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# Community Environment Conservation Fund (CECF) Catalyzing Conservation and Enhancing Livelihoods Experiences from East Africa

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# The team



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# Community Environmental Conservation Fund - 'MaliVerde'

A tool developed by IUCN Uganda



# CECF-Community Environmental Conservation Fund – evolving into MaliVerde = Green Wealth



- › The fund component was developed as the **Community Environment Conservation Fund CECF**
- › Most of the literature is under the title CECF and this is what is used in Uganda
- › Developing a rebranding as MaliVerde

# CECF Background



- Developed and piloted by IUCN in northern Uganda as a result of:
  - Community displaced for 30 years due to Lords Resistance Army civil war
  - Over 90% of community livelihoods directly depended on natural resources as they
  - Most communities had lost farming skills
  - Statutory and cultural NRM laws were almost non-existent
  - Most of the vulnerable groups didn't have a voice





# Background /2



- Over exploitation/mis-use of natural resources
- Need to create a sustainable linkage between NR management, livelihood enhancement, and social equity
- Project originally decided planned to pay directly for tree planting
- Decided it was better to give resources directly to communities



Think  
‘Community  
Health  
Facility’

# Community Environmental Education Fund - ‘MaliVerde’



**Community-Owned  
Land-Use Plan**

+

**Community-Determined  
By-laws**

+

**Community-Owned  
Solidarity Fund**





# CECF – how does it work?



1. The community develops its own restoration **land-use plan**
2. Develops own **bylaws** endorsed by government
3. Receives training to set up, own & operate a **revolving fund**
4. Revolving fund is capitalized by a **grant**
5. Community disburse **loans** to households for own needs on condition that they implement the community plan.

# CECF Principles/1



- Enhance natural resources management and governance
- Enhances self-determination, the conditions should be guided not proscribed
- Promotes and is clear on individual and collective actions incentives and disincentives
- Inclusive so all groups of in a community can participate
- Transparent and highly accountable (both rewards and sanctions)





# CECF Principles/2



- Linked to local governance systems, enabled by national/ sub-national laws. local government should provide legitimacy to the system by providing oversight
- The revolving fund should be sustainable over the long-term
- Considered as a village social fund designed to attract and catalyse more support



# Key Features



- Modeled on the successful and widespread Village Savings and Loans Associations – VSLA
  - <http://www.care.org/vsla>
  - 25 years old. **Care International**
  - 5 million members in Africa, 26 Countries
- Implemented in micro-catchments
- Scalable at landscape level
- Catalyze and promote collective action
- Integrates household ‘restoration-businesses’ based on sustainable value chains





# How does CRF work?

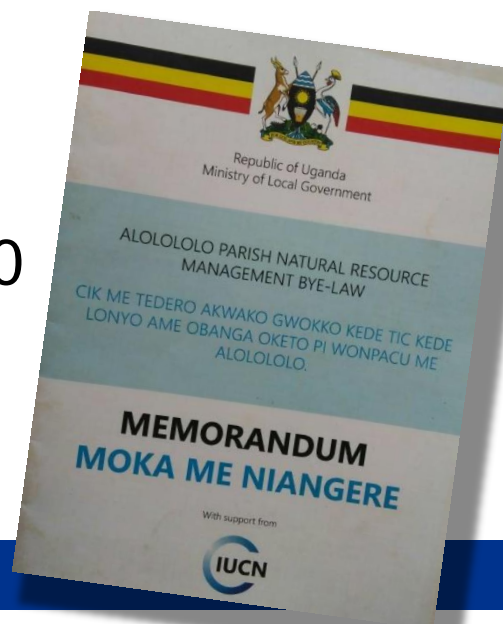


- › Governance & technical support at sub-national level but may extend up to catchment level(s) across districts – links to national policy and ROAM
- › At catchment level the structure brings together several Districts to jointly manage a catchment or landscape
- › CRF groups at the community are managed by 4 structures:
  - i. General Assembly, which includes all beneficiaries of the fund;
  - ii. Executive committee;
  - iii. Loans and/or audit committee, and
  - iv. Environment committee

