

CI-GEF PROJECT AGENCY

GEF Project Document

**Effectively mainstreaming biodiversity conservation
into government policy and private sector practice:
piloting sustainability models to take the Critical
Ecosystem Partnership Fund (CEPF) to scale**

Global

(Bolivia, Brazil, Burundi, Cambodia, China, DR Congo, Eritrea,
Ethiopia, Kenya, Lao PDR, Malawi, Mozambique, Myanmar, Paraguay,
Rwanda, South Sudan, Tanzania, Thailand, Uganda, Vietnam, Yemen,
Zambia and Zimbabwe)

February 5, 2016

PROJECT INFORMATION

PROJECT TITLE:	Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale		
PROJECT OBJECTIVE:	To demonstrate innovative tools, methodologies and investments, and build related capacities, through which civil society in three pilot biodiversity hotspots, in partnership with public and private sector actors, can cost effectively conserve biodiversity and progress towards long-term institutional sustainability, and to replicate demonstrated approaches in nine additional hotspots.		
PROJECT OUTCOMES:	<p>1.1 Long-term conservation visions developed for the Cerrado, Eastern Afromontane and Indo-Burma Hotspots, with participation of civil society, government, donor and private sector actors.</p> <p>2.1 Increased capacity and credibility of conservation-focused civil societies in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.</p> <p>2.2 Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including non-traditional sources.</p> <p>3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane, and Indo-Burma Hotspots.</p> <p>4.1 CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.</p>		
COUNTRY(IES):	Bolivia, Brazil, Burundi, Cambodia, China, DR Congo, Eritrea, Ethiopia, Kenya, Lao PDR, Malawi, Mozambique, Myanmar, Paraguay, Rwanda, South Sudan, Tanzania, Thailand, Uganda, Vietnam, Yemen, Zambia and Zimbabwe	GEF ID:	5735
GEF AGENCY(IES):	Conservation International (CI)	CI CONTRACT ID:	
OTHER EXECUTING PARTNERS:	Critical Ecosystem Partnership Fund (CEPF)	DURATION IN MONTHS:	60
GEF FOCAL AREA(S):	Biodiversity	START DATE (mm/yyyy):	1/2016
INTEGRATED APPROACH PILOT:	-----	END DATE (mm/yyyy):	12/2020
NAME OF PARENT PROGRAM:	-----	PRODOC SUBMISSION DATE:	11/26/2015
RE-SUBMISSION DATE(S):	02/05/2016		

FUNDING SOURCE	AMOUNT (USD)
GEF PROJECT FUNDING:	9,800,000
PPG FUNDING:	200,000
TOTAL GEF GRANT:	10,000,000
CO-FINANCING 1: Conservation International	14,000,000
CO-FINANCING 2: European Union	19,207,285
CO-FINANCING 3: Government of Japan	14,813,000
CO-FINANCING 4: Helmsley Charitable Trust	900,000
CO-FINANCING 5: Margaret A. Cargill Foundation	11,850,000
CO-FINANCING 6: MacArthur Foundation	15,000,000
CO-FINANCING 7: MAVA Foundation	1,129,715
CO-FINANCING 8: World Bank	7,600,000
TOTAL CO-FINANCING :	84,500,000
TOTAL PROJECT COST:	94,500,000

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ACRONYMS & ABBREVIATIONS

ADB	Asian Development Bank
AFD	Agence Française de Développement (French Development Agency)
ANZ	The Australia and New Zealand Banking Group
ASEAN	Association of Southeast Asian Nations
BAU	Business-as-Usual
BNB	Banco do Nordeste
CBD	Convention on Biological Diversity
CEPF	Critical Ecosystem Partnership Fund
CI	Conservation International
CSO	Civil Society Organization
Danida	Danish International Development Agency
DNAC	Directorate for Areas of Conservation
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
EUR	Euros
FAO	Food and Agriculture Organization of the United Nations
FIP	Forest Investment Program
GEF	Global Environment Facility
HDI	Human Development Index
IBAMA	Brazilian Institute for the Environment
KBA	Key Biodiversity Area
KfW	German Development Bank
M&E	Monitoring and Evaluation
NBSAP	National Biodiversity Strategy and Action Plan
NGO	Non-Governmental Organization
ODA	Overseas Development Assistance
PCR	Physical Cultural Resource
PES	Payment for Ecosystem Services

PPCerrado	Action Plan for the Prevention and Control of Cerrado Deforestation
PPG	Project Preparation Grant
PSC	Project Steering Committee
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RIT	Regional Implementation Team
SP1 METT	Protected Area Management Effectiveness Tracking Tool
STAR	System for Transparent Allocation of Resources
TFCA	Transfrontier Conservation Areas
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
USD	United States Dollars
WB	World Bank
WWF	World Wildlife Fund / World Wide Fund for Nature

GLOSSARY OF TERMS

Biodiversity hotspot	One of the world's biologically richest and most threatened regions. Biodiversity hotspots have at least 1,500 vascular plant species confined to them, and have lost more than 70% of their original primary vegetation
Critical ecosystem	This term is generally used to refer to remaining natural ecosystems within the hotspots
Key biodiversity area	A site that contributes significantly to the global persistence of biodiversity; identified based upon standard criteria

CI-GEF PROJECT AGENCY

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PROJECT DOCUMENT

SECTION 1: PROJECT SUMMARY

A. Project Context

1. Over the last century, establishment of protected areas has been the central strategy to respond to biodiversity loss in most countries of the world. While they have made demonstrated contributions to slowing and, even, reversing biodiversity loss in many places, protected areas are often undermined by land-use changes in surrounding production landscapes, or undermined by incompatible developments within their boundaries. Moreover, protected areas, by themselves, are typically not a sufficient tool to maintain ecological processes at landscape scale, and thereby ensure the delivery of ecosystem services on which healthy, prosperous human societies depend.
2. Over the last two decades, therefore, a new conservation paradigm has emerged, that of biodiversity mainstreaming. The idea is that integrating conservation goals into the plans, policies and practices of public and private sector actors can minimize pressures on protected areas and promote conservation of biodiversity beyond their boundaries. A review of the experience of GEF projects working on biodiversity mainstreaming (which is central to Objective 2 of the GEF-5 Biodiversity Strategy) was published by the Scientific and Technical Advisory Panel (STAP) in April 2014¹. This report identifies a number of facets of successful mainstreaming projects, including identification and engagement of civil society leaders and champions.
3. Civil society organizations (CSOs) are capable of offering useful and timely advice and support on biodiversity conservation to both governments and private sector decision makers. Local, regional, national and international groups can be extremely effective at: (i) bringing global experience and good practice to local contexts; (ii) transferring skills and knowledge to government conservation agencies and the private sector, leading to better policy and business practices; (iii) catalyzing innovation, testing new approaches and responding to emerging challenges and opportunities; (iv) brokering partnerships among traditional and non-traditional conservation actors; and (v) ensuring that conservation programs are beneficial to local people, such as by protecting vital ecosystem services and providing sustainable livelihood options.
4. In spite of the above, CSOs are typically under-utilized, under-valued and under-financed by other development actors. While donors are committed and engaged in conservation, national governments remain the recipients of the majority of related funding. Meanwhile, the private sector is able to generate its own resources to engage in conservation. Civil society, despite its indispensable role in achieving conservation goals, remains the least funded sector.
5. Nowhere is the need to mainstream biodiversity more urgent than in the biodiversity hotspots: the most biologically diverse yet threatened ecoregions in the world. More precisely, hotspots are distinguished by: (i) harboring at least 0.5% of all species of vascular plants, and (ii) containing 30%

¹ Huntley, B. J. and Redford, K. H. 2014. *Mainstreaming biodiversity in practice: a STAP advisory document*. Washington DC: Global Environment Facility.

or less of their original primary vegetation. Remaining natural habitats within the hotspots cover only 2.3% of the planet's surface, yet they support some 90% of the Earth's biodiversity, with more than half of the world's plant species and over 40% of terrestrial vertebrates found nowhere else.

6. In 2000, the GEF, the World Bank (WB) and Conservation International (CI) created the Critical Ecosystem Partnership Fund (CEPF) as a mechanism to enable CSOs to support conservation of critical ecosystems within biodiversity hotspots. As of 2014, CEPF had granted more than USD 175 million to over 1,900 grantees in 22 biodiversity hotspots. These grants helped to establish some 13 million hectares of protected areas and strengthened the management of biodiversity within 6 million hectares within production landscapes.

B. Project Justification

7. The biodiversity hotspots are severely threatened by various combinations of proximate and underlying factors. Perhaps most fundamental among these is the continuing drive for a form of economic expansion and growth that fails to take account of biodiversity and ecosystem services. This drive is given relatively free rein in various economic sectors and underlying policy frameworks. As natural habitats disappear, are degraded or become increasingly fragmented, biodiversity is reduced and the resilience of remaining habitats, species and ecosystems declines in tandem.
8. Since its inception in 2000, CEPF has learned that mentoring and organizational support can help CSOs become credible and trusted partners in sustainable development, influencing government conservation institutions and building networks from local to global levels where skills, funding and vision can be shared. This, in turn, lays the foundation for innovation and sustainability in both conservation and poverty alleviation.
9. The long-term goal for each biodiversity hotspot is to ensure that civil society, collaborating with private sector and governmental partners, is capable of conserving the diversity of species and ecosystems by addressing current threats affecting their integrity and functioning, and by preventing the emergence of new threats. To progress towards this long-term goal, civil society will have to participate in a wide range of actions requiring technical, administrative, financial and negotiating capacity. When this goal is achieved, civil society will be able to make effective contributions to mainstreaming biodiversity into development without relying on funding sources external to the hotspot.
10. Key barriers currently impeding the achievement of this goal include:
 - Lack of costed long-term visions;
 - Limited institutional capacity and financial sustainability of multi-sector conservation programs;
 - Limited track record of CSOs at influencing public policy or at establishing effective partnerships with private companies in sectors driving biodiversity loss;
 - Limited knowledge, awareness or application/replication of successful approaches.

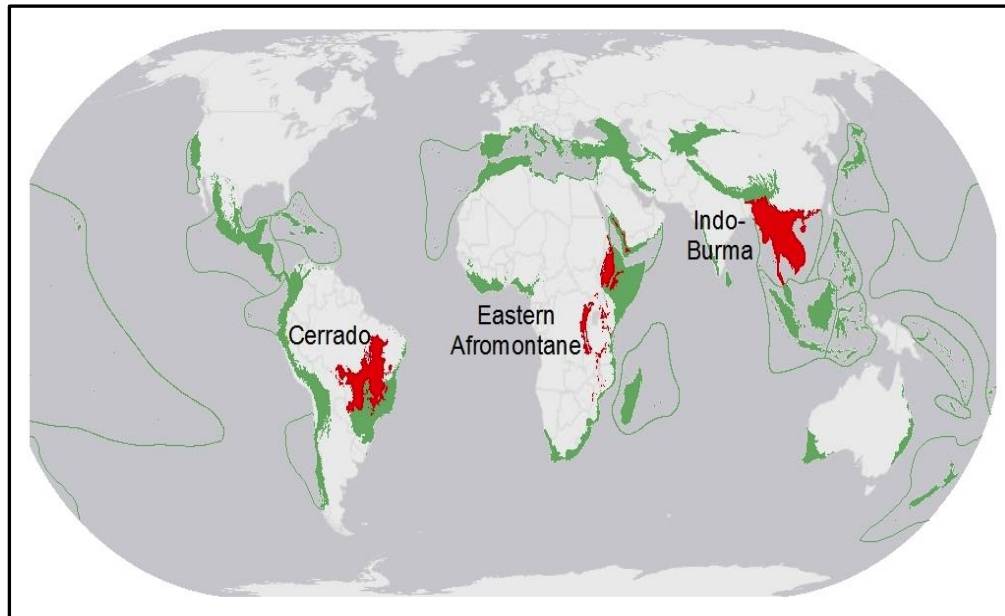
C. Project Strategy

11. The project will demonstrate the removal of key barriers to achieving the above-mentioned goal and associated target conditions in pilot hotspots, and replicate these newly tested methodologies and approaches within other hotspots. The objective of the project is to demonstrate innovative tools, methodologies and investments, and build related capacities, through which civil society in three pilot biodiversity hotspots, in partnership with public and private sector actors, can cost effectively conserve biodiversity and progress towards long-term institutional sustainability, and to replicate

demonstrated approaches in nine additional hotspots. The project includes the following four components:

- Component 1: Developing long-term conservation visions, financing plans and associated strategies for biodiversity hotspots
- Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs
- Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships
- Component 4: Replicating success through knowledge products and tools

Figure 1: Location of the Pilot Biodiversity Hotspots Targeted by the Project



Legend: RED = biodiversity hotspots targeted by the project; GREEN = other biodiversity hotspots.

12. The project focuses on the following pilot biodiversity hotspots (see **Figure 1**):

- The Cerrado biodiversity hotspot* is the most extensive woodland-savanna in South America. Of the more than 10,000 plant species found in the Cerrado, 4,400 are endemic to it, as are 16 globally threatened species of birds, mammals and amphibians. The Cerrado is under threat from large-scale agriculture, particularly soybean and livestock production, resulting in a deforestation rate twice that of the Amazon.
- The Eastern Afromontane biodiversity hotspot* comprises a discontinuous chain of roughly four ranges of mountains extending from Saudi Arabia down to Zimbabwe. Of the 10,856 species identified in the Eastern Afromontane, almost one third are endemic to it, including more than 2,350 endemic plants. Biodiversity in the Eastern Afromontane is threatened by habitat destruction and fragmentation due to agricultural development, along with overexploitation of biological resources, invasive species and the effects of climate change.
- The Indo-Burma hotspot* encompasses numerous mountain ranges and several of Asia's largest rivers. The hotspot has extraordinarily high plant species richness with an estimated

15,000 to 25,000 species of vascular plant. It hosts more than 400 mammal species, 1,200 bird species and extraordinary numbers of freshwater fish. Indo-Burma is the world's most threatened hotspot, with only 5% of its natural habitat remaining and more people than any other hotspot. Key threats include conversion of natural habitats to agro-industrial plantations of rubber, oil palm, tea and other commodities, and proliferation of hydropower dams.

13. By implementing the above four components, the project will improve the management of one million hectares of land under production within the three pilot hotspots by incorporating biodiversity conservation considerations into management practices, while also improving management systems within at least 20 protected areas. The production areas to be targeted will be located for the most part in landscapes that surround and/or connect Key Biodiversity Areas (KBAs)², including the existing and new protected areas to be supported by the project. Biodiversity benefits and protected area sustainability and resilience will thus be maximized through close synergies and geographical proximity between the protected areas and broader production landscapes being supported.
14. The project will, *inter alia*, help to launch the third phase of CEPF, which envisions a scaled-up and strengthened fund able to have a transformational impact, building on over 13 years of experience operating in CEPF's unique niche: empowering local actors to address global conservation priorities cost-effectively. The aim is to take CEPF to a scale at which it can provide the resources and depth of engagement needed to shift the momentum in global efforts to conserve biodiversity and transform the role of CSOs, making them more effective advisers and influencers of decision making.

E. Safeguards

15. The screening process was conducted in July 2014 by the CI GEF Project Agency. The full results are presented in **Appendix III**. The project was given a safeguard categorization of C, in view of the fact that it is not expected to cause, or otherwise enable, any major environmental or social impacts.
16. CEPF has an extensive set of Environmental and Social Policies and Best Practices, which have been analysed and updated to bring them in line with the CI-GEF Project Agency's Environmental and Social Management Framework. The GEF project will involve the award of grants to CSOs in the three pilot hotspots, each of which will be screened, during the review stage, against CEPF's Environmental and Social Policies and Best Practices. Any grant found to trigger one or more safeguard policy will be required to prepare additional documentation, integrate additional activities into project design as necessary, and monitor and report on compliance.

F. Implementation and Execution Arrangements

17. The project will be executed by the CEPF Secretariat, which will be accountable to the CI-GEF Project Agency for the GEF funding it receives under the project, and also to the CEPF Donor Council³, for contributions from its global donor partners, which form the bulk of co-financing for the project, and which will, in particular, enable replication of successful approaches demonstrated under the project in non-pilot hotspots under Component 4. The Donor Council will function as the Project

² Key Biodiversity Areas or KBAs are sites of global significance for biodiversity conservation based on the occurrence of species requiring safeguards at the site scale, on the basis of being 1) globally threatened, 2) range-restricted, 3) congregatory, and/or 4) biome-restricted (<https://portals.iucn.org/library/efiles/documents/pag-015.pdf> and Eken *et al.*, 2004. *BioScience* 54: 1110-1118).

³ The Donor Council is the governance body for CEPF. It consists of senior representatives of each of the seven global donor partners of the fund, and meets twice a year.

Steering Committee (PSC). It is the key governance mechanism for CEPF, with authority to select hotspots for investment, allocate budgets for grant making, and approve changes to CEPF's Operational Manual. Technical staff representing the global donors form the CEPF Working Group, which reports to the Donor Council and provides technical guidance to the CEPF Secretariat.

18. The majority of project activities will be executed via grants to CSOs. Modalities for awarding these grants, some of which represent new approaches being piloted for Phase III by the project, are described in **Appendix XI**. As such, they represent an important element of the overall Phase III learning and testing process being supported through GEF funding.

G. Financial Arrangements

19. The project will be financed by a full size GEF grant of USD 9.8 million with a total of USD 84.5 million in co-financing from AFD, CI, the European Union, the Government of Japan, the MacArthur Foundation, the Margaret A. Cargill Foundation and the WB. Breakdowns of the project costs and co-financing contributions are given in **Tables 13-15**. The project budget may be subject to revision during implementation. The detailed Project Budget is provided in **Appendix VII**.

SECTION 2: PROJECT CONTEXT

A. Introduction

20. The crisis of biodiversity loss continues to deepen, with a rate of extinction that is as much as 1,000 times higher than it would be without anthropogenic influence. Since the release of the Millennium Ecosystem Assessment in 2005, a global consensus has emerged regarding the importance of natural ecosystems in delivering services essential to humanity, such as climate change mitigation and adaptation. Nevertheless, environmental degradation and loss of biodiversity continue: 60% of global ecosystem services have been degraded in the last 50 years alone.⁴
21. Meanwhile, the economies of the world continue to grow and, with them, the rate of consumption of natural resources, increasing anthropogenic pressures on ecosystems and jeopardizing the provision of key ecosystem goods and services. The EIA Annual Energy Outlook of 2009 projected nominal GDP to double by 2030 to USD 140 trillion, posing additional, dramatic threats to the planetary environment.
22. Over the last century, establishment of protected areas has been the central strategy to respond to biodiversity loss in most countries of the world. While they have made demonstrated contributions to slowing and, even, reversing biodiversity loss in many places, protected areas are often undermined by land-use changes in surrounding production landscapes, or undermined by incompatible developments within their boundaries. Moreover, protected areas, by themselves, are typically not a sufficient tool to maintain ecological processes at landscape scale, and thereby ensure the delivery of ecosystem services on which healthy, prosperous human societies depend.
23. Over the last two decades, therefore, a new conservation paradigm has emerged, that of biodiversity mainstreaming. The idea being that, integrating conservation goals into the plans, policies and practices of public and private sector actors can minimize pressures on protected areas and promote conservation of biodiversity beyond their boundaries. A review of the experience of GEF projects working on biodiversity mainstreaming (which is central to Objective 2 of the GEF-5 Biodiversity Strategy) was published by the Scientific and Technical Advisory Panel (STAP) in April 2014⁵. This report identifies a number of facets of successful mainstreaming projects, including identification and engagement of civil society leaders and champions.
24. The Convention on Biological Diversity (CBD) has adopted a revised and updated Strategic Plan for Biodiversity for 2011-2020. The Strategic Plan consists of 20 new biodiversity targets for 2020, termed the “Aichi Biodiversity Targets.” These are grouped under five strategic goals, of which the most fundamental to the present project is Strategic Goal A: “Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.” The role of government and private sector in the achievement of the Aichi Targets is critical. Mainstreaming biodiversity considerations into decision making is both critically important and urgent. However, levels of capacity, awareness and financing are insufficient to effectively integrate the conservation and sustainable use of biodiversity into policy and business practices.
25. While difficult to quantify, global biodiversity conservation expenditures have been estimated at roughly USD 21 billion annually from 2001-2008.⁶ A recent study estimated the annual cost of reducing the extinction risk of all globally threatened species at USD 3.4 to USD 4.8 billion, while

⁴ Millennium Ecosystem Assessment, 2005. *Ecosystems and Human Well-being: Synthesis*. Island Press, Washington, DC. p. 20.

⁵ Huntley, B. J. and Redford, K. H. 2014. *Mainstreaming biodiversity in practice: a STAP advisory document*. Washington DC: Global Environment Facility.

⁶ Waldron *et al.* 2013. Targeting global conservation funding to limit immediate biodiversity declines. www.pnas.org/cgi/doi/10.1073/pnas.1221370110

protecting and effectively managing all terrestrial sites of global conservation significance would cost more than USD 76 billion per year.⁷ Global biodiversity funding—especially in poorer countries—will need to increase by at least an order of magnitude in the near future if the Aichi Targets are to be met.

26. CSOs are capable of offering useful and timely advice to both governments and private sector decision makers, though they are often under-utilized and under-valued. Local, regional, national and international groups can be extremely effective at: (i) bringing global experience and good practice to local contexts; (ii) transferring skills and knowledge to government conservation agencies and the private sector, leading to better policy and business practices; (iii) catalyzing innovation, testing new approaches and responding to emerging challenges and opportunities; (iv) brokering partnerships among traditional and non-traditional conservation actors; and (v) ensuring that conservation programs are beneficial to local people, such as by protecting vital ecosystem services and providing sustainable livelihood options.
27. In spite of the above, CSOs are typically under-utilized, under-valued and under-financed by other development actors. While donors are committed and engaged in conservation, national governments remain the recipients of the majority of related funding. Meanwhile, the private sector is able to generate its own resources to engage in conservation. Civil society, despite its indispensable role in achieving conservation goals, remains the least funded sector.
28. The need to mobilize resources for biodiversity conservation is clear: donors are engaged, with host-country government counterparts as the recipients of the majority of funds, while the private sector is able to raise money on its own to engage in conservation. However, civil society, despite its indispensable role in achieving conservation goals, remains the least funded sector.
29. In 2000, the GEF, the WB and CI created CEPF as a mechanism to enable CSOs to support conservation of critical ecosystems within biodiversity hotspots.⁸ By 2013, the number of CEPF global donor partners had increased to seven, with the Government of Japan, the John D. and Catherine T. MacArthur Foundation, l'Agence Française de Développement (AFD, the French Development Agency) and the European Union having joined. As of 2014, CEPF had granted more than USD 175 million to over 1,900 grantees in more than 89 countries and territories within 22 biodiversity hotspots. These grants helped to establish some 13 million hectares of protected areas and strengthened the management of biodiversity within 6 million hectares within production landscapes.
30. In Phase I of CEPF, which ran from 2000-2008, the fund established itself as a facility for small grants for biodiversity hotspot conservation programs by CSOs, supporting more than 1,000 groups in 14 hotspots across 33 countries with nearly USD 100 million to help implement region-specific investment strategies in protected areas, species conservation, and conservation capacity building, among other outcomes.⁹ CEPF continued to expand in its Phase II, from 2008-2015, featuring the development of Regional Implementation Teams (RITs) to improve coordination, monitoring, and capacity building in the field and the transition of ecosystem profiles from desk studies to participatory, consultative processes.¹⁰

⁷ McCarthy, D. *et al.* 2012. Financial Costs of Meeting Global Biodiversity Conservation Targets: Current Spending and Unmet Needs. *Science* 338 (6109): 946-949

⁸ Biodiversity hotspots are areas with at least 1,500 vascular plant species confined to them, which have lost more than 70% of their original primary vegetation.

⁹ http://www.cepf.net/about_cepf/strategy/strategic_framework/Pages/introduction.aspx

¹⁰ http://www.cepf.net/SiteCollectionDocuments/donor_council/DC24_5_StrategicFrameworkPhaseIII.pdf

31. Over the past 15 years, CEPF has become a well established grant-making facility, positioning itself as the only global fund exclusively targeting civil society to conserve biodiversity in hotspots. Independent evaluations have concluded that CEPF is a key, and largely irreplaceable, source of global funding and other support to CSOs engaged in biodiversity conservation. For example, a 2010 independent evaluation of CEPF stated that:

CEPF has grown into a well-targeted and effective program that is saving thousands of species and their habitats around the world. People are deriving substantial benefit from its many projects balancing livelihoods with sustaining environments. More action like what CEPF has delivered over the last decade is needed to begin to slow the juggernaut of biodiversity loss. CEPF is now a tested and efficient vehicle to translate funding at scale into meaningful conservation on the ground.¹¹

32. CEPF has proven a cost-effective and highly successful mechanism for supporting civil society at a time when funding for civil society to engage in biodiversity conservation is diminishing, and the need to catalyze solutions to sustainable development challenges is greater than ever. In addition, the 2010 evaluation found that: *“The most significant contribution of CEPF has been to provide much needed conservation attention to many of the highest priority biodiversity regions around the world that, for one reason or another, had not received adequate attention from national governments nor galvanized the sustained interest of the international conservation community.”¹²*
33. CEPF’s transboundary and landscape-level approach to biodiversity conservation greatly complements the initiatives taken by the country governments funded through GEF’s STAR allocations, allowing lessons and impacts to reach regional and global scales. As noted in the WB’s 2011 GEF mid-term evaluation, CEPF has been successful at identifying and supporting a regional, rather than national, approach to achieving conservation outcomes and engages a wide range of private, non-governmental and community institutions to support nations in addressing conservation needs through coordinated regional efforts. The convergence of these factors not only reinforces the rationale for CEPF itself, but strongly suggests a need to expand the reach and capacities that the fund has developed in terms of both duration and scale.

B. Environmental Context and Global Significance

34. First conceptualized by Norman Myers in 1988, biodiversity hotspots are the most biologically diverse yet threatened ecoregions in the world. More precisely, hotspots are distinguished by: (i) harboring at least 0.5% of all species of vascular plants, and (ii) containing 30% or less of their original primary vegetation.¹³ Remaining natural habitats within the biodiversity hotspots cover only 2.3% of the planet’s surface, yet they support some 90% of the Earth’s biodiversity, with 50% of the world’s plant species and 42% of all terrestrial vertebrates being found nowhere else.¹⁴ **Table 1** below shows hotspots where CEPF is active or has been active to date:

¹¹ Olson, D. 2010. *A decade of conservation by the Critical Ecosystem Partnership Fund 2001-2010: An independent evaluation of CEPF’s global impact*. Conservation Earth for the Critical Ecosystem Partnership Fund, Arlington, Virginia. p. 81.

¹² *Ibid.* p. 42.

¹³ Myers, N. *et al.* 2000. *Nature* 403: 853-858.

¹⁴ Mittermeier, R. A., Robles Gil, P., Hoffmann, M., Pilgrim, J. D., Brooks, T. M., Mittermeier, C. G. and Fonseca, G. A. B. da. 2004. *Hotspots Revisited: Earth’s Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

Table 1: CEPF’s Support to Global Biodiversity Hotspots

Hotspots where CEPF is currently active	Hotspots where CEPF has previously invested but is not currently active	Hotspots where CEPF has yet to invest
Caribbean Islands	Atlantic Forest	California Floristic Province
Caucasus	Cape Floristic Province	Cerrado ¹⁵
East Melanesian Islands	Himalayas	Chilean Winter Rainfall and Valdivian Forests
Eastern Afromontane	Mesoamerica	Forests of East Australia
Guinean Forests of West Africa	Philippines	Horn of Africa
Indo-Burma	Polynesia-Micronesia	Irano-Anatolian
Madagascar and the Indian Ocean Islands	Succulent Karoo	Japan
Maputaland-Pondoland-Albany	Sundaland	Madrean Pine-Oak Woodlands
Mediterranean Basin	Tumbes-Choco-Magdalena	Mountains of Central Asia
Mountains of Southwest China		New Caledonia
Tropical Andes		New Zealand
Wallacea		Southwest Australia
Western Ghats and Sri Lanka		

35. This project focuses on three of the above biodiversity hotspots, which are described in turn below.

Cerrado

36. The Cerrado biodiversity hotspot is the most extensive woodland-savanna in South America. With a pronounced dry season, it supports a unique array of drought- and fire- adapted plant species and a high number of endemic bird species. Centered on Brazil¹⁶, the Cerrado is one of the country’s most important sources of water, recharging the Bamuí, Urucuia and Guarani aquifers and eight of Brazil’s largest watersheds. Only 5% of the two million square kilometers area is formally protected, with less than 2% within IUCN protected area categories I to IV¹⁷. There are 16 endemic and threatened species of birds, mammals, and amphibians and 4,400 of its 10,000+ plant species are endemic to the Cerrado. One in four of the 1,100 threatened species in Brazil is endemic to the Cerrado.¹⁸

37. The only biodiversity hotspot to consist largely of savanna and dry forest ecosystems, the Cerrado is recognised by WWF as one of the ‘Global 200’ list of ecoregions most crucial to the conservation of biodiversity. A 29.6 million hectare expanse of the Cerrado has been designated as a United Nations Educational, Scientific and Cultural Organization (UNESCO) Biosphere Reserve. The hotspot also contains Ilha do Bananal Ramsar site, as well as two Natural World Heritage Sites: the Chapada dos Veadeiros; and Emas National Parks.

¹⁵ During the PPG, CEPF has been developing an ecosystem profile for the Cerrado and expects to begin investing there, with support of the present project, in 2016.

¹⁶ The hotspot extends marginally into Bolivia and Paraguay.

¹⁷ Mittermeier, R. A., Robles Gil, P., Hoffmann, M., Pilgrim, J. D., Brooks, T. M., Mittermeier, C. G. and Fonseca, G. A. B. da. 2004. *Hotspots Revisited: Earth’s Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

¹⁸ http://wwf.panda.org/what_we_do/where_we_work/cerrado/

Eastern Afromontane

38. The Eastern Afromontane biodiversity hotspot comprises a discontinuous and divided chain of four ranges of mountains spreading from the Arabian Peninsula to southern Africa.¹⁹ It covers approximately one million square kilometers, in a curving arc of widely scattered but biogeographically similar mountains, generally of volcanic origin. Of the 10,856 species identified in the Eastern Afromontane, almost one third are endemic, including more than 2,350 endemic plants. Of the hotspot's endemic species, 48 mammal species and 35 bird species are threatened.
39. The Eastern Afromontane includes 11 UNESCO Biosphere Reserves, 14 Ramsar Sites, 25 Alliance for Zero Extinction sites, and the Virunga, Rwenzori Mountains, Bwindi Impenetrable and Kahuzi-Biega World Heritage Sites. The most notable water bodies in the Eastern Afromontane are the Great Rift lakes, among the deepest in the world and a crucial region for freshwater fish diversity and endemism. Unfortunately, the Eastern Afromontane has suffered intense degradation, with only 10.5% of the original vegetation remaining relatively intact and only about 15% of the total area under some level of official protection.

Indo-Burma

40. The Indo-Burma biodiversity hotspot spans nearly 6,000 meters in elevation, from the summit of Hkakaborazi in Myanmar, SE Asia's highest mountain, down to coastline along the Bay of Bengal, Andaman Sea, Gulf of Thailand and South China Sea. The hotspot encompasses numerous mountain ranges and several of Asia's largest rivers. Indo-Burma's sweeping expanses of lowlands embrace several fertile floodplains and deltas and include Tonle Sap Lake, Southeast Asia's largest and most productive freshwater lake and a crucial bird and freshwater fish habitat. The Indo-Burma hotspot is ranked among the top 10 hotspots for irreplaceability.²⁰ It has extraordinarily high plant species richness with an estimated 15,000 to 25,000 species of vascular plant, with about half of its angiosperms and gymnosperms being endemic to the hotspot. It supports more than 400 mammal species, 1,200 bird species and extraordinary numbers of freshwater fish—including at least 850 species within the Lower Mekong Basin. Reptiles number more than 500 species, of which more than a quarter are endemic, and about half of the over 300 amphibian species known to occur in the hotspot are endemic.
41. The Indo-Burma hotspot includes 27 Ramsar sites, 16 Association of Southeast Asian Nations (ASEAN) Heritage Parks, 16 UNESCO Biosphere Reserves, and 4 Natural World Heritage Sites. Major rivers such as the Mekong, Ayeyarwady, Nu/Thanlwin/Salween, Chao Phraya, Red and Pearl flow through the hotspot.
42. Unfortunately, Indo-Burma is also ranked among the top five hotspots for vulnerability, with over 700 endemic species on IUCN's Red List, including one-quarter of mammals, at least one-fifth of amphibians, and two-fifths of all plants endemic to the hotspot. With only 5% of its natural habitat remaining and with more people than any other hotspot, the Indo-Burma hotspot is at a critical juncture in terms of conservation.

¹⁹ http://www.cepf.net/Documents/Eastern_Afromontane_Ecosystem_Profile_FINAL.pdf

²⁰ http://www.cepf.net/SiteCollectionDocuments/indo_burma/IndoBurma_ecosystemprofile_2011_update.pdf

C. Socio-Economic and Cultural Context

Cerrado

43. The Cerrado is home to over 30 million people and includes Brasilia, the capital of Brazil. Traditionally considered an expanse of monotonous, scrubby vegetation, large swathes of the Cerrado have undergone intensive chemical alteration to make the soil agriculturally productive. During the late 1990s and early 2000s, following research pioneered by the Brazilian Agricultural Research Corporation²¹, somewhere between 14 and 25 million tonnes of lime were poured onto Brazilian fields each year to reduce the acidity of their soils, equivalent to five tonnes per hectare or more.²² Consequently, the Cerrado now produces 70% of Brazil's agricultural output, comprised principally of soybeans, cotton, and livestock.²³ While some environmentally friendly measures are widespread—such as “no-till” agriculture and integration of forestry, agriculture and livestock to reduce soil degradation—legal deforestation and conversion to agriculture (including cattle ranching) has eliminated or degraded more than three-quarters of the Cerrado's original vegetation.
44. The Human Development Index (HDI) for the Brazilian Cerrado is 0.731, which is nearly identical to the national HDI of 0.730.²⁴ The index is highest in São Paulo, Minas Gerais, Mato Grosso and Mato Grosso do Sul states and lowest to the north and east. Since 1980, the HDI has improved dramatically in the interior, showing significant reductions in regional inequality. Agricultural expansion has been a major factor contributing to these improvements. In this context, conservation strategies based on inclusion of large areas of the Cerrado within conventional protected areas are considered to be both politically unfeasible and socially untenable. The need for alternative strategies—ones that mainstream conservation into production landscapes—is particularly great in the Cerrado.
45. The Cerrado is home to many small, traditional populations of indigenous and Quilombola people, primarily near the Amazon region to the north and west. Most of these groups live off the land, making use of around 300 species of flora in the Cerrado for food, medicine, or as material for handicraft production.²⁵ However, the recent conversion of natural vegetation to agriculture described above has further fed a strong rural to urban population movement within the region, with the Cerrado's urbanization rate of 84.4% now equal to that of Brazil as a whole. Consequently, there is now a vast and relatively dense urban network that links small towns and cities in the interior with large cities of million of inhabitants, with the average distance to a city being only 10.6 km.

