents created during the Feasibility Study to retain Legal Counsel and Consultants to develop the CIAS TF's legal documents, governing Instrument, operating manual and strategic and fundraising Plans for steering committee approval, and to retain the Coordinator to execute the Start-up of the CIAS TF. The steering committee also retains the governing body and executive director, at which point the committee remains involved to properly transition the board and management into their new roles.

According to CBF, a diverse, multi-disciplinary, multi-stakeholder steering committee is a critical early step. The committee should utilize the results of the feasibility study to make the final decisions on the legal form of the CIAS TF, its overall goals and other key design elements. This includes board composition, decision-making rules and procedures, conflict-of-interest rules, the roles of the executive director and TF secretariat, the operations structure, reporting requirements and areas of strategic impact. These design elements may be incorporated into the constitutive documents required to establish the CIAS TF. They are formally endorsed by the governing body once elected. (Source: Annex 1).

These steps in the establishment of a steering committee are summarized in Table 15 below.

Once the feasibility study is completed and the steering committee established, a CIAS TF Profile must be developed by the steering committee in collaboration with the main stakeholders identified by the feasibility study.

3. CIAS TF Profile

The objective of the Profile is to clearly establish the fundamental orientations of the CIAS TF and to serve as a marketing tool for fundraising. It describes the main features of the TF, its objectives, the start-up process, legal, governance and administrative structures and fundraising, investment and grant-making strategies. The Profile does not enter into details of the constitution and by-laws, operations manual or financial plan, but provides a high-level, coherent framework that is drafted by the steering committee and agreed by major stakeholders. The Profile may briefly outline key information such as that listed below.¹⁵

3.1 Context:

A concise explanation of issues that include, but are not limited to:

- the importance of biodiversity conservation in the Caribbean hotspot and the international conventions and commitments agreed to by regional leaders;
- why the CIAS TF is necessary, that is, its socio-economic-political context;
- the rationale for the TF as the financing mechanism of choice to achieve long-term IAS management planning, funding and implementation, ultimately to contribute to the achievement of the SDGs in the Caribbean;
- the identification of regional leaders and champion donors advocating the TF initiative;
- the road map travelled thus far and entities and donors that made the journey possible;
- the introduction of the multi-sectoral nature of the steering committee, (but not the identification of individuals); and

- the role of the Profile as the basis for the elaboration of the TF's legal and operational documents.

3.2 Mission:

A brief description of the mission of the CIAS TF.

3.3 Eligible Activities:

The activities the CIAS TF will finance, which may include primary activities as outlined in the Strategic Plan or other activities that also achieve CIAS TF objectives.

3.4 Legal Status:

The legal status of the CIAS TF, along with the executors of the function, that is, the steering committee. Any rationale for the legal structure can be included.

3.5 Taxation:

Any tax exemptions are noted, as this will be relevant to attracting donors and other support.

3.6 Governance:

Governance issues that reflect the transparency, accountability and checks and balances of the TF's governance instrument(s) are summarized. These are important factors in attracting donor interest and other support. Information provided may include but is not limited to:

- the composition of the steering committee (but not necessarily names of individuals) and if applicable, any mechanisms used to hold the committee accountable for decision-making;
- the intention to select the Board of Directors and any other relevant committees and the criteria used to make those selections.
- Potential standing board committees and a summary of each;
- critical information about board selection such as regional diversity, expertise that will contribute to effective management of the CIAS TF, board size and term, the non-governmental majority etc.;
- the role of the board in the establishment of policies and strategic direction, approvals of the grant-making program, the investment policy and audit process and the intended annual review of the executive director's performance, his compensation and approval of any board roles designated to him, and approval of the job descriptions and compensation of senior staff;
- the internal audit function;

- the role of the steering committee in the drafting of the bylaws or governing instrument(s) for adoption by the board upon election, such instrument(s) to outline the internal rules and regulations that guide the Board's operations: the election of directors, officers and committees, frequency of meetings, voting rights, the method of handling conflicts of interest, rules regarding reimbursement of expenses and the recruitment of the executive director and record-keeping for the TF etc.;

3.7 Secretariat and Operations:

The manner of competitively recruiting the executive director and a lean administrative unit, along with a summary of the executive director's job description and the requirement for annual performance evaluations based on work plans. The intention to rely on the procedures outlined in the consistently updated Operations Manual can also be noted, especially as it relates to projects cycle and M&E and reporting.

