

BIOFUND  
**PROJECT “ABELHA” (PROJECT “BEE”)**  
THE START OF THE DISBURSEMENT PHASE

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## 1. INTRODUCTION

The Foundation for the Conservation of Biodiversity - BIOFUND - is the first environmental fund set up in Mozambique according to the parameters internationally recommended by the *Conservation Finance Alliance*.

According to its Articles of Incorporation, BIOFUND seeks ***to support the conservation of aquatic and terrestrial biodiversity and the sustainable use of natural resources, including the consolidation of the system of Conservation Areas.***

At the genesis of this Foundation is the joint effort of the Government, the conservation community in Mozambique and international partners to respond in a sustainable manner to the enormous challenge which is the financing of conservation, particularly the protected areas.

The conservation of biodiversity is also a fundamental aspect for the tourist development of the country. Of the 14 main ecological regions that Mozambique possesses, half are regarded as of global importance. The various eco-systems that these ecological regions contain harbour around 5,500 species of plants, of which 250 are endemic. The terrestrial fauna includes 740 species of birds, 80 species of reptiles and amphibians and 3,000 species of insects.

The worsening of the negative factors which threaten biodiversity, such as poaching and the illegal trade in animal trophies, illegal logging, artisanal mining, uncontrolled bush fires, and even the pressure resulting from a certain lack of control over mining concessions, make it urgent to ensure improved management of our natural heritage.

### 1.1.OBJECTIVES OF THE BIOFUND STRATEGIC PLAN

Although BIOFUND's goals are exclusively of public interest – as recognised officially by the Government – it is an independent institution in private law.

One of the first tasks of BIOFUND was to define its profile as an institution and its insertion in the Mozambican context. Based on the vision and mission defined by its statutes, the strategic objectives of BIOFUND were established after broad public consultation, involving the main stakeholders – including representatives of the state bodies responsible for managing the national system of conservation areas.

In this definition there stands out the nature of the financial instrument. It is also clear that BIOFUND, since it subscribes to the great purposes of the conservation community, will make its contribution to increasing environmental awareness in Mozambique.

In the Strategic Plan, it was established that the objectives of BIOFUND are:

- i. To make BIOFUND an effective and efficient institution in financing conservation of biodiversity in Mozambique;
- ii. To contribute decisively so that the national parks and reserves in Mozambique are adequately financed;
- iii. To promote greater awareness about the importance of biodiversity.

<b>STRATEGIC OBJECTIVES</b>		
<b>Strategic Objective 1</b>	<b>Strategic Objective 2</b>	<b>Strategic Objective 3</b>
<i><b>BIOFUND is an effective and efficient institution in the financing of conservation</b></i>	<i><b>The national parks and reserves are adequately financed</b></i>	<i><b>Increase awareness of the importance of the conservation of biodiversity</b></i>
<b>Specific Objectives</b>		
<p>1.1 Ensure that BIOFUND is a well-structured and well managed institution with all governance bodies fully functional.</p> <p>1.2 Set up a well-trained and appropriately sized technical team which is able to interact and network with partners and Government.</p> <p>1.3 Assure adequate volume of endowment and sinking funds, in line with the business plan.</p>	<p>2.1 Organise, launch and manage funding in a transparent way, following well established criteria.</p> <p>2.2 Support harmonisation of management models for the parks and reserves and increase in the administrative capacity of the ACs.</p> <p>2.3 Develop an effective monitoring and evaluation system.</p> <p>2.4 Explore innovative forms of fundraising, like biodiversity offsets, carbon credits and others.</p>	<p>3.1 Support establishment of a data base about conservation of biodiversity in Mozambique.</p> <p>3.2 Support and promote research and knowledge sharing among all the relevant partners.</p> <p>3.3 Promote environmental awareness and importance of conserving biodiversity amongst all parts of the population.</p>

**Figure 1 - Framework of the Strategic Objectives of BIOFUND**

These strategic objectives are to be carried out permanently, but the effectiveness of each of them is linked to different phases of the institutional development of BIOFUND.

### **Public Launch of BIOFUND – The End of the Initial Phase**

The public launch ceremony of BIOFUND, in June 2015, marked the conclusion of the initial phase in the institution’s life. It was a phase of internal organization, with a focus on institutional development and the mobilization of initial funds – which corresponds to the first strategic objective of BIOFUND.