Eastern Afromontane

46. Due to its discontinuous nature, the Eastern Afromontane does not have a consistent level of socio-economic development and cultural significance. There are four major urban centers within the hotspot—Sana'a, Asmara, Addis Ababa, and Bujumbura—each of which places significant pressure on the surrounding area's natural resources. Population densities are significantly lower in the most

²¹ Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA): a state-owned company affiliated with Brazil's Ministry of Agriculture.

²² <http://www.economist.com/node/16886442>

²³ <http://www.economist.com/node/16886442>

²⁴ UNDP. 2013. *Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World*. New York: United Nations Development Program.

²⁵ http://www.wwf.org.br/natureza_brasileira/areas_prioritarias/cerrado/cerrado_in_english/people_and_nature/

topographically extreme areas. Population growth rates are typically 2-3 times the global rate, and there are strong urbanization trends in most of the hotspot's countries.

47. The Eastern Afromontane includes some of the poorest countries on the planet, several of which have a recent history of civil strife, and issues of governance are widespread. The proportion of people living below the poverty line is very high for most of these countries; more than 75% of the populations of Burundi, Rwanda, and Tanzania live on less than USD 1.25 per day. Only three countries (Eritrea, Saudi Arabia, and Yemen) have a life expectancy of more than 60 years and HDI scores for the countries in the hotspot are some of the lowest in the world, with 10 countries in the bottom 25. Within the hotspot boundary generally, incomes, life expectancy, and education in rural areas are lower than national averages. An analysis of differences in economic and broader measures of poverty among hotspots worldwide ranked the Eastern Afromontane Hotspot fourth out of 34 hotspots in terms of total hotspot area affected by poor socioeconomic conditions.²⁶
48. Despite such problems, the overall economic trajectory for most countries in the hotspot is positive. The key economic sectors in the hotspot are agriculture, forestry, tourism, fisheries, mining, and power generation. Agriculture continues to be the prime economic activity in most hotspot countries, although other sectors, such as tourism in Kenya and mining in Zambia, DRC, and Tanzania, have become increasingly important in recent decades. Large-scale development initiatives financed by global investment are planned, the extent of which will require that particular attention be paid to social and environmental safeguards. In particular, expanding agroindustry in countries like Ethiopia, Rwanda and Uganda, and the development of hydrocarbons in the Albertine Rift, are posing significant challenges for conservation. In spite of these developments, large populations continue to depend on directly on "free" ecosystem services and resources for their livelihoods.
49. The Eastern Afromontane features high levels of cultural diversity, with hundreds of ethnic groups and at least 70 different languages in Ethiopia alone. Christianity and Islam are the dominant religions in the region, but indigenous animist religions continue to be an important part of daily life, often characterized by a personal spiritual connection with the environment. There is active discrimination against women in most countries in the hotspot in terms of access to education, healthcare, and finance; this in turn reduces their mobility relative to men.

Indo-Burma

50. Indo-Burma is the most populous of all the biodiversity hotspots, with a total population of at least 331 million people. Though population growth has slowed notably from the early 1990s to rates close to the global average of 1.2%, national economies in the hotspot have continued to experience rapid growth, largely concentrated in urban areas. This has helped bring many people out of poverty in the region, though all countries in the hotspot still rank in the bottom half of the world for HDI. As a whole, the Indo-Burma Hotspot ranks third among hotspots for total area affected by poor socioeconomic conditions.²⁷ Each country has significant populations suffering from extreme poverty, though considerable progress has been made in poverty reduction across the hotspot.
51. As a consequence of strong economic growth, large rural-to-urban population movements have taken place, shifting pressures on surrounding natural resources and biodiversity. Although these

²⁶ Fisher, B., and Christopher, T. 2007. Poverty and biodiversity: Measuring the overlap of human poverty and the biodiversity hotspots. *Ecological Economics* 62(1): 93–101.

²⁷ *Ibid.*

dynamics have created some of the world's largest cities, the overall population remains predominately rural. A large portion of this rural population depends on agriculture for their livelihoods, which has direct impacts on biodiversity through use of agrochemicals and the conversion of forests, grasslands and wetlands to agriculture. In addition, millions of people remain dependent on wild fisheries for their basic needs and income. Particularly significant in this respect is the Mekong Basin, which supports the world's largest inland freshwater fishery.

52. The key economic sectors driving changes in natural ecosystems in the hotspot are agriculture, forestry, tourism, fisheries, mining and energy (particularly hydropower). Agriculture is a major economic sector in all hotspot countries. The last 15 years have seen significant increases in large-scale agro-industrial plantations of several crops. The expansion of these plantations is having significant impact on forest cover and biodiversity throughout the hotspot. Overall, changing political and economic conditions in the hotspot are leading to increased private sector investments in industries with potentially large environmental footprints.
53. Culturally, each country in the Indo-Burma region is marked by a lowland, rice-farming ethnic group that makes up the majority of the population and the cultural and political elite, while the more remote, mountainous regions tend to be populated by a wide variety of ethnic groups with unique cultures, religions, and languages. Since many of the protected areas are in remote upland areas, some of these ethnic groups form the majority in and around these areas. There are strong gender disparities in poverty and livelihood indicators, with men generally carrying out wage labor while women work on household farmland.

D. Relevant Policies, Laws, Regulations, Rules, and Standards

Cerrado

54. In the late 20th century, the Brazilian national development strategy aimed to integrate the “empty” Cerrado and the Amazon regions of Brazil into the rest of the economy through agricultural development. This has taken the form of infrastructural improvements, technical assistance to farmers, and direct and indirect agricultural subsidies. Currently, an ambitious program of agricultural development is underway through frontier expansion for soybean cultivation, centered in the northern part of the Cerrado in the states of Maranhão, Tocantins, Piauí and Bahia.
55. Only 5% of the Cerrado is under some form of formal protection and Brazil's Forest Code, which stipulates protection of 80 % of the Amazon through nature reserves, caps such protection at 35% in the Cerrado.²⁸ The Forest Code also introduces new and extensive restoration obligations, which create an important opportunity to mainstream biodiversity conservation through the restoration and enhancement of ecological connectivity. It will also be important, in this context, to mitigate the risk of natural non-forest habitats being inappropriately targeted by reforestation efforts.
56. More recently, the Brazilian government has considered and/or adopted a number of laws and regulations to provide a stronger framework for conserving key areas of the Cerrado and avoiding further destruction, particularly on private lands. Alongside a recent revision of the Forest Code, notable programs include the USD 70 million Forest Investment Program to reduce deforestation, the Rural Environment Cadaster to register and monitor the compliance of farms with Brazil's Forest Code, and the Ministry of Agriculture's Program ABC, which has invested USD 600 million to

²⁸ Klink, Carlos A. 2013. Policy Intervention in the Cerrado Savannas of Brazil: Changes in Land-Use and Effects on Conservation, published in Consorte-McCrea, A. G. and Santos, E. F. eds. *Ecology and Conservation of the Maned Wolf: Multidisciplinary Perspectives*. CRC Press.

promote modern food and biofuel production practices that reduce greenhouse gas emissions and restore deforested land.²⁹ Mainstreaming biodiversity conservation through the continued application and expansion of these kinds of programs is critical to the ecological recovery and long-term sustainability of the Cerrado.

57. Brazil's Ministry of Environment has developed an Action Plan for the Prevention and Control of Cerrado Deforestation (PPCerrado), which makes a commitment through the National Policy on Climate Change to a reduction of at least 40% in emissions due to deforestation in the Cerrado. This is complemented by other significant government policies and commitments: the Aichi National Biodiversity Targets, including the expansion of protected areas to 17% of each biome; the National Policy for Sustainable Development of Traditional Peoples and Communities; the implementation of the Rural Environmental Registry of the new Brazilian Forest Code; and others.

Eastern Afrotropics

58. National development strategies within the hotspot are based heavily on natural resources, greatly influencing the ways in which environmental issues are managed. The combination of widespread poverty within hotspot countries (except in Saudi Arabia) and rapid population growth makes accelerated economic growth the single most important element in national development policies. Consequently, environmental safeguards built into conservation policies are often sacrificed. Political pressures, poor governance at multiple levels, and inadequate resources in national environmental agencies exacerbate this situation, negatively impacting biodiversity protection even when the requisite policies and legislation are in place. In addition, government policies and incentives are often incompatible with sustainable use of natural resources. For example, the promotion of biofuels leads to the clearance of high-carbon and high-biodiversity-value forest or the loss of agricultural land for food production, both of which diminish local livelihood-support mechanisms.
59. Protected area management systems within the hotspot range from centralized, well funded (e.g. Saudi Arabia), to complex, multilayered systems with a variety of responsible institutions (e.g. Uganda). While all the countries in the hotspot have regulatory frameworks to declare protected areas and define human activities compatible with conservation, some existing protected areas are not yet effectively defined and many key areas in the hotspot are not protected at all. Only 43% of terrestrial KBAs and 8% of freshwater ones are fully protected in the hotspot.
60. Most of the countries in the hotspot prioritize tourism as a key economic sector and, in this context, consider their nature, wildlife, and protected areas as important for economic development. However, the value of ecosystem services provided to other sectors, such as agriculture and energy, remains poorly recognized.

Indo-Burma

61. All of the countries in the hotspot have similar national development strategies principally based on an aggressive drive for economic development and industrialization in order to reduce the proportion of the population living in poverty. These strategies mostly operate on five-year cycles and have been broadly successful historically. The alignment of the objectives of these strategies

²⁹ *Ibid.*

with the Millennium Development Goals is generally incidental, as they are primarily a response to national policy imperatives.

62. Each country in the Indo-Burma hotspot has a set of laws and policies to support biodiversity conservation, particularly through wildlife protection laws and the creation, maintenance, and management of protected areas. There are some 756 terrestrial and 96 marine protected areas in the hotspot, accounting for 14% of its area, though national coverage is very variable. Many hotspot countries also offer subsidies within the forestry and agriculture sectors to promote increased production of timber and other cash crops, agricultural intensification, and large-scale use of agrochemicals. These incentives have sometimes unintended effects, such as when subsidies for tree planting lead to afforestation of intertidal mudflats, grasslands, and other natural non-forest habitats.
63. In addition, these states have other legislation that impacts biodiversity, including forestry and fisheries policies, environmental impact regulations and pollution control regulations, which is implemented by an array of different ministries, agencies and institutions. Though the legal framework for biodiversity conservation in the hotspot is robust, persistent challenges include inadequate coordination among institutions, and limited enforcement of many laws.

E. Institutional Context

Cerrado

64. The Ministry of Environment, the Ministry of Agrarian Development, the National Environmental Council, and the Brazilian Institute for the Environment (IBAMA) are among the primary institutions of forest and land management in Brazil. For the Cerrado, the Ministry of National Integration includes three regional development agencies. The Superintendency of Development of the Center-West covers a large part of the Cerrado, i.e. the states of Goiás, Mato Grosso, Mato Grosso do Sul and the Federal District. The superintendencies for development of the Northeast and the Amazon are important in the northern and western parts of the hotspot. These agencies' missions are mostly concerned with economic development but they have incorporated sustainability goals.
65. The Brazilian Forest Service supports sustainable production in the Cerrado, currently including:
 - i) completion of a Forest Inventory;
 - ii) development of a strategy for promotion of community and family forest management;
 - and iii) provision of technical assistance to strengthen community-based forest enterprises through the National Forest Development Fund.
66. Brazil has officially established the Sustainable Cerrado Program with a National Sustainable Cerrado Program Commission. The program seeks to promote the conservation, restoration and sustainable management of the Cerrado's natural and agricultural ecosystems, as well as the appreciation and recognition of its traditional populations.
67. A number of partnerships and integrated approaches have been established between non-governmental organizations, local communities, the productive sector, academic and scientific entities, and government bodies. Due to the geographic scope and socioeconomic complexity of the Cerrado, such approaches are essential for reversing the negative social and environmental impacts observed in the hotspot. In this context, there is a need for institutional strengthening of non-governmental organizations (NGOs), such as the Cerrado Network, which brings together more than 200 organizations, in order to strengthen their influence in regional conservation efforts, as well as their administration and project execution capacity.

Eastern Afrotropics

68. Many of the countries within the hotspot are listed among the poorest in the world. The resulting historical lack of capacity within government has prompted significant participation in conservation by CSOs, both international and domestic. While their establishment has been somewhat uneven across the hotspot, since many of the organizations active in the region focus on sustainable agriculture, they present good opportunities for collaboration with conservation NGOs. These CSOs concentrate their efforts on, among other activities, the management of protected areas, livelihood and local development, biodiversity monitoring, and media outreach.
69. The history of collaboration between CSOs and government has been mixed but the mutual benefits of cooperation are increasingly recognized and even, at times, an explicit objective of donor-funded projects. Even when relationships are adversarial in nature, for instance when conservation NGOs oppose government development plans that threaten biodiversity, CSO actions are often quietly welcomed by government agencies charged with protection of the environment. There is substantial opportunity for increased collaboration between conservation NGOs and the development community.

Indo-Burma

70. Most of the countries in the hotspot have experienced relative political stability for the past two decades. The hotspot includes three of the world's five remaining communist states (China, Lao PDR and Vietnam), which have undergone reforms to liberalize their economies since the 1990s. Political changes have been slower, however, and there continues to be restricted political space for civil society and limited democratic accountability. A general pattern exists across the hotspot whereby political power in each country is held by an elite that has dominated for several decades, accumulating significant economic power.
71. In all hotspot nations, responsibility for biodiversity conservation and management of associated natural resources is divided among multiple government agencies. Fisheries management and wetland and marine conservation are typically handled by a different agency than the one(s) managing terrestrial biodiversity. Also, development plans that have impacts on protected areas are often approved without consulting protected area management authorities, due to biodiversity conservation being an almost universally low priority for public officials, and a general absence of mechanisms to facilitate effective inter-agency cooperation or even communication. In general, development and economic growth tends to take priority over conservation; institutions responsible for the former—ministries of planning, finance and industry—have significantly greater political power and influence than those responsible for ensuring sustainable development.
72. Though countries in the hotspot are creating more operating space for CSOs, this progress is uneven and somewhat fragile. Despite occasional repressive actions, policy change to conserve biodiversity and accommodate community interests has appeared at the government-civil society interface. Civil society is increasingly seen as a participant in policy change in the hotspot—an important improvement over the situation at the turn of the century.

SECTION 3: PROJECT JUSTIFICATION

A. Problem Definition: Global Environmental Problems and Root Causes

73. Biodiversity within the world's hotspots is heavily threatened by various combinations of proximate and underlying factors. Perhaps the most fundamental among these is the continuing drive for forms of economic expansion and growth that fail to take account of biodiversity and ecosystem services—together natural capital. Often pursued in a manner that fails to generate equitable outcomes, growth that destroys natural capital—whether as an intrinsic element of the process via over-exploitation of biological resources or as a corollary impact via habitat degradation and conversion—comes in many forms and operates across multiple sectors of the global economy. As natural habitats disappear, are degraded or become increasingly fragmented, biodiversity is reduced and the resilience of remaining habitats, species and ecosystems declines in tandem.
74. Drivers and causes of biodiversity loss within the three pilot hotspots are summarized below.

Cerrado

75. While the Cerrado, with only 13 people per square kilometer, has one of the lowest population densities of any biodiversity hotspot, it is one of the last great agricultural frontiers in the Americas. Demand from export markets and domestic policies promoting production of soy, maize, beef and other commodities has driven massive agricultural expansion in the Cerrado, accompanied by population influx and infrastructure development. Today, the Cerrado is responsible for over one half of Brazil's soy production and one quarter of its grain production, and supports a cattle herd in excess of 40 million animals. Market and policy failures to assign appropriate value to the Cerrado's important ecosystem services have contributed to the unchecked pace of agricultural expansion.
76. These root causes are manifested as habitat loss and fragmentation, which represent the main threats to the integrity and long-term viability of the Cerrado's tropical savannah ecosystems. More than 37% of the Cerrado has already been totally converted to agriculture and other human uses, while an additional 41% has been degraded by pasturing livestock and production of charcoal.³⁰ The Cerrado suffers from a deforestation rate twice that of the Amazon, while only around 5% of the hotspot's land area is under formal protection.

Eastern Afromontane

77. Stakeholders in the region³¹ ranked habitat destruction and fragmentation due to agricultural development as the number one threat to biodiversity in the hotspot, followed by overexploitation of biological resources, various forms of human intrusion and disturbance and other modifications to natural systems; invasive species, climate change, urban sprawl, and mining developments were also viewed as increasingly significant threats.

³⁰ Mittermeier, R. A., Robles Gil, P., Hoffmann, M., Pilgrim, J. D., Brooks, T. M., Mittermeier, C. G. and Fonseca, G. A. B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

³¹ In preparing its *Ecosystem Profile: Eastern Afromontane Biodiversity Hotspot* (2012), CEPF organized five workshops between December 2010 and February 2011 in Ethiopia, Kenya, Tanzania, Rwanda (covering Rwanda, Burundi, and DRC) and Uganda. The workshops' participants represented 50 national CSOs, 62 government institutions (including universities and research institutions), as well as international organizations and donors. Participants were asked to rank a set of issues according to their importance in each country and within the hotspot boundary.

78. These threats manifest themselves in various ways in different parts of the hotspot. In some areas, habitat destruction takes the form of expansion of subsistence agriculture. For instance, almost all of the montane forest and grassland ecosystems surrounding Mount Kenya National Park have been converted to subsistence agriculture, while conversion of forest to potato cultivation is prevalent within and around Udzungwa Mountains National Park in Tanzania.³² In other places, commercial agriculture is a greater threat, with tea and coffee plantations continuing to be established in some areas, such as in Ethiopia's Awash Valley, and biofuels being introduced on lands previously marginal for agriculture, such as in parts of Uganda, Kenya and Tanzania.³³ A third manifestation of habitat destruction is overgrazing by livestock, especially in the Ethiopian Highlands, where even protected areas have been subjected to serious overgrazing.³⁴
79. There are three major root causes of environmental problems in the hotspot. These are human population growth, human population density, and poverty. National economic development initiatives to combat these challenges have generally pursued development projects with little regard to environmental impact. In particular, the expansion and intensification of agriculture, aquaculture and forestry, intensification of pastoralism, infrastructure development and urban expansion, mining, and the overuse of biological resources are particularly acute threats to biodiversity. Other causes of environmental degradation are the demands upon natural resources caused by population movements following civil unrest and war and the use of fire as a technique for clearing fields near biodiversity-rich habitats.

Indo-Burma

80. The Indo-Burma hotspot is the world's most threatened hotspot, with only 5% of its natural habitat remaining and more people than any other hotspot. Stakeholders in the hotspot³⁵ ranked hunting and illegal trade of wildlife as the number one threat to biodiversity, followed by conversion of natural habitats to agro-industrial plantations of rubber, oil palm, tea and other commodities, and proliferation of hydropower dams, especially a proposed cascade of eight large dams along the lower Mekong River.
81. Rates of deforestation during recent decades were high across all countries in the hotspot. For instance, western and northwestern Lao PDR lost more than 5% of its humid tropical forest between 2000 and 2005³⁶, while Myanmar lost an estimated 74,400 km² of forest between 1990 and 2010, equivalent to 19 percent of its forest cover.³⁷ Although net deforestation rates have slowed in most countries over the last two decades, these decreases mask widespread conversion of degraded natural forests to plantations of non-native tree species and agro-industrial crops, such as rubber, palm oil and coffee. One conservation impact arising from conversion of natural habitats to plantations that has been well documented is that of Hainan gibbon (*Nomascus hainanus*; CR): a

³² CEPF. 2012. *Ecosystem Profile: Eastern Afromontane Biodiversity Hotspot*. Arlington: Critical Ecosystem Partnership Fund.

³³ *Ibid.*

³⁴ *Ibid.*

³⁵ In preparing its *Ecosystem Profile: Indo-Burma Biodiversity Hotspot* (2012), CEPF organized 11 workshops between July 2011 and January 2012 in Thailand, Vietnam, Lao PDR, China, Cambodia and Myanmar. The workshops' participants represented CSOs, government, and donor agencies. Participants were asked to rank a set of issues according to their importance in each country within the hotspot boundary.

³⁶ Hansen, M. C., Stehman, S. V., Potapov, P. V., Loveland, T. R., Townshend, J. R. G., DeFries, R. S., Pittman, K. W., Arunarwati, B., Stolle, F., Steininger, M. K., Carroll, M. and DiMiceli, C. 2008. Humid tropical forest clearing from 2000 to 2005 quantified by using multitemporal and multiresolution remotely sensed data. *PNAS* 105: 9439–9444.

³⁷ Blaser, J., Sarre, A., Poore, D. and Johnson, S. 2011. *Status of tropical forest management 2011*. ITTO Technical Series No 38. Yokohama: International Tropical Timber Organization.

recent study showed that the area of suitable habitat for the species declined by 58% between 1991 and 2008 due to conversion of tropical forest to plantations³⁸.

82. The combination of economic development and an increasing human population is exerting enormous pressure on the region's natural resources; these pressures are not adequately mitigated by existing planning and management bodies due to a lack of financial resources, technical expertise and appropriate incentives to fulfill their mandates effectively. Due to insufficient environmental controls, natural resource overexploitation is widespread, with significant habitat loss, degradation and fragmentation, as a consequence of agro-industrial plantations, agricultural encroachment by smallholders and the conversion of coastal habitats. For similar reasons, pollution, especially discharge of industrial waste into waterways, has both direct effects on sensitive animal and plant species, through toxicity, and indirect effects, particularly through eutrophication. Large-scale modification of most ecosystems and expanding international trade have also increased the threat of invasive species.

B. Long-term Goal and Barriers to Its Achievement

83. The long-term goal for each biodiversity hotspot is to ensure that civil society, collaborating with private sector and governmental partners, is capable of conserving the diversity of species and ecosystems by addressing current threats affecting their integrity and functioning, and by preventing the emergence of new threats. To progress towards this long-term goal, civil society will have to engage in a wide range of actions requiring technical, administrative, financial and negotiating capacity. When this goal is achieved within a given hotspot, civil society will be able to make effective contributions to mainstreaming biodiversity into development without reliance of funding sources external to the hotspot.
84. A key question facing donors wishing to support the emergence of civil society as a strong partner in sustainable development to government and the private sector is how to determine when the above long-term goal has been met within a given hotspot. A framework adopted by CEPF's Donor Council in June 2014 responded to this question by proposing five target *conditions*, which would need to be met before civil society in a hotspot could be considered to have 'graduated' from the fund' support. These are:
- Global conservation priorities and best practices for their management are documented, disseminated and used by public and private sector, civil society and donor agencies to guide their support for conservation in the hotspot.
 - Local civil society groups dedicated to global conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
 - Adequate and continual financial resources are available to address conservation of global priorities.

³⁸ Zhang, M. X., Fellowes, J. R., Jiang, X. L., Wang, W., Chan, B. P. L., Ren, G. P. and Zhu J. G. 2010. Degradation of tropical forest in Hainan, China, 1991 to 2008: conservation implications for Hainan Gibbon (*Nomascus hainanus*). *Biological Conservation* 143: 1397-1404.

- Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.
- Mechanisms exist to identify and respond to emerging conservation challenges.³⁹

85. The present project will demonstrate the removal of key barriers to achieving the above-mentioned goal and associated target conditions within three priority hotspots. The barriers to be addressed, all of which are currently substantially impeding achievement of the long-term goal, are described below.

Lack of costed long-term visions

86. While the five conditions listed above are quite clear, a more challenging question is how to determine whether and when any one of them has been achieved within a given hotspot. This represents a macro-level monitoring challenge, based on a vision of success, along with a clear set of *criteria* according to which the achievement of target conditions may be assessed. In the absence of a vision and criteria tailored to the reality of each hotspot, and associated monitoring, it is difficult, if not impossible, to systematically measure progress towards, and eventual achievement of, the goal of hotspot graduation.
87. A closely related barrier (see also next sub-section) stems from the very significant extent to which civil society—despite its indispensable role in achieving conservation goals—is the least funded conservation sector. As a result, the lack of adequate and continual finance—while itself one of the above five conditions—is also a major constraint in achieving the remaining ones.
88. Despite the obvious need for additional financial resources, there remains a notable lack of certainty about the scale of overall financing needs, as well as the current availability of resources and opportunities for revenue generation and/or resource mobilization. Without a clearer sense of the financial picture, the long-term vision for each hotspot risks becoming a wish list without a concrete plan for its achievement. Particularly in the many multi-country hotspots, the challenge of gaining a broad perspective on conservation financing, and planning accordingly, remains significant.

Limited institutional capacity and financial sustainability of multi-sector conservation programs

89. Assuming that the previous barrier was removed, and there was in a place an evidence-based and widely supported set of criteria, along with a clear picture of conservation finance needs and opportunities, the challenge would remain of actually building the financial and institutional sustainability implied by the vision and its associated targets. Under the present baseline situation, within most of the world's hotspots, both institutional and financial constraints predominate.
90. Regarding *institutional sustainability*, Section 2.E. above has described the context regarding levels of institutional development within the pilot hotspots. The situations there may be considered as fairly typical of others around the world.
91. A particular institutional concern relates to the need for long-term implementation structures at the hotspot level. This is an issue for all hotspots but perhaps particularly so for the many multi-country hotspots. In both cases, however, problems are long term and there is a need for an organization or network of organizations with a similarly long-term perspective.

³⁹ Twenty-fifth Meeting of the CEPF Donor Council, Washington, DC, 24 June 2014, Long-term strategic visions for graduating civil society from CEPF support in the biodiversity hotspots.

92. As noted above, civil society will eventually reach a point where it will have achieved the long-term goal described above. To reach that point, there will be a need for an entity or entities that can play a supporting role for civil society in the hotspot. Such an entity will need to display the motivation and competence to generate and sustain positive change in favor of conservation. It may be challenging to identify a single, local entity with the willingness and capacity to take on this long-term responsibility; for this reason, it seems likely that the solution may involve an alliance or consortium of local institutions.
93. In addition to the lack of hotspot-level institutional capacity, there also remain significant capacity gaps at local and national levels. The greatest capacity constraints for domestic CSOs are human and, especially, financial resources. A lack of secured long-term funding is ubiquitous and, like their international counterparts, high staff turnover diminishes the expertise and experience that domestic CSOs can call upon for more technical tasks, such as GIS. Local and grassroots CSOs also often lack strong project planning, monitoring, and financial reporting capacity. Domestic CSOs report difficulty in moving from small grants to larger grants, where they often have to compete for funds with international NGOs that are significantly better equipped for proposal writing, have higher profiles, and benefit from more established contacts with funders. Many CSOs are overly reliant on a small core of individuals to the detriment of the organization’s sustainability. In addition, the political space for civil society mobilization may be limited in some countries, increasing the potential for CSO-government conflict and reducing CSO effectiveness.⁴⁰
94. As far as *financial sustainability* is concerned, evidence compiled through preparation of hotspot ecosystem profiles, a stakeholder consultation exercise in Indo-Burma and reviews of non-traditional sources of baseline financing (see Section 3G and **Appendix IX**) indicate a range of persistent barriers. Among the most important—particularly given the scale of the associated opportunity—and relevant to CEPF’s mandate is the challenge of ensuring that civil society actors can tap into potential non-traditional sources of financing for conservation. Several areas in particular would appear to offer substantial, yet largely untapped, opportunities for financing civil society conservation actions. These areas, together with the associated opportunity and barriers, are described in **Table 2** below.

Table 2: Barriers to Mobilizing Non-traditional Sources of Conservation Finance

Financing modality	Barriers to mobilizing additional resources through this modality
Support to conservation from private companies	<ul style="list-style-type: none"> • Companies do not see it as in their self-interest to give to conservation. • Companies focus on near-term profitability and fear cost increases from supporting conservation. • Conservation-focused CSOs typically lack the specialist skills necessary to engage with private sector and, in many cases, are reluctant to do so due to perceived risk to their standing with peers and/or members.
Payments for Ecosystem Services (e.g. from public utility companies)	<ul style="list-style-type: none"> • Difficulty in quantifying benefits downstream. • Difficulty in quantifying costs upstream. • Complexity of establishing a payment transfer mechanism that is transparent and efficient. • Difficulty in collecting payments if the benefits are dispersed among multiple beneficiaries, and in distributing them if there are multiple ‘service providers’.

⁴⁰ CEPF. 2010. Issues Paper #2. Lessons learned in strengthening civil society. Unpublished report of the Critical Ecosystem Partnership Fund.

Financing modality	Barriers to mobilizing additional resources through this modality
State lotteries or other mechanisms for charitable giving	<ul style="list-style-type: none"> • High levels of local expectation and demand for lottery revenue to be used for poverty relief, education, and other purposes.
Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	<ul style="list-style-type: none"> • Decision-makers at these agencies, the elected officials guiding them and the taxpayers behind them do not view conservation as a top priority. • Inadequate understanding and awareness of the multiple links and correlation between conservation and development outcomes, such as health, agricultural productivity, disaster prevention, food supply, etc. • Groups with a conservation mission lack skills and experience at communicating the various ways in which ecosystem services, resilience and health contribute to the broader development agenda.
Funding from general public (e.g. crowd-sourcing via the Web)	<ul style="list-style-type: none"> • Remains a nascent sector, focused on enterprise and/or revenue generating concepts. • Trust on the part of the public is limited, due to a lack of working mechanisms.
Tax breaks or other incentives for private support to conservation	<ul style="list-style-type: none"> • Governments do not understand the value gained from induced conservation practice at the expense of lost revenue from the tax break. • Revenue collection systems are tenuous already and governments are reluctant to create new potential sources of leakage.

Limited track record of CSOs at influencing public policy or at establishing effective partnerships with private companies in sectors driving biodiversity loss

95. Among the five graduation conditions adopted by CEPF in its framework for long-term conservation visions is the following: “Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.” This may be considered a critical step in the evolution of an environmentally capable civil society. However, the current capacity of civil society in hotspots to engage in partnerships with public and private sector entities—including partnerships aimed at encouraging the emergence of a more environmentally and socially equitable legal and regulatory environment—remains limited.
96. While past CEPF projects, along with other donor-funded efforts, have demonstrated some innovative conservation approaches with wider relevance, these have been limited in number and scope. Civil society groups have tended to continue to work among themselves or directly with local communities, and relationships with government and, especially, private sector have not always been constructive. Difficult governance regimes, which in some cases have prevented CSOs from engaging in public policy-making and/or implementation processes, have made the challenge a greater one.

Limited knowledge, awareness or application/replication of successful approaches

97. In cases where successful experience has been gained, CSOs have lacked the capacity to capture and document lessons as an evidence base to support proposed strategies or models. As a result, broader uptake or amplification of lessons by government or the private sector—such as within the legal environment for conservation, enforcement, and education and training systems—have been opportunistic and limited.

98. This barrier is expected to become even more significant in light of CEPF's Phase III Strategy, which will introduce a revised and expanded set of strategic tools and approaches across the different hotspots where it operates globally. Given the number of hotspots and the urgency of the challenges, there is a risk that work within individual hotspots might proceed in relative isolation, and that lessons related to vision development, partnerships, etc. would not be quickly captured and shared among the remaining hotspots. This would significantly limit and slow the pace of change and movement toward hotspot graduation, particularly among non-pilot hotspots.

C. Current Baseline (Business-as-Usual Scenario) and Future Scenarios without the Project

99. Without the present project, biodiversity hotspots around the world would continue to be characterized by growth that relies on the unsustainable exploitation of natural capital, in which renewable resources are treated as if they were non-renewable. For many businesses operating in hotspots, this kind of short-term thinking would continue to predominate. Governmental policy frameworks would further enable this way of thinking and of acting. Growth would continue to be associated with local, national and global environmental damages.

100. One important reason why such trends would continue in so many parts of the world is the persistent relative weakness of civil society and its representative organizations. CSOs have a critical role and responsibility to represent the wider public interest, particularly with respect to conserving biodiversity and thereby ensuring the continuing supply of ecosystem goods and services, which play an important role in food security, poverty alleviation and overall equity. To the extent that civil society lacks representation, or to the extent that its representatives lack influence, its interests will tend to lose out in the political process to the more concentrated and focused leverage brought to bear by the private sector.

101. Absent a focused and concentrated effort to raise the profile and capacity of CSOs within the hotspots, the above dynamic would tend to persist. As companies profit and become larger, and as resources become increasingly scarce, the situation could quickly deteriorate and approach a tipping point from which it will be extremely difficult to chart a long-term sustainable course.

102. From a biodiversity perspective, the above situation is perhaps most critical in landscapes that include KBAs. Here, in addition to well known failures to manage protected areas effectively, land use and development patterns within the broader landscape remain strongly linked to deforestation, land degradation and unsustainable use of resources. At the same time, governmental policy frameworks remain insufficient to counter these trends and are, in many cases, facilitating them. Overall therefore, these processes are having severe effects on the resiliency of critical ecosystems and unquantified impacts on the myriad threatened and endemic species supported by them, not to mention the hundreds of millions of people who depend on the ecosystem services they provide.

