



**MADAGASCAR  
PROTECTED AREAS  
AND BIODIVERSITY  
FUND**

# **PRIORITIZATION MANUAL**

**FINAL  
VERSION  
NOVEMBER  
2010**

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## I. BACKGROUND

The Madagascar Protected Areas and Biodiversity Fund (FAPBM) is a Foundation of Public Utility, governed by Act No. 2004-014 of August 19, 2004 reforming the regime of foundations in Madagascar.

FAPBM aims to support biodiversity conservation in Madagascar by promoting and financing the expansion, creation, protection and development of protected areas.

The new Code of Protected Areas adopted by Parliament in 2008 created the System of Protected Areas of Madagascar (SAPM), which encompasses all protected areas regardless of their location on the national territory. FAPBM's bylaws allow it to fund both protected areas that are part of the Madagascar National Parks (MNP) network and other potential recipients that are qualified and acting in accordance with FAPBM's purpose, including protected area promoters within the SAPM, NGOs, communities, academic and research institutions, and for-profit organizations.

Under the terms of the bylaws, FAPBM may manage various types of funds: endowment funds, sinking funds, revolving funds, and funds with management mandate.

With regard to endowment funds, the income generated from their investment is used to fund protected areas.

The question of "prioritizing" protected areas is at the heart of FAPBM's strategy. Indeed, for several more years, the funding mobilized by FAPBM will only be able to cover a small part of the overall needs of the SAPM. This is why, since FAPBM was created, the Board of Trustees has been concerned about identifying the criteria that will determine which protected areas it will fund in priority. The question is also important for donors. Some of them, in particular, would like to prioritize protected areas that they have supported financially and technically for many years, or have contributed to creating.

It is agreed that both the sinking funds and the capital income share of a given partner's contribution may, if that is what the partner would like, be earmarked for financing specific protected areas ("earmarking").

This Manual describes the principles of FAPBM's prioritization policy, the criteria for selecting protected areas and activities to be funded, and FAPBM's procedures for ensuring the greatest possible transparency in the funding process.

It naturally complements the Financing Manual and both manuals should be implemented jointly.

## II. GENERAL PRINCIPLES

### II.1. FAPBM's principles and fields of action

- The Madagascar Protected Areas and Biodiversity **Fund** (FAPBM) only supports parks and reserves legally recognized by the State. Funding is not limited to existing Protected Areas (PAs). Any new PA (NPA) created within the SAPM is eligible, provided it is legally established and has a Protected Area status under the COAP (Protected Areas Code). Particularly, FAPBM can provide funding to a Protected Area with a temporary status.
- The natural beneficiaries of FAPBM's support are protected area promoters or official managers. Nevertheless, it is not excluded that FAPBM may establish partnerships or provide financial support to other entities working for conservation, extension, promotion or sustainable development in or around protected areas. As far as possible, however, these entities will be invited to integrate into the work plans and submissions of the official PA managers/promoters.

- FAPBM wants to promote financial sustainability of the sites it funds. As such, FAPBM's commitment to a PA is normally long-term. However, before providing further support to a given recipient, FAPBM will ensure that the recipient has fulfilled its commitments, particularly in terms of rigorous use of funds, completion of agreed-upon activities and achievement of expected impacts. In addition, FAPBM will encourage the Recipient to gradually become self-financing.
- FAPBM's prioritization of PAs and selection of beneficiaries follows an annual cycle. As described in the Financing Manual, PAs to be supported in year N are selected in year N-1. Funding agreements are signed at the end of year N-1. The only exceptions to this principle apply to beneficiaries of the special intervention fund (see Financing Manual).
- Protected areas that are not funded through the normal prioritization and funding process may be subject to specific analysis under FAPBM's Special Intervention Fund.
- FAPBM's main principle is to preserve its capital. Therefore, the availability of capital gains, income or reserves is a prerequisite for granting funding.