The confidence of the Mozambican government in the capacities of BIOFUND was expressed on the occasion by its highest representative, the President of the Republic who defined BIOFUND as an important instrument for achieving the country’s conservation policy.

At the same ceremony, qualified representatives of the international partners in the conservation area expressed their support and encouragement to the institution in complying with its mission.

The grants received by the end of 2014 from German Cooperation through KfW, from *Conservation International* /Global Conservation Fund - GCF and from the World Bank/GEF made it possible to set up the endowment fund, which reached 22 million US dollars by March 2016.

The income resulting from the application of part of this endowment will allow BIOFUND to begin the mature phase of its operation as a CTF – and increasingly to finance conservation in Mozambique.

## 1.2. FINANCING NEEDS OF THE ACs

It is estimated<sup>1</sup> that in 2015 the operational costs of the conservation areas (ACs) under state responsibility (national parks, national reserves, biological reserves, forestry reserves) were about 14.8 million dollars a year (less than the 17.3 million dollars that would be needed to meet the minimum objectives of the conservation areas). About half of this sum was intended for paying wages.

That year the Mozambican state had only budgeted 4.8 million dollars to finance the national system of conservation areas. The deficit has been covered by international cooperation.

## 1.3. THE ROLE OF BIOFUND IN MEETING THE NEEDS – THE BUSINESS PLAN

The BIOFUND Business Plan, developed from the Strategic Plan, defines the niche in which the institution operates and balances the level of financing needs to the response possibilities of BIOFUND – real and potential.

Several scenarios are considered in the Business Plan. The minimum scenario (in which only the amounts of the endowment and the sinking funds committed are counted) corresponds to an annual disbursement, as from 2017 of about 500,000 dollars. Currently, BIOFUND has already reached this level. But its long term sustainability is linked to achieving the optimal scenario in which the combination between the amount capitalised and the contributions in sinking funds (including offset mechanisms) would allow the disbursement of about 3 million dollars a year. This is BIOFUND's challenge for the coming years. One of the actions envisaged in the 2016 plan of activities is precisely the preparation and launch of the organisation's first fund raising campaign.

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<sup>1</sup> Financial Plan of ANAC, 2015.

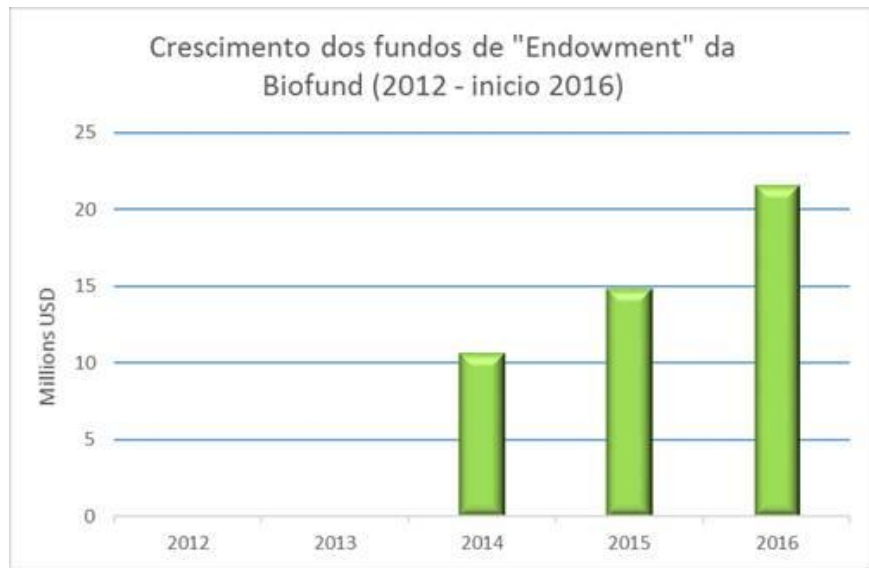


Figure 2 – Evolution of the endowment of BIOFUND

## 2. PROJECT “ABELHA” – The Start of Financing

Once the initial phase of the institution’s development is concluded, the first distributions of funds take place, testing the tools created and adjusting the procedures to the specific conditions of the country.

The main output expected is the **start of the financing of BIOFUND**.

Since this is a decisive period in achieving the mission of BIOFUND, we have opted to designate the series of actions to be undertaken in preparing the phase of full operation as **Project “ABELHA” (Project “Bee”)**.

