Maliasili / Maasai Landscape Conservation Fund
Case Study

Context

The savannah ecosystems of Southern Kenya and northern Tanzania are one of earth's most important landscapes for wildlife as well as for indigenous cultural diversity (e.g. cradle of humankind). It spans more than 100,000 square kilometers and contains at least ten of Africa's most iconic protected areas (including Serengeti-Maasai Mara, Mount Kilimanjaro, and Amboseli), which have been established to protect this ecosystem and the wildlife dependent upon it. Each year vast numbers of wildebeest, gazelle, and zebra migrate from the Serengeti park in Tanzania to the Maasai Mara reserve in Kenya in search of water and grazing land, sharing the landscape with elephants, lions, and a host of other species that are all dependent on the conservation and health of this ecosystem.[i,ii]

Alone, the established protected areas are insufficient to conserve the needed connectivity and larger areas of habitat required to maintain ecosystem function. Depending on location, an estimated 30% to over 75% of the lands and resources needed by wildlife is to be found outside of the parks and reserves in surrounding community lands.[iii] Both historically[iv] and at present[v], gazetting of these park and reserves deprives IPLCs of their traditional land rights, sources of livelihood, and endangers their cultural survival. Indeed, further expansions at the expense of the customary land rights of IPLCs is arguably at odds with existing policies and the constitutional/legal frameworks in these countries, as well as being fraught with conflict and controversy.[vi,vii]

As such, the future of this landscape and the wildlife it supports is inextricably tied to secure land and resource access rights for local communities, and their ability to leverage these for developments compatible with their culture and priorities, and ecosystem/wildlife conservation. This is fortunate as, on the one hand, it is the Indigenous communities, predominantly Maasai, whose pastoralist and land use practices over the centuries have shaped the landscape on which wildlife rely. And, on the other, sustaining the landscape and its wildlife generates millions of jobs and several billion dollars in annual economic activity through wildlife tourism for Kenya and Tanzania.[viii,ix,x]

Maliasili and the Maasai Landscape Conservation Fund

The Maasai Landscape Conservation Fund (MLCF) should not be looked at in isolation from the organization that established it, Maliasili. The MLCF is a logical addition to its parent organization's tools for achieving their mission and goals. Equally the success of the MLCF's funding model relies on the range and quality of supporting services provided by an organization like Maliasili.

History and Vision

Maliasili. Maliasili registered as a US-based, non-profit organization in 2010 and began operations in 2011. It was founded by an individual with extensive experience and networks in the African and international conservation communities, in response to what he perceived as a critical gap in African conservation: a dearth of organizational development support for local African conservation organizations to enable them to achieve their potential and "*build the organizations and networks they need to deliver on their mission and achieve their goals*."[xi]

Maliasili's ultimate goals are conservation-related, i.e., "*to address the damage and degradation of natural ecosystems — and their value for biodiversity, wildlife, and climate —*

that is accelerating around the world". Their approach to achieving those goals is people and community-centric, as reflected in their Theory of Change:

> *"Our Theory of Change has three core desired outcomes — stronger local organizations, outstanding leadership, and greater resources and influence at the local level — which are interconnected and mutually reinforcing. We believe that empowered and effective local organizations will drive greater change and that an organization's empowerment stems from a combination of clear purpose, skilled team members, confidence in their impact, compassionate and capable leadership, sufficient resources, and connections to decision-makers"*[xii]

Specifically, they seek to identify and partner with "*the best African conservation organizations that put people, communities, and places at the center of their work"*, and strengthen them as the front-line actors who focus on strengthening land and natural resources rights, generating economic incentives for conservation, and strengthening local decision-making and management bodies to improve governance.[xiii]

Providing customized multi-year organizational development to a portfolio of local partner organizations is Maliasili's core work. They work with their partners to develop tools, systems, plans and strategies to make them more effective as an organization, and then support them to ensure that these work in practice.[xiv]

Over its first five years of operation, Maliasili grew to work with nine partners in four countries[1], tripling their annual budget to just over US$0.62 million in 2015. In that same year, Maliasili's support was reported to have leveraged or raised US$2.87 million for their partners[xv]. Between 2018 and the end of 2021, Maliasili raised and leveraged more than US$15 million for its partners and expanded its reach to work with and support some thirty partners in seven African countries[2],[xvi]. Its 2021 budget reached US$3.51 million[xvii].

Maasai Landscape Conservation Fund (MLCF). The MLCF was launched in July 2020, to pilot a pooled funding model that could provide solutions to high priority conservation issues and opportunities in the East African savannah landscape of southern Kenta and northern Tanzania.[xviii,xix] It was developed in partnership between Maliasili, the Liz Claiborne & Art Ortenberg Foundation and the BAND Foundation, with additional funding from JPMorgan Chase Philanthropy and Acacia Conservation Fund. The fund is managed and administered by Maliasili under its legal status as a US-based charitable organization.

The purpose was to develop, test and refine a new and scalable model for conservation funding that aligned and harmonized resources from a number of philanthropic funders in order to achieve impacts at larger scales than that obtainable by any single philanthropic conservation funder. An additional motivating force was the recognition that smaller private philanthropies lack the staff and management capacity, and the legal basis to find and fund local African organizations. The model is to be adaptable for replication in other landscapes and geographies within, and outside of Africa. A total of US$3.0 million was committed to the Fund, to be invested over three years (2020-2022) in capable, local African organizations, operating within the savannah landscape spanning south-central Kenya and northern Tanzania.[xx] By early 2023, more than US$2.2 million will have been granted to eight organizations. Original planning foresaw faster disbursements but as the entire MLCF three-year pilot took place within the pandemic period, there were some constraints.

The MLCF is designed to provide flexible, results-based funding that targets IPLC-based conservation outcomes across this landscape of global concern. It is to provide a new model

[1] Kenya, Namibia, Tanzania, Zambia
[2] Angola, Kenya, Madagascar, Namibia, Tanzania, Uganda, and Zambia

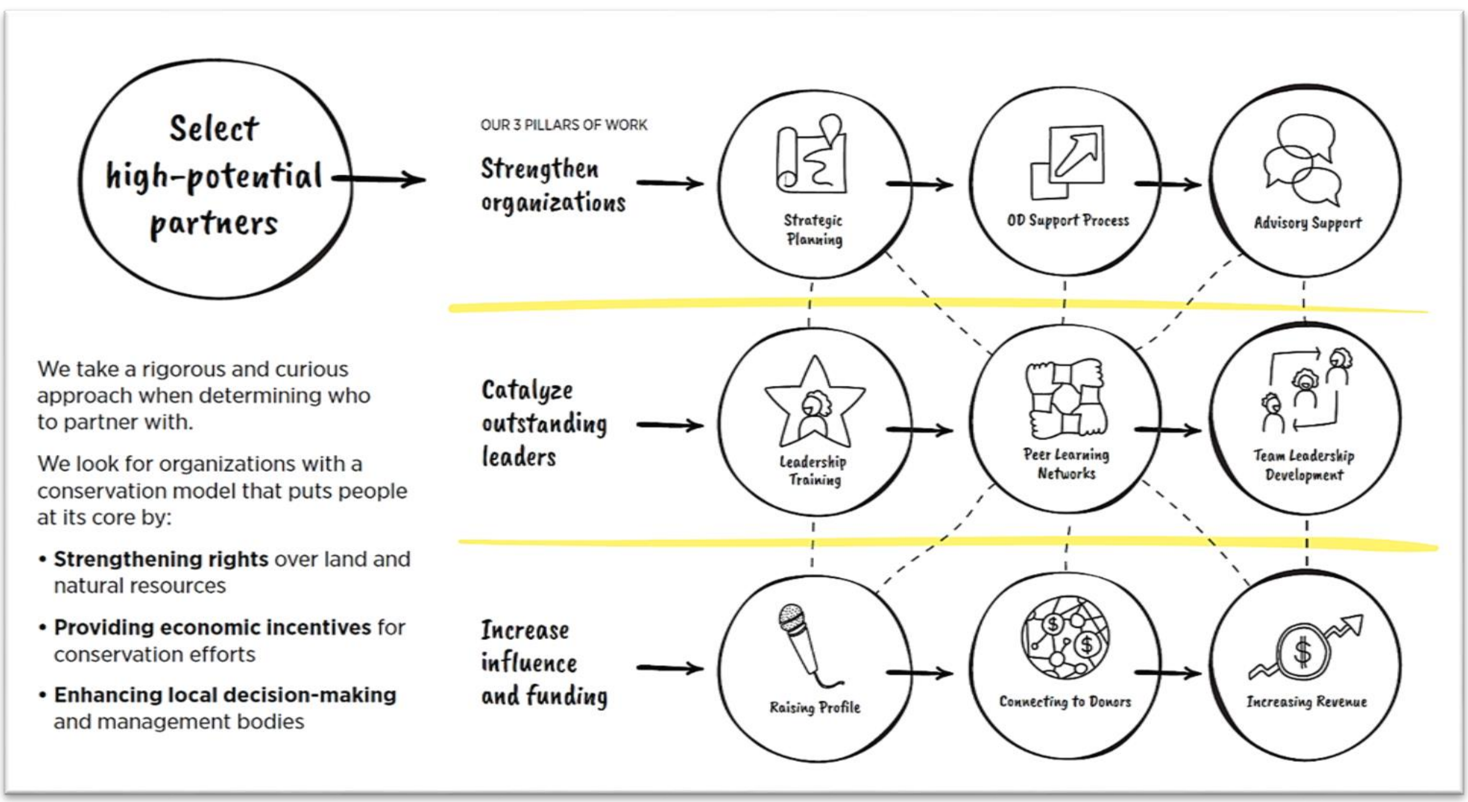
for delivering “enabling capital” to high-performing, local African organizations. Central to the financing model are explicit investments in the organizational development and capacity of its grantees. Based upon the learning, experience, and successful demonstration of the model, the goal is to attract new donors by offering a proven, collaborative, accessible, results-oriented funding framework that can leverage significantly greater amounts of private funding to invest in a conservation model led by local African conservation organizations and the IPLC communities with which they work.