103. In light of the above, and the concomitant and relentless pressures of economic activities and human populations within the hotspots, it seems inevitable that, under the Business-as-Usual (BAU) scenario, biodiversity would continue to decline rapidly within most hotspots. With the added and increasing ecological pressures associated with climate change, the pace of such losses could easily be expected to increase compared with the recent past, with irreversible losses, not only in terms of species extinctions but more broadly through loss of the long-term viability of critical ecosystems and KBAs.

104. Clearly, achieving conservation and sustainable use of biodiversity within the hotspots going forward will require widespread change within the overall nexus of policy, private sector practice and CSO participation. However, the kind of change that is required need not take place everywhere at once. Examples and demonstrations of shared prosperity are urgently needed. Such examples are best implemented at the level of landscapes, where key strategic elements can be identified that can help leverage a more sustainable development path. Absent the present project, such examples will remain rare and those that do exist would be poorly known and their lessons inadequately disseminated.

D. Alternatives to the Business-as-Usual Scenario

105. Several alternatives to the BAU Scenario have been considered. These are as follows:

- Alternative A - Direct roll out of Phase III approach: This approach would involve introducing the new approach envisioned for the third phase of CEPF within multiple hotspots more or less simultaneously. Thus, there would be no opportunities to learn from experience in pilot hotspots and refine the approach accordingly but simply a broad introduction of innovations, such as long-term vision exercises, long-term implementation structures and increased emphasis on partnership with government and private sector, as resources permitted.
- Alternative B - Protected-area-centric approach: Under this alternative, the Phase II emphasis on protected areas and associated demonstration models would continue and be expanded. This approach would also focus heavily on KBAs and the threatened species they support. There would be little attempt to engage in mainstreaming efforts at the landscape scale or to ensure broader uptake at the level of government policy.
- Alternative C – Capitalization of one or more environmental funds: This alternative would involve capitalization of an environmental fund, whereby managers would attempt to retain a given level of capital and utilize the interest to fund small grants. As a result, the level of conservation expenditures in initial years would be substantially less. However, longer-term funding would be more or less assured.
- Alternative D - The proposed project approach: The proposed approach involves the introduction of a suite of new and refined approaches, including a significantly enhanced focus on partnerships between CSOs and both private and public sector partners. These approaches will be piloted in three priority hotspots, with lessons learned to be carefully assessed and integrated into a process of replication within nine other hotspots. The funds will be delivered as grants on an ongoing basis, with no capital retained.

E. Cost Effectiveness Analysis

106. **Table 3** summarizes the results of a qualitative analysis of cost effectiveness of the above four options. In this analysis, each alternative was assessed according to its cost effectiveness with respect to five criteria. As shown in the table, only the proposed project approach was rated highly cost effective with respect to each criterion.

107. The criteria used for the analysis were as follows:

- Focus on biodiversity hotspots: The essential logic of the hotspots concept is based on recognition of the need to prioritize expenditure in a context of scarce conservation finance; it has long been recognized as an efficient tool for doing so. By focusing attention and effort on large-scale areas where levels of biodiversity and threats are both high, the concept helps to

channel expenditure into investments that will have a high long-term level of cost effectiveness. Focus on hotspots was the *sine qua non* of the project concept; thus, all four alternatives incorporate this concept and score highly on this important criterion.

- Piloting-learning/replication approach: The complexity of the challenges facing hotspots around the world means that the cost effectiveness of conservation investments depends to a significant extent on testing, adapting and replicating successful approaches. The project approach of working in three pilot hotspots, across three continents, together with a strong emphasis on lesson learning and replication to nine additional hotspots, is considered to be the most cost effective design in this context. The approach taken under Alternative A (direct roll out) might have sped up the introduction of certain methodologies and approaches into some of the non-pilot hotspots; nevertheless, this is considered a less cost effective approach, with fewer opportunities for pushing boundaries and facilitating cross-learning among hotspots and more chances of potentially costly mistakes due to failures to learn lessons before proceeding on a wide front.
- Protected area and mainstreaming synergies: The project's emphasis on supporting both enhanced protected area effectiveness, as well as mainstreaming within carefully identified KBAs and corridors, also contributes to cost effectiveness. Alternatives that focus on only one or other of these approaches, such as Alternative B, would miss important synergies associated with the ability to prioritize mainstreaming within landscapes where important and strengthened protected areas are located. As a result, Alternative B is considered to have a low cost effectiveness as measured by this criterion.
- Cross-sector partnership approach: Under Phases I and II, CEPF focused on grant making to conservation-focused CSOs. In Phase III, as piloted under the present project, this approach will be expanded to support partnerships between CSOs and private and public sector actors. This will be accompanied by a correspondingly increased emphasis on mainstreaming within corridors, as outlined under the previous criterion. Again, Alternative B is considered less cost effective as it restricts the domain of potential investments as well as the potential for demonstrations to be taken up more broadly—the latter being a key factor in their potential cost effectiveness.
- Urgent focused impact: Only the proposed approach, with its focus on landscape-level demonstrations within three high priority hotspots, scores highly on this criterion. Alternative C, by comparison, would result in significantly fewer resources (by an order of magnitude) being made available to CSOs over the project period, delaying the development of effective responses to pressing conservation challenges. Alternatives A and C each tend to dissipate, in either spatial or temporal terms, the project's investments, while delaying the learning and application of lessons and broader uptake.

108. Taken together, and complemented by a strong emphasis on strengthening CSO capacities, these approaches are expected to substantially and cost effectively increase the resilience and viability of critical ecosystems and their globally significant biodiversity over the medium to long term.

Table 3: Cost Effectiveness Analysis of Alternatives A to D

Alternative	Cost effectiveness criterion				
	Focus on hotspots	Pilot learning / replication	PA / mainstreaming synergies	Cross sector partnership	Urgent focused impact
A – Direct roll out	High	Low	High	High	Low
B – PA-centric	High	Medium	Low	Low	Medium
C – Environmental fund	High	High	High	High	Low
D – Proposed approach	High	High	High	High	High

F. Incremental Cost Reasoning and Expected Contributions to the Baseline

109. Under the baseline scenario, as described under Section C above, civil society in the biodiversity hotspots would lack the tools and resources necessary to tackle fully the challenge of demonstrating the mainstreaming of biodiversity within private sector practices. Likewise, it would be expected not to have major impacts on government policies, plans and programs, partly due to its limited effectiveness in such areas. Hotspots would continue to lack a locally driven institutional mechanism to support and co-ordinate long-term conservation. Resource mobilization would continue and perhaps increase but not at a rate sufficient to match the growing challenges facing conservation. Hotspots would lack detailed long-term visions and donors would not have a systematic means of measuring the progress of civil society within a hotspot towards a point where it becomes self-sustaining.
110. In the three pilot hotspots, incremental funding will lead to the development and implementation of long-term conservation visions and the establishment of long-term implementation structures that will increase the capacity of civil society by at least 20% at the conservation community level and 10% at the level of individual organizations. The long-term visions will incorporate resource mobilization strategies that will support the mobilization of USD 20 million in new funding, including USD 5 million from non-traditional sources and USD 2 million from innovative private sector models. The visions will also set policy targets addressing key drivers of biodiversity loss and guiding the development of new policy demonstration models (e.g., in agriculture, fisheries, energy, etc.). These demonstration models will then be taken up by six policies, programs or plans, amplifying effective conservation approaches and addressing key drivers of biodiversity loss. Additionally, new tools and approaches for mainstreaming biodiversity into business practices will be developed and implemented, leading to the incorporation of at least 12 biodiversity-friendly management practices by key agents in the agriculture, energy, mining and other sectors responsible for production of energy and key commodities, such as soybeans, cattle, palm oil, rubber, tea and coffee.
111. These innovative partnerships between civil society and public and private sector actors will impact the management of production landscapes covering at least one million hectares, by promoting a mosaic of land uses consistent with maintenance of biodiversity at the landscape scale, including new models of protected area management in at least 20 sites and financial incentives to maintain ecological connectivity within at least six conservation corridors. This will allow at least 250 local and indigenous communities to benefit from increased gender-equitable access to ecosystem services, particularly provisioning services, through demonstration and amplification of community fisheries, community forests and other community-based natural resource management models. This will also

deliver direct socio-economic benefits to at least 25,000 women and 25,000 men in the form of increased income, increased food security, more secure resource rights or other measures of human well being. Moreover, conservation of natural ecosystems that deliver essential provisioning and regulating services will deliver indirect socio-economic benefits to at least 125,000 women and at least 125,000 men, through enhanced and more secure delivery of ecosystem services, especially freshwater provision, fisheries production and flood protection.

G. Associated Baseline Projects

112. Since its inception in 2000, CEPF has granted more than USD 175 million in 22 hotspots to over 1,900 grantees in more than 89 countries and territories. Its work with civil society has demonstrated that mentoring and organizational support can help CSOs become credible and trusted partners in sustainable development, influencing government conservation institutions and building local-regional-global networks where skills, funding and vision can be shared. This, in turn, lays the foundation for innovation and sustainability in both conservation and poverty alleviation.
113. The three hotspots that are the focus of this GEF project are at different stages of CEPF investment, with the Cerrado in a phase of strategy development, Eastern Afromontane in an initial investment phase (2012-2017), and Indo-Burma in a second investment phase (2013-2018) following an initial phase during 2008-2013. The three hotspots have been selected out of a pool of 12 active CEPF hotspot investments because of the opportunities they provide to pilot the mainstreaming approach proposed for this project. As detailed below, the factors behind the choice of these three hotspots include the presence of industry that is open to developing and implementing new practices that would positively impact their environment, and the capacity of civil society to influence key political decisions that will decide the fate of very critical ecosystems. Within these hotspots, some countries and areas will be selected for implementation based on the presence of key industry sectors (e.g. coffee, tea, soybeans, corn, cotton, mining, oil and gas, etc.) or based on the areas of development prioritized by governments and that overlap with key biodiversity areas.
114. Recent, ongoing and planned baseline projects in each of the three pilot hotspots are described below. This discussion also lays the groundwork for project activities related to developing non-traditional conservation financing sources (see Outcome 2.2 below).

Cerrado

115. The GEF Sustainable Cerrado Initiative (USD 13 million), with the WB as Implementing Agency, provides an important foundation by promoting cooperation among states and institutions under a common framework. This project, which runs from 2010 to 2015, has been instrumental in supporting the formulation of the PPCerrado, in addition to nine other public policies related to the conservation and sustainable use of the natural resources of the Cerrado. There are two initiatives underway that support PPCerrado: the Program to Reduce Deforestation and Burning in the Brazilian Cerrado; and the Project on Prevention Monitoring and Control of Illegal Burning and Forest Fires in the Cerrado (also known as the Cerrado-Jalapão Project).
116. The Program to Reduce Deforestation and Burning in the Brazilian Cerrado is a partnership between the UK Department for Environment, Food and Rural Affairs and the Brazilian Ministry of Environment. Launched in 2011, with funds of USD 4.3 million, the program has the overall objective of contributing to the mitigation of climate change and the strengthening of natural resource management in the Cerrado by improving public policies and farming practices in relation to the

new rules of the Brazilian Forest Code. The program covers the entire Brazilian Cerrado, though it is focused on federal protected areas and municipalities in the states of Maranhão, Tocantins, Piauí and Bahia on the priority list for prevention and control of deforestation and burning.

117. Since 1994, the Institute for Society, Population and Nature has been responsible for the technical-administrative coordination of the GEF Small Grants Program in the Cerrado through the United Nations Development Program (UNDP). It supports projects by non-governmental and community-based organizations for the sustainable use of biodiversity. The GEF Small Grants Programme has invested USD 10 million in support of 421 projects carried out by 271 local organizations. The program has established a strong foundation for engaging and building a network of CSOs to act as the stewards of the long-term vision for the Cerrado and is expected to remain active in the area during the project period.

118. In addition, major international and domestic conservation NGOs are working in the Cerrado. For example, CI, The Nature Conservancy and WWF have all done important groundwork in identifying KBAs, helping governments to create and implement protected areas, and developing priority-setting exercises and conservation plans.

119. The sum of these conservation investments in the Cerrado hotspot totals about USD 10 million per year. Although it has been increasing over the past few years, it is still far from sufficient for the implementation of sustainable landscapes. At the same time, government funds for conservation remain very limited. The challenge in the Cerrado will be to seek synergies and integration between the various public and private funds and programs, targeting amplification and maintaining sustainable landscapes.

120. Looking forward to the project period (2016-20), key ongoing and planned projects and programmes include the following:

- The Brazil Forest Investment Plan aims to strengthening environmental management in the Cerrado. With support from the WB-managed Climate Investment Fund from 2012 to 2020, the plan features the following projects: a USD 32.5 million loan for environmental regularization of rural lands; a USD 10.7 million grant for sustainable production; a USD 9.3 million grant to establish an early warning system for fire and vegetation cover change; and a USD 16.6 million grant for forest inventory in the Cerrado.
- The Cerrado-Jalapão Project aims to improve the prevention and control of fires in the Cerrado, particularly in the region of Jalapão, in Tocantins state. The project is supported with EUR 8.5 million in funding from the German Development Bank (KfW), during 2011-2017, and implemented by government agencies at the federal and state levels.

Eastern Afromontane

121. More than USD 946 million in donor funding for environmental and related issues was invested in the Eastern Afromontane Hotspot between 2007 and 2011. The GEF was a major source of investment, supporting 41 medium and full-sized projects in the hotspot since 2007, with a combined investment of USD 157 million. CEPF investment since 2012 totals USD 7.3 million. Important progress has been achieved on protected areas, climate change baselines, international waters, land degradation, migratory birds, ecosystem services, transboundary sites and combating alien species. To date, however, there has been little substantive progress with engaging key private sector actors in sectors driving biodiversity loss.

122. Financing that is channeled through civil society varies by country. Due to political conditions in Eritrea and Yemen, funding for civil society is practically zero, and, while significant, is tightly controlled by government in Ethiopia, Saudi Arabia and Zimbabwe. Due to issues of transparency and capacity, funding for civil society in the Democratic Republic of Congo (DRC) and South Sudan is dominated by international organizations. Funding in the other eight countries (Burundi, Kenya, Malawi, Mozambique, Rwanda, Tanzania, Uganda and Zambia) is less constrained by political factors but rather by total volume of funds relative to demand.
123. The dominant experience for CEPF in the Eastern Afromontane Hotspot has been of conventional conservation approaches, such as development of conservation management plans for key sites, establishment of small-scale conservation-based enterprises, and improved implementation of site management. Meanwhile, innovation has also occurred, for example through improved public participation in the Environmental Impact Assessment process around extractive industry work in Burundi, DRC, Rwanda and Uganda.
124. Looking ahead, relevant baseline projects underway during the 2016-20 period include the following:
- The Developing an Experimental Methodology for Testing the Effectiveness of Payments for Ecosystem Services to Enhance Conservation in Productive Landscapes in Uganda project is, as the name suggests, testing payments for ecosystem services (PES) as a means of mainstreaming biodiversity into production landscapes. This is a medium-sized GEF project implemented by the United Nations Environment Programme (UNEP) with a GEF grant of \$870,000 and \$900,000 in co-financing.
 - The Mainstreaming Agro-biodiversity Conservation into the Farming Systems of Ethiopia is providing farming communities with incentives (policies, capacity, markets and knowledge) to mainstream conservation of agro-biodiversity, including crop wild relatives, into the farming systems of Ethiopia. This project is supported with a USD 3.9 million GEF grant, with UNDP as the implementing agency.
 - The Sustainable Development of the Protected Area System of Ethiopia project aims to mainstream the protected area system into the overall development context of Ethiopia, and help to improve conditions for policy, regulation and governance in the sector. The project is executed by the Ethiopian Wildlife Conservation Authority, with a USD 9 million GEF grant through UNDP as the implementing agency, with more than USD 22 million in cofinancing, including from the German government.

Indo-Burma

125. Over the last decade, the largest source of conservation investment in the Indo-Burma Hotspot has been budget allocations from national governments. The next largest source of conservation investment has been bilateral donors, most notably the European Union, Germany and the United States. These donors have tended to fund nationally executed projects, often as part of broader programs of sectoral support, although some have delivered significant support via CSOs. Examples include the USD 9.6 million KfW-supported Carbon and Biodiversity Project, led by WWF, and the USD 8 million United States Agency for International Development (USAID)-supported Asia Regional Response to Endangered Species Trafficking project, led by FREELAND Foundation
126. The third largest source of conservation investment over the last decade has been multilateral donors, particularly the GEF, the Asian Development Bank (ADB) and the WB. These donors have

also tended to favor nationally-executed projects, especially since the GEF's adoption of the Resource Allocation Framework in 2005. Nevertheless, significant amounts of multilateral funding continue to be made available to civil society, for example through the GEF Small Grants Program managed by UNDP. The fourth traditional source of conservation investment has been philanthropic foundations, foremost among which have been the MacArthur, Margaret A. Cargill and McKnight Foundations, and the Blue Moon Fund. Although these foundations have mobilized fewer resources by amount, they have been more accessible to civil society and more flexible in their use, which has enabled the piloting of innovative approaches and the implementation of actions directly addressing priority conservation goals.

127. In spite of significant achievements with, among other things, recovery of threatened species populations, community participation in site-level conservation management and increased enforcement response to wildlife crime, there remain major gaps in baseline investment, particularly with regard to mainstreaming biodiversity into the mining, energy and plantation agriculture sectors, which the proposed project can take advantage of.
128. Moreover, although the Indo-Burma Hotspot has been the focus of significant conservation investment, a large majority has been directed to government-led initiatives, and limited access to funding has been a constraint on the emergence of an effective, credible civil society conservation communities: something that the proposed project will address. Specifically, of the four main 'traditional' sources of conservation investment (national government budgets, bilateral donors, multilateral donors and philanthropic foundations), only the last has targeted its support principally to civil society, while civil society has found it increasingly difficult to access the other sources.
129. A number of innovative funding sources have been explored over the last decade by conservation-focused CSOs in the Indo-Burma Hotspot. Although none of these is currently widespread, several have good potential for wider adoption. There are examples from all six countries in the hotspot of support for conservation initiatives from private companies. Examples include the Toyota Environmental Activities Grant Program and the Ford Motor Conservation and Environmental Grants. The most significant investments, from the point of view of level of resources, are investments by extractives companies in relation to a mine in Lao PDR and a gas pipeline development in Myanmar, which bear the characteristics of biodiversity offsets. Looking forward, this is an approach with great potential in the hotspot, and one that the project could help to promote through carefully targeted pilots.
130. Another non-traditional source of conservation funding has been PES mechanisms, supported by energy generators and water utilities. The best known example in the hotspot is in Lao PDR, where the Nakai-Nam Theun Watershed Management Protection Authority is funded through transfer payments from the Nam Theun 2 hydropower project. Other pilot PES projects have been implemented in China and Vietnam, where they have already informed sub-national and national guidelines. This process of pilot projects informing public policy is one that will be adopted by the project.
131. Most relevant baseline project during 2016-20 include:
 - The Supporting Forestry and Biodiversity project is working to improve conservation management, governance, and livelihoods in the Eastern Plains and Prey Lang Landscapes of Cambodia to mitigate climate change, conserve biodiversity, and increase equitable economic benefits to forest communities. This project is supported by USD 20 million in funding from USAID and implemented by a consortium of CSOs led by Winrock International during 2013-2018.

- The Greater Mekong Subregion Forests and Biodiversity Program is a full size GEF project implemented by ADB as a central component of its Core Environment Program for the Greater Mekong Subregion. This regional program aims to improve biodiversity conservation and climate resilience across Cambodia, Lao PDR, Thailand and Vietnam, by addressing issues requiring a larger-scale, cross-border approach, and emphasizing regional dialogue and collaboration between countries. The project has a total budget of USD 20 million, including four national sub-projects, and is being implemented during 2012-2016.

H. Project Consistency with GEF Focal Area and/or Fund(s) Strategies

132. The proposed project is consistent with Focal Area Objectives 1 (Outcomes 1.1 and 1.2) and 2 (Outcomes 2.1 and 2.2) of the Biodiversity focal area. With its strong focus on mainstreaming biodiversity conservation into production landscapes, through amplification of demonstration models into public policy and private sector practices, the project links strongly to Objective 2. This will be achieved by supporting civil society to work hand-in-hand with government agencies to produce policy measures that better support management and conservation of biodiversity in land-use plans and production-related policies. Further, the project will promote partnerships between civil society and the private sector to improve management of biodiversity within production landscapes related to agricultural commodities, such as soybeans and beef in the Cerrado, coffee in the Eastern Afromontane and rice, rubber and palm oil in Indo-Burma.
133. While the majority of incremental support is directed towards Objective 2, in relation to Objective 1, the project will support the improved management effectiveness of existing and new protected areas (Outcome 1.1), including through the development of new management models based on direct participation of CSOs or indigenous and local communities in protected area management.
134. The project will also support Outcome 1.2 by strengthening the capacity of civil society to secure funding for protected areas that are integral to the investment strategy of CEPF in the pilot hotspots. A combined USD 20 million in new funding, including USD 5 from non-traditional sources, will allow CEPF to secure financial support for important areas for biodiversity conservation, including protected areas. CEPF reports annually on its projects' contribution to the Protected Area Management Effectiveness Tracking Tool (SP1 METT) and will continue to demonstrate impact in terms of increased effectiveness of the protected areas that the program supports.
135. Together, the project will improve the management of one million hectares of land under production within the three pilot hotspots by incorporating biodiversity conservation considerations into management practices, while also improving management systems within at least 20 protected areas. The production areas to be targeted will be located for the most part in landscapes that surround and/or connect KBAs, including protected areas to be supported by the project. These priority areas were identified during the preparation of ecosystem profiles for the Indo-Burma and Eastern Afromontane hotspots and are currently being identified and mapped as part of the ecosystem profiling process for the Cerrado (see Maps in **Appendix XV**). Biodiversity benefits and protected area sustainability and resilience will thus be maximized through close synergies and geographical proximity between the protected areas (Focal Area Objective 1) and production landscapes (Focal Area Objective 2) being supported.

I. Project Consistency with National Priorities, Plans, and Policies

136. At the global scale, this project is fully aligned with the goals of the CBD, its Strategic Plan for Biodiversity 2011-2020, and other multilateral environmental agreements, especially:

- Convention on Biological Diversity (CBD): The project is highly consistent with the participating countries' commitments under the CBD, particularly: Article 6(b), which commits contracting parties to "integrate, as far as possible and as appropriate, the conservation and sustainable use of biological diversity into relevant sectoral or cross-sectoral plans, programmes and policies"; Article 8(a), which commits parties to "establish a system of protected areas or areas where special measures need to be taken to conserve biological diversity"; Article 8(e), which commits each party to "promote environmentally sound and sustainable development in areas adjacent to protected areas with a view to furthering protection of these areas"; Article 10.3, which commits each party to "encourage cooperation between its governmental authorities and its private sector in developing methods for sustainable use of biological resources"; and Article 11, which commits each party to "adopt economically and socially sound measures that act as incentives for the conservation and sustainable use of components of biological diversity".
- CBD Strategic Plan for Biodiversity 2011-2020: The project is also highly consistent with the current Strategic Plan for Biodiversity, especially Strategic Goal A "address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society" and Strategic Goal E "enhance implementation through participatory planning, knowledge management and capacity building". Component 4 of the project contributes to Aichi Target 19: "By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied". In addition, Component 3 specifically addresses Aichi Biodiversity Target 2 "By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems", and Aichi Target 7: "By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity", while Component 2 specifically addresses Aichi Target 20: "By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all source... should increase substantially from the current levels".

137. Within the three targeted hotspots, which together cover 23 countries, the project is highly consistent with a range of national and regional strategies, including but not limited to National Biodiversity Strategies and Action Plans (NBSAPs). The project will specifically support the development of cross-sectoral partnerships empowering civil society to work hand in hand with government agencies, mainstreaming biodiversity in policies that are related to the production of key commodities (e.g. soybeans, beef, coffee, rice) and the development of sectors that are driving biodiversity loss (e.g. oil and gas). The range and depth of alignment with national priorities under international conventions is evidenced by the following examples:

- Brazil: direct alignment with NBSAP Targets 3.1 (sustainable non-timber plant products), 3.8 (added value for biodiversity-based products) and 7.1 (new financial resources from private sector), as well as the Fourth National Report to the CBD, which highlights "stronger investments in the enhancement of the integration of biodiversity concerns into policies, programs and actions of the various sectors."
- Cambodia: direct alignment with NBSAP targets on improved food security through a preserved fisheries environment, minimized loss of agricultural diversity, and reduced impacts of mining on biodiversity, as well as the Fourth National Report to the CBD, which identified insufficient mainstreaming of biodiversity conservation and sustainable use into the plans and policies of relevant sectors as a major obstacle to implementation of the convention.

- Ethiopia: direct alignment with NBSAP targets on sharing the costs and benefits of biodiversity conservation through public-private-NGO partnerships, sustainable natural resources management, policies that promote sustainable use of biodiversity, and civil society capacity building.

138. In terms of obtaining endorsement of GEF operational focal points (OFPs), CEPF has a process approved by the GEF CEO as a member of CEPF's Donor Council, by which it requests OFP endorsement when an ecosystem profile is approved by the Donor Council and before investing in the countries included in that strategy. Agreement was reached by the Donor Council on the process and currently the endorsement request process operates on a 60-day no-objection basis. CEPF's Secretariat meets and presents CEPF's strategy with OFPs and reaches out multiple times to ensure support of the OFP for the strategy. This same practice will apply to the current project.

J. Project Consistency and Alignment with CI Institutional Priorities

139. The project design closely reflects CI's institutional priorities as reflected in the following:

- *CI's mission*: Building on a strong foundation of science, partnership and field demonstration, CI empowers societies to responsibly and sustainably care for nature, our global biodiversity, for the well-being of humanity.
- *CI's credo*: CI's mission is founded on our core belief that species are the primary building blocks and bedrock of nature. Therefore, healthy ecosystems and vibrant biodiversity are an essential foundation for sustainable societies.
- *CI's strategy*: This includes three dimensions, as follows (all of which will be supported by the project):
 - Dimension 1. Securing the foundation of critical natural capital, i.e. the natural ecosystems and biodiversity essential for maintaining our planet's health, resilience, productivity and overall ability to support humanity's quality of life and survival.
 - Dimension 2. Effective governance, through capacity building that helps ensure that governments, intergovernmental institutions and civil society have the understanding, commitment and ability to value, protect and sustainably manage natural capital and ensure that there is equitable access to and sharing of nature's benefits.
 - Dimension 3. Sustainable production and consumption, including benefits related to climate resilience, freshwater, food and livelihoods.
- *Institutional priorities*: Pilot work will take place in two of CI's six geographic priorities, i.e. Sub-Saharan Africa and Greater Mekong. It will also support three of its six priority 'global transformations', namely: global mining and energy; global agriculture and fisheries; and conservation finance.

140. CI is currently working and investing in 111 countries worldwide. Building upon a strong foundation of science, partnership and field demonstration, CI empowers societies to sustainably care for nature on a smarter development path.

141. CI is committed to working with all governments and engaging with all sectors in society to achieve its ultimate goal of improved human well-being, particularly focusing on the essential services that nature provides: fresh water; food; health; livelihoods; and climate resilience.

142. CI leverages experience in innovative finance and community-based solutions, as well as its network of corporate, multilateral, civil society, and national and local government partnerships, to implement effective and relevant programs.
143. CI is: measuring the contribution of healthy ecosystems to human well-being; assessing the implications of development decisions; putting cutting-edge, rigorously tested information in the hands of decision-makers and the public; and demonstrating through field models how economic opportunity and the stewardship of natural resources can leverage change at an international scale.
144. The underpinning of the CEPF strategy is linked to the KBA concept, which was in large part developed and refined by CI. KBAs are sites of global significance for biodiversity conservation based on the occurrence of species requiring safeguards at the site scale, due to being globally threatened, range-restricted, congregatory, and/or biome-restricted. Seen as the gold standard for setting site level targets for biodiversity conservation outcomes, KBAs have been fundamental to the operation of CI's funding mechanisms and to engagement with CI partner organizations, such as BirdLife International and IUCN, who use the same concept. They are also of value to governments, for instance by providing a basis for national protected area gap analysis, and to intergovernmental mechanisms like the CBD.

SECTION 4: PROJECT STRATEGY

A. Project Vision and Objective

145. Biodiversity within the world's hotspots is heavily threatened by various combinations of proximate and underlying factors. Mainstreaming conservation goals into the plans, policies and practices of public and private sector actors can minimize pressures on protected areas and promote conservation of biodiversity beyond their boundaries.⁴¹ CSOs are capable of offering useful and timely advice to both governments and private sector decision makers regarding conservation and sustainable use within hotspots. Local, regional, national and international groups can be extremely effective at: (i) bringing global experience and good practice to local contexts; (ii) transferring skills and knowledge to government conservation agencies and the private sector, leading to better policy and business practices; (iii) catalyzing innovation, testing new approaches and responding to emerging challenges and opportunities; (iv) brokering partnerships among traditional and non-traditional conservation actors; and (v) ensuring that conservation programs are beneficial to local people, such as by protecting vital ecosystem services and providing sustainable livelihood options. In spite of the above, CSOs are typically under-utilized, under-valued and under-financed by other development actors.
146. The present project envisions a future within each hotspot in which civil society, collaborating with private sector and governmental partners, is capable of conserving the diversity of species and ecosystems by addressing current threats affecting their integrity and functioning, and by preventing the emergence of new threats. Some key characteristics of this envisioned future are summarized in Box 1 below.

Box 1: Targets for civil society and other actors in biodiversity hotspots*

1. Global conservation priorities and best practices for their management are documented, disseminated and used by public and private sector, civil society and donor agencies to guide their support for conservation in the hotspot.
2. Local civil society groups dedicated to global conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
3. Adequate and continual financial resources are available to address conservation of global priorities.
4. Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.
5. Mechanisms exist to identify and respond to emerging conservation challenges.

* Twenty-fifth Meeting of the CEPF Donor Council, Washington, DC, 24 June 2014, Long-term strategic visions for graduating civil society from CEPF support in the biodiversity hotspots.

⁴¹ Huntley, B. J. and Redford, K. H. 2014. *Mainstreaming biodiversity in practice: a STAP advisory document*. Washington DC: Global Environment Facility.

147. The project will support achievement of the above vision by delivering the following objective:

to demonstrate innovative tools, methodologies and investments, and build related capacities, through which civil society in three pilot biodiversity hotspots, in partnership with public and private sector actors, can cost effectively conserve biodiversity and progress towards long-term institutional sustainability, and to replicate demonstrated approaches in nine additional hotspots.

B. Project Components, Expected Outcomes, and Outputs

148. The project comprises four components, which, together with their corresponding outcomes and outputs, are described below.

Component 1: Developing long-term conservation visions, financing plans and associated strategies for biodiversity hotspots

149. Under this component, long-term conservation visions⁴² will be piloted in three hotspots as a tool to enable long-term planning by donors. The tool was approved by CEPF's Donor Council in January 2014 as a key element of the fund's Phase III strategic framework. The framework calls for long-term visions to be developed and implemented for at least 12 hotspots. These visions, covering multiple five-year investment periods, will be designed to guide support to the emergence of credible, effective and well resourced civil societies, as well as to deliver improved biodiversity conservation, enhanced provision from healthy ecosystems of services important to human well being, and greater alignment of conservation goals with public policy and private sector business practices.

150. Long-term visions are based, in part, on the conclusion that CEPF should not be a permanent presence in each hotspot but, rather, should define and work towards an end point where local civil society 'graduates' from CEPF support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Experience to date shows that, in most hotspots, reaching such a point will take more than five years. Thus, long-term visions will set clear graduation targets, which individual investment phases (typically of five years) will work towards, guided by detailed strategies set out in the ecosystem profiles, which will be renewed on a periodic basis (typically every five years). Visions will also include financing plans describing the funding requirements for their implementation (i.e., the best estimate of the funding needed to achieve the graduation targets).

151. Component 1 is entirely co-financed. Its one outcome and four outputs are described as follows.

⁴² During the PPG, 'long-term technical frameworks' were developed for the Albertine Rift and Eastern Arc Mountains region of the Eastern Afromontane Hotspot, and the Indo-Burma Hotspot. These are internal documents, whose purpose is to guide strategic planning by CEPF about the type and duration of its engagement in a hotspot. They differ from long-term conservation visions, which are more widely owned by donor agencies and civil society, and which incorporate resource mobilization strategies and policy targets.

OUTCOME 1.1 LONG-TERM CONSERVATION VISIONS DEVELOPED FOR THE CERRADO, EASTERN AFROMONTANE AND INDO-BURMA HOTSPOTS, WITH PARTICIPATION OF CIVIL SOCIETY, GOVERNMENT, DONOR AND PRIVATE SECTOR ACTORS

Indicator	Target
1.1.1: Number of long-term visions incorporating resource mobilization strategies that support the mobilization of new funding, and policy targets addressing key drivers of biodiversity loss and guiding the development of new policy demonstration models.	3 long-term visions incorporating resource mobilization strategies and policy targets
1.1.2: Number of hotspots with clear targets for graduation of civil society from CEPF support.	3 pilot hotspots with graduation targets
1.1.3: Number of civil society, government, donor and/or private sector actors that endorse the long-term visions.	10 endorsements of the long-term visions

152. This outcome will be achieved through multi-sectoral participatory processes that define targets for civil society capacity and funding needs, as well as for public policy and private sector mainstreaming, ultimately defining the scale and duration of investment required by CEPF in the pilot biodiversity hotspots: the Cerrado, Eastern Afromontane and Indo-Burma. Long-term conservation visions will be developed with the participation of civil society, indigenous peoples, women’s groups, government, donor and private sector actors, for the three pilot biodiversity hotspots.⁴³ The visions will set clear targets for civil societies to achieve levels of capacity and credibility that ensure they remain effective agents of change after CEPF support ends. The long-term conservation visions will be used to guide grant making, capacity building and other forms of strategic support.

153. The visions will also define sector and development policy targets for addressing drivers of biodiversity loss in the three pilot hotspots, in close consultation with the above-mentioned stakeholders. These will be developed taking full account of projected climate change impacts within each hotspot. Finally, they will include strategies for engagement with private sector actors to mainstream biodiversity conservation into business practices, identifying key sectors, agents of change and types of partnership in the production of key commodities such as tea, coffee, soybeans, palm oil, cattle, oil, gas and others.