### 2.1. OBJECTIVES OF PROJECT “ABELHA”

Project “ABELHA” will be undertaken from 2016 to 2020. Its general objective is to make operational the BIOFUND programme of financing. The total amount to be distributed is approximately 2,500,000 USD.

The **specific objectives** of the project are the following:

1. To test and adjust the operational instruments of BIOFUND;
2. To increase the administrative, financial and management capacity of the Conservation Areas that benefit and those that do not benefit from BIOFUND;
3. To launch three financing cycles for ACs so as to finance at least 8 Conservation Areas;
4. To set up a monitoring and assessment system in the beneficiary ACs.

The project fits in fully into the BIOFUND Strategic Plan, focusing on compliance with its second strategic objective, which will clearly have to include aspects of the first strategic objective in terms of building the capacity of the BIOFUND team. Figure 3 shows the specific objectives of Project ABELHA, as well as the specific objectives of BIOFUND into which they fit.

Specific Objectives of BIOFUND	Specific Objectives of project "ABELHA"
1.2 Set up a well-trained and appropriately sized technical team which is able to interact and network with the partners and Government.	1. To test and adjust the operational instruments of BIOFUND
2.2 Support harmonisation of management models for the parks and reserves and increase in the administrative capacity of the ACs.	2. To increase the administrative, financial and management capacity of the Conservation Areas that benefit and those that do not benefit from BIOFUND;
2.1 Organise, launch and manage funding in a transparent way, following well established criteria.	3. To launch three financing cycles for ACs so as to finance at least 8 Conservation Areas.
2.3 Develop an effective monitoring and evaluation system.	4. To set up a monitoring and assessment system in the beneficiary ACs.

**Figure 3 – Objectives of Project "ABELHA" related with the specific objectives of BIOFUND**

To attain these objectives, there is a series of steps that will have to be taken. A brief summary of these steps is as follows:

1. Test and adjust the operational instruments of BIOFUND
  - a. Adjust and conclude the Financing Manual and the Manual of administrative and financial procedures;
  - b. Develop the procedures and routines of the disbursements for the ACs, and train the BIOFUND staff to use them;
  - c. Equip the BIOFUND team with the necessary technical capacities to identify organisational gaps, human material and financial resource needs, and challenges and opportunities for the ACs in generating revenue.
2. Increase the administrative, financial and management capacity of the Conservation Areas that benefit and those that do not benefit from BIOFUND
  - a. Support the development of binding standards for Management Plans and Business plans for ACs in Mozambique
  - b. Assist the ACs in identifying their administrative and financial gaps
  - c. Train the beneficiary bodies in the procedures and routines of financial processes;
  - d. Design training or support programmes so that the weaker ACs can become eligible for BIOFUND financing.
3. Launch three financing cycles for ACs so as to finance at least 8 Conservation Areas.
  - a. Support in drawing up the first project of the beneficiary chosen for the first financing cycle;
  - b. Define the specific criteria and conditions for the financing of subsequent cycles.
4. Set up a monitoring and assessment system in the beneficiary ACs
  - a. Support implementation of the ANAC Monitoring and assessment system in the beneficiary ACs;
  - b. Adapt this system to the specificities of a financing institution.

## 2.2 AFD AND KfW SUPPORT IN PROJECT “ABELHA”

AFD played a crucial role in the entire process of setting up BIOFUND. Under the agreement on the debt for development swap signed between the French and Mozambican governments, the AFD is preparing the Project "***Protected Areas and Preservation of Elephants in Mozambique***", with the duration of four years (2017-2020).

In its third component, this project envisages support for making BIOFUND operational for the financing of the protected areas, to a total of 1.9 million euros.

The inclusion of this contribution, which is a sinking fund, in BIOFUND's own resources which it intends to channel to the protected areas will bring the average annual disbursement to about 600,000 USD, throughout the 2017-2020 cycle.

Throughout implementation of project Abelha, under the cooperation with KfW, BIOFUND and ANAC will benefit from technical assistance provided by an international consortium led by GITEC (Germany) involving FUNBIO (Brazil) and Verde Azul (Mozambique).

This technical assistance will mainly involve creation of the conditions for more effective support for the ACs. In this phase, the most important aspect is to guarantee that the disbursements to be made as from 2017 – of great importance for raising more support for conservation in Mozambique – are processed in a secure, transparent and effective manner.