Strategy

Maliasili. In order to achieve its objectives, Maliasili’s approach is to strengthen local organizations, enhance their leadership capabilities, and fundraise so that more financial resources directly reach these local organizations. Fundraising is done in two ways: by Maliasili directly as a financial intermediary, in support of its partners’ programs, and through providing support and assistance to the partners for them to develop the connections and resources needed to directly access funding for their programs.

Maliasili takes a strategic and intentional approach to the selection of partners and the overall composition of its portfolio. They have an open-ended "open call" for organizations to apply for support through an expression of interest, but also invest significant time, through their networks and on-the-ground teams, scoping opportunities, learning about potential partner organizations, and working to understand national contexts to see where opportunities lie for advancing community-based conservation approaches. Candidate organizations are subjected to a rigorous vetting process prior to being accepted as a partner. Partners are then offered a systematic program of organizational support through a customized, four-year process tailored to the specific needs of their organization.

Figure 1. Maliasili – What We Do: Accelerating impacts for people and nature by enabling high-potential, local organizations to achieve even more. (Source: Maliasili, 2021)



In year one of the program, the focus is the development of the organization's strategic plan and leadership development. Years two and three focus on communications, fundraising, human resources, management systems, monitoring and evaluation, and board governance. After this more intensive period of mult-year support, Maliasili aims to transition its support role to a more advisory role, including the organization's continued participation in the peer learning network amongst Maliasili's partners. Figure 1 provides an overview of how they work.[xxi]

Maasai Landscape Conservation Fund. The MLCF's strategy and approach departs from the view that the most important work in its geographic/ focal areas is being done by the local conservation organizations who already are delivering solutions at community level. Their presence and involvement in their communities best positions them to facilitate complex community processes and provide the day-to-day leadership and credibility needed to affect lasting changes. Their potential, however, is severely constrained by lack of access to funding of the type and magnitude needed for them to grow into their organizational potential, and work effectively at the needed scales. The MLCF is a response to that funding gap, and it follows an investment strategy that reflects the following assumptions:

- Conservation success depends on locally-driven actions to protect key habitats, safeguard wildlife from illegal use, and resolve conflicts between people and wildlife.
- Communities will support conservation efforts based on the alignment of conservation with their social, cultural, and economic interests.
- The greatest long-term threat to conservation in this landscape is conversion of communal rangelands and open habitats to agriculture, fenced plots, and settlements.
- The greatest conservation priorities involve establishing effective and financially viable local conservation and land management entities that maintain large, connected habitats through integrated livestock and wildlife use.[xxii]

The Fund provides annual grants for multi-year initiatives. The guiding principles for the grants are:

- Performance-based
- Aligned with the local organizations' own articulated priorities, as expressed in their strategic plans and annual work plans

Box 1. MLCF Eligibility Criteria

Portfolio Selection. The Fund invests in building core elements of successful community-based conservation:

- Securing tenure and sound governance of community lands and habitat connectivity using a diverse set of sound legal and management frameworks.
- Strengthening local conservation entities and management systems, such as conservancies and Wildlife Management Areas, and ensuring their governance is locally accountable.
- Building the conservation economy: developing nature-based enterprises that generate community-level revenue from wildlife and sustainable use of natural resources, as a key to building incentives for local conservation measures.
- Resolving conflicts between people and wildlife to reduce the costs of wildlife and promote co-existence.

Portfolio Scope. Eligible organizations are:

- African organizations based in Kenya or Tanzania
- Organizations that work within community lands adjacent to protected areas or within the wider landscape

Geographic Eligibility. Serengeti/Mara to the west, Tsavo/ Mkomazi to the east, extent of Maasai Steppe to the south, north to the end of viable wildlife habitat around Mara/Kajiado.

Organizational Criteria for Eligible Grantees.

- Clear organizational strategy, articulated priorities, track record
- Local presence to execute work at community scale and outstanding community facilitation skills.
- Ability to report progress and communicate impact in relation to established goals and targets.
- Strong leadership capacity at local scale on critical conservation issues, including ideally a clear local constituency or membership.
- Organizational culture of collaboration with other landscape actors.

Source: Maliasili Landscape Conservation Fund. 2020. Maliasili Landscape Conservation Fund – Investing in community-based organizations to achieve lasting conservation in East Africa's iconic savannah landscapes. November 11, 2020. 13 pp.

- Avoid creating "different work" or diverting organizations away from their core priorities
- Support core organizational capacity within the structure of grants.

Of importance to note is that the MLCF has a very clear and limited purpose, i.e., funds are directed to a limited number of eligible activities (Portfolio Selection), in a well-defined geography (Portfolio Scope), and to a limited group of eligible organizations (Organizational Criteria). This allows potential donors to understand upfront, as described by one MLCF funder, "*whether there is a good alignment between the various donors and the goals and purpose of the fund and the intermediary organization*…[which can] *greatly accelerates conservation and stimulates additional conservation funding*".

Governance and Transparency, Priorities, and Finance

Governance

Maliasili hosts and manages the MLCF. The anchor funders of the MLCF – two private philanthropies – sit on an Advisory Committee that meets quarterly and, among others, reviews and informs the fund's strategy and investment decisions, leads outreach to other funders, and provides advice on portfolio development and feedback on grant proposals and progress reports. Maliasili and the Advisory Committee capitalize on their wide networks and relationship with other funders to create opportunities for collaboration and to leverage the anchor funders' contributions. Participation in the Advisory Committee is open to any funder committing a minimum of US$1 million over three years, and invited technical experts or other collaborating funders who do not meet the investment threshold, but whose membership on the Committee is considered of strategic value. [xxiii, xxiv]

Malisili's governance is also relevant, as the MLCF is structured as a partnership between Maliasili (as the manager/administrator) and the investors. Governance roles and responsibilities are delegated at different levels throughout Maliasili, from the Board to Executive Staff members[3]. This division of responsibilities is well-articulated in Maliasili's Finance Operations Manual.[xxv] A five-person, US-based Board of Directors is responsible for oversight of asset management, financial policies and procedures, and the audit process.

Transparency

Proposals to the MLCF are invited, drawing upon Maliasili's existing portfolio of leading local organizations active within the fund's geographic focal area, as well as the deep local knowledge of Maliasili's East Africa-based team[4], which has decades of experience in community-based conservation in the landscape. Maliasili's established due diligence processes are utilized for vetting proposals[xxvi].

Maliasili provides quarterly reporting to the MLCF funders on grant strategy, allocation, key outcomes, and insights from the field, and organizes opportunities for funders to hear presentations from grantees and for field exchanges and learning opportunities. The investment partners participate in quarterly reporting and feedback calls, as well as learning and exchange opportunities. Partner grantees participate in annual consultative gatherings designed to facilitate learning, enhance collaboration, and inform fund strategy. Further, all three parties have the opportunity to meet together in an annual consultative forum, held within each of the Fund's three key geographies, to learn, exchange, develop collaboration, and refine the overall investment strategies of the Fund.

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[3] CEO, COO, and the Finance & Administration Director and Coordinator.
[4] Currently Maliasili has seven staff in East Africa that manage its portfolio.

Maliasili publishes annual reports to its website (www.maliasili.org/annual-reports) as well as its financials[5] (https://www.maliasili.org/financials). These latter include details of all of financial contributors (names, addresses, amount), and of all grantees (name, address, date, amount, purpose, amount expended, and if grantee diverted any funds).

