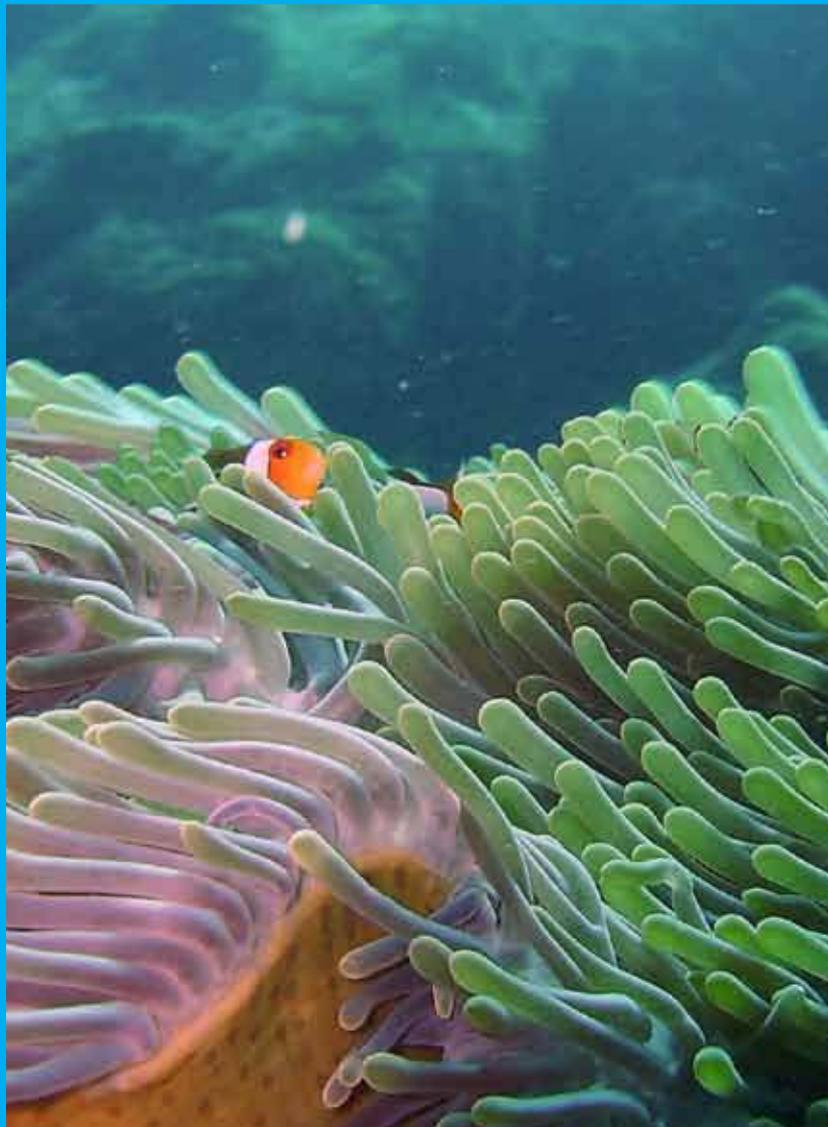


LONG TERM FUNDING MECHANISMS FOR THE GULF OF MANNAR BIOSPHERE RESERVE TRUST



**A study commissioned by the UNDP and the
Forest Department of Tamil Nadu**

Long Term Funding Mechanisms
for the
Gulf of Mannar Biosphere Reserve Trust

*R. S. Bhalla, Benjamin Larroquette, Neil Pelkey
and Dipani Sutaria*



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The United Nations, India
55 Lodi Estate,
New Delhi - 110 003, India
Tel: 91-11-46532262, 46532333
<http://www.un.org.in>

Foundation for Ecological Research, Advocacy and Learning (FERAL)
No.27, 2nd Cross, Appavou Nagar, Vazhakulam,
Pondicherry - 605 012, India
Tel: 91 -413-2671566, 2225441
<http://www.feralindia.org>

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Acknowledgements	viii
Executive Summary	1
Background	1
Major Findings	3
Long Term Funding Mechanism	4
Organisational Options	5
1. Introduction	9
1.1. Background	9
1.2. Context of the LTFM study	13
1.3. Approach and methods used	15
1.4. Literature review - national and international experiences	18
1.5. Organisation of this report	26
2. Livelihood Analysis	27
2.1. Introduction	27
2.2. Approach	29
2.3. Micro credit groups and marketing arrangements	29
2.4. Report on livelihood options	37
2.5. Conclusions	43
3. Report on institutional stakeholders	45
3.1. Introduction	45
3.2. Approach	45
3.3. Findings	48
3.4. Conclusions	54
4. Fund Management	56
4.1. Introduction	56
4.2. Generic Recommendations	58
4.3. Legal Requirements and Accounting Systems	59
4.4. Organisational Options	64
5. Recommendations	72
5.1. Brief summary of the entire report	72
5.2. Major recommendations	72

Bibliography	75
Appendix	77
A. Relevant Income Tax Certifications	78
A.1. Investment Options	78
A.2. Exemptions and Benefits to Charitable and Research Organisations	79
B. List of Funding Agencies	85
B.1. Corporate Social Responsibility for collecting cess/tax from companies in the GoMBR	85
B.2. Sources of long term funds – National and International	85
C. Proceedings of Final Stakeholder Consultation	94
D. Terms of reference for the study	107

LIST OF TABLES

1.1. Expected outputs and status of the GoMBRT as per the MTE.	16
2.1. Field study sites for livelihood analysis.	30
2.2. Summary of loans taken by SHGs.	32
2.3. Purpose for loans.	33
2.4. Kinds of income generation activities taken up by SHGs.	33
2.5. Point of sale and destinations for IGP products.	34
2.6. Facilities requested by respondents.	34
2.7. Expected incomes investments on IGPs.	36
2.8. Training programmes conducted by GoMBR and attendance by men and women.	38
2.9. Number of trainees per settlement and those employed in alternative vocations.	40
2.10. Salaries received by those employed through livelihoods training.	41
2.11. Problems with alternative livelihoods and coping strategies.	42
3.1. Number and names of stakeholders interviewed.	48
3.2. Weightage, access score and total scores of institutional linkages by EDCs. . .	49
3.3. Weightage, access score and total scores of institutional linkages by SHGs. . .	50
3.4. Importance, accessibility and total scores of different institutional stakehold- ers based on linkages with research institutions.	51
3.5. Importance, accessibility and total scores of different institutional stakehold- ers based on linkages with a non-governmental agency.	52
4.1. Prerequisites for receiving funds from an Indian or international agency. . . .	62
4.3. List of Funding Sources	63
4.2. Fund feasibility options for various organisational setups.	65

LIST OF FIGURES

0.1. Recommendations.	8
1.1. The Gulf of Mannar Biosphere Reserve lies between the cities of Rameshwaram and Tuticorin and across the districts of Ramanathapuram and Tootikudi in the South Indian state of Tamil Nadu.	9
1.2. Major outputs or components of the Project.	12
1.3. Net income of WWF in 2010.	25
2.1. Proportion of budgets allocated to different components as per the annual reports of 2008 (outer ring) and 2009 (inner ring).	28
2.2. Schedule being administered to a SHG near Kilakarai.	30
2.3. Likelihood of placement per type of training.	39
2.4. The expected incomes and value of training programmes had strong locational dependence.	43
3.1. Institutions involved in the governance of the GoMBRT. Each colour represents a different institutional partner.	46
3.2. Hierarchy of the Trust office	47
4.1. Structure of proposed groups and committees.	60
4.2. Organisational structure and roles of organisations for Option 1.	67
4.3. Organisational structure and roles of organisations for Option 2.	69
4.4. Organisational structure and roles of organisations for Option 3.	71

LIST OF TEXT BOXES

1.	Vital statistics of the project.	11
2.	Recommendation made for the LTFM in the MTE.	14
3.	Best practices and Lessons Learnt for a successful LTFM.	26
4.	Limitations of the Trust as a coordinating institution noted in the MTE. . . .	45
5.	Costs of running the GoMBRT. Source: GoMBRT office.	57
6.	MTE notes on the governing structure and funding of the Trust.	66

ABBREVIATIONS AND DEFINITIONS

ARPA	Amazon Region Protected Areas Program.
ATREE	Ashoka Trust for Research in Ecology and the Environment.
BTFFEC	Bhutan Trust Fund for Environmental Conservation.
CDA	Chilika Development Authority.
CMFRI	Central Marine Fisheries Research Institute.
CTF	Conservation Trust Funds.
CTF	Conservation trust funds.
CWLW	Chief Wild Life Warden.
DFID	Department for International Development.
DRDA	District Rural Development Agency.
DRDA	District Rural Development Agency.
DSIR	Department of Scientific and Industrial Research.
EDCs	Eco-development Committees.
FUNBIO	Brazilian Biodiversity Fund.
GEF	Global Environment Facility.
GoI	Government of India.
GoMBR	Gulf of Mannar Biosphere Reserve.
GoMBRT	Gulf of Mannar Biosphere Reserve Trust.
GoTN	Government of Tamil Nadu.
GTZ	German Technical Cooperation Agency.
IIT	Indian Institute for Technology.
ILO	International Labour Organisation.
ITIs	Industrial Training Institutes.
JAICA	Japan International Cooperation Agency.
KfW	German Development Bank.
LED	Livelihoods Enhancement and Diversification.
LTFM	Long Term Funding Mechanism.
MoEF	Ministry of Environment and Forests.
MTE	Mid Term Evaluation.
NFWF	National Fish and Wildlife Foundation.
NGOs	Non Governmental Organisations.
NIO	National Institute of Oceanography.
PAD	Peoples Action for Development.
PCCF	Principal Chief Conservator of Forest.
PES	Payment for Ecosystem Services.
PO DRDA	Project Officer District Rural Development Agency.
SDB	Sundarban Development Board.
SDMRI	Sugandhi Devadasan Marine Research Institute.
SGSY	Swarnjayanti Gram Swarozgar Yojana.

SHGs Self Help Groups.
SIYB Star and Improve Your Business.
TAHDCO Tamil Nadu Adi Dravidar Housing & Development Corporation.
TAP Tamil Nadu Afforestation Project.
TNCDW Tamil Nadu Corporation for Development of Women.
TNCDW Tamil Nadu Corporation for Development of Women.
ToR Terms of Reference.
TREE Training for Economic Empowerment.
UNDP United Nations Development Programme.
VMC Village Marine Conservation Councils.
WB World Bank.
WWF World Wide Fund for Nature.

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Background

The present study was initiated to identify viable long term funding options for the Gulf of Mannar Biosphere Reserve Trust (“GoMBRT” or “Trust” hereafter). Funding of the Trust on a sustained basis is a pre-requisite to meeting the five major components of the Gulf of Mannar Biosphere Reserve Project. These are:

1. Project management, Trust and a Long Term Funding Mechanism

This covers the administrative and governance structure for the biosphere reserve along with financial arrangements for its long term sustainability. It includes the creation of a legal entity, the Trust, to carry out the project activities for the foreseeable future.

2. Strengthen National Park Operations

Integration of the National Park operations with the management of the entire biosphere reserve including a policy framework and management structure focussing on biodiversity conservation through targeted research, monitoring, education and awareness raising, including promotion of eco-tourism and promotion of co-management for sustainable resource extraction.

3. Expand National Park Infrastructure

Related to component two, this component focused on the creation and enhancement of infrastructure and clear demarcation of National Park boundaries.

4. Develop a Biodiversity Overlay

Extend the biodiversity conservation objectives to all development activities in the biosphere reserve region through integrated planning and management of government initiatives in the biosphere reserve. This component envisaged the creation of a comprehensive and integrated coastal zone management plan based on targeted research and a monitoring framework with a focus on biodiversity and pollution with the installation of a spatially explicit management information system.

5. Develop Sustainable Livelihoods

Involve communities as active partners in conservation in the region through sustainable resource management and alternative livelihood initiatives. Mechanisms to do this included development and strengthening of local institutions, capacity building of local communities in integrated marine resources management and alternative livelihoods, institution of co-management regimes for marine resources and improved access to credit and markets through micro-credit arrangements and local infrastructure.

The core of the funding problem lies in the financial arrangement envisaged at project design. As per the initial agreement, a total of US\$ 26,735,000 were to be made available for the entire project. Of these the GEF funding was to be US \$ 7,650,000 while the co-funding was to be US \$ 18,085,000 which was to be contributed by the Indian government (Centre and State), MSSRF, CMFRI and UNDP. The budget allocation made to the first component of the project was US\$470,000 for the Trust and its operation for 7 years, US\$100,000 to assess the feasibility, design and establish a LTFM and to deposit the remaining US\$5,000,000 as investment capital in a perpetual endowment fund which would raise sufficient income as interest to meet recurrent expenses of the project.

While the GEF component of the funds was released, the co-funding for the project was not received in cash. In stead, the various development activities being undertaken in the project area were considered to be the Indian counterpart of the funds, this included the \$5,000,000 which was not envisaged as co-financing but specifically to be set aside as an endowment. This was to be split between the GEF and govt. of India as a 1:4 ratio. Thus the endowment fund was never created and the GEF component was utilised for the running of the Trust and all its activities.

The project funds are likely to be exhausted by the year 2012 and alternative funding mechanisms need to be put in place by then. This report presents three alternative funding mechanisms based on the results of a series of meetings and discussions with various institutional heads and stakeholders active in the Gulf of Mannar Biosphere Reserve (GoMBR). These results are grounded by extensive field trips with the primary stakeholders, active fisher-folk and members of the various community based organisations initiated and supported by the GoMBRT.

We relied heavily on the findings of the Mid Term Evaluation (MTE) conducted by Hunnam and Sankaran in 2008 and used the document as a reference point to understand the challenges and opportunities presented to the Trust in its activities. Extensive literature reviews and internet based surveys were made for a broader understanding of similar projects elsewhere and to identify key issues that determined their successes or failures.

The project area is among the most backward and under developed districts of Tamil Nadu, facing, among other issues, high levels of communal tensions and other social challenges such as low female:male ratios. The communal issues extend to the fishing communities which are the primary target group of the Project. This continues to present a challenge in the ongoing efforts to involve primary stakeholders in the sustainable harvesting of resources and in the adoption of alternative livelihood options.

There are a number of site specific limitations and practical challenges which need to be addressed, regardless of the final shape of the agency to take up the work of the present Trust. It is therefore necessary that sufficient time is set aside to assess the ground conditions and to plan a fund raising strategy based on them. On the other hand, the successor or new avatar of the Trust is likely to inherit the large body of experience of officers who have

been engaged in this project.

Major Findings

Livelihood Analysis

The Trust has made significant achievements in their effort to involve primary stakeholders resident in coastal villages along the Gulf. Two approaches were used for this, micro-credit groups were established to facilitate investments into alternative livelihoods through access to credit and capacity building and placement of trained youth in alternative livelihoods.

The micro-credit interventions have resulted in a high overall rate of loan recovery leading to a large capital being revolved among the EDCs. The use of the loans showed that they were largely used for productive purposes, indicating that the strategy has worked. On the other hand, the financial and jurisdictional limitations of the Trust has crated an artificial cap on the quantum of loans available and limited the range of marketing linkages that can be explored. Recognising these limitations, the Trust is now pursuing collaborations with the Tamil Nadu Corporation for Development of Women, which is likely to give a new impetus to the micro-credit groups.

Capacity building and placement of youth after vocational training has not been as successful. Insufficient market research seems to have led to training in many non-productive vocations. Adoption of new livelihood options has been low for most vocations. Criteria leading to successful adoption of livelihood options included the availability of local employment, familiarity with the vocation - those related to fishing tended to be successful and whether the training agency had a placement strategy wherein trained youth automatically were placed in jobs. Product marketing and shelf life also played an important role in determining the success of the production based activities.

Institutional Analysis

The governance structure for the Trust is complex and comprises of four committees, an advisory group and partner NGOs besides the Board of Trustees. There is overlap in the mandate of some of these committees and advisory groups while some of them have an unclear role in the Trust and its activities.

Stakeholder and institutional analysis taken up during the study showed that there was a high degree of awareness about the Trust both among primary as well as institutional stakeholders. The importance given to the Trust in the stakeholder analysis exercises gave varied results for different institutions, however it was ranked among the top four most important institutions by primary stakeholders and community based organisations.

Long Term Funding Mechanism

Government Certification and Clearances

There are a generic set of certifications and registration requirements for agencies receiving grants, depending on their composition and degree of autonomy from the government. These need to be met, not only in terms of legal compliance, but also to avail maximum benefits from tax incentives and subsidies. Among these are income tax registration (12-A) and tax exemptions for receipt of funds (80-G, 35(1) and 35(2AB)). In order to receive funds from foreign sources, an FCRA certification is required as a bare minimum. The Trust needs to obtain all the relevant certificates at the earliest to be able to receive funds from various donors.

Maximise Breadth of Funding Sources

Most government aided agencies have the advantage of a regular stream of funds and once they are a “line item” on a given ministry’s budget head, these funds can provide the most secure financial support. On the other hand, certain agencies will not fund government organisations, while others (largely multilateral agencies) only route funds through the Indian State or Central governments. The Trust is in a unique position of being a registered society and therefore a Non-Government Organisation, even though its trustees are senior ex-officio officers in the state government. This may allow it to tap in to funds from both these sources.

We recommend that a mix of government support and grant raising from other independent funding agencies and the corporate sector be pursued in addition to tapping into various multilateral agencies that are presently supporting the Trust. Most successful long term funded agencies have utilised a broad based strategy of national and international funds, government aid and corporate endowments. They have set aside resources, both financial as well as human, to this end and fund raising is a fundamental component of their work. The Trust needs to create a team specifically for the purpose of fund raising through preparation of proposals and networking with funding organisations in India and abroad.

Raise Funds from Within the Government

It is suggested that long term sustained funding is explored through direct support from the Central and State governments. This could be achieved by reviving the endowment fund through co-funding as originally envisaged. Other options suggested during consultations include channelling of funds from environmental taxes for commercial establishments and industries operating in ecologically significant and sensitive areas. A levy a cess or toll for tourism and related traffic and movement in the protected area and channelling the funds

to the Trust was also suggested. Both the latter options would require further study on feasibility and legal procedures.

Organisational Streamlining

The present organisational structure of the Trust has multiple layers of control structures through various committees and boards. The need for streamlining these committees was also raised by the MTE. An arrangement suggested by senior administrative officials was to limit the organisation to one Governing board (board of trustees) and one executive committee at the state level, advised by topic specific advisory groups comprised of experts and practitioners from the concerned areas of work. It was also suggested that district level subcommittees, one at each district could be formed for coordination of activities with line departments.

The MTE suggested that the Trust branch off its community activities to a decentralised community foundation. We suggest that this option is explored further with specific collaborations with other government programmes and organisations which have an overlap in mandate.

Utilising Available Govt. Programmes

The Trust can reduce its financial burden by cutting down on activities that are not part of its core objectives or those which can be supported by other agencies in the project area. We found a substantial overlap between the activities of the Trust and the Tamil Nadu Corporation for Development of Women, particularly in the sphere of credit and livelihood training. This translates into large allocations of funds for the EDCs which are utilised as revolving funds for women self help groups, and costs of human resources in terms of the field staff hired to facilitate the activities of the EDCs and SHGs and serve as a liaison between the Trust and the primary stakeholders.

In terms of costs incurred or invested by the Trust in micro credit and livelihood related activities till 2011, Rs.1,16,12,875/- was spent on alternative livelihood training and Rs.7,31,60,000/- invested in micro-credit for the EDCs.

Organisational Options

Long term funding cannot be de-linked from the structure of an organisation nor from the expected outputs of the project. We therefore propose three possible routes that could be followed to secure long term functioning of the Trust. These were arrived at on the basis of present successes and capacities in the teams currently engaged in the project. Each of these options assumes a different organisational structure of the Trust office.

The first options is based on retaining most of the Trust's present staff and structure with some of the generic recommendations taken on board. The second option explores a more advisory and monitoring role for the Trust with the interventions, particularly components 4 and 5 being implemented through the respective district collectorates and component 2 and 3 through the Forest Department. The third option is a variant of the second and sees the Trust re-invent itself into an autonomous agency which conducts long term research and monitoring on the biological diversity and ecology of the Gulf and builds upon the existing awareness and community organisation in collaboration with the TNCDW and local agencies.

Retaining the present structure

This option requires minimal re-structuring or re-organisation and focuses in stead on avenues of funding that allow ongoing activities to continue. We suggest that the generic recommendations are considered within the present framework of the Trust along with the creation of a team for fund raising as mentioned earlier. We further suggest that the Trust deepens its collaboration with the TNCDW and thereby reduce its financial burden and perhaps, transfer the revolving funds and emoluments of field staff to TNCDW along with most of its present allocations for livelihoods training. The Trust should explore the handing over of the corpus invested in the EDCs to the TNCDW and to invest the funds as an endowment with counterpart funding from the Government.

To ensure its functioning, the Trust needs to be provided sufficient funding to sustain its office and staff and a minimum set of activities defined in component 1 of the project. This would ideally be met from government funding which would ensure the sustainability of the Trust as an organisation. Other activities specified under component 2 to 4 could be funded through independent proposals to agencies supporting biodiversity conservation and sustainable development.

Splitting the present project office to two coordination units under each District Collector

This option is recommended on the basis of the overlapped jurisdictions of the Trust office and the District Collectorate, particularly for the components 4 and 5. We suggest that rather than a duplication of responsibilities, the trust is broken down into two coordination units operating directly under the District Collector either through him or another officer from the administrative services appointed to this position. The composition of these two "units" would be very similar to the present District Level Sub-committees and their heads would be answerable not to the trust office but directly to the board of trustees. They would be advised by the various technical advisory bodies constituted by the Trustees. Components 2 and 3 of the project would be handed over to the Marine National Park and

concerned forest officer.

Funding for these units would largely be met through regular grants and schemes of the government with minimal external funding or fund raising.

Creation of an autonomous govt. aided conservation and research institute

The final option is to be considered in conjunction to creating a GoMBR Community Foundation and the splitting up of the project offices into two units working under their respective District Collectors. There are a large number of government supported (State and/or Central) autonomous research agencies operational in India. Many of these are in the conservation sector and are equally engaged in work on livelihood diversification as an integral part of conservation planning. We propose the setting up of such an agency for the GoMBR region as a parallel research agency (as opposed to implementation agency) to the Community Foundation. The institute could function under the same board of trustees and would be headed by a Director appointed by them. Its other constituents would be scientists and professionals who would both undertake independent research work as well as train and teach in their relevant subjects.

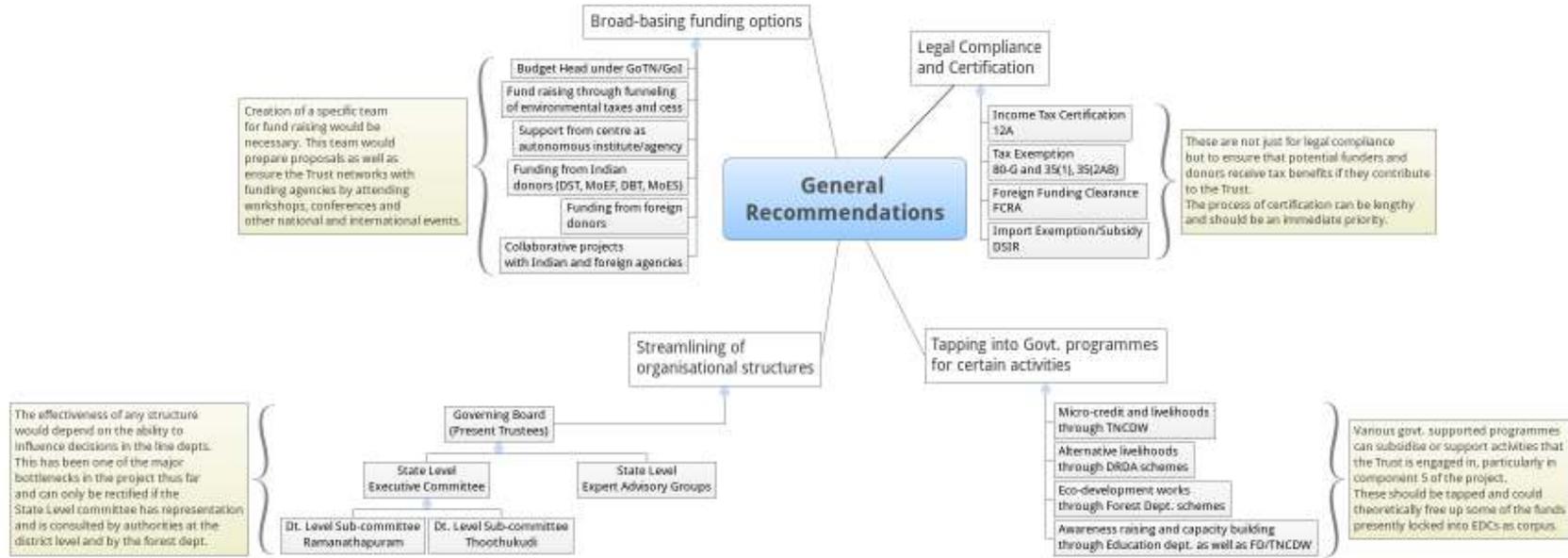


Figure 0.1.: Recommendations.

1.1. Background

The Gulf of Mannar Biosphere Reserve lies between the Rameshwaram island and the city of Tuticorin in the Southern extreme of the Indian state of Tamil Nadu. The reserve covers an area of about 15,000 sq.km. Its extents are approximately 180km from east to west and 120km from north to south (Figure 1.1). This area is a marine and coastal biodiversity hot-spot (Dhargalkar and Untawale, 1991, Untawale et al., 2000, Coastal and Directorate, 2001, Venkataraman and Wafar, 2005, Kumaraguru et al., 2006) and equally important as a resource base for fishing communities. The biosphere reserve was established to 1989 and was the first such effort in South Asia, to meet the dual and often conflicting requirements of conservation and livelihoods through sustainable resource extraction (Bavinck and Vivekanandan, 2010).