3.8 Financing:

Information on financial plans is provided and specific donor or other support stated to show existing interest. Information may include, but is not limited to:

- the status of current financing arrangements and the existence of any long-term commitments or interest;
- the intention to develop a financing strategy to determine the required capital for operations and initial program costs;
- the intention to develop a long-term financial plan, say 5 years, to estimate the total funding gap and the identification of the capitalization target based on identified financial needs;
- the overall financing strategy is outlined, which defines: the initial fundraising vision based on start-up operational needs and long-term priorities, long-term (5 year) goals and annual fundraising targets, potential financing sources, public, private etc., conditions for accessing funding and analyses of the financial structure of the TF based on the types of funds to be managed, endowment, sinking and/or revolving.

3.9 Strategic Planning:

The intention to develop a strategic plan to achieve CIAS TF objectives by prioritizing funding and implementing M&E to evaluate TF success and conservation impact.

3.10 Grant Making:

The grant-making strategy that will be developed in collaboration with the executive director, as well as the assignment of responsibility for developing grantmaking policies and manuals to implement the strategy.

3.11 Investment Management:

The intention to establish an Investment Policy to govern investment strategies and asset management, as well as the intention to develop guidelines for the recruitment of professional investment managers and the monitoring of their performance. If CBF will manage the CIAS TF's endowment and sinking funds it should be noted.

3.12 Financial Accountability and Transparency:

The overall accountability and transparency of the CIAS TF is noted, which may include, but is not limited to:

- the intention that the board and any assigned committees will provide regular oversight of the CIAS TF's finances;
- the intention to conduct annual auditing of the TF's financial statements by an internationally recognized audit firm;
- the intention for the CIAS TF to consistently comply with applicable laws and regulations;
- acknowledgement that key reports on the TF's operations will be made publicly available and an annual report will be published.

The length of the Profile varies over time, depending on the stage of development that the CIAS TF is at. It will entail continuous updates based on stakeholder feedback and changing circumstances as the TF evolves.

The components of the Profile discussed above are summarized in Table 15 below.

Once the initial Profile is finalized, it is the basis for the establishment and development of the CIAS TF and the ongoing pursuit of funding.

4. Establishment and Development of the CIAS TF

A functioning TF can now be established through the creation and execution of a detailed work plan and budget. The objectives and activities to be conducted are described below.¹⁶

4.1 Establishment

The steering committee in conjunction with legal counsel retained must legally establish the CIAS TF in accordance with the legal structure confirmed in the CIAS TF Profile. Legal documents and articles of incorporation and bylaws must be finalized and approved by the steering committee and the CIAS TF registered in Barbados and the OECS initially. Donor commitments must also be secured by the steering committee as the TF becomes a reality.

This step will involve:

- drafting the legal instruments, articles of incorporation and bylaws based on the CIAS TF Profile and the internationally accepted TF Practice Standards outlined in this Report, and finalization and approval by the steering committee and key stakeholders;
- completion of any other legal requirements and registration of the CIAS TF in the relevant countries;
- obtaining formal donor commitments.

4.2 Operationalization

The strategic and operational documents of the CIAS TF must be created to facilitate start-up. This involves the steering committee utilizing and perhaps updating the Terms of Reference created during the feasibility study to retain Consultants that will apply TF Practice Standards to develop the following core documents:

- Operations Manual;
- Strategic plan that includes the communications strategy;
- Fundraising strategy;
- Investment policy and guidelines; and
- Grant-making policy and manual.

The local bank accounts must also be opened in Barbados and the OECS.

The operations documents must then be finalized and approved by the steering committee based on discussions with key stakeholders and donors. Once the TF begins operations the documents may be adapted based on lessons learned.

4.3 Start-up

This involves creating the governing body by filling positions and approving governing documents:

- the selection of members of the board of directors and any oversight body if applicable;
- board member orientation and orientation for the oversight body;
- board elections for principal functions;
- board approval of initial operational documents and strategies; and
- hiring an executive director through a competitive process and providing training.