Grant recipients reporting relies upon their organization's own milestones and strategic plans. Maliasili provides technical support to the grantees for design, monitoring and reporting on funded projects, within the context of the grantees wider work plans and priorities.

Priorities/Prioritization

The design of the MLCF, and its financing priorities as reflected in its eligibility criteria (especially "Portfolio Selection"), is primarily the result of lessons, experience, and a tripartite dialogue between Maliasili and its network and partners in Kenya and Tanzania, and the anchor funders of the MLCF.

Unique to the MLCF funding model is its explicit targeting of organizational development. Grantees are expected to include in their proposals financing to support their core organizational capacity, which amount may represent some 30%-40% of the grant being destined for their staffing and other core costs. The rationale for this is the recognition that staff are the key input and resource that successful organizations require to scale their impact and strengthen their performance and thus investing in organizational capacity is also key to longer-term impact, leverage, and sustainability of the fund's investments.[xxvii] Funding of this nature also helps organizations to overcome the "starvation cycle" that is a result of chronic underfunding by donors of grantees indirect costs[xxviii]. To paraphrase a Maliasili staff, "*The MLCF is akin to an equity investor. It invests in organizations just as an equity investor invests in a business. Investing in what a business does, means investing in the entire business, not only some of its pieces or activities*."

As the focus is on supporting leading, local African conservation organizations so they can deliver on their organizations' and the fund's aligned goals, the prioritization of the specific investments to be made with the MLCF grant funding is defined by the recipient organization, based on its needs and requirements to deliver on its strategy and medium-term work plan more effectively. The organizations are trusted to be the best judges of where additional funding will have the greatest impact.

Financial mechanism. The MLCF is a pooled fund model whose grant-making capital comes from multiple funding partners – all mid-size private philanthropies with a strong interest in African conservation and community-based approaches – who each make a three-year funding commitment.

The fund's resources are directly managed by Maliasili, which maintains a separate bank account for receipt and disbursement of allocated funds. Investors provide annual disbursements, based on the delivery of the fund's results according to agreed metrics and as agreed by the MLCF's Advisory Committee.

The fund provides three types of grants: (i) Scaling Impact Grants to enable established organizations to scale up proven solutions and impact, (ii) Small Grants to test new ideas or unproven innovations on key issues, and (iii) Research/Learning grants to validate or support development evidence-based approaches and learning for community-based wildlife conservation. The Scaling Impact Grants (SIGS) to four organizations accounts for some 85% of the financing.[xxix]

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[5] Annual audited financial statements and annual information returns to the US Internal Revenue Service.

The SIGs are three-year grants[6], that totaled from US$0.38 to US$0.54 million over the period, with annual financing ranging from US$0.12 to US$0.20 million/year. The grants are tailored to the size, scale, and opportunity of each organization, and are meant to provide significant resources to enable the recipient organization to scale up its work and impacts but avoid creating overdependence on MLCF financing. In effect, this meant that grant amounts were roughly equivalent to something between 15% and 25% of the recipient's annual budget.

As noted earlier, a key design principal of the fund, and part of its value proposition, is its integrating funding to expand programmatic impact with additional investments in organizational capacity. One method for doing this is discussed above, i.e., a significant proportion of each grant is to invest in staffing and core costs. The other is the MLCF itself investing in Maliasili's organizational support to grantees so that they can improve their capacity for management, communications, fundraising, team development etc. during the course of the grant.[xxx] Of the US$3 million committed to the fund, 75% was destined for direct investment in local organizations, 15% was dedicated for Maliasili to provide ongoing organizational development support, and 10% for fund management and administration (See Attachment 1. Fund Flow Diagram).

Annual Turnover

As of December 2021, Maliasili reported net assets of US$4.2 million; of which US$1.2 million were restricted resources for the MLCF. It turned over US$3.5 million, with (i) US$2.7 million going to program services, which included grants to partners (US$1.4 million[7]) and operational expenses for the delivery of Maliasili's core work program, as outlined in Figure 1; and (ii) US$0.8 million for management and general expenses.[xxxi]

Box 2. How does MLCF differ from other funders?

This question was posed to the grantees interviewed, all of whom had experience with other funders – government, bi-lateral, international NGOs, etc. Among the responses were:

- *Beyond being a funder, our experience is that they spend time identifying & linking our organizations with other funders with similar missions.*
- *They have background understanding of where they are working & what the issues are, what are the cultures, what are the practices. That is one thing I would say is A plus.*
- *The template they developed for proposal writing is friendly, not too demanding & the process also was not too bureaucratic.*
- *MLCF invests in mission rather than tasks. This provides a lesson to other funders*
- *MLCF has brought in key skills & talent by allocating resources for existing & new staff, not just program staff but also support & leadership staff needed in the organization, not just in the project.*
- *The most effective donors are the ones able to be flexible with their funding…that is why our relationship with Maliasili & the MLCF has been so rewarding…more challenging are* [the ones] *that don't have mechanisms for flexibility. We will eventually shift away from funding of that nature, no matter how big. If it is chaining you to things that you cannot adapt to, what is the purpose? Conservation & communities are not static.*
- *MLCF is really good because it complements the other bilateral* [restricted] *funding by funding things that are critical, but for which you cannot use the restricted funding to support or divert it to a high value opportunity that arises…if earlier on had MLCF-type funding, we would have been able to take advantage of many opportunities that became available over time but because of the restricted funding we had, we could not.*

[6] Limited to the three-year duration of the MLCF pilot.

[7] Of which, grants through the MLCF comprised 55% of the total. The remainder were grants given amongst Maliasili's twenty-nine partners in seven countries.

Monitoring, Evaluation, and Learning

Maliasili has largely focused its MEL on tracking the growth and impacts of its partners, which is taken as proxy for its own impact.[xxxii] At the same time, developing and strengthening M&E capacity is a key area of Maliasili's organizational development work, and is part of its service offering to its partners. Depending on the partners' needs in this area, support is provided so that the organization can have clarity on how its interventions lead towards results and have the ability to use that learning and reflections to inform future strategies, decisions, and plans.[xxxiii]

Of importance for developing an appropriate MEL framework, Maliasili's support services offer "upstream" assistance for such things as developing the organization's theory of change (TOC). Having clear logic between what the organization does and how this leads to priority outcomes and results is fundamental to designing a MEL that will provide the data to link the organization's work to observed changes that produce the desired results. This also helps their partners and funders understand how their programs will deliver results.[xxxiv]

Systematic learning and sharing of knowledge is also supported through, *inter alia,* annual consultative gatherings of all partners that are designed to facilitate learning, enhance collaboration, and inform strategy.

Maliasili has also recognized the need to strengthen its own MEL to better understand how its interventions effectiveness in supporting their partners organizational development and growth. They are presently designing a new MEL framework, which they aim to launch by the end of 2022.[xxxv]

Capacity building

Maliasili's core work is organizational development, a term they prefer to "capacity building" because, as noted in interviews with Maliasili management, the term has "*lost credibility…we talk about strong organizations, leadership, and try to bring the focus on the capacity and performance of the organization as the key agent of action and impact*".[8] An additional caveat offered was that donors' typical approach to capacity building is focused on the wrong thing, i.e., compliance with the donors financial, reporting, safeguards, etc. The alternative view offered by Maliasili is building institutional capacity should be about developing strong, local organizations able to deliver on their mission and goals, and have greater impacts. Taking this latter approach would, according to interviewed management staff, resolve the compliance concerns as a secondary outcome.

To support the development of their local partners' organizations, Maliasili has evolved a broad set of approaches and tools that include (also, see Figure 1):

- Multi-year organizational support for leadership, strategic planning, management, relationships, fundraising, communications, financial management, work planning, budgeting, team development, board governance, and M&E.
- Cohort-based leadership training for mid-career leaders, and a peer-learning network… "*it is not 'a training', it is creating a space for them to learn from each other*".
- Fund-raising and influencing funding…"*Our third pillar is the funding one…we do a lot of work on communications…nobody is going to fund you if you can't explain what you're doing* [which] *is hard for many groups working in village contexts…*[it is not] *enough to*

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[8] An observation seconded by interviewees from local organizations receiving Maliasili's support, who observations included ed that capacity building in projects tended to be "*one-size-fits-all*" and too focused on "*the project work to be done*", and more like "*an exit strategy* [instead of] *a primary goal* [that] *is priority, adequate, and delivered by a strong entity"* over a longer timeframe in a manner that "*progresses and addresses specific pain points of the organization*".

just connect organizations and market them to funders…partnerships don't necessarily just happen, funders need legal and administrative mechanisms to make money move".

A strong feature of the MLCF model is its leveraging of capacity building to directly achieve improved, community-based wildlife conservation outcomes. This comes from the melding of Maliasili with a financing facility that directly invests in local organizations' development so they may expand their coverage and impacts in the ways they think best, while supporting Maliasili's core, organizational development role to accompany and support them.