## 3. ACTIVITIES OF PROJECT “ABELHA”

### 3.1. PREPARATION FOR THE DISBURSEMENTS

It was particularly shown in the discussions and negotiations with partners, donors and potential beneficiaries during the take-off phase that although BIOFUND's scope does not include the implementation of concrete projects, but just their financing, it is fundamental that its financing is guided by clear criteria and leads, by cumulative effect, to achieving goals relevant to conservation and the defence of biodiversity. Establishing these criteria will also make possible the public monitoring of BIOFUND decisions, and also a better assessment of the impact of its interventions.

#### **DISBURSEMENT MANUAL OF BIOFUND**

Among the various work tools of conservation funds, when the phase of financing conservation is reached, the existence and use of the Disbursement Manual takes on importance.

The Disbursement Manual documents and harmonises the principles, rules and procedures to be observed in financing projects and in making funds available in supporting the conservation of biodiversity. The detailed procedures in the manual include the launching of financial cycles, as well as the definition of the concrete elements to be specified in the terms of reference of each cycle, and the general criteria for prioritisation and eligibility of the potential beneficiaries. The basic criteria for eligibility include:

1. Existence of a valid Management Plan or one which expired no more than 5 years ago;
2. Existence of an annual plan of activities;
3. Budget for running costs defined;

4. Existence of essential human resources, including an officially appointed Administrator, or, if one does not exist, a person charged by the competent authority with managing the area;
5. Capacity of the Area to undertake basic management actions: opening a bank account, making and registering purchase, and keeping at least one cash book;
6. Previous satisfactory financial performance, or proof of significant improvements in the event that the previous performance was not satisfactory.

The draft of the BIOFUND Disbursement Manual was drawn up with the support of recognised specialists and closely follows the standards of the *Conservation Finance Alliance*, but it still requires slight revision to take into consideration the reality of the country, particularly the current weakness of the ACs in terms of administrative capacity and bureaucratic processing.

So as to guarantee the quality of the alterations, this process will be advised by FUNBIO of Brazil, the environmental fund which is a reference point internationally, under the technical assistance project financed by KfW

It is important to mention that the Disbursement Manual is the guiding document for all the types and cycles of BIOFUND financing. It cannot go into detail on all the possible criteria and specific conditions for the financing – which should be indicated in the terms of reference of each financing cycle or project.

However., the Manual defines the key aspects which should be covered by the terms of reference of each financing cycle or project: (1) the priorities in terms of themes / activities / objectives (2) the eligible ACs (3) the type of expenditure eligible for financing by BIOFUND (4) the period of financing, including eventual extensions/renewals; (5) the last date on which proposals can be received; (6) the indicative level of financing available (by beneficiary or in total); (7) the criteria for assessing the proposals.

In each cycle there will be, in general, two groups of assessment criteria: that which refers to the quality of the proposal, and that which refers to the qualities of the proponent.

### **3.2. SELECTION OF CONSERVATION AREAS FOR HOLDING PILOT FINANCING PROJECTS**

Project “ABELHA” is the essential aspect of the programme of activity of BIOFUND for 2016/2020. It envisages the start of the financing of the ACs with a first disbursement to the PNL, in the experimental phase and subsequently 2 financing cycles which will allow us to reach 2020 with a total of at least 8 Conservation Areas covered by BIOFUND disbursements, to the value of approximately 2,500,000 USD.

The direct financing of the ACs will be supported by the funds of the AFD (C2D financing) to the sum of 1.9 million euros, and part of the first revenue from the BIOFUND endowment, to the sum of 500,000USD.

#### ***Financing cycles***

Within this period, three specific financing cycles are envisaged:



Beneficiaries and Possible Calendar of Support																				
	I-16	II-16	III-16	IV-16	I-17	II-17	III-17	IV-17	I-18	II-18	III-18	IV-18	I-19	II-19	III-19	IV-19	I-20	II-20	III-20	IV-20
<b>1<sup>o</sup> Cycle</b>																				
PNL																				
<b>2<sup>o</sup> Cycle</b>																				
AC - 1																				
AC - 2																				
AC - 3																				
AC - 4																				
<b>3<sup>o</sup> Cycle</b>																				
AC - 5																				
AC - 6																				
AC - 7																				
AC - 8																				

### **The First Cycle**

The first cycle begins this year (2016) with financing of between 100-200,000 USD for a single Conservation Area to cover the operational running costs, except for wages.

