
24th MEETING OF THE STANDING COMMITTEE
4 July 2024, Virtual Meeting Format

AEWA Small Grants Fund: Analysis and Options

Prepared by Simon Mackown (UK) & Nick Warmelink (NL)

Introduction

1. The AEWA Small Grants Fund¹ was established through Resolution 1.7 of the 1st Meeting of the Parties to AEWA (MOP1). This important AEWA support scheme became operational in its current form in 2010. The aim of the fund is to provide a source of financial support for the promotion and implementation of the Agreement in developing countries and countries in transition. Since its launch in 2010, the fund has benefited both governmental and non-governmental organizations for conducting a wide range of waterbird conservation activities in Africa. To date approximately 286,000 EUR funding has been provided to 18 projects in 17 countries.
2. The fund was reliant on minimal amounts from the AEWA core budget and mostly on voluntary contributions from Parties. However, since the last cycle, in 2015, there have been no new contributions to the fund meaning that it is no longer functioning, and no projects have been funded to support the agreement. At its 23rd meeting the Standing Committee agreed to gather information from Parties on the fund, with a view to developing options for reform that would be considered at MOP9.
3. In this regard on 7th March 2024 the chair of the Standing Committee wrote to parties and non-governmental organisations to seek their views on the operation of the Small Grants Fund, specifically to ask the following questions:

For donors

1. Have you previously contributed to the Small Grants Fund? What was your experience?
2. Are there any barriers/administrative issues which prevent you from making a voluntary contribution to the Small Grants Fund?
3. Do you support continuation of the Small Grants Fund? If so, what reforms do you think would be beneficial?

For recipients

4. What was your experience in using the Small Grants Fund for seeking financial support for a project?
5. Do you support continuation of the Small Grants Fund? If so, what reforms do you think would be beneficial

¹ <https://www.unep-aewa.org/en/sgf>

Analysis of Responses

4. 8 responses were submitted from 7 countries - Belgium, Ethiopia, Germany, Malawi (2 responses), Netherlands, Senegal and the United Kingdom.
5. 7 of the 8 respondents supported the continuation of the fund, all of which stated reform of the fund was needed. The remaining respondent (from Malawi) simply noted they had not used the fund.
6. The fund operates through the allocation of voluntary funds to a ring-fenced budget to which potential projects can bid. Donors report that this makes it difficult/impossible for donors to contribute to the fund. They stressed that they needed full financial accountability for contributions which needed to be linked to projects with specific outcomes and deadlines, which is not possible with the existing process. Additionally, two respondents commented that, as their budgets must be attributed to a specific financial year, they cannot contribute to a fund where there is a lack of clarity as to when the money may be spent.
7. Other respondents stated that:
 - a. Increased levels of funding are needed to support conservation objectives.
 - b. only parties who are not in arrears should be eligible to bid to the fund (this is already in force within the current eligibility criteria).
 - c. co-financing of projects should continue to be permitted.
8. In terms of solutions one respondent suggested allocating a % of the core budget to the small grants fund (which was already the case for the past 6 cycles operated for the fund). Another suggested an annual funding request to parties with a list of possible projects.

Discussion and Options

9. It was recognised that the fund is useful in supporting AEWA species/objectives and, consequently, respondents to the questionnaire supported continuation of the fund. However, it was noted that some reforms were needed to improve the functioning of the fund, in particular regarding its financial processes.
10. Maintaining eligibility of the fund to only those Parties who have less than 3 years of arrears may help to incentivise parties to pay contributions in a timely manner **but** only if, unlike now, the fund is functional.
11. Between 2009 and 2012 20,000 EUR per year had been transferred allocated from the AEWA core budget to the Small Grants Fund, and a further 20,000 EUR per year were allocated to the grant between 2013 and 2015. There have been no further contributions from the core budget since 2015. In budget negotiations, Parties have been very clear that mandatory subscriptions must only be used for core funding and not discretionary projects such as the small grants fund. At MOP8, Parties decided on a mandatory budget that did not include all core activities of the secretariat (no funding for TC meetings, partial funding of posts). As such, securing agreement from the Parties to provide support for discretionary activities like the Small Grants Fund, now and in near future, is unlikely to be possible.

Options

12. ***Closing the fund:*** Continuation with the current approach is not viable. There are clearly significant issues which act as a barrier to potential donors which, for the past 9 years, have prevented the fund from functioning. One option would be to close the fund so that it ceases to exist. However, there is support from parties to continue a scheme that supports local projects, because of its high potential to contribute to AEWA's goals. **This approach is not recommended.**

13. ***Amending the Fund:*** A further option would be to amend the fund to address the underlying financial processes which currently prevent donors from contributing. However, this would require significant resources and time to develop a new financial and accounting process which, in turn, would almost certainly create significant additional burdens on the Secretariat. This would not be manageable without additional staff. **This approach is not recommended.**

14. ***Maintain the Fund with a radically altered functional and financial process:*** A further option would be to maintain the ‘fund’ but, rather than introducing new burdensome financial processes, radically alter how it functions. Rather than maintaining a pot of money, a database of costed, high-level project concept notes (based on eligibility criteria to be developed and agreed) would be posted on the AEWA website. Possible donors could then select projects, based on a high-level summary, they wish to fund and then enter bi-lateral discussion with the recipient to work out the details and agree on final project scope, deadlines, contract etc. This would also reduce burdens on the Secretariat, which will then act as a gatekeeper as to which project concept notes are submitted and published, but thereafter, responsibility for setting up and delivering the full-fledged project proposal for funding would fall to the donor and recipient project leads. **This is the recommended approach.**

15. **The Standing Committee is requested to consider the issues set out above and provide a steer on the preferred option to be developed further which will then be presented to Parties at MOP9.**