## **II.2. Two prioritization phases: selection of PAs and selection of beneficiaries and activities**

In parallel with the Financing Manual, the Manual distinguishes two phases in the prioritization cycle:

1. The ranking and selection phase of the Protected Areas: It takes place during the first half of the year N-1 (for funding in year N); its purpose is to establish a priority "ranking" and to take into account various parameters to select the protected areas likely to receive financial support during year N.
2. The selection phase of beneficiaries and activities: This phase takes place in the second half of the year N-1. Potential beneficiaries must submit detailed grant applications to FAPBM. These applications will be analyzed to identify the activities that will actually be funded and the amount of support granted. This phase ends with the signing of funding agreements with the beneficiaries.

## **II.3. Criteria for prioritizing PAs**

There are two major criteria used by FAPBM in the "ranking" and selection phase of the PAs:

1. **Biodiversity:** An essential criterion that includes several sub-criteria such as the richness of the site in terms of biodiversity as well as its vulnerability, the threats to the site, and the existence of an international label.
2. **Funding Gap:** Several donors are directly involved in financing PAs. Some of the PAs also generate their own resources. FAPBM has a role to play in the conservation of SAPM. As such, it will pay particular attention to PAs that have the most difficulty in finding adequate funding. It is, of course, the goal of FAPBM to encourage sites to be financially self-sufficiency in the long run.

These two criteria are superseded by some donors' desire for earmarking, whether for continuity, historical or other reasons.

It is important to note that PAs already funded by FAPBM, even if they are automatically selected for the next phase, are systematically included in the ranking phase carried out each year.

## **II.4. Parameters for evaluating beneficiaries and activities to be funded**

When selecting beneficiaries and activities to be funded and determining the amount of funding to be awarded, the quality of the applications and the relevance of the projects presented by the applicants will be evaluated using several parameters:

1. Overall quality of the application and the applicant's competence: The overall coherence of the application, the description of the issues affecting the PA, the vision presented by the beneficiary, the organization in place and the beneficiary's capacity to absorb funds will be evaluated.
2. Relevance and impacts of conservation-related activities: FAPBM's main mission is to support biodiversity conservation, so the application evaluation will focus on ensuring that PAs have the optimal resources to carry out conservation activities. This includes an analysis of how the recurring costs of protecting and monitoring PAs are covered, and an analysis of investment and maintenance needs.
3. Relevance and impact of social and sustainable development activities: FAPBM attaches great importance to the impact of its support on the local population. Applicants for funding may therefore include in their applications community development projects in or around protected areas. Depending on the relevance and impact of the projects, the applicants may receive support for all or part of the projects presented. However, they must demonstrate that these activities are related to biodiversity conservation.
4. Relevance of activities that contribute to financial self-sufficiency of the PAs: Activities that generate income for the PAs and ultimately contribute to their financial self-sufficiency may be presented in the applications and may be funded by FAPBM. This includes, but is not limited to, ecotourism projects.
5. Capacity building needs: Funding applications may finally include requests for capacity building for both the recipient and the entities involved in PA management and conservation.

## **II.5. Application, evaluation of criteria**

This Manual sets out in subsequent sections or appendices how the various criteria above will be evaluated.

The principle is to use simple and rational scoring grids in order to make the process as transparent as possible and to ensure a healthy competition between the PAs and the recipients. A criterion can be broken down into several sub-criteria.

The criteria, the way they are evaluated, and the weightings used are expected to change over time. A section in the Manual defines the principles for updating the Manual.

## **II.6. Exchange, transparency and communication**

FAPBM is committed to conducting the prioritization process in the most transparent and open way possible.

In general, throughout the prioritization cycle, the Executive Directorate may take the following actions to better perform the prioritization work:

- Organizing consultative meetings, dialogues, seminars and workshops to exchange ideas,
- Visiting protected areas that could be funded and discussing possible priorities with various stakeholders,

- Communicating with all stakeholders to harmonize interventions and identify funding opportunities, and
- Building networks of partners for collaborative approaches.