The executive director will now participate with the steering committee and/or new board in:

- updating and approving the documents created in section 4.2 of the Road Map, Operationalization, as well as section 3 of the Road Map, CIAS TF Profile;

- lobbying potential donors secured by the steering committee to obtain firm funding commitments for capitalizing the CIAS TF;
- developing the Terms of Reference and hiring the Administration and Finance roles and professional Asset Manager on competitive bases;
- operationalization of the CIAS TF by acquiring office space and furniture and equipment in the various islands and retaining lean staff;
- assuming gradual responsibility for the fundraising function along with the board and organizing meetings, communications, donor relations, grant-making activity etc.; and
- determining the date to initiate the first call for proposals to adapt to operational and grant-making procedures while evaluating them by applying them in practice. This is important for enhancing the visibility of the CIAS TF.

The steering committee may remain involved in an advisory role until the new board of directors is ready to assume full responsibility, so that experience gained by them in establishing the CIAS TF is not lost.

4.4 Development

This involves promoting the development of the CIAS TF through communication, exchange and fundraising activities:

- Implementation of the communications strategy by developing materials such as fact sheets and brochures etc. and keeping them updated to reflect changing needs and new developments. This is important in building awareness of the CIAS TF's mission and operations, especially for fundraising purposes, but also for potential beneficiaries to remain aware of priorities.
- Participation or membership in TF networks such as RedLAC, to begin exchanging experiences with TF experts regionally and internationally and to always stay abreast of TF best practices and in communication with potential donors. The governing body and/or executive director will lead this initiative.
- Updating the fundraising plan developed in section 4.2 of the Road Map, Operationalization, in line with the strategic plan, also developed during operationalization and updated at this point if necessary with the assistance of the consultants.
- Fundraising to finance the operational costs of the CIAS TF and build its capital base through an endowment, sinking and/or revolving funds from diverse sources to secure funding commitments for start-up and beyond. The CIAS TF must be recognized as the lead mechanism of choice for IAS management to attract all contributions for the regional attainment of that objective.

- Following up by the governing body and executive director on funding commitments obtained by the steering committee or during the feasibility study, and debt-swap negotiations that may have begun under CBF-donor leadership.
- Remaining in contact with potential donors through meetings, the development of donor proposals and negotiating donor letters of intent and grant agreements etc., critical functions that must be sustained as the TF evolves.
- Developing a 5 year operating plan to determine whether the CIAS TF will be able to cover operational costs through investment income from donors, the endowment, sinking or revolving funds. Having these costs covered will allow the TF to focus on core activities, such as fundraising, investment management and grant-making. CBF's 2 year pre-financing for start-up TFs should be taken into account. Costs may cover items such as CIAS TF staff costs, international or local consultants, grant-making, travel, training, communication and fundraising costs, office and field costs, capital costs etc.

A pre-condition may be established for the minimum amount that must be secured to capitalize the TF before it is legally established and operationalized.

Summary of CIAS TF Road Map

Table 15 below summarizes all of the steps discussed above regarding the Road Map to take the CIAS TF through the completion of the feasibility study that was started with this Report, to the establishment of the steering committee, the development of the CIAS TF Profile and the culmination of the CIAS TF in its legal establishment and development.

Table 15. Road Map for Establishment and Development of the CIAS TF^{130,11,12,13,15,16}

1. FEASIBILITY STUDY
<p>PREPARE FOR INTERVIEWS AND DISCUSSIONS:</p> <ul style="list-style-type: none"> ▪ Identify the socio-economic-political value of IAS management to be shared with stakeholders, along with clarification of what a TF is and the CIAS TF's possible role in the regional attainment of the SDGs. ▪ Be able to advise regional leaders on the timeline for the Caribbean-wide implementation of the CIAS TF and investigate the possibility of immediate Caribbean-wide collaboration on Policy amendments, capacity-building and awareness-raising. ▪ Gear stakeholder discussions toward obtaining endorsement and funding commitments from regional and international donors, Barbados and the OECS initially and potentially all other islands in the region for the establishment and development of the CIAS TF in accordance with the guidelines and the structure outlined in this Report. This should be followed by a request to CBF for the CIAS TF to be established under its umbrella. ▪ Determine CBF's start-up requirements and pursue CBF and CBF-donor funding commitments and debt-swap possibilities.
<p>1.1 – 1.4 OBTAIN STAKEHOLDER CONSENSUS ON:</p> <ul style="list-style-type: none"> ▪ the CIAS TF guiding principles; ▪ the objective of the CIAS TF; ▪ the thematic focus; and ▪ the structuring of the governance, legal and operating pillars of the CIAS TF, including: <ul style="list-style-type: none"> · identifying CIAS TF regional and international stakeholders; · clarifying the role of donors and the Steering Committee; · identifying the various CIAS TF committees required; · defining the grant administration program and communication channels; · identifying the mechanisms for sustaining interest in the CIAS TF by regularly informing international organizations, NGOs, the private sector and community organizations on its activities; and · development of a communication strategy.