# CECF - results after 5 years Uganda



- 4 locations across Uganda
- 12,500 Households
- 165km riverbank & 600 ha wetland restored, 2m trees planted
- 495+ governance structures – social cohesion
- 6 sets of bylaws
- Total cost c.500,000





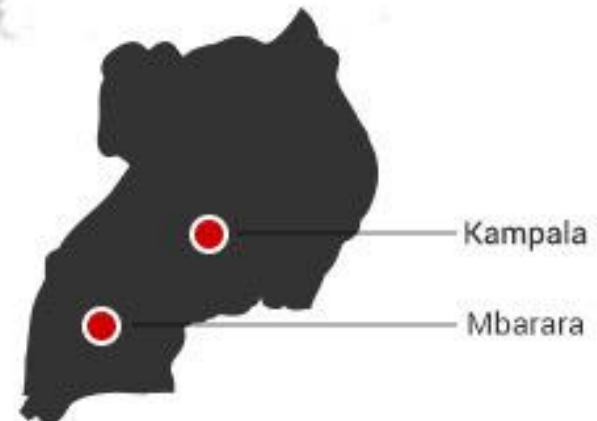
# Case: CocaCola – River Rwizi



*We will be the Best Coca-Cola bottler in the World."*

## The problem:

- The Mbarara plant suffered water shortages especially in the dry season
- This was due to agricultural conversion of several wetlands upstream
- The plant tried to dam River Rwizi to increase water supply but this failed



# CocaCola – River Rwizi



## The solution:

- The company funded IUCN to use its Payment for Ecosystem Services - PES '**type**' scheme
- This worked with upstream communities of 50 villages
- As a result 600ha of degraded wetlands was restored
- Water now available downstream through out the year
- Cost \$80,625 in two phases
- Ministry of Water and Environment discussing with company a scale up project

# Kenya - Sharia Compliant Community Environment Conservation Fund



- Modeled on VSLA and CECF + environment compliance.
- Piloted in two sub-catchments
- Accommodates spiritual belief and trust – loan with no interest brought unavailable credit to grassroots level
- Money with community & in box. Based on business plan (KES 10,000 – 30,000 to applicants) and returned in 4 months (1 month grace period) with 10% profit - half for growth and management of the fund, and rest as social fund to support the poor & other vulnerable





# How it works

- Oversight by monitoring committee
- Bylaws to manage funds in place. Disbursed & received in meetings
- Additionally: Borrower provides ascertained assets and loan signed by two guarantors
- A third of the beneficiaries **MUST** be women, minorities, disabled and youth given priorities
- Other potential sources for the fund: county & national governments other partners, Zakaat, fines from implementing bylaws.



# Sub-Catchment Management Plan for Arid Lands



## KASHA SUBCATCHMENT RESOURCE MAP





# CECF Summary



- Seen as **'CES - Co-investment in Ecosystem Services'** not PES
- **Not microfinance** – no profit taking
- Established as a permanent **community-owned asset**
- Promotes community dialogue and improved governance
- Supports sustainable businesses
- Significant growth potential





# Lessons



- Fund works well with low income communities- may be complex with richer communities
- Incorporates all community members including vulnerable groups
- Model can be revised to suit different landscapes and purposes
- Governance platforms facilitate dialogue, accountability and action

# Challenges



- Fund are limited and borrowing ceiling also limited
- Insufficient financial management skills within local communities
- Elite capture risks by powerful individuals/groups
- Environmental aspects of the fund can to be overshadowed by livelihood aspects
- Securing sufficient grant funds to capitalize the system at large scale.