Accountability

Downward Accountability (Maliasil/MLCF to Partners). Accountability mechanisms are built into Maliasili's way of working with local organizations. The relationship between Maliasili and the partner local organizations is voluntary and horizontal. Maliasili's "menu" of support services is simple and transparent so that local organizations that wish to access Maliasili's services and support may have prior clarity on what the potential for collaboration might be. The specifics of the collaboration are established jointly through a group facilitation process to identify and address organizational challenges together.

Major funders and supporters of Maliasili and the MLCF are also invited to participate in opportunities to meet and hear from grantees, as well as for on-the ground learning opportunities, such as field-based consultations with grantees.

Annually, Maliasili holds consultative forum in each of its three key geographies[9], in which all partner organizations, Maliasili staff, and Maliasili/MLCF funders are invited. The purpose of the forums are to learn, exchange experiences, develop collaboration, and refine the overall investment strategies of the Fund.

The MLCF, both as a concept and in its design, was a collaborative effort between Maliasili and its partners, and the anchor funders. This was reinforced in interviews with both partners and funders, for example:

- From local organizations: "*MLCF is an outcome of long-term engagement with Maliasili and this has ensured that funds are allocated based on areas identified in the engagement, and not as a response to a call for proposals*". "*We were on the team that launched MLCF fund in New York…The fund was designed to meet the critical needs of the grassroots or locally led organizations."*
- From funders: "*My advice to funding practitioners regarding a MLCF-like program: Do your homework on the intermediary organization. The level of trust between that intermediary and the players on the ground the organization's actually doing the work with is actually the most critical part. Unless that relationship is strong and authentic, and it feels like a true partnership, it won't work. You will feel like you're perpetuating another funding relationship of the kind that none of us want, i.e., one where you are holding the power and the money over these organizations, and they're just trying to do or say whatever they can in order to receive that funding*."

Upward Accountability (Partners to Maliasil/MLCF, Maliasil/MLCF to Donors). The nature of the funding provided is to be as flexible as possible in order to allow the recipient organizations the latitude of deciding how best to invest the resources in their organizations to achieve the greatest impact. This not only implies but requires a strong and trust-based relationship and approach. Having said this, it is still important to better describe what

[9] East African savannah rangelands, Kavango-Zambezi Transfrontiers Conservation Area (S. Africa), and Madagascar.

"trust" means in practice, and how it is/was operationalized in the context of Maliasili/MLCF as this also largely explains how upward accountability functions in this particular case.

Quite simply, "trust" has been the result of intentional relationship building, erected upon a foundation of good risk management practices, over a number of years. From the funders' perspective towards Maliasili, as stated by one funder: "*That trust dynamic is…something that we took a long time understanding and learning from Maliasili before we ever decided to write a single check to them*."

From the Maliasili perspective, as explained by a member of management, towards the donors: "*Walking that journey with the donors towards multi-year, unrestricted funding – even with the donors who have been so supportive of this fund – requires them to go their own journey of building trust and understanding…*". And, with the partner, local organizations: "*In our first year of engagement with a new partner, our focus is always strategy and leadership…*[and] *that first year is usually pretty time intensive, and then we go into years 2 and 3 of our partnership, that is tailored to the needs of the organization…so the work really builds, and that also builds that trust relationship…".*

And from the local organization perspective: "…[it] *is a difficult ask for a lot of donors* [to be flexible and] *start to say, 'OK, we will give directly to communities without a track record* [or even] *local community organizations that have good track records.'* [You] *need someone to vouch for you, who is going to talk to the donors and create that relationship. It speaks to the value of a Maliasili-type organization, who is that bridge between the donors and the community organizations. It is almost like Maliasili has been kind of a trust filter*."

The principal mechanics of how this functions in the Maliasili/MLCF case is reflected in these quotes from interviewees among the anchor funders:

- "[the] *question about risk is one of the most common questions that donors, whether they are foundations or individuals, have in the back of their mind. One of the things that Maliasili has done for us is they help to significantly reduce risk through both the scoping that they do in selecting partners, and in the support that they give those partners to ensure that they're able to accept, manage well, deploy, and report and be accountable for funds that they do receive; whether it's through direct grants from us or others."*
- *"What we have found really useful is that we have gotten to know and develop our own direct relationships with a lot of these local organizations that they introduced us to. So, we now are providing direct support to those organizations outside the fund as well. That would not have been possible without the relationship that we were able to build with those groups with Maliasili's help."*

In summary, the good practices that forge the links in the chain of trust from the local organizations to the funders include: (i) the fundamental concept that the first building block for achieving desired results through community-based natural resources management are strong, capable, and resilient local institutions and organizations; the concept that underlies Maliasili's stated purpose: *"Maliasili exists to support high-potential local organizations to accelerate the benefits they bring to people, ecosystems, and climate change."*; (ii) having good grounding, experience, networks, relationships, and contextual and situational awareness in the countries in which they work; Maliasili currently has about 30 locally-based staff between the seven countries where they work; (iii) a rigorous approach to vetting and selecting high potential partners[xxxvi] that are demonstrably invested in working towards goals shared by the communities with which they work and Maliasili, and that have the established relations and credibility with communities[10]; and (iv) a multi-year,

[10] The due diligence process evaluates the organization's commitment, leadership, conservation model, geographic focus, track record, growth potential, and fundability.

close and supportive, hands-on engagement with the partner organizations that is focused on the partner organization's development within Maliasili's three pillars of work[11]. This is the solid, risk-mitigated foundation on which subsequent investments are made by donors, both through Maliasili and/or directly to the organizations whose development Maliasili has supported.

Outcomes

As of the end of 2022, Maliasili has twenty-eight partners in seven countries, who taken together are working with communities and reaching more than two million people to protect and manage about 350,000 km^2 of terrestrial, freshwater, and marine ecosystems in east and southern Africa.[xxxvii] Amongst others, they are:

- Supporting communities to safeguard more than 34,000 elephants and 1,800 lions living in critical ecosystems
- Helping to generate more than US$12 million annually for communities that are sustainably managing their forests, wildlife, rangelands, and waters.
- Have raised and leveraged more than US$15 million for their partners since 2018
- Supported more than twenty local organizations to develop their strategies to bring focus, clarity, and direction to their work, and enhance fundraising opportunities
- Had over eighty African conservation leaders participated in their leadership training program.

A 2020 anonymous survey of partners who had worked three years or more with Maliasili found 90% of partners reporting that Maliasili's support had made them a stronger organization, with 90% of these having increased or held steady their social and environmental impacts; 70% reported having more financial resources, with 2 out of 3 also reporting more diverse group of donors; and 60% having grown the size of their teams.[xxxviii]

Some preliminary results from the Masaai Landscape Conservation Fund are also available from the as-yet, ongoing support[12] to eight organizations in southern Kenya and northern Tanzania:

- 120,000 hectares of land secured across key wildlife landscapes through communal legal title (SORALO in southern Kenya; UCRT in northern Tanzania).
- Management improvements in 400,000 hectares of community lands surrounding Tarangire National Park, which hosts northern Tanzania's largest elephant population (Honeyguide in northern Tanzania).
- Communities assisted to earn $450,000 in carbon revenue, while reducing poaching by 94% from 2020 to 2021 (Honeyguide, Tanzania).
- Internal governance systems strengthened in six conservancies around the Maasai Mara, while registering one newly formed conservancy (Maasai Mara Wildlife Conservancies Association, Kenya).

Concurrent with the Maasai Landscape Conservation Fund funding, Maliasili invested in strengthening the internal performance and capacity of the organizations. In result, they (the organizations):

- Recruited key staff, increasing their technical capacity
- Strengthened fundraising, communications, and networking capacity that led to development of relationships with new donors. In result, two organizations (MMWCA,

[11] Building Stronger Organizations, Developing Outstanding Leaders, and Amplifying Local Resources & Influence
[12] The MLCF pilot was established in 2019, and the first disbursements were made in July 2020. It will continue into 2023.

SORALO) were able to double their budgets between 2019 and 2021 from about US$2.6 million to US$5.7 million, and US$0.5 million to US$0.9 million, respectively.
- Provided strategic advisory and planning support which, for example, assisted Honeyguide to identify ways to grow and scale their work and impact beyond northern Tanzania and across the country as outlined in their new strategic plan.
- Supported organizations to invest in strengthening their internal technical capacity, for example, helping SORALO to develop a community land registration methodology to facilitate communities' gaining rights to manage and benefit from their land.
- Provided leadership development support to build skills and confidence to fundraise effectively for their organizations.