154. Long-term visions for the three pilot hotspots will incorporate the four outputs described as follows.

Output 1.1.1 Targets for civil society capacity building set for three pilot hotspots.

Indicator: Number of approved vision documents incorporating civil society ‘graduation’ targets

As noted above, CEPF’s Donor Council has agreed on five conditions that need to be met in order for a hotspot to ‘graduate’ from CEPF support.⁴⁴ One of these relates specifically to civil society capacity, and reads as follows:

Local civil society⁴⁵ groups dedicated to conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and

⁴³ Development of the long-term visions for the Indo-Burma Hotspot and the Albertine Rift and Eastern Arc Mountains sub-region of the Eastern Afromontane hotspot was completed during the PPG Phase. Development of the long-term visions for the Cerrado Hotspot and other sub-regions of the Eastern Afromontane hotspot has not yet begun.

⁴⁴ See para. 84 above.

sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.

155. As with each of the five conditions, one aspect of each visioning exercise will be to establish targets for civil society capacity building in each hotspot. Under this output, such targets will be developed based on criteria defined specifically for each of the pilot hotspots. Suggested criteria include:

- Existence of a broad and deep-rooted conservation community,
- Institutional and operational capacity of local civil society groups,
- Mechanisms to enable partnerships among civil society groups,
- Civil society groups' access to financial resources, and
- Civil society groups' ability to exert a transformational impact.

Output 1.1.2 Three financing plans describing the funding and projections defined for implementation of the long-term conservation visions.

Indicator: Number of financing plans defined for implementation of the long-term conservation visions

156. Once the necessary actions have been identified, the next step will be to set financial targets for each action. These targets will be broken down by investment phase, and also by cost category (e.g., grants, RIT grants, trainings, meetings and special events, etc.). They will form the basis for financing plans for the implementation of the long-term visions, which will be defined in consultation with other donors and informed by an assessment of conservation financing mechanisms in the pilot hotspots undertaken during the Project Preparation Grant (PPG) (see **Appendix IX**). Three such plans (one per pilot hotspot) will be prepared under the present output.

157. Financing plans will help establish an overall cost estimate for meeting the graduation targets, broken down into investment phase, and will thereby assist CEPF and other donors with their financial planning and fundraising. The trend in funding level over time will vary among regions, with cost estimates declining from phase to phase in some but ramping up before exit in others, according to the sequence of planned actions. To ensure they do not become unrealistic, these cost estimates will be informed by projections of available funding, for which it might be necessary to consider different scenarios for expansion of the fund (e.g., high, medium and low).

158. The financing plans will form the basis for resource mobilization strategies (see Output 2.2.1), to be developed by the CEPF Secretariat after the completion of the long-term visions as a guide to fundraising efforts for each hotspot. These strategies will be used to leverage funding from regional donors, as well as non-traditional sources, such as private companies. They will also determine the current capacity level of the RIT and evaluate methods for enhancing fundraising efforts and long-term implementation at the hotspot level. In this way, the strategies will contribute to another outcome of the Phase III strategy: the transition from existing RITs to fully capable, long-term coordinating entities.

⁴⁵ For the purposes of this document, the term local civil society includes national, sub-national and grassroots groups; it is used to distinguish civil society local to the hotspot from international civil society.

Output 1.1.3 Sector and/or development policy targets for addressing key drivers of biodiversity loss set in three pilot hotspots.

Indicator: Number of vision documents incorporating a full set of targets covering major sectoral drivers and key policies, developed with broad stakeholder participation

159. The project will support innovative models to mainstream biodiversity conservation into government policies in order to deliver long-term conservation impacts and to ensure the sustainable management of the natural capital upon which social and economic development in the three pilot hotspots depends. Ultimately, it will seek to amplify successful public policy approaches, to take innovative models to scale where broader conservation and development impacts are achieved across corridors, countries, and hotspots. While the project will strengthen public policies at multiple levels of government, it will have a principal focus on the national level and below

160. **Table 4** below presents a set of generic (i.e., non-hotspot-specific) criteria developed during the PPG for use in evaluating opportunities for CEPF engagement in public policy strengthening. Under the present output, these criteria will guide the development of hotspot-level strategies for supporting CSOs in engaging the public sector within the hotspots. These strategies will serve to guide support under the present project (see Output 3.1.1).

Table 4: Generic Assessment Criteria for CEPF Engagement in Public Policy Strengthening

Theme	Criterion
1. Alignment with CEPF Ecosystem Profile and Long-term Vision	Policy intervention is of high strategic value with respect to the hotspot’s investment strategy and long-term vision.
2. Civil Society Participation	Policy intervention has the potential to affect participation of civil society in the management of natural capital and biodiversity.
3. Inclusive Development	Policy intervention has the potential to improve the delivery of sustainable socioeconomic benefits across a broad range of beneficiaries.
4. Efficiency of CEPF Investment	CEPF’s investment amount is commensurate and reasonable in view of the expected conservation results.
5. Conservation Objective	Policy intervention supports priority enabling conditions required to achieve CEPF conservation outcomes.
6. Opportunity for Amplification	Policy intervention has good potential to be replicated and scaled up beyond the demonstration site.
7. Political Support	Key government decision makers demonstrate support for the proposed policy intervention.
8. Stakeholder Support	Key stakeholders outside of government demonstrate strong support for the proposed policy intervention.
9. Capacity for Implementation	Agencies responsible for implementation demonstrate existing capacity or the ability to build the requisite capacity for implementation, including: <ul style="list-style-type: none"> i. Supportive institutional and legal frameworks, ii. Effective stakeholder involvement, iii. Financial resources, iv. Technical expertise, v. Equipment and infrastructure, and vi. Supportive planning, monitoring and evaluation frameworks.

Output 1.1.4 Strategies for engagement with private sector actors for mainstreaming biodiversity conservation into business practices of industries driving biodiversity loss completed for three pilot hotspots

Indicator: Number of pilot hotspots with completed strategies for engagement with private sector actors

161. CEPF’s Phase III Strategic Framework calls for, *inter alia*, “greater alignment of conservation goals with...private sector business practice.” The private sector also features prominently in the fund’s set of five graduation conditions, which aim for:

- Private sector support to conservation in line with documented conservation priorities and best practices,
- Private sector to be an equal partner with local civil society groups and government agencies in supporting decision making related to sustainability, and
- Private sector business practices that are “supportive of the conservation of global biodiversity”.

162. Under the present output, strategies for supporting the achievement of graduation conditions related to private sector engagement (particularly business practices) will be developed and incorporated into the conservation visions for the three pilot hotspots. These strategies will serve to guide support under the present project (see Output 3.1.2).

163. **Table 5** presents a set of 12 generic criteria that could be used to evaluate opportunities for providing CEPF support to private sector partnerships with CSOs. The criteria are grouped into three pillars, based on the reasoning that any partnership supported by CEPF must: i) demonstrate the conditions for success to meet CEPF’s mission; ii) have demonstration value for a strategic economic sector; and iii) partner with an agent of change within this sector (this would typically be a company but could be an industry association or other body).

Table 5: Generic Assessment Criteria for CEPF Support to Private Sector Partnerships with Civil Society Organizations

Pillar	Criterion	Definition
I - Conditions for Success to Meet CEPF Mission	1. Alignment with CEPF Ecosystem Profile and Long-Term Vision	Partnership is of high strategic value toward achievement of CEPF priorities based on the ecosystem profile and long-term vision for the hotspot.
	2. Civil Society Empowerment	Partnership has the potential to build the capacity of local civil society, enabling its long-term engagement in conservation.
	3. Inclusive Development	Partnership has the potential to deliver social and economic benefits across a broad range of beneficiaries.
	4. Stakeholder Support and Participation	Key stakeholder groups (i.e., government authorities, local communities) support partnership objectives, and opportunities exist for their meaningful participation.
	5. Efficiency of CEPF Investment	Investment amount is commensurate and reasonable in view of conservation results and impacts to be achieved.
	6. Monitoring and Learning	Partnership supports transparent M&E to maximize potential for learning.

Pillar	Criterion	Definition
II - Strategic Economic Sector	7. Biodiversity Impact	Sector is a key driver of biodiversity loss in the hotspot (e.g., agriculture, energy, mining, fisheries, etc.).
	8. Business Case	Partnership advances a persuasive business case to mainstream conservation into the sector.
	9. Opportunity for Amplification	Partnership demonstrates the ability to serve as a model within its industry to influence other companies.
III - Agent of Change within its Sector	10. Commitment to Mainstreaming Biodiversity Conservation	Partner demonstrates existing commitment or sufficient promise of future commitment to mainstreaming conservation into its policies and practices.
	11. Financial Sustainability	Financial health of the partner is sufficiently strong to ensure the sustainability of the partnership.
	12. Reputational Risk	Partner does not present an unacceptable reputational risk to CEPF, as determined by due diligence assessment using the criteria of CI's Center for Environmental Leadership in Business.

Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs

164. This component aims to enable conservation-focused civil society sectors in biodiversity hotspots to achieve levels of capacity, credibility and resourcing sufficient to ensure that they remain effective agents of change not dependent on continued external funding support. This will guarantee they have both the capacities and access to resources necessary to respond to emerging threats to biodiversity conservation, continue to demonstrate effective conservation models, and become trusted, long-term advisors to government and private sector actors and catalysts for effective management of biodiversity in the hotspots.

165. Component 2 outcomes and outputs are described below.

OUTCOME 2.1 INCREASED CAPACITY AND CREDIBILITY OF CONSERVATION-FOCUSED CIVIL SOCIETIES IN THE CERRADO, EASTERN AFROMONTANE AND INDO-BURMA HOTSPOTS

Indicator	Target
2.1.1: Number of pilot hotspots that show at least 20% improvement in collective civil society capacity tracking tool scores.	3 pilot hotspots with 20% improvement over duration of project
2.1.2: Number of CEPF grantees, number of Indigenous People's organizations and number of women's groups that show at least 10% improvement in civil society tracking tool scores.	60 grantees, including 5 Indigenous People's organizations and 5 women's groups, with 10% improvement over duration of project
2.1.3: Number of CEPF grantees that show at least 20% improvement in gender mainstreaming tracking tool scores.	30 grantees with 20% improvement over duration of project

166. This outcome will emerge from the combined impacts of newly established long-term implementation structures, as well as broader capacity building of national and local institutions. Together, these will contribute to transforming civil society into catalysts for effective management of biodiversity in the hotspots.
167. With the support of the long-term implementation structures being set up under output 2.1.1, local and national CSOs in the pilot biodiversity hotspots will collectively come to possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable use of biodiversity, while being trusted partners of public and private sector actors, influencing decision making in favor of sustainable societies and economies. Indigenous People's organizations and women's groups will be explicitly targeted by capacity building activities under outcome 2.1, to strengthen the voice of the groups they represent, which tend to be economically marginalized and under-represented in the development process in the pilot hotspots.

Output 2.1.1 Long-term implementation structure in place for each of the 3 pilot hotspots

Indicator: Number of hotspots with long-term institutional structures in place

168. CEPF's Phase III Strategic Framework highlights the need for a long-term implementation structure to serve as the steward of each hotspot's long-term vision. This stands in contrast to the existing RITs, which are the custodians of the shorter-term ecosystem profiles. In Phase III, each long-term implementation structure will support civil society and CSOs within a hotspot until such time as the hotspot is able to graduate from CEPF support.
169. CEPF's Phase III structures will have an expanded role that goes beyond supporting long-term goals, to actively driving the process. The long-term implementation structure must be able not only to perform all functions of the current RIT but also to help build a resilient civil society capable of understanding the global context and trends, and charting a course to meet the challenges of the future. These structures are meant to be functioning while CEPF works to graduate civil society from its support. Thus, CEPF will be present and supportive. This phase precedes the period post-CEPF, when civil society will have the tools, capacity, funding and conditions to meet conservation challenges.
170. The CEPF-funded long-term implementation structure represents a transitional stage between the short-term RIT model and, if the CEPF investment is successful in reaching graduation, a coordinating entity that is fully capable of meeting future threats and opportunities. The form and functions of such an entity, or entities, will necessarily vary among hotspots, according to both local conditions and the on-going needs of civil society there.
171. While the role of a long-term implementation structure will be multi-faceted, its overarching function will be to support the implementation of each hotspot's vision. This will typically involve providing active coordination and support to fellow CSOs, building their capacity, supporting their resource mobilization efforts, and connecting them with public and private sector partners. **Table 6** provides additional details regarding the typical responsibilities of a long-term implementation structure.
172. Under this output, in each pilot hotspot, GEF funding will support: (i) the participatory identification and selection of an appropriate CSO or partnership to serve as long-term implementation structures; (ii) the participatory development of a full terms of reference for each long-term

implementation structure, in cooperation with key hotspot stakeholders; and (iii) capacity building to ensure that the agreed functions can be delivered by each long-term implementation structure.

Table 6: Typical Functions of a Long-term Implementation Structure⁴⁶

Component	Proposed functions
1. Coordinate CEPF investment in the hotspot	<ul style="list-style-type: none"> • Serve as the field-based technical representative for CEPF in relation to civil society groups, grantees, international donors, host country governments and agencies, and other potential partners within the hotspot. • Ensure coordination and collaboration with CEPF’s donors, in coordination with the CEPF Secretariat and as appropriate in the hotspot. • Promote collaboration and coordination, and opportunities to leverage CEPF funds with local and international donors and governments investing in the region, via donor roundtables, experiential opportunities or other activities. • Engage conservation and development stakeholders to ensure collaboration and coordination. • Attend relevant conferences/events in the hotspot to promote synergy and coordination with other initiatives. • Build partnerships/networks among grantees in order to achieve the objectives of the ecosystem profile. • Collect and make available information about current and potential investment in the region.
2. Mainstream biodiversity into public policies and private sector business practices	<ul style="list-style-type: none"> • Support civil society to engage with government and the private sector and share their results, recommendations, and best practice models. • Engage directly with private sector partners and ensure their participation in implementation of key strategies.
3. Communicate the CEPF investment throughout the hotspot	<ul style="list-style-type: none"> • Communicate regularly with CEPF and partners about the portfolio through face-to-face meetings, phone calls, the internet (website and electronic newsletter) and reports to forums and structures. • Prepare a range of communications products to ensure that ecosystem profiles are accessible to grant applicants and other stakeholders. • Disseminate results via multiple and appropriate media. • Provide lessons learned and other information to the Secretariat to be communicated via the CEPF website. • In coordination with the CEPF Secretariat, ensure communication with local representatives of CEPF’s donors.

⁴⁶ This list will be developed into a comprehensive terms of reference, tailored for each hotspot, during the project.

Component	Proposed functions
4. Build the capacity of local civil society	<ul style="list-style-type: none"> • Undertake a capacity needs assessment for local civil society. • Support implementation of a long-term conservation vision for the hotspot geared toward enabling civil society to graduate from CEPF support. • Assist civil society groups in designing projects that contribute to the achievement of objectives specified in the ecosystem profile and a coherent portfolio of mutually supportive grants. • Build institutional capacity of grantees to ensure efficient and effective project implementation. • Build capacity of civil society to engage with and influence government agencies. • Build capacity of civil society to engage with and influence the private sector. • Conduct exchange visits with other RITs to share lessons learnt and best practices. • Collaborate with CEPF Secretariat to implement a Learning Program that builds civil society resilience and ability to address future conservation challenges. • Monitor social, economic and political trends with bearing on biodiversity conservation, and share findings with civil society to improve their ability to anticipate and respond to future threats and opportunities.
5. Build a network of partners to support implementation of the long-term vision for the hotspot	<ul style="list-style-type: none"> • Publicize the objectives of the long-term vision, and promote awareness of opportunities for engagement to drive the vision. • Undertake an assessment of potential network partners, including other donors, leading CSOs, and relevant government institutions. • Create a network of partners to support implementation of the long-term vision. • Maintain the network by facilitating engagement, participation and opportunities for partners to lead on issues and topics where relevant.
6. Establish and coordinate a process for large grant (>\$20,000) proposal solicitation and review	<ul style="list-style-type: none"> • Establish and coordinate a process for solicitation of applications. • Announce the availability of CEPF grants. • Publicize the contents of the ecosystem profile and information about the application process. • With the CEPF Secretariat, establish schedules for the consideration of proposals at pre-determined intervals, including decision dates. • Establish and coordinate a process for evaluation of applications. • Evaluate all Letters of Inquiry. • Facilitate technical review of applications (including, where appropriate, convening a panel of experts). • Obtain external reviews of all applications over \$250,000. • Decide jointly with the CEPF Secretariat on the award of all grant applications of more than \$20,000. • Communicate with applicants throughout the application process to ensure applicants are informed and fully understand the process.

Component	Proposed functions
7. Manage a program of small grants (≤\$20,000)	<ul style="list-style-type: none"> • Establish and coordinate a process for solicitation of small grant applications. • Announce the availability of CEPF small grants. • Conduct due diligence to ensure applicant eligibility and capacity to comply with CEPF funding terms. • Convene a panel of experts to evaluate proposals. • Decide on the award of all grant applications of \$20,000 or less. • Manage the contracting of these awards. • Manage disbursement of funds to grantees. • Ensure small grant compliance with CEPF funding terms. • Monitor, track, and document small grant technical and financial performance. • Assist the Secretariat in maintaining the accuracy of the CEPF grants management database. • Open a dedicated bank account in which the funding allocated for small grants will be deposited, and report on the status of the account throughout the project. • Ensure that grantees complete regular (based on length of the project) technical and financial progress reports. • Prepare semi-annual summary report to the CEPF Secretariat with detailed information of the Small Grants Program, including names and contact information for all grantees, grant title or summary of grant, time period of grants, award amounts, disbursed amounts, and disbursement schedules.
8. Monitor and evaluate the impact of CEPF's large and small grants	<ul style="list-style-type: none"> • Collect and report on data for portfolio-level indicators (from large and small grantees) annually as these relate to the logical framework in the ecosystem profile. • Collect and report on relevant data in relation to CEPF graduation criteria for the hotspot. • Collect and report on relevant data for CEPF's global monitoring indicators. • Ensure quality of performance data submitted by large and small grantees. • Verify completion of products, deliverables, and short-term impacts by grantees, as described in their proposals. • Support grantees to comply with requirements for completion of tracking tools, including the Management Effectiveness Tracking Tool. • In coordination with CEPF Secretariat, conduct a mid-term and a final assessment of portfolio progress (covering large and small grants). • Conduct regular site visits to large and small grantees to monitor their progress and ensure outreach, verify compliance and support capacity building. • Provide guidance to grantees for the effective design and implementation of safeguard policies to ensure that these activities comply with the guidelines detailed in the CEPF Operations Manual and with the WB's environmental and social safeguard policies. Provide additional support and guidance during the implementation and evaluation cycles at regular field visits to projects. • In coordination with CEPF Secretariat, conduct a final assessment of portfolio progress and assist with preparation of report documentation. • Coordinate with CEPF Secretariat to produce and disseminate products to communicate CEPF's impact and results.
9. Reporting	<ul style="list-style-type: none"> • Participate in initial week of RIT training. • Participate in two supervision missions per year; each to include at least two days in the office and a visit to grantees in the field (approximately two weeks). • Prepare quarterly financial reports and six-monthly technical reports. • Respond to CEPF Secretariat requests for information, travel, hosting of donors and attendance at a range of events to promote CEPF.

Output 2.1.2 Civil societies in the 3 pilot hotspots with sufficient organizational and technical capacity for conservation and sustainable use of biodiversity

Indicator: Number of local civil society organizations engaged in biodiversity conservation in each pilot hotspot with a civil society tracking tool score of 80 or more

173. This output directly supports achievement of CEPF’s second graduation condition, related to civil society capacity, which reads as follows:

Local civil society groups dedicated to conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.

174. The project will build civil society capacity by working through the RIT and long-term implementation structures for each pilot hotspot, while also providing capacity building grants to selected CSOs and other service providers (see **Appendix XI** for grant-making procedures). The long-term implementation structure will also provide targeted training for CSOs, to help them engage with and influence government and private sector.

OUTCOME 2.2 INCREASED AND MORE SUSTAINED FINANCIAL FLOWS TO CIVIL SOCIETIES ENGAGED IN THE CONSERVATION OF BIODIVERSITY, FROM DIVERSE SOURCES, INCLUDING NON-TRADITIONAL SOURCES

Indicator	Target
<p>2.2.1: Funds available in sustainable financing mechanisms to support priorities in long-term conservation visions, including:</p> <ul style="list-style-type: none"> • sustainable financing mechanisms from non-traditional sources (e.g. private sector, new economic and financial instruments, etc.) • conservation finance generated by innovate private sector models. 	<p>\$20 million of additional funding in sustainable financing mechanisms, including \$5 million from non-traditional sources and \$2 million from private sector models</p>

175. This outcome will contribute to achieving CEPF’s third graduation condition, which requires that: “Adequate and continual financial resources are available to address conservation of global priorities for at least the next 10 years.” Working within the three pilot hotspots, it includes the development and initial implementation of comprehensive hotspot-level revenue generation strategies (Output 2.2.1) together with a more targeted effort aimed at demonstrating innovative models for mobilizing finance from private sector sources (Output 2.2.2).

Output 2.2.1 Three regional resource mobilization strategies developed to generate additional revenue for conservation programs in the three pilot hotspots

Indicator: Number of regional resource mobilization strategies developed to generate additional revenue

176. Regional-level resource mobilization strategies will be developed through a participatory approach to cover each of the three pilot biodiversity hotspots. In the case of the Eastern Afromontane, these will consist of three self-standing yet complementary strategies covering distinct sub-regions within the hotspot. The work will build on and extend baseline analysis undertaken during the PPG, while

also helping to operationalize the financing plans developed as part of the visioning exercise (see Output 1.1.2 above). Key elements to be covered by the strategies include the following:

- Detailed analysis of regional donor trends and opportunities, including potentially expanding funding opportunities related to climate change mitigation and adaptation, and
- In-depth analysis of innovative and other non-traditional revenue-generation opportunities, including taxes, fees, payments for ecosystem services, bonds, offsets, Reducing Emissions from Deforestation and Forest Degradation (REDD+), etc.

177. Implementation of the above strategies will leverage at least USD 20 million in funding to support priorities defined in the long-term conservation visions. The bulk of these resources will be leveraged from existing conservation donors (e.g., the Brazilian Development Bank, the Margaret A. Cargill Foundation, the Thailand Environmental Fund, the Yunnan Green Environment Development Fund and various national government budgets). However, at least USD 5 million of this total will be mobilized from non-traditional sources of conservation funding (e.g. public utility companies, state lotteries or donors with a development focus).

Output 2.2.2 At least two innovative models for private sector conservation finance, such as biodiversity offsets, demonstrated in the pilot hotspots.

Indicator: Number of models for private sector conservation finance demonstrated

178. As part of the resources leveraged under 2.2.1 above, implementation of the resource mobilization strategies will focus on developing innovative models for private sector conservation finance. At least two innovative models will be demonstrated through grants to CSOs in the pilot biodiversity hotspots, thereby mobilizing at least USD 2 million out of the above USD 20 million total.

179. One example might be biodiversity offsets, whereby a company provides long-term financial support to an area that would not otherwise be managed for conservation (either through regular contributions or an up-front investment in an endowment or similar scheme), in order to compensate for residual biodiversity impacts of its operations that could not be fully avoided, minimized or mitigated. Another might be green bonds, which link corporate investors wishing to invest in projects with positive environmental impacts with companies or governments seeking capital to invest in conservation projects with the potential to generate a return on investment (e.g. through development of biodiversity-friendly products) or a revenue stream (e.g. through imposition of fees or taxes), through a debt instrument.

180. To develop such models, the first step will be to identify, through the regional resource mobilization strategies developed under Output 2.2.1, countries with enabling legal frameworks (or, at least, the fewest barriers) and, within them, public and private sector actors with an interest in these models. Once interested public and private sector actors have been identified, the next step will be to identify potential civil society partners with the requisite skills and interest, and support them to organize exposure visits to existing working models. Where possible, these exposure visits will take place within the pilot hotspots, for reasons of costs and relevance. For instance, there are several innovative models of private sector conservation finance in Lao PDR and Myanmar that feature many of the elements of biodiversity offsets and have the potential for wider replication in the Indo-Burma Hotspot. Finally, the participants in the exposure visits will be encouraged to co-create project concepts for translating the model into their own country and/or sector, for submission to CEPF or other funding sources (see **Appendix IX**).

Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships

181. This component aims to develop and implement models to more effectively mainstream biodiversity conservation into public policy and private sector practices in selected biodiversity hotspots. This will be at the heart of the transformation of CEPF.
182. Under this component, a variety of public and private sector partnerships with civil society will be developed within the pilot hotspots. An overview of these is provided below by pilot hotspot. For further information, see **Appendix XIV**.
183. *Cerrado*: The proposed project will build on the cooperation process launched under the GEF Sustainable Cerrado Initiative and the Sustainable Cerrado Program. It will strengthen and develop key actions and integrated approaches that can help improve the mainstreaming of biodiversity in the Cerrado associated with the accomplishment of public commitments for deforestation reduction and the Aichi national biodiversity targets.
184. The proposed project will also help create an interdisciplinary and multi-stakeholder process in the Cerrado over the next five years. It will focus on building a network of strong local to regional institutions, including indigenous peoples, traditional communities, civil society networks, and key private sector companies, such as the agribusiness sector, in order to mainstream conservation into policy and build civil society capacity to act as a partner in the Cerrado's sustainable development. These partnerships and alliances will work collaboratively within a sociopolitical framework that incorporates biodiversity conservation as an important component of the socioeconomic development of the biodiversity corridors, ensuring the permanence of the conservation outcomes generated through the hotspot.
185. *Eastern Afromontane*: There are numerous opportunities to develop partnerships between CSOs, local communities and private sector companies in the oil and gas industry in the Albertine Rift countries as well as the agricultural sector in the Eastern Arc Mountains. Mainstreaming biodiversity through policies that promote a more sound development of these sectors as well as demanding best practices from leading companies are of the highest importance. Looking forward, the project will complement baseline initiatives in the hotspot by taking advantage of the positive signals given by large-scale energy, mining and agriculture operators in countries like Ethiopia, Tanzania and Uganda that "green business practices" will be more profitable in the long term.
186. *Indo-Burma*: The project will promote the development of innovative partnerships with agricultural sector companies in sectors such as rubber, palm oil and tea. On the policy front, the impacts of the hydropower sector in the Mekong River system has been widely analyzed. However, effective mainstreaming models to promote sound energy development policies are missing and are a key opportunity for this project.
187. The outcome and outputs for Component 3 are described as follows.

OUTCOME 3.1 INTEGRATING BIODIVERSITY CONSERVATION AND SUSTAINABLE USE INTO PRODUCTION LANDSCAPES IMPLEMENTED WITH PUBLIC AND PRIVATE SECTOR ACTORS ACROSS AT LEAST TOTAL 1,000,000 HECTARES IN THE CERRADO, EASTERN AFROMONTANE, AND INDO-BURMA HOTSPOTS

Indicator	Target
<p>3.1.1: Number of hectares of production landscapes that demonstrate effective ways of mainstreaming biodiversity.</p>	<p>1 million hectares of production landscapes with effective biodiversity mainstreaming</p>
<p>3.1.2: Number of protected areas with new management models featuring direct participation of civil society organizations or indigenous and local communities that show improvements in SP1 METT scores.</p>	<p>20 protected areas with new models</p>
<p>3.1.3: Number of globally threatened species with reduced threats to their populations through mainstreaming of biodiversity into production landscapes and/or implementation of new protected area models.</p>	<p>20 globally threatened species with reduced threats to their populations</p>
<p>3.1.4: Number of conservation corridors with enhanced ecological connectivity through the incorporation of financial incentives into policy and the adoption of biodiversity-friendly management practices by private companies.</p>	<p>6 conservation corridors with enhanced ecological connectivity</p>
<p>3.1.5: Number of indigenous and local communities that have increased, gender-equitable access to ecosystem services.</p>	<p>250 communities with increased, gender-equitable access to ecosystem services</p>
<p>3.1.6: Number of communities and number of women and men that receive direct socio-economic benefits through increased income, food security, resource rights or other measures of human wellbeing.</p>	<p>25,000 women and 25,000 men with direct socio-economic benefits</p>
<p>3.1.7: Number of women and number of men that receive indirect socio-economic benefits through enhanced and more secure delivery of ecosystem services.</p>	<p>125,000 women and 125,000 men with indirect socio-economic benefits</p>

188. A combination of public and private partnerships will be supported, through which biodiversity conservation and sustainable use will be demonstrated across at least one million hectares in the three hotspots. This will be achieved through three outputs, as described below.

Output 3.1.1 At least 6 policies, programs or plans incorporate results of policy demonstration models addressing drivers of biodiversity loss in the pilot hotspots

Indicator: Number of policies, programs, or plans incorporating results of policy demonstration models

189. Using selection criteria developed under Output 1.1.3 (see **Table 4** above for criteria), CEPF will provide grants and strategic capacity building support to CSOs for the development and implementation of policy demonstration models in the target hotspots. Grantees will be selected following competitive calls for proposals.

190. Policy models selected for demonstration will be designed to integrate biodiversity conservation into key sectors currently serving as drivers of biodiversity loss. They will be developed, implemented and evaluated by the selected CSOs, with additional support as needed from the hotspot long-term implementation structure and the CEPF Secretariat. The demonstrations will

enable civil society partners to more effectively engage with government agencies and to mainstream the results of CEPF programs into public policy.

191. Although these models will be adapted to local contexts, they will have the following common elements:

- (i) establishment of partnerships between CSOs and relevant government institutions;
- (ii) joint framing of policy questions, through consultative processes;
- (iii) design and implementation of field demonstration and, where appropriate, research activities; and
- (iv) dissemination of results to key decision-makers in the relevant policy and planning process through field visits, briefing papers, etc.

192. At least 12 policy demonstration models will be implemented in the pilot biodiversity hotspots over the first three years of the project. Innovations arising from them will be amplified through incorporation into at least six national or sub-national policies, programs or plans in the last two years. Specific policy sectors, include those related to the promotion and regulation of agricultural expansion in the Cerrado and Eastern Afrotropical, energy development in Indo-Burma, and hydrocarbon exploration and mining in the Eastern Afrotropical and Indo-Burma. Mainstreaming biodiversity into policies that provide financial incentives for land-use and management practices within production landscapes or that require rigorous environmental assessment during the approval process for development projects will be key to these efforts.

193. By working in landscapes that promote planning and management of multiple uses, policy demonstration models will promote adoption of new approaches for protected area management developed with CEPF support, particularly ones that allow for direct participation of CSOs or indigenous and local communities in management and governance. The targeted protected areas will typically be nested within a matrix of productive land, including agriculture, mining and fisheries. Through community-based natural resource management models such as these, local and indigenous communities will benefit from increased and gender-equitable access to ecosystem services, particularly provisioning of fish, non-timber forest products and other natural resources essential for local livelihoods and food security, thereby delivering tangible socio-economic benefits to women and men in these communities, along with enhance resilience to climate change. In this way, the project will demonstrate effective ways of mainstreaming biodiversity across one million hectares of production landscapes.

Output 3.1.2 At least 12 biodiversity-friendly management practices incorporated into the business practices of key change agents in the agriculture, energy, mining and other sectors

Indicator: Number of biodiversity-friendly business practices adopted by key private sector change agents

194. Using the strategies for engagement with private sector developed under Output 1.1.4, the project will support the development of new and stronger partnerships between CSOs and the private sector in the pilot hotspots. At least six new tools and approaches for effective mainstreaming of biodiversity conservation into business practices will be developed and demonstrated in partnership with public and private sector actors, through strategic capacity support and grants awarded on a competitive basis to CSOs active in the pilot hotspots and willing to engage with private sector companies. The focus will be on sectors that are driving biodiversity loss in each hotspot, such as the agriculture, energy and mining sectors.

195. Demonstration models will target conservation corridors that present opportunities to enhance ecological connectivity at the landscape scale. Specific examples include opportunities for developing innovative partnerships that explore better practices in key commodities, such as the coffee and tea sectors in the Eastern Afromontane and Indo-Burma, as well as the soybean and cattle industries in the Cerrado. At least 12 biodiversity-friendly management practices demonstrated through these partnerships, such as use of native species for landscaping and restoration, protection of riparian buffers, safeguards on conversion of critical natural habitats, and establishment of wildlife corridors, will be replicated through incorporation into the business practices of key change agents in these sectors.

Output 3.1.3 New management models involving direct participation of CSOs or indigenous and local communities are introduced at 20 protected areas

Indicator: Number of new management models involving direct participation introduced at protected areas.

196. New management models featuring direct participation of CSOs or indigenous and local communities in protected area management will be introduced at 20 protected areas within KBAs in the three pilot hotspots. Work enabled by CEPF grants to local CSOs will strengthen the management effectiveness (as measured by the SP1 METT) and sustainability of these protected areas, while generating biodiversity benefits by reducing habitat loss, illegal hunting of wildlife and other threats.

Component 4: Replicating success through knowledge products and tools

197. This component aims to document successful models and tools demonstrated in the pilot hotspots under the first three components, and place them in the public domain as knowledge products, to facilitate wider replication of project results by other conservation actors globally, and, in so doing, catalyze the transformation of CEPF in other hotspots where it is active. Mechanisms for dissemination of knowledge will include but not be limited to: South-South exchanges; study visits between grantees; exchanges among RITs and long-term implementation structures; and audio-visual products, such as short films, webinars and websites. The use of smart and effective communication tools will allow for additional replication beyond the places where CEPF works, enabling learning by organizations that may not be current partners of CEPF. This will be a marked improvement over the BAU scenario, where dissemination of lessons learned and good practice has largely been among CSOs within the same hotspot, and the potential for replicating successful approaches in other hotspots or in other contexts globally has remained unrealized.

198. By these means, the models and tools for institutional sustainability, such as long-term implementation structures, regional resource mobilization strategies and policy demonstration models, will be rolled out to at least nine additional hotspots, including a mix of reinvestments in hotspots where CEPF invested previously, such as the Tropical Andes, and first-time investments in new hotspots, such as the Mountains of Central Asia. The selection of hotspots for investment will be made by the CEPF Donor Council on the basis of such criteria as magnitude of threats to biodiversity, opportunities to integrate biodiversity conservation into plans, policies and business practices, and opportunities to develop shared strategies with other funders. There will also be wider dissemination of results, outside of the areas where CEPF invests, resulting in at least three models, tools and best practices developed under the project being adopted by conservation practitioners in other parts of the world.

