

MPA Tip: How to Approach Donors to Establish an Endowment

Last month's *MPA News* described how endowments can help provide sustainable financing for MPAs. To establish such endowments requires money. The Nature Conservancy and other international NGOs and institutions have helped finance several MPA-related endowments in recent years. Below, Bill Raynor and Trina Leberer of The Nature Conservancy's Micronesia Program offer advice for MPA practitioners on how to approach potential donors for endowments:

1. Most importantly, there must be a strong conservation commitment from the local community, region, or nation before pursuing commitments on financing. Donor organizations are more likely to support people or their governments that are pursuing conservation for reasons with long-term meaning - such as protecting resources for future generations, maintaining cultures in a changing world, etc. - instead of simply for financial benefits.

2. In terms of being ready to receive funds, it helps if you already have a mechanism established that meets international standards of financial accountability, and which is capable of managing an endowment. An example of this is the Micronesia Conservation Trust, which is now receiving funds for an endowment to support the Micronesia Challenge (www.mctconservation.org). With such a mechanism, you demonstrate to donors that systems are in place to ensure the endowment will:

- Be well-managed
- Yield an acceptable level of interest, and
- Be managed specifically for the purposes for which it is being funded.

3. Donors that fund endowments almost always want to see some local financial commitments to ongoing activities, and sometimes require local matching funds for the endowment. In the context of the Micronesia Challenge, The Nature Conservancy is urging local jurisdictions to raise 50% of their projected funding needs from local funding mechanisms and sources. The sustainable finance plan for Palau, for example, calls for the nation to raise nearly US \$1.9 million annually toward the cost of managing its national protected area network. As a result, Palau is asking the international community to help fund an endowment large enough to generate the remaining \$600,000/year necessary to meet its budget needs.

4. Donors want details, so it is a good idea for practitioners to develop a long-range business plan detailing implementation benchmarks and financial needs. This way, donors can see how critical the endowment is to the success of an individual MPA or overall network.

For more information:

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