FAPBM's donors may be consulted both in the PA selection phase (wishes to do earmarking, validation of funding gaps, etc.) and in the activity selection phase.

The list of beneficiaries and the amounts awarded will be made public on FAPBM's website, and may be communicated to the media. Details of the funded activities will be published in the donors-only section of FAPBM's website.

### **III. LIFETIME AND UPDATING OF THE MANUAL**

This Manual will evolve over time. Data collected on protected areas may improve and the criteria and the way they are calculated may need to be adjusted. The weights used to reflect the relative importance of the parameters may also change over time.

More broadly, changes in the legal and structural framework, available global funding, donor policies, and FAPBM's own strategy could lead the Board of Trustees to change its prioritization policy.

Updating the manual is part of the Executive Board's duties to ensure that the manual is consistent with the prioritization policy established by the Board of Trustees. The Executive Director will ensure that there are no conflicts between the responsibilities, procedures and processes described in the Manual and other documents that govern FAPBM's operations.

Any changes to the Manual must be submitted to the Board of Directors for approval and all donors to FAPBM will be informed of such changes.

## **IV. RESPONSIBILITIES WITHIN FAPBM**

### **IV.1. The Board of Trustees [CA]**

FAPBM is governed by an independent Board of Directors. The CA's responsibilities in prioritizing and selecting protected areas and activities for funding are:

- Setting FAPBM's prioritization policy for achieving its strategic objectives;
- Approving the criteria for prioritizing PAs;
- Approving selection of PAs and funding programs proposed by the Funding Committee and the Executive Management (EM);
- Approving the allocation of available funds on an annual basis; and
- Communicating to FAPBM's funding partners the principles and results of prioritization carried out by FAPBM.

## **IV.2. The Financing Committee [FC]**

FAPBM's Board of Trustees appoints a Financing Committee from among its members to oversee funding activities. More specifically, the FC's roles in the prioritization process are:

- Developing and updating the Prioritization Manual with the EM according to the general policy determined by the CA;
- Assessing the EM's analysis of PA prioritization and validating its recommendations for PA selection;
- Assessing the business cases prepared by the EM and validating the EM's proposals for funding allocation;
- Submitting the final list of selected PAs and recipients, the funding allocated to each PA, and the activities to be funded for each PA to the CA for approval.

## **IV.3. The Investment Committee [IC]**

FAPBM's Board of Trustees appoints an Investment Committee from among its members to oversee investment activities, including the development and updating of the investment policy. The IC's roles in the prioritization process are:

- Setting a ceiling that determines the share of investment income that will be available for the funding program;
- Validating the indicative global envelope on the basis of the financial forecasts;
- Validating the final global envelope that sets the amount of funding available for the following year.

## **IV.4. The Executive Management [ED]**

In terms of prioritization, the Executive Management is primarily responsible for:

- Collecting the data and information necessary for the PA prioritization process;
- Conducting analyses leading to the PA selection and presenting the proposed list of priority PAs for the following year to the FC;
- Informing the selected PAs, requesting and collecting funding applications from potential recipients;
- Analyzing the applications received, requesting any additional information from the PAs, and undertaking all necessary discussions with the PAs and funding partners;
- Preparing recommendations on funding allocations and selection of activities to be funded; Presenting to the FC the final selection result and a proposal for funding allocations for each PA (amounts and activities).

## **V. PHASE I: PROCEDURES FOR SELECTING PA'S**

This phase generally takes place from January to June and results in a ranking of PAs and a shortlist of PAs that may be funded by FAPBM for the following year. It falls partly under the planning phase described in the Financing Manual.

Throughout this phase, FAPBM engages in collaborative work with the PAs and funding partners, while maintaining its objectivity and independence in decision-making.