199. The outcomes and outputs for Component 4 are described below.

OUTCOME 4.1 CEPF INVESTMENTS IN OTHER HOTSPOTS STRENGTHENED THROUGH THE ADOPTION OF SUCCESSFUL MODELS AND TOOLS DEVELOPED IN THE PILOT HOTSPOTS.

Indicator	Target
4.1.1: Number of additional hotspots that have long-term implementation structures.	9 additional hotspots with long-term implementation structures
4.1.2: Number of additional hotspots that have regional resource mobilization strategies.	9 additional hotspots with regional resource mobilization strategies
4.1.3: Number of successful policy demonstration models that have been adopted in at least one additional hotspot.	2 policy demonstration models adopted in at least one additional hotspot
4.1.4: Number of management best practices that have been adopted in at least one additional hotspot.	2 management best practices adopted in at least one additional hotspot

200. Through Components 1, 2 and 3, various elements of the third phase of CEPF will be tested in the pilot hotspot, with the aim of amplifying the fund’s impacts and making them more sustainable. By piloting Phase III in a sub-set of the geographies where CEPF works, the project will allow CEPF to be more innovative and push boundaries, including by encouraging CSOs to move outside of their comfort zones and forge partnerships with public and private sector actors. The purpose of Component 4 is to capture lessons learned from these pilots and facilitate the adaptation and replication of the most successful models and tools within nine additional hotspots. Outcome 4.1 focuses on internal replication within the hotspots where CEPF invests, and has the following four outputs.

Output 4.1.1 Long-term implementation structures incorporating experiences from the pilot hotspots in place in at least 9 other biodiversity hotspots where CEPF invests.

Indicator: Number of additional (non-pilot) hotspots with long-term implementation structures

201. Drawing on experience with Output 2.1.1 from the pilot hotspots, the terms of reference for the long-term implementation structures will be revised, and the model will be replicated in at least nine other hotspots where CEPF invests. In hotspots where CEPF is investing at the beginning of the project, RITs will already have been established; in such cases, it will be necessary to review the performance of these teams, and determine whether the organizations performing the RIT role have the necessary qualities to develop into long-term implementation structures. Where this is the case, existing agreements with these organizations will be amended, additional resources allocated and targeted training in new functions provided. Where appropriate organizations to serve as the long-term implementation structure are not already performing the RIT role, the CEPF Secretariat will undertake an analysis of options for establishing the structure. This may involve a competitive process for selecting organizations to act as the long-term implementation structure, either individually or collectively.

Output 4.1.2 Regional resource mobilization strategies incorporate lessons learned to supplement global resources and better align resources with regional funders to achieve long-term sustainability in at least 9 other biodiversity hotspots where CEPF invests.

Indicator: Number of hotspots with regional resource mobilization strategies

202. The effectiveness of the regional resource mobilization strategies developed under Output 2.2.1 at leveraging additional resources for conservation programs in the three pilot hotspots will be evaluated by the CEPF Secretariat. Lessons learned will be captured and used to inform the development of resource mobilization strategies for at least nine other hotspots where CEPF invests. These strategies will either be developed in conjunction with the development of long-term conservation visions for these hotspots or, where such visions are already in place, build upon and operationalize the financing plans they contain. Where innovative mechanisms for generating conservation resources from non-traditional sources have been successfully piloted under Outcome 2.1, these will be communicated to long-term implementation structures and other stakeholders in other hotspots through case studies and exchange workshops.

Output 4.1.3 At least 2 countries in other biodiversity hotspots adopt successful policy demonstration models from the pilot hotspots.

Indicator: Number of countries in other hotspots adopting policy demonstration models

203. Under Output 3.1.1, various policy demonstration models will be developed in the pilot hotspots, with the aim of mainstreaming biodiversity into public policies, programs or plans that influence drivers of biodiversity loss. The effectiveness of these models will be evaluated through regular monitoring of individual grants by the CEPF Secretariat and long-term implementation teams, and through participatory mid-term assessments of the CEPF grant portfolios in the pilot hotspots. Drawing on its global overview, the CEPF Secretariat will identify other hotspots within its global portfolio that face similar challenges to the ones addressed by successful policy demonstration models, and then introduce them to long-term implementation structures and/or grantees working in at least two countries, by means of case studies, study tours, exchange visits or other appropriate communication activities funded through multi-hotspot grants. In this way, cross-learning between CSOs from different hotspots will be facilitated, and South-South collaboration will be encouraged.

Output 4.1.4 At least 2 countries in other biodiversity hotspots replicate management practices for mainstreaming biodiversity through innovative partnerships of civil society and private sector.

Indicator: Number of countries in other hotspots replicating management practices for mainstreaming biodiversity

204. A similar approach will be adopted to replicating biodiversity-friendly management practices developed through partnerships with private sector actors under Output 3.1.2. Attempts to introduce such practices in the pilot hotspots will be evaluated by the CEPF Secretariat and long-term implementation teams during grant-level monitoring and portfolio-level assessments, and the most successful models will be documented. Drawing on its knowledge of barriers and opportunities for engagement with civil society in the other hotspots where the fund works, including that gained

through ecosystem profiling and long-term visioning processes, the CEPF Secretariat will identify at least two countries where management practices demonstrated in the pilot hotspots could be replicated. Case studies and study tours, funded through multi-hotspot grants, will be used to introduce these practices to existing and potential grantees in these countries and, where required, grants will be provided under the relevant hotspot portfolios to promote their replication through innovative partnerships between civil society and private sector.

OUTCOME 4.2 MODELS, TOOLS AND BEST PRACTICES DEVELOPED UNDER THE PROJECT ARE WIDELY AVAILABLE AND INFORM OTHER ACTORS DEVELOPING PUBLIC-PRIVATE PARTNERSHIPS FOR BIODIVERSITY CONSERVATION GLOBALLY.

Indicator	Target
4.2.1: Number of models, tools and best practices developed under the project that have been adopted by conservation practitioners in areas outside CEPF investments	3 models, tools and/or best practices adopted in areas outside CEPF investments

205. Outcome 4.2 complements the previous outcome by focusing on external replication of models developed and tested in the pilot hotspots in areas outside CEPF investment regions. The key vehicle for disseminating results from the pilot hotspots will be the CEPF website, which will be revamped for the purpose. Online dissemination will be supplemented by in-person presentations of results by the CEPF Secretariat, long-term implementation structures and/or grantees, at international conferences and seminars, and through targeted briefings. One key audience will be conservation practitioners, within both government and civil society. Another audience will be donor agencies interested in new models for mainstreaming biodiversity conservation into public policy and private sector business practices. Through these means, at least three models, tools and best practices developed under the project will be adopted by conservation practitioners in areas outside of hotspots with active CEPF investments. Outcome 4.2 has a single output.

Output 4.2.1 At least 6 innovative knowledge products documenting models, tools and best practices developed under the project, including at least 1 related to gender mainstreaming and at least 1 related to Indigenous People and conservation, made publicly available through the CEPF website or other innovative means as appropriate.

Indicator: Number of innovative knowledge products, number of knowledge products related to gender mainstreaming and number of knowledge products related to Indigenous People and conservation made publicly available
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206. From the third year of the project onwards, the CEPF Secretariat will begin to identify models, tools and best practices developed and tested in the pilot hotspots that have significant potential for wider replication, outside of the hotspots where CEPF is actively investing. Uptake of these approaches by conservation practitioners will be promoted by documenting them in accessible, informative knowledge products, and disseminating them via the CEPF website or other innovative means, such as videos on social media, online toolkits or presentations at international forums. International consultants with relevant expertise will be engaged to develop at least six knowledge products, which could include, for example, guidelines for CSOs to undertake monitoring and evaluation of the social and environmental impacts of public policies, guidance for applying environmental and social safeguards, briefing papers on selected topics, video documentaries of grants, evaluations of experience with particular approaches in different contexts, and guidelines for

CSOs to engage with specific sectors and industries. The knowledge products will include at least one related to gender mainstreaming and at least one related to Indigenous People and conservation, to ensure that these two critical areas are not overlooked.

C. Project Timeline

207. In Q1 of Year 1, long-term conservation visions and financing plans for biodiversity will be developed (Component 1). These resource mobilization strategies will support the mobilization of new funding and specify clear policy targets for graduating from CEPF support. The plans will address key drivers of biodiversity loss and guide the development of new policy demonstration models, providing a foundation for ensuring the financial and institutional sustainability of conservation programs across various sectors (Component 2).

208. Starting in Q4 of Year 1, conservation-focused civil societies in the Cerrado, Eastern Afrotropical and Indo-Burma Hotspots will begin to follow the plans described above to strengthen their capacity, credibility and institutional sustainability (Component 2). In addition, CSOs' greater clarity of vision will enable them to attract increased and more sustained financial flows from diverse sources, including non-traditional sources.

209. Similarly, enhanced and innovative public and private sector partnerships will begin amplifying the impacts of CEPF investments in Q4 of Year 1 (Component 3). Public and private sector actors will integrate biodiversity conservation and sustainable use into production landscapes totaling at least one million hectares in the three pilot hotspots.

210. The knowledge products and tools developed under Components 1 and 2 will be adapted for replication in other biodiversity hotspots in Q1 of Year 4 (Component 4). These successful models and tools will soon begin to strengthen CEPF investments in other hotspots. As a result, other actors developing public-private partnerships for biodiversity conservation globally will be able to integrate the lessons learned from this project into their future programming.

211. Additional details regarding the project timeline are presented in **Appendix II**.

D. Expected Global Environmental Benefits

212. CEPF investments are focused in the biodiversity hotspots (Earth's most biologically important yet threatened regions), which provide essential ecosystem services to local and global populations. The project will focus on delivering biodiversity benefits by implementing new models for conservation and sustainable use of biodiversity, with a particular emphasis on production landscapes outside protected areas. These models will be demonstrated within three pilot hotspots through incorporation into the business practices of private sector actors with large biodiversity footprints, and replicated in other hotspots where CEPF works. Pressures from development sectors and key drivers of biodiversity loss that threaten to undermine site-level conservation actions will be mitigated through integration of biodiversity conservation into policies, plans and programs with government agencies and through support for enhanced private sector business practices. Lessons learned from work in the three pilot hotspots will be captured, adapted and replicated within nine additional hotspots, thereby multiplying their impacts.

213. Using CEPF's newly refined set of grant-making modalities (see Appendix XI), the project will deliver global, national and local benefits through a set of carefully selected grants to partner CSOs within three pilot and nine replication hotspots. Work implemented through these grants will generate

biodiversity benefits by mainstreaming biodiversity conservation and, thereby, reducing habitat loss, degradation and fragmentation within connective, productive landscapes totaling at least one million hectares. Additional grants will help to strengthen the management of, improve financing for, and/or reduce threats to, an estimated 20 protected areas within the three pilot hotspots alone.

214. The precise locations where the above benefits will be generated depend on the breakdown of CSO grants that will be awarded. However, CEPF's methodology provides useful guidance in this respect. Thus, ecosystem profiles prepared with the support of CEPF have identified and mapped out 1,586 Key Biodiversity Areas (KBAs) and 93 conservation corridors within the three pilot hotspots. These are among the highest priority conservation areas in the world, containing hundreds of globally threatened species and millions of hectares of critical ecosystems. This work constitutes an unparalleled macro-level knowledge basis and tool for prioritization of conservation support—and generation of biodiversity benefits—within the hotspots.
215. In addition to the above profiles, CEPF will rely on its extensive network of CSO partners, especially its RITs, to help guide its investments, based on short- and medium-term changes in circumstances and opportunities related to threats, policies, plans and investments (both conservation-related as well as commercial ones). CEPF's efforts under Phase III to broaden its own and its partners' relations with both governmental and private sectors partners will further enhance the reliability and timeliness of such information. These arrangements will enable CEPF and its partners to take advantage of opportunities and respond to emerging threats as appropriate.
216. The project design thus balances the need for flexibility (to take advantage of opportunities and create space for innovation) and the need for control over the development of the grant portfolio, with the aim of ensuring that individual grants are both accountable for their results and contributing to a larger strategically defined whole.
217. The project will also deliver co-benefits in other GEF Focal Areas, including climate change mitigation (by promoting management practices that enhance carbon stocks and minimize conversion of forest within production landscapes), international waters (by promoting practices that lead to reduced pollution load in the Mekong River and international lakes in the Albertine Rift Valley), land degradation (by promoting sustainable land-use practices in production landscapes), persistent organic pollutants (by promoting practices that reduce pollution of land and water) and sustainable forest management/REDD+ (by promoting sustainable forest management in the Eastern Afromontane Hotspot).
218. During the PPG, the CEPF team has further refined the target biodiversity benefits expected to arise from the project's support within the three pilot hotspots. These targets have been informed by the identified priorities in the respective ecosystem profiles and long-term visions, as well as by an analysis of the capacities and missions of the civil society organizations likely to be recipients of grants under the project. They are described below according to the relevant quantitative targets.

ONE MILLION HECTARES OF PRODUCTIVE LANDSCAPES EFFECTIVELY MAINSTREAMING BIODIVERSITY CONSERVATION AND SUSTAINABLE USE

219. Approximately half of this area is expected to be within the Cerrado hotspot. Here, grants to CSOs will emphasize mainstreaming of biodiversity into the agriculture sector. The remaining approximately 500,000 hectares will be located within KBAs and priority corridors in the Eastern Afromontane and Indo Burma hotspots, including the Mekong River and Major Tributaries, the Northern Lake Nyassa Catchments, and the Tonle Sap and Inundation Zone corridors. These will include areas threatened by industrial agriculture, hydropower development, oil and gas exploration, and over-fishing. Mainstreaming efforts will include catalyzing partnerships among local

CSOs and private sector and relevant governmental partners in areas such as eco-labeling, commodity certification, biodiversity offsets, participatory land-use planning, and zoning regulations. These efforts will help to avoid loss and/or encourage restoration of natural habitats within at least six conservation corridors across the one million hectares of productive landscapes. Together, these efforts will help to increase the viability of species populations and delivery of critical ecosystem services, while reducing rates of fragmentation, enhanced resiliency and improving ecological connectivity at the landscape scale.

STRENGTHENED MANAGEMENT AND ENHANCED SUSTAINABILITY OF 20 PROTECTED AREAS WITHIN KBAS

220. New management models featuring direct participation of CSOs or indigenous and local communities will be introduced into 20 protected areas within KBAs. Work enabled by CEPF grants will strengthen the management effectiveness (as measured by the SP1 METT) and financial sustainability of these areas, while generating biodiversity benefits by reducing encroachment, illegal hunting of wildlife and other threats. Participatory models will be introduced for conventional protected areas, giving local stakeholders an enhanced role and voice in protected area management and governance. These will be complemented by testing new conservation area models, including ones planned, established and managed by communities, CSOs and/or private land owners. These approaches will ensure greater ownership of protected areas by local stakeholders, thereby enhancing the sustainability of these models.

REDUCED THREATS TO POPULATIONS OF 20 GLOBALLY THREATENED SPECIES

221. Together, the aforementioned work on mainstreaming and new models for protected area management will help reduce threats to populations of at least 20 globally threatened species, especially landscape species that rely on production landscapes outside protected areas for some or all of their lifecycles. While the species in question will depend on the exact breakdown of landscapes and grants,⁴⁷ they may include some or all of the following: giant anteater (*Myrmecophaga tridactyla*, VU) in the Cerrado, Ethiopian wolf (*Canis simensis*, EN) in the Eastern Afromontane, and Bengal florican (*Houbaropsis bengalensis*, CR) in Indo-Burma, as well as charismatic flagship species, such as the giant armadillo (*Priodontes maximus*, EN), mountain gorilla (*Gorilla beringei beringei*, CR), Irrawaddy dolphin (*Orcaella brevirostris*, VU) and saola (*Pseudoryx nghetinhensis*, CR).

E. Expected Human Well-being Benefits

222. Delivering socioeconomic benefits to local communities is an integral aspect of many CEPF grants. Analysis of the results of CEPF investments during Phase II informs the following projections.

223. *Cerrado*: As the Cerrado hotspot has not yet been the focus of any CEPF grant making, expected human well-being benefits under the GEF project cannot be informed by prior CEPF investments there. Nevertheless, given the significantly lower human population density in the Cerrado (13 persons/km²) compared with the Eastern Afromontane (92 persons/km²) and Indo-Burma (134 persons/km²)⁴⁸, coupled with the typically lower level of dependency of local and indigenous

⁴⁷ As a result, the final list of benefitting species will emerge and be reported on over the course of project implementation.

⁴⁸ Mittermeier, R. A., Robles Gil, P., Hoffmann, M., Pilgrim, J. D., Brooks, T. M., Mittermeier, C. G. and Fonseca, G. A. B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

communities on natural ecosystems, it can reasonably be expected that the aggregate number of direct and indirect beneficiaries will be lower in the Cerrado than in either of the other pilot hotspots. Specific examples of the types of results envisioned in the ecosystem profile for the Cerrado include the following. At least 50 local and indigenous communities are projected to benefit directly from the sustainable use of natural resources (for instance by introducing sustainable harvesting practices for wild fruits) and/or the restoration of ecological connectivity at the landscape scale (for instance by restoration of natural vegetation cover around water sources, through changing grazing and burning patterns). At least 4,000 women and 2,000 men are expected to receive increased income from the development of markets and supply chains for sustainably harvested non-timber forest products, with a particular focus on networks or groups of women and youth. At least 1,000 women and 1,000 men working for community-based businesses in the ecological restoration production chain (e.g. seed collectors, seedling producers, vegetation restorers, etc.) are expected to receive enhanced production capacity and management skills and/or access to low-cost, ecologically appropriate technologies.

224. *Eastern Afromontane*: Considering only the 17 completed projects in the Eastern Afromontane since the start of grant making in 2013, 39 communities have received direct socioeconomic benefits from CEPF-funded work, primarily in the form of alternative livelihoods and improved agricultural methods. For example, conservation-friendly sustainable agriculture techniques were introduced to 13 villages along the shore of Lake Niassa, with the aim of reducing pressure on the biodiversity and natural resources of Mozambique's Manda Wilderness Area. There have also been 3,424 direct beneficiaries, 1,230 of whom are women, who received training leading to increased income or paid positions. For example, 975 women living in Ethiopia's Sheka Forest Biosphere Reserve were trained in charcoal production, while 75 women and men living around Burundi's Kibira National Park were trained in beekeeping. In addition, there have been over 76,000 indirect beneficiaries from broader sustainable agriculture promotion and ecosystem services resulting from better management of forest areas.

225. *Indo-Burma*: Since the start of CEPF grant making in the Indo-Burma Hotspot in 2008, direct socioeconomic benefits have been conferred to 186 communities at project sites. For instance, 24 communities in the Sekong Basin of Lao PDR benefitted from increased income and food security through the establishment of community-managed fish conservation zones, which led to increased fish yields. Elsewhere in Lao PDR, seven villages, with 7,279 inhabitants, benefitted from secured access to natural resources through participatory land-use planning of a forest landscape threatened with conversion to agro-industrial plantations. In Cambodia, 216 households, containing more than 1,000 people, received increased annual income from participation in a wildlife-friendly rice farming scheme, which paid a premium to producers who abide by conservation agreements. In Vietnam, more than 100 medicinal plant collectors were trained in sustainable harvesting techniques for target species, enabling them to participate in the FairWild certification scheme. A larger but unquantified number of people have received indirect benefits through the conservation of natural ecosystems that deliver essential provisioning and regulating services.

226. In light of the above results, and given the projected portfolio breakdown for Phase III support, human well-being benefits under the GEF project can be estimated for the three pilot hotspots (see **Table 7** below).

227. In addition to the above but not projected separately, CEPF grants will support the delivery of analogous human well-being benefits within nine other hotspots.

Table 7: Expected Human Well-being Benefits in the Pilot Hotspots

Human well-being indicator	Projected human well-being benefit due to grant portfolio, by hotspot (minimum estimates)		
	Indo-Burma	Eastern Afromontane	Cerrado
Number of communities receiving direct benefits (through increased income, food security, resource rights or other measures of human wellbeing)	100	100	50
Number of individual beneficiaries (through increased income, food security, resource rights or other measures of human wellbeing)	20,000	20,000	10,000
Number of indirect beneficiaries (through enhanced and more secure delivery of ecosystem services, especially freshwater provision, fisheries production and flood protection)	100,000	100,000	50,000

F. Linkages with Other GEF Projects and Relevant Initiatives

228. CEPF strives to collaborate and coordinate with GEF Small Grants Program in each of the countries where it works and has been actively collaborating not only with coordination units at the country level but also with UNDP globally to ensure synergies are developed and duplication is avoided (see **Table 8**). Within the pilot hotspots, responsibility for coordination with other GEF projects, including the small grants program, lies with the RIT, which establishes structures to solicit stakeholder input into the development of the CEPF grant portfolios at a strategic level. These structures comprise invited representatives of government, other funding agencies and civil society, typically including GEF Operational Focal Points (or their representatives), national coordinators of the GEF Small Grants Program and/or representatives of GEF Implementing Agencies, such as the World Bank.

Table 8: Other Relevant Projects and Initiatives

Hotspot	Other GEF projects/initiatives	Linkages and coordination
Cerrado	<p>Sustainable Cerrado Initiative</p> <p>GEF agency: WB</p> <p>GEF grant: USD 13 million</p>	<p>The Sustainable Cerrado Initiative was an umbrella program designed to allow executors to promote cooperation among states and/or institutions, ensure coordinated actions under a common framework, and replicate an approach to address biome-wide Cerrado conservation. It consisted of grants to the Ministry of Environment, the Chico Mendes Institute for Biodiversity Conservation, and the states of Tocantins and Goiás. The project was implemented between 2009 and 2015.</p> <p>The Regional Implementation Team for the Cerrado will consult with staff from the Ministry of Environment and the state environmental secretariats that were responsible for implementing the Sustainable Cerrado Initiative, to inform the selection of policy targets, demonstration models and partnerships with private sector actors that will be taken up by the proposed project.</p>

Hotspot	Other GEF projects/initiatives	Linkages and coordination
	<p>Taking Deforestation out of Commodity Supply Chains</p> <p>GEF agencies: CI, IADB, IFC, UNDP, UNEP, WWF</p> <p>GEF grant: USD 500 million</p>	<p>This Integrated Approach Pilot is currently being designed by a consortium of six GEF Implementing Agencies. It aims to link initiatives to promote sustainable production of commodities, such as the Roundtable on Sustainable Palm Oil and the Tropical Forest Alliance, with the work of governments and other actors along the global supply chain. Brazil will be one of the key producer countries targeted by this initiative, with the focus being on soy and beef. Close coordination with the initiative will enable selection by the proposed project of demonstration projects that target barriers and bottlenecks in global supply chains for sustainable commodities, especially ones where civil society is well placed to make linkages among the different actors involved, and replication of successful models by other partners in the initiative. Practically, this coordination will be spearheaded by the RIT within Brazil, and the CEPF Secretariat in Washington DC, where four of GEF Implementing Agencies involved are headquartered.</p>
	<p>Small Grants Program (SGP)</p> <p>GEF agency: UNDP</p> <p>GEF grant: USD 6.5 million (since 1992)</p>	<p>The strategy of the SGP in the Cerrado has been to promote conservation through sustainable biodiversity use within sustainable production landscapes that combine native vegetation and agriculture. In this regard, it has similar objectives to the GEF project, and significant opportunities for alignment exist. To date, the SGP has supported more than 400 projects in the Cerrado since 1995, including 50 on sustainable-use supply chains and microenterprises for a range of products, such as golden grass, baru nuts, native fruits and other non-timber forest products.</p> <p>Since 1995, technical and administrative coordination of the SGP in the Cerrado has been provided by the Institute for Society, Population and Nature (ISPN), which has been part of the consortium leading development of the ecosystem profile for the Cerrado. Consequently, close alignment between the SGP and the CEPF investment strategy for the hotspot has been ensured. For instance, lessons learned about how to empower local civil society, avoid dependence on grant funding and enable participation in public policy dialogues have been incorporated into the ecosystem profile. This coordination will continue into implementation of CEPF grant-making in the Cerrado, through the involvement of ISPN in the donor coordination structure for the hotspot.</p>

Hotspot	Other GEF projects/initiatives	Linkages and coordination
Eastern Afromontane	<p>GEF agencies: UNDP, UNEP, WB</p> <p>GEF funds: USD 142.9 million</p>	<p>Through UNDP, UNEP and the WB, the GEF supports 32 national projects and five regional projects that together, overlap with every country in the hotspot. These include projects on biodiversity, climate change, international waters, land degradation, ecosystem services, protected areas, migratory soaring birds, transboundary sites, primate conservation, taxonomy, and combating invasive alien species.</p> <p>Among these, a specific example of an anticipated synergy is with the GEF-funded Trans Frontier Conservation Areas (TFCA) project implemented by the Directorate for Areas of Conservation (DNAC): the national protected area authority. Through TFCA, DNAC improves the management of national protected areas on the borders of South Africa, Zimbabwe, Zambia, Malawi, and Tanzania. By coordinating with DNAC, CEPF has made awards to CSOs on the Mozambiquean and Zimbabwean sides of the Chimanimani mountains, and to a CSO in Mozambique’s Mt. Mabu region, across the border from Malawi. The CEPF grantees conduct taxonomic research in direct collaboration with government counterparts, develop site management plans, and promote sustainable livelihood activities at those sites. The success of these CEPF grantees contributes directly to the success of the TFCA program overall. The results of the proposed project will further this collaboration taking these partnerships and developing demonstration models for management of protected areas at the landscape scale with strong participation of civil society and local and indigenous groups.</p>
Indo-Burma	<p>Greater Mekong Subregion Forests and Biodiversity Program</p> <p>GEF agency: ADB</p> <p>GEF grant: USD 20 million (including four national sub-projects)</p>	<p>This regional program aims to improve biodiversity conservation and climate resilience across Cambodia, Lao PDR, Thailand and Vietnam, by addressing issues requiring a larger-scale, cross-border approach, and emphasizing regional dialogue and collaboration between countries.</p> <p>The CEPF RIT is engaged in ongoing discussions with the ADB team regarding data sharing and coordination of activities in the specific geographies in which they overlap. This includes ADB input into grantee selection, RIT input to grantees on the ADB’s work, and the RIT ensuring that grantee outputs are reflected back to the ADB. The information shared will serve as spring-board for replicating the models proposed in this project throughout the hotspot countries.</p>
	<p>Scaling Up Partnership Investments for Sustainable Development of the Large Marine Ecosystems of East Asia and their Coasts</p> <p>GEF agency: WB</p> <p>GEF grant: USD 44 million</p>	<p>The goal of this program is to promote sustainable development of large marine and coastal ecosystems of the East Asia and Pacific Region (including China’s Guangdong province and Vietnam within the Indo-Burma Hotspot) and improve livelihoods of local populations by promoting sustainable marine fisheries, integrated coastal zone management and ecosystem based management. CEPF has broad-scale capacity building efforts and is also supporting grantees that bring biodiversity knowledge to development planning processes. Each of these relatively small CEPF interventions feeds into the broader goals of this GEF project.</p>

Hotspot	Other GEF projects/initiatives	Linkages and coordination
	<p data-bbox="378 279 625 531">Collaborative Management of Cambodia’s Protected Area System as Demonstrated in the Mondulkiri Conservation Landscape</p> <p data-bbox="378 552 578 579">GEF agency: UNEP</p> <p data-bbox="378 600 586 659">GEF grant: USD 4.7 million</p>	<p data-bbox="664 279 1409 432">The goal of this project is to enhance management effectiveness of Cambodia’s protected area system and secure forest carbon through improving inter-sectoral collaboration, landscape connectivity and sustainable forest management, through demonstration activities in the Mondulkiri Conservation Landscape.</p> <p data-bbox="664 443 1421 695">CEPF is learning directly from this UNEP effort in its own grants to empower local communities to engage in conservation and management of priority KBAs. The RIT will ensure that target groups use best practices in community-managed protected areas and develop co-management mechanisms that conform with government standards. This coordination will be achieved through bilateral meetings between the RIT and the Project Management Unit, and study visits for CEPF grantees to project sites of the UNEP-led project.</p>

229. In the Eastern Afrotropical and Indo-Burma Hotspots, these structures take the form of National Advisory Committees, established in each hotspot country. These committees meet annually, to review shortlisted grant proposals, and make recommendations for the strategic direction of the grant portfolio, which inform the scope and timing of future calls for proposals. These meetings provide opportunities to identify potential synergies with other GEF projects, including co-financing and ‘graduating’ promising organizations from small grant funding to larger, longer-term grants. They also ensure good alignment among investments by different funders and avoid duplication.

230. For the Cerrado Hotspot, where the RIT has not yet been selected, it is expected that a similar structure will be established to provide strategic guidance to CEPF grant-making. The GEF Operational Focal Point for Brazil will be invited to sit on this committee, together with the national coordinator of the GEF Small Grants Program, and managers of ongoing GEF full-sized projects with activities in the Cerrado, including the Environmental Management in Indigenous Lands project (2014-2018) and the Integration of Conservation and Sustainable Use of Biodiversity in Multiple-Use Forest Landscapes with High Conservation Value project (2015-2017), both of which have UNDP as Implementing Agency.

G. Project Stakeholders

231. Engagement with stakeholders is fundamental throughout all stages of investment in a hotspot. Engagement begins during preparation of an ecosystem profile and investment strategy, through a series of local, national and regional consultations. A wide range of stakeholders is involved, including national and international experts, research institutions, NGOs, government agencies, indigenous peoples, women and women's groups, community groups and private sector representatives.

232. To date, more than 3,000 stakeholders have been involved in preparing CEPF’s ecosystem profiles. This phase sets the foundation for future interaction, and paves the way for the partnerships, networks and collaborations that are the hallmark of the fund’s approach. CEPF actively seeks out and supports stakeholder engagement during all phases of investment. Gender mainstreaming is something that CEPF has been continuously seeking to improve and increase. Throughout the project CEPF will ensure full and equitable representation in and benefit sharing from project activities. The project will seek to engage with all stakeholders within the community, including any

potentially marginalized groups. The project will engage with existing leadership structures but will seek to ensure equitable representation of women, youth, minorities and other groups in planning and implementation of project activities. To this end, CEPF will put in place monitoring systems that disaggregate results by different groups, especially women and men, to track impacts on them separately throughout the life of the project.

233. As part of the bridging of Phases II and III, the CEPF model will benefit from the GEF contribution to strengthen its tools and policies to more greatly mainstream gender in the fund's activities, including systematic use of gender analysis. As a result of the project, CEPF has already updated its Environmental and Social Management Framework (ESMF) to include specific measures of gender assessment and mainstreaming in its actions, and incorporated gender indicators into its global monitoring framework.

234. Country ownership and drivenness is implicit within the various participatory, analytical processes conducted within the three pilot hotspots. Many of these processes have their origins in Phase II of the program, when ecosystem profiles were being developed for the Indo-Burma and Eastern Afro-Montane hotspots and continued during the PIF with a variety of consultations aimed, *inter alia*, at ensuring country ownership and drivenness. The processes followed in each pilot hotspot are described below.

Cerrado

235. A stakeholder consultation process, designed to ensure full country ownership, is currently ongoing as part of the preparation of the Cerrado hotspot ecosystem profile. Stakeholders have been grouped in three broad categories: civil society (environmental NGOs, indigenous people, traditional communities, etc.); government (including universities); and private sector (agribusinesses, banks, forestry companies, etc.). Three consultation workshops were conducted with each of these stakeholder groups in early 2015, focusing on identifying: i) actions necessary for the conservation of Cerrado; ii) barriers to the compatibility of conservation and production; iii) opportunities for achieving such compatibility; and iv) associated responsibilities. The consultations also involved definition of priority KBAs for CEPF investment, together with actions for each area. More than 130 participants from all areas of the Cerrado attended the workshops.

236. Several targeted meetings have also been conducted as part of the consultation process. These meetings involved various stakeholders from the public and private sector, and sought clarification on specific themes and opportunities for future partnerships. In parallel, the team preparing the ecosystem profile participated in several regional workshops and seminars, such as the National Meeting and Fair of Peoples of the Cerrado and regional meetings of the GEF Small Grant Program, which brought together hundreds of organizations from the entire hotspot. A small number of targeted meetings and a final workshop are planned for the remainder of the consultation process, which is expected to conclude in late 2015. Together, these consultations are building consensus and ownership for the grant-making strategy to be implemented during the project.

Eastern Afromontane

237. The development of a portfolio of grants under the project will be informed by the ecosystem profile for the Eastern Afromontane hotspot and by the "Long-term Technical Framework for Graduating Civil Society from CEPF Support in the Albertine Rift and Eastern Arc Mountains". The ecosystem profile process took place over a year beginning in December 2010 and included

informant interviews from stakeholders in every country in the hotspot plus national workshops in Ethiopia, Jordan (to address Yemen and Saudi Arabia), Kenya, Rwanda, Tanzania and Uganda. In total, over 200 individuals and representatives of over 100 organizations contributed to the identification and prioritization of KBAs and the development of investment priorities for CEPF grants. Further, the leaders of the process convened an international advisory committee to help identify appropriate stakeholders. This committee included World Wide Fund for Nature, the Frankfurt Zoological Society, Wildlife Conservation Society, the Royal Botanic Garden Edinburgh, the Royal Society for the Protection of Birds, the Albertine Rift Conservation Society, the African Conservation Centre, the MacArthur Foundation, BirdLife International, and CI.

238. The technical framework was drafted through a more limited consultation process. Over four months, beginning in November 2014, the CEPF Secretariat, the RIT and an independent consultant conferred in person, by phone or in writing with over 80 people in the seven countries of the Albertine Rift and Eastern Arc Mountains sub-region of the hotspot. In both this process and that of the ecosystem profile, there were a diverse set of stakeholders, including local CSOs, national NGOs, international NGOs, local and national government officials, donors, as well as stakeholders representing major private sector interests.