In order to select the AC that will benefit in this first financing cycle, a series of criteria were established with key partners. These criteria were as follows:

1. Existence of good organisation and local administrative and financial capacity, which guarantees the efficient use of the funds disbursed;
2. Capacity to draw up projects related with the objectives of the management plan of the conservation area;
3. Accessibility from Maputo, since one of the main objectives is to follow this experience closely and learn the maximum from it;
4. Immediate availability and interest in participating;
5. Synergies with activities of other projects, since BIOFUND will finance non-wage running costs, and thus needs an AC with skilled staff who are already hired and operating;
6. Immediate capacity to absorb funds, where support from BIOFUND would not represent a great leap in terms of the volume of funds managed. This would help reduce the risk of exceeding the administrative and financial management capacities of the AC;
7. The possible impact of the BIOFUND intervention = that is, the financing from BIOFUND should be linked to significant outputs for the selected AC.

After an analysis of these criteria and visits to the conservation areas, and meetings with the administrators and their staff, of the 3 conservation areas nearest to Maputo, BIOFUND has chosen the Limpopo National Park. This choice has been well accepted by the majority of partners and collaborators.

### **The 2nd and 3rd Cycles**

The second and third financing cycles will benefit from the lessons learnt during the first cycle.

At the same time, these cycles will be much more developed, with the **launch of tenders with clear criteria** for the allocation of funds. The criteria may be divided into two categories – criteria for assessing the proposal presented; and criteria related with the

proponent of the proposal, which include factors linked with the administrative and organizational capacities of the proponents.

Drawing up these criteria and applying them to the ACs will be the crucial element. The following table shows the aspects which need still greater definition.

<b>Aspects of the Financing Cycle</b>	<b>Determined</b>	<b>To be determined</b>
1) Priorities in terms of themes / activities / objectives	Financing of operational costs	
2) ACs eligible for the cycle	National Parks and Reserves	
3) Type of expenditure eligible	Running costs	
4) Period of financing	Up to the end of AFD financing in December 2020. Financing renewable annually in this period, subject to assessment of the needs and performance.	
5) Date of delivery of the proposals;		To be determined – December 2016?
6) Indicative level of financing available	Approximately USD 2 million of the total from the AFD to be disbursed by 2020, plus the income from the BIOFUND Endowment Fund	Final value
7) Criteria for assessing the proposals		Criteria on the quality of the proposal presented and on the proponent, with their relative weight (See Appendix 0 for the table of initial criteria – to be refined in the working group)

### ***The Process***

In drawing up the criteria, for assessing both the beneficiaries and the proposals, BIOFUND held consultations involving experts from the ACs, representatives of conservation NGOs and ANAC. It also benefitted from inputs from FUNBIO and other members of the technical assistance team.

The first meeting took place on 4 March, where the initial criteria were defined for the assessment of the ACs (see Appendix 5.1). The next step will be to define in detail the indicators corresponding to the criteria chosen, and the methodology for applying them.

The results of this work will be submitted for approval by the BIOFUND Board of Directors, after the “*no objection*” of the donors.

For the 2nd and 3rd cycles tenders will be launched in the terms envisaged in the disbursement manual. The proposals that the competing ACs submit will be classified according to the established criteria.

Since one of the main added values of BIOFUND is its support for operational costs, it is envisaged that the ACs selected in the majority of the tenders opened will receive continued financing for a particular period, naturally subject to an annual assessment which confirms the continued need and the correct use of the funds received.

Calendar of the financing cycles																				
	I-16	II-16	III-16	IV-16	I-17	II-17	III-17	IV-17	I-18	II-18	III-18	IV-18	I-19	II-19	III-19	IV-19	I-20	II-20	III-20	IV-20
<b>1<sup>st</sup> Cycle</b>																				
Preparation of the 1 <sup>st</sup> cycle																				
Approval by the Board of Directors																				
Disbursements																				
Monitoring and follow-up																				
Assessment and analysis																				
<b>2<sup>nd</sup> Cycle</b>																				
Definition of themes/objectives																				
Definition of eligible ACs																				
Definition of assessment criteria																				
XXX by the working group																				
No objection by AFD to the process																				
Approval of the process by AC																				
Launch of tender																				
Reception and assessment of proposals																				
Improvement of the proposals ascertained																				
No objection by AFD to the result																				
Validation of the results by the Board of Directors																				
Disbursements																				
Training on implementation of the funding																				
Monitoring and follow-up																				
Assessment and analysis																				
<b>3<sup>rd</sup> Cycle</b>																				
Definition of themes/objectives																				
Definition of eligible ACs																				
Definition of assessment criteria																				
Approval by the working group																				
No objection from AFD																				
Approval by the Board of Directors																				
Launch of tender																				
Reception and assessment of proposals																				
Improvement of the proposals ascertained																				
No objection by AFD																				
Final approval by the Board of Directors																				
Financing																				
Monitoring and follow-up																				
Assessment and analysis																				