Challenges

In 2022 Maliasili, along with Synchronicity Earth[13], held interviews with about 50 African civil society organizations (CSO) and funders, which along with an online survey, captured their perspectives regarding key barriers and challenges to funding that are faced by both CSOs and funders, as well as their ideas on what changes were needed to improve funding practices to better support African organizations. The resulting report[xxxix] and its findings and recommendations provide a useful comparison to the challenges identified by the funders and grantee organizations who were interviewed for this case study. Figure 2, below, summarizes the principal barriers and challenges identified in the 2022 report. Interestingly, from the perspective of the funders and grantees engaged in the MLCF, almost none of the challenges identified in the report were relevant to their experience with the MLCF. However, there was broad concurrence among them on the relevance of the report's findings to the broader financing ecosystem.

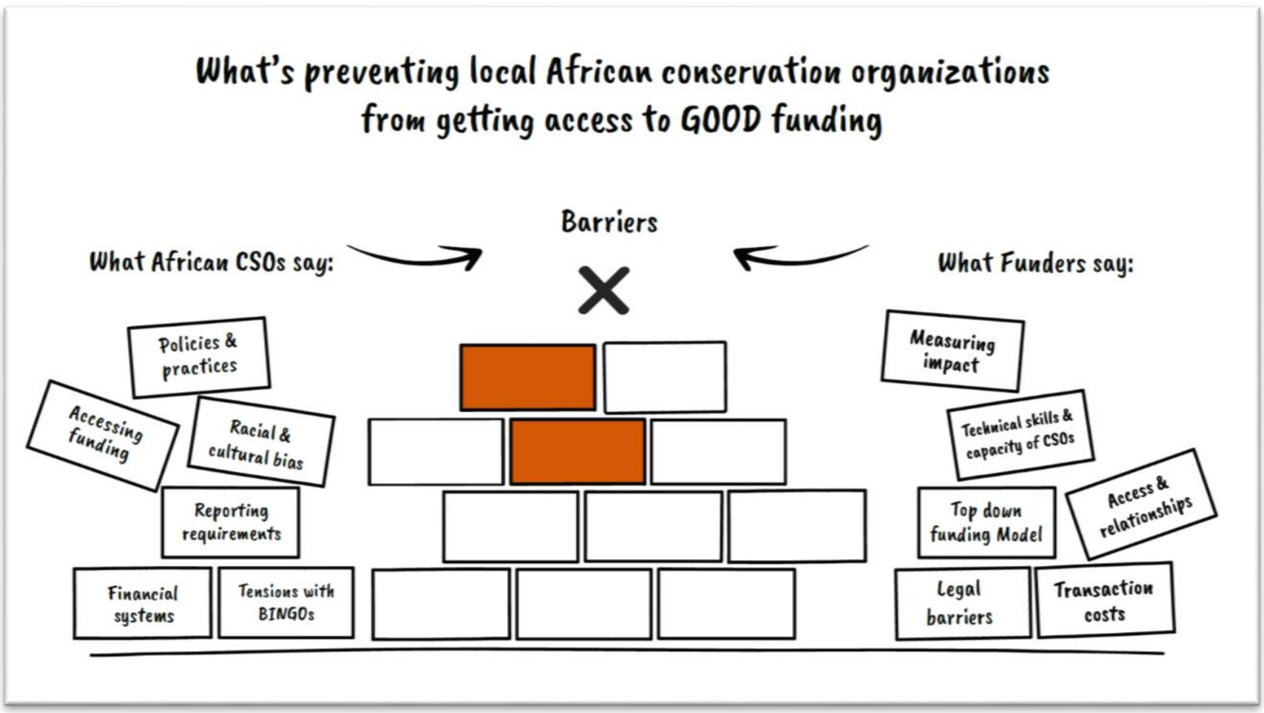

Figure 2. Barriers and challenges to effective funding of local African organizations. (Source: Paul, R. et al, 2022)

[13] A UK-based, non-profit working in other parts of Africa in community-based approaches to conservation. Also see Synchronicity Earth Case Study.

Challenges – Funders' perspective

Note: Maliasili and the MLCF are 100% reliant upon private philanthropy, and some individual and corporate finance. The perspectives presented here are from private philanthropy.

By far the greatest challenge for these funders in moving to more directly supporting local organizations was the question of balancing risk and having impact. The concerns expressed were most consistent with the "transaction costs" and "access and relationships" challenges identified in the 2022 report. As small to medium-sized foundations it simply is not sensible to maintain the staffing levels and capacities in-house that is implied by providing direct financing to local organizations with whom they had no prior experience (i.e., an established trust relationship). This would require their having functional local networks, relationships, and deep knowledge to allow good decisions on who or what to finance, carry out the appropriate due diligence before providing financing, and the follow-up needed after the financing is given.

On the risk side of the equation, there was a significant degree of difference between the funders interviewed in terms of their appetite for risk. One reported high-risk tolerance: *"We are some of the least risk averse capital out there"*. The others were more on the moderate/conservative side: "*We are not as risk taking as we might aspire to be…we are right in the middle…not completely risk averse, but* [not] *pushing the boundary of philanthropy."* And "*There is a structured approach to come to group consensus about…what your appetite is for risk and reward*…*we are not on the far end of the spectrum as regards our risk appetite*" and "

Despite their degrees of difference, they share a view of there being great opportunities, and exciting work and innovations taking place with smaller local organizations on IPLC lands; something they feel compelled to be supportive of. However, amongst their boards and trustees uncertainty persists, and internal discussions are ongoing around such strategic questions as "*where we want to be, and what kind of organizations we want to be supporting as a foundation…*[because our trustees] *understand that there is definitely going to be some* [additional] *level of risk*" to shifting to greater support for local organizations.

In result, half or more of these (and others) funders' resources are still going to and through large international NGOs because they are perceived as much lower risk. However, on the impact side of the equation, there were also expressions of growing reservations about continuing the tradition of using them as channel for their foundations' support for community-based approaches. These reservations stemmed from several sources. For some it is the growing calls to decolonize aid and/or a questioning of if "*the days of large parks, fortress conservation, and big ideas like 30 by 30 are over"*. It is also the larger, more current trend where increasingly IPLC and private lands are the focus for biodiversity and climate change; a trend they were very positive about, especially as there is now sufficient evidence and recognition that "*these initiatives can really be led by, embraced, and championed by local organizations…*[and that] *the more conservation leadership can emanate from local communities the better.*" There also was some questioning of the advantages, effectiveness, and cost/benefit of large international NGOs working at this level under current, "business-as-usual" scenarios.

Challenges – Maliasili/MLCF perspective

Note: Maliasili and the MLCF were made possible, in no small part, due to donors providing flexible, largely unrestricted financing. This allowed Maliasili, in the first instance, to establish itself and grow as an organization. Their financing today continues to come from such sources. As such, the challenges discussed below are not in reference to their current *funders, but to those they see their partners struggling with as their financing remains largely dependent on more traditional donors.*

The main challenges they see have to do with the inadequate levels of funding – relative to the scale and scope of the problems and need – being made available for locally-led initiatives; onerous requirements and rigidities that come with such funding when it is made available; the unrealistic assumptions implicit in many of the donors funding models and approaches; the difficulties for local organizations to recruit and retain the qualified, specialized staff needed to grow and meet the organizations full potential.

Funding availability. The bulk of the financing is being absorbed at the international level by intermediaries of all type, from the multilaterals (e.g., World Bank and UN agencies) to large international NGOs, such that getting adequate funding to the point of impact in communities is difficult. This is seen as being the case even when the funding they receive and/or intermediate is to go more directly to communities and local organizations.

Onerous requirements and rigidities. Examples include:

- The very large amount of time and effort expended to pursue and report on funding; a significant distraction from their core work and having impact on the ground.
- Too short funding cycles create uncertainty and significantly increase the reporting and proposal writing burden. Further, addressing conservation and climate issues are not one-to-three-year issues, yet the funding modality perpetuates that short cycle. "*The solution is not matched to the problem*".
- The lack of flexibility in the funding to allow needed and/or desirable changes when circumstances or contexts change, or opportunities arise.
- Grant agreements developed by contracting and legal departments that lack policy or operational guidance to work with local organizations and build in flexibility mechanisms. They also perpetuate distrust and the unequal power dynamics between funder and recipient organization with a largely "take it or leave it" approach to grant agreement acceptability to the local organizations.

Unrealistic assumptions. Amongst the most concerning are:

- Very limited allowance for organizations to cover their indirect costs, perpetuating the "starvation cycle"[xl] and denying them the opportunity to develop the very potential that might allow them to become financially stable[14], as well as failing to recognize that the costs that donors do not finance (e.g., financial managers, accountants, communications specialists, managers, etc.) are what makes an organization effective and able to deliver the direct services and results that the donor is seeking.
- Donor-driven agendas for which there is little or no technical expertise on the ground to deliver – such as developing the potential for carbon credits to generate income for to communities – that perpetuate the cycle of externally-funded, externally-managed projects that have little or no local grounding.
- The use of reimbursement funding, which causes serious cash flow problems as even smaller local organizations are expected to have unrestricted funding to cover upfront costs of programmatic work.
- The failure to recognize what is realistically required in terms of time and resources to develop community/social enterprises. Even under good market conditions, and with technical expertise to support enterprise development, it can take many years *("seven to nine")* to break even, and many more under the market conditions (and failures) that pertain to many high poverty, rural areas.