Indo-Burma

239. The development of a portfolio of grants under the project will be informed by the ecosystem profile for the Indo-Burma Hotspot, which sets out thematic and geographic priorities for investment. This profile was defined through an extensive process of consultation with stakeholders from civil society, government and donor organizations involved in biodiversity conservation. The process engaged more than 470 stakeholders, through a combination of consultation workshops, small group meetings and email correspondence. National consultation workshops were held in the six hotspot countries during 2011, involving between 34 and 85 stakeholders per country. These were supplemented by three provincial consultations, to consult with a representative sample of civil society groups working at local and grassroots levels. The process culminated in a regional consultation meeting, held in Phnom Penh, Cambodia in October 2011, and attended by 70 stakeholders. The purpose of the workshop was to develop more detailed strategies to respond to priority issues identified during the national and provincial consultations, including mainstreaming biodiversity into the agriculture and energy sectors, strengthening civil society capacity, and systematic monitoring of the impacts of conservation investments.

240. The ecosystem profile sets strategic priorities for grant making over a five-year period (2013 to 2018). The profile is complemented by a long-term technical framework for graduating civil society in the Indo-Burma Hotspot from CEPF support. This framework was developed during 2015, through a process of targeted stakeholder consultation, which directly informed the design of the GEF project. The framework was developed through a series of national consultations covering the six hotspot countries. These were smaller in scale than the consultations held during the preparation of the ecosystem profile but involved stakeholders from a wider range of sectors. They also differed by being held in the respective national languages, in order to facilitate input by local stakeholders. The consultation process for the long-term technical framework was launched at the mid-term assessment workshop for CEPF investment in the Indo-Burma Hotspot, held in Siem Reap, Cambodia, in March 2015. This highly participatory meeting was attended by 130 representatives of CSOs from across Indo-Burma, as well as government representatives from three hotspot countries. The workshop provided an opportunity to review and refine priorities for investment, in light of

recent experience with conservation initiatives supported by CEPF and other donors, as well as to discuss explicitly the long-term goals for CEPF investment in the hotspot.

241. **Appendix XIII** provides a detailed analysis of over 500 institutional project stakeholders, by hotspot, type of stakeholder, nature of interest / potential role and typical effect of the project.

H. Project Assumptions

242. The following assumptions have informed the design of the project intervention:

- The main drivers of biodiversity loss operate at local, national and regional scales, and can be influenced by conservation interventions at these different scales,
- CSOs are present and willing to engage in biodiversity conservation, to partner with unfamiliar actors from other sectors, and to adopt innovative approaches,
- The capacity of CSOs can be augmented and translated into more effective local conservation movements,
- Short-term grant funding can make significant contributions to overcoming the resource constraints facing CSOs,
- Increasing the capacity and credibility of local CSOs is likely to open political space for these organizations as they become recognized as trusted advisors (rather than causing them to be viewed as threats to vested interests),
- Some government and private sector/corporate actors are receptive to innovative conservation models demonstrated by CEPF projects and have incentives to adopt these for wider replication,
- National academic institutions produce graduates with the necessary skills and perspectives to respond to local conservation challenges by working with or within CSOs, and
- Increased local public awareness resulting from the participation of CSOs in conservation issues has the potential to change attitudes and, ultimately, behavior towards the consumption of energy and natural resources.

I. Project Risk Assessment and Mitigation

243. **Table 9** presents the project risk assessment along with mitigation measures.

Table 9: Project Risk Assessment and Mitigation Planning

Project outcome	Risk	Rating (low, medium, high)	Risk mitigation measures
2.1 Increased capacity and credibility of conservation-focused civil societies in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Lack of suitable organizations to become long-term implementation structures	Low	CEPF currently works with RITs in the hotspots where it is active but these do not necessarily have the common agenda or capacity mix necessary to become long-term stewards of the long-term conservation visions and supporters of the emergence of strong local civil societies. To mitigate this risk, a detailed stakeholder mapping has been conducted and a model for long-term implementation structures has been developed that accommodates differences in institutional landscapes within and among hotspots.
2.2 Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including non-traditional sources	Resources for long-term conservation finance from non-traditional sources not available	Medium	The other key pillar of sustainability of the project will be to establish long-term conservation financing mechanisms. Traditional sources of resources for biodiversity conservation are decreasing in many countries in the pilot hotspots and are not necessarily being replaced by non-traditional sources. This risk has been mitigated through an analysis of the availability of non-traditional sources of conservation finance in the pilot hotspots, which will be updated and expanded during Y1 and Y2. The risk will be further mitigated by targeting grants towards countries and initiatives that offer the greatest opportunities for leverage.
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Lack of interest from CSOs	Low	The public-private partnership approach followed by this project is novel to many CSOs, especially local groups, many of which lack the necessary skills and tools, and some of which may have philosophical reservations to working with the private sector. To mitigate this risk, stakeholders in the three pilot hotspots were consulted during the PPG to identify target countries within the priority hotspots with existing or potential interest and capacity among CSOs to partner with private sector. Also, the project will provide targeted capacity building to CSOs to develop the necessary capacity and credibility to engage with government and private sector actors (informed by the long-term conservation visions developed in Y1).

Project outcome	Risk	Rating (low, medium, high)	Risk mitigation measures
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Political space for civil society to influence public policy constricted in pilot countries	Medium	With a few exceptions, the political space available for civil society is expanding in most countries in the pilot hotspots, enabling them to have greater influence over public policy. However, relationships between government and civil society are dynamic, and political space for civil societies can be constricted if they are perceived as moving into sensitive areas. This risk will be mitigated through careful selection of civil society partners with a track record of constructive partnership with government, and fully involving government partners in the framing of policy questions addressed by the project.
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Opportunities for reform of particular policies do not arise during project duration or reforms take a long time	Medium	Mainstreaming biodiversity into public policies needs to be advanced according to the timeframes and processes of government, which may not necessarily match those of the project. This risk will be mitigated by giving strong weighting to time-bound opportunities for influencing policies when establishing public policy targets for the project, and by developing science-demonstration-policy models that fully engage government partners in the framing of policy questions, selection of demonstration sites, and the integration of the ensuing lessons into the policy process.
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Lack of interest from private sector actors	Medium	Private sector actors active in sectors with large biodiversity footprints in the pilot hotspots comprise a mix of multinational companies, some of which have existing commitments to biodiversity conservation, and companies from emerging economies (especially Brazil and China), which may have less prior exposure to the business case for biodiversity conservation. To mitigate this risk, economic valuations, biodiversity risk assessments and certified commodity market analyses will be supported through grants to civil society partners, to help present a convincing business case to private sector actors to engage in development of biodiversity-friendly management practices.

Project outcome	Risk	Rating (low, medium, high)	Risk mitigation measures
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Strongly asymmetry in the capacity of civil society to influence government policy as compared to private sector	Medium	Private sector actors, particularly large corporations with large biodiversity footprints, not only have the incentive to influence government policy to avoid restrictive environmental policies and regulations but also the means to do so, given their resources, expertise and position as creators of jobs and wealth. Conversely, CSOs often lack the resources and specialist expertise necessary to influence policy, not to mention credibility in the eyes of policy makers. To mitigate this risk, a central strategy of the project (i.e. Outcome 2.1) is to increase the capacity and credibility of CSOs, individually and collectively, to enable them to more effectively influence public policy even in the face of opposition from vested interests within private sector. In addition, opportunities to engage private sector actors as champions of mainstreaming biodiversity into public policy will be proactively sought out. Such opportunities may exist where companies expect to benefit from policy changes that take the form of incentives rather than regulations. In this way, the power asymmetry will be turned to the advantage of CSOs seeking to influence public policy.
3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots	Effects of climate change and variability override conservation actions on the ground	Low	While they may only be manifested gradually over the project lifetime, the effects of climate change and variability are projected to compound other pressures on natural ecosystems. This risk will be mitigated by addressing threats to biodiversity that are amenable to on-the-ground interventions, such as habitat loss, fragmentation and over-exploitation, thereby reducing aggregate pressure on natural ecosystems. The project will also adopt climate change adaptation strategies that enhance resilience of natural systems and plan for future climate change scenarios, in particular by enhancing ecological connectivity within conservation corridors. Moreover, the project will incorporate analysis of climate change projections into the long-term visions, which will feature inter alia monitoring of climate change impacts and response by international donors, to enable adaptive response by civil society to changing threats and opportunities.
Multiple	Political instability impedes project implementation in pilot countries	Medium	All pilot hotspots contain countries with a recent history of political instability, and conflagration could prevent work in a country or, at minimum, impede civil society's engagement with government partners. CEPF has wide experience of supporting civil society in countries undergoing or emerging from political conflict, and will continue to engage in such

Project outcome	Risk	Rating (low, medium, high)	Risk mitigation measures
			countries, provided opportunities to deliver the project's outcomes exist and the security situation does not present unacceptable risks to staff or partners. If continued engagement became untenable, an alternative pilot country would be selected in the same hotspot.
Multiple	Changes in institutions providing co-financing to the project could lead to their inability to do so	Low	There is a risk that some of the expected co-financing at the level of individual hotspots may not materialize, leading to more gradual implementation of the long-term visions and reduction in the number of models demonstrated over the duration of the project. This risk has been mitigated by closely engaging with the co-financing institutions during the PPG phase (all of whom are existing donor partners to CEPF at the global or regional scale), to ensure their ownership, involvement and investment. In the event that the identified co-financing institutions are unable to meet their commitments to provide co-financing, alternative partners will be sought.

J. Sustainability

244. Sustainability of the project is integral to the proposed components. The challenges to achieving sustainability are two-fold: first, lack of effective models for mainstreaming of biodiversity into public policy and private sector practices; and, second, lack of appropriate resource mobilization to support the conservation of biodiversity and the actions of civil society towards that goal. Building on the recommendations of the independent evaluation of 2010 and supervision missions conducted by the WB, the project proposes to overcome these two challenges by creating a more favorable enabling environment by leveling the field for CSOs, so that they can more effectively advise, support and innovate with government agencies and private sector companies, resulting in policies and business practices that more effectively mainstream biodiversity. The development of public-private partnerships engrained in long-term visions of sustainability will allow civil society to play the role of innovator, influencer and adviser to government agencies and private sector companies, facilitating the emergence of more sustainable economies in areas that harbor globally significant biodiversity and critical ecosystems.
245. In terms of financial resources, the project proposes to develop long-term funding plans that identify traditional and non-traditional sources of funding, and to test models of non-conventional funding mechanisms that can be amplified within the three pilot hotspots and exported to other hotspots. The result of this will be greater availability of financial resources to continue to conserve critical ecosystems and ensure the provision of goods and services for human well-being.
246. CEPF is proposing to develop models that will be implemented initially in three hotspots—the Cerrado, Eastern Afromontane, and Indo-Burma—and then replicated to all other hotspots where CEPF is currently active, including the Tropical Andes, Madagascar and the Indian Ocean Islands, the Guinean Forests of West Africa, and Wallacea, as well as new hotspots, such as the Mountains of Central Asia, or hotspots where CEPF may re-invest, such as the Western Ghats and Sri Lanka. The

purpose of institutionalizing the long-term implementation structure is to actively promote the strategic conservation approach within the hotspot and the surrounding national environs.

K. Project Catalytic Role: Replicability and Potential for Scaling Up

247. The project will serve as a bridge to take CEPF into a third phase, where it will move to a scale of transformational magnitude, enabling civil society to be a more proactive, effective and capacitated partner of government and securing long-term funding opportunities for at least 12 hotspots. The proposed components will allow CEPF to jumpstart the development and implementation of models that will effectively elevate the role of CSOs as key agents to secure mainstreaming of biodiversity through government policies and private sector business practices.

248. As part of the implementation of the third phase strategy, the CEPF Secretariat is developing a business plan to define the elements of a transformational and scaled-up fund that can respond to the global biodiversity crisis at scale. The business plan, which is due to be completed by the end of 2015, assesses the implications for the CEPF model of scaling up its activities and operations. Questions involving partnership, membership, governance and financing will be addressed by the business plan. The early development of the other components of the strategy, namely the long-term visions and long-term implementation structures, will be facilitated by the GEF project. This is a key step, which complements the development of the business plan, by informing the scaling up of CEPF's activities in operations, for example by elucidating the scale, duration and type of support that CEPF will need to provide in each hotspot to enable civil society to reach graduation. Further, the early development of models for mainstreaming results of CEPF investment into public policy and business practice enhances CEPF's efforts to engage government agencies and private sector actors as key members or partners of the fund. The implementation of the GEF project will, therefore, seamlessly connect the current phase of GEF investment in CEPF with the launch of the third phase of the fund, providing key inputs to the production of the business plan in 2015 but also spearheading the demonstration of models that will subsequently be rolled out across the 12 hotspots where CEPF will operate during the third phase. Additionally, the findings of the Implementation Completion Report for CEPF II, to be produced in the second half of 2015, will provide key recommendations that will be folded into the production of the business plan.

L. Innovativeness

249. The proposed project is innovative in its efforts to mainstream biodiversity into policy and private sector practice at the level of hotspots. In addition to developing models for civil society to work with governments and private sector in innovative, cross-sectoral partnerships, the project will ensure that its results are not limited to the scale of individual field demonstration projects that it is able to support but are amplified and replicated through systematic integration into public policy and private sector business practices through new models and partnerships.

250. Another innovative aspect is the way in which the project will enable civil societies to emerge as capable and trusted partners of government and private sector, able to sustain the results of conservation investments and respond to future conservation challenges without relying on indefinite support from international donors. This represents a paradigm shift in CEPF's approach: by establishing stronger links with society, polity and economy in the Indo-Burma, Eastern Afromontane, and, especially, the Cerrado hotspots, the project will be introducing an ecosystem and landscape-level perspective that had been lacking in previous approaches.

251. Further innovation is based on two premises: the need for long-term visions that allow definition of more realistic time horizons for graduating civil society to a level where it is self-sufficient and can continue to support the conservation of biodiversity without donor support; and, the institutionalization of a lead, long-term entity(ies) to further the goals of the long-term visions within a region beyond the duration of the active grant portfolio and five-year ecosystem profiles. Achieving sustainability in each hotspot as well as graduation of civil society depends on stronger institutions to serve as stewards of the long-term visions for the hotspots, and sustainable resource mobilization, which enables these institutions to continue building capacity and strengthening civil society members.
252. Evolving from and informed by CEPF's ecosystem profiling process, the proposed long-term visions will eventually be developed for each of the hotspots where CEPF works. CEPF will pilot the exercise in three hotspots with the support of the GEF through the currently proposed project and thus will spearhead the process proposed for the Phase III strategy of the fund. Long-term visions will define, through a multi-sectoral participatory process, targets for civil society capacity and funding needs that determine milestones of sustainability by defining timing and resource needs to get civil society to levels of self-sufficiency and credibility, allowing civil society to continue to promote biodiversity conservation as a more effective and catalytic partner of decision-making.

M. Project Communications, and Public Education and Awareness

253. The project has a strong commitment to communication and outreach activities, as an integral element of its strategy of innovation, testing and replication. The project has a dedicated component (4: Replicating success through knowledge products and tools) focused on communication of lessons learned in the three pilot hotspots aimed at promoting biodiversity conservation with governments, the private sector and other stakeholders. Through the production of innovative knowledge products, development of CEPF's website as a knowledge resource and experiential activities (exchange workshops, study tours, etc.), the successful models, tools and approaches demonstrated by the project will be communicated to civil society, government and private sector actors in other hotspots where CEPF works, as well as beyond them, as a basis for learning and replication.
254. In addition to these dedicated activities, supported with GEF funding, CEPF will implement complementary communication and outreach activities, supported through co-financing. The CEPF Secretariat has a dedicated Communication Team, which uses multiple channels to communicate the work of the fund and key lessons learned, including a website, social media, an annual report, occasional papers and specialist reports, press releases, and features in the communications of its global donor partners. The Secretariat also regularly participates in international conferences and symposia, such as Conferences of the Parties to the CBD and other multilateral environmental agreements, World Conservation Congresses, and meetings of the Society for Conservation Biology. All of these events provide opportunities to communicate the results of the project directly to civil society, government and donor representatives.
255. The project does not have a separate communication strategy, as the Project Document provides a framework for the dedicated activities under Component 4. Nevertheless, communication and outreach activities relevant to the project will be incorporated into the overarching communication strategy for CEPF Phase III, which is currently under preparation. A team of consultants has been selected to work with CEPF on the preparation of this strategy, which is expected to be completed by mid-2016. All costs related to the preparation of the communication strategy will be covered by co-financing.

256. At the secretariat level, the primary audiences for CEPF's communication activities are conservation practitioners in civil society, and decision makers in government and donor agencies, because the main emphasis is on dissemination of results and lessons learned. However, a secondary audience is the general public, to explain how public funding for biodiversity conservation and sustainable development has been effectively used, and to sensitize people, especially those whose well-being depends upon services provided by critical ecosystems, to conservation issues.
257. The CEPF Secretariat has been involved in a number of public outreach activities, most recently a photo exhibit on the 35 biodiversity hotspots, which toured 30 countries and territories and was visited by thousands of people, and a dedicated issue of the French magazine *Terre Sauvage* (Wild Earth). Such activities will continue throughout the duration of the GEF project, guided by the communication strategy, and provide opportunities for public education and awareness raising. At the same time, some of the grants to CSOs awarded under the project will include outreach activities for local and indigenous communities living in and around KBAs or production landscapes, to inform them about project objectives, to sensitize them about local conservation issues, and to promote attitudinal and behavioral change consistent with sustainable use of natural resources.

N. Lessons Learned During the PPG Phase and from Other Relevant GEF Projects

258. The design of the current GEF project has been informed by lessons learned from other relevant GEF projects, and from the PPG phase of this project.
259. The most relevant GEF projects are the GEF contributions to Phases I and II of CEPF. These have been the subject of several evaluations, including an independent evaluation by Michael Wells in 2006, a second independent evaluation by David Olson in 2010, a GEF mid-term evaluation by the World Bank in 2011, and an evaluation by AFD in 2013-2014. A final evaluation by the World Bank of the GEF contribution to CEPF II is currently underway; the recommendations arising from this evaluation will be incorporated into the design of the current project during the inception phase.
260. One of the key lessons drawn from these evaluations was the value added by local coordination mechanisms in development of grant portfolios that are locally relevant, internally coherent and well aligned to investments by governments and other donors. These evaluations also point to the vital role that these mechanisms can play in making CEPF funding accessible to local CSOs, building the capacity of individual organizations, and catalyzing the emergence of networks and partnerships that enhance the capacity of civil societies at the network scale. This lesson is reflected in the project design, which introduces long-term implementation structures, as an evolution from the RIT model prevalent in CEPF Phase II. The specific recommendations from the evaluations of CEPF Phase II have been incorporated into the typical functions of a long-term implementation structure (see **Table 6**).
261. Another key lesson has been the relative failure of CEPF to capture lessons learned from grants supported under Phase II and amplify successful models through mainstreaming into public policy and private sector practice. This lesson has directly guided the concept and approach of the project, and is reflected in many aspects of its design, including: more systematic selection of public policy targets and private sector partnerships; involvement of stakeholders from multiple sectors in formulating common visions, action research questions and project design; targeted grant making for biodiversity mainstreaming demonstration projects; resourcing of long-term implementation structures to engage with government and private sector partners; and incorporation of a dedicated component for documentation and replication of successful models, tools and approaches.

262. A third lesson has been the overall success of CEPF as a mechanism for engaging civil society in biodiversity conservation within the hotspots. There is, therefore, a need for gradual evolution of the fund, retaining and building upon the elements that have contributed to its success during Phases I and II, while improving on these where necessary to more fully realize the fund's potential. The evaluations are consistent in identifying coordination and alignment with other stakeholders, such as government, private sector and the regional programs of CEPF's global donors, as the area with greatest scope for improvement; this is fully reflected in the design of the project.
263. The project design was also informed by the GEF Scientific and Technical Advisory Panel Advisory Document *Mainstreaming Biodiversity in Practice*⁴⁹, which contains important learning, drawn from the GEF biodiversity portfolio, on mainstreaming biodiversity into production landscapes. In particular, the document highlights the need for more systematic inquiry into the effectiveness of different approaches to biodiversity mainstreaming, even if these may not prove amenable to rigorous testing. Moreover, it emphasizes the need to strike a balance between working in countries and sectors where there is sufficient governance capacity for mainstreaming to have a good chance of success and tackling the most pressing mainstreaming challenges in settings where global biodiversity is threatened but capacity is lacking. The guidance document will be made available to CSOs applying for grants under Component 3, in order to inform the design of their activities.
264. The PPG phase has involved intensive discussion and elaboration of many of the new elements of CEPF Phase III that will be piloted, refined and rolled out more widely through the GEF project. This process has included discussions within the CEPF Secretariat, consultations with stakeholders in the three pilot hotspots, including the RITs for Eastern Afrotropical and Indo-Burma, and interactions with the CEPF Working Group. Through these various discussions and consultations, a number of other lessons have been learned and incorporated into project design.
265. First, in relation to grant making to CSOs, all groups of stakeholders consulted recommended that CEPF consider increasing the threshold for small grants above USD 20,000, in order to give greater autonomy to RITs regarding grant-making decisions, and to accommodate variation in cost norms among hotspots; recognizing that a USD 20,000 threshold limits the viability and impact of small grants in countries with high salary and/or logistical costs. This recommendation was taken to the Donor Council, which approved variation in small grant thresholds among hotspots, with an upper limit of USD 50,000.
266. Second, also in relation to grant making, consultations during the PPG identified the need to expand CEPF's grant-making modalities beyond the open calls for proposals model that has been the norm during Phase II. In particular, it was recommended that CEPF introduce grants by invitation as a complementary modality, in order to solicit grant applications for particular activities, where open calls for proposals do not bring the expected results. This modality is expected to be particularly useful for soliciting applications for grants to establish CSO partnerships with private sector actors, as this is an area where relatively few CSOs have the necessary capacity and experience. The recommendation to provide for grants by invitation was also approved by CEPF's Donor Council.
267. Third, in relation to the long-term implementation structures, several stakeholders observed that making a long-term commitment to establishing such a structure will require investment of more than just money. In particular, the CEPF Secretariat will need to jointly conceptualize the structure for each hotspot, and play an active mentoring role for the organization(s) responsible for establishing it, especially where these are local organizations. A recommendation that CEPF play a

⁴⁹ Huntley, B. J. and Redford, K. H. 2014. *Mainstreaming biodiversity in practice: a STAP advisory document*. Washington, DC: Global Environment Facility.

formal role in the governance of the structure will be considered during implementation, on a case-by-case basis.

268. Finally, experience from the two pilot long-term technical framework exercises undertaken as part of the PPG indicated that working with individual consultants to prepare these frameworks may not be the most suitable approach, given that they have limited convening power and a limited stake in the outcome relative to organizations with established conservation programs in the hotspot. For these reasons, it was recommended that the relevant RIT play a leading role in future long-term vision exercises, which will build upon and elaborate the initial analysis presented in the technical frameworks. The involvement of the RITs will be funded through co-financing, though the form this will take may vary among hotspots. Where appropriate, RITs will be engaged via professional service contracts and, in other cases, the RIT grant may be extended to enable RITs to lead the long-term vision exercises. .

SECTION 5: COMPLIANCE WITH CI-GEF PROJECT AGENCY’S ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK (ESMF)

A. Safeguards Screening Results

269. The screening process was conducted in July 2014 by the CI GEF Project Agency. The full results are presented in **Appendix III)** and summarized in **Tables 10 and 11** below.

Table 10: Safeguard Screening Results and Project Categorization

Policy/best practice	Triggered (yes/no)	Justification
Environmental and Social Impact Assessment Policy	No	The safeguard screening review determined that the project’s activities will not cause or enable to cause significant negative environmental and social impacts. Rather, the project is expected to improve biodiversity conservation and generate benefits for local people. Thus, it is designated as Category C, meaning that there is no requirement to incorporate mitigation measures into project design or to prepare an Environmental and Social Management Plan.
Protection of Natural Habitats Policy	No	The project will implement various demonstration activities in protected areas, KBAs and other natural habitats. The objective of all activities will be to restore or improve ecosystem composition, structure and function. They will be consistent with existing protected area management objectives and no activities will involve degradation or loss of any type of critical natural habitat. Consequently, the policy is not triggered, and the project is not required to prepare an Environmental and Social Management Plan.
Involuntary Resettlement Policy	Yes	<p>The project will develop and implement various policy demonstration models through grants to CSOs in three biodiversity hotspots. The location and scope of these models will be determined only during project implementation but it is likely that some will involve introduction or restrictions of access (voluntary and involuntary) to natural resources used by local people, especially forest resources (timber, non-timber forest products, wildlife, etc.) and aquatic resources (fish, mollusks, etc.).</p> <p>These restrictions would only be introduced when current patterns of natural resource use were illegal, unsustainable and/or destructive, with the aim of promoting sustainable utilization of natural resources in ways that deliver lasting benefits to local communities and secure provision of ecosystem services. Wherever possible, any restrictions on access to natural resources would be voluntary, introduced through consultation with affected communities. However, in some cases it may be necessary to introduce or strengthen involuntary restrictions on access, for instance in the case of illegal and destructive hunting or logging by outsiders, which threatens the resource base of local communities.</p> <p>The demonstration models developed under the project will be supported by grants to CSOs. All grants will undergo detailed technical review, as well as thorough screening against CEPF’s environmental and social safeguard policies. In this case, the relevant policy will be the one on Involuntary Resettlement. Any grant expected to introduce or strengthen restrictions on access to natural resources within legally designated protected areas will be required to prepare a Process Framework on Involuntary Restrictions, prior</p>

Policy/best practice	Triggered (yes/no)	Justification
		<p>to contracting, and to integrate appropriate measures into design of the project. These measures will include a defined process for negotiating and securing support for restrictions on access with local communities, criteria for identifying affected persons who qualify for compensation, and establishment of a grievance mechanism. The CEPF Secretariat and its RITs will monitor implementation of each grant, to ensure compliance with these measures.</p> <p>People will be eligible for compensation if they are negatively impacted by restrictions on natural resource use practices that are neither unsustainable nor illegal nor destructive. The criteria for affected persons and the form that the compensation will take will be specified in the Process Frameworks of the relevant grants. The precise form that the compensation (if any is required) will take will vary among grants. Past experience suggests that provision of alternative livelihoods, access to savings and microcredit schemes, and compensation payments can be suitable but that the form of compensation needs to be locally appropriate, and negotiated with the persons in question and not imposed on them.</p>
Indigenous Peoples Policy	Yes	<p>The project will develop and implement various policy demonstration models through grants to CSOs in three biodiversity hotspots. The project will also demonstrate new tools and approaches for mainstreaming biodiversity into private sector business practices, through grants and strategic support to CSOs in these hotspots. The location and scope of these models and approaches will be determined only during project implementation but it is likely that some will be tested in areas inhabited or used by Indigenous People.</p> <p>The demonstration models, tools and approaches developed under the project will be supported by grants to CSOs. All grants will undergo detailed technical review, as well as thorough screening against CEPF's environmental and social safeguard policies. In this case, the relevant policy will be the one on Indigenous People. Any grant expected to have impacts (whether positive or negative) on Indigenous People will be required to prepare a Social Assessment, prior to contracting, and to integrate appropriate measures into design of the grant (the project document thereby serving as an Indigenous People Plan). These measures will include a defined process for securing Free, Prior and Informed Consent from Indigenous People prior to any project activities with expected impacts on them, criteria for identifying affected persons who qualify for compensation, and a grievance mechanism. The CEPF Secretariat and its RITs will monitor implementation of each grant, to ensure compliance with these measures.</p> <p>Any grants made under the project that trigger the Indigenous Peoples policy will be required to obtain Free, Prior and Informed Consent from affected Indigenous People prior to commencing project activities in areas inhabited or used by them. At minimum, this process will involve introducing the grant's aims and activities to all sections of the community (women, men, youth, elders, etc.) in local languages, and requesting their consent to participate in activities. Consent may be given in different forms (verbal, written, etc.), according to local norms, and will be documented by the grantee.</p>

Policy/best practice	Triggered (yes/no)	Justification
		<p>Impacts of each grant on Indigenous People will be monitored, and any persons found to be negatively affected (even when this is inadvertent) will be eligible for compensation. The form that the compensation will take will be specified in the Social Assessment. The precise form of the compensation will vary from grant to grant. Past experience suggests that provision of alternative livelihoods, access to savings and microcredit schemes, and compensation payments can be suitable but that any measures need to be culturally appropriate, negotiated with the persons concerned and not imposed on them.</p> <p>Any grant triggering the Indigenous Peoples policy will also be required to put in place a grievance mechanism, which, at minimum, will involve participating Indigenous People being provided with a summary of the project aims and activities in local language, together with contact details of the grantee and the RIT, to whom any concerns can be raised confidentially.</p>
Pest Management Policy	Yes	<p>It is unlikely that the project will include activities related to pest management, although it is possible that some of the pilot models and approaches for mainstreaming biodiversity into private sector business practices may involve them, for instance promotion of adoption of organic pesticides over synthetic pesticides by companies in the agriculture sector. The precise pesticides involved (if any) are not known at this stage.</p> <p>All grants awarded to CSOs under the project, including those to develop pilot models and tools for mainstreaming biodiversity into business practices, will be screened against CEPF's social and environmental safeguard policies. The relevant policy in this case is the one on pest management. Any grant involving use of pesticides or control of invasive species will be required to prepare a Pest Management Plan, prior to contracting, and to integrate appropriate measures into the design of the grant. At minimum, this plan will detail the pesticides that will be employed, how they will be stored and applied, how the results will be monitored, and what measures will be put in place to avoid negative impacts to human health or the environment.</p> <p>If any grant triggers the pest management safeguard, the grantee will be responsible for preparing and implementing the Pest Management Plan, while the CEPF Secretariat and the relevant RIT will be responsible for ensuring compliance with the policy. This will include ensuring that appropriate protective measures are put in place to avoid exposure to pesticides during their storage, use and disposal, and to prevent wider environmental contamination.</p>
Physical Cultural Resources Policy	Yes	<p>The project does not plan to remove, alter or disturb any Physical Cultural Resources (PCRs). Nevertheless, the project may work in areas with PCRs, and, therefore, has put in place appropriate screening and monitoring measures for this safeguard policy. The precise PCRs involved are not known at this point, as the location of the grants awarded under the project will only be decided during implementation. Nevertheless, based upon prior experience, the PCRs most likely to be found in areas where the project is implemented are natural sites of cultural significance to local communities, such as sacred groves, spirit forests and other similar areas.</p>

Policy/best practice	Triggered (yes/no)	Justification
		<p>The project will award grants to CSOs for policy demonstration models and development of tools and approaches for mainstreaming biodiversity into business practices. It is not expected that any negative impacts on any PCRs will occur, because all activities will be aimed at conserving or restoring natural ecosystems. Nevertheless, the potential for inadvertent impacts does exist, such as transgression of local regulations on access to sacred areas. For this reason, CEPF has put in place measures to ensure that all grants awarded by it are aware of any PCRs in the areas they are working, and will consult closely with the communities for which they have cultural significance prior to implementing project activities in these places.</p> <p>All grants awarded to CSOs under the project will be screened against CEPF's social and environmental safeguard policies. The relevant policy in this case is the one on PCRs. Any grant working in an area containing PCRs will be required to prepare a document that identifies all PCRs in the project area (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance) and outlines measures that will be put in place to ensure that adverse effects are avoided. This document must be prepared prior to contracting the grant, and appropriate measures must be integrated into the project document, including regular monitoring of impacts and reporting to the CEPF Secretariat.</p> <p>The agreed safeguard measures will vary from grant to grant, according to the local context. Compliance with these measures will be regularly monitored by the CEPF Secretariat and the relevant RIT. As is the case for any CEPF grant triggering a safeguard policy, the grantee will be required to submit a safeguard monitoring report to CEPF on a semi-annual basis. The CEPF Secretariat and/or the RIT will make periodic site visits to the grant, to verify information in the safeguard document and reports, and ensure consultations with concerned communities have been implemented correctly.</p>
Stakeholder Engagement	Yes	<p>Engagement with stakeholders is fundamental throughout all stages of CEPF's engagement in a hotspot. Engagement begins during preparation of the ecosystem profile, through a process of consultations, which involves a wide range of stakeholders, including national and international experts, research institutions, NGOs, government agencies, indigenous peoples, women and women's groups, community groups and private sector representatives. The consultations that led to the ecosystem profile for the Eastern Afromontane hotspot involved more than 160 stakeholders, while more than 470 stakeholders were consulted during the preparation of the one for Indo-Burma. In the Cerrado hotspot, where the ecosystem profiling process is still ongoing, more than 150 stakeholders have been engaged to date. Stakeholder engagement continues during the implementation phase in various forms, including during the preparation of long-term visions, through involvement in peer review of grant proposals, and through participation in mid-term and final assessment workshops. RITs are also required to establish appropriate structures to ensure coordination with key partners from CSOs, government agencies and other donors at the national or regional level. These structures, which are referred to as National</p>

Policy/best practice	Triggered (yes/no)	Justification
		<p>Advisory Committees in some hotspots, provide a forum for stakeholder input into the development of CEPF grant portfolios at a strategic level, ensuring synergies with other initiatives and avoiding duplication of effort. Most fundamentally, civil society stakeholders are involved as grantees and, in some cases, as RITs, directly contributing to the realization of the shared strategies set out in the ecosystem profiles.</p> <p>All grants awarded to CSOs under the project will be required to follow CEPF's Best Practice on Stakeholder Engagement (see Appendix VI). The fundamental principle is that grantees should involve all stakeholders, including project-affected groups, indigenous peoples, and local CSOs, as early as possible in grant preparation, to ensure that their views and concerns are made known and taken into account. Any grant that is likely to generate adverse environmental and social impacts on local or indigenous communities will be required to develop and implement a Stakeholder Engagement Plan. This plan should be scaled to the magnitude of the grant's expected impacts, and tailored to the characteristics and interests of the affected communities. The CEPF Secretariat and RIT will make periodic site visits to grantees, to ensure they are implementing Stakeholder Engagement Plans in line with the best practice.</p>
Gender mainstreaming	Yes	<p>Gender mainstreaming is something that CEPF has been continuously seeking to improve and increase. Throughout the project, CEPF will ensure full and equitable representation in and benefit sharing from project activities for both women and men. CEPF has developed a draft gender policy, which will be adopted in 2015, subject to approval by its Donor Council. Based on this draft policy, a gender mainstreaming plan for the project has been prepared (see Appendix XII). CEPF has also mainstreamed gender into its global monitoring framework, including by disaggregating socio-economic impacts of individual grants by gender.</p> <p>Under the project, CEPF will mainstream gender into its operations systematically, beginning with the three pilot hotspots. This will involve working with grantees to ensure gender analysis and recommendations are included in the design and implementation of individual grants, and promoting shared learning of gender and best practices for incorporating gender into conservation strategies.</p>

B. Project Safeguard Categorization

Table 11: Project Categorization

Project Category	Category A	Category B	Category C
			X
<i>Justification:</i>			
The review of the safeguard screening form and the PIF indicates that this project will not cause or enable to be caused any major environmental and/or social impacts.			