### Difference between the 2nd and 3<sup>rd</sup> cycles

As mentioned earlier, the assessment criteria should contain not only technical aspects but also administrative/financial and management aspects. These practical implementation criteria are a fundamental factor in the success of the financing.

However, whenever the assessment criteria include aspects of administrative/financial capacity, the risk is run that the weaker ACs will never be eligible. BIOFUND cannot ignore this group of possible beneficiaries.

Solving this dilemma involves recognising that the criteria of administrative/financial and management capacity are critically important. Hence in the 2nd financing cycle these criteria will have a determinant weight in the choice of beneficiaries.

As BIOFUND improves its capacities, it will have the possibility of disbursing funds to the ACs with lesser administrative and financial capacity.

In practical terms and in the logic of the tenders, in the 3rd financing cycle the relative weight of the administrative/financial criteria will be reduced, thus allowing the ACs with less capacity also to benefit from this financial support.

### **The least favoured ACs**

Even with this approach, there may still exist ACs which do not meet the basic eligibility criteria (which do not, for example, have a Management Plan) or where basic accounting capacity is lacking.

In order to be able to support the ACs with less administrative/financial capacity, the possibility is being studied of financing specially directed to these Conservation Areas. The exact shape of this support will be defined after identification and analysis of the situation of each of them, with the help of the technical assistance programme under way.

### **Monitoring and Assessment**

In the context of these financing cycles, it is fundamental to begin a Monitoring and Assessment system of the beneficiary ACs. So as to harmonise its approach with that of ANAC and at the same time reduce the administrative demands on the ACs, BIOFUND will support use of the new Monitoring and Assessment system developed by ANAC in 2014, which is not yet being fully implemented.

The indicators of this system will be used not only in the course of implementation, but also in surveying the initial situation of the ACs. We shall use them as a measure of assessing the capacity of the ACs to manage the money disbursed (administratively and financially), as well as a tool that can help us understand the evolution of the ACs and of the impacts on biodiversity of the activities they undertake with the funding.

At the same time, it is evident that in implementing the programmes financed by BIOFUND, it will be important to adapt some of the indicators to the specificities of a financial institution.

### **3.3. POSSIBLE RISKS AND MITIGATION**

Project “ABELHA” is naturally subjected to a few risks, but a few measures can be taken to minimize the adjacent consequences. These risks can be external to the national system of conservation areas, like exchange rates/inflation, or security risks/political military instability. There are also budget deviation risks (voluntary or deliberated) on the utilization of justification of resources, as well as the (un)accomplishment of implementation schedules. After an assessment of possible risks, a short list of measures that can minimize such risks was compiled:

<b>Risk</b>	<b>Possible measures to minimize risks</b>
Funds not available from AFD, to finance within the planned schedule	Timely and accurate execution following AFD recommendations in order to obtain the “no objection”  The grant agreement of the 1 <sup>st</sup> financing cycle (PNL) will be initially implemented with BIOFUND (USD 100 thousand) funds, not accounting with AFD funds. An annex will be added (for the remaining

	USD 100 thousand) to the agreement, in case AFD funds become available within the expected time frame.
(Un)accomplishment of the implementation schedule	Regular follow up of BIOFUND on the disbursement and utilization of funds.
Deviations (voluntary or deliberated) of the use or justification of the use of resources	Funds will be available through successive disbursements. Each new request for disbursement must be accompanied by the adequate supporting documents of expenditures. The disbursements will only be made when all procedures are followed.
Exchange rates/Inflation	Both the endowment funds and the sinking funds will be kept in foreign currency account until they are to be used.
security/political military instability	Regular follow up from BIOFUND and ANAC of the safety in the country, specifically in the target areas of the foundation. In the case of inability to accomplish the work plan due to insecurity issues, principles of “adaptive management” will be followed, so to assure a viable way of maintaining the natural resources secure to the best possible extent.  Grant agreements have a clause of a possible interruption of disbursements in case of “force major”.