Indicative period	Activities	In charge
January to May	<ul style="list-style-type: none"> <li>Updating of the PA database</li> <li>Updating of scientific data on biodiversity</li> </ul>	EM
April to May	<ul style="list-style-type: none"> <li>Collecting/updating of information on sources of funding for sites</li> <li>Scoring and ranking of sites according to biodiversity criteria and funding criteria</li> <li>Site visits (if any) by the EB</li> </ul>	EM
About June	<ul style="list-style-type: none"> <li>Updating of financial projections and determination of the indicative global envelope available for the following year</li> <li>Determination of the short list of PAs (potential recipient sites)</li> </ul>	EM IC & CF

### **V.1. Step 1: Updating of data and ranking of PAs according to biodiversity criteria**

The Executive Management must update the list of existing PAs on an ongoing basis.

The first step in prioritization is to update the biodiversity data. To do this, the EM, and more specifically the Grant Officer, will retrieve all necessary scientific data from the PAs or other sources.

The biodiversity criteria to be considered incorporate the extent of vulnerability of the biodiversity represented by the PA, the threats to the PA, and thus the long-term sustainability. The evaluation model adopted:

1. involves a weighting of the habitats considered to be the most threatened or vulnerable (rare, dryland, marine habitats, etc.);
2. reflects the overall diversity of flora and fauna, the degree of endemism at the local level and the relative abundance of species considered vulnerable (VU), endangered (EN) or critically endangered (CR) according to the Species Survival Commission (SSC) of the International Union for Conservation of Nature (IUCN);
3. takes into account the ecological conditions of the site in relation to the impacts of pressures and threats. The level of threats is an important measure in the evaluation of a protected area;
4. includes international labels that demonstrate the importance of a given site on an international scale.

Therefore, four sub-criteria are selected to prioritize the PAs in terms of biodiversity:

1. Individual significant representation of each site in terms of habitats and biodiversity characterized by its richness in terms of habitat and its vulnerability;
2. Overall richness, level of endemism and richness of threatened species according to the IUCN Red list;
3. Level of threat to the PA;
4. International labels.

The methods for assessing, scoring and weighting these 4 sub-criteria are described in Appendix 1 of this Manual. Applying these criteria results in an initial ranking of the PAs.



## V.2. Step 2: Assessment of the funding gap

This second phase requires exchanges and close collaboration between FAPBM, the PA promoters or managers and the funding partners.

The EB, and more specifically the Grant Officer, will collect information from the PAs on their funding sources. Each PA applying to be evaluated by FAPBM will be asked to provide a profile and funding plan using the template described in Appendix 2.

All existing HAs, including those already funded by FAPBM, are formally requested to provide such information by the end of May. PAs that fail to provide the required information will get the minimum score of zero on this criterion.

Each PA manager will be required to attest to the veracity of the information they provide to FAPBM, and to provide a list and contact information of their funding partners. FAPBM will make every effort to verify the information with other funders. Any PA that withholds or misrepresents information may be penalized in its scoring or even excluded from the list of potential recipients of Foundation support.

The scoring of this criterion takes into account the theoretical relationship between the area and the cost per hectare. The area considered includes the core and buffer zones.

The calculation method is described in Appendix 3 of the Manual.

## V.3. Step 3: Ranking and Shortlisting of PAs

### *i) Ranking of PAs*

The EM will weight the 2 criteria as indicated below to obtain an overall score for each PA. This overall score is used to determine the ranking of the PAs.

<b>Maximum points</b>	
<b>Biodiversity, vulnerability/threats</b>	<b>70 points</b>
<b>Funding gap</b>	<b>30 points</b>
<b>TOTAL</b>	<b>100 points</b>

Normally, PAs that have already been funded by FAPBM are automatically included in the list of selected PAs. However, they will still have to submit a complete application for funding.

In addition, for pragmatic reasons, in the initial stages and until the SAPM data are more complete, during the analyses, PAs will be subdivided into two batches: the well-known PAs in terms of biodiversity (in particular the PAs in the MNP network) for which the data are complete, and those for which only fragmentary data are available. Thus, two distinct rankings of PAs will be created.