[14] A recent study (Eckhart-Queenan, J. et al, 2019) comparing verified indirect costs of successful non-profits with the indirect costs actually paid by donors, found a seventeen-percentage point difference on average, i.e., on average indirect costs were 33% of the non-profits' actual costs versus a 16% average paid under contracts.

- "*Impact risk aversion*". Despite rhetoric to the contrary, most donors have very high expectations for success, and want guarantees they will get the outcomes they contract for, despite ample evidence that this is not the way things work in practice, as well antithetical to their desire to support "innovation". Greater risk tolerance is required to allow for innovation and for trying new things, as well as greater acceptance when things do not work out.

<u>HR and organizational development</u>. To be a successful local organization, especially one that can access the levels of financing required to grow and achieve its mission and goals, requires qualified staff, especially specialist staff such as financial management and communications staff. To recruit and retain such staff, a local nonprofit organization must compete with private sector companies for talent. An accountant, given the choice of working in a bank in the city or working for a nonprofit, is more likely to choose the bank. Finding a good CEO or CFO for a local partner organization is a big challenge due to competition in the broader market. There are also large skill gaps in donor demanded areas of expertise, especially newer and emerging priorities like nature-based solutions, nature-based enterprises, carbon, and business/social enterprise development.

Challenges – Partners' perspective

In discussions with MLCF partner grantees, the challenges they raised were all associated with their other donors and not with the MLCF, about which there was a uniformly high level of appreciation for its financing approach, modalities, and the high utility of the type of funding and organizational development support provided. The only minor exception was the observation that "*the funding is small when compared to the amount of work we need to do*".

The main challenges the interviewees identified were barriers to entry and distortionary pressure, particularly on younger and/or less mature organizations; inflexibility of donor finance; under-financing of indirect costs; bureaucracy-induced inefficiencies; narrow focus of finance incentivizing unbalanced growth of donor-dependent organizations; too short timeframes of finance, especially relative to the complexity of the issues; and top-down decision-making and prioritization.

<u>Barriers to entry & distortionary pressures</u>. For younger organizations, dealing with donors is difficult. Accessing funding is a very slow and prescriptive process. The limits placed on the funding are strict, and to the extent that the funding is for things that are not in the one's organization's priorities, it is still necessary to comply. The funding also often comes with pressure "*to be everything to everyone*", which makes it difficult to focus on the objectives that motivated the establishment of the organization.

The mechanisms used by donors are very complex. Reporting must follow very complex methodologies and formats. To develop a big proposal is very costly and time consuming, and the delays between approval and receiving funds can be quite lengthy (*"two years"*). This also excludes good organizations that are capable of delivering the impacts the donor is seeking. "*Adhering to some of the conditions to be able to get that funding puts us out of the picture…*[many good organizations] *are too small to get this kind of funding, but in reality…*[donors should] *go down and look at what kind of work…what kind of impact you are making on the ground…even the donors and big funding agencies would enjoy that impact…*".

<u>Lack of flexibility</u>. Working with large international NGOs as intermediaries for donors can be more challenging than working with the donors. They do not have mechanisms for flexibility. In result, as an organization matures and better understands how to achieve its mission and goals, it becomes necessary to move away from funding of that nature as it

"*chains the organization to things that may no longer be relevant or worthwhile. Neither conservation, nor communities are static. Elections can change everything overnight. If your funding and donors are not receptive to that, then their money is almost useless*".

Indirect costs. "*One of the first challenges for local organizations to surmount is access funding is to be able to manage themselves. Donors fund projects, not the organizations that implement them. They agree to fund X, but that can only be done, and done well, if the operations of the organization are financed*. *The people in the organization are…"* the main cost, and donor finance does not cover their full costs.

Bureaucracy-induced inefficiency. When bilateral funding is awarded to a large international NGO, who then contracts with local organizations, this tends to create additional layers of bureaucracy around resource allocation and implementation. In these situations, delays are common, until suddenly there is a deadline, and all the funds must be spent in a short amount of time. In these situations, a lot of resources "*end up just being burned to spend it*".

Narrow focus of finance and organizational development. The majority of the funding is restricted, fixed to certain projects and certain conditions. This leaves no room for an organization to really scale up and grow into want it wants to be to address the needs of the community. At the end of the day, local organizations are driven by communities. But because of the challenges and barriers that come with the restricted funding, the organization is restricted in both how much it can grow and how flexible it is to grow.

Balancing the growth of an organization is difficult when it is heavily reliant on donor project-type funding. Such funding may support growth in the specific areas the donors' fund, but not in other areas that are key to the strength and survival of an organization, such as communications. "*We may produce a lot in the field, but that is not well reflected in our communications. The less well we communicate our impacts and results, the more under-resourced we become as an organization, and then even less investment can be made in communications to help and support the organization"*. Research and learning are other areas critical to an organization's growth and effectiveness, but for which donor resources are unavailable. Fundraising to cover these shortfalls would be one solution, however, this also requires resources that the organizations lack.

Timeframes. Working on issues like tenure and governance is complex, among others, due to strong political and social intricacies and conflict. Expecting one-year grants to be effective for working on such complex issues "*raises the question of if the work is supposed to be well done or very poorly done*".

Even when there are well-established, long-term relationships with donors, and a history of success, contracts remain limited to only one year. You cannot plan long-term or be strategic under these constraints.

Top-down decision-making and prioritization. Most funders put out calls for proposals based on priorities they design themselves. To win the proposal applicants must stay within these priorities. That is where the challenge begins. The project becomes donor-driven, rather than need driven.

Innovations/approaches to overcome challenges

The combination of Maliasili's organizational development support and the MLCF's pooled-funding, providing flexible and largely unrestricted direct financing of local organizations, comprise an innovative approach that responds to and resolves some, and otherwise mitigates many other, of the challenges enumerated above.

Funders' challenges. How, from the funders' perspective, the Maliasili/MLCF model reduces their perception of risk and provides confidence that the impact of their funding will be sufficient to provide a good return for their investment is best related through quotes from interviews with senior representatives of the funders:

- *Maliasili's value proposition to us is that* ***brings access to organizations*** *in landscapes of interest to us (our focus is landscape approach).* ***It brings value in ways other groups do not.*** *Their mission is to make the organizations they work with stronger.*
- *Their mission is to make those organizations stronger, full stop. They are* ***focusing on things*** *that are not particularly sexy, but board governance, planning, hiring good people, building capacity, those are the sorts of things* ***that are going to give, or should, give funders comfort*** *and sometimes, they are not a lot of fun to support, because they are not very you know attention grabbing, but they matter a lot*
- *Maliasili, in Africa, is sort of* ***best in class at helping smaller community-based, Indigenous organizations develop the right way****, by…helping them develop the mechanisms that allow them to not just raise funding, but* [also] *be more effective.*
- *Maliasili does this type of work better than anyone else:* ***identifying really, promising local conservation leaders, and helping them grow into their full potential*** *both as individuals and as organizations, nurturing of networks amongst like-minded conservationists.*
- *That base of* ***support and mentorship they provide is a missing ingredient for the small local, fairly isolated groups****.*
- *They are* ***very focused on results for conservation on the ground****…the way they judge their success* [is]*…how they build up these local organizations, how they help them grow into larger, stronger, more effective organizations.*
- *Maliasili, is* ***especially skilled and quite unusual in its approach and its sophistication*** *in how it how it works with local and Indigenous organizations to build their capacity and effectiveness and get results on the ground.*
- *A donor's relationship with an intermediary like Maliasili and this pooled fund works…* [among others] *Because* ***it helps reduce the amount of time and effort that both Funders and the NGO have to spend****, one by one having the same conversations back and forth and building up that level of trust and understanding with each other.*
- *Having a group like Maliasili there, that can help pool this funding, and act as a coach to both sides* [enables us to do this]*.* ***They're coaching the local organizations that get funding through the pooled fund, but they also are educating and coaching us****. That is definitely part of their value proposition for us.*
- *What we have found really useful is that* ***we have gotten to know and develop our own direct relationships with a lot of these local organizations that they introduced us to****. So, we now are providing direct support to those organizations outside the fund as well. That would not have been possible without the relationship that we were able to build with those groups with Maliasili's help.*

Partners' challenges. The elements of the Maliasili/MLCF model that respond to the challenges faced by their partner, and that assist them to overcome or mitigate them include:

- Barriers to entry & organizational development – Maliasili works systematically with emerging organizations, as well as more established ones, to develop the internal capacities and instruments that will allow them to engage effectively with donors. For its part, to obtain MLCF funding (i) formats for funding are quite simple[15], and reflect a results-based approach; (ii) monitoring follows the M&E systems that Maliasili helped the grantee to develop; (iii) reporting is results-based, utilizing higher-level outcomes that are defined, by year, in the proposal; and (iv) budgets are simple (less than one page, with same-sized font as proposal text), and only year one costs are specified, in modest detail, in proposal.