## 4. CONCLUSION

Project ABELHA reflects the need of BIOFUND to start full compliance with its mission as quickly as possible.

It is a new cycle that is beginning for the country, since it is proposed that this process will lead to channelling a greater volume of support, responding sustainably to the enormous challenge of financing conservation.

## **5. APPENDICES**

- 5.1. POSSIBLE CRITERIA FOR THE CHOICE OF BENEFICIARIES
- 5.2. CALENDAR OF ACTIONS ENVISAGED IN PROJECT “ABELHA”
- 5.3 BUDGET OF PROJECT “ABELHA”

## 5.1. POSSIBLE CRITERIA FOR THE CHOICE OF BENEFICIARIES

In each cycle, there will be in general, two groups of assessment criteria, related both with the quality of the proposal presented, and with the qualities of the proponent of the proposal.

The criteria are the following:

### **Criteria for assessing the competing AC**

1. National and international importance of the biodiversity to be protected in the AC
2. Quality of the management
3. Organisational and financial capacity of the proponent
4. Financial need – shortfalls, other funds available or generated, complementarity and not overlapping with other support programmes, etc.
5. Contribution to a diversified portfolio of BIOFUND

### **Criteria for assessing the proposal presented**

1. Relevance of the proposal submitted to the announced theme of the specific financing cycle
2. Quality of the proposal submitted
3. Alignment of the proposal with the management capacities of the AC (value, type of expenditure, procurement mechanisms)
4. Likely impacts of the support requested on the functioning of the AC

The following steps are the more detailed definition of the indicators to measure the chosen criteria and the methodology of collecting and applying them.

## 5.2. CALENDAR OF ACTIONS ENVISAGED IN PROJECT “ABELHA”

Strategic objectives of Project “ABELHA”	Strategic sub-objectives of Project “ABELHA”	Specific Activities	Starting date	Finishing date
1.2.1 Test and adjust the operational instruments of BIOFUND	1.2.1.1 Conclude and adjust the Disbursement Manual and the Operational Manual; Develop the procedures and routines concerning disbursements to the ACs, and train the BIOFUND staff to use them;	1.2.1.1.1 Discussion with ANAC about prior information to be obtained in selecting the AC where the pilot project will be undertaken;	01/11/2015	30/11/2015
		1.2.1.1.2 Start of revising the Disbursement Manual in BIOFUND.	01/11/2015	01/03/2016
		1.2.1.1.3 Outlining the pilot project, with activities (expected results) and detailed costs – with the support of technical assistance hired by KfW.	01/01/2016	31/03/2016
		1.2.1.1.4 Design pilot project and submit it for approval	01/01/2016	31/03/2016
		1.2.1.1.5 Finalise the Disbursement Manual and submit it to the Board of Directors for approval of the first version;	01/03/2016	30/04/2016
		1.2.1.1.6 Adjust procedures for disbursements.	01/07/2016	30/12/2016
	1.2.1.2 Equip the BIOFUND team with the technical capacities necessary for identifying structural gaps, needs, challenges, resources and possibilities of the AC’s and how to respond to them.	1.2.1.2.1 Visit PNL to discuss technical and administrative matters, the main problems (including settling which expenses can be regarded as part of the “recurrent costs”) priorities and potential activities to be financed, and procedures to follow.	01/12/2015	31/12/2015
1.2.1.2.2 Visits to the Acs		01/01/2016	31/12/2016	
2.1.1 Increase the administrative, financial and management capacity of the ACs that benefit and those that do not benefit from BIOFUND	2.1.1.1 Train the beneficiary bodies in procedures and routines concerning disbursements.	2.1.1.1.1 Course for beneficiaries on preparation/submission of projects, disbursement procedures, activity reports and accounts	01/jan	31/03/2017
	2.1.1.2 Support binding standards for Management Plans and Business Plans for ACs in Mozambique	2.1.1.2.1 Work together with the selected AC to test and adjust the Disbursement Manual;	01/01/2016	31/03/2016
	2.1.1.3 Design training programmes so that the weaker ACs can become eligible for financing from BIOFUND in future	2.1.1.3.1 Course for the beneficiaries on preparing projects;	01/04/2016	30/09/2016
	2.1.1.4 Help the ACs identify their procedural gaps at administrative and financial level;	2.1.1.4.1 Course for beneficiaries on monitoring and accounting procedures	01/07/2016	31/12/2016
2.2.1 Launch three financing cycles for the ACs.	2.2.1.1 Support in drawing up the first project with the beneficiary chosen for the first financing cycle. Define the specific criteria and conditions for the second financing cycle.	2.2.1.1.1 Sign Memorandum of Understanding with ANAC	01/03/2016	30/04/2016
		2.2.1.1.2 Sign contract with designated AC to undertake the pilot project	01/03/2016	30/04/2016
		2.2.1.1.3 Approval and partial disbursement of 50% of the funds under the pilot project (USD 100,000).	01/03/2016	30/04/2016
		2.2.1.1.4 Definition of financing priorities	01/04/2016	30/06/2016