### *ii) Shortlisting of PAs*

The results of the analyses will be presented to the FC who will validate the ranking.

At this point, and as provided for in the Financing Manual, the Investment Committee (IC) will have informed the FC of the estimated funding envelope available for the following year. The FC, in collaboration with the EM, will then determine the optimal number and short list of PAs to which a request for application will be sent based on the amount available.

The ranking of PAs using the above criteria is the primary basis for selecting which PAs to fund in priority. However, more qualitative factors may influence the determination of the final shortlist.

A FAPBM's donor may express a desire to support specific PAs ("earmarking") from the usable share of the income from their capital contribution.

Similarly, and without this list being exhaustive, when making the final choice, it is the Board of Trustees' prerogative to take into account criteria such as:

- Representation of various ecosystems in FAPBM-funded PA portfolio
- Balance between MNP network areas and NPAs

The short list of PAs will be made public on FAPBM's website.

## VI. PHASE II: SELECTION OF BENEFICIARIES AND ACTIVITIES

This section of the Prioritization Manual is intended to clarify how, from the short list resulting from the previous phase:

1. PAs and recipients are finally selected
2. activities to be funded within each PA are determined
3. funding amounts for each selected PA are determined

The following table outlines the indicative cycle for this phase:

Indicative period	Activities	In charge
By the end of July	<ul style="list-style-type: none"> <li>• Announcement of (pre)selected PAs</li> <li>• Call for applications</li> </ul>	EM
July to September	<ul style="list-style-type: none"> <li>• Preparation of applications by potential beneficiaries</li> <li>• Site visits (if any) by the EM</li> <li>• Exchanges with the EM for clarification and general guidance</li> </ul>	Sites, EM
October 1	Deadline for submission of applications	Sites
By November 15	<ul style="list-style-type: none"> <li>• Review and evaluation of applications received</li> <li>• Requests for clarification</li> <li>• Consultation with other donors</li> <li>• Identification of activities to be funded and proposed allocation of funds to the different PAs/beneficiaries</li> <li>• Preparation of the file to be submitted to the FC and CA</li> </ul>	EM
End November	Decision on the funding program for the year (amounts, allocations, and donations proposed) and its presentation at the meeting with donors	FC, CA
Early December	Recipients are notified of funding Granted	EM
By end of December	Signing of the funding agreements between FAPBM and the recipients	CA's President or EM per delegation

## **VI.1. Final selection of PAs**

The template for the application package requested from applicants for FAPBM's funding is detailed in Appendix 2 of this Manual.

In theory, a PA could be the subject of several applications from different potential recipients. However, FAPBM will encourage that applications be coordinated by the official PA manager/promoter so that preferably only one application per PA is submitted to FAPBM.

Being selected in Phase I does not guarantee that the PA will receive funding. Any of the following factors may lead to "dismissal" of a PA:

- No application received (or not received on time)
- Incomplete application despite official reminder or request for clarification
- Funding already acquired is sufficient
- Recipient that has already benefited from a previous support from FAPBM but:
  - i. has far from exhausted its current funding
  - ii. has not fulfilled its obligations despite reminders
- "Due diligence" identifying major problems with the applicant

## **VI.2. Prioritization of beneficiaries and activities to be funded**

In order to encourage healthy competition between potential beneficiaries, applications will be evaluated using a grid based on the criteria listed in II.4.

The EM will score and rank the various proposals received. The highest rated applications and recipients will have a better chance of being funded first.

The criterion "1. Overall quality of the recipient's application and organization " is systematically scored for each application submitted.

However, the other criteria are only scored if specific activities are submitted for FAPBM's funding. For example, if an application does not request FAPBM to fund capacity building activities, criterion 5 will not be scored and will not be included in the overall score of the application.

The overall rating is an average of the scores obtained on the criteria (other than 1.) for which activities are actually submitted to FAPBM.