- Distortionary pressures & top-down decision-making and prioritization – As MLCF funding essentially finances the organization's self-defined mission and its own strategy and annual work plan, there are no distortionary pressures as such.
- Lack of flexibility & bureaucracy-induced inefficiency – within the limits allowed by Maliasili's host country taxation regulations[16], the funding provided is largely unrestricted. Further, in instances where the grantee is unable to fully draw down the resources provided within the established period; the first assumption is that that funds could have been used if the appropriate flexibility were there to use the resources for what actually need it for, and not for the narrow scope of work that can be influenced by political changes, weather, pandemics or etc. So, the questions asked are: Is the scope too narrow of the grant so that they cannot use it for what they actually need it for? Is there some capacity building needed around their core structure? Are modifications needed to the grant agreements or the deliverables?
- Indirect costs & narrow focus of finance – the MLCF specifically finances core organizational capacity within the structure of grants which, it should be noted, is a direct benefit to all of the organization's other donors whose financing norms do not support core organizational capacity.
- Timeframes – grants are for up to three years, which limit was imposed by the pilot nature of the fund. The proposed next phase for scaling up and expanding the pilot would allow for up to four years.

Maliasili/MLCF's challenges. The challenges, being outside of the control of Maliasili and its partners, are risks to be mitigated. Maliasili's and the MLCF's designs are informed by these risks, and set out to provide feasible, practical, best practice responses to support the local partners to overcome or mitigate them.

What good would look like

Relevant to the overall donor ecosystem, the views of both grantees and Maliasili interviewees were succinct (and similar):

- More funding
- Better funding – which includes longer-term, multi-year grants; unrestricted, or nearly unrestricted funding; funding of indirect costs at actual levels; simplified procedures to reduce transaction costs for funders and grantees alike.
- Combine funding and systematic organizational development

[15] For example, a successful proposal from a grantee was a total of 10 pages, including budget, for a three-year, US$0.426 million proposal. The majority of the content was drawn from the organization's existing Theory of Change and 2018-2023 Strategy, both of which had been developed with Maliasili's support. A total of seven higher-level outcomes are specified – four for Yr.1, two for Yr. 2, and one for Yr. 3 – and progress reporting and tranching are based on these.

[16] As a US-based non-profit, Maliasili is required by Internal Revenue Service to ensure that the proposals it finances contains specific deliverables, and subsequently verify that the money was spent in conformity with the approved budget. At present they are looking at options that would allow them, under US regulations, to have a fiscal sponsorship relationship with their grantees so that they can provide financing as unrestricted, general operating contributions. If that is possible, then other changes, such as using the organization's annual report for meeting reporting requirements, would become possible and further reduce transactions costs for all parties.

- Cap overheads of large, international NGOs serving as intermediaries
- Shift from project-based to programmatic, results-based funding approaches

Also of note is the example that USAID is providing under its new policies on localization of aid[xli], including the recently announced USAID Africa Localization Initiative[xlii]. Under the new policy, one goal is to increase the amount of direct funding to local organizations to 25% of the agency's program budget by 2025, and the second goal aims to put communities in the lead of program design, implementation, or evaluation for at least 50% of USAID's programming. Several of the individuals interviewed from local organizations specifically mentioned USAID having become more proactive in its engagements with their organization. For example, as recounted by the heads of two different, local organizations:

> "*This year, I've been part of USAID's developing their country strategy. And for the first time they have actually opened it so that then the partners like us* [are participating and being consulted]*…and we are not a grantee of USAID. They look around who are the key partners doing conservation, and they invite us to actually contribute to their strategy. I think this is good because it's a good beginning, because at least they get to do the things that we feel are important. Whether that will change their funding arrangement is a different thing. But I think they're starting to listen, which is important.*"

> *"Now we have a direct working relationship with the USAID, and the funding now are coming straight to us*…[and we] *have already seen a huge difference now. When the money was going through another organization*…[they received a significant] *percentage just to receive and forward* [our] *reports."*

Amongst others, this demonstrates that the pathways and mechanisms for reaching IPLCs starts at the top with clear policy, defined goals and, one assumes, internal accountability for delivery. When this is in place, funding agency staff can initiate implementation of the new directions fairly quickly.

Strategic Insights

Principal insights

Maliasili: an innovative addition to the development finance ecosystem. Maliasili's core purpose is to help and strengthen locally-led, local organizations so that they can deliver upon their missions of supporting and improving their communities' *de facto*, day-to-day management of their forests, fisheries, and rangelands. Senior Maliasili management staff likened themselves to an "impact investor" that invests in local organizations to give them the tools they need to grow and succeed.

To the extent that there are other organizations that do this, and do this a well as Maliasili, they are not widely known. In fact, this niche appears sufficiently unique that it may merit a new term to define it. Maliasili thinks of itself as an "accelerator", while some of its partners described it as an "enabler". However it is characterized, it provides a clear set of high quality, "hands-on" services to local organizations that are analogous to those provided by business incubators and business development services to start-ups and SMEs. Given the COP 26 pledge's objectives of building IPLCs capacity to enable more direct finance, the value added of this type of organizational development work is plain. It is well worth considering how this model of support service may be replicated, particularly in high priority regions.

Invest in the mission rather than the tasks. To a greater or lesser extent, local organizations tend to be of interest in donors' projects and programs for the specific services they can provide. The solidity, sustainability, and capacity of the organization tends to be of interest only to the extent that the organization can provide a certain service or deliver a particular output for a specific project. When that project ends, to the degree that the organization's future and health are considered, it is generally only through the implicit assumption that it must be "stronger" or "better off" for having learned, and perhaps grown, from the experience. As noted by several the grantees interviewed, such assumptions are questionable as the growth and incremental capacity resulting from the experience may be unbalanced[17] or distortionary[18] and/or a financial drag on the rest of the organization's activities[19]. The idea of investing in legitimate organizations with good track records and growth potential (or high potential if relatively new) that are pursuing the same or similar results sought by funders is not new. Ford Foundation's US$1billion, five-year BUILD program is one example[xliii], as Maliasili/MLCF is another. Achieving desired results and impacts at scale will require a strong base of local organizations, and the most direct and efficient path to building a strong base of local organizations may often lie through investing in local organizations as a whole, not just the pieces that are of short-term interest.

The purpose of capacity building is not compliance. As IPLC organisations frequently point to donors' complex, bureaucratic requirements, and their limited organizational capacity to meet these as being among the main barriers to their directly accessing funding[xliv], a common response by donors is to prioritize and finance "capacity building" tailored to meeting such donor requirements. The Maliasili approach eschews such "capacity building" and in its stead takes a more holistic and systematical approach with local organizations to develop and refine their overall capacity as an organization. Their assistance touches on all the organizations functional areas: leadership, strategic planning, management, relationships, fundraising, communications, financial management, work planning, budgeting, team development, board governance, and M&E. In this way, the organization as a whole becomes more effective in delivering on their mission. In this scheme "capacity for compliance" is a result, rather than being sought as an end in itself. This was reinforced by all of the grantee partners interviewed who unanimously had high praise for the usefulness and significant impact Maliasili's programmatic support had on the evolution, maturation, growth, and improved financial status of their organizations.

The power of combining organizational development with strategic finance. The development of the MLCF and its wedding to Maliasili, provided Maliasili and its partners with a powerful tool for not only assisting grantees to expand and scale their work and impacts, but also to continue to invest in the development and enhanced functioning of the organizations themselves. This latter is critical. As organizations grows and evolve to stay abreast of their changing contexts and challenges, their internal systems, including management and administration, must evolve as well. Given the paucity of donor interest and funding in support of organizations' missions (vs subsets of an organization's activities), finding resources for this crucial need is difficult. This constitutes a clear gap in the current funding frameworks; one that strategic plans for delivery on the COP26 pledge should take into serious consideration.