C. Safeguard Policies Recommendations

270. The GEF project will involve the award of grants to CSOs in the three pilot hotspots. Following CEPF's existing safeguard requirements, each grant awarded under the project will be screened, during the review stage, against CEPF's Environmental and Social Policies and Best Practices. The CEPF Secretariat is responsible for ensuring that a thorough screening is conducted of each proposal, prior to grant award. Any grant found to trigger one or more safeguard will be required to prepare additional documentation, integrate necessary activities into project design to ensure, and monitor and report on compliance to the CEPF Secretariat and RIT.
271. The Environmental and Social Safeguard Screening for the project made three main recommendations. The first (Recommendation A) was that, "during the PPG phase, the CEPF team will conduct a brief comparative analysis of the CI-GEF Project Agency and CEPF Environmental and Social Policies and Best Practices. The purpose of this analysis will be to identify possible gaps between these two sets of policies and best practices and produce recommendations to ensure that CEPF grants from this project meet or exceed the CI-GEF Project Agency environmental and social safeguards. The CI-GEF Project Agency will review and approve these recommendations before they are implemented."
272. To this end, a comparative analysis was undertaken during the PPG phase, and identified gaps in CEPF's policies and best practices were addressed by modifying existing policies or drafting new ones.
273. The second recommendation of the screening (Recommendation B) was that, "the PPG Workplan will include list of main stakeholders for the PPG phase and brief description of how they will be engaged during the PPG phase for the preparation of the Project Document."
274. In response, a list of the main stakeholders for the PPG phase was prepared, including descriptions of how each would be engaged. Comprehensive stakeholder mapping for each of the pilot hotspots was also undertaken at the start of the PPG phase by the CEPF Secretariat, expanding on and elucidating the list (see **Appendix XIII** for the results of the stakeholder mapping).
275. The third recommendation (Recommendation C) was that, "given that the CEPF does not have a Gender Mainstreaming Policy per se, but will be developing one during the implantation of this project, the CEPF team will describe in the PPG Workplan the measures to be put in place to meet the CI-GEF Project Agency's policy on Gender Mainstreaming."
276. In line with this recommendation, the PPG workplan described the measures to be put in place. Principal among these was development of a gender mainstreaming plan for the project, in consultation with CI's gender specialist, and integration of explicit indicators related to gender mainstreaming into the project's monitoring and evaluation plan.

D. Compliance with Safeguard Recommendations

277. The CI-GEF Project Agency adopted an ESMF in June 2014. The ESMF is based on the GEF's Minimum Standards on Environmental and Social Safeguards and Gender Mainstreaming, as well as current CI policies and international best practices. The ESMF comprises eight policies and one best practice guideline.
278. CEPF's safeguard policies are set out in its Operational Manual, which was approved by the CEPF Donor Council in 2007, updated in 2009 and 2013, and further elucidated in an ESMF in January 2012. The safeguard policies are based upon the environmental and social safeguard policies of the

WB, with adaptations to facilitate their consistent application within CEPF's Project Cycle Management Approach. The most recent (May 2013) update of the Operational Manual contains seven safeguard policies.

279. In contrast to the ESMF of the CI-GEF Project Agency, at the beginning of the PPG phase, CEPF did not have separate policies on accountability and grievance systems, and gender mainstreaming, or a best practice guideline on stakeholder engagement. The former is a cross-cutting theme across CEPF's policies, while the latter two were drafted during the PPG phase.
280. A number of other differences between the safeguard policies of the CI-GEF Project Agency and those of CEPF were also identified. In some cases, the difference was resolved by modifying or supplementing CEPF's policies for the purposes of the GEF project. In other cases, no change was required.

Differences resolved during the PPG phase

281. A discrepancy between the pest management policies of CEPF and the CI-GEF Project Agency was identified during the comparative analysis, with regard to prohibition of certain categories of pesticide. This difference was resolved during the PPG phase, after the CI-GEF Project Agency's ESMF was updated. In any case, it is unlikely that pest management activities will feature prominently, if at all, in the CEPF grant portfolios in the three pilot hotspots.
282. A discrepancy between the natural habitats policies of CEPF and the CI-GEF Project Agency was identified during the comparative analysis, with regard to prohibition of sustainable harvesting of natural resources within critical natural habitats. This difference was resolved during the PPG phase, following updates to the CI-GEF Project Agency's ESMF.
283. A discrepancy was also identified between the involuntary resettlement policies of CEPF and the CI-GEF Project Agency with regard to communities' right to free, prior and informed consent (FPIC) in relation to activities that are clearly illegal, unsustainable or destructive. Again, this difference was resolved during the PPG phase, following updates to the CI-GEF Project Agency's ESMF.
284. The CEPF Indigenous Peoples policy does not require projects that have direct interventions with Indigenous People to prepare an IPP, unless they are large and complex and/or expected to have significant adverse impacts. It was agreed during the PPG phase that CEPF-supported projects involving direct interventions with Indigenous People that are neither large and complex nor expected to have significant adverse impacts would not be required to prepare stand-alone IPPs but to integrate the necessary safeguard measures, especially FPIC, into project design.

Differences requiring modification or supplementation of CEPF policies for the GEF project

285. The CI-GEF Project Agency's ESMF lists pest management as one of five types of potential adverse environmental impact that would require inclusion of actions to minimize and mitigate environmental and social impacts in the project's Environmental and Social Management Plan. The CEPF environmental assessment policy is not automatically triggered by projects that propose to control invasive species by physical means (i.e. without the use of chemicals). Moreover, given the objectives of the GEF project, it is unlikely that pest management activities will feature prominently, if at all, in the CEPF portfolios in the three pilot hotspots. Nevertheless, it is recommended that any CEPF-supported projects in the pilot hotspots that involve pest management by physical means, will

be required to prepare an Environmental Management Plan, or a Pest Management Plan if the pest management is by chemical means.

286. CEPF does not require communication of grievances to CI or the GEF. It is recommended that any grievances raised by project-affected communities or other interested stakeholders will be communicated to the CI-GEF Project Agency within 15 days of receipt by the CEPF Secretariat.
287. CEPF did not have a gender mainstreaming policy in place at the beginning of the PPG, although one was prepared in parallel to the development of the GEF project. Based upon this policy, CEPF developed a gender mainstreaming plan for the GEF project, in consultation with CI's gender specialist. CEPF also revised its monitoring framework in light of the demands of the GEF project, to ensure appropriate integration of gender-sensitive indicators.
288. Similarly, CEPF did not have an explicit best practice document on stakeholder engagement at the beginning of the PPG, although one was prepared in parallel. CEPF also undertook a detailed stakeholder mapping exercise for the GEF project, which forms the basis for implementation of the best practice document under the project.

Differences requiring no change to CEPF policies

289. The CEPF environmental assessment policy does not extend to social impacts. It is recommended that no change is needed, because social impacts are covered by other safeguard policies, especially those on involuntary resettlement, Indigenous People and physical cultural resources.
290. The CEPF natural habitats policy does not specify explicit requirements for habitat restoration projects. It is recommended that no change is needed, because these are implicit in the conditions about loss or degradation of natural habitats.
291. The CEPF natural habitats policy does not make explicit reference to major international and regional conventions on environmental issues. It is recommended that no change is needed, because compliance with these conventions is implicit in the policy.
292. The CEPF natural habitats policy does not set a target of no net loss of biodiversity for mitigation measures. It is recommended that no change is needed, because adverse impacts on natural resources arising from the project are expected to be minimal, if present at all.
293. The CI-GEF Project Agency does not have a separate policy on forests. It is recommended that no change is needed, because its natural habitats policy seems to apply, by extension, to natural forests.
294. The CEPF involuntary resettlement policy does not allow voluntary relocation of people, even as an exceptional measure. It is recommended that no change is needed, because the CEPF policy is more rigorous in this regard than the policy of the CI-GEF Project Agency.
295. The CEPF Indigenous Peoples policy requires projects triggering the safeguard to prepare a stand-alone Social Assessment, rather than an Environmental and Social Impact Assessment (ESIA). It is recommended that no change is needed, because the contents of a Social Assessment do not differ substantively from those of the relevant sections of an ESIA.
296. The CEPF physical cultural resources policy requires a stand-alone Physical Cultural Resources Plan, rather than an Environmental Management Plan. It is recommended that no change is needed, because the contents of a Physical Cultural Resources Plan do not differ substantively from those of an Environmental Management Plan.

297. CEPF does not have a separate policy on accountability and grievance systems but, instead, covers this in an explicit section of its ESMF. It is recommended that no change is needed, as the ESMF provides the requisite level of detail, and is consistent with the requirements of the CI-GEF Project Agency on all substantive points.

E. Accountability and Grievance Compliance

298. CEPF does not have a separate policy on accountability and grievance systems. As mentioned in the preceding section, a separate policy is not required, because CEPF's ESMF already contains a dedicated section on grievance mechanisms. This includes the following key provisions: (i) local communities and other interested stakeholders may raise a grievance at any time to the grantee, the CEPF Secretariat or the WB; (ii) grievances should be made to the grantee, who should respond in writing within 15 days; and (iii) projects that trigger the involuntary resettlement or Indigenous Peoples policy must include a locally appropriate grievance redress mechanism in the relevant safeguard documents.

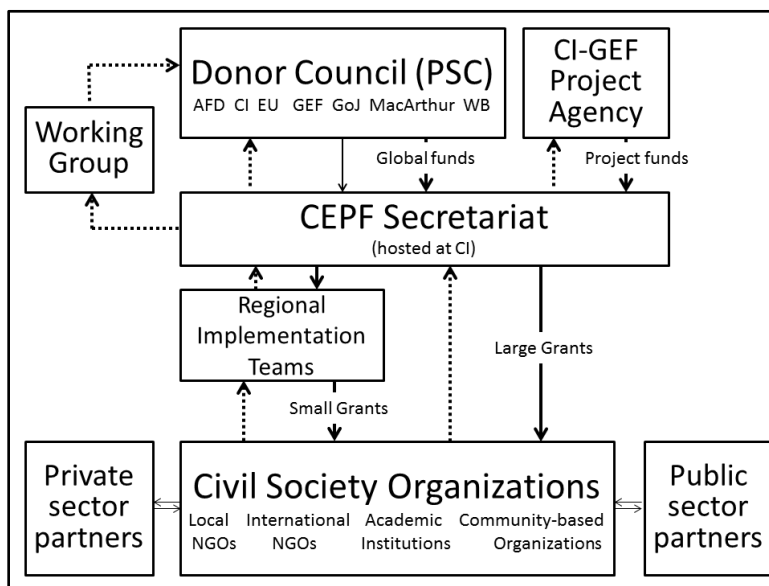
299. One difference from the accountability and grievance systems policy of the CI-GEF Project Agency is that CEPF's ESMF does not require it to communicate grievances to CI or the GEF. It is recommended, therefore, that any grievances related to the project raised by affected communities or other interested stakeholders will be communicated to the CI-GEF Project Agency within 15 days of receipt by the CEPF Secretariat.

SECTION 6: IMPLEMENTATION AND EXECUTION ARRANGEMENTS FOR PROJECT MANAGEMENT

A. Project Execution Arrangements and Partners

300. The project will be executed by the CEPF Secretariat, which will be accountable to the CI-GEF Project Agency for the GEF funding it receives under the project, and also to the Donor Council, for CEPF global funds, which form the bulk of co-financing for the project, and which will, in particular, enable replication of successful approaches demonstrated under the project in non-pilot hotspots under Component 4. The Donor Council will function as the Project Steering Committee (PSC). It is the key governance mechanism for CEPF, with authority to select hotspots for investment, allocate budgets for grant making, and approve changes to CEPF's Operational Manual. Technical staff representing the global donors form the CEPF Working Group, which reports to the Donor Council and provides technical guidance to the CEPF Secretariat. The relationships among these different entities involved in execution of the GEF project are set out in **Figure 2**.
301. The majority of project activities will be executed via grants to CSOs. Modalities for awarding these grants, some of which represent new approaches being piloted for Phase III by the project, are described in **Appendix XI**. As such, they represent an important element of the overall Phase III learning and testing process being supported through GEF funding.
302. Currently, grants to CSOs are of three types. First, grants are used to contract the RIT for each hotspot. As the RITs possibly evolve into long-term implementation structures, it is expected that a similar arrangement will be used to engage them. Next, two types of grant are made for implementation of projects consistent with the investment strategy set out in the ecosystem profile for the hotspot. 'Large grants' are awarded directly by the CEPF Secretariat. CI, the CEPF partner hosting the CEPF Secretariat, enters into the grant agreement, on behalf of the donor partnership. 'Small grants' are awarded by the RIT, using funds provided and overseen by CEPF. Typically, large grants are used to engage international and larger, more established local CSOs, while small grants are used to engage local CSOs with less experience of receiving international donor funding, such as grassroots NGOs, community-based organizations and indigenous peoples groups.
303. CSO grantees are encouraged to design and implement projects in close collaboration with project partners. These partners include local communities and other CSOs, as well as public sector actors and private sector actors. For grants awarded under the GEF project, these latter two categories will be particularly important, and applicants will be expected to demonstrate support from project partners, in the form of letters, memoranda of understanding or other appropriate means. Notwithstanding this close collaboration with partners, CSOs will be the grantee in each case, with full accountability to CEPF or the RIT for all aspects of programmatic performance, financial management and compliance. The CEPF Secretariat will directly monitor performance of large grants, with assistance from the RIT. It will also monitor performance of the RIT and the small grants portfolio via regular communication and semi-annual supervision missions.
304. The CI-GEF Project Agency will provide project assurance, including supporting project implementation by maintaining oversight of all technical and financial management aspects, and providing other assistance upon request of the Executing Agency. The CI-GEF Project Agency will also monitor the project's implementation and achievement of the project outputs, ensure the proper use of GEF funds, and review and approve any changes in budgets or workplans. The CI-GEF Project Agency will arbitrate and ensure resolution of any execution conflicts.

Figure 2: Reporting (Dotted Arrows), Governance (Thin Arrows), Funding (Thick Arrows) and Partnership (Two-way Arrows) Relationships among Entities Involved in Project Execution

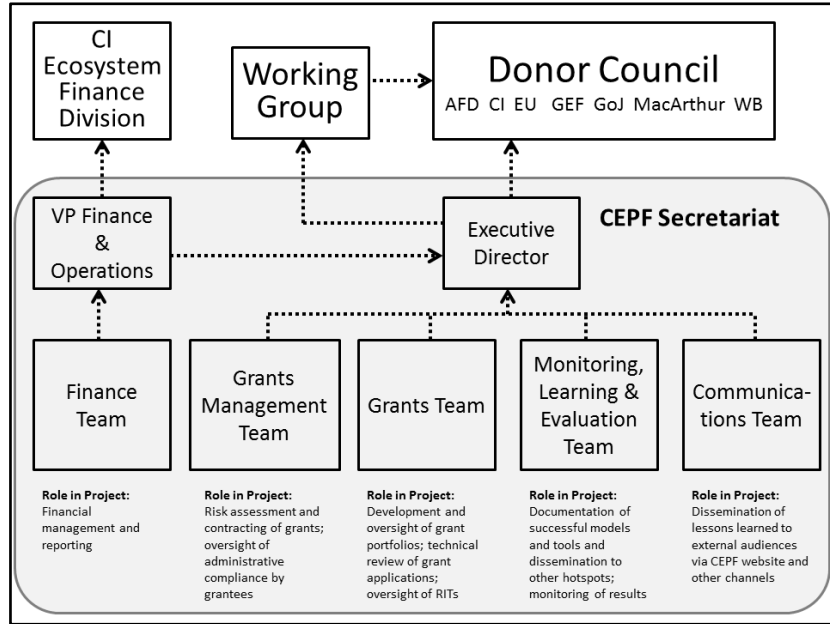


B. Project Execution Organizational Chart

305. The project will be executed by the CEPF Secretariat, the organizational chart for which is shown in **Figure 3**. The CEPF Secretariat is led by the Executive Director, who is appointed by and reports to the Donor Council. Reporting directly to the Executive Director are four teams, each with their own head: the Grants Management Team; Grants Team; Monitoring, Learning and Evaluation Team; and Communications Team. A fifth team, the Finance Team, is a shared resource with other funds hosted by CI and, therefore, reports to the head of CI's Ecosystem Finance Division.

306. Each of the five teams within the CEPF Secretariat will be involved in execution of the GEF project, with overall coordination being provided by the Executive Director. The Grants Team will be responsible for development and oversight of the grant portfolios in the pilot hotspots, as well as the other hotspots where CEPF invests. The team will lead the review of grant applications and make recommendations on grant awards to the Executive Director. The team will also be responsible for oversight of the RITs and for ensuring close coordination by investments being made by CEPF donor partners and other funders in the hotspots. The Grants Team is headed by the Managing Director, who will be the manager of the GEF project. The Finance Team will be responsible for financial management of the grant, financial reporting to the CI-GEF Project Agency, and compliance with financial policies of the GEF Project Agency. The Grants Management Team will be responsible for risk assessment and contracting of all grants awarded directly by CEPF, as well as for monitoring these grants to ensure grantees remain compliant with all policies of CEPF and the CI-GEF Project Agency. The Monitoring, Learning and Evaluation Team will be responsible for documentation of successful models and tools in the pilot hotspot and dissemination of these approaches to other hotspots. The team will also be responsible for monitoring of results at the grant, hotspot and project scales, and for programmatic reporting to the CI-GEF Project Agency. Finally, the Communication Team will be responsible for disseminating results and lessons learned to external audiences, particularly in relation to Outcome 4.2. These functions will be financed partially by both the GEF funding and co-financing resources.

Figure 3: CEPF Organizational Chart (Dotted Arrows Signify Reporting Lines)



SECTION 7: MONITORING AND EVALUATION PLAN

307. Project monitoring and evaluation will be conducted in accordance with established CI and GEF procedures by the project team and the CI-GEF Project Agency. The project's M&E plan will be presented and finalized at the project inception workshop, including a review of indicators, means of verification, and the full definition of project staff M&E responsibilities.

A. Monitoring and Evaluation Roles and Responsibilities

308. As the project Executing Agency, CEPF will be responsible for ensuring that the monitoring and evaluation activities are carried out in a timely and comprehensive manner. Specifically, CEPF will be responsible for initiating and organizing the project inception workshop and report, quarterly progress reporting, annual progress and implementation reporting, and documentation of lessons learned. The Executing Agency will also support and cooperate with the independent external evaluation exercises.

309. Key project executing partners, especially the RITs/long-term implementation structures in the three pilot hotspots, as well as the CSO grantees, will be responsible for providing information required for timely and comprehensive project reporting, including results and financial data, as necessary and appropriate.

310. The CEPF Working Group will play a key oversight role for the project, with regular meetings to receive updates on project implementation progress and approve annual workplans. The Working Group, which comprises technical staff from each of CEPF's global donor partners (including both CI and the GEF), will also provide continuous *ad hoc* oversight and feedback on project activities, responding to inquiries or requests for approval from the CEPF Secretariat.

311. The CI-GEF Project Agency will play an overall assurance, backstopping, and oversight role with respect to monitoring and evaluation activities.

312. CI's General Counsel's Office will be responsible for contracting and oversight of the planned independent external evaluation exercises at the mid-point and end of the project.

B. Monitoring and Evaluation Components and Activities

313. The project's M&E Plan will include the following components (see **Table 12** for details).

314. Inception workshop: A project inception workshop, involving the Executing Agency and the CI-GEF Project Agency, will be held within the first three months of the project. The overarching objective of the inception workshop is to assist the project team to understand and take ownership of the project's objectives and outcomes. The inception workshop will be used to detail the roles, support services and complementary responsibilities of the CI-GEF Project Agency and the Executing Agency.

315. Inception workshop report: The Executing Agency will produce an inception report documenting all changes and decisions made during the inception workshop to the project planned activities, budget, results framework, and any other key aspects of the project. The inception report should be produced within one month of the inception workshop, as it will serve as a key input to the timely planning and execution of project start-up and activities.

316. Project Results Monitoring Plan: A Project Results Monitoring Plan will be developed by the CI-GEF Project Agency, which will include objective, outcome and output indicators, metrics to be collected for each indicator, methodology for data collection and analysis, baseline information, location of

data gathering, frequency of data collection, responsible parties, and indicative resources needed to complete the plan. **Appendix IV** presents the Project Results Monitoring Plan table, which will help complete this M&E requirement.

317. In addition to the objective, outcome and output indicators, the Project Results Monitoring Plan table will also include all indicators identified in the Safeguard Plans prepared for the project: a Best Practice on Stakeholder Engagement (**Appendix VI**); and a Gender Mainstreaming Plan (**Appendix XII**). In this way, they will be monitored consistently and on time. The monitoring of these indicators throughout the life of the project will be necessary to assess if the project has successfully achieved its expected results.
318. Baseline Establishment: in the case that any necessary baseline data have not been collected during the PPG phase, they will be collected and documented by the Executing Agency, in consultation with relevant project partners, ***within the first year*** of project implementation.
319. GEF Focal Area Tracking Tools: GEF's SP-1 and SP-2 Focal Area Tracking Tools will be used by the project. The Executing Agency will be responsible for ensuring that the tracking tools are completed. The tool should be filled in by the relevant protected area managers, facilitated by the CSOs receiving grant support under the project at three points in time: within three months of the start of the grant; at the mid-point of the grant (for grants two years or more in duration); and within three months of the end of the grant. A comparison of baseline and mid-point scores across all protected areas supported under the project will inform the mid-term evaluation, while a comparison of baseline and final scores will inform the Terminal Evaluation.
320. PSC meetings: Meetings of the PSC, comprising the CEPF Donor Council, which includes representatives of both CI and the GEF Secretariat, and is attended by selected staff from the CEPF Secretariat, will be held semi-annually. Meetings shall review and approve project annual budget and work plans, discuss implementation issues and identify solutions, and increase coordination and communication between key project partners. The PSC meetings will be minuted and results adequately reported.
321. CI-GEF Project Agency field supervision missions: The CI-GEF Project Agency will conduct annual visits to selected countries within the pilot hotspots and potentially to project field sites based on the agreed schedule in the project's Inception Report and annual work plan, to assess project progress at first hand. Oversight visits will most likely be conducted to coincide with the timing of semi-annual supervision missions organized by the CEPF Secretariat to oversee development of grant portfolios at the hotspot level and review the performance of RITs/long-term implementation structures. A Field Visit Report will be prepared by the CI-GEF Project Agency staff participating in the oversight mission, and will be circulated to the project team and PSC members within one month of the visit.
322. Quarterly progress reporting: The Executing Agency will submit quarterly progress reports to the CI-GEF Project Agency, including a budget follow-up and requests for disbursement to cover expected quarterly expenditures.
323. Annual Project Implementation Report (PIR): The Executing Agency will prepare an annual PIR to monitor progress made since project start and in particular for the reporting period (July to June 30). The PIR will summarize the annual project results and progress. A summary of the report will be shared with the PSC.
324. Final Project Report: The Executing Agency will draft a final report at the end of the project.

325. Independent external Mid-term Review: The project will undergo an independent Mid-term Review within 90 days prior to or after the mid-point of the grant term. The Mid-term Review will determine progress being made toward the achievement of outcomes and will identify course correction if needed. The Mid-term Review will highlight issues requiring decisions and actions, and will present initial lessons learned about project design, implementation and management. Findings and recommendations of the Mid-term Review will be incorporated into the design of the project to secure maximum project results and sustainability during the second half of project implementation.
326. Independent Terminal Evaluation: An independent Terminal Evaluation will take place within the last 90 days before the end of the project, and will be undertaken in accordance with CI and GEF guidance. The Terminal Evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The Executing Agency in collaboration with the PSC will provide a formal management answer to the findings and recommendations of the Terminal Evaluation.
327. Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through information-sharing networks and forums developed by the project. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Time and resources are explicitly allocated to documentation and dissemination of lessons learned under Component 4 but opportunities for sharing with other GEF projects will also be sought out on an opportunistic basis throughout the project. There will be a two-way flow of information between this project and other projects of a similar focus.
328. Financial statements audit: A separate audit of CEPF records, accounts, and financial statements is undertaken annually, in accordance with generally accepted accounting principles. The purpose of this external audit is to provide assurance on the financial statements of CEPF. The audit will test CEPF's compliance with certain provisions of the CEPF Operational Manual and consideration of its related internal control. This external CEPF audit will be conducted by independent auditors in accordance with Terms of Reference approved by the CEPF Donor Council.
329. The Terms of References for the evaluations will be drafted by the CI-GEF Project Agency in accordance with GEF requirements. The procurement and contracting for the independent evaluations will be handled by CI's General Counsel's Office. The funding for the evaluations will come from the project budget, as indicated at project approval.

Table 12: Project M&E Plan Summary

Type of M&E	Reporting frequency	Responsible parties	Indicative budget from GEF (USD)
a. Inception Workshop	Within three months of signing of CI Grant Agreement for GEF Projects	<ul style="list-style-type: none"> • Executing Agency • CI-GEF Project Agency 	Covered under personnel budget
b. Inception Workshop Report	Within one month of inception workshop	<ul style="list-style-type: none"> • Executing Agency • CI-GEF Project Agency 	Covered under personnel budget
c. Project Results Monitoring Plan (Objective, Outcomes and Outputs)	Annually (data on indicators will be gathered according to monitoring plan schedule shown on Appendix IV)	<ul style="list-style-type: none"> • CI-GEF Project Agency 	n/a
d. GEF Focal Area Tracking Tools	i) Project development phase; ii) prior to project mid-term evaluation; and iii) project completion	<ul style="list-style-type: none"> • Executing Agency 	Covered under personnel budget
e. Project Steering Committee Meetings	Semi-annually	<ul style="list-style-type: none"> • Executing Agency • CEPF Donor Council members, including CI and GEF Secretariat 	Covered under personnel budget
f. CI-GEF Project Agency Field Supervision Missions	Approximately annual visits	<ul style="list-style-type: none"> • CI-GEF Project Agency • Executing Agency 	Covered under CI-GEF Project Agency budget
g. Quarterly Progress Reporting	Quarterly	<ul style="list-style-type: none"> • Executing Agency 	Covered under personnel budget
h. Annual Project Implementation Report (PIR)	Annually for year ending June 30	<ul style="list-style-type: none"> • Executing Agency 	Covered under personnel budget
i. Project Completion Report	Upon project operational closure	<ul style="list-style-type: none"> • Executing Agency 	Covered under personnel budget
j. Independent External Mid-term Review	Within 90 days prior to or after project midpoint	<ul style="list-style-type: none"> • Independent consultant; contracted by CI's Internal Audit function 	25,000

Type of M&E	Reporting frequency	Responsible parties	Indicative budget from GEF (USD)
k. Independent Terminal Evaluation	Within 90 days before project end	<ul style="list-style-type: none"> • Independent consultant; contracted by CI's General Counsel's Office 	25,000
l. Lessons Learned and Knowledge Generation	One knowledge product per year in Y2-Y3, two per year in Y4-Y5	<ul style="list-style-type: none"> • Independent consultants; contracted by Executing Agency 	300,000
m. Financial Statements Audit	Annually	<ul style="list-style-type: none"> • Executing Agency 	Covered by co-financing

SECTION 8: PROJECT BUDGET AND FINANCING

A. Overall Project Budget

330. The project will be financed by a full size GEF grant of USD 9.8 million with a total of USD 84.5 million in co-financing from AFD, CI, the European Union, the Government of Japan, the MacArthur Foundation, the Margaret A. Cargill Foundation and the WB. A summary of the project costs and the co-financing contributions is given in **Tables 13 and 14** below. The project budget may be subject to revision during implementation. The detailed Project Budget is provided in **Appendix VII**.

Table 13: Planned Project Budget by Component

Budget line	Project budget by component (in USD)					
	Component 1	Component 2	Component 3	Component 4	PMC	Total budget
Personnel salaries and benefits	0	274,595	632,179	73,226	440,000	1,420,000
Contractual services	0	0	0	300,000	50,000	350,000
Travels and accommodations	0	0	0	0	0	0
Meetings and workshops	0	0	0	0	0	0
Grants and agreements	0	2,250,000	5,180,000	600,000	0	8,030,000
Equipment	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
Total GEF project	0	2,524,595	5,812,179	973,226	490,000	9,800,000

Table 14: Planned Project Budget by Year

Budget line	Project budget by year (in USD)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total budget
Personnel Salaries and benefits	267,463	275,487	283,752	292,265	301,033	1,420,000
Contractual services	132,000	28,000	53,000	56,000	81,000	350,000
Travels and accommodations	0	0	0	0	0	0
Meetings and workshops	0	0	0	0	0	0
Grants and agreements	3,715,000	2,329,000	1,586,000	200,000	200,000	8,030,000
Equipment	0	0	0	0	0	0
Other direct costs	0	0	0	0	0	0
Total GEF project	4,102,463	2,634,487	1,924,752	552,265	586,033	9,800,000

B. Overall Project Co-financing

331. The project will leverage 8:1 the funding of the GEF with donors that will range from multi-lateral, bi-lateral, and regional public donors to private foundations and private sector entities (**Table 15**), including:

- The European Union. With the International Bank for Reconstruction and Development acting as administrator, the European Union committed EUR 17.1 million (USD 23.5 million) to CEPF in November 2013. The term of the agreement is to December 31, 2017. Of this contribution, USD 19,207,285 will be spent by CEPF between March 1, 2014, the agreed start date for co-financing for the project, and the end of 2017.
- The Government of Japan. In June 2012 the Government of Japan replenished its Phase I commitment, pledging to contribute USD 14.813 million to CEPF in addition to the USD 9.875 million already committed in June 2012. It is anticipated that these pledged funds will be committed to CEPF between 2015 and 2017 in annual installments.
- The World Bank (WB). The WB, through its Development Grant Facility, pledged to contribute USD 25 million to CEPF Phase II. To the end of 2013, it had contributed USD 22 million of this pledge. USD 4.540 million of the contribution will be spent by CEPF after March 1, 2014. In October 2014, the WB contributed a further USD 1.5 million to CEPF, to be spent by the end of 2015. It is anticipated that it will contribute the remaining USD 1.560 million of its pledge in 2015, with the funds to be utilized by the end of 2016. This results in USD 7.6 million of WB funds to be spent by CEPF between March 1, 2014, and the end of 2016.
- The John D. and Catherine T. MacArthur Foundation. The MacArthur Foundation committed USD 11.85 million in grants to civil society organizations in the Indo-Burma Hotspot in two grant cycles during the period 2014-2020, within the scope of a common investment strategy set out in the CEPF Ecosystem Profile.
- Margaret A. Cargill Foundation. The Margaret A Cargill Foundation committed USD 15 million in grants to civil society organizations in the Indo-Burma Hotspot in two grant cycles during the period 2014-2020, within the scope of a common investment strategy set out in the CEPF Ecosystem Profile.
- The Leona M. and Harry B. Helmsley Charitable Trust (Helmsley). Helmsley committed USD 900,000 to support CEPF build a stronger conservation community in Madagascar. This contribution will be spent by CEPF between March 2015 and March 2018.
- MAVA Fondation pour la Nature (MAVA). MAVA contributed USD 1,129,715 to promote integrated coastal zone management throughout the Mediterranean Basin. This contribution will be spent by CEPF between March 2014 and December 2016.
- Conservation International. CI is deeply committed to CEPF. Historically, CI has contributed to the CEPF fund at similar levels as the other donors. As a GEF Implementing Agency and the host of the CEPF Secretariat, CI will continue to support this important endeavor. CI commits to a USD 25 million contribution to CEPF Phase III. It is anticipated that, during the term of the project to December 2020, USD 14 million of this new commitment will be spent by CEPF.