<b>Application evaluation criteria</b>	<b>Sub-criteria / Max. scores</b>	<b>Max. score</b>
1. Overall quality of the recipient's application/organization	<ul style="list-style-type: none"> <li>- Presentation of the PA and the problem (2)</li> <li>- Applicant's overall vision and strategy (2)</li> <li>- Consistency of the Multi-Year Work Plan (3)</li> <li>- Applicant's organization and competence (3)</li> </ul>	10
2. Proposed biodiversity conservation activities	<ul style="list-style-type: none"> <li>- Quality and consistency of the overall conservation plan (2)</li> <li>- Importance/impact of specific activities to be funded by FAPBM (5)</li> <li>- Clarity and relevance of proposed indicators (3)</li> </ul>	10
3. Proposed activities in support of sustainable development	<ul style="list-style-type: none"> <li>- Quality and consistency of the overall sustainability support plan (2)</li> <li>- Importance/impact of specific activities to be funded by FAPBM (5)</li> <li>- Clarity and relevance of proposed indicators (3)</li> </ul>	10
4. Proposed activities to improve financial independence	<ul style="list-style-type: none"> <li>- Quality and consistency of the overall financial self-sufficiency plan (2)</li> <li>- Importance/impact of specific activities to be funded by FAPBM (5)</li> <li>- Clarity and relevance of proposed indicators (3)</li> </ul>	10
<b>Average score out of 10</b>		

### **VI.3. Allocation of funds between PA**

On or about November 15, FAPBM, through the Investment Committee, is able to provide a fairly good estimate of the amount of funding available for the following year.

The allocation of funds between PAs is the responsibility of the Funding Committee once the EB has submitted its proposal. The Funding Committee will also decide on the portion of the budget to be allocated to the Special Intervention Fund.

The process of allocating funds is a qualitative one, requiring iterations and allocation optimizations. The overall and per-criterion scores obtained, as well as the PA's funding gap level, will influence the allocation of funds between recipients. The following points should be taken into account:

- A shortlisted PA applicant may not receive any funding at all, particularly if FAPBM finds the application to be incompetent or poor;
  - It is not mandatory that applicants receive 100% of what they requested in their application;
  - The overall score obtained by the application is taken into account in determining the allocation: the higher the score, the greater the likelihood of obtaining a significant allocation;
  - The same applies to scores on the above criteria 2-5: The higher the score on a specific criterion, the higher the likelihood that the corresponding activities will be funded;
- If the amount allocated is less than requested, the PA must promptly update its AWP and the achievement and impact indicators before signing the funding agreement.

When visibility and vision of the PA allow, FAPBM may decide to engage in multi-year (3-year) funding agreements with a recipient, with conditional tranches.

## APPENDIX 1

### Calculation method of the criterion

#### Biodiversity

- 1) Individual significant representation of each site in terms of habitat and biodiversity characterized by habitat richness and vulnerability; the maximum score awarded will be 20 out of the 70 of criterion 1.

Habitat	Assigned value
Exceptional site in terms of representativeness	3
Eastern coastal forest	3
Dense moist evergreen forest 0-400 m	3
Dense moist evergreen forest 400-800 m	3
Dense moist evergreen forest 800-1,200 m	2
Dense moist evergreen forest 1,200-1,600 m	2
Dense moist evergreen forest 1,600m +	3
Dense sclerophyllous forest	3
Rupicolous forest	1
Transition forest	2
Mountain forest 2,000 m +	2
Dry dense forest	3
Thicket	2
Gallery forest	2
Swamps	3
Altimontane meadow	1
Savannah	1
Coral reefs	3
Marine park	3
Mangroves	2
Bamboo forest	1
Lake	2
Caves	2

The PA with the highest score is awarded 20 points. The other PAs are then scored using a rule of three.

- 2) Overall richness, level of endemism and richness of threatened species according to the IUCN red list; the maximum score awarded will count 30 points out of the 70 of criterion 1.