DEVELOP GOVERNANCE TERMS OF REFERENCE FOR:

- the Steering Committee to act as interim governing body;
- legal counsel to prepare the governance instrument and legally register the CIAS TF in applicable countries;
- consultants to develop the strategic plan and the operations manual; and
- an administrative coordinator.

1.5 OBTAIN STAKEHOLDER CONSENSUS ON A SUSTAINABLE FINANCING PLAN:

- Obtain consensus on the investment policy and guidelines.
- Ascertain which fundraising mechanisms make sense for the CIAS TF in the countries where it will operate, keeping in mind that alternative funding sources and national co-financing commitments increase financial feasibility. Conduct cost-benefit analyses to confirm the mechanisms to be selected.
- Begin discussions with donors and regional governments, particularly in Barbados and the OECS, for the capitalization and confirmation of the financial sustainability of the CIAS TF. Discussions on Policy Options can be introduced, along with discussions with CBF for assistance in debt-swap negotiations.
- Develop a Budget for the establishment of the CIAS TF and the first 1–2 years of Start-up Operations, including regional governmental and CBF support, and close any financial gaps. Costs may include:
 - preparation of the CIAS TF profile and donor proposals;
 - preparation of Terms of Reference for the steering committee, legal counsel and the consultants to prepare the strategic plan, the operating manual, the fundraising plan and the administrative coordinator;
 - the registration and legal establishment of the CIAS TF and in-country sub-CIAS TFs;
 - preparing the strategic plan, operations manual, fundraising plan, initial investment policy and annual work program;
 - training the governing body at inception and any other training;
 - start-up and operational cost for the first 2 years of CIAS TF operations : office rental, equipment and supplies, salaries etc.

DEVELOP FINANCE TERMS OF REFERENCE FOR:

- consultants to develop the fundraising strategy.

2. FORMATION OF A STEERING COMMITTEE

- Update the draft Terms of Reference created during the feasibility study and use it to select a diverse steering committee comprising influential stakeholders and skilled workers.
- Finalize the legal and governance, operational and financial instruments of the CIAS TF and recruit the governing body and the executive director.

3. CIAS TF PROFILE

- Define the fundamental orientations of the CIAS TF and intended mechanisms to achieve accountability, transparency and checks and balances in attaining the 3 pillars of sustainability: governance, operations and finance.
- Utilize the Profile as the basis for fundraising and legal establishment of the CIAS TF.

4. ESTABLISHMENT AND DEVELOPMENT

Establishment includes:

- finalizing documentation and legally Registering the CIAS TF in participating countries;
- obtaining formal donor commitments;
- retaining consultants to create operational instruments: operations manual, strategic plan, fundraising plan, investment policy and guidelines and the grant-making policy and manual;
- opening local bank accounts;
- steering committee selecting governing body and executive director who must undergo orientation and training;
- executive director and board of directors:
 - updating and approving operational instruments;
 - securing funding commitments;
 - competitively filling administration and finance roles and professional asset management services;
 - acquiring office space and other administrative requirements and retaining lean administrative staff;

- gradually taking over the fundraising function from the steering committee; and
- determining the date of the first call for proposals.

Development includes:

- implementing communications and fundraising strategies that line up with the strategic plan to build awareness, raise funds and raise awareness among grantees and other CIAS TF beneficiaries;
- creating relationships with regional and international TF experts to stay current in best practices and in constant contact with potential donors;
- keeping the fundraising plan current and raising funds from diverse sources to finance start-up capital and on-going operational costs, including grant-making;
- developing and securing financial commitments for a 5 year operating plan to confirm CIAS TF financial viability; and
- maintaining contact with potential donors through meetings, the development of donor proposals and negotiating donor letters of intent and grant agreement etc.

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