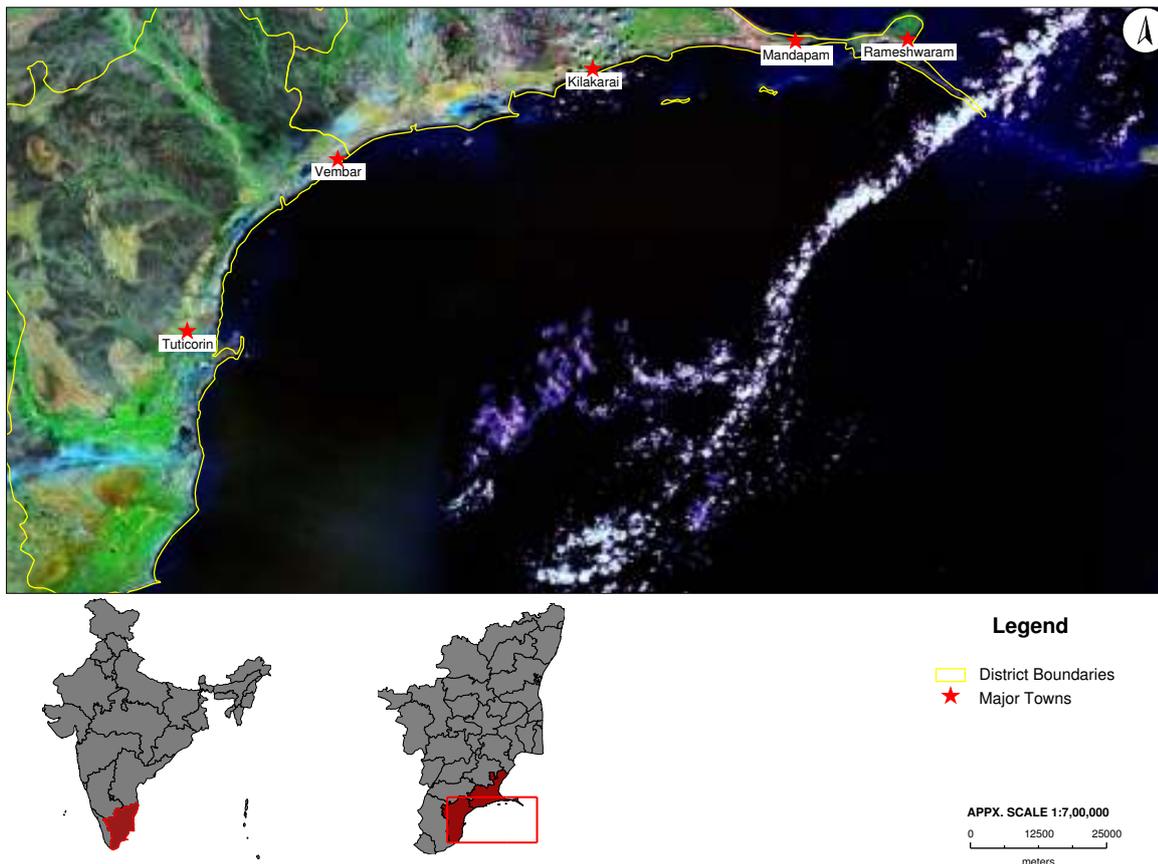


Figure 1.1.: The Gulf of Mannar Biosphere Reserve lies between the cities of Rameshwaram and Tuticorin and across the districts of Ramanathapuram and Tootikudi in the South Indian state of Tamil Nadu.

A decade after the notification of the biosphere reserve, the Governments of India (GoI) and Tamil Nadu (GoTN), the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF) formulated a partnership for the effective management of the GoMBR. This partnership resulted in the Gulf of Mannar Biosphere Reserve Project with GEF funding of \$7.65 million and co-funding of \$19.09 million from the GoTN, GoI, UNDP and others.

The broad objectives of the project were to conserve the GoMBR's globally significant assemblage of coastal biodiversity and to demonstrate in a large biosphere reserve with various multiple uses how to integrate biodiversity conservation, sustainable coastal zone management and the livelihoods of local communities. The focus of the project was on empowering local communities to manage the coastal ecosystem and wild resources in partnership with the government and other stakeholders. An independent, Statutory Trust was formed to ensure effective inter-sectoral cooperation in the conservation and sustainable utilisation of the GoMBR's biodiversity resources.

The Gulf of Mannar Biosphere Reserve Trust was thus established by the Government of Tamil Nadu on 18.12.2000. The Trust was registered under Tamil Nadu Society Registration Act 1975 as a special purpose vehicle to coordinate and implement the project "Conservation and Sustainable Use of Gulf of Mannar Biosphere Reserve's Coastal Biodiversity". It was meant to ensure effective inter-sectoral coordination and facilitate main streaming of biodiversity conservation issues into the productive sector and policy development. The Trust aimed to replicate project methodologies and result in the rest of the coastal area of Tamil Nadu and serve as an institutional model for India as a whole. The Trust has statutory authority to play a focal role in the implementation of the project, providing the institutional framework and working with the Government to strengthen the over all policy frame work to enable Government agencies to better coordinate and collaborate in the enforcement of coastal zone regulations and biodiversity conservation.

The project also focused on roles of various institutions and agencies in the project implementation arrangements. The mechanisms for deriving the best output and coordination among the various institutions has been a challenge. The original project document states "The Trust has to play more than an advisory role and is designed as a flexible, transparent and innovative structure to ensure integrated developmental action in the coastal zone of the reserve." (Programme, 2001).

There were five major components of the Gulf of Mannar Biosphere Reserve Project:

1. Project management, Trust and a Long Term Funding Mechanism (LTFM)

This covers the administrative and governance structure for the biosphere reserve along with financial arrangements for its long term sustainability. It includes the creation of a legal entity, the Trust, to carry out the project activities for the foreseeable future.

2. Strengthen National Park Operations

Text Box 1 Vital statistics of the project.

Project Title: Conservation and Sustainable use of the Gulf of Mannar Biosphere Reserve's Coastal Biodiversity

Project Number: IND/99/G31

Estimated Starting Date: March 2002

Duration: 7 Years

Project Site: Gulf of Mannar

ACC/UNDP Sector: 0400 Natural Resources

ACC/UNDP: 0430 Biological Resources

Government Sector: Environment

Government Sub-sector: Natural Resources / Biological Diversity

Government Counterpart: Department of Economic Affairs and Ministry of Finance

Executing Agency: Department of Environment and Forests, Government of Tamil Nadu

Implementing Agency: Gulf of Mannar Biosphere Reserve Trust

Cost profile of the project

1. UNDP / GEF: US \$ 7,650,000 / Rs.36,41,40,000/-

2. UNDP: US \$ 1,000,000 / Rs. 4,76,00,000/-

3. Counterparts: US \$ 18,085,000 / Rs.86,08,46,000/-

(Parallel financing in Cash and Kind as follows)

3a. GOI / TN: 16,965,000

3b. MSSRF / CMFRI/Banks / Private: 1,120,000

Total: US\$ 26,735,000 / Rs.127,25,86,000/-

[US\$1 – INR 47.60 in January 2002]

Figure 1.2.: Major outputs or components of the Project.

Integration of the National Park operations with the management of the entire biosphere reserve including a policy framework and management structure focussing on biodiversity conservation through targeted research, monitoring, education and awareness raising, including promotion of eco-tourism and promotion of co-management for sustainable resource extraction.

3. Expand National Park Infrastructure

Related to component two, this component focused on the creation and enhancement of infrastructure and clear demarcation of National Park boundaries.

4. Develop a Biodiversity Overlay

Extend the biodiversity conservation objectives to all development activities in the biosphere reserve region through integrated planning and management of government initiatives in the biosphere reserve. This component envisaged the creation of a comprehensive and integrated coastal zone management plan based on targeted research and a monitoring framework with a focus on biodiversity and pollution with the installation of a spatially explicit management information system.

5. Develop Sustainable Livelihoods

Involve communities as active partners in conservation in the region through sustainable resource management and alternative livelihood initiatives. Mechanisms to do this included development and strengthening of local institutions, capacity building of local communities in integrated marine resources management and alternative livelihoods, institution of co-management regimes for marine resources and improved access to credit and markets through micro-credit arrangements and local infrastructure.

The comprehensive Mid Term Evaluation (MTE) of this project, carried out in April 2008 (Hunnam and Sankaran, 2008), was based largely on the performance of the Trust as defined in these components. The MTE report highlighted the systemic obstacles and limitations of the trust empowered to run the project. It also highlighted its major achievements as well as the challenges that needed to be faced in order to successfully achieve its objectives. The MTE also suggested that the project be given a four year extension, up to 2012. One of the recommendations for project management was to establish a GoMBR Community Foundation and Long-term Funding Mechanism (Text Box 2).

1.2. Context of the LTFM study

The financial arrangements envisaged during the formation of the trust were as follows (Programme, 2001):

- UNDP/GEF : US\$ 7,650,000

Text Box 2 Recommendation made for the LTFM in the MTE.

“Component 1. Project management, Biosphere Reserve Trust and LTFM

Recommendation 9: Establish a GoMBR Community Foundation and Long-Term Funding Mechanism

The MTE recommends that a separate GoMBR Community Foundation should be established as a partner body to the BR Management Authority, with a director of the Community Foundation on the Board of the BR Authority. Within 4 months of the MTE, the project/ Trust office should organise the necessary steps to formalise these institutional arrangements for the BR Community Foundation and BR Fund.

The BR Community Foundation should be a community organisation mandated to support village conservation and eco-development; to own and manage the BR Fund, formed from the combined community micro-funds held by each VC&DC.

The project/ Trust office should modify the planned LTFM feasibility study, to obtain sound legal and financial advice on the best mechanism to follow; to formally register the BR Community Foundation and Fund in law, as an umbrella body incorporating each of the village committees and micro-funds. The legal purpose of the Community Foundation should be confirmed as a registered community organisation serving the conservation and development interests of the resident community in the coastal zone adjacent to the Biosphere Reserve.

A diligent governing mechanism for the BR Community Foundation should be established, with the individual Village C&D Committees as shareholders, and community representatives drawn from the Committee executives having a controlling majority on the Foundation’s Board of Directors. The BR Community Foundation should be formally linked to the GoMBR Authority, with a representative on the Board of the Authority.

A formal plan and procedures for owning, governing and utilising the Foundation’s endowment Fund and micro-funds should be prepared (as part of the modified LTFM feasibility study) and approved as part of the formal establishment of the Foundation as a legal entity. The plan should provide for the endowment fund to be used to support both conservation and development – i.e. community contributions to co-management/ conservation planning and actions for the Biosphere Reserve, as well as on-going support for eco-developments, sustainable livelihoods and business ventures based on sustainable use of Biosphere Reserve resources.

Once the BR Community Foundation is registered, half of the \$4 million leveraged funds from GoTN should be deposited with the Foundation as a capital trust fund linked to the village micro-funds. Within two years, the remaining half of the GoTN capital funds should be deposited with the Foundation. By this process, the \$5 million endowment fund will be capitalized by 2010 and yielding an income that can be disbursed by the BR Community Foundation.”

- Counterpart contribution: US\$ 19,085,000
 - UNDP: 1,000,000
 - GOI/GoTN : 16,965,000
 - MSSRF/CMFRI, Banks/Private : 1,120,000

The total project costs were US\$ 26,735,000 . Of this, the UNDP/GEF amount of \$7,650,000 was released and has been the principal source of funding till now. The financial status in terms of the major components of the project, sources of funds and balance available was assessed by the MTE in 2008, a summary of which is provided in table 1.1.

The MTE was largely critical of the achievements made by the trust and had recommended a series of interventions to strengthen various sub-components. Among these was to “Re-frame and re-confirm Project essentials” which included the budget and time table. The evaluation recommended the extension of the project for another four years and emphasised the need for incorporating the funds allocated by the GoI and GoTN. These counterpart funds were however treated as “in kind contributions” by the GoI and GoTN, in the form of various developmental activities that have been conducted in the region. It was noted in the MTE that an amount of \$5,000,000 was specifically to be set aside as an endowment. This was apart from the co-funding mentioned earlier. This Trust Fund was to be created through a contribution in a 1:4 ratio between GEF and the Indian govt. and utilised for the running of the Trust and all its activities.

However the Trust Fund was never created and as a result, the funds available for the trust to sustain itself are likely to be spent by 2012. An alternative funding mechanism needs to be put in place by then. FERAL has been selected by UNDP to develop a working mechanisms for long term funding to sustain the Trust and associated conservation activities within the Biosphere Reserve.

1.3. Approach and methods used

This report seeks to provide various possible funding alternatives based on a participatory and consultative framework described in the methods section below. The strategic report and timeline which defined the framework of the study (Appendix D) listed nine major outputs:

1. Fund Feasibility Report
2. SHG Marketing Report
3. Alternate incomes report

Table 1.1.: Expected outputs and status of the GoMBRT as per the MTE.

Component	Funding Source	Budget	Expenditure		Balance	
<ul style="list-style-type: none"> • Establishment and operation of a Project Coordination Unit. <ul style="list-style-type: none"> – Establishment of the GoMBR Trust. – Establishment of a Long-Term Funding Mechanism 	GEF	450,000	967,418	(215%)	0	
	GEF	1,000,000	908,345	(91%)	91,655	
	Private	120,000	0		120,000	
	GoTN	4,000,000	0		4,000,000	
<ul style="list-style-type: none"> • Strengthened National Park Operations <ul style="list-style-type: none"> – Strengthened mgmt./ enforcement – Park management plan – Eco-tourism programme – Species and habitat mgt. plans – Targeted research programme – Awareness and env. education – Monitoring programme 	GEF	2,275,000	561,877	(25%)	1,713,123	
	FD	665,000			?	
	<hr/>					
	<ul style="list-style-type: none"> • Expanded Park Infrastructure <ul style="list-style-type: none"> – Demarcated boundaries – Strengthened Park infrastructure 	GEF	975,000	286,885	(29%)	688,115
		<hr/>				
		<ul style="list-style-type: none"> • Development of biodiversity overlay <ul style="list-style-type: none"> – Management planning – CZ management – Targeted research – Monitoring program 	GEF	1,500,000	347,607	(23%)
			600,000			
	300,000					
	300,000		285,714	(95%)		
	300,000		61,893	(21%)		
<ul style="list-style-type: none"> • Developing and demonstrating sustainable livelihood options <ul style="list-style-type: none"> – Village marine conservation plans – Sustainable use of marine resources – Mariculture/ cooperative marketing 	GEF	1,450,000	278,282	(19%)	1,171,718	
		300,000	174,442	(58%)		
		300,000	0	(0%)		
		850,000	100,680	(12%)		
	<hr/>					

4. Institutional Stakeholders Report
5. Fund Management Packages
6. GOI Contribution Modalities Report
7. Stakeholder workshop to summarise the LTFM
8. Identification of sources for long term funding along with priority areas and context for GoMBR
9. Identification of collaborative agencies (government and non-government) for broad-basing funding of research and development projects in and around the GoMBR

These outputs are contained in five main components, namely:

1. A review of literature and experiences of long term funding mechanisms for conservation related projects in India and abroad.
2. An analysis of institutional linkages based on discussions with representatives of various organisations associated with the GoMBR and the Trust.
3. Field surveys to develop an understanding of the various community based initiatives of the trust. This was considered necessary as the community component is considered one the most important and successful achievements of the GoMBRT.
4. Consultations with experts in accounts and auditing and with livelihood based training for coastal communities.
5. Interactions with officials through consultations during workshops and other meetings.

A team of three ecologists and two social scientists led these components. Other than the literature review, all the components adopted a consultative approach wherein stakeholders were met and interviewed through structured and semi structured schedules. In order to ensure a representative sample from the entire project area, a total of five regions that were spread evenly across the gulf were chosen for community consultations (Figure 1.1). Interactions with the primary stakeholders were required to gain an understanding of institutional relationships, marketing strategies followed by the women Self Help Groups (SHGs) and to understand the opportunities and limitations of the alternative livelihoods approach being pursued by the project. The arrangements between the institutional stakeholders were based on structured discussions with the primary stakeholders (fishing communities, VDCs and groups formed by them) and representatives of formal institutions, largely GoMBRT officials, other government, scientific or NGO officials. A focal group discussion was used for the SHG marketing and a modification of the sustainable livelihoods framework for the alternative livelihoods analysis of the various capacity building programmes of the trust.

On site discussions were held with fisheries dept. officials at Rameshwaram and Mandapam and with representatives of a prominent autonomous research institutions (SDMRI) and non governmental organisation (Peoples Action for Development). In addition, discussions were held with officials from the Forest Department of Tamil Nadu, GoMBRT and UNDP.

1.4. Literature review - national and international experiences

There are a number of successful long term funding mechanisms for biodiversity conservation. This section presents a brief overview of those relevant to this study. Successful lessons from governmental and non-governmental agencies have been presented below.

Sources of long term funding can be categorised based on the source and type of funds received as listed below. Most non-governmental agencies use a combination of all these sources and have operational guidelines for fund management. Most of the successful long term funding mechanisms, be they for government or non-government agencies, have been from government sources. This is because (WWF 2000) government funding has proven to be more consistent than support from international donors whose priorities and funding levels tend to change. Additional constraints of non-government funds are that they tend to be limited in time frames and rarely exceed five years. Furthermore, government funding demonstrates that biodiversity conservation is an important national priority, rather than simply the concern of a few private organisations or international donor agencies.

Conservation trust funds play an important role in ensuring long term funding for biodiversity conservation and management. They often take the shape of conservation trust funds (CTF) , endowments ¹, sinking funds ² and revolving funds³. CTF have the following important characteristics:

- The ability to raise, manage and disburse funds to support government and non-governmental activities;
- Can be legally independent grant-making institutions that better withstand economic or socio-political risks;
- Can be effective financing mechanisms to channel financial benefits to indigenous peoples and local communities;
- Can make government protected areas agencies more transparent, accountable and effective;

¹Where the interest, but not the capital is spent.

²Where the income and part of the capital is spent every year, eventually sinking the fund to zero over a pre-determined time

³Which continually receive new revenues from taxes or fees and continually spend these revenues.

- Can serve as catalysts for creating new partnerships with private sector for the conservation and sustainable use of natural resources.

The management of such funds has come under substantial scrutiny from both funders and academics. The habits of highly successful CTF were described by ? as:

- more than just financial mechanisms
- able to influence the policy environment
- consultative across a broad spectrum of issues
- highly diverse representation in the governance structure
- credible and transparent operational procedures
- sound financial management

Even when these characteristics were met, the CTF needed a conducive environment that required active governmental support at multiple levels coupled with local stakeholder buy-in. Lessons from literature suggest that a fairly long gestation period is required for such funds to be adequately managed and therefore demanded patience from funders and stakeholders alike. Another essential ingredient in successful CTF has been the presence of sound financial management which includes focussed asset management, a diversified portfolio and a compliance to a wide range of accepted benchmarks.

Among the major successes in this area include the Global Environment Facility (GEF) which is a facility of the World Bank (WB). The WB funded trust fund for the GEF had grown thousand fold By 2007, with over 7 billion USD in cash contributions. Seventy-nine percent of these funds had come from the host country coffers. The average rate of return worldwide was 5.37%. This is impressive given the mix of interest and return bearing asset as well as sinking funds (World Bank, 2007).

By 2011, the indicators of success are similar, but the participation of the private sector in providing follow-on funding has come to the forefront⁴ . Yet the GEF's government to government focus was seen as an impediment to private sector involvement. Other issues included:

- Mixed focus on the climate change and biodiversity
- Lack of a clear goal, strategy, and logistics to obtain public private partnerships and corporate social giving.
- Lack of training in standard business protocols and culture by GEF and CTF staff.

Academic researchers picked away at smaller issues. These included:

⁴http://www.thegef.org/gef/sites/thegef.org/files/PrivateSectorReviewMay011_final_1.pdf

- The poor performance of CTF funds used in Conservation Based eco-tourism (Kiss, 2004);
- Environmental elitism in the benefit distribution (Merenlender et al., 2004);
- Potential For PES and other market-based instruments used by CTF's to achieve poor performance in terms of biodiversity protection, but this was mitigated when local control was highest (Goldman and Tallis, 2009);
- The need for Multi-Criteria Evaluation Decision Support Systems to replace ad hoc prioritisation in CTF planning (Hajkowicz, 2009);
- The need for celebrity support to raise public awareness support and funds. (Brockington, 2008);
- The dependence of CTF success on existing local social capital (Bouma et al., 2008, Note this is on rural India); and
- The trade-off between conservation success and conflict reduction in CTF vs non CTF protected areas (Herrold-Menzies, 2006, Note that this study found that CTF inclusion of local fishing community helped with self-regulated and increased monitoring for a fishing ban).

There are hundreds of other lessons learnt, performance reviews and evaluation, and tool kits at consevationfinance.org. The academic literature also has a range of interesting case studies. We, however, limit this section to a couple of more relevant case studies from South Asia with some American case studies for contrast.

Both Government and Non-government have developed successful long term funding mechanisms. All these organisations are engaged with biodiversity conservation with an important component of community development and participation in conservation.

At the end of this section we provide a list of take home messages on best practices to implement a successful LTFM. Based on these, in Chapter 4, we revisit some of the options available to the GoMBRT for long term funding and fund management.

The Sundarban Development Board

The Sundarban Development Board (SDB)⁵ was created in 1973 for the planning and co-ordination of socio-economic development activities in the Sundarban area. This was in line with policies dating back to the early nineteenth century, which recognised the inhospitable and inaccessible terrain as a causal factor in the backwardness of the area. The board is a directorate under the Sundarban Affairs Department of the State Government and is comprised of elected representatives from the state legislative (4 MLAs) and district

⁵http://www.sadepartmentwb.org/About_Us.htm

level Zilla Parashads heads (2 Sabhadhipatis), Administrators - the collectors of the two districts, administrators and senior academicians from research institutions, representatives of non government organisations (NGOs) and representatives of State Govt. depts. including the director of the Sundarban Biosphere Reserve. The board is chaired by the Minister-in-Charge, Department of Sundarban Affairs who is assisted by a secretary and member secretary, the latter being its executive head.

The mandate of the SDB is primarily developmental in nature and comprises of:

1. Formulation of integrated programme for effective utilisation of the resources placed at its disposal from various sources.
2. Co-ordination of execution of plans for the development of the region.
3. Supervision of the execution of any project for the development of the region as a whole or part of it.
4. Review and evaluate the progress of implementation and make adjustment in policies and measures as the review may indicate.

The major programmes of the Board are a mix of rural development and conservation including roads, irrigation and flood control infrastructure, social services targeted mainly at the weaker sections, micro-credit, eco tourism and employment generation. In many ways, the SDB, provides a similar framework for development as envisaged in the GoMBR project. However, significantly, its powers include the right to “receive revise and amend plan of other public agencies authorities and organisations so that an integrated effect and an efficient utilisation of resource may be achieved”, as opposed to the GoMBRT whose powers are largely advisory in nature.

Funding Mechanism: As a part of the state machinery, the SDB and its activities are supported by the state government. However, the Board is also empowered to raise funds from non government agencies in India and abroad.

Chilika Development Authority

Chilika lagoon is the largest brackish water lagoon on the east coast of India. It is rich in biodiversity, highly productive and a famous hot-spot for migratory birds, Irrawaddy dolphins and diverse micro-fauna. More than 5,00,000 people, mainly fishers, depend on the lagoons resources. Apart from the pressure from illegal shrimp aquaculture, the lagoon has faced environmental threats since the 1990’s from sediment accumulation and choking of the sea mouth. Till 1992, Chilika was managed mainly by the State Fisheries and Revenue department with some involvement of the State Forest and Environment Department.



The Chilika Development Authority (CDA) was created by the GoI in 1992, as a coordinating body between the wide range of institutions and people with a stake in the lagoon and its basin. As a registered society under the Societies Registration Act 1860, CDA was borne under the administrative jurisdiction of the Forest and Environment Department, Government of Orissa. It is governed by a governing body chaired by the Chief Minister of the State. Secretaries from the key departments, experts, eminent scientists, people's representatives (members of parliament and legislative assembly), and representative of fisherfolk communities are members of the governing body. The CDA is headed by a chief executive officer (CEO) nominated by the authorities for a fixed-term period.

The CDA's mandate includes:

1. Protecting the lagoon's ecosystem and its genetic biodiversity.
2. Surveying, planning and preparing a proposal for integrated resource management in, and around, the lagoon.
3. Understanding the multidimensional and multidisciplinary development activities.
4. Cooperating and collaborating with other institutions for development of the lagoon.
5. Restoring the lagoon and its catchment with active community participation.

Funding Mechanism: The CDA executive body is delegated with adequate financial power to make quick decisions. The institutional development was facilitated with additional funding received from the national government's 10th and 11th Finance Commissions. The CDA also works in collaboration and can apply for funds to national and international organisations: NGO's (WDCS, OPCF, WWF-INDIA); Research institutions (IIT-Delhi, BNHS, NIO, Tokyo University) and large international funding agencies like JICA, Wetland International, World Bank amongst others. The CDA collaborates with this wide range of agencies to carry out scientific research for conservation and management of the lagoon and its resources; to encourage alternate and sustainable livelihood options, including micro-credit and to provide better facilities and infrastructure.

The Bhutan Trust Fund for Environmental Conservation



(BT FEC) was formed in 1991 by the government of Bhutan to keep 60 percent of the nation's land mass under forest cover and is reserving 26 percent of its territory as protected areas. In May 1992, the GEF provided Bhutan a grant equivalent to US\$10 million to establish its trust fund, making this GEF's first operation in Bhutan and the first GEF-financed trust fund in the world. Since 1992, the WWF and the governments of Bhutan, Denmark,

Finland, the Netherlands, Norway, and Switzerland have also contributed to BTFEC's capital endowment, which today stands at more than US\$29 million. BTFEC consists of high-level, cross-sectoral membership of the trust fund's board. Members of ministerial and deputy ministerial rank participate actively in BTFEC management. In addition, the board currently includes the WWF and the UNDP.

With capital from the government of Bhutan, the Global Environment Fund (GEF), and additional support by the World Wildlife Fund (WWF), and donor nations BTFEC has established a viable trust fund strengthened by: -Contracting with a professional international asset manager and custodian to ensure high income -Hiring a full-time financial officer to keep operational, programmatic, and consolidated accounts -Enhancing reporting on financial transactions and technical uses of BTFEC funds -Improving BTFEC governance arrangements.

During the first three years following approval of the GEF grant, BTFEC authorities focused on meeting the conservation benchmarks; in the fourth year they strengthened BTFEC's capital management. BTFEC's investment income has increased substantially in recent years, setting the stage for financing of a larger share of needed conservation activities. Over the next five years, the plan allocates 50 percent of BTFEC's total income for training governmental and nongovernmental staff in biodiversity and for increased staffing in priority protected areas. The remaining 50 percent would finance approved conservation activities, to be carried out by government agencies working in conservation fields, local nongovernmental organizations (NGOs), local communities, and individual citizens.

The Lessons of the BTFEC

- Government commitment and sound management are vital.
- There must be a sound legal framework to formalise relationships between donors and recipients, make decision making and implementation as transparent as possible, and make trust fund management accountable for its actions.
- Specific conservation benchmarks serve as useful incentives, clear indicators of achievement, and mechanisms to mobilize donor support in addition
- Donors provided important financial support during the start-up phase of benchmark activities above that for capital endowment of the trust fund.
- Early donors brought unique and valuable skills to the process of designing and implementing the trust fund.
- The relationship among all agencies was evolutionary, but in the end, the trust fund benefited from the comparative strengths of each.
- Establishing internationally respected asset management arrangements and addressing financial issues immediately and openly are essential.