Pooled funding and its advantages. The MLCF was structured to pool funding from multiple sources, which in this case were mid-size private philanthropies with strong common interests. At the design stage a number of advantages of this pooled funding model were foreseen for the participating financiers. Of those, the ones that have most obviously manifested during the three-year pilot included (i) enabling greater impact,

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[17] Having strengthened one aspect of the organization at the expense of other important aspects.
[18] Driven by donor priorities rather than the organization's and IPLCs' priorities.
[19] As donor finance tends to fall far short of covering the organization's full indirect costs.

leverage and efficiency than individual grantmaking; (ii) reducing the transactions costs that otherwise would be involved in managing multiple mid-sized or small grants by any one funder; (iii) leveraging an existing portfolio (Maliasili's) of known, high potential local organizations that would otherwise be challenging for private funders to find, screen and support; and (iv) leveraging Maliasili's knowledge, experience and expertise, and its productive, trust-based relationships with credible, local organizations with deep roots in their communities.

Other advantages that became apparent through the pilot experience included (i) providing a platform for enhanced collaboration with other donors outside of the pooled funding structure (e.g., USAID); (ii) offered the participating funders' foundations access to greater knowledge and learning, amongst others, through engagement with grantees; (iii) as noted in interviews with participating funders:

- "[the sense] *that* [it] *stimulates additional conservation funding, and greatly accelerates conservation action"*
- *"…it helps reduce the amount of time and effort that both Funders and the NGO have to spend…one by one having the same conversations back and forth and building up that level of trust and understanding with each other*."
- "*having a group like Maliasili there, that* [is]…*coaching the local organizations that get funding through the pooled fund*…[and] *are also are educating and coaching us…is definitely part of their value proposition for us*."

(iv) potential for greater financial stability at the fund-level, an advantage suggested by one interviewee from academia, given that a diversified fund model reduces vulnerability to changing priorities of individual donors or donor fatigue.

Achieving a results-based financing approach[20]. The importance of focusing on results rather than on process is widely recognized as good practice for providing greater flexibility to local organizations to pursue their own holistic and adaptive solutions[xlv]. Another advantage of such approaches is that they can significantly reduce transactions costs for both the funder and the grant recipient throughout the project cycle – design, approval, monitoring, reporting, evaluation, and closing – as they can greatly simplify processes and interactions.

In this context, the Maliasili/MLCF model offers a good example of how a results-based approach that invests in the grantees' achieving their own priorities can be achieved. To enable such an approach, there had been a significant upstream investment in both time and resources, by both the grant recipient organizations and Maliasili, to refine, strengthen and/or develop the individual organizations' business model, strategy, and management capacity. Outcomes from this prior process include clarity and transparent, quantified articulation of the organization's time bound goals (results) and how those goals will be achieved. All of which is captured in the organization's strategic plan that, in turn, provides the vehicle and framework for investment in the organization itself for its meeting those goals, if not exceeding them through growth and expansion of their capacity.

More equitable and trust-based[21] **approaches**. The need to build relationships, dynamics, and practices to bridge gaps between donors and IPLC organizations and

[20] "Results-based" is utilized here in the sense of "results-based management of projects and programs", where the focus is on performance and the achievement of results (outcomes and impacts), not in the sense used, for example, in climate finance where funding (payments) is contingent on prior results (e.g., reducing greenhouse gas emissions).

[21] It should be clear that "trust" does not imply any less attention to due diligence on the part of any of the actors involved. Rather it is about the building up of trust, among others, through respectful, ongoing dialogue, interactions, and a shared journey for achievement of demonstrable results. It is this that allows the depositing of

communities is part of a wider conversation on the importance of shifting away from traditional, hierarchical relationships between donors and grantees towards the more equitable and trust-based approaches that are essential to enabling more direct financing of IPLC organizations and communities[xlvi]. Here as well, the Maliasili/MLCF model offers a useful example. As noted by both grantees and funders, it is Maliasili's own established relationships and track record with its partners and with funders that has served as "*a trust filter*" (quote from a grantee partner) between them. It is that trust relationship that underpins and enables the MLCF's flexible, unrestricted/largely unrestricted financing of local organizations through investment in the organization and its goals. Further, this an example of a more equitable approach as it imposes no external priorities, and supports and strengthens the organization's own internal governance and decision-making processes. It also allows the minimization of additional bureaucratic burdens and requirements, as what is required is no more onerous than what the organization itself requires in order to understand its performance and impact, and to be accountable to the communities with which it works and to its funders.

Scalability

Replicability. The potential for replication of the Maliasili/MLCF model in the near-term is contingent on the current existence and supply of Maliasili-like organizations that have demonstrated commitment, expertise, and success in "*providing customized organizational and leadership development services to organizations working on the frontline of community conservation*[xlvii]", along with pre-established trust relationships with a set of high potential, local organizations. Absent focused work to identify such organizations across regions of interest, the assumption is that the potential for near-term replication is likely to be modest.

In the medium-term, however, given the "organizational development" gap in the development finance ecosystem, and the absolute importance under the Pledge for building IPLC capacities, replication of the Maliasili/MLCF model is arguably a priority area. Doing so would require systematic and well-targeted, quality efforts to work with legitimate organizations whose missions are compatible, and that are already on the path of prioritizing "organizational development" for their constituents (e.g., national or regional-level IPLC organizations) or partners (e.g., as in the case of non-profits like Maliasili). This would be akin to a "training of trainers in organizational development", ideally following a "learning by doing" approach. Building out this niche of "accelerators and enablers" would itself require medium- to long-term efforts, yet without it this critical gap is likely to persist. Focused support and investment in high potential organizations to be able to carry out their mission of supporting the organizational development of frontline IPLC organizations would dramatically increase the potential for replication of the Maliasili/MLF model over a medium-term.

Expansion. Maliasili's strategy sets out significant goals for expansion during the 2022 to 2025 period of: (i) expanding geographic coverage from three to four regions[22]; (ii) tripling portfolio of partner organizations from 30 to 90; (iii) expanding leadership program to train 200 conservation leaders and trial a new program to support emerging talent; (iv) increase grantmaking five-fold and mobilize a total of $40 million in new funding for portfolio of partners, while influencing the wider conservation field towards making at least $100 million in new funding commitments to support community-based conservation and local organizations; (v) more than double the area, from 350,000 km^2 to 750,000 km^2, where

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trust in each other, which in turn enables more effective ways of working together, such as the "results-based financing" approach discussed above.

[22] East African savannah rangelands; Kavango-Zambezi Transfrontier Conservation Area in southern Africa; marine environments of the Western Indian Ocean; and Madagascar.

their portfolio of partners are supporting community-based conservation; and (vi) to achieve these goals, double the size of their team and triple their total budget from just under $5 million in 2021 to over $15 million by 2025.

Specific to the Maasai Landscape Conservation Fund (MLCF), based upon the successful three-year pilot, the plan is to expand the MLCF's coverage to all four focal geographies where Maliasili will be working and rename it the "Maliasili Conservation Fund" (MCF). The four-year investment target is to obtain US$25 million in pooled funding to directly finance forty organizations; a 700% plus increase in financing and 550% plus increase in the number of organizations financed.

A significant design change will also be introduced in the grantmaking approach. Where the MLCF provided highly flexible, one-year renewable grants that averaged , the MCF will provide unrestricted, multi-year investments aligned to an organization's strategic plan in the form of unrestricted, flexible funding for core support, organizational development, and adaptive management. Grants will range from US$50,000-US$250,000 per year depending on the size of the organization, and reporting will be based on grant recipients own organizational milestones and strategic plans. Funding of this type, which constitutes a direct investment in the organization itself and its mission, and that neither requires nor demands reporting beyond that which is intrinsically necessary to the strategic management of a well-run organization stands out as an innovation for direct financing of local organizations worthy of note and broader emulation.

According to a senior Maliasili management staff member, this strategic goal-setting for expansion of Maliasili and the MCF, was based on their estimates of existing organizational capacity within the four focal geographies of interest, and the potential absorptive capacity, based upon their current budget sizes and a modest assumption[23] of what they might realistically be able to absorb in the short-term without overwhelming their internal capacity to manage/handle/disperse, but significant enough to be "*a catalytic boost and core funding so that they're absorptive capacity can increase over time*" with the goal that "*organizations whose annual budgets are* [currently in the range from less than US$0.5 million to US$1 million can] *be using this fund to put these organizations on a path where you have a lot of US$5 to US$10 million annual organizations…but that takes time*".

Also worth noting are the goals of mobilizing new funding for partners and influencing at least $100 million in new funding commitments. To a very large extent these are dependent on the ability to increase staff ("*by far our most important organizational resource*") and "*investments in new capacities, including communications, monitoring and evaluation, development and finance, and operations*"[xlviii]. However, as the Maliasili model is proven effective at leveraging in additional donor financing for its partner organizations, this aspect of "expansion" should not be under-valued or under-estimated. An anecdote, related by a senior management staff of Maliasili, illustrates this point. The head of a large bilateral donor agency in East Africa reportedly remarked that "*that if Maliasili did not exist, they would want to invent it, as it provides them with local partners that they can work with to implement their investment projects*".

[23] Depending on current organization size, an annual increase in the 5% to 20% plus range.

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