332. The co-financing commitment letters are attached in **Appendix VIII**.

Table 15: Committed Cash and In-Kind Co-financing (USD)

Source of co-financing	Name of co-financier	Type of co-financing	Amount (USD)
GEF Agency	Conservation International	Cash	14,000,000
Multilateral Agency	European Union	Cash	19,207,285
Government	Government of Japan	Cash	14,813,000
Other	Helmsley Foundation	Cash	900,000
Other	MacArthur Foundation	Cash	11,850,000
Other	Margaret A. Cargill Foundation	Cash	15,000,000
Other	MAVA Foundation	Cash	1,129,715
Multilateral Agency	World Bank	Cash	7,600,000
Total Co-financing			84,500,000

APPENDIX I: Project Results Framework

Objective:	To demonstrate innovative tools, methodologies and investments, and build related capacities, through which civil society in three pilot biodiversity hotspots, in partnership with public and private sector actors, can cost-effectively conserve biodiversity and progress towards long-term institutional sustainability, and to replicate demonstrated approaches in nine additional hotspots
Indicator(s):	<p>a. Number of long-term conservation visions and financing plans for biodiversity hotspots developed and implemented with clear targets for CEPF graduation and endorsed by civil society, government, donor and/or private sector actors</p> <p>b. Number of civil societies and CEPF grantees in the pilot hotspots that improve their financial and institutional sustainability</p> <p>c. Total area of production landscapes, protected areas, and conservation corridors implementing biodiversity conservation and sustainable use</p> <p>d. Number of policy demonstration models and management best practices adopted in number of additional biodiversity hotspots</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
Component 1: Developing long-term conservation visions, financing plans and associated strategies for biodiversity hotspots			
<p>Outcome 1.1: Long-term conservation visions developed for the Cerrado, Eastern Afromontane and Indo-Burma Hotspots, with participation of civil society, government, donor and private sector actors.</p> <p>Outcome Indicator 1.1.1: Number of long-term visions incorporating resource mobilization strategies that support the mobilization of new funding, and policy targets addressing key drivers of biodiversity loss and guiding the development of new policy demonstration models.</p> <p>Outcome Indicator 1.1.2: Number of hotspots with clear targets for graduation of civil society from CEPF support.</p>	<p>Baseline 1.1.1: 0 long-term visions incorporating resource mobilization strategies and policy targets</p> <p>Baseline 1.1.2: 0 pilot hotspots with graduation targets</p> <p>Baseline 1.1.3: 0 endorsements of the long-term visions</p>	<p>Target 1.1.1: 3 long-term visions incorporating resource mobilization strategies and policy targets</p> <p>Target 1.1.2: 3 pilot hotspots with graduation targets</p> <p>Target 1.1.3: 10 endorsements of the long-term visions</p>	<p>Output 1.1.1: Targets for civil society capacity building set for 3 pilot hotspots.</p> <p>Output Indicator 1.1.1: Number of approved vision documents incorporating civil society 'graduation' targets.</p> <p>Output 1.1.2: Three financing plans describing the funding and projections defined for implementation of the long-term conservation visions.</p> <p>Output Indicator 1.1.2: Number of financing plans defined for implementation of the long-term conservation visions.</p> <p>Output 1.1.3: Sector and/or development policy targets for addressing key drivers of biodiversity loss set in three pilot hotspots.</p> <p>Output Indicator 1.1.3: Number of vision documents incorporating a full set of targets</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
<p>Outcome Indicator 1.1.3: Number of civil society, government, donor and/or private sector actors that endorse the long-term visions.</p>			<p>covering major sectoral drivers and key policies, developed with broad stakeholder participation.</p> <p>Output 1.1.4: Strategies for engagement with private sector actors for mainstreaming biodiversity conservation into business practices of industries driving biodiversity loss completed for three pilot hotspots.</p> <p>Output Indicator 1.1.4: Number of pilot hotspots with completed strategies for engagement with private sector actors.</p>
Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs			
<p>Outcome 2.1: Increased capacity and credibility of conservation-focused civil societies in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.</p> <p>Outcome Indicator 2.1.1: Number of pilot hotspots that show at least 20% improvement in collective civil society capacity tracking tool scores.</p> <p>Outcome Indicator 2.1.2: Number of CEPF grantees, number of Indigenous People’s organizations and number of women’s groups that show at least 10% improvement in civil society tracking tool scores.</p> <p>Outcome Indicator 2.1.3: Number of CEPF grantees that show at least 20% improvement in gender mainstreaming tracking tool scores.</p>	<p>Baseline 2.1.1: 0 pilot hotspots with 20% improvement over duration of project</p> <p>Baseline 2.1.2: 0 grantees, including 0 Indigenous People’s organizations and 0 women’s groups, with 10% improvement over duration of project</p> <p>Baseline 2.1.3: 0 grantees with 20% improvement over duration of project</p>	<p>Target 2.1.1: 3 pilot hotspots with 20% improvement over duration of project</p> <p>Target 2.1.2: 60 grantees, including at least 5 Indigenous People’s organizations and 5 women’s groups, with 10% improvement over duration of project</p> <p>Target 2.1.3: 30 grantees with 20% improvement over duration of project</p>	<p>Output 2.1.1: Long-term implementation structures in place for each of the 3 pilot hotspots</p> <p>Output Indicator 2.1.1: Number of hotspots with long-term institutional structures in place</p> <p>Output 2.1.2: Civil societies in the 3 pilot hotspots with sufficient organizational and technical capacity for conservation and sustainable use of biodiversity.</p> <p>Output Indicator 2.1.2: Number of local civil society organizations engaged in biodiversity conservation in each pilot hotspot with a civil society tracking tool score of 80 or more.</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
<p>Outcome 2.2: Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including non-traditional sources.</p> <p>Outcome Indicator 2.2.1: Funds available in sustainable financing mechanisms to support priorities in long-term conservation visions, including:</p> <ul style="list-style-type: none"> • sustainable financing mechanisms from non-traditional sources (e.g. private sector, new economic and financial instruments, etc.) • conservation finance generated by innovate private sector models. 	<p>Baseline 2.2.1: USD 8.9 million available in sustainable financing mechanisms in the pilot hotspots</p>	<p>Target 2.2.1: USD 20 million of additional funding in sustainable financing mechanisms, including USD 5 million from non-traditional sources and USD 2 million from private sector models</p>	<p>Output 2.2.1: Three regional resource mobilization strategies developed to generate additional revenue for conservation programs in the 3 pilot hotspots.</p> <p>Output Indicator 2.2.1: Number of regional resource mobilization strategies developed to generate additional revenue</p> <p>Output 2.2.2: At least 2 innovative models for private sector conservation finance, such as biodiversity offsets, demonstrated in the pilot hotspots.</p> <p>Output Indicator 2.2.2: Number of models for private sector conservation finance demonstrated</p>
<p>Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships</p>			
<p>Outcome 3.1: Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.</p> <p>Outcome Indicator 3.1.1: Number of hectares of production landscapes that demonstrate effective ways of mainstreaming biodiversity.</p> <p>Outcome Indicator 3.1.2: Number of protected areas with new management models featuring direct participation of civil society organizations or</p>	<p>Baseline 3.1.1: 389,569 hectares of production landscapes with effective biodiversity mainstreaming</p> <p>Baseline 3.1.2: 0 protected areas with new models</p> <p>Baseline 3.1.3: 0 globally threatened species with reduced threats to their populations</p>	<p>Target 3.1.1: 1 million hectares of production landscapes with effective biodiversity mainstreaming</p> <p>Target 3.1.2: 20 protected areas with new models</p> <p>Target 3.1.3: 20 globally threatened species with reduced threats to their populations</p>	<p>Output 3.1.1: At least 6 policies, programs or plans incorporate results of policy demonstration models addressing drivers of biodiversity loss in the pilot hotspots.</p> <p>Output Indicator 3.1.1: Number of policies, programs, or plans incorporating results of policy demonstration models.</p> <p>Output 3.1.2: At least 12 biodiversity-friendly management practices incorporated into the business practices of key change agents in the agriculture, energy, mining and other sectors.</p> <p>Output Indicator 3.1.2: Number of biodiversity-friendly business practices adopted by key private sector change agents.</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
<p>indigenous and local communities that show improvements in SP1 METT scores.</p> <p>Outcome Indicator 3.1.3: Number of globally threatened species with reduced threats to their populations through mainstreaming of biodiversity into production landscapes and/or implementation of new protected area models.</p> <p>Outcome Indicator 3.1.4: Number of conservation corridors with enhanced ecological connectivity through the incorporation of financial incentives into policy and the adoption of biodiversity-friendly management practices by private companies.</p> <p>Outcome Indicator 3.1.5: Number of indigenous and local communities that have increased, gender-equitable access to ecosystem services.</p> <p>Outcome Indicator 3.1.6: Number of women and number of men that receive direct socio-economic benefits through increased income, food security, resource rights or other measures of human wellbeing.</p> <p>Outcome Indicator 3.1.7: Number of women and number of men that receive indirect socio-economic benefits through enhanced and more secure delivery of ecosystem services.</p>	<p>Baseline 3.1.4: 0 conservation corridors with enhanced ecological connectivity</p> <p>Baseline 3.1.5: 0 communities with increased, gender-equitable access to ecosystem services</p> <p>Baseline 3.1.6: 0 women and 0 men, with direct socio-economic benefits</p> <p>Baseline 3.1.7: 0 women and 0 men with indirect socio-economic benefits</p>	<p>Target 3.1.4: 6 conservation corridors with enhanced ecological connectivity</p> <p>Target 3.1.5: 250 communities with increased, gender-equitable access to ecosystem services</p> <p>Target 3.1.6: 25,000 women and 25,000 men with direct socio-economic benefits</p> <p>Target 3.1.7: 125,000 women and 125,000 men with indirect socio-economic benefits</p>	<p>Output 3.1.3: New management models involving direct participation of CSOs or indigenous and local communities are introduced at 20 protected areas.</p> <p>Output Indicator 3.1.3: Number of new management models involving direct participation introduced at protected areas.</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
Component 4: Replicating success through knowledge products and tools			
<p>Outcome 4.1: CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.</p> <p>Outcome Indicator 4.1.1: Number of additional hotspots that have long-term implementation structures.</p> <p>Outcome Indicator 4.1.2: Number of additional hotspots that have regional resource mobilization strategies.</p> <p>Outcome Indicator 4.1.3: Number of successful policy demonstration models that have been adopted in at least one additional hotspot.</p> <p>Outcome Indicator 4.1.4: Number of management best practices that have been adopted in at least one additional hotspot.</p>	<p>Baseline 4.1.1: 0 additional hotspots with long-term implementation structures</p> <p>Baseline 4.1.2: 0 additional hotspots with regional resource mobilization strategies</p> <p>Baseline 4.1.3: 0 policy demonstration models adopted in at least one additional hotspot</p> <p>Baseline 4.1.2: 0 management best practices adopted in at least one additional hotspot</p>	<p>Target 4.1.1: 9 additional hotspots with long-term implementation structures</p> <p>Target 4.1.2: 9 additional hotspots with regional resource mobilization strategies</p> <p>Target 4.1.3: 2 policy demonstration models adopted in at least one additional hotspot</p> <p>Target 4.1.4: 2 management best practices adopted in at least one additional hotspot</p>	<p>Output 4.1.1: Long-term implementation structures incorporating experiences from the pilot hotspots in place in at least 9 other biodiversity hotspots where CEPF invests.</p> <p>Output Indicator 4.1.1: Number of additional (non-pilot) hotspots with long-term implementation structures</p> <p>Output 4.1.2: Regional resource mobilization strategies incorporate lessons learned to supplement global resources and better align resources with regional funders to achieve long-term sustainability in at least 9 other biodiversity hotspots where CEPF invests.</p> <p>Output Indicator 4.1.2: Number of hotspots with regional resource mobilization strategies</p> <p>Output 4.1.3: At least 2 countries in other biodiversity hotspots adopt successful policy demonstration models from the pilot hotspots.</p> <p>Output Indicator 4.1.3: Number of countries in other hotspots adopting policy demonstration models</p> <p>Output 4.1.4: At least 2 countries in other biodiversity hotspots replicate management practices for mainstreaming biodiversity through innovative partnerships of civil society and private sector.</p> <p>Output Indicator 4.1.4: Number of countries in other hotspots replicating management practices for mainstreaming biodiversity</p>

Expected Outcomes and Indicators	Project Baseline	End of Project Target	Expected Outputs and Indicators
<p>Outcome 4.2: Models, tools and best practices developed under the project are widely available and inform other actors developing public-private partnerships for biodiversity conservation globally.</p> <p>Outcome Indicator 4.2.1: Number of models, tools and best practices developed under the project that have been adopted by conservation practitioners in areas outside CEPF investments.</p>	<p>Baseline 4.2.1: 0 models, tools and/or best practices adopted in areas outside CEPF investments</p>	<p>Target 4.2.1: 3 models, tools and/or best practices adopted in areas outside CEPF investments</p>	<p>Output 4.2.1: At least 6 innovative knowledge products documenting models, tools and best practices developed under the project, including at least 1 related to gender mainstreaming and at least 1 related to Indigenous People and conservation, made publicly available through the CEPF website or other innovative means as appropriate.</p> <p>Output Indicator 4.2.1: Number of innovative knowledge products, number of knowledge products related to gender mainstreaming and number of knowledge products related to Indigenous People and conservation made publicly available</p>

APPENDIX II: Project Timeline

	Timeline																			
	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 1.1: Long-term conservation visions developed for the Cerrado, Eastern Afromontane and Indo-Burma Hotspots, with participation of civil society, government, donor and private sector actors.																				
Output 1.1.1: Targets for civil society capacity building set for 3 pilot hotspots.																				
Output 1.1.2: Three financing plans describing the funding and projections defined for implementation of the long-term conservation visions.																				
Output 1.1.3: Sector and/or development policy targets for addressing key drivers of biodiversity loss set in three pilot hotspots.																				
Output 1.1.4: Strategies for engagement with private sector actors for mainstreaming biodiversity conservation into business practices of industries driving biodiversity loss completed for three pilot hotspots.																				

	Timeline																			
	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 2.1: Increased capacity and credibility of conservation-focused civil societies in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.																				
Output 2.1.1: Long-term implementation structures in place for each of the 3 pilot hotspots																				
Output 2.1.2: Civil societies in the 3 pilot hotspots with sufficient organizational and technical capacity for conservation and sustainable use of biodiversity.																				
Outcome 2.2: Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including non-traditional sources.																				
Output 2.2.1: Three regional resource mobilization strategies developed to generate additional revenue for conservation programs in the 3 pilot hotspots.																				
Output 2.2.2: At least 2 innovative models for private sector conservation finance, such as biodiversity offsets, demonstrated in the pilot hotspots.																				

	Timeline																			
	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 3.1: Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.																				
Output 3.1.1: At least 6 policies, programs or plans incorporate results of policy demonstration models addressing drivers of biodiversity loss in the pilot hotspots.																				
Output 3.1.2: At least 12 biodiversity-friendly management practices incorporated into the business practices of key change agents in the agriculture, energy, mining and other sectors.																				
Output 3.1.3: New management models involving direct participation of CSOs or indigenous and local communities are introduced at 20 protected areas.																				

	Timeline																			
	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 4.1: CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.																				
Output 4.1.1: Long-term implementation structures incorporating experiences from the pilot hotspots in place in at least 9 other biodiversity hotspots where CEPF invests.																				
Output 4.1.2: Regional resource mobilization strategies incorporate lessons learned to supplement global resources and better align resources with regional funders to achieve long-term sustainability in at least 9 other biodiversity hotspots where CEPF invests.																				
Output 4.1.3: At least 2 countries in other biodiversity hotspots adopt successful policy demonstration models from the pilot hotspots.																				
Output 4.1.4: At least 2 countries in other biodiversity hotspots replicate management practices for mainstreaming biodiversity through innovative partnerships of civil society and private sector.																				

	Timeline																			
	Year 1				Year 2				Year 3				Year 4				Year 5			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Outcome 4.2: Models, tools and best practices developed under the project are widely available and inform other actors developing public-private partnerships for biodiversity conservation globally.																				
Output 4.2.1: At least 6 innovative knowledge products documenting models, tools and best practices developed under the project , including at least 2 related to gender mainstreaming and/or Indigenous People and conservation, made publicly available through the CEPF website or other innovative means as appropriate.																				

APPENDIX III: Safeguard Screening Results

CI-GEF PROJECT AGENCY SCREENING RESULTS AND SAFEGUARD ANALYSIS

(To be completed by CI-GEF Coordination Team)

Date Prepared/Updated: July 18, 2014

I. BASIC INFORMATION

A. Basic Project Data			
Country: Global (including Bolivia, Brazil, Burundi, Cambodia, China, DR Congo, Eritrea, Ethiopia, Kenya, Lao PDR, Malawi, Mozambique, Myanmar, Paraguay, Rwanda, South Sudan, Tanzania, Thailand, Uganda, Vietnam, Yemen, Zambia and Zimbabwe)	GEF Project ID: 5735	CI Project ID:	
Project Title: Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale			
Estimated Appraisal Date: Before ProDoc is submitted for CEO endorsement. Date tbd			
Executing Entity: Critical Ecosystem Partnership Fund (CEPF)			
GEF Focal Area: Biodiversity			
GEF Project Amount: USD 2,000,000.00			
Other financing amounts by source:			
Sources of Cofinancing	Name of Cofinancier	Type of Cofinancing	Amount (USD)
Other Multilateral Agency (ies)	European Commission	Cash	23,500,000
National Government	Government of Japan	Cash	15,000,000
Other Multilateral Agency (ies)	World Bank	Cash	3,000,000
GEF Agency	Conservation International	Cash	23,000,000
Bilateral Aid Agency (ies)	French Development Agency	Cash	20,000,000
Total Cofinancing			84,500,000
Reviewer(s): Miguel A. Morales			
Date of Review: July 18, 2014			
Comments:			

B. Project Objectives:

The objective of the project is to effectively mainstream biodiversity conservation into government policy and private sector practice in selected biodiversity hotspots, through civil society, by investing in and innovating public-private partnerships and replicating them in other hotspots.

C. Project Description:

Since its inception in 2000, CEPF has invested in 23 of the world's 35 biodiversity hotspots. Remaining natural habitats in the hotspots cover only 2.3% of the planet's surface but harbor more than 90% of its biodiversity. The three hotspots that are the focus of this project are at different stages of CEPF investment, with the Cerrado in a phase of strategy development, Eastern Afromontane in an initial investment phase (2012-2017), and Indo-Burma in a second investment phase (2013-2018) following an initial phase that commenced in 2008. The three hotspots have been selected out of the pool of 12 active CEPF hotspot investments because of the opportunities they provide to pilot the mainstreaming model proposed in this project. While the context for conservation varies among the three hotspots, they are all characterised by the presence of industry that is open to developing and implementing new practices that would positively impact their environment, and the presence of civil society able to influence key political decisions that will decide the fate of very critical ecosystems. Within these hotspots, some countries and regions will be selected for implementation based on the presence of key industry actors (e.g. coffee, tea, mining, oil and gas) or based on the areas of development prioritized by governments and that overlap with key biodiversity areas.

Component 1: Developing long-term conservation vision and financing plans for biodiversity hotspots

Long-term conservation visions will be developed with participation of key stakeholders, setting clear targets for civil societies to achieve levels of capacity and credibility that ensure they remain effective agents of change after CEPF support ends. The long-term visions will be used to guide grant making, capacity building and other forms of strategic support. Funding needs for the implementation of these long-term visions will also be defined, in consultation with other donors and informed by an assessment of sustainable financing mechanisms.

Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs

Appropriate regional implementation structures will be put in place for the three pilot hotspots, hosted by civil society organizations or partnerships, as longstanding stewards of the long-term visions developed under Component 1. These stable, long-lasting institutional structures will actively coordinate and support fellow civil society organizations, by building their capacity, supporting resource mobilization, and connecting them with public and private sector partners. Simultaneously, regional resource mobilization strategies that improve the understanding of regional donor opportunities, potential gains in efficiency in existing programs, and the potential of economic and financial instruments to generate additional revenue for conservation programs will be developed and implemented in the three pilot hotspots.

Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships

At least 12 new policy demonstration models will be developed, implemented and evaluated to enable civil society partners to more effectively engage with government agencies and mainstream the results of CEPF programs into public policy, thereby addressing key drivers of biodiversity loss. These models will be developed and implemented through grants and strategic capacity support to civil society organizations selected through competitive calls for proposals. In parallel, at least six new tools and approaches for effective mainstreaming of biodiversity conservation into business practices will be developed and demonstrated in partnership with public and private sector actors, through strategic capacity support and grants awarded on a competitive basis to civil society organizations active in the pilot hotspots and willing to engage with private sector companies.

Component 4: Replicating success through knowledge products and tools

Successful models and tools demonstrated in the pilot hotspots under the first three components will be documented and placed in the public domain as knowledge products, to catalyze the transformation of CEPF in other hotspots where it is active, and facilitate wider replication of project results by other conservation actors globally. By these means, the models and tools for institutional sustainability, such as long-term regional implementation structures, regional resource mobilization strategies and policy demonstration models, will be rolled out to at least nine additional hotspots, and adopted by conservation practitioners in other parts of the world.

D. Project location and physical characteristics relevant to the safeguard analysis:

CEPF investments are focused in the biodiversity hotspots—Earth’s most biologically important yet threatened regions—which provide essential ecosystem services to local and global populations. The project will focus on delivering biodiversity benefits by implementing new models for conservation and sustainable use of biodiversity, with a particular emphasis on production landscapes outside protected areas. These models will be amplified within three pilot hotspots (Cerrado, Afromontane and Indo-Burma) through incorporation into the business practices of private sector actors with large biodiversity footprints, and replicated in other hotspots where CEPF works. At the same time, pressures from development sectors and key drivers of biodiversity loss, which threaten to undermine site-level conservation actions, will be mitigated through integration of biodiversity conservation into policies, plans and programs with government agencies and through business practices with the private sector. In this way, the project contributed directly to the GEF Focal Area - Biodiversity, as well as to national priorities, as set out in NBSAPs and other national environmental strategies.

Cerrado biodiversity hotspot: The Cerrado region of Brazil, comprising two million square kilometers – 21% of the country – is the most extensive woodland-savanna in South America. With a pronounced dry season, it supports a unique array of drought- and fire- adapted plant species and surprising numbers of endemic bird species. Approximately 20% of the original vegetation remains, but only 5% of the land area is formally protected. There are 4,400 endemic plant species and 16 endemic and threatened species of birds, mammals, and amphibians. The Cerrado is the only hotspot that consists largely of savanna, woodland/savanna and dry forest ecosystems. Considered the “breadbasket” of Brazil, the area is under huge threat from industrial agriculture and cattle production. With the threats to biodiversity stemming from the impact of the industrial agricultural production of soybeans and cattle, this area is a perfect fit for the current proposed project allowing CEPF to explore with its partners innovative partnerships with private sector companies in these two sectors and identify opportunities for mainstreaming biodiversity conservation through their practices. Further, the Brazilian Government has been discussing laws and regulations that would determine a stronger framework for conserving key areas of the Cerrado and avoid further destruction, particularly in private lands. With this potential, mainstreaming biodiversity conservation practices through the passing and application of these laws becomes key for the survival and potentially the recovery of the Cerrado.

The Cerrado is home to around 28 million people. It became Brazil’s agricultural powerhouse after researchers at EMBRAPA, the Brazilian Agricultural Research Corporation, discovered in the 1960s that its acidic soils could be made fertile by adding phosphorus and lime. Brazilian researchers also developed tropical varieties of soybean, until then a temperate crop. With these two breakthroughs, Brazil turned itself from a net food importer into one of the world’s great breadbaskets and largest exporters in less than 30 years. The Cerrado produces 70% of Brazil’s farm agricultural output, from cattle, soybeans, maize, rice, cotton, sugarcane and coffee. Its charcoal supplies the steel industry

and its cellulose pulp supplies the paper industry. Brazil's emergence as the world's third largest agricultural producer and the largest exporter of soy and beef is credited to production expansion in the Cerrado, which plays an important role in the world's food supply.

Eastern Afromontane biodiversity hotspot: The Eastern Afromontane biodiversity hotspot comprises a discontinuous and divided chain of roughly four ranges of mountains spreading from Saudi Arabia and Yemen down to Mozambique and Zimbabwe. Of the 10,856 species identified in the Eastern Afromontane Hotspot, almost a third are endemic. The hotspot covers approximately one million square kilometers, but only 10% of the native vegetation remains, and only 15% is formally protected. There are 48 endemic threatened mammal species and 35 endemic threatened bird species. The area is under huge threat from the national economic development imperatives for the rural, agrarian poor living in the region.

The Eastern Afromontane Hotspot supports enormous cultural, ethnic, linguistic, historical, religious and economic diversity. It includes some of the poorest countries on the planet, several of which have a recent history of civil strife, and issues of governance are widespread. Despite such problems, the overall economic trajectory for most countries in the hotspot is positive, and large-scale development initiatives are planned, necessitating an approach to conservation that engages with the development community. Although poverty is pervasive throughout the region, most countries in the hotspot have undergone significant economic development in the past 15 to 20 years, with growth in Gross Domestic Product, increase in employment, particularly in services, and expansion of the private sector.

Indo-Burma biodiversity hotspot: The IndoBurma hotspot is ranked in the top 10 hotspots for irreplaceability and in the top 5 for threat, with only 5% of its natural habitat remaining and with more people than any other hotspot. It spans nearly 6,000 meters in elevation, from the summit of Hkakaborazi in Myanmar, SE Asia's highest mountain, down to a coastline along the Bay of Bengal, Andaman Sea, Gulf of Thailand and South China Sea. The Hotspot encompasses numerous mountain ranges and several of Asia's largest rivers. The Hotspot's sweeping expanses of lowlands embrace several fertile floodplains and deltas and include the Great Tonle Sap Lake, SE Asia's largest and most productive freshwater lake. It has extraordinarily high plant species richness with an estimated 15,000 to 25,000 species of vascular plant, with about half of the angiosperms and gymnosperms being endemic to the hotspot. It hosts more than 400 mammal species, 1,200 bird species and extraordinary numbers of freshwater fish, for example with the Lower Mekong supporting at least 850 species. Reptiles number more than 500 species, of which more than a quarter are endemic, and of the more than 300 amphibian species known so far to occur in the hotspot, around half are endemic. A significant proportion of the plant and vertebrate species in Indo-Burma has been assessed as globally threatened.

Indo-Burma is the most populous of all the biodiversity hotspots, with a total population of at least 331 million people. Although the hotspot contains some of the world's largest cities, the population is still predominately rural. The large part of this rural population depends on agriculture for their livelihoods, which has direct impacts on biodiversity through use of agrichemicals and the conversion of forests, grasslands and wetlands to agriculture. In addition, millions of people remain dependent on wild fisheries for their basic needs and income. Particularly significant in this respect is the Mekong Basin, which supports the world's largest inland freshwater fishery.

E. Executing Entity’s Institutional Capacity for Safeguard Policies:

CEPF has developed detailed social and environmental safeguard policies, based upon those of the World Bank, and has extensive experience in their application. The project will apply these existing policies, supplementing them in one area: gender mainstreaming.

II. SAFEGUARD AND POLICIES

Environmental and Social Safeguards:

Safeguard Triggered	Yes	No	TBD	Date Completed
Environmental & Social Impact Assessment (ESIA)		X		
<i>Justification:</i>				
Natural Habitats		X		
<i>Justification:</i>				
Involuntary Resettlement	X			
<p><i>Justification:</i></p> <p><i>The project will develop and implement various policy demonstration models through grants to civil society organizations in three biodiversity hotspots. The location and scope of these models will be determined only during project implementation but it is likely that some will involve introduction or restrictions of access (voluntary and involuntary) to natural resources used by local people, especially forest resources (timber, non-timber forest products, wildlife, etc.) and aquatic resources (fish, mollusks, etc.).</i></p> <p><i>These restrictions would only be introduced when current patterns of natural resource use were illegal, unsustainable and/or destructive, with the aim of promoting sustainable utilization of natural resources in ways that deliver lasting benefits to local communities and secure provision of ecosystem services. Wherever possible, any restrictions on access to natural resources would be voluntary, introduced through consultation with affected communities. However, in some cases it may be necessary to introduce or strengthen involuntary restrictions on access, for instance in the case of illegal and destructive hunting or logging by outsiders, which threatens the resource base of local communities.</i></p> <p><i>The demonstration models developed under the project will be supported by grants to civil society organizations. All grants will undergo detailed technical review, as well as thorough screening against CEPF's environmental and social safeguard policies. In this case, the relevant policy will be the one on Involuntary Resettlement. Any grant expected to introduce or strengthen restrictions on access to natural resources within legally designated protected areas will be required to prepare a Process Framework on Involuntary Restrictions, prior to contracting, and to integrate appropriate measures into design of the project. These measures will include a defined process for negotiating and securing support for restrictions on access with local communities, criteria for identifying affected persons who qualify for compensation, and establishment of a grievance mechanism. The CEPF Secretariat and its Regional Implementation Teams will monitor implementation of each grant, to ensure compliance with these measures.</i></p>				

People will be eligible for compensation if they are negatively impacted by restrictions on natural resource use practices that are neither unsustainable, illegal nor destructive. The criteria for affected persons and the form that the compensation will take will be specified in the Process Frameworks of the relevant grants. The precise form that the compensation (if any is required) will take will vary among grants. Past experience suggests that provision of alternative livelihoods, access to savings and microcredit schemes, and compensation payments can be suitable but that the form of compensation needs to be locally appropriate, and negotiated with the persons in question and not imposed on them.

Indigenous Peoples

X

Justification:

The project will develop and implement various policy demonstration models through grants to civil society organizations in three biodiversity hotspots. The project will also demonstrate new tools and approaches for mainstreaming biodiversity into private sector business practices, through grants and strategic support to civil society organization in these hotspots. The location and scope of these models and approaches will be determined only during project implementation but it is likely that some will be tested in areas inhabited or used by Indigenous People.

The demonstration models, tools and approaches developed under the project will be supported by grants to civil society organizations. All grants will undergo detailed technical review, as well as thorough screening against CEPF's environmental and social safeguard policies. In this case, the relevant policy will be the one on Indigenous People. Any grant expected to have impacts (whether positive or negative) on Indigenous People will be required to prepare a Social Assessment, prior to contracting, and to integrate appropriate measures into design of the grant (the project document thereby serving as an Indigenous People Plan). These measures will include a defined process for securing Free, Prior and Informed Consent from Indigenous People prior to any project activities with expected impacts on them, criteria for identifying affected persons who qualify for compensation, and establishment of a grievance mechanism. The CEPF Secretariat and its Regional Implementation Teams will monitor implementation of each grant, to ensure compliance with these measures.

Any grants made under the project that trigger the Indigenous Peoples policy will be required to obtain Free, Prior and Informed Consent from affected Indigenous People prior to commencing project activities in areas inhabited or used by them. At minimum, this process will involve introducing the project aims and activities to all sections of the community (women, men, youth, elders, etc.) in local languages, and requesting their consent to participate in the project. Consent may be given in different forms (verbal, written, etc.), according to local norms, and will be documented by the grantee.

Impacts of each grant on Indigenous People will be monitored, and any persons found to be negatively affected (even when this is inadvertent) will be eligible for compensation. The form that the compensation will take will be specified in the Social Assessment. The precise form of the compensation will vary from grant to grant. Past experience suggests that provision of alternative livelihoods, access to savings and microcredit schemes, and compensation payments can be suitable but that any measures need to be culturally appropriate, negotiated with the persons concerned and not imposed on them.

As described above, any grant triggering the Indigenous Peoples policy will be required to integrate appropriate measures into its design to ensure the fair participation of Indigenous People in its design and implementation. The key measure to ensure this happens is the commitment to Free, Prior and Informed Consent. In addition, a grievance mechanism will be put in place for each grant, which, at minimum, will involve all participating Indigenous People to be provided with a summary of the project aims and activities in local language, together with contact details of the project team and the Regional Implementation Team, to whom any concerns can be raised confidentially.

Pest Management	X			
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Justification:
It is unlikely that the project will include activities related to pest management, although it is possible that some of the pilot models and approaches for mainstreaming biodiversity into private sector business practices may involve them, for instance promotion of adoption of organic pesticides over synthetic pesticides by companies in the agriculture sector. The precise pesticides involved (if any) are not known at this stage.

All grants awarded to civil society organizations under the project, including those to develop pilot models and tools for mainstreaming biodiversity into business practices, will be screened against CEPF's social and environmental safeguard policies. The relevant policy in this case is the one on pest management. Any grant involving use of pesticides or control of invasive species will be required to prepare a Pest Management Plan, prior to contracting, and to integrate appropriate measures into the design of the grant. At minimum, this plan should detail the pesticides that will be employed, how they will be stored and applied, how the results will be monitored, and what measures will be put in place to avoid negative impacts to human health or the environment.

If any grant triggers to pest management safeguard, the civil society organization receiving the grant will be responsible for preparing and implementing the Pest Management Plan, while the CEPF Secretariat and the relevant Regional Implementation Team will be responsible for ensuring compliance with the policy. This will include ensuring that appropriate protective measures are put in place to avoid exposure to pesticides during their storage, use and disposal, and to prevent wider environmental contamination.

As described above, the precise measures will vary from grant to grant but will be set out in the relevant Pest Management Plan and closely monitored by the CEPF Secretariat and its Regional Implementation Teams.

As described above, the precise measures will vary from grant to grant but will be set out in the relevant Pest Management Plan and closely monitored by the CEPF Secretariat and its Regional Implementation Teams.

Physical & Cultural Resources	X			
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Justification:
The project does not plan to remove, alter or disturb and physical cultural resources. Nevertheless, the project may work in areas with PCRs, and, therefore, has put in place appropriate screening and monitoring measures for this safeguard policy. The precise PCRs involved are not known at this point, as the location of the grants awarded under the project will only be decided during implementation. Nevertheless, based upon prior experience, the PCRs most likely to be found in

areas where the project is implemented are natural sites of cultural significance to local communities, such as sacred groves, spirit forests and other similar areas.

The project will award various grants to civil society organizations for policy demonstration models and development of tools and approaches for mainstreaming biodiversity into business practices. It is not expected that any negative impacts on any PCRs will occur, because all activities will be aimed at conserving or restoring natural ecosystems. Nevertheless, the potential for inadvertent impacts does exist, such as transgression of local regulations on access to sacred areas. For this reason, CEPF has put in place measures to ensure that all grants awarded by it are aware of any PCRs in the areas they are working, and will consult closely with the communities for which they have cultural significance prior to implementing project activities in these places.

All grants awarded to civil society organizations under the project will be screened against CEPF's social and environmental safeguard policies. The relevant policy in this case is the one on physical cultural resources. Any grant working in an area containing PCRs will be required to prepare a document that identifies all physical cultural resources in the project area (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance) and outlines measures that will be put in place to ensure that adverse effects are avoided. This document must be prepared prior to contracting of the grant, and appropriate measures will be integrated into the project document, including regular monitoring of impacts and reporting to the CEPF Secretariat.

The agreed safeguard measures will vary from grant to grant, according to the local context. Compliance with these measures will be regularly monitored by the CEPF Secretariat and the relevant Regional Implementation Team. As is the case for any CEPF grant triggering a safeguard policy, the grantee will be required to submit a safeguard monitoring report to CEPF on a semi-annual basis. CEPF and/or the Regional Implementation Teams will make periodic site visits to the grant, to verify information in the safeguard document and reports, and ensure consultations with concerned communities have been implemented correctly.

Other relevant policies and best practices

Triggered	Yes	No	TBD	Date Completed
Stakeholder Engagement	X			
<p><u>Justification:</u> Engagement with stakeholders is fundamental throughout all stages of investment in a hotspot. Engagement begins during preparation of an ecosystem profile and investment strategy, through a series of local, national and regional consultations. A wide range of stakeholders are involved, including national and international experts, research institutions, NGOs, government agencies