National Fish and Wildlife Foundation (USA)



The National Fish and Wildlife Foundation (NFWF) was formed in USA in 1984 as a 501(c)(3) non-profit. NFWF matches public/federal conservation with private funds for the most pressing conservation issues. The Foundation works with a range of individuals, foundations, government agencies, nonprofits, and corporations. Connecting public and private communities, the Foundation brings together federal and state agency, key industry leaders, concerned private citizens, and non-profit leaders from the international to the local level. Since its establishment, NFWF has awarded over 10,800 grants to more than 3,700 organizations in the United States and abroad and leveraged – with its partners – more than \$635 million into over \$1.5 billion for conservation.

Save the Tiger Fund' was established in 1995 as a partnership between the ExxonMobil Foundation and the National Fish and Wildlife Foundation (USA). It is a special program of the NFWF with the mission to sponsor effective efforts to stop the killing of wild tigers and to enable wild tigers to recover and flourish, while empowering local people to live in balance with natural resources and providing tangible benefits to them whenever possible. A total of 336 grants totalling \$17.3 million between 1995 and 2009 have been released.

WWF International



WWF was a foundation constituted and registered in 1961 pursuant to Sections 80 et seq. of the Swiss Civil Code. It is subject to the supervision of the Swiss Federal Department of the Interior. It currently runs 1300 WWF country programs worldwide and is the largest conservation organisation. The Conservation finance program at WWF works in partnership with governments, private industry, communities and NGOs across many initiatives, all of which are designed to provide long-term, sustainable financing to biodiversity conservation. WWF uses Conservation trust Funds, Debt-for-nature swabs, tourism revenues, apart from government allocations, international grants and donations to develop their LTFM.

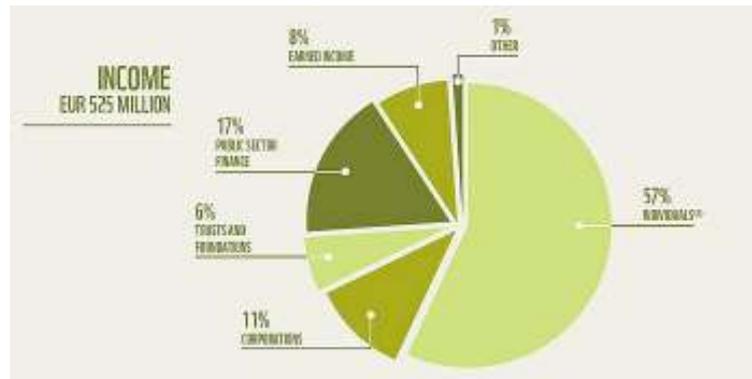


Figure 1.3.: Net income of WWF in 2010.

Some successful WWF long term funding mechanisms WWF helped structure the largest debt-for-nature swap in Madagascar's history, providing \$20 million directly to the Madagascar Foundation as long-term support for protected areas and to preserve the country's rich biodiversity.

In Nepal, WWF is supporting a renewable energy carbon credits project that once registered, will provide long term environmental, social and economic benefits to communities in Nepal. WWF has designed and is launching a water fund in the Sierra de las Minas Biosphere Reserve in the Mesoamerican Reef ecoregion to extract revenue payments from downstream water users and direct those funds to forest conservation.

Amazon Region Protected Areas Program (ARPA) has a funding arrangement that combine the best elements of public and private sector. The Program is supported by WWF, the World Bank, the Global Environment Facility (GEF), the German Development Bank (KfW), the German Technical Cooperation Agency (GTZ), the Brazilian Biodiversity Fund (FUNBIO), and others. WWF helped to establish the ARPA Trust Fund in 2004 as a permanent capital fund for the long-term financing of the ARPA network. Once fully funded, the Fund will provide the financial resources needed to cover the recurrent costs of operating the protected areas and complements the government's commitment to pay for the park system's core staffing costs.

In Belize, WWF is raising revenue towards conservation through tourism fees using the Protected Areas Conservation Trust (PACT) revolving trust fund. The PACT Act (1996) in collaboration with local conservation groups, introduced a conservation fee per visitor as well as a 20 percent commission from cruise ship passenger fees. About five percent of all revenues are deposited into an endowment fund. In 2008, the Fund allocated roughly \$150,000 in grants to manage and maintain protected areas. WWF and local partners worked to establish support from the government of Belize, to ensure that revenue raised for PACT would be used to supplement, and not reduce, government expenditures for environmental protection.

Text Box 3 Best practices and Lessons Learnt for a successful LTFM.

1. Incentives need to be clear and achievable be it conservation goals, success of alternate livelihood programs or development of sustainable fishing practices. Meeting these benchmarks with clear indicators of achievement will help mobilize donor support.
 2. A legal framework that makes decision-making and implementation transparent for all donors and recipients.
 3. The Trust's management is accountable for all its actions under the legal framework.
 4. A solid commitment from the Government of India and Government of Tamil Nadu to make the GoMBRT LTFM successful is imperative, including giving the Trust enough financial capability and authority.
 5. Obtain funds from a range of sources during the start-up phase to help build a capital and achieve the goals of the Trust.
 6. Collaborate with donor expertise in fund management, or institutional research and development partners to achieve Trust goals.
 7. The trust fund will benefit from the comparative strengths of each of the donor agencies and R&D institutions involved in the functioning.
 8. Asset management arrangements, along with a professional asset manager and finance officer, to address financial issues immediately are necessary.
-

1.5. Organisation of this report

The report has been broken down into five major sections. The introductory section provides a background of the report, its context, an overview of the methods and approach followed and a review of similar projects elsewhere. The second section deals with the primary stakeholder analysis, specifically the self help groups, EDCs and the livelihood options available to the stakeholders comprising these community based organisations. Section three deals with the stakeholder analysis with emphasis on institutional stakeholders. The initial three sections of the report provide a context and background to the subsequent section which covers the funding mechanisms and is the core of the report. This section analyses the implications of three different funding options and organisational structures. The concluding chapter summarises the major recommendations and suggests possible ways forward.

2.1. Introduction

The Gulf of Mannar Biosphere Reserve project is one among many integrated community based conservation initiatives that have taken place in India. Its community interface is very similar to other eco-development projects in South India, notwithstanding the critical reviews of some of these have received (Gubbi et al., 2008). One of the basic premise of these projects is that the dependence of local communities on resources can be reduced by providing access to alternative livelihoods (MacKinnon et al., 1999). The mandate of the Trust includes “awareness and skill development and creating opportunities for securable livelihood security” as a strategy to “elicit support of local communities of the area for biodiversity conservation”⁶.

Community interactions have been presented as the most successful interventions made by the GoMBRT since it took up project implementation (Hunnam and Sankaran, 2008, pg.40, para 127.). All of these activities were part of the fifth component of the project “Stakeholders Enable to Apply Sustainable Alternative Livelihoods”. As a result, community relations have been by and large both positive and fruitful⁷. This component has also seen fruitful partnerships between the trust and other civil society organisations, particularly non governmental development organisations and independent research and training institutions.

This component involved twofold strategy. First, to involve community in sustainable resource extraction and management and second, to ensure a policy framework and regulations for resource management, particularly for fisheries. The latter was to be reflected in activities and priorities of line departments and enforcement of these regulations. Budgetary allocations made to the fifth component were the highest for both 2008 and 2009 with 51% and 45% of the total years respective budgets (figure 2.1).

The ToR required an assessment of a subset of the various community and development programmes of the trust. Specifically the marketing strategy presently being pursued to improve income generation from alternate livelihood activities promoted with women self help groups. In addition it required an assessment of livelihood options and diversification possibilities in the larger community.

The widely recognised International Labour Organisation (ILO) methodology call Training for Economic Empowerment (TREE) has been implemented successfully in many countries. The methodology is employment-oriented at the local level by relating skills training directly to identified employment and income generating opportunities which reflect the real needs of the target communities in the local districts. It views training as a means of facilitating

⁶<http://www.gombirt.org/gombirt/mandate.html>

⁷With the exception of a recent hiccup on account of the conflict regarding installation of buoys.

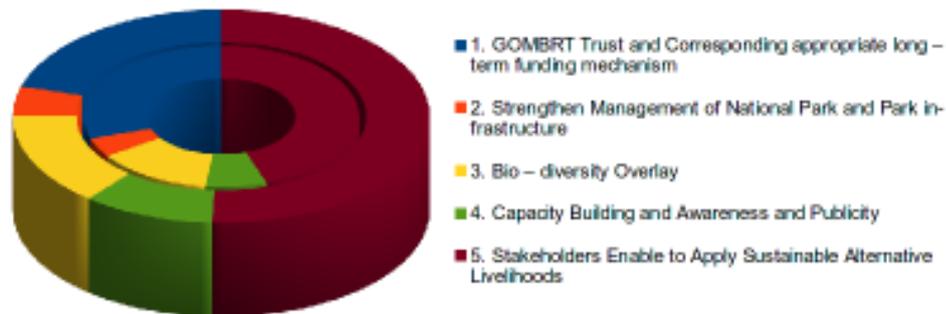


Figure 2.1.: Proportion of budgets allocated to different components as per the annual reports of 2008 (outer ring) and 2009 (inner ring).

gainful activities through self or wage employment, and sees it as one component of an income-generation or employment-promotion program. Therefore, job placement and follow-up support for proper application of training is equally important. The project implements this approach systematically through staged interventions: i) identifying non-infrastructure-based income generation/economic opportunities at the community/local level; ii) designing and delivering appropriate skills or other training; and iii) providing necessary post-training support for job placement and income generation activities.

A pre requisite to any training and alternative livelihood is to avoid the oversupply of people with the same trade skill or to misunderstand the labour market needs and provide skilled but unemployable people. Therefore a market study is a key component of any alternative livelihood methodology aiming at a high placement rate. Providing training without placement serves no purpose.

This is where the livelihoods enhancement and diversification (LED) framework developed by the department for international development of the UK (DFID) is a useful tool. The objective of providing alternative livelihood is to relieve some of the pressure on the fisheries by redirecting the youth workforce towards gainful employment that can match the incomes offered by fishing activities. This means avoiding all the low income training programs such as tailoring, weaving, crafts making etc and focusing on high end training such as computer application, heavy machinery driver training, hotel services, health and nursing assistants etc. These are the only skills that will enable the young and often semi-literate fishermen to move away from the fishing activity and towards and alternative employment.

In this formula, the GoMBRT would leave the regular micro credit and SHG work to

the TNCDW which has more expertise, funds and experience and focus only on alternative livelihood through high end skill training in the field mentioned above.

The above approach can be combined with a business development model also developed by the ILO called Star and Improve Your Business (SIYB) which is based on an in depth selection and training process leading to the creation of strong business plans and business men.

Originally developed to assist potential and existing micro-entrepreneurs with a good literacy level in developing economies, the Programme has now expanded to cover semi-literate population on the lower end and growth-oriented small and medium businesses on the upper end through specialised training packages.

The SIYB methodology focuses on selecting the right business idea that is most attractive, has least negative impact on the environment and is best suited to their personal situation, and assist its implementation through better understanding of business skills. Follow-up counselling is integral part of the training package to ensure the intended results: new micro-enterprises being created and existing micro businesses improve their performance thereby providing more sustainable self-employment and additional wage employment opportunities.

A combination of the TREE (skills training) and SIYB (business development) has been proven in many countries across the world and demonstrates that high end training can lead to meaningful employment and livelihood through businesses. If properly implemented the approach can have a substantial impact on the fisher folk populations in terms of their livelihoods and providing them an alternative to fishing.

2.2. Approach

Participatory surveys with primary stakeholder were undertaken. A mix of individual interactions as well as group discussion and participatory exercises were conducted in the five zones wherein a total of 107 fishing settlements were covered using structured schedules with 92 SHGs and 15 EDCs interviewed (table 2.1). Details of the survey covered marketing arrangements, micro credit arrangements with specific focus on use of credit for alternative livelihoods, capacity building for alternate livelihoods and the problems faced and coping strategies adopted by those opting for alternative livelihoods facilitated by the project⁸.

2.3. Micro credit groups and marketing arrangements

Introduction

Micro-credit has emerged as an effective tool for poverty reduction, particularly in South East Asia (Hossain, 1988, Arun et al., 2006, Yunus and Weber, 2007, Karlan and Zinman,

⁸All the data collected during the survey is available as a sqlite file downloadable from the FERAL website <http://www.feralindia.org/files/undp/ltfm/SHGdata>.



Figure 2.2.: Schedule being administered to a SHG near Kilakarai.

Table 2.1.: Field study sites for livelihood analysis.

Zone	No. Villages	No. SHG	No. EDC
Kilakarai	17	7	10
Mandapam	35	30	5
Rameshwaram	8	8	
Tuticorin	24	24	
Vembar	23	23	
Total	107	92	15

2011). Micro credit in the state of Tamil Nadu, and for many parts of India, is equated to the formation of women self help groups and the credit linkages involved with these groups. There is an extensive state run machinery to support these groups in terms of credit lines, capacity building and a federative structure extending from the village SHG up to the District level. State run institutions and nationalised banks have been formed and mandated to provide support to nearly 4,50,000 self help groups registered under the Tamil Nadu Corporation for Development of Women⁹ (TNCDW). Many activities of TNCDW are routed through NGO's, about 470 of which are registered under the scheme of which 10 are in Ramanathapuram and 11 in Thoothukudi¹⁰. The TNCDW has extensive links with other development programmes of the government and with rural banks to finance the requirements of its member groups. The credit targets for the scheme stand at ₹3,000 crore (₹30 billion) for the year 2011. Each group over six months of age is eligible for credit rating. If seen as credit worthy, the group can access revolving funds of up to ₹50,000/- from Swarnjayanti Gram Swarozgar Yojana (SGSY)¹¹, Tamil Nadu Adi Dravidar Housing & Development Corporation (TAHDCO)¹² or directly from Banks. A second credit rating done after another six months makes the groups eligible for revolving funds upto one lakh rupees. A third rating provides the group access to 1.5 lakh as revolving funds. Economic assistance from SGSY, TAHDCO or directly from banks can also be availed by groups who are ascertained ready for economic activities after their second credit rating. The scheme has tied up with a number of institutional and private organisations to provide skill based training to youth with a target of training 25,000 youth in the period 2010-2011 for the cost of ₹20 crores (₹0.2 billion). The scheme has provided skill training to 56,748 youth over the past four years.

Status of micro credit groups

Achievements

Self help groups formed under the GoMBRT project followed a model similar to that of the TNCDW with the exception of permitting men groups¹³. Each group comprises of 12 to 20 members and meets on a regular basis to transact savings and loans. A total of 252 VMCs & EDCs were formed in the two districts and each was given an allocation of three lakh, two lakh or one lakh rupees based on the level of "threat" perceived from the villages with the high threat villages being paid the highest. These funds were in turn, allocated by the VMC/EDCs to the self help groups as revolving funds which were used as part of the

⁹<http://www.tamilnaduwomen.org/Index.php>

¹⁰<http://www.tamilnaduwomen.org/images/NGOSYES.pdf>

¹¹<http://sgsy.gov.in>

¹²<http://www.tahdco.tn.gov.in/selfhelpgroups.html>

¹³The SGSY programme follows a similar approach when dealing with tribal and artisanal communities elsewhere in Tamil Nadu.

Table 2.2.: Summary of loans taken by SHGs.

Source	No. Loans Given	Total Amount	Average Amount	Maximum Amount	Minimum Amount	Bene-ficiaries	Average Per Capita Loan
EA	27	5360000	198519	394725	22000	340	18882
Group	178	2038650	11453	300000	200	312	5678
RF	22	470000	21364	50000	2000	189	7590
GoMBRT	61	4380000	47097	500000	2100	840	7582

micro-credit linkages by the groups.

Summary of groups surveyed The age of a self help group is a good indicator of the commitment and capacity of its members. Many of the groups interviewed pre-dated the arrival of the trust in their areas. The average age of the groups was slightly over 6 years and 3 months while the youngest group was only 4 months old with the oldest being 21 years. By inheriting these groups, the trust gained a robust micro-credit environment. On the other hand, the majority of the groups joined the trust for the additional resources that it made available to them. The average size of the group was 15 with a maximum of 20 and minimum of 8. Most groups met monthly and saved ₹100/- per meeting. Monthly interest charged on borrowing ranged from 0 to 3% with the average of 1.4% and with most groups charging at 2%. All the groups maintained their accounts in a nationalised bank with a total of 8 different banks being involved.

Loans taken via the SHGs utilised regular group savings, revolving funds and economic activity loans (table 2.2). Economic assistance benefited the largest number of people and also constituted the highest loan amount given, individually or as a group. The maximum number of transactions were for group loans which were for the smallest per-capita loan given. Revolving funds involved a total of 22 transactions. In comparison, the funds provided by the trust covered the largest number of beneficiaries and matched the per capita loan provided by bank supported revolving funds.

The number of loans given for productive as opposed to consumptive purposes were very similar with most group loans being used for consumptive and RF and EA loans for productive purposes (table 2.3). The vast majority (87 of 93) of funds taken from the GoMBRT were used for productive purposes.

Investment into productive enterprises

Funds from the GoMBRT project were largely utilised for non-fishing related income generation by the self help groups while those from other sources were biased towards fishing related

Table 2.3.: Purpose for loans.

Source	Consumptive	Productive
EA	10	17
RF	8	14
Group	98	80
GoMBRT	6	87

Table 2.4.: Kinds of income generation activities taken up by SHGs.

Fishing Related	GoMBRT	Other	Non-fishing	GoMBRT	Other
Sea weed cultivation/equipment shop	1	1	Animal husbandry and milk sales	3	1
Capture (purchase of nets/boats and fishing)	8	43	Jasmine cultivation	2	2
Processing (drying and pickle making)	9	6	Food processing	7	5
Vending	6	10	Manufacture of mats and other NR based activities	14	5
			Auto drivers/Service	3	5
			Trade in various items including setting up shops	33	27
Total	24	60	Total non-fishing related	62	45

activities. These were further broken down into natural resources based, food processing, manufacturing, agriculture, animal husbandry, trade and service within the non-fishing related and capture and increasing fishing capacities, vending and marketing, processing and allied activities (such as sea weed cultivation) within the fishing sector, details of which have been provided in table 2.4.

Marketing support

One of the specific requirements for this study was to report on the status and opportunities in the sphere of marketing of products from income generation activities initiated by the Trust with the primary stakeholders.

Most of the IGP products were sold locally through a mix of family members, self help groups, traders and vendors. About 21% of these were transported through various means

Table 2.5.: Point of sale and destinations for IGP products.

		Destination	Number of sellers
		Local	62
		Andhra Pradesh	1
		Athur	1
		Bharathy Nagar	1
		Kaniyakumari	1
		Madurai	1
		Nagarkovil	2
		Paramakudi	1
		Sivakasi	5
		Thenkasi	1
		Trichy	1
		Tuticorin	2

Local Point of Sale	Numbers
Cooperative	1
Family	18
Local	26
Trader	30
Tuticorin	2
Vendor	2

Table 2.6.: Facilities requested by respondents.

Facilities	No.Requests	% from those requesting facilities
Investment	6	23%
None	48	N.A.
Outlet	10	38%
Packaging	1	4%
Subsidy	2	8%
Training	3	12%
Transport	4	15%

to other cities and towns in Tamil Nadu, most of which were within a couple of hours by road, the remaining being marketed locally. One trader was engaged in export of dried fish to Andhra Pradesh. (table 2.5). Most traders engaged with these groups facilitate on-site purchase of materials, occasionally with a delay in payment, and arranging for its transportation and bulk sales in other locations. Some of the local traders sell to other merchants while others sell directly to companies. The ability of selling materials locally is seen as a major advantage by the SHG members.

A large proportion (65%) of respondents did not expect any additional facilities for marketing their produce. Of those who did request for additional facilities, 38% requested sales outlets and 23% additional investments into income generation activities (details in table 2.6).

Incomes from IGPs

The majority of income generation activities undertaken resulted in supplementary incomes, as opposed to providing a livelihood alternative. Investments in the activities were often higher than the expected cumulated annual incomes¹⁴. Furthermore, fishing related activities tended to bring in more incomes than many of the non-fishing activities. Thus, there would be no clear incentive to explore alternative livelihoods for these communities who are traditionally tied to fishing.

A comparison of activities taken up from funds provided by GoMBRT as opposed to other sources showed mixed results. Amounts invested and incomes expected from different activities varied substantially in many cases. The reasons for this are not entirely clear, for instance, the data could not demonstrate whether capacity building had a role to play in this.

¹⁴Note that the aggregation of the data exaggerates these results and results in anomalies such as the minimum average being larger than the maximum average. However, the margins between interest repayment and incomes are low in many activities.

Table 2.7.: Expected incomes investments on IGPs.

Non-fishing activities supported by GoMBRT					
Activities	Averaged daily incomes		Total Investment		Duration Months
	Minimum	Maximum	Minimum	Maximum	
Animal Husbandry	183	300	10,000	10,000	12
Agriculture	34	50	60,000	70,000	5
Food Processing	50	117	10,000	500,000	9
Natural Resource Based	58	118	2,100	250,000	11
Service	83	167	10,000	15,000	12
Trade	59	98	4,100	100,000	11
Fishing activities supported by GoMBRT					
Allied	100	200	100,000	100,000	10
Capture	200	275	20,000	60,000	7
Processing	73	106	10,000	100,000	10
Vending	92	183	10,000	100,000	12
Non-fishing activities supported through other sources					
Animal Husbandry	40	50	9,000	9,000	
Agriculture	2,250	3,000	4,000	10,000	
Auto driver	300	400	10,000	10,000	
Food Processing	20	40	3,000	5,000	
Natural Resource Based	284	418	4,000	5,000	
Other (soap oil manufacture)	200	300	20,000	20,000	
Service	57	33	500	4,000	
Trade	177	285	200	50,000	
Fishing activities supported through other sources					
Capture	188	284	200	50,000	
Processing	87	167	2,000	25,000	
Vending	65	120	500	50,000	

2.4. Report on livelihood options

Introduction

Various strategies have been employed in India to enable people, particularly youth, to diversify into alternative livelihoods through skill training and credit programmes. These are an integral part of rural development and welfare programmes for the poor and are usually linked to credit schemes, such as the TNCDW, SGSY and TAHDCO which were covered earlier. One of the fundamental assumptions made by advocates of micro-credit is that it will lead to entrepreneurial activities amongst the members of these credit groups (Yunus and Weber, 2007). There are, however a growing number of critiques to this assumption. These range from questioning the ability of micro credit groups to take up entrepreneurial activities (Sundaram and Chowdhury, 2011) to criticisms of the policies recommend that micro-credit is a panacea to poverty reduction (Karnani, 2009). One of the issues that emerges from these studies is the quantum of financial assistance and status of the households to which it is provided is an important determinant of success of entrepreneurial investments and poverty reduction.

This section covers the capacity building for alternative livelihoods undertaken by the GoMBRT. This component was meant to facilitate gainful employment in the non-fishing sector to young people in the GoMBR.

Status of livelihood diversification efforts

Achievements

The GoMBRT project has pursued an aggressive livelihood diversification agenda targeting women credit groups through SGHs and youth through Village Marine Conservation Councils (VMC) and EDCs. Various agencies were roped into conducting these training programmes, including industrial training institutes (ITIs) and non-governmental agencies. For example, as per the annual report for 2008-2009, 362 trainings were conducted in 16 occupations through at least 5 different agencies. This included short term as well as long term programmes.

Training programmes conducted and their impacts

A total of 15 EDCs and 92 SHGs were covered by this survey. The schedule included questions on attendance in programmes by men and women, the number finding gainful employment as a result of the training, salaries for those employed, problems faced with regards to the alternative livelihood, the causes of these problems and coping strategies adopted by the participants and finally whether there are any gaps in the coping strategies.

A summary of the various training programmes and attendance by men and women in presented in table 2.8 . As shown in the table, there was a wide difference in the percentage

Table 2.8.: Training programmes conducted by GoMBR and attendance by men and women.

Name of Course	Courses Conducted	Number Women	Attending Men	Employed No.	%
A/C Mechanic	2	0	5	0	0%
Agarbathies and incenses	3	77	0	0	0%
Candle	1	30	0	0	0%
Car driving	4	0	15	2	13%
Catering	2	26	0	0	0%
Computer	11	24	36	13	22%
Diesel engine mechanic	4	0	12	1	8%
Dry fish	1	6	0	2	33%
Embroidery	2	35	0	25	71%
Electrician	3	0	16	11	69%
Fish rearing	4	36	0	0	0%
JCB operation	11	0	27	6	22%
Nursing	12	49	0	37	76%
Ornamental craft	5	117	0	25	21%
Phenyl	1	30	0	5	17%
Pickle making	11	147	0	3	2%
Plumbing	1	0	4	0	0%
Soap making	5	135	0	10	7%
Tailoring	17	281	0	102	36%
Teacher	7	11	0	5	45%

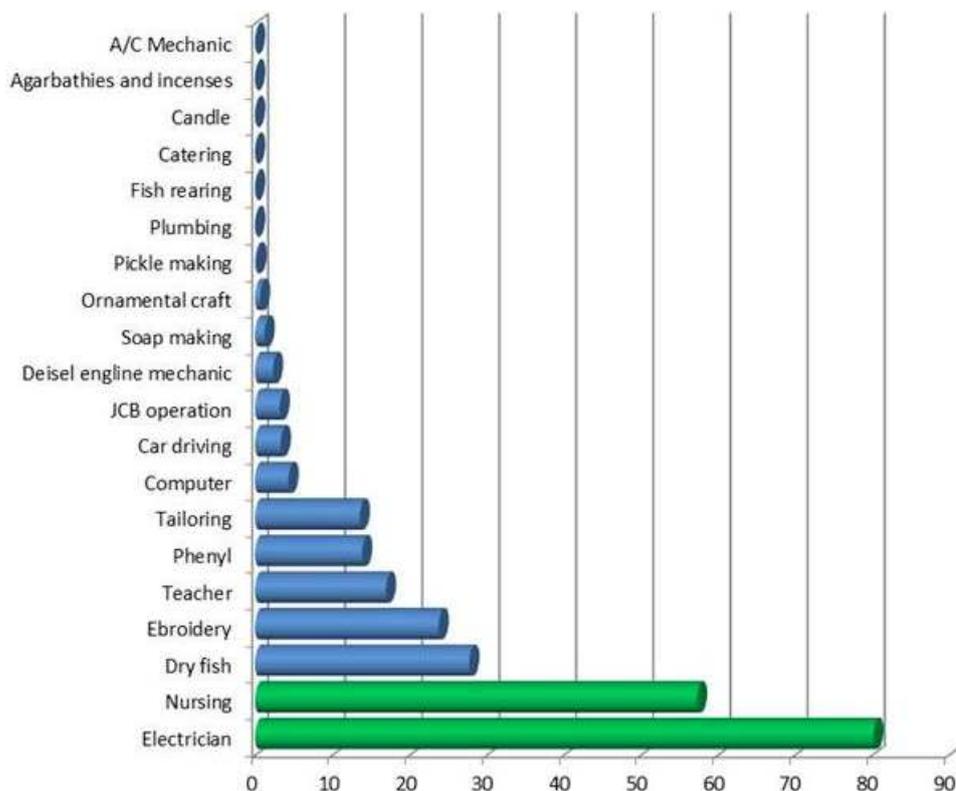


Figure 2.3.: Likelihood of placement per type of training.

of persons gaining employment from different trades, with some courses leading to no jobs while others leading to employment percentages close to 70 (figure 2.3). When disaggregated across settlements, the variation was more pronounced with all trainees in some villages being employed and many villages with a very small percentage of trainees employed (table 2.9) . These discrepancies could be explained on the basis of the following:

- For high levels of employment
 - Placements for some of the trained persons was done by the institutes or related agencies.
 - Local opportunities for work existed for some of the skills.
 - The vocation was along the lines of what the trainee was familiar with, largely because it was related to a traditional vocation.
- For poor percentages of employment
 - No local employment opportunities. Jobs for some skills were only available in large towns and cities.
 - Limited markets for products.

Table 2.9.: Number of trainees per settlement and those employed in alternative vocations.

Name of Settlement	Attendees	Employed	% Employed
Anthonyiar Nagar	30	20	67%
Anthonyiarapuram	4	0	0%
Barathi Nagar	10	4	40%
Cruzpuram	17	10	59%
Erttaurani	86	26	30%
Karran	20	0	0%
Kizhvaipar	228	11	5%
Koravalli	43	19	44%
Kumbaram	21	7	33%
Lions town	5	1	20%
Mariyamman nagar	60	11	18%
Mettupatti	12	4	33%
Mini sagayapuram	15	2	13%
Nuchiurani	11	11	100%
Pachiyapuram	72	67	93%
Punnakayal	36	15	42%
Sagayapuram	100	0	0%
Sangukuzhi colony	23	0	0%
Sippikulam	150	5	3%
Sundramudiyar	73	23	32%
Tharuvaikulam	32	10	31%
Threspuram	46	0	0%
Vembar (south)	12	0	0%
Vivekanthapuram	7	0	0%
maruthapandiyar Nagar	6	1	17%

Table 2.10.: Salaries received by those employed through livelihoods training.

Training Provided	Number Employed	Average Monthly Salary
Ornamental craft	25	225
Teacher	5	1,120
Diesel engine mechanic	1	1,250
Tailoring	85	1,310
Pickle making	3	1,500
Computer	7	2,000
Embroidery	25	2,000
Nursing	37	2,050
JCB operation	4	2,375
Dry fish	2	2,500
Phenyl	5	2,500
Soap making	10	2,500
Car driving	2	3,000
Electrician	7	3,500

- Some of the produces were perishable and/or required economies of scale to be profitable.

It was also pointed out by some of the participants that the major beneficiaries of the livelihood training programmes went to non-fishing villages and social groups.

Those receiving gainful employment in these occupations received between ₹225/- and ₹3,500/- a month as salary (table 2.10).

Problems faced and coping strategies adopted

29 (27%) of the respondents faced problems regarding the alternative livelihoods they had adopted. These varied from issues such as jobs only being available in distant towns to late working hours and lack of market (table 2.11). 16 of these (55%) gave up the job and took up other employment or engaged themselves with domestic work. It is important to note that 26 of these trainees were women, clearly implying the need for attention to problems faced by women when seeking alternative livelihoods.

Spatial patterns in performance of livelihood interventions

An analysis of the performance of the various livelihood interventions showed strong spatial relationships indicating that there were locational considerations that influenced their success. These results highlight the need to study background conditions such as infrastructure,

Table 2.11.: Problems with alternative livelihoods and coping strategies.

Training	Problem with job if any	No. facing problem	Cause of the problem	Coping strategy	Gap in coping strategy
Electrician	None	4	N.A.	N.A.	N.A.
Nursing	Distance to working place	1	Employment only at Ramanathapuram	Switched to mat weaving	
Ebroidery	Not enough time to devote to work	5	Household duties	None	None
Computer	Food and Accommodation	1	Long working hours	Family support, Seeking other jobs	
Nursing	Expected to quit the job after marriage	4	Night shift	Staying in hostel	Food is expensive, expecting the trust to cover the hostel bill
JCB operation	Regular work not available	1		Quit the job, now became a Jeep driver	
Tailoring	Unable to market	4	No scope	Mat weaving	None
Tailoring	No sewing machine	1	No Investment	Mat weaving	Loans required
Soap making	Raw Material	1	Transport	Household work	None
Ornamental craft	Require large investment	4		Work only for 100 days	None
Dry fish	Species not Available	1	Insufficient catch, high price for fresh fish	None	None
Pickle making	Species not Available (sura)	2	None	None	None
Ornamental craft	Transport	1	None	None	None
JCB operation	Do not qualify for a heavy vehicle driving licence	1	No ESLC certificate	Fishing	
Ornamental craft	Cannot work for long periods	1	Household duties	None	None
Tailoring	Lack of time, just married	1	Hand fractured and household work	Textile business and grocery shop	None

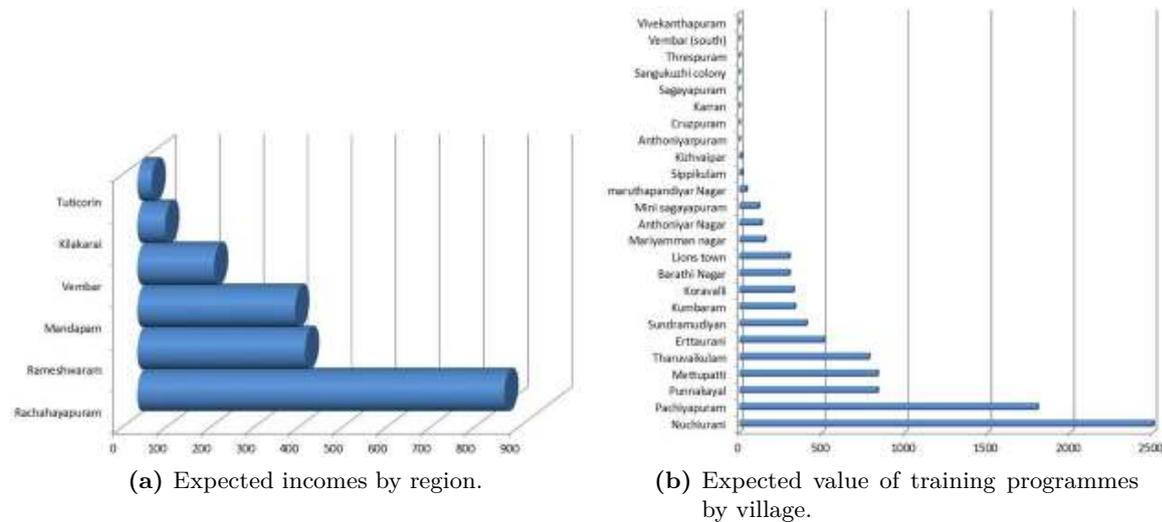


Figure 2.4.: The expected incomes and value of training programmes had strong locational dependence.

connectivity and social processes and human resources which seem to determine the success of livelihood interventions.

2.5. Conclusions

Micro-credit and marketing

The investments made by the GoMBRT in the micro credit groups are one of the important achievements of the project to date. Other than the cash investments, the trust has also invested in terms of human resources by supporting, at various stages of the project, NGOs and its own staff in mobilising and forming micro credit groups. There are two shortcomings that repeatedly come up during discussions with the primary stakeholders.

1. Insufficient emphasis of linkages of these groups with the other institutions involved with TNCDW. This limits their access to credit, especially for large sums through revolving funds and economic assistance.
2. Insufficient funding to support investments into economic activities. This issue appears to have been addressed by increasing the allocation, as per recent discussions with the Trust Director.

Given the existence of a thriving micro credit movement supported by the state, it remains unclear why the trust did not limit its agenda to assisting and supporting existing groups. While many existing groups have simply utilised the trust's funds as an additional resource, the fact remains that much work has been invested in re-inventing the wheel. Furthermore,

the GoMBRT has a small fraction of the resources that are presently available with the TNCDW for investment in these groups in terms of credit, training, federating them and in terms of alternative employment. The livelihood implications of these loans have been minor and not commensurate with the effort and investment into this component of the project. On the other hand, the resources utilised for micro credit groups form a substantial part of the total outlay of the GoMBRT and could easily have been used elsewhere.

We recommend that the GoMBRT re-visit the strategy for involvement of women SHGs in the programme and focus on supporting specific economic activities which would reduce overall resource dependence as *supplementary funds under a TNCDW led programme*. The involvement of the TNCDW and its partner institutions is also important so that existing groups are linked and provided the range of benefits including federations, capacity building and livelihood opportunities.

Livelihood options

GoMBRT has been able to initiate a number of alternative livelihood interventions in the region and has made good use of available facilities and institutions for this.

However, only 22% of the persons trained were employed in the sample that was surveyed. Others had either never taken up the alternative livelihood or dropped out for various reasons. The percentage of persons trained in alternative vocations, was a small fraction of the population, even though there was a large variance in the number of persons trained in different settlements. It is therefore unlikely that training in alternative livelihoods would have any impacts on resource dependence.

Adoption of alternative livelihoods is as much an issue of skill as it is of demand. This is reflected in the sample as a large proportion of the trainees needed to migrate to look for work. Others, didn't find work and gave up or found other means to cope. A scoping study is required prior to deciding upon the kind of training that should be provided. This study needs to look at both the market demand for jobs in the present and future, as well as the challenges and constraints that will be faced by the trained persons, particularly women. It is important to note that subsequent investments into vocational training by the Trust will be based on the levels of placement achieved by earlier training programmes. Such an effort would also inform the project managers of the number of alternative jobs required to reduce resource dependence of "high impact" settlements around the park.

3.1. Introduction

The primary goal of this section is to understand the various organisational and institutional structures that govern the functioning of the trust at present and its relationship with other institutional stakeholders. There are two issues that need to be understood

1. the implementation arrangements that govern the functioning of the trust and
2. the present framework within which local institutions relate to the various government institutions, including the trust.

One of the recurrent issues raised in the MTE is the level of complexity in the organisational structure of the trust which has been necessitated by the complexity of the task at hand. There are a total of seven layers of organisation in the present arrangement depicted in Figure 3.1. The complexity in this structure lies both in its size, multiple levels of authority and control and sheer diversity of institutions and institutional stakeholder involved.

The project office of the trust itself has a clearer hierarchy which is depicted in Figure 3.2. However, this has no bearing on the ability Trust to coordinate the various development and conservation activities taking pace in the region, as noted in the MTE (Text Box 4).

3.2. Approach

We utilised two different approaches to collect information for the stakeholder analysis. Office bearers from non-governmental agencies, EDCs and SHGs were interviewed using a structured questionnaire while those from government agencies were interviewed using a more loosely defined question list. These interviews were conducted over a period of four months during various visits to the site, with the bulk of the SHGs and EDCs covered during a field trip in April. A summary of the names and numbers of different institutions covered is provided in table 3.1.

The structured surveys comprised largely of a matrix ranking exercises wherein institutional linkages were identified and scored on the basis of importance and accessibility to the institutional stakeholder being interviewed. The semi structured interviews with other

Text Box 4 Limitations of the Trust as a coordinating institution noted in the MTE.

The project office “has not been given a clear mandate or authority, nor the capacity to direct and manage in an integrated manner the disparate array of line department’s separately financed programme involved in developing and operating the GoM Biosphere Reserve”.

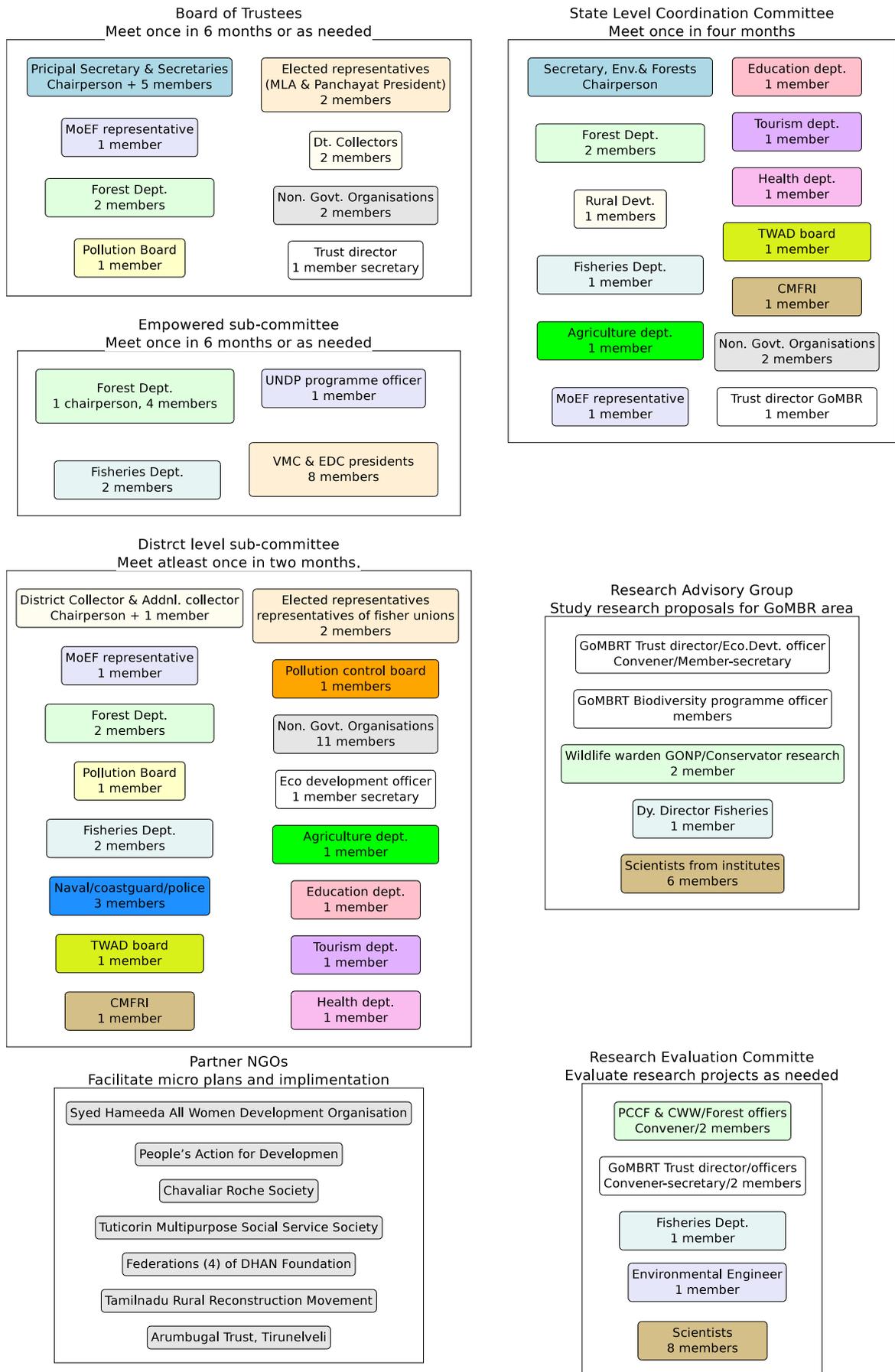


Figure 3.1.: Institutions involved in the governance of the GoMBRT. Each colour represents a different institutional partner.

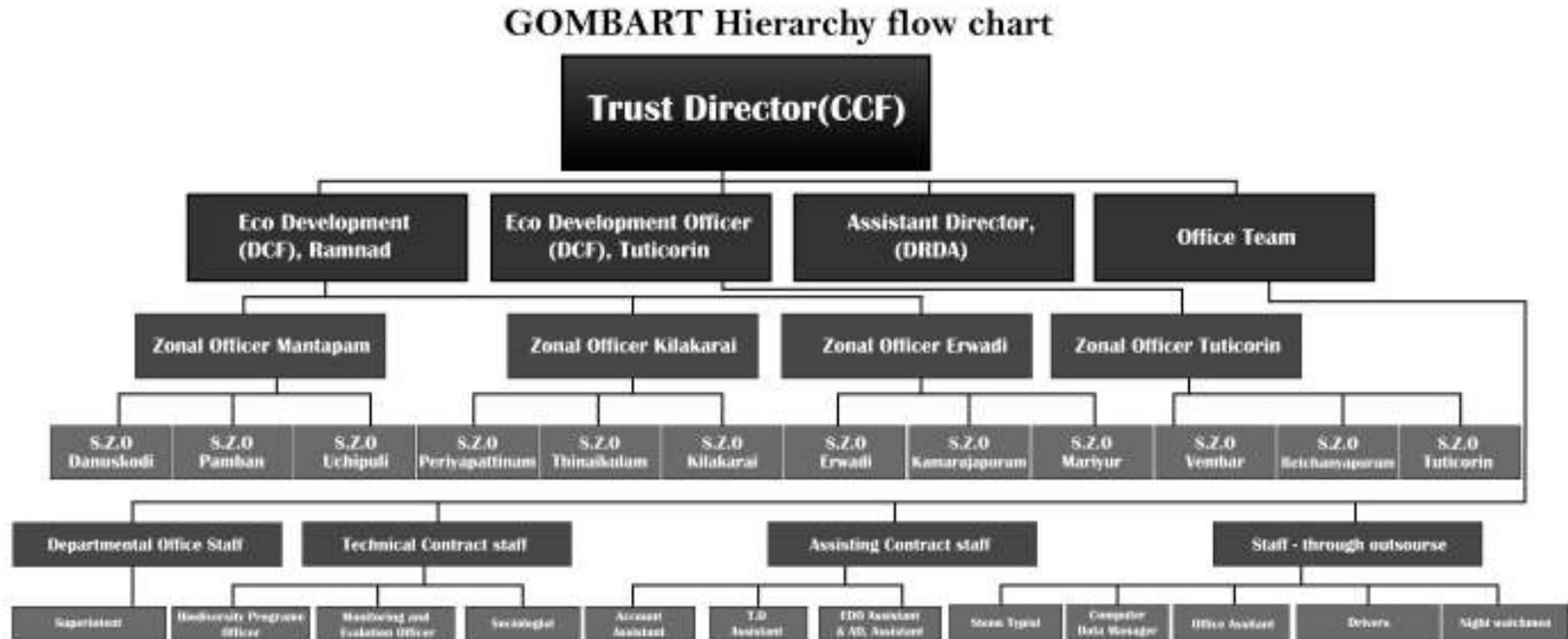


Figure 3.2.: The hierarchy of the Trust office (from <<http://www.gombart.org/people/structure.html>>)

Table 3.1.: Number and names of stakeholders interviewed.

Type of stakeholder	Zones covered	Number Interviewed
SHG	6	89
EDC	2	12
Fisheries Dept.	3	4
Research Institutions	2	2
Development NGO	2	2
District Administration	N.A.	2
Forest Dept.	N.A.	1
GoMBRT	N.A.	1

institutions¹⁵ covered a wider range of topics, including the history of the concerned organisations involvement with the GoMBRT, the main achievements of the trust, how the trust identified other institutional stakeholders and to ensure their views were incorporated into the project strategy, differences in opinion on strategy and conflicts, levels of transparency in the roles of different stakeholders, levels of participation in decision making, relationship of the institution with other stakeholders in the GoMBR and the role of other govt. agencies in the GoMBRT operations. These questions were followed by a matrix ranking exercise as conducted with the primary stakeholder institutions.

3.3. Findings

Non-Governmental Agencies

The involvement of institutional stakeholders involved with conservation and livelihood development was considered an important contribution and role of the Trust. Both NGOs and research institutions were invited for discussions based on their work and reputation. Academic track record was also taken into account for research agencies and their potential role in conducting research for inputs into conservation and management of the park were considered. Primary stakeholders were identified on the basis of existing roles in village hierarchies without a detailed stakeholder analysis. Efforts were made by the Trust in including the views of NGOs and research institutions through workshops. The representation of primary stakeholders was not as high initially and NGOs were asked to intervene on their behalf. Transparency in operation and level of participation in the functioning of the trust were felt to have declined over the years with 2009 being considered the “best” period of the project by many respondents from non-governmental agencies. There was considerable ambiguity and confusion among the respondents regarding the roles of different government

¹⁵Barring the Fisheries Dept. officials who were interviewed during the initial project visit.

Table 3.2.: Weightage, access score and total scores of institutional linkages by EDCs.

Institute	Number of EDC's	Avg. Importance	Avg. Access	Avg. Score
Bank	2	9.0	8.5	77.0
GoMBRT	4	7.9	7.0	62.2
NGO	6	5.7	6.2	48.2

agencies in the Biosphere Reserve area. While some agencies such as the Coast Guard and Forest Department were seen to be working in close coordination, others such as the Fisheries Dept. were seen as supportive to a lesser degree. The role of other departments was considered negligible by most respondents.

EDCs

The 12 EDCs interviewed listed just three institutions with which they had regular links. They ranked and weighted the bank as the most important and accessible institution with the GoMBRT ranking second and NGOs ranking 3rd (table 3.2) . It must be noted that many of these EDCs were “upset” with the GoMBRT at the time of this survey on account of the conflict regarding the installation of the buoys to demarcate the marine national park boundary. However, given that these were created by the GoMBRT, it is not surprising that the scores for the Trust surpassed those for the local NGOs. The strong links with banking institutions, however, was unexpected and is a pointer to the role the EDCs play as fund managers.

SHGs

The SHGs listed a total of 11 other institutions as important to their functioning. Of these the welfare cooperative received the maximum positive scores both for importance and accessibility. The fisheries department followed by local NGOs, the GoMBRT and banks were the other institutions that ranked a total score higher than 50 (table 3.3).

Research Institutions

While discussion were held both at the Central Marine Fisheries Research Institute (CMFRI) at Mandapam and SDMRI at Tuticorin, detailed note were taken for the latter which are reported below.

A total of 18 institutional stakeholders were identified of which many were ranked on a negative scale for the perceived destructive role they played in the ecosystem. Details are summarised in table 3.4. These scores reflected the priorities of an ecological research institution with a history of community level work with a high negative marking being given to development projects seen as threats to the environment and the Fisheries Dept. which

Table 3.3.: Weightage, access score and total scores of institutional linkages by SHGs.

Institute	Number of EDC's	Avg. Importance	Avg. Access	Avg. Score
Welfare co-operative	1	10.0	10.0	100.0
Fisheries dept.	1	9.0	9.0	81.0
NGO	43	8.2	8.2	72.1
GoMBRT	60	8.4	8.4	71.2
Bank	49	8.1	7.8	67.4
Local business	19	6.7	6.2	40.4
Trader	11	6.9	4.5	35.1
Collector office	1	6.0	5.0	30.0
Panchayat	2	8.0	3.0	26.0
Forest dept.	1	2.0	9.0	18.0
Transport	1	1.0	10.0	10.0

is seen as encouraging overexploitation of resources. On the other end of the spectrum, agencies who have a stake in conserving the region were given the highest ranking among which were traditional institutions, the Trust and the Forest Dept.

Non-Government Development Agency

Two interviews were conducted with two teams of the Peoples Action for Development (PAD), one at Vembar and a second near Kilakari. PAD has been active in most of the Biosphere Reserve region and has played a prominent part in the initial stages of the Trust activities. The second interview provided the data for this section. PAD is active both as a development as well as an action research agency and has partnered with not only the GoMBRT, but also other governmental and non-governmental organisations in the region.

A large list of 31 institutional stakeholders was given which was given scores from 100 to 3 with a ranking from . The former comprised of fishing communities and groups who were totally dependent on the fisheries resources and allied activities, while the latter comprised of enforcement agencies and polluting industries seen as threats to the communities and to the ecosystem. The Trust ranked fairly high (6 of 15) on their cumulative score (table 3.5).

Table 3.4.: Importance, accessibility and total scores of different institutional stakeholders based on linkages with research institutions.

Institute	Importance	Access	Score	Rank
Traditional fishers dependent on the resources	8	10	80	1
Forest Dept.	8	10	80	1
GoMBR Trust	8	10	80	1
Customs	8	8	64	2
Non dependent traditional fishers	4	10	40	3
Coast guard	6	4	24	4
DRDA	7	2	14	5
Govt. research institutions	4	3	12	6
Private research institutions	6	1	6	7
NGOs	6	1	6	7
Revenue	5	1	5	8
Salt pans	-5	1	-5	9
Existing thermal power plants	-8	1	-8	10
Exotic species cultivation	-9	1	-9	11
Chemical companies/industries	-5	4	-20	12
Fisheries Dept.	-8	3	-24	13
Future thermal power plants (under construction/planned)	-6	4	-24	13
Port trust	-4	8	-32	14

Table 3.5.: Importance, accessibility and total scores of different institutional stakeholders based on linkages with a non-governmental agency.

Institute	Importance	Access	Score	Rank
Artisanal fishers	10	10	100	1
Mechanised fishers	10	10	100	1
Fish worker unions	10	10	100	1
Boat puller community	10	10	100	1
Thoni operators	10	10	100	1
Sea weed collectors	9	10	90	2
Boat yards and repair areas	9	10	90	2
Shore net operators	8	10	80	3
Civil society organisations	8	10	80	3
INKOIS	8	10	80	3
GoMBRT partner NGOs	8	9	72	4
Shell collectors	7	10	70	5
GoMBRT	8	8	64	6
Dept. of Fisheries	10	6	60	7
Palmyra tappers	6	10	60	7
CMFRI	5	7	35	8
Coast Guard	7	4	28	9
Sea food export industries	7	4	28	9
Forest Dept.	5	5	25	10
Research institutions	5	4	20	11
Ice factories	4	5	20	11
Salt Pans	10	1	10	12
Sedusumudram Project	10	1	10	12
Harbour and ports	10	1	10	12
Sand miners	10	1	10	12
Sterlite	10	1	10	12
Power plants	10	1	10	12
SPIC	10	1	10	12
Govt. chemical research station	8	1	8	13
Navy	7	1	7	14
Customs	3	1	3	15

Governmental Agencies

Gulf of Mannar Biosphere Reserve Trust

Three meetings were held with the present director of the GoMBRT and members of the Trust. The discussions were largely on the present activities pursued by the Trust and linkages with other agencies, particularly govt. agencies and the challenges therein.

The present emphasis and major achievement of the Trust is on infusion of funds into the community based organisations, the EDCs and through them the SHGs. In addition there are a number of capacity building efforts in villages identified as high threat (111 of the existing 248 EDC villages). The identification of primary stakeholder was also based on the perceived threat these villages posed to the Biosphere Reserve. Present estimates are that even if 150 of these EDCs perform well, project interventions will reach about 2,00,000 persons. Allocations made to these community based organisations have increased and additional resources are being tapped from other agencies such as the TNCDW. The UNDP is being requested to provide funds matching those committed by the TNCDW and additional projects are being proposed to the Japan International Cooperation Agency (JAICA) which is presently funding the Tamil Nadu Afforestation Project (TAP) of the Forest Department.

Discussions on levels of participation in decision making and coordination with other governmental agencies covered issues of jurisdiction and administrative control. It was felt that the coordination at the highest levels of the Trust (refer figure 3.1) is efficient. However this breaks down at the level of line departments. For instance only 10% of the Biosphere Reserve falls under conservation areas which are protected by the Forest Department. The remaining 90% are being exploited for fisheries and fall under the Fisheries Dept. over which the GoMBRT has no control. The absence of the Trust Director from a place in the State Committee were pointed out as an anomaly in the present mechanism for decision making. Further the disassociation of the Trust from the allocation of resources to various departments active in the Biosphere Reserve make it ineffective.

District Administration

Meetings were held with the District Collector and Project Officer (PO) for the District of Ramnathapuram where questions asked covered the present roles and linkages of the GoMBRT with the government. Both officers stressed upon the role of the Trust as a coordination as opposed to an implementation or enforcement agency. It was felt that the latter role was that of various departments. Issues of duplication of work already undertaken by other agencies, particularly the TNCDW were raised by the P.O. who is also in charge of the SGSY scheme and plays an important role in the implementation of the TNCDW.

Fisheries Dept.

Interviews were held at Ramanathapuram, Rameshwaram and Mandapam fisheries dept. offices with officers ranging from the Additional Director of Fisheries to the Sub-Inspector of Fisheries. Questions asked were to determine the relationship and role of the department with the fishing community and with the GoMBRT. Responses all the officers were similar and can be summarised as follows:

1. The role of the department is to enhance fisheries and allied activities. This is done using a mix of subsidies and by facilitating income generation programmes, particularly in the area of sea weed cultivation and harvesting.
2. The GoMBRT and the Forest Department objectives are oriented towards conservation and do not always align with those of the fishery dept. On the other hand the department discourages the harvesting of banned species such as the sea cucumber.
3. The department representatives meet on a monthly basis with the GoMBRT officials at Ramnathapuram. Other than this, very little communication or coordination of activities.

There was a de-linking of the priorities and activities of the Fisheries Dept. and the Forest Department and reservations were expressed about the role of the GoMBRT being too “conservation” oriented while that of the Fisheries Dept. being focused on the welfare of fisherfolk. Coordination of activities was limited to joint meetings and did not translate into any action on the ground. There appears to be a decline in joint activities between the Dept. of Fisheries and GoMBRT which were at a peak during 2009 when there were joint training programmes and even sharing of office space at Tuticorin.

Forest Department

Discussions with the Wildlife Warden, Ramanathapuram revealed a close and positive relationship between the GoMBRT and Forest Department. The GoMBRT contributes to this project under the second and third components. This has resulted in salaries for anti-poaching operations, provision of equipment and facilities and greatly enhancing the community interface of the Department through the EDCs that have been formed and facilitated. The role of the GoMBRT in convincing the Fisheries Department to regulate fishing of protected species was also commended.

3.4. Conclusions

The present arrangement of institutions with regard to the GoMBRT seem to have changed little since the MTE concluded “The areas where the project has progressed least are those

for which no clear mandate has been given to the project or Trust office, including especially the task of bringing together line departments to organise novel, joint or integrated programs for managing the GoMBR.” (Hunnam and Sankaran, 2008). There were some references to a distinct improvement in these linkages over a short period which ended in 2009.

The GoMBRT holds an important place in the constellation of community based organisations (SHGs and EDCs) and non-government research and development agencies. This role appears diminished in relation to other departments, except the Forest Department, with who it shares its origins. The institutional relations become adversarial with respect to the Fisheries Department. The Trust and the District Administration also take opposing positions with regards to their administrative roles which has direct bearing on the effectiveness of the Trust on the ground. The former feels it requires greater administrative control over line departments in order to be effective which the latter would like it to limit itself to an advisory role. This lack of effectiveness in other spheres may have played a role in channelling the resources of the trust into micro-credit and vocational training where the Trust had both “mandate and competence” (Hunnam and Sankaran, 2008).

4.1. Introduction

The Fund Management Package (FMP) is an important technical constituent of the deliverables for the long term funding mechanisms (LTFM) report being prepared by FERAL for the UNDP. As per the strategy report, “The fund management package will be based on a study of best practises and existing rules and regulations of the trust and its current funding sources, particularly the GoI and UNDP”. The fund management strategy is closely linked to the type of organizational structure the Trust follows and its primary functions. We recommend three alternative fund management strategies and their respective organizational set-ups, based on our understanding of the current strengths and opportunities available to the trust as per the report of the MTE and our own assessment presented in the earlier sections.

Any project implementation agency, such as the Trust, has two major funding requirements, those which cover administrative costs, including costs of personnel and infrastructure, and costs of the various activities that are undertaken as part of the project which will ultimately lead to the desired outputs and outcomes of a given project - the programme costs. The administrative costs of an organisation are usually more 'static' than the programme costs, which vary according to the nature of and quantum activity at any point in time. Funding agencies can have very different norms for supporting administrative and programme costs. A third head, fund raising costs, is often clubbed with administrative expenses which are usually covered by the overheads of each project and, by organisations with endowments, through interest earned from Trust Funds. Programme costs are often used as a measure of the efficiency and productivity of an organisation.

In the case of the GoMBRT the separation between the different costing heads was not clear. A review of some of the annual work plans indicated that administrative costs were largely booked under component 1 of the project while the other components largely referred to programme costs (Text Box 5).

An auditor was engaged to review the administrative systems proposed and provide the framework for a financial management system to ensure legal compliance. In addition the legal options open to the trust for creation and investment of a corpus were listed. This chapter deals with:

1. A set of generic recommendations on fund management and investment.
 - a) Broad basing funding for the Trust for administrative and programmatic costs and for endowments and building up a Trust Fund.

Text Box 5 Costs of running the GoMBRT. Source: GoMBRT office.

The total requirement of funds for the payment of salary, allowances, insurance and benefits for Trust Director and other deputation staff working in GoMBRT for the year 2011-2012 is ₹11,282,000/-. The salaries for contract staff are an additional ₹1,700,928/- for this period, totally ₹12,982,928/- or \$272751 at 2002 USD rates. If one were to assume the additional cost of managing and maintaining infrastructure and facilities the total figure would be about ₹15,000,000/-. This is commensurate with the estimate provided by the Trust Director during the final stakeholder consultation. Sustaining such a cost through interest accrued on Trust Funds at an interest rate of 8.5%, the best rates for long term fixed deposits at national banks, would require a total Endowment of about ₹176,470,588/- or \$3,707,365 (at 2002 USD exchange rates). This figure is below the \$5 million that was to be set aside for the Trust Fund, indicating that the long term funding strategy envisaged during project formulation would have sustained the Trust operations for the foreseeable future.

Component wise costs in the budget are as follows:

- Component 1. Project, Trust, LTFM: \$1,450,000
 - Component 2. Strengthened Park Operations: \$2,275,000
 - Component 3. Expanded Park Infrastructure: \$975,000
 - Component 4. Biosphere Reserve/ Biodiversity overlay: \$1,500,000
 - Component 5. Development of sustainable livelihoods: \$1,450,000
-

- b) Potential investment options for corpus or donations to the trust including suggested structure of the accounting team. Roles and responsibilities of different individuals in each scenario.
2. Legal requirements of the trust in terms of government clearances for the different organisational scenarios possible, e.g. income tax certification, 80G or FCRA. In addition, certain kinds of income sources may require specific clearance. For instance, to be able to levy and collect toll tax will have legal prerequisites.
 - a) Financial implications such as tax to be paid, limits on savings and expenditure heads. For example a non-profit agency may not show profits.
 - b) Accounting systems required to deal with specific funding scenarios. For instance, FCRA accounts for foreign funding. Also specifics of accounting packages that are used, nature of bookkeeping, reporting and auditing requirements.
3. Organisational alternatives linked to funding options, that could be pursued to streamline the programmatic aspects of the Trust.

4.2. Generic Recommendations

Funding Options

It is suggested that the Trust pursues funding from multiple sources and devotes resources for the raising of these funds. This may be done in a variety of ways, each of which will require intervention at the levels of the state and central ministries. Among these are:

1. Consideration should be given to the institution of a direct route of funding from the Central/State government to support the administrative and logistic costs of the Trust or Biosphere Reserve Authority as recommended by the MTE. This funding could be directly linked to the environmental taxes that are levied or proposed for commercial establishments and industries operating in ecologically significant and sensitive areas. This could be considered as analogous to the “green tax” which is presently levied to discourage high consumption of petroleum products. It should be noted that the ‘green tax’ is voluntary and not legally collected based on a policy.
2. The Trust or Authority may be allowed to levy a small cess or toll on tourism and vehicular traffic in the GoMBR region. However prior to doing so, a market study of the potential to raise funds through such avenues needs to be made and decisions should be based on its outcomes.
3. The Trust/BR Foundation should aggressively pursue funding from multilateral and international agencies, as from the Indian donors that support conservation and livelihoods work for the BR Foundation/Trust. This could easily support and expand the present portfolio of activities successfully pursued by the Trust, i.e. supplement the programmatic funding.
4. A number of corporate agencies are presently operational in the GoMBR region. Many of these have a clear policy of supporting environment related activities. Corporate Social Responsibility clauses and mandates could be come an important source of revenue to sustain the Authority/Trust and its activities in various spheres. Such funds are often utilised for long term investments into organisational corpus and need to be considered within that framework as well. These funds could add to the Trust Fund, thereby insulating the administrative functioning of the organisation from periods of lull in programmatic support.
5. The Trust needs a transparent flexible investment and asset management plan and procedures that combines low medium and high risk investment ranging from fixed deposits to investments in local start-ups. In the event that such investments are envisaged, they need the explicit mandate of the Trustees and the overview of an assets management committee formed for the purpose. This committee will need to

have highly knowledgeable members and a non voting mentor with substantial gravitas and impeccable character in the business and finance industry.

Investment policy

Typically, the responsibilities of managing Trust Funds which include Endowments are vested in the Trustees while day to day expenses for administration and programme are managed by the executive head, in this case the Trust Director. If the Trustees pursue a more pro-active investment strategy, additional safeguards need to be put in place. We envision the asset management structure with an oversight committee, but having substantial separation between managers of sinking funds and sustainable assets. It is possible that angel funds will move over to the revolving fund at some stage, but the sinking funds group will have more local knowledge and be better equipped to make local decisions. Conversely the sustainable assets groups will need a level of expertise and wisdom on national and International asset performance conditions and flexibility. This separation of powers also helps insure that the sustainable assets do not de facto turn in to sinking funds (figure 4.1) .

Pre-requisites to funding options

In order to be legally compliant, the Trust office and its potential spin-off (the Community Foundation) will need to be registered under the appropriate act. This needs to be followed up by obtaining the relevant certifications as per the Income Tax rules and as per ministry of Home Affairs rules for permissions to obtain foreign contributions. These activities are time consuming and must be initiated immediately so that the relevant documents are in place at the earliest. A List of funding sources is provided in Table4.3 with details of descriptions in appendix B.

4.3. Legal Requirements and Accounting Systems

This section provides a generic framework for management of funds for the three options provided here. The organization is basically a quasi-government body and thus has to follow the same requirements and legal procedures as a NGO. It deals with issues of compliance with income tax rules and other relevant regulations, and proposes an accounts system.

Framework of the accounts system

This is defined by the memorandum of understanding or agreement between each funding agency and the recipient or grantee. Such agreements usually refer to a project document which contains information about the expected activities, budgets for these activities and for project management and specific deliverables or outputs. Budgets and payments are often linked to a minimum proportion of achievement of the stated outputs and can change

Figure 4.1.: Structure of proposed groups and committees.

according to the outputs. Budgets can also be flexible and the MoU typically states if and by what margin different accounting heads can be changed. Many agencies permit a certain amount of over-spending and re-allocation of budget heads. The former can be covered by contingencies built into the budget on the grantees side or at the funding agencies end.

MoUs and agreements are legal documents and Govt. agencies are required to have them vetted by an authorised legal entity. The level of autonomy of Govt. agencies determines the levels of these controls. For instance, central Govt. agencies are audited by the Comptroller Auditor General's office which the State has its own auditing machinery. Autonomous institutions may also be bound to these external controls. On the other hand, they may be free to hire their own auditing company. The best managed funds for most CTF's has been through financial intermediaries.

Prerequisites

There are a number of prerequisites to funding for a government or non-government organisation. These are summarised in table 4.1. The most important of these pertain to registration with the income tax department which leads to the 12A¹⁶ certificate and the registration with the Home Ministry for the Foreign Contribution Regulation Act (FCRA) clearance. Among the important optional certifications are those which result in tax exemption for donors contributing to research and development activities (80G and 35(2AB), 35(1)) and for import duty subsidies through certification from the (DSIR). See appendix A.2 for details of exemptions provided by different sections of the income tax act.

Accounting of Financial Structuring

In view of the stated facts that the GoMBRT is fairly large both in quantum of finances dealt with and in terms of project area, a centralised accounts setup based at Chennai is advised. Furthermore:

1. The supervisions of accounts should be delegated to one trustee.
2. Books of Account, records & documents need to be on a uniform basis and to be informed to the user departments with clear authority / responsibility relationship.
3. The authorisation levels could be fixed depending on the current requirements, as called for herein.
4. Auditing requirements:-
 - a) For domestic legal compliance:- To be carried out at the end of March of each Financial Year comprising April – March.

¹⁶Section 12AA provides the procedure relating to registration of a trust or institution engaged in charitable activities.

Table 4.1.: Prerequisites for receiving funds from an Indian or international agency.

Type of Funding	Quasi-Government or Non-Government Agency Requirements Optional but desirable	
Grants		
Private individuals	12A	80G, 35(2AB), 35(1)
Private Organisations (NGOs, independent research institutions)	12A	80G, 35(2AB), 35(1)
Government Funding Agencies (DST, MoEF etc.)	12A	DSIR
UN Agencies	12A	
International Donors	12A, FCRA	
Corporates and private limited companies	12A	80G, 35(2AB), 35(1)
Corpus Donations		
Private individuals	12A	80G, 35(2AB), 35(1)
Private Organisations (NGOs, independent research institutions)	12A	80G, 35(2AB), 35(1)
International Donors	12A, FCRA	
Corporates and private limited companies	12A	80G, 35(2AB), 35(1)

- b) From funding agencies requirements:- To carry out as per the MOU / Agreement (if it specifically calls for) discussed hereinabove between UNDP & GoTN.
5. Reporting:- This shall be in line with the requirement agreed upon UNDP – GOTN.
 6. Financial Packages:- For the time being, we suggest for the latest Tally 9 ERP – Licensed version and could be ramped up into the client-server ERP at a later stage, if need arises.
 7. Nature of Book Keeping:- Double entry & accrual basis of accounting to be followed.
 8. Investment Options:- Suggested to go for investments as specified in Section 11(5) of the Income Tax Act, 1961. Details are provided in appendix A.1.,

Fund Feasibility

Fund feasibility defines the nature of checks and balances in place, including monitoring systems, that track project deliverables against the release of funds. The latter could be subsequent instalments or additional resources, depending on the MoU. The feasibility of the funding mechanism largely depends on the governance structure the trust as originally envisioned and is summarised in table .

Fund Raising

Securing any of the possible funding options will require systematic and focused attention to policy level lobbying and a high visibility profile in conservation and development circles. This will require an initial investment of resources into documentation and networking at both the national and also at international levels. Gestation periods for fund applications can vary from a few months to years and those related to policy shifts and decisions can take much longer. The Trust therefore needs to build a short term as well as a long term funding strategy and assign an experienced person to lead this team. The Trust Director will need to lead the negotiations and presentations made on behalf of the Trust, which is another major investment which must be factored into the strategy. The creation of a fund raising team which operates at the level of the entire GoMBR region should be given a high priority irrespective of the organisational options that are considered.

Table 4.3.: List of Funding Sources

Government of India				
	Department	Scheme	Link	LTFM
1	DST	S&T and Socio Economic Development	http://www.dst.gov.in/r&d_funding/rdf-dst.htm	Option 1, 2
2	MoES	R&D support in earth and atmospheric sciences	http://dod.nic.in/RND/rnd.html	Option 2,3

3	MoEF	Research awards	http://moef.nic.in/modules/fellowships-and-awards/awards/?f=16#16	Option 2,3
4	DBT	Societal Development	http://dbtindia.nic.in/uniquepage.asp?id_pk=672	Option 1, 2
5	CSIR	R&D schemes; Institutional set up	http://csirhrdg.res.in/Res_grants.htm	Option 1,2,3
Non-Government				
1	WWF-India	Small grant programs	http://www.wwfindia.org/about_wwf/small_grants_program/	Option 1,2,3
2	ATREE	Small grant programs	http://www.atree.org/small_grants_2009	Option 1,2,3
3	WCS-India	Small grant programs	http://programs.wcs.org/Default.aspx?alias=programs.wcs.org/grants	Option 1,2,3
4	Rufford small grants foundation	Small grant program	http://www.ruffordsmallgrants.org/rsg/about_the_foundation	Option 1,2 3
5	Conservation International	Range of programs	http://www.conservation.org/about/centers_programs/policy/Pages/default.aspx	Option1,2,3
International donors				
1	GEF	Sustainable Development	http://www.thegef.org/gef/project_types	Option 1, 2
2	WB	Sustainable Development	https://clientconnection.worldbank.org/servlet/main?menuPK=234032&pagePK=232663&piPK=234033	Option 1, 2
3	JICA	Development	http://www.jica.go.jp/english/operations/schemes/index.html	Option 1,2
4	EU	Development, sustainable resource use	http://ec.europa.eu/contracts_grants/index_en.htm	Option 1, 2
5	ADM	Social investing	http://www.adm.com/en-US/responsibility/2010CR/social_investing/Pages/applying.aspx	Option 1,2
6	DFID	Program Partnership Arrangements		Option 1,2
7	UNEP	Sustainable development	http://www.unep.org/dgef/	Option 1, 2
8	NERC	International Science program	http://www.nerc.ac.uk/research/international/	Option 1,2
Corporate and private donors				
1	Sri Dorabji Tata trust	Smallgrant, institution, individual and NGO's	http://www.dorabjitatatrust.org/about/proc_grant.aspx	Option 1,2,3
2	Sir Ratan Tata Trust and Navjibai Tata Trust	Smallgrant, institution, endowment	http://www.srtt.org/about_us/ops_fin_disbursement.htm#	Option 1, 2, 3

4.4. Organisational Options

This section deals with three broad organisational set-ups which have been proposed based on discussions with institutional stakeholders and the findings of this study. For each set

Table 4.2.: Fund feasibility options for various organisational setups.

Governance Structure	Sustainable assets	Sinking Funds	Angel Funding	User fees	Development Cess	Eco-tourism
Conservation Trust Fund	High dependence	Low dependence	Growing use	Low dependence	Low dependence	Moderate dependence
Collector Base line office	Not allowed	High dependence	Not allowed	High dependence	High dependence	Moderate dependence
Autonomous Research Body	Medium dependence	High dependence	Low dependence	Perhaps allowed on an Auroville like model	Not Allowed	Low dependence
Concessionaire Approach	Private	Not likely	High dependence	High dependence	Fees to Line agencies	High dependence

Text Box 6 MTE notes on the governing structure and funding of the Trust.

“no clear distinction has been drawn between the Project Steering Committee and the Board of Trustees and subsidiary committees created as the governing structure for the Biosphere Reserve Trust. While the need for and LTFM and its governance was bulleted in the foundation document, no advice on the the management thereof was given, Furthermore the initial funding was run as a sinking fund project to be spent out rather than managed as an asset.”

up we provide details of funding sources and mechanisms and illustrate them with examples where available. This section is not meant to be prescriptive but more to provide a broad framework within which these long term funding mechanisms are likely to succeed.

Continuation of the present structure of the Trust with a streamlined management and administrative framework as per the MTE

Background

The primary objectives of the project was “to demonstrate how to integrate biodiversity conservation into coastal zone management plans and implement the same in a large biosphere reserve with various multiple uses” (Programme, 2001). To this end, a large superstructure and operational structure were defined (see section 3.1), which on one hand had the advantages of having high powered trustees heading this organisation while on the other hand failed to allocate specific responsibilities and powers to the various composite committees (Text Box 6) .

This has had implication on the level of attention that could be paid to the supervision and management of the project. At the implementation level, the project office has continually struggled with the lack of staff which is meant to be filled by deputation from various line departments. Furthermore, the Trust Director has not been able to develop and direct a joint programme across offices as his authority to work across different departments is limited. In the past the Trust had successfully collaborated with research institutions like the Ashoka Trust for Research in Ecology and the Environment (ATREE), SDMRI and CMFRI for ecological research and to create awareness material regarding the GoMBR ecosystem and conservation. This aspect of the project is currently not active. As a result, rather than being a Biosphere Reserve management authority coordinating activities between departments, the trust and its offices have focused on a an area where they have been permitted to operate, namely sustainable livelihood development (component 5 of the project document).

Organisational structure

The recommendations on restructuring the simplifying the functional structure of the Trust, and increasing the capacity of the Trust to manage the GoMBR made by the MTE (4, 6 and 7) are likely to have far reaching consequences on its effectiveness and need to be taken

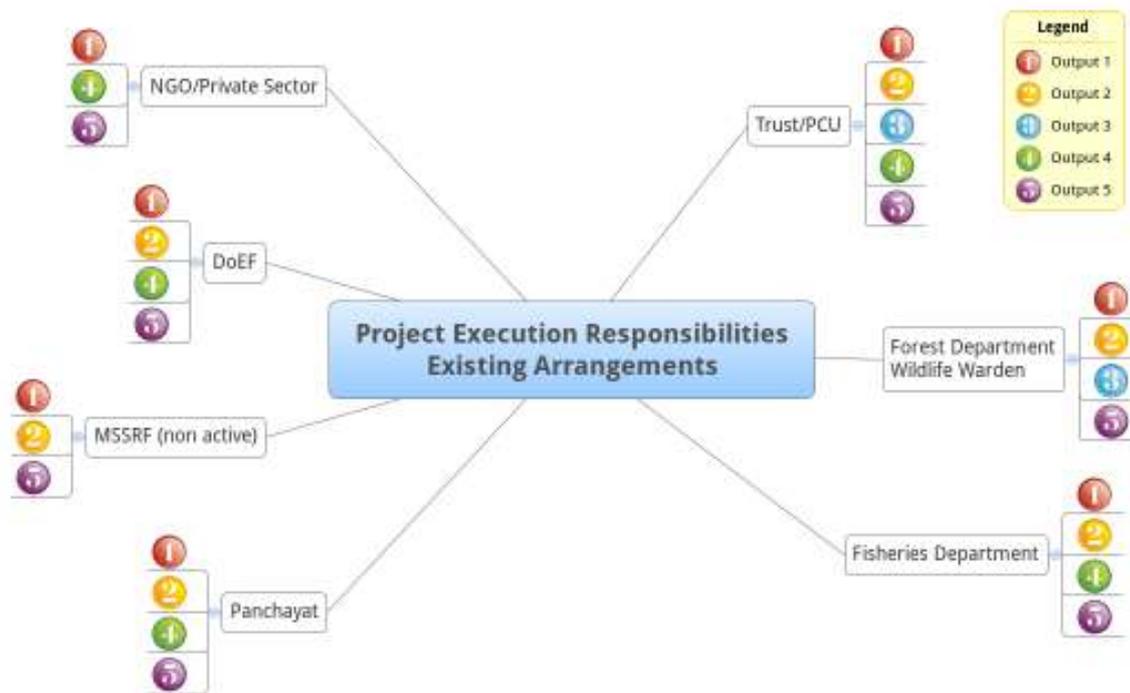


Figure 4.2.: Organisational structure and roles of organisations for Option 1.

into consideration. In particular, the governing superstructure should be limited to a single tier above the project office, headed by high powered officials such as the present trustees. The number of sub-committees should be limited to a single state level committee and district level sub-committees. Advisory bodies should be formed for inputs into specific aspects of project implementation. This will have a direct impact on the long term funding mechanisms that may be adopted by the Trust. Serious consideration should be given to the formation of the GoMBR Community Foundation (recommendation 9) which would result in an effective decentralisation of the community based conservation and livelihood enhancement component (component no.5) of the project. This would enable the component to be independently supported through agencies such as the TNCDW and other DRDA schemes and allow funds presently allocated to this area (figure 2.1) to be directed to other aspects of reserve management and administration.

The trust operates under the District Collectorate

Background

The bulk of the MTE is concerned with the difficulties involved in coordinating activities between different governmental agencies. Three years later, these issues largely remain unresolved. The root of the issue lies in the jurisdiction of the Trust Director versus that of the District Administration. While the former requires real administrative power to function,

the latter finds this untenable and an intrusion into their authority (see section 3.3). This issues has been further confounded by the absence of the Eco-development Officers (EDO) in the Trust structure. The EDOs were to serve as the link between the collectors and the Trust office, however this position remained vacant for extended periods during the project.

In the event of continued absence of these key positions, an alternative structure may be considered.

Organisational Structure

The earlier sub-sections suggests one workable alternative which re-defines and empowers the Trust to takeover these responsibilities of coordinating activities of the different government departments functioning in the GoMBR. Failing this, the strategy most likely to work is to create a unit or cell under the present administrative structure. This would entail a re-allocation of responsibilities herewith vested in the trust, to their respective departments - a disaggregation of its present functions. Alongside this administrative unit, we suggest that the recommendation of setting up a GoMBR Community Foundation be re-visited.

This would result in two administrative units, one in each district, which would retain the present responsibilities of the Trust in terms of its management and administration. These units would continue to be supervised by the high powered board of Trustees or equivalent Tri-Partite body as per recommendation 4 of the MTE. They would continue to share certain resources, such as access to fund raising done at a more centralised level.

Such a set up has a precedent in other centrally supported government schemes such as the Integrated Watershed Development Programme (IWDP). The IWDP creates a District Watershed Development Unit under the chairmanship of the DRDA, i.e. the District Collector. Much like the present District Level Coordination Committee of the trust, these units involve coordination between multiple departments, strong community linkages and sufficient flexibility to hire professionals and ensure representatives from the civil society and expert groups (Government of India, 2008). This option also potentially gives additional teeth to the management of the GoMBR both in terms of ensuring compliance with regards to implementing agencies and line departments as well as enforcement of conservation measures that have proven difficult to implement. Finally, this would ensure the primary functions of the Trust continue within the existing District administrative set up and require only minimal additional support in terms of creation of two district level units.

Funding and pre-requisites to funding options

Most of the funding options listed earlier will also be available to the District units as suggested in Table 4.3. On the other hand, there may be fewer pre-requisites in terms of registration and certification from different government departments. A route for receipt of funds from multilateral and foreign sources would need to be negotiated at the State level.

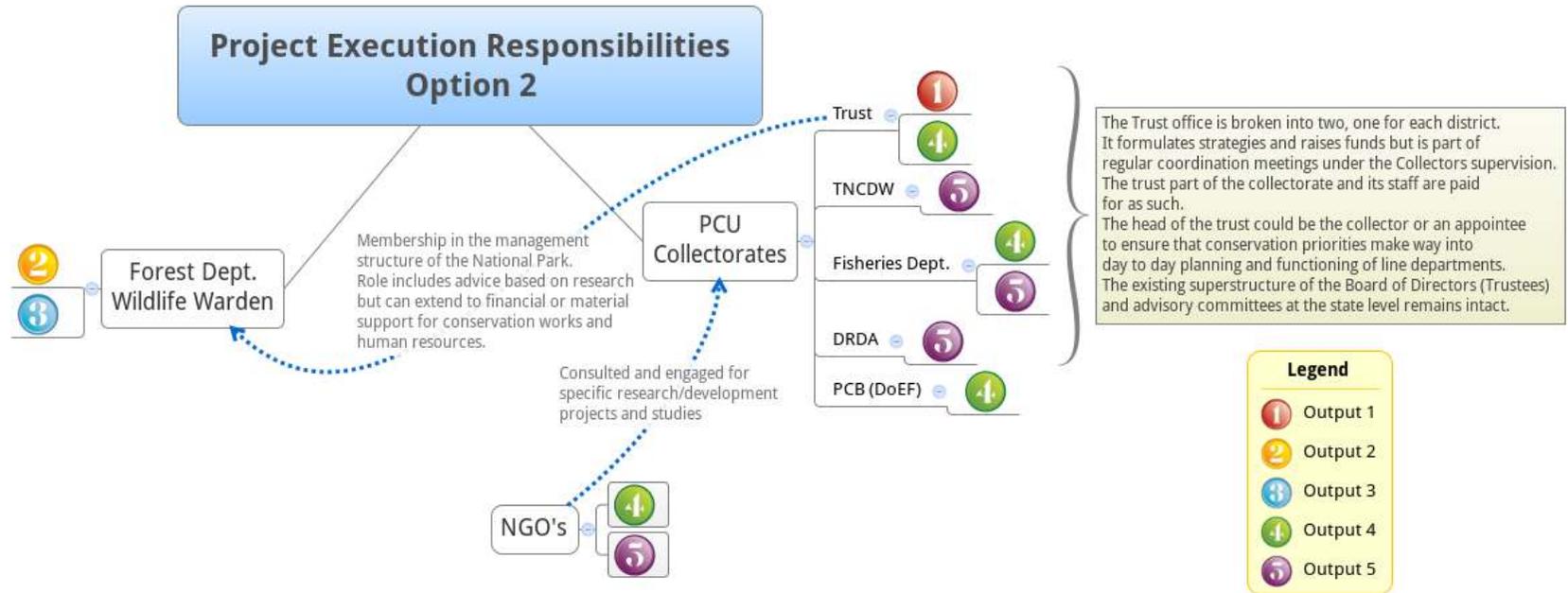


Figure 4.3.: Organisational structure and roles of organisations for Option 2.

Direct funding for conservation or livelihood initiatives could be routed to the respective departments. While this has organisational and legal advantages, corporate and medium and small private donors have shown substantial resistance to donating money to government. The funding course in this scenario are likely to be fee-based revolving and sinking funds that are dependent on the affairs in Delhi and Chennai.

Autonomous govt. aided conservation and development research agency

Background

There are two areas which would still be lacking if a decision is made to disaggregate the present trust and merge it with existing line departments currently working under the Collectorate. These relate to the bulk of component 4 of the project which envisages a biodiversity overlay based on field studies and research on ecological and environmental variables. These areas are:

- the need for building a region wide baseline and establishing and sustaining monitoring of key environmental and ecological parameters of the Biosphere Reserve and
- to develop livelihood diversification strategies and programmes based on careful market surveys and forecasts.

Both these areas tend to be supported by the majority of conservation groups as there is overwhelming evidence that livelihood security of local communities cannot be de-linked from conservation programmes (Sunderlin et al., 2005). The government of India, particularly the Ministry of Environment and Forests presently supports a number of autonomous and aided institutions and centres of excellence. Some, such as the G.B. Pant Institute at Almora¹⁷ have similar mandates. Other examples of govt-private partnerships in research and development including the Tata Institute of Fundamental Research¹⁸ and International Institute of Information Technology at Bangalore¹⁹.

Organisational structure

This option redirects the organisation from that of a overseeing, administrative and management body to an autonomous, national centre for studies in coastal and marine ecology and conservation. The institution, based on the models described above and can be led by an apex body consisting of independent and government officials, such as the current Board of Trustees of the GoMBRT. The institution would have a Director chosen by the apex body, who manages the academic and administrative activities of the Institute. An independent academic advisory committee and research monitoring committee will inform

¹⁷<http://gbpihed.gov.in/main.htm>

¹⁸<http://www.tifr.res.in/>

¹⁹<http://www.iiitb.ac.in/pages/genesis/>

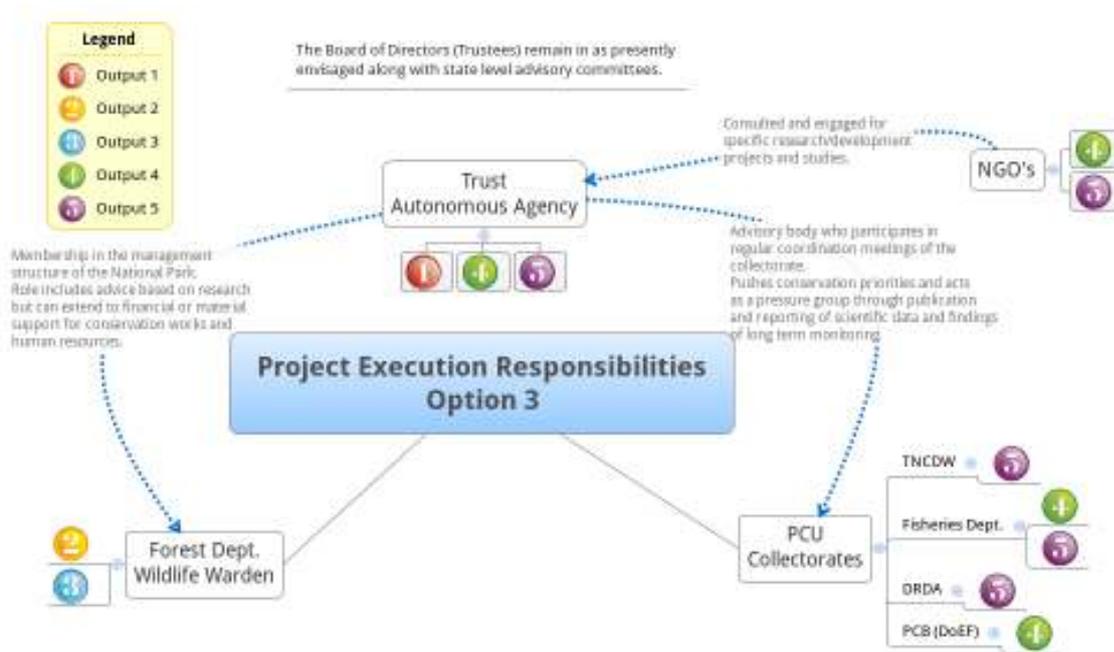


Figure 4.4.: Organisational structure and roles of organisations for Option 3.

and guide the programs run by the Institute, which may include degree courses in the future. Such a structure allows for maximum collaboration between science and management on the ground for reaching benchmark goals. Scientists employed in this institution would be involved both in independent research as well as teaching.

Funding

As an autonomous body under the government, the research institute will be able to apply for most of the funding options listed in the Table 4.3. The pre-requisites in terms of registration and certification from different government departments will be the same as any other NGO. A route for receipt of funds from multilateral and foreign sources would need to be negotiated at the State level. At the same time, as in the case of the Indian Institute of Science, Sundarban Development Board or the Auroville Foundation²⁰, the core activities of the institute could be supported directly by concerned govt. departments at the Central and State level.

²⁰<http://www.auroville.org/organisation/aurovillefoundation.htm>

5.1. Brief summary of the entire report

The report on long term funding mechanisms has provided an over view of successful LTFM's worldwide by both government and non-government agencies. We have provided examples to compile a list of best practices for developing a successful LTFM. In the report, we carried out field research to assess the success of the marketing and livelihoods program of the Trust. These programs are the strengths of the current Trust functions. Ecological research and conservation activities; management of the GoMBR and coordinating activities between the parallel departments of the project, are programs where the Trust has not been able to achieve desired outputs.

Three different operational models of the Trust structure were presented in the earlier sections. For each of these options we provided information about the kind of activities that can be carried out to achieve some of the initially projected goals of conservation and sustainable resource use in the GoMBR. Finally we have listed some of major grants and funds available for long term funding for both government departments and quasi government organisations. We have listed the major Multilateral Banks, Commissions, NGO's, private donors and Government of India programs that can be approached with detailed and appropriate proposals for forming a LTFM.

5.2. Major recommendations

The recommendations being made here are keeping in mind the major strengths and constraints of the present organisations and the advantages and limitations of present administrative structures provide to the Trust. We have incorporated the feedback received during discussions and consultations, including the final stakeholder consultation (Appendix C).

Restructuring

Of the two main alternative structures discussed in earlier sections, we recommend that a simplified version of the existing structure be adopted. The major changes proposed are:

1. The number of committees and boards is reduced to a board of trustees, a state steering committee, two district level steering committees and one advisory body for scientific inputs into biodiversity monitoring and livelihoods interventions.
2. A separate fund raising group is created within the Trust which is headed by the Trust director and supported by full time scientific staff who will engage in preparation of

proposals and communication materials which will be required for fund raising.

3. The Trust director is to be made a member of relevant committees, boards and authorities at both the state and district level for rendering objective advice on issues that have a bearing on the GoMBR.

Re-definition of roles

It was found that the present functions of the Trust are a sub-set of those envisaged in the original project and need to be re-defined.

1. The livelihood diversification and micro-credit activities need to be scaled down by merging them with those of the Tamil Nadu Corporation for Development of Women and the District Rural Development Agency. The Trust may continue to be involved in the identification of beneficiaries and monitoring of these departments to ensure the desired social impacts of the activities continue.
2. The Trust must cease support to the core activities of the Forest Department and should instead focus on filling gaps in the non-core sector of the National Park authority.
3. The Trust must have on deputation, persons of sufficient seniority from departments with bearing on the environment of the GoMBR. This will facilitate the concordance of development activities to the conservation priorities of the project.

Fund raising

A broad based fund raising strategy is recommended which would tap into available funding from Indian govt. sources, multilateral agencies, private corporate and non-governmental agencies which are both Indian and foreign. Other than this the trust needs to:

1. Pursue with the Tamil Nadu and Indian government, the creation of a Trust Fund as agreed to in the project document which is separate from the co-financing arrangement of the project. This would create a sufficient corpus to cover most administrative costs of the Trust.
2. A fund raising team operating directly under the Trust director needs to be created. The team should engage the services of professionals - scientist and social scientists, to prepare proposals and documentation to build the portfolio of the trust and assist in fund raising.
3. Legal compliance to Indian laws for income tax, tax exemptions for contributions and for receiving funding from foreign sources needs to be taken up immediately.

Research and baselines

Component 4 of the project needs to be revived as it provides the basis on which the Trust can act to ensure development activities in the region are in concordance with conservation and sustainable resource utilisation.

1. The creation of a baseline dataset on basic environmental, biological and socio-economic parameters needs to be a priority.
2. A monitoring framework for these parameters needs to be in place which covers both representative regions, taxa and socio-economic groups as well as specific regions affected by large scale industrial activities or resource extraction, endangered and sensitive taxa and ecosystems and social groups targeted by the project.
3. Collaborations with other institutions engaged in similar work need to be formalised along with a higher allocation of funds for the research component which presently receives no funding.

Coordination with dt. Collectors and developmental activities in the region

The coordination of activities has, thus far, hinged on the District Level Coordination Committees (DLCC) which have, in the past, remained de-funct for the lack of officials to fill the available posts. Overcoming this will determine the success of the biodiversity overlay envisaged as a major output of the Project. To do so the Trust needs to have:

1. A greater role of the Trust for the monitoring and coordination of activities in the region by:
 - a) Representation of the relevant and high impact sectors (e.g. fisheries, pollution control board) by deputation of a senior (Jt. Director level) officer to the Trust.
 - b) Making the Trust Director a member of relevant committees, boards and authorities at the state and district level for rendering objective advice on issues that have a bearing on the GoMBR.
2. Regular DLCC meetings at both district headquarters with representation of relevant officers (point 1.a above) from the Trust.
3. Representation of the Trust by virtue of its Trustees and Director, in the framing and implementation of policies that have bearing on the GoMBR. These include fisheries policy, policies for establishing large and potentially polluting industries and policies for coastal regulation and enforcement of environmental standards.

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Appendix

A.1. Investment Options

The forms and modes of investing or depositing the money referred to in clause (b) of sub-section (2) shall be the following, namely :-

1. investment in savings certificates as defined in clause (c) of section 2 of the Government Savings Certificates Act, 1959 (46 of 1959), and any other securities or certificates issued by the Central Government under the Small Savings Schemes of that Government;
2. deposit in any account with the Post Office Savings Bank;
3. deposit in any account with a scheduled bank or a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank). Explanation.-In this clause, "scheduled bank" means the State Bank of India constituted under the State Bank of India Act, 1955 (23 of 1955), a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959 (38 of 1959), a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), or any other bank being a bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (2 of 1934);
4. investment in units of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);
5. investment in any security for money created and issued by the Central Government or a State Government;
6. investment in debentures issued by, or on behalf of, any company or corporation both the principal whereof and the interest whereon are fully and unconditionally guaranteed by the Central Government or by a State Government;
7. investment or deposit in any public sector company; Provided that where an investment or deposit in any public sector company has been made and such public sector company ceases to be a public sector company,— (A) such investment made in the shares of such company shall be deemed to be an investment made under this clause for a period of three years from the date on which such public sector company ceases to be a public sector company ; (B) such other investment or deposit shall be deemed

- to be an investment or deposit made under this clause for the period up to the date on which such investment or deposit becomes repayable by such company;
8. deposits with or investment in any bonds issued by a financial corporation which is engaged in providing long-term finance for industrial development in India and which is eligible for deduction under clause (viii) of sub-section (1) of section 36;
 9. deposits with or investment in any bonds issued by a public company formed and registered in India with the main object of carrying on the business of providing long-term finance for construction or purchase of houses in India for residential purposes and which is eligible for deduction under clause (viii) of sub-section (1) of section 36 (ixa) deposits with or investment in any bonds issued by a public company formed and registered in India with the main object of carrying on the business of providing long-term finance for urban infrastructure in India. Explanation.—For the purposes of this clause,— (a) “long-term finance” means any loan or advance where the terms under which moneys are loaned or advanced provide for repayment along with interest thereof during a period of not less than five years ; (b) “public company” shall have the meaning assigned to it in section 3 of the Companies Act, 1956 (1 of 1956) ; (c) “urban infrastructure” means a project for providing potable water supply, sanitation and sewerage, drainage, solid waste management, roads, bridges and flyovers or urban transport;
 10. investment in immovable property. Explanation. - “Immovable property” does not include any machinery or plant (other than machinery or plant installed in a building for the convenient occupation of the building) even though attached to, or permanently fastened to, anything attached to the earth;
 11. deposits with the Industrial Development Bank of India established under the Industrial Development Bank of India Act, 1964 (18 of 1964);
 12. any other form or mode of investment or deposit as may be prescribed.

A.2. Exemptions and Benefits to Charitable and Research Organisations

Definition of “charitable purpose”

For the purposes of the Income-tax Act, “charitable purpose” has been defined in section 2(15) which, among others, includes “the advancement of any other object of general public utility”. However, “the advancement of any other object of general public utility” is not a charitable purpose, if it involves the carrying on of any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade,

commerce or business, for a cess or fee or any other consideration, irrespective of the nature of use or application, or retention, of the income from such activity.

The absolute restriction on any receipt of commercial nature may create hardship to the organisations which receive sundry consideration from such activities. It is, therefore, proposed to amend section 2(15) to provide that “the advancement of any other object of general public utility” shall continue to be a “charitable purpose” if the total receipts from any activity in the nature of trade, commerce or business, or any activity of rendering any service in relation to any trade, commerce or business do not exceed Rs. 10 lakhs in the previous year.

This amendment is proposed to take effect retrospectively from 1st April, 2009 and will, accordingly, apply in relation to the assessment year 2009-10 and subsequent years.

Cancellation of registration obtained under section 12A

Section 12AA provides the procedure relating to registration of a trust or institution engaged in charitable activities. Section 12AA(3) currently provides that if the activities of the trust or institution are found to be non-genuine or its activities are not in accordance with the objects for which such trust or institution was established, the registration granted under section 12AA can be cancelled by the Commissioner after providing the trust or institution an opportunity of being heard.

The power of cancellation of registration is inherent and flows from the authority of granting registration. However, judicial rulings in some cases have held that the Commissioner does not have the power to cancel the registration which was obtained earlier by any trust or institution under provisions of section 12A as it is not specifically mentioned in section 12AA.

It is, therefore, proposed to amend section 12AA so as to provide that the Commissioner can also cancel the registration obtained under section 12A as it stood before amendment by Finance (No.2) Act, 1996.

This amendment is proposed to take effect from 1st June 2010.

Weighted deduction for scientific research and development

Under the existing provisions of section 35(2AB) of the Income-tax Act, a company is allowed weighted deduction of 150 per cent of the expenditure (not being expenditure in the nature of cost of any land or building) incurred on scientific research on an approved in-house research and development facility.

In order to further incentivize the corporate sector to invest in in-house, it is proposed to increase this weighted deduction from 150 per cent to 200 per cent.

The existing provisions of section 35(1)(ii) of the Income-tax Act provide for a weighted deduction from the business income to the extent of 125 per cent of any sum paid to an

approved scientific research association that has the object of undertaking scientific research or to an approved university, college or other institution to be used for scientific research. Further, under section 35(2AA) of the Act, weighted deduction to the extent of 125 per cent is also allowed for any sum paid to a National Laboratory or a university or an Indian Institute of Technology (IIT) or a specified person for the purpose of an approved scientific research programme.

In order to encourage more contributions to such approved entities for the purposes of scientific research, it is proposed to increase this weighted deduction from 125 per cent to 175 per cent.

These amendments are proposed to take effect from 1st April, 2011 and will, accordingly, apply in relation to the assessment year 2011-12 and subsequent years.

Weighted deduction on payments made to associations engaged in research in social science or statistical research and exemption in respect of the income of such associations

Section 35 of the Income-tax Act provides for deduction in respect of expenditure on research and development. The existing provisions of section 35(a)(ii) provide for a weighted deduction from business income to the extent of 125 per cent of any sum paid to an approved and notified scientific research association or to a university, college or other institution to be utilized for scientific research. Section 35(1)(iii) provides similar deduction if the sum is paid to an approved and notified university, college or other institution to be used to carry on research in social science or statistical research. Section 80GGA allows deductions for donations made to such association, universities, etc.

Under section 10(21), exemption is granted in respect of the income of a scientific research association which is approved and notified under section 35(1)(ii). The university, college or other institutions which are approved either under section 35(1)(ii) or under section (35)(1)(iii) also qualify for exemption of their income under section 10(23C) of the Act subject to specified conditions.

The associations which are engaged in undertaking research in social science or statistical research are not currently covered by the provisions of section 35(1)(iii). Such research associations are also not entitled to exemption in respect of their income.

It is now proposed to amend Section 35(1)(iii) so as to include an approved research association which as its object undertaking research in social science or statistical research. It is also proposed to amend section 10(21) so as to also provide exemption to such associations in respect of their income. This exemption will be subject to the same conditions under which an approved research association undertaking scientific research is entitled to exemption in respect of its income. An amendment to include allowability of deductions for donations made to such associations is also proposed.

These amendments are proposed to take effect from 1st April, 2011 and will, accordingly, apply in relation to the assessment year 2011-12 and subsequent years.

(Clauses 5,9,26,32,34)

Clause 5 of the bill seeks to amend section 10 of the income tax act relating to incomes not included in total income.

Under the existing provisions contained in clause (21) of the aforesaid section, in computing the total income of the previous year of any person, any income of a scientific research association for the time being approved for the purpose of clause (ii) of sub-section (1) of section 35 is not included.

It is proposed to amend clause (21) of the aforesaid section so as to make it also applicable to a research association, which has as its object undertaking research and social science or statistical research, provided such research association is approved and notified under clause (iii) of sub-section (1) of section 35. Consequently, the income of such association shall not be included in its total income.

These amendments will take effect from 1st April, 2011 and will accordingly, apply in relation of the assessment year 2011-12 and subsequent year.

Clause 7 of the bill seeks to amend section 12 AA of the income tax act relating to procedure for the registration of trust or institution.

Under the existing provision contained in sub-section (3) of the aforesaid section, if the activity of the trust or institution referred to in sub-section 1, which has been granted registration under sub-section 1 are not genuine or not been carried out in accordance with the object of trust or institution, the commissioner shall, after giving a reasonable opportunity of being heard to the said trust or institution pass an order in writing cancelling the registration granted in the clause (b) of sub-section (1).

It is proposed to amend the said sub-section (3) so as to also provide for cancellation of registration where any trust or institution has obtained registration at any time under section 12A before its amendment.

This amendment will take effect from 1st June, 2010.

Clause 9 of the bill seeks to amend section 35 of the income tax act relating to expenditure on research.

Sub-clause (i) of clause 9 seeks to amend sub-section (1) of the aforesaid section 35 the existing provisions contained in clause (ii) of sub-section (1) of the said section provide for weighted deduction to the extent of 125 per cent of any sum paid to any scientific research association which has the object of undertaking the scientific research or to a university, college or other institution to be used for scientific research.

Item (b) of sub-clause (i) proposed to amend the sub-clause (ii) so as to enhance the said weighted deduction from 125 per cent to 175 per cent.

Clause (iii) of sub-section (1) of the aforesaid section provides that weighted deduction shall be allowed in respect of contribution made to an approved university, college or institutions to be used for research in social science or statistical research.

Item (c) of sub-clause (i) proposed to amend clause (3) of the aforesaid sub-section to

include research associations, which have as their object, undertaking of research in social sciences or statistical research provided such research associations or approved and notified. Accordingly, any sum paid to research institutions shall be eligible for weighted deduction.

Sub-section (ii) of clause 9 seeks to amend sub-section (2AA) of the aforesaid section 35.

The existing provisions contained in clause (a) of sub-section (2AA) of the said section provide for a weighted deduction to the extent for 125 per cent of any sum paid to a national laboratory or an university or an Indian institute of technology or a specified person for the purpose of an approved scientific research programme.

It is proposed to amend the said clause (a) so as to enhance the said weighted deduction from 125 per cent to 175 per cent.

Sub-clause (iii) of clause 9 seeks to amend sub-section (2AB) of the aforesaid section 35.

The existing provisions contained in clause (1) of sub-section 2AB of the said section provides for weighted deduction of 150 per cent of the expenditure incurred by a company on scientific research on an approved in-house research and development facility.

It is proposed to amend the said clause (i) so as to enhance the said weighted deduction from 150 per cent to 200 per cent.

These amendments would take effect from 1st April, 2011, and will, accordingly, apply in relation to the assessment year 2011-12 and subsequent years.

Clause 26 of the bill seeks to amend section 80GGA of the income tax act relating to deduction in respect of certain donations for scientific research or rural development.

Clause (aa) of sub-section (2) of the aforesaid section provides that donations made to universities, college or other institutions to be used for research or social scientific or statistical research qualify for deduction under that section provided such university, colleges or institution is approved for the purposes of clause (iii) of sub-section (1) of section 35.

It is proposed to amend the aforesaid clause so as to also include a research institution which has as its object undertaking of research and social sciences or statistical research and which for the time being is approved for the purpose for the clause (iii) of sub-section (1) of section 35. Accordingly, any sum paid to research associations will be eligible for deduction under the aforesaid section.

This amendment will take effect from 1st April, 2011 and will accordingly; apply in relation to the assessment year 2011-12 and subsequent years.

Clause 32 of the bill seeks to amend section 139 of the income tax act relating to return of income.

Under the existing provision contained in sub-section (4c) of the aforesaid section, any scientific research association referred to in clause 21 of section 10, shall, if the total income in respect of such research institutions (without giving affect to the provisions of the section 10) exceeds the maximum amount which is not chargeable to income tax, furnished a return of such income of the previous year.

It is proposed to amend sub-section (4c) in order to require a research association having

as its object underrating research in social sciences or statistical research to also furnish its return of income.

These amendments will take effect from 1st April, 2011 and will, accordingly, apply in relation to assessment year 2011-12 and subsequent years.

Clause 34 of the bill seeks to amend section 143 of the income tax act relating to assessment. Under the existing provisions contained in sub-section (1B) of the aforesaid section, the Central Government may, save as otherwise expressly provided, for the purpose of giving effect to the scheme made under sub-section (1A) of that section, by notification in the official gazette direct that any of the provisions of the act relating to processing of returns shall not apply or shall apply with such exceptions, modifications and adaptations as may be specified in that notification. However, no direction is to be issued after 31st March 2010.

Sub-clause (a) proposes to extend the time limit from 31st March 2010 to 31st March 2011.

This amendment would take effect retrospectively from 1st April, 2010.

Under the existing provisions contained in proviso to sub-section(3) of the aforesaid section, the assessing officer is under obligation to intimate the central government or the prescribed authority any contravention of provision of clause 21 of section 10, by the association referred to in the said clause. The provisions also states that the assess officer shall not withdraw the exemptions under section 10 unless the intimation has been given by him to the prescribed authority and approval granted to the association has been withdrawn.

Sub-clause (b) proposes to amend the first proviso to the sub-section(3) of the aforesaid section for giving effect to the proposed applicability of the clause 21 of the section 10 to a research association which has as its object undertaking its research in social sciences or statistical research. Accordingly, the references to the scientific research associations are proposed to be substituted by references to research associations.

These amendments would take effect from 1st April 2011, and will accordingly apply in relation to the assessment year 2011-12 and subsequent years.

B.1. Corporate Social Responsibility for collecting cess/tax from companies in the GoMBR

In December 2009, the Ministry of Corporate Affairs issued a principle CSR and implementation guidelines with six core elements that a company's CSR policy should include²¹. These are,

- Care for all stakeholders;
- Ethical functioning;
- Respect for workers rights and welfare;
- Respect for human rights;
- Respect for the environment; and
- Activities for social and inclusive development.

In February 2010, the Ministry of Corporate Affairs issued a recommendation for companies to develop a separate fund for their organization's CSR activities. The fund should designate a specific amount of money that is set aside in the yearly corporate budget that is tied to profit after tax or some other appropriate metric or outlined in terms of expected CSR activity costs.

The Tamil Nadu Forest Department is keen to use the CSR towards collecting cess/tax for the use and exploitation of natural resources from the GoMBR. Considering the CSR is still voluntary, a cess/tax cannot be legally collected from corporates here. Instead, a recommendation to make a tax deductible donation to the Trust is an option to be considered. Thermal power plants and Private industries like Pepsico Ltd functioning in the GoMBR, should be encouraged to follow the CSR.

B.2. Sources of long term funds – National and International

Government of India

General Information on Research & Development Funding Schemes of Central Government Departments/Agencies applicable to LTFM

²¹http://www.mca.gov.in/Ministry/latestnews/CSR_Voluntary_Guidelines_24dec2009.pdf

1. Department of Biotechnology (DBT)
2. Council of Scientific and Industrial Research (CSIR)
3. Ministry of Earth Sciences (MoES)
4. Department of Science and Technology (DST)
5. Ministry of Environment and Forests (MOEF)
6. Ministry of Food Processing Industries (MFPI)

DBT Societal Development²²

DBT's Biotechnology based programme for societal development addresses the implementation of community based projects with a mission to social development goals to benefit large number of target population in vulnerable sections of the society. It intended to benefit the large number of target population farmers, women and SC/ST population through skill development with various interventions of agro-based, horticulture, animal husbandry, secondary agriculture and value based product and process development through training and demonstration programmes undertaken in various income and employment generation activities. Dissemination of Biotech interventions in Agriculture and allied Sector, Health & Sanitation, Environment & Biodiversity conservation, Animal Husbandry, Dairy and Fisheries, Integrated Farming, Product / process development and value addition, through training and demonstration activities with a little support on R&D aspects.

CSIR²³

Council of Scientific & Industrial Research (CSIR), India, a premier national R&D organisation, is among the world's largest publicly funded R&D organisations. The Council of Scientific & Industrial Research (CSIR) provides financial assistance to promote research work in the fields of Science & Technology, including Agriculture, Engineering and Medicine through various grants, fellowship schemes etc. The assistance is provided by way of grants to Professors/Experts in regular employment, in the universities, IITs, postgraduate institutions, recognised R&D laboratories both in public and private sectors. Research proposals of applied nature as well as those falling under basic sciences which attempt to solve specific problems being pursued by CSIR laboratories, or in newer and complementary fields, are considered for CSIR support.

²²http://dbtindia.nic.in/uniquepage.asp?id_pk=672

²³http://csirhrdg.res.in/Res_grants.htm

MoES²⁴

The Earth Commission²⁵, under which the Ministry of Earth Sciences aims to create a framework for understanding the complex interactions among key elements of the Earth System, namely ocean, atmosphere and solid earth, by encompassing national programmes in Ocean science, meteorology, climate, environment and seismology. The various subject areas for funding under the R&D support for Earth and Environmental sciences are:

1. Atmospheric Research
2. Coastal and Marine Ecosystem
3. Climate Change
4. Disaster Management
5. Atmospheric Technology
6. Geoscience
7. Ocean Science and Technology

DST

Department of Science & Technology (DST) was established in May 1971, with the objective of promoting new areas of Science & Technology and to play the role of a nodal department for organising, coordinating and promoting S&T activities in the country. The department under its R&D grants has a scheme called Science and technology and Socio Economic development²⁶ which would be applicable to the objectives of the Trust. The scheme includes four separate programmes:

1. National Council for Science & Technology Communication (NCSTC)
2. Science For Equity Empowerment and Development (SEED)
3. National Science & Technology Entrepreneurship Development Board (NSTEDB)
4. State Science & Technology Programme

MoEF

The Ministry of Environment and Forests (MoEF) like the CSIR has a wide range of Fellowships and Awards that can be applied for, specially for Option 3 proposed for the LTFM.

²⁴<http://www.dod.nic.in/RND/rnd.html>

²⁵<http://dod.nic.in/earthcom.htm>

²⁶http://www.dst.gov.in/scientific-programme/s-t_index.htm

National Environmental Sciences Fellows Programme This new programme will provide young scientists working in the environmental sciences, engineering and technology, the opportunity to do research on critical environmental issues in collaboration with leading institutes and scientists in India and the world. Each fellow would be attached to an institution which will sign an MoU with the Ministry. This programme will allow young Indian scientists to enhance their areas of expertise under the mentorship of the leading scientists in the world today, and will help create a cadre of top class Indian environmental scientists for the future. The knowledge emerging from the research work under this programme will help inform our environmental policy agenda, ensuring that it is based on rigorous science.

Large International Funders

GEF²⁷

The Global Environment Facility (GEF) provides grants to various types of projects ranging from several thousand dollars to several million dollars. These are Full-Sized projects, Medium-Sized Projects, Programmatic Approaches and Enabling Activities.

FSPs Over \$1 million: Project concepts may be developed by governments, non governmental organisations, communities, the private sector, or other civil society entities, and must respond to both national priorities and GEF focal area.

MSPs Up to US \$1 million: MSPs offer opportunities for a broad range of programming that is typically smaller in scale than full sized projects and follow expedited procedures for their approval. Funding such projects increases GEF flexibility in allocating its resources and encourages a wide range of stakeholders to propose and develop project concepts.

Enabling Activities (EAs): The GEF finances Enabling Activities related to the conventions on biodiversity, climate change, and persistent organic pollutants, to help countries prepare national inventories, strategies, action plans, and reports under these conventions

Programmatic Approach (PA): Programmatic Approaches represent a partnership between country/ies, the GEF and other interested stakeholders, such as the private sector, donors and/or the scientific community.

Small Grants Program: The Global Environment Facility's Small Grants Programme aims to deliver global environmental benefits in the GEF Focal Areas of biodiversity conservation, climate change mitigation, protection of international waters, prevention of land degradation (primarily desertification and deforestation), and elimination of persistent organic pollutants through community based approaches.

²⁷http://www.thegef.org/gef/project_types

World Bank Group²⁸

The World Bank is a vital source of financial and technical assistance to developing countries around the world. Made up of two unique development institutions owned by 187 member countries: the International Bank for Reconstruction and Development (IBRD)²⁹ and the International Development Association (IDA)³⁰. Each institution plays a different but collaborative role in advancing the vision of inclusive and sustainable globalisation. Under its 'Environmental commons' priority the World Bank funds anywhere from 1million to 20million\$ to client countries every year.

JICA³¹

Japan International Cooperation Agency (JICA) vision is “Inclusive development” which represents an approach to development that encourages all people to recognise the development issues they themselves face, participate in addressing them, and enjoy the fruits of such endeavours. The role of JICA is to effectively provide backing for this process. Towards this vision, JICA offers funding and technical guidance to developing countries under the following schemes:

1. Technical Cooperation Projects
2. Official Development Assistance Loans
3. Grant Aid
4. JICA Partnership Program
5. Emergency Disaster Relief

The Grant Aid program is specifically is not limited to structural measures, such as facility construction or the provision of equipment, but has also focused on cooperating in non structural areas such as technical guidance, the development of human resources, and so forth, resulting in more effective cooperation.

DFID-UK³²

The Department for International Fund Development (DFID) in Britain was set up in 1997, to reduce world poverty. It works along with the World Bank, United Nations, European Union, The Commonwealth and other multi-regional banks to build programs, manage

²⁸<https://clientconnection.worldbank.org/servlet/main?menuPK=234032&pagePK=232663&piPK=234033>

²⁹<http://go.worldbank.org/SDUHVGE5SO>

³⁰<http://www.worldbank.org/ida/>

³¹<http://www.jica.go.jp/english/operations/schemes/index.html>

³²<http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/>

funds and diversify with the ultimate goal of economic development for poverty alleviation. The programme partnership opportunity provides flexible strategic support to civil society organisations (CSOs) with a common vision with DFID and are able to achieve benchmarks and show success in producing outcomes.

EU³³

The European Commission makes direct financial contributions in the form of grants in support of projects or organisations which further the interests of the European Union (EU) or contribute to the implementation of an EU programme or policy. The EU also runs microcredit programmes (loans under €25 000) for self-employed people and businesses with fewer than 10 employees.

UNEP³⁴

United Nations Environment Agency (UNEP) acts as an implementing agency for a number of environmental trust funds through which countries access financial and technical support to deal with environmental challenges. UNEP is an Implementing Agency of the GEF with the World Bank and the United Nations Development Programme (UNDP) and is the only GEF Agency whose core business is the environment. UNEP plays a key role in supporting countries to develop and execute GEF projects that fit within its comparative advantage. UNEP's comparative advantage within the GEF has been defined as:

1. Scientific assessments, monitoring, early warning;
2. Linking science to policy (Capacity Building, Enabling Activities) at national, regional and global levels;
3. Innovation, technology transfer and lifting barriers;
4. Regional and global cooperation;
5. Awareness raising, advocacy, and Knowledge Management.

ADM³⁵

ADM communities with legally registered organisations with objectives promoting agricultural development and education, farm safety or related topics receive priority. Special focus is also placed on educational programs for children and young adults. Preference is given to charitable organisations in ADM communities that can demonstrate clear, measurable results toward stated objectives and a solid track record of success.

³³http://ec.europa.eu/contracts_grants/index_en.htm

³⁴<http://www.unep.org/dgef/>

³⁵http://www.adm.com/en-US/responsibility/2010CR/social_investing/Pages/default.aspx

NERC³⁶

Natural Environment Research Council, UK (NERC) is a non departmental public body, and is the UK's main agency for funding and managing research, training and knowledge exchange in the environmental sciences. It receives funding from funding from the Department for Business, Innovation and Skills (BIS). It coordinates some of the world's most exciting research projects, tackling major issues such as climate change, environmental influences on human health, the genetic makeup of life on earth. NERC plays a major role in global environmental research and leads international programmes and initiatives.

Non-Government Organisations**WWF-India's Small Grants Program upto Rs.200,000/individual³⁷**

WWF-India is one of the largest organisations engaged in wildlife and nature conservation in the country. Established as a Charitable Trust in 1969, the organization has been working for over four decades on various aspects of conservation and environmental management. The SGP will provide grants to individuals for activities and/or research that address issues and offer solutions or insights towards:

1. Species and habitat related problems and concerns – with a focus on immediate threats and issues (e.g. vulture conservation)
2. Enabling communities and other stakeholders to address local environmental concerns
3. Improving local livelihoods through conservation and natural resources management or promoting livelihoods that reduce impacts on biodiversity
4. Aspects of trade involving wildlife species
5. Increasing understanding on the status of lesser known or lesser studied species of wildlife
6. Innovative approaches to awareness raising regarding environmental concerns
7. Demonstrating individual or collective action towards conservation outcomes

ATREE³⁸

ATREE small grants program up to 100,000per year. Ashoka Trust for Research in Ecology and the Environment (ATREE)'s small Grants Programme recognises that there is a wealth of information and expertise at small scales that can be drawn upon for more effective

³⁶<http://www.nerc.ac.uk/research/international/>

³⁷http://www.wfindia.org/about_wwf/small_grants_program/

³⁸http://www.atree.org/small_grants_2009

conservation. The small grant will support 7 – 8 proposals in each of the two areas of focus. The topics under each focal area are only an indicative list.

Biodiversity and Conservation: (Endangered and threatened Species and its habitat, Gaps in taxonomic work and monographs, Studies on lesser known or lesser studied species of wild-life, Critical areas of biodiversity conservation, Climate change and conservation, Innovative approaches and tools for conservation education)

Environment and development: (Enabling communities and other stakeholders to address local environmental concerns, Analysis and monitoring of policies and institutions for their socioeconomic and environmental impact, Payments for ecosystem services and poverty reduction, Incentives for agro-forestry systems and sustainable farming practices, Gender perspective in conservation/ Natural resource management, Environmental degradation and impact on women)

WCS institution-New York³⁹

WCS Research Fellowship Program, upto 20,000US\$/per year. The WCS Research Fellowship Program (RFP) is a small grants program administered by the Wildlife Conservation Society (WCS) Institute that is designed to build capacity for the next generation of conservationists by supporting individual field research projects that have a clear application to the conservation of threatened wildlife and wild places. Their conservation priorities are: Priority land and seascapes, Global Conservation Challenges and Global priority and recovery species.

Rufford Small Grants Foundation⁴⁰

The Rufford Small Grants Foundation provides funding for small nature/biodiversity conservation projects and pilot programmes in developing countries. This section of the RSGF website allows you to apply for funding on line, and to maintain your contact and biographical information if you have already received a grant from the Foundation.

Conservation International⁴¹

Conservation International's mission is to empower societies to responsibly and sustainably care for nature, global biodiversity and human well-being, by building on the foundation of science. It is one of the leading organisations in the world that combines biodiversity conservation with sustainable use of natural resources. It has fifteen programs for which funding can be obtained by individuals, societies, institutions and governments. The Marine

³⁹<http://programs.wcs.org/Default.aspx?alias=programs.wcs.org/grants>

⁴⁰http://www.ruffordsmallgrants.org/rsg/about_the_foundation

⁴¹http://www.conservation.org/about/centers_programs/policy/Pages/default.aspx

Programs, the marine management area science and the global conservation program are just some of programs that the GoMBRT can apply to for long term funding.

Corporate Donors

Sir Dorabji Tata Trust⁴²

The Sir Dorabji Tata Trust provides financial assistance under four categories:

1. Institutions,
2. NGOs or Voluntary Organizations,
3. Small Grants, and
4. Individual Grants.

The Trust is best known for promoting and setting up pioneering institutions of national importance and also in awarding fellowships in any branch of science. The GoMBRT could apply for most of these schemes, specially the small grants program which funds restructuring and refining of organisational and functional systems already in place, strategic planning and mainstreaming innovations amongst others.

Sir Ratan Tata and Navjibhai Tata

The Sir Ratan Tata trust and Navjibhai Tata Trust⁴³ from its inception has played a key role in development, education, empowering women and poverty alleviation. It offers institutional grants, based on programs, small grants and endowment grants. The LTFM would be able to apply for rural livelihoods programs under the institutional grants and the endowment grant.

⁴²http://www.dorabjitatatrust.org/about/proc_grant.aspx

⁴³[Trusthttp://www.srtt.org/about_us/ops_fin_disbursement.htm](http://www.srtt.org/about_us/ops_fin_disbursement.htm)

The proceedings of the consultation were published as a separate report which has been appended below.

Long Term Funding Mechanisms for the project “Conservation and Sustainable use of Gulf of Mannar Biosphere Reserve’s Coastal Resources”

Proceedings of Final Stakeholder Consultation

11 October, 2011



CONTENTS

1. Introduction	1
2. Actionable points	5
3. Issues yet to be addressed	9
4. Conclusions	11
Appendices	12
A. Agenda for the consultation	13
B. Background Presentation	14
C. List of participants	21

1

INTRODUCTION

A final stakeholders consultation was held at Chennai on the 11th of October, 2011. The workshop provided an opportunity to share the results of the study on long term funding mechanisms for the Gulf of Mannar Biosphere Reserve Project and the Trust formed to implement it. Among the 30 participants were representatives of civil society groups, research institutions, government departments and the UNDP, apart from officials from the Trust itself. Senior functionaries from the state and central government also attended the consultation which was chaired by the Principal Secretary, Environment, Govt. of Tamil Nadu.

As part of preparation for the workshop, the executive summary of the report was circulated to all invitees and key functionaries of the Trust were provided with copies of the draft LTFM report. Discussions held during the workshop focused on the structural and functional changes required for the Trust to ensure its survival as a robust institution facilitating a long term and sustainable use of resources in this bio-diversity hot spot. As pointed out during the introductory session, the purpose of the study and the consultation was not to evaluate the performance of the Trust, but to take informed and strategic decisions on its long term funding based on its strengths and weaknesses. It was also noted that long term funding cannot be seen in isolation of the functions and therefore the structure of the organisation itself.

Agenda

Inaugural address

The consultation was kicked off by a short welcome address followed by an inaugural address by Dr.C.V.Sankar, Principal Secretary, Environment, Govt. of Tamil Nadu. In his address he underlined the importance of the Gulf of Mannar Biosphere Reserve Project as a unique and significant effort which went beyond the narrow confines of bio-diversity conservation into the more complex by holistic realm of natural resource management with primary stakeholders. He pointed out the gaps in present efforts and contradictions between the activities of departments such as the Fisheries and the Forest. He emphasised the commitment of the government to the region and to ensure the development of livelihoods without compromising sustenance of the environment and biological resource base in the region.

The gist of Dr.C.V. Sankar's address was:

- The government of Tamil Nadu had its own vision and ideas about sustaining the Trust. Closing down the Trust office and the project were not acceptable options and the Trust would continue to be supported.
- Other departments such as rural development need to be taken on board by the Trust as they have enormous resources at their disposal and share a common mandate.
- To make the project a success, a greater role of the district collectors in project implementation is a must as they are the people actually working in the field. Cooperation with local NGOs to ensure local support was also required as it provided a mechanism for feedback and adaptation to local needs.
- Greater emphasis is required on research, starting with a review of work already done in the region. Additional studies in priority areas can be funded by the government provided

there is a real effort that results of research studies are made available to common people and non-technical readers.

- There needs to be a better coordination between govt. departments, particularly the Fisheries, Forest and the Rural Development.
- There is need for a greater level of exposure to the work done by the Trust at the state and national level. The Trust office ought to use the authority held by the Trustees to that end.

He wrapped up his address with a re-iteration of the commitment of government of India to supporting projects and efforts such as these with and assurance that funding would not be a constraint in ensuring that the project succeeded in its objectives.

Keynote address

The inaugural address was followed by a keynote address by Dr. Balakrishna Pisupati, Chairperson, National Biodiversity Authority. Drawing from his experiences in similar projects elsewhere, he focused on what needed to be done differently in the GoMBRT to make the project a success. In his opinion, the project had a good design and used an innovative approach by forming a Trust to implement the project. He pointed out that usually such projects were given to established institutions which had an installed credibility, experience and visibility. He also noted that the project was a complex undertaking with no less a mandate than to demonstrate on ground what is usually just spoken about, namely demonstrate sustainable development by combining conservation goals with those of economic development. Here therefore felt that an inclusive approach was required to involve primary stakeholders who often had a better understanding of technicalities of sustainable resource exploitation. Dr.Pisupati also made note of the need for communication of the project activities. The need for biodiversity conservation, in particular, needed to be conveyed to create an understanding of the role ecosystem services play in sustaining livelihoods. The main issues discussed in his address were:

- Investments made in conservation today will yield long term results in terms of sustainable development.
- Local communities need to be brought around to participate and own such activities or initiatives as they are linked to their livelihoods and the sustainability of any these actions can definitely be guaranteed
- The need of the hour in the sphere of policy making is to link development with respect to the conservation of biodiversity and protection and enhancement of ecosystem services.
- Projects such as this need to evolve based on experiences from the ground. Lessons learnt over the past ten years should now be used to re-design the next phase of the project. One of these lessons is the need for greater attention to conservation issues from the development oriented approach the project has had in the past.
- The Project needs to address the issue of its ownership by primary stakeholders - the local communities. They often have a greater depth of practical knowledge to draw from and can contribute significantly to the success of the project.

Regarding the operational analysis of the Trust, Dr.Pisupati had four specific inputs:

- The project needed to build an exit strategy based on disaggregation of its activities. He felt it was unlikely that the volume, spirit and speed by which activities were taken in the past ten years can be sustained and therefore the need to be disaggregated.
- Building upon the earlier point, he suggested a greater decentralisation of the project in terms of ownership and responsibilities.
- Marketing of the project needed to be done through the various players engaged with the work here.
- Greater political buy in for the project was required by ensuring the political system understands its value.

Introductory address

In his introductory speech Dr.J.R .Bhatt, Ministry of Environment and Forests, Government of India noted that the previous speakers had done a through analysis of the project and he could only add to the points they made by raising some of his own concerns and perspectives. He re-emphasised the need for a “marriage of cultures” between the department of Fisheries and Forests with a third “leg” provided by the Rural Development department. He expressed his conviction that if these three departments could work together it would create a range of new synergies and linkages that could only be looked forward to.

Dr.Bhatt also emphasised that research in the Gulf of Mannar region had to go beyond technical reports on specific issues and needed to reach the common person through mainstreaming of the lessons learnt. He felt that the project had resulted in the awareness and understanding about a range of issues which affected the biodiversity and conservation of the hitherto bountiful resources of the Gulf of Mannar. For example the impact of overfishing and introduction of exotic weeds. He felt that these issues provided new leads that needed to be pursued for funding.

Underlining the previous speakers note of ecosystem services, Dr.Bhatt felt that sufficient effort needed to be made to value the goods and services obtained from the biosphere reserve. This would allow authorities to take to task those individuals and industries that had adversely affected these ecosystem functions and goods.

He ended by requesting the house to take this opportunity to introspect and to come up with lessons that could be used to scale up the activities of the Trust and set up reasonable targets for the immediate future.

Presentation of the findings of the LTFM study

A presentation on the findings of the LTFM study was made to provide a background to the discussion (see appendix). This was followed by a plenary session involving inputs from the house on each of the six points raised. While an attempt was made to arrive at a consensus leading to specific recommendations, this was not always possible. There were some divergent views which have been presented in section 3.



(a) Members on the dais from left to right: Dr.J.R .Bhatt (MoEF, New Delhi), Mr Srinivasan Iyer (UNDP, Head of Energy and Environment Unit, Mr. C.V. Sankar (Principal Secretary, Dept. of Environment and Forests, Government of Tamilnadu), Dr. Balakrishna Pisupati (Chairperson National Biodiversity Authority), Dr. NEED NAME (PCCF/CWW - Tamil Nadu Forest Dept.)



(b) Mr.C.V. Sankar giving the inaugural address.



(c) Ms.Lianchawii (UNDP, EE unit) makes a point during the deliberations.

Figure 1.1.: Some photographs from the consultation.

The Principal Secretary, Environment summed up the key issues from the morning discussions. He proposed these as actionable points on which the house were to deliberate for the rest of the day. The points were:

1. What will the future structure of the Trust be?
2. What will its roles and functions be?
3. How would the Trust engage with policy makers influence policy at the state and national levels?
4. What would be the fund raising strategy to be adopted?
5. What would be the roles of the district collectors vis-à-vis the activities of the Trust?
6. How would the Trust contribute to the baselines information on which biodiversity conservation and appropriate livelihoods interventions would be based?

There were active discussions among the stakeholders present on all these points. A broad consensus was arrived at on some of the issues and the recommendations are presented below.

Future structure of the Trust

There was a broad agreement that the Trust performed a unique role which cannot be filled in by another existing institution. There were some changes suggested to the organisational and functional mechanisms of the Trust to strengthen its role in the region.

1. Additional patrons could be considered in the Board of Trustees to reinforce the existing board by adding industrial captains and persons from the corporate sector who would be able to enlist CSR support for the Trust.
2. State level coordination committee and project steering committee should be merged into one as they have similar composition. Further, the project itself comes to an end in a year which would invalidate the existence of a steering committee. There should be additional representation from local communities and independent organisations at the state committee level.
3. The Trust Director should be selected through a search committee. This person need not be from any particular organisation but must have a genuine interest in conservation and necessary organisational and leadership skills and eminence/seniority.
4. The Trust Director should be assisted by Jt. Director level staff deputed from relevant departments to ensure that sufficient seniority exists in influencing line and law enforcing departments on the ground. Representation of primary stakeholders and independent agencies at this level was suggested.
5. A greater integration of the Trust functioning with the present decision making process at the district levels was considered essential. Part of this would be addressed by the appointment of Jt. Directors, however other avenues to strengthen this and to ensure participation of primary stakeholders was suggested.

Roles and functions of the Trust

This discussion was based on the finding that the Trust was limited to delivering on a sub-set of the outputs as defined in the project objectives. There was a consensus that the present functioning of the Trust needed a re-orientation so that it may meet the core components of the project. The recommendations are as follows:

1. The present activities in micro-credit and livelihoods need to be scaled down and handed over to govt. agencies such as the TNCDW and various DRDA programmes (SGSY etc.). The Trust should instead focus on identifying target groups for these schemes and areas for intervention in livelihoods. The Trust may also play a more active role in the monitoring of the programmes. This would ensure that the target group of these programmes would remain the "high impact" communities as identified by the project.
2. Similarly, the Trust should cut back on support for core activities for the Forest Department. The component 2 and 3 were meant to support the park authorities by filling in gaps in present conservation activities, instead they are now paying for core activities which was never the intent.
3. The Trust must identify the sectors which have the highest impact (negative and positive) on the conservation of biodiversity and natural resources in this region. These sectors should be represented in the Trust through Jt.Directors as indicated earlier so the Trust may play a role in coordination.
4. Trust director may be made a member of relevant committees, boards and authorities at both state and district level for rendering objective advice on issues that have a bearing on the GoMBR. This includes but is not limited to State Biodiversity board, State and District Coastal Zone Management Authority, State Pollution Control Board, State Wildlife Board etc.

Interaction of the Trust with State and National Policy

It was noted that overarching issues of coastal habitats and their management are often governed by national and state level policies. It was noted that the Trust cannot operate in isolation of these policies that are outside its direct purview. It therefore needs to be able to raise these issues at the level of the Board of Trustees. For example:

1. The role of the Fisheries Dept. and the correct implementation and enforcement of the State Marine Fishing Regulation Act. At present the Fisheries Dept. is unable to enforce any management or regulatory functions. Further the MFRA has scientific lacunae that need to be addressed if scientific management of marine resources is to be possible.
2. Regulations on pollution and establishment of large industries which will have an impact on the GoMBR as a whole. This will hinge on the establishment of baselines and long term continuous environment and ecological monitoring in coastal areas. Issuing of environmental clearances (EIA) and enforcement of treatment systems (PCB) are out of the Trust's mandate.

Fund Raising

Specific commitments made by the GoTN, over and above the co-financing, for creating a Trust fund were highlighted during the discussions. It was pointed out that such a corpus could absorb much of the administrative and some of the core programme expenses of the Trust on a sustainable basis. Further, the Trust presently does not conform to some of the basic legal provisions to receive funds from national or international donors. Necessary human and other resources are not invested in fund raising through grant applications or other means. It was agreed by the house that this needs to be rectified at the earliest.

1. Both the original project document¹ and the mid term evaluation report² refer to the creation of a Trust Fund as the core component of the Long Term Funding Mechanism with a contribution of \$4 million by the government and \$1 million by GEF as a counterpart. This, however, has often been mis-understood to be part of the co-financing arrangements with GEF and consequently the funds have never been released. It was agreed that this issue would be re-looked at.
2. Legal compliance so that the Trust is compliant with the rules of the income tax department and apply for necessary certification to receive foreign funds and tax exemptions on donations and concessions on import duties.
3. The need to create a fund raising team under the leadership of the Trust Director was agreed upon. This team would prepare and pursue proposals for funding and network with conservation agencies across the world to secure funding and forge partnerships with other like minded agencies.

Role of the Dt. Collectors vis-à-vis the Trust

It was noted that the absence of Eco-Development Officers on the Trust led to poor coordination between the Trust and the respective collectorates for a period of over two years. This linkage would need to be strengthened by the following means:

1. It was agreed that the role of the Dt. Collector cannot be substituted and (s)he must head the functioning of the Trust at the district level through the DLCC. Appointment of concerned officers to coordinate and organise these meetings is not an option.
2. The deputation of Jt.Director grade staff from relevant departments was expected to facilitate closer coordination and implementation with the line departments.

Research and baselines on biodiversity and livelihoods

There was a consensus that baseline information on the biodiversity and environment of the GoMBR region was poor and tended to be limited to specific regions, taxa and time periods. It was agreed that a larger scale baseline needs to be developed based on both secondary literature

¹United Nations Development Programme, "Conservation and Sustainable-use of the Gulf of Mannar Biosphere Reserve' Coastal Biodiversity" (United Nations Development Programme, January 2001), <http://gefonline.org/projectDetailsSQL.cfm?projID=634>. Page 15, Section 1.4.

²Peter Hunnam and Ravi Sankaran, Gulf of Mannar Biosphere Reserve Project: Conservation and Sustainable Use of Coastal Biodiversity., Mid Term Evaluation (Government of Tamil Nadu Government of India, United Nations Development Programme Global Environment Facility, April 2008). Page 19, Para 55.

2. Actionable points

as well as primary data. A re-emphasis on this component was agreed to with the following steps:

1. long term and continuous monitoring of biological and environmental parameters needs to be done in order to provide scientifically accurate advice to the collector and other departments. This would need to be a large scale effort utilising suitable sampling methods to ensure representative taxa and important environmental parameters are covered.
2. It was agreed that the targeting of interventions in the micro-credit and livelihood area need to be based on field studies and market analysis.
3. It was agreed that resources available for this were limited and needed to be up scaled. This included financial and human resources. It was further agreed that this would require collaborations with other institutions in the region and outside.

3

ISSUES YET TO BE ADDRESSED

There remained a number of issues that were raised by the study and discussed during the consultation to which there were no immediate solutions in sight. Given that some of these are fundamental to the functioning of the Trust, they have been listed below for further discussion.

Vacancies in important positions on the Trust

Few govt. officials are willing to work in the region and hence the continuing vacancies in available positions. Many officials are reluctant to move to Ramnad since it is remote and one of the most underdeveloped parts of TN. Some important posts, including the 2 eco-development officers' position in the Trust's office was vacant for more than 2 years. As a result, District Level Coordination meetings were not held for a long time since the EDO is in-charge of organising and facilitating the meeting.

Inability to deliver on key components

The Trust has been unable to deliver on three of the five components, partly on account of overlap with the jurisdictions of other departments (the Forest Dept. for component 2 and the Collectorate for component 4). Interventions in other areas such as expansion of national park infrastructure and biodiversity overlay (also part of component 4) were limited in impact. This has played a major role in the recommendation of alternative structures for the Trust. However, during the stakeholder consultation, there was a consensus that the present structure of the Trust be retained. The suggestion that the activities of the Trust be limited to supporting micro-credit and livelihoods was met with dissent by a large section of the house. Many members pointed out that there was a large amount of duplication with other departments in these activities and that they deviated from the core mandate of the project.

It is therefore evident that unless the Trust is given a clear mandate vis-à-vis coordination and a larger role to play in the National Park operations, it will remain ineffective to meet the major project goals. There was a desire to step away completely from component four (conservation inputs) and reluctantly, and under pressure, agreeing to an overseeing and advisory role for the Trust. This watering down of the core functions of the Trust needs to be reviewed by the Board of Trustees as it explicitly undermines the implementation and executive arrangements as envisaged in the project document³.

Closely related to the above was the discussion on the "coordination problem" with the Collectors. This issue was not confronted but instead, the appointment of more senior persons (Jt.Directors) was raised as a solution. Given the limitations of the project area (earlier issue on vacancies), this appears to be an unrealistic solution. Further, no structural mechanism has been put forth which would ensure the Collectors would take cognisance of advice offered by the Trust and would take action based on monitoring and evaluation works that the Trust has been entrusted with under component 4. Agreeing to continue with the present arrangement, where the DLCC is headed by the Collector, without any changes in the material functioning of the Trust or its relationship with the Collector appears illconceived.

³1. United Nations Development Programme, "Conservation and Sustainable-use of the Gulf of Manar Biosphere Reserve' Coastal Biodiversity" (United Nations Development Programme, January 2001), <http://gefonline.org/projectDetailsSQL.cfm?projID=634>.

Fund raising

It is not yet clear how the issue of the Trust Fund is to be addressed. Given that the creation of such a fund would be a core component of the LTFM, the creation and administration of the Trust Fund needs to be resolved. Related to this is the quantum of funding and the nature of activities of the Trust that would be supported by the government. While it was indicated that the government would be willing to consider supporting the core staff and infrastructure for the Trust, the status of support for activities under the various components remains unclear.

In this light, it is necessary that more attention is provided to fund raising by making it an explicit deliverable of the Trust director and assigning a team with that responsibility. The suggestion that “consultants would be hired” to prepare proposals rings hollow as most of the core components require highly technical knowhow of coastal and marine habitats and of sustainable livelihood interventions among artisanal fishers.

Conservation inputs through research

Inadequate attention was paid to the need to fill in a huge information gap on which decisions and advice are to be based for conservation sensitive development. Who will identify the parameters to be collected for the baselines? Who will set up monitoring and analytical frameworks so that this information feeds into decision making? The Trust needs to evolve a comprehensive research agenda based on inputs from researchers involved in this region from both the ecological as well as the social sciences. Additionally, some members of the group felt that the Trust needs to be a one point contact for information regarding the GoMBR region. It was also suggested that the Trust compile and provide digital data access to this information.

The inputs of the stakeholders during the consultation was an important part of the LTFM study conducted by FERAL. Notes on the discussions and insights of the experts present in the meeting will be used to revise the final report by incorporating their suggestions and emphasising some of the relevant recommendations.

Appendices

Stakeholder Consultation for Long Term Funding Mechanism of
the project ***“Conservation and Sustainable use of Gulf of
Mannar Biosphere Reserve’s Coastal Resources”***

11 October 2011 at Residency Towers, T. Nagar, Chennai

9:30 Registration

10:00 Welcome Address – Mr. Balaji – Trust Director

10:10 Inaugural Address – Mr. C.V. Sankar – Principal Secretary Deptt of
Environment and Forests, Government of Tamilnadu

10:25 Keynote Address – Dr. Balakrishna Pisupati, Chairperson, National Biodiversity
Authority

10:45 Introductory Speech – Dr JR Bhatt, Ministry of Environment and Forests,
Government of India

11:00 Workshop Launch – Mr Srinivasan Iyer – UNDP, Head of Energy and
Environment Unit

11:15 Presentation on LTFM – Ravi S. Bhalla – FERAL

11:45 Tea Break

12:00 Feedback and discussion on the presentation and LTFM – Chaired by Mr. C.V.
Sankar

13:30 Lunch

14:30 Continued Session on ideas and feedback on LTFM – Chaired by Mr. Balaji

15:30 Incorporation of comments and validation

16:00 Tea Break

16:30 Final remarks and conclusion

LTFM Consultation

October 11th, 2011 LTFM Consultation

October 11th, 2011

Long Term Funding Mechanisms for the Gulf of Mannar Biosphere Reserve Trust

Presentation on Draft Report

Outline

- Summary of the ToR
- Methods and approach
- Inherent disadvantages of the region
- Major findings
- Possible options for LTFM
- Next steps

Terms of Reference

Present options for long term funding mechanisms to sustain the GOMBRT based on:

- A feasibility study
- Consultations with stakeholders
- Incorporating the MTE report
- Review of background material
- Operational procedures for fund raising and management
- Discuss modalities for GoI contributions

Expected outputs

Report covering:

1. SHG Marketing
2. Alternate incomes
3. Institutional Stakeholders
4. Fund Management Packages
5. GOI Contribution Modalities
6. Identification of sources for long term funding along with priority areas and context for GoMBR
7. Identification of collaborative agencies (government and non-government) for broad-basing funding of research and development projects in and around the GoMBR.

Stakeholder workshop to summarise the LTFM

Methods and Approach

- Consultations with officials both at Chennai and in the GoMBR region.
- Discussions with institutional stakeholders based on semi-structured questions.
- Participatory exercises with community based organisations based on the DFID LED framework.
- Structured schedules with CBOs to capture details of micro-credit, marketing and economic activities.
- Literature review on best practices and lessons learned in India and worldwide.
- Consultations with auditors and local livelihood trainers.

Constraints

- Isolation
 - 7 hours from Pudducherry
 - 9 hours from Chennai
 - 3 hours from Madurai
- Low resource base
 - Energy*
 - Freshwater
 - Tourism (barring Rameshwaram)
- Limited human capital generation
 - 1 College
 - No Universities
- Low social capital
 - No major sports teams or leagues
 - Communal conflict
 - Few trade fairs or commercial events

Challenges the GoMBRT was against

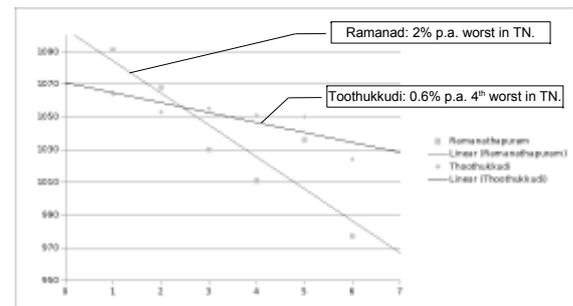
The state variables present a challenge that most analysis would consider insurmountable by a project of this nature.

Any form of governance would have had a difficult time without addressing the societal, economic, and structural issues.

GoMBR is remote, high transport costs, very few institutions of higher learning, very low industrial base.

Fishing guilds and peasant entrepreneurs dominate the project area which also has the second lowest population density in Tamil Nadu.

Social issues: declining female to male ratios



From http://censusindia.gov.in/2011-prov-results/data_files/mp/table-5.xls

3

4

Major Findings - I

- A spike in activities took place between the period 2008-2009. Positive reports came in from almost all stakeholders about this period.
- Institutional arrangements remain unchanged at the project implementation level leaving the GoMBRT as in-effective as reported in the MTE.
- The Trust has shifted focus to two areas of core competence, inherited from past experiences in KMTR:
 - Micro-credit.
 - Vocational training.

Possible options for LTFM - Marketing

Merging the micro-credit activities with the TNCDW and its extensive linkages with other government and independent resource institutions.

This is something that is already being done as per recent discussions with the Trust Director.

Major Findings - II

- The Trust presently focuses on areas which are already highly funded and have an extensive supportive machinery in place.
- There is a stalemate with the district administration with regards to the "on ground" role the Trust would like to play.

Possible options for LTFM - Alternative Incomes

While women vocational training can be taken care of by TNCDW and related agencies, those for men and youth in general need to be supported independently.

An alternative agency to do this needs to be considered. This agency should collaborate with both training as well as placement agencies.

Name of Course	Courses Conducted	Number Attending		Employed %
		Women	Men	
A/C Mechanic	2	0	5	0%
Agarbathies and incenses	3	77	0	0%
Candle	1	30	0	0%
Car driving	4	0	15	13%
Catering	2	26	0	0%
Computer	11	24	36	22%
Diesel engine mechanic	4	0	12	8%
Dry fish	1	6	0	33%
Embroidery	2	35	0	71%
Electrician	3	0	16	69%
Fish rearing	4	36	0	0%
JCB operation	11	0	27	22%
Nursing	12	49	0	76%
Ornamental craft	5	117	0	21%
Phenyl	1	30	0	17%
Pickle making	11	147	0	2%
Plumbing	1	0	4	0%
Soap making	5	135	0	7%
Tailoring	17	281	0	36%
Teacher	7	11	0	45%

Possible options for LTFM - Fund Management

A number of generic recommendations are provided based on inputs from an established auditing firm. Some of these are contingent on whether funding sources are international or not.

Training Provided	Number Employed	Average Monthly Salary
Ornamental craft	25	225
Teacher	5	1120
Diesel engine mechanic	1	1250
Tailoring	85	1310
Pickle making	3	1500
Computer	7	2000
Embroidery	25	2000
Nursing	37	2050
JCB operation	4	2375
Dry fish	2	2500
Phenyl	5	2500
Soap making	10	2500
Car driving	2	3000
Electrician	7	3500

Possible options for LTFM - GoI Contribution Modalities

A number of the functions presently envisaged as part of the Trust (but not delivered or deliverable) should be moved into the fold of the GoTN as part of operations under the Collectorate, SGSY, TNCDW, Forest Dept. and Dept. of Fisheries.

This will ensure two things:

- Continuation of activities by agencies with core-competencies in these areas.
- Ensuring coordination of activities through an officer directly under the Dt. Collector.

This is in line with the present position of the Govt. that development activities in the region may be considered as GoI/GoTN contributions.

Possible options for LTFM - Priority areas and role of GoMBRT - I (Suggested by FD)

- The trust exists in its present form with a partial re-definition of roles based on the MTE.
- Long term funding as a portion of a "green tax" levied by the central/state government. Direct taxation by the Trust will not be possible.
- Collection of cess/toll for access to protected and sensitive areas from tourism and pilgrimages.
 - This hinges on decisions made at the highest level in the TN Govt.

Identification of possible collaborating agencies for broad-basing research

Agencies active locally

- SDMRI, CMFRI, NCBS

State agencies

- SACON, ZSI, BSI, FERAL

National agencies

- NCF, WWF, WII

Possible options for LTFM - Priority areas and role of GoMBRT - II

Creation of an independent agency on the model of SACON for the GoMBR region with two specific roles:

- Ecological monitoring, baselines, conducting EIAs on developmental activities and communication/awareness activities with capacity building.
- Vocational training to provide realistic alternative livelihoods and reduce pressure on NR as mentioned in the modality for Alternative Incomes.

The possibilities of this agency being funded by the MoEF need to be explored along with options of raising international funding (phase 3?).

Possible options for LTFM - Priority areas and role of GoMBRT - III (extension of earlier slide)

- Position created or existing position given ex-officio responsibility for coordination of activities conforming to the objectives of a Bio-sphere Reserve - *UNDER THE COLLECTOR*.
- Unlike present GoMBRT, this official will have real control over the activities of the line departments.
- Ability to improve coordination and convergences between TNFD, Fisheries Dept, and PCB
- Other responsibilities to be farmed out to GoI as mentioned earlier.

Next Steps

- Incorporating comments suggested here and those given by the UNDP/GoMBRT teams.
- **Organising a consultation workshop (present consultation)**
- Completing the final report based on feedback during the workshop.
- Perhaps a phase 3

Thank you



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LIST OF PARTICIPANTS

Sl.No.	Name	Email	Organization	Contact No.
1	Syed Muzamil Abbaz		Govt. of T.N	9442625100
2	J.K Pattersan Edward	edwardpattersan@sdmri.in	SDMRI	9443337172
3	K.P. Vijayan		ESF Dept	9962046419
4	Dr.A.Srinivasan	asrinivasan@yahoo.co.in	Fisheries College	9443021339
5	R. Vasisht	rakovasisht50@gmail.com	F.D	9444907822
6	P.A. Viswanathan	paviswanathan@hotmail.com	DHAN Foundation	9941201883
7	M.Malleshoppe		FD	9447286268
8	A. Krishna Movirthy		DFV Ramnad	9445070584
9	S.Radhakrishnan		DS FI	9444460989
10	CV Sankar	cvsankaran@gmail.com	Dept of envi	9841055955
11	Srinivasan	srinivasaniyer@undp.in	UNDP	9891975753
12	Ravichandran Deputy Director of Fisheries, Madurai		Fisheries	9486317166
13	Dr. S.K Niraj Director Gulf of Mannar	Shekar.niraj@gmail.com	BR, CF, TN	9445721151
14	Rajkumar.R	rajkumarrajan@hotmail.com	Scientist ZSI	9445395077
15	Balakrishnan P Chirman	chairman@nbaindia.in	NSA	9677044995
16	T S Srinivasamoorthy Director Environment	tndoe@tn.nic.in	GOTN, Chennai	4424336421
17	Lianchawi	lianchawi@undp.org	UNDP	
18	Deepak	Deepak.samuel@undp.org	UNDP	9941179534
19	Sewamp	agrivmd@gmail.com	Agriculture	948623164
20	A. Acaudez		Principal	9443382704
21	T. Balasekar		CASCM	9443330217
22	T.T Ajithkumar Research		CAS Marine Biology	9443001785
23	T. Thangaradjan	umaradjan@gmail.com	CAS Mairne Biology	9486388791
24	P. Madeswaran	Mades.dod@nic.in	MAES New Delhi	8508363977
25	R. Mophanraj	mohanraj_502002@yahoo.co.in	DPHEPM	9445259500
26	Pradeep Kumar	ppkfish1973@gmail.com	Dept. of Fisheries	9443571160
27	G. Duraipandi	trrm-rwd@yahoo.co.in	TRRM	9940519333
28	R. Srinivasanarayanan		GOMBRT, RMD	9894471908
29	S. Balaji		GOMBRT	
30	Dr. Sekar.P	sekarpalanisamy6@gmail.com	PAD Vembar	9787721727

Appendix D

TERMS OF REFERENCE FOR THE STUDY

The RFQ circulated by the UNDP required the concerned agencies to submit a strategic report and timeline for the study which was the basis of the contract. The same has been replicated below.

The Gulf of Mannar Biosphere Reserve Trust - Long Term Funding Mechanisms

Strategy Report

Submitted by Foundation for Ecological Research, Advocacy and Learning to the PCCF and CCF-Wildlife, Forest Department, Tamil Nadu.

Introduction

This report is to present a concise documentation of the methods proposed to meet the objectives of the GoMBRT Long Term Funding Mechanisms study to be conducted by FERAL. The report covers the following deliverables and is based on the detailed concept note presented to the TNFD and UNDP earlier.

Approach and Methods

A quantitative and data intensive approach adopted for the long term funding mechanism. Different field teams led by doctoral research associates will be involved in the collection and collation of data and preparation of the various outputs. The mid term evaluation report by Peter Hunnam and Ravi Sankaran will provide a context to this exercise as it covered a number of issues pertaining to the financial and sustainability aspects of the trust.

There are a total of 11 deliverables for the proposed study, some of which are closely related. These are:

1. Fund Feasibility Report*
2. SHG Marketing Report
3. Alternate incomes report
4. Institutional Stakeholders Report
5. Fund Management Packages*
6. GOI Contribution Modalities Report*
7. Stakeholder workshop to summarize the LTFM
8. Identification of sources for long term funding along with priority areas and context for GoMBR
9. Identification of collaborative agencies (government and non-government) for broad-basing funding of research and development projects in and around the GoMBR
10. Handouts, video documentary and awareness materials
11. Detailed proposal for phase 3 (logistic support for continuous support via partner organisations)

Methods to be adopted for each are as follows:

Funding Related Reports (Dr. Neil Pelkey and Dr. Dipani Sutaria)

The fund feasibility report will be based on a collation of financial documentation and discussion with various officials involved in the same. In particular it will examine the funding mechanisms that were initially proposed and their present status. Best practices and lessons learned from India and abroad will be incorporated into these documents.

Sources for long term funding will involve detailing options such as those discussed with officials which include raising of green taxes to local industries, exploring support from CSR heads of corporates and investment options for the trust to raise and build a corpus. An investment expert

will also be involved in this exercise. This will also include a database of environmental funding organizations that fund larger or longer term environmental projects. This will be compiled from the Foundation Center (<http://www.foundationcenter.org>), FundsNet, GrantsNet, NonProfitExpert.com, Skoll foundation, WingsWeb, The World Guide to Foundations, and others. In addition we will explore the use of volunteer and service opportunities in the GoMBR to build a group of high income donors and “friends of” organization. Volunteer program are common ways large national aquaria, nature parks, private colleges, and hospitals to nurture large donors. This could also work in engineering colleges to do service learning projects. We will also explore the use of service organization like Rotary, Kiwanis, Lions, etc.

A specific strategy that will be explored will be to identify both government and non-government agencies for broad-basing funding of research and development projects in and around the GoMBR. This will include the setting up of permanent research and development facilities under the GoMBRT which would be utilised by these agencies.

The **fund management package** will be based on a study of best practices and existing rules and regulations of the trust and its current funding sources, particularly the GoI and UNDP. An auditor will be engaged to whet the administrative systems proposed and specific legal and administrative mechanisms will be detailed. In addition the legal options open to the trust for creation and investment of a corpus will be listed.

The report on the **GoI contribution modalities** will cover the procedure envisaged for contributions of the Government of India/State Government to a self-supporting LTFM for supporting recurring costs of the trust. It will involve a review of mechanisms by which government support is extended to other autonomous agencies and trusts such as the Periyar Foundation, Salim Ali Centre for Ornithology and Natural History and Chilka Lake Development Authority.

Reports on micro credit groups and livelihood options (R.S. Bhalla)

These will cover the SHG marketing and alternative incomes report.

The **SGH marketing report** will involve a study of marketing options designed for ongoing income generation activities in the self help groups created and supported by the GoMBRT and others in the region supported by independent agencies. The report will focus on marketing options that provide feasible economic gain when compared to traditional activities. It will additionally cover funding and buy back arrangements of the government for such activities, credit availability and options for government support for capacity building and training under programmes for women SHGs.

The **alternative incomes report** will be based on surveys conducted using the livelihood enhancement and diversification framework developed specifically for fishing communities. In addition a list of available livelihood options in the region will be compiled on the basis of discussions with the community, officials in the GoMBRT and other development agencies active in the region.

Stakeholder analysis and interactions (R.S. Bhalla)

An **institutional stakeholders report** will be compiled based on discussions at various levels and participatory exercises with the community. The report will analyse the linkages between different institutional stakeholders starting with local communities and up to district, state and national level agencies.

Various forms of **awareness materials and documents** will be produced during this exercise. This will include a video documentary on the GoMBR, policy briefs and posters in both Tamil and English and samples of mementoes such as caps and t-shirts.

A **stakeholder workshop** will be organised towards the end of this consultancy to present the findings of the study and solicit feedback from the community and various institutional stakeholders. Specific participants in this workshop will be representatives of the community, GoMBRT officials, forest department, national level conservation and research groups and local conservation and development agencies. District administration and representatives of industry in the region will be invited to these consultations.

Detailed proposal for phase 3 (logistic support for continuous support via partner organisations) (Dr.Neil Pelkey, Dr.Dipani Sutaria and R.S. Bhalla)

The final output of this exercise will comprise of a proposal to **set up** funding mechanisms based on the findings of the study. The proposal will outline specific activities to secure long term funding and will serve as a follow up of the LTFM study.

Time Line

The figure below presents an approximate time line for the project. The number of field visits and their timing will change according to field conditions. Similarly the duration of the literature review will be based on the availability of information and documents. Consultations with external experts for legal/audit advice and preparation of video documentary and layout of reports will depend on the professionals hired. Finally, the stakeholder workshop's timings will be decided on the basis of the convenience of the participants.

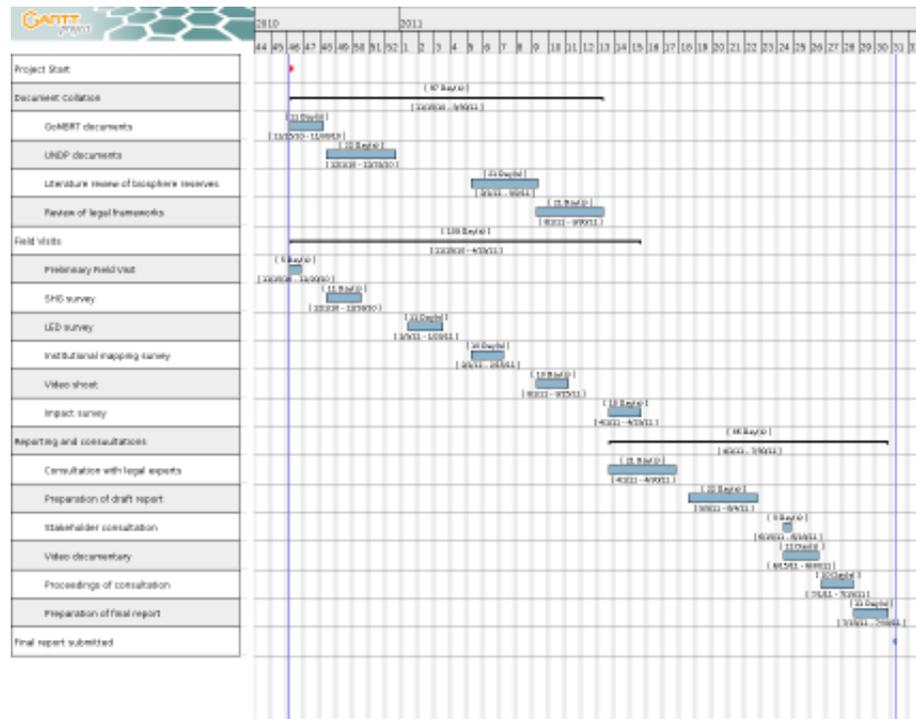


Fig. 1: Approximate timeline of the project..

Field work

Multiple teams headed by persons indicated earlier will be operating at the project site throughout the study period. The field teams will be led by experienced field coordinators and will comprise of staff from FERAL and local agencies, as required (see below).

Reporting

All the aforementioned reports will be submitted as a consolidated document at the end of the study period. A two step process will be followed for this. Drafts of the various reports will be submitted on-line to the TNFD, GoMBRT, UNDP and other identified institutional stakeholders a week prior to the stakeholders workshop. The report will be presented during the workshop and inputs from the stakeholders will be solicited during the event.

Relevant inputs will be incorporated into the report, a final version of which will be submitted to UNDP within a fortnight of receiving inputs from the institutional partners and the stakeholder workshop - whichever comes later.

Persons and Groups Involved

This study will be headed by Dr.Neil Pelkey and R.S. Bhalla. In addition Dr.Dipani Sutaria will oversee the collation of documents and the field work will be coordinated by Mr.Gaspard Appavou. The CV's of the concerned persons have been provided separately.

Three other groups/professionals will be directly involved in the work and their services will be hired directly by FERAL. These are:

1. Chartered Accountants and legal experts for examining the procedures, rules and regulations for the LTFM.
2. Video professional for a short documentary of the site (this will be a low cost effort involving a single person who has worked with FERAL in the past).
3. Layout professional for layout of the final project report and proceedings of consultations.