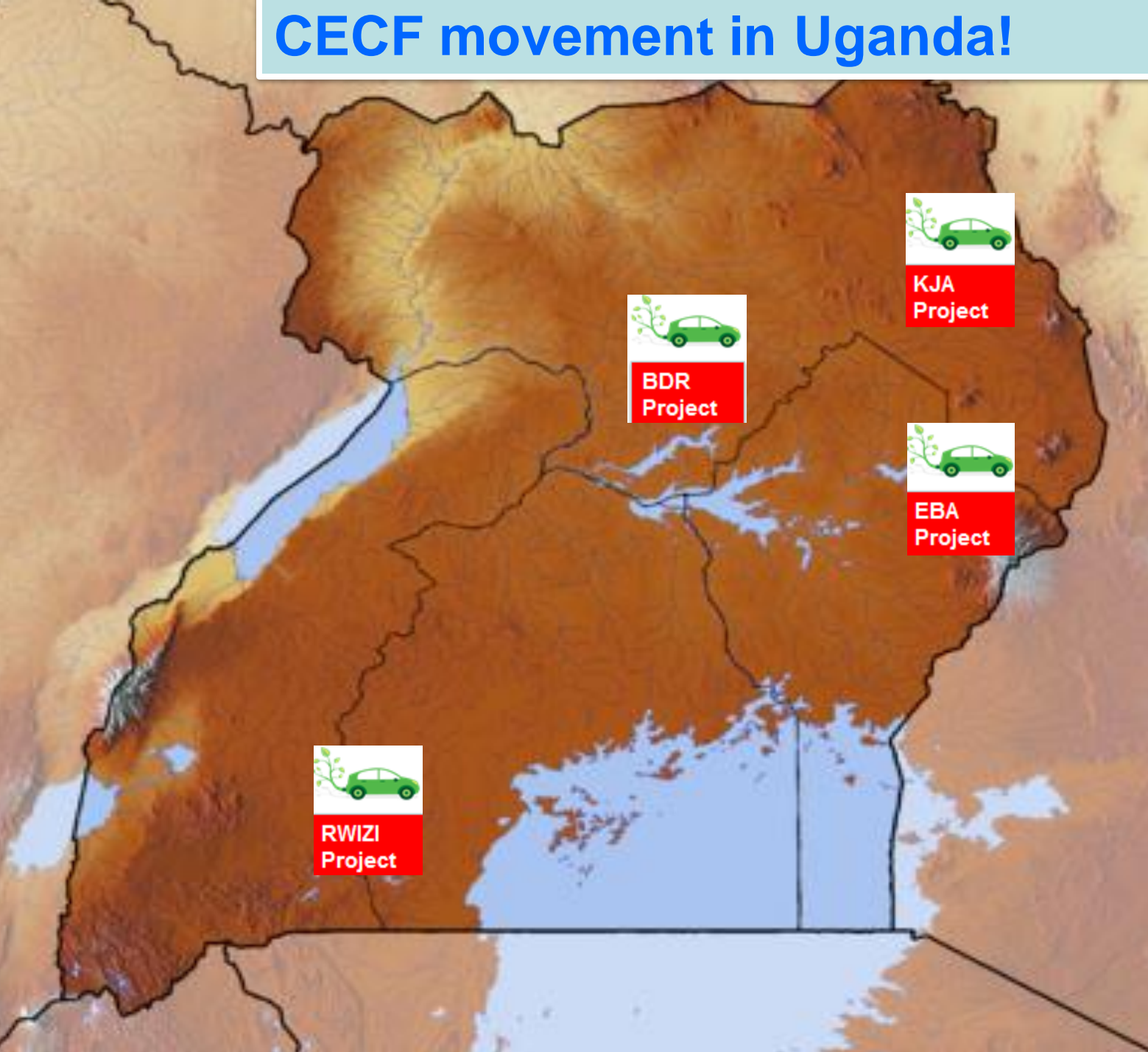
# Opportunities



- Public Private Partnerships in FLR and NR management
- Leverage on national programmes through joint planning with government
- Enhance self-determination, the conditions should not be proscribed
- Carbon finance
- Islamic finance



# CECF movement in Uganda!



# And Beyond!



# CECF – MaliVerde - Next steps



## Stress testing - preparing for scale up

- Implementation guidelines under development
- Understand **gender** sensitivity and develop gender guidelines
- Develop a **youth** programming component
- Graduation and long-term motivation

## Environment, social and financial monitoring

- Improved loan tracking and ecosystem monitoring tools – GreenFi partnership
- Scale up to larger landscapes



GreenFi



# Asante sana – Thank you



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## *MaliVerde*