		2.2.1.1.5 Start of the pilot project	01/04/2016	31/12/2016
		2.2.1.1.6 Decision on CMZ 1122	01/05/2016	30/07/2016
		2.2.1.1.7 Disbursement of the remainder of the pilot project (USD 100,000) with AFD funds	01/07/2016	31/08/2016
		2.2.1.1.8 Report of activities and accounts of the pilot project	01/07/2016	31/12/2016
		2.2.1.1.9 Closure of the pilot project	01/10/2016	31/12/2016
		2.2.1.1.10 Prepare and send to ANAC and the national system of ACs all the information and documentation for preparing the tender for BIOFUND financing in 2017	01/07/2016	31/08/2016
		2.2.1.1.11 Launch of the tender for BIOFUND financing 2017 - 2020	01/09/2016	31/10/2016
		2.2.1.1.12 Assessment of the proposals for projects to be financed	01/11/2016	30/11/2016
		2.2.1.1.13 Decision of the jury about the winning ACs from the tender for BIOFUND financing 2017 - 2020	01/12/2016	31/12/2016
		2.2.1.1.14 Preparation of the Disbursement Plan 2017-2020	01/01/2017	31/01/2017
		2.2.1.1.15 Start of the regular BIOFUND disbursements	01/01/2017	31/12/2020
2.3.1 Begin a Monitoring and Assessment system in the beneficiary ACs	2.3.1.1 Support implementation of the ANAC Monitoring and Assessment system in the beneficiary ACs; Adapt this system to the needs of a financing institution	2.3.1.1.1 Monitoring system and definition of general indicators	01/01/2016	31/12/2016
		2.3.1.1.2 Define calendar of monitoring and presentation of reports	01/abr	31/12/2016
		2.3.1.1.3 Monitor the activities of the pilot projects	01/04/2016	31/12/2016
		2.3.1.1.4 Monitor and Assess the pilot project	01/09/2016	31/10/2016
		2.3.1.1.5 Final reports on the pilot project	01/11/2016	31/12/2016

### 5.3. BUDGET OF PROJECT “ABELHA”

Expenditure	2016	2017	2018	2019	2020	Total (USD)
1. Financing the ACs						
1st cycle BIOFUND	100,000					100,000
1st cycle AFD	100,000					100,000
2nd cycle BIOFUND		100,000	100,000	100,000	100,000	400,000
2nd cycle AFD		300,000	300,000	300,000	300,000	1,200,000
3rd cycle AFD			200,000	200,000	200,000	600,000
2. Programmes	279,993	148,364	78,623	80,982	83,411	671,373
3. Technical Assistance	457,000	457,000				914,000
4. BIOFUND operations	460,580	446,736	433,512	446,517	459,913	2,247,258
	1,397,573	1,452,100	1,112,135	1,127,499	1,143,324	6,232,631
<b>Sources of Financing by category of expenditure</b>						
1. Financing the ACs						
BIOFUND	100,000	100,000	100,000	100,000	100,000	500,000
AFD	100,000	300,000	500,000	500,000	500,000	1,900,000
2. Programmes						-
AFD	27,323	20,636	20,636	20,636	20,636	109,867
MozBio	279,993	127,728	57,987	-	-	465,708
3. Technical Assistance						-
KfW	457,000	457,000	-	-	-	914,000
4. BIOFUND operations						-
MozBio	342,457	446,736	433,512	-	-	1,222,705
ProFIN	90,800	-	-	-	-	90,800
Administration Fee (15% of disbursements as from 2019)				75,000	75,000	150,000
Total (USD)	1,397,573	1,452,100	1,112,135	620,636	620,636	5,203,080
Deficit (USD)	-	-	-	506,863	522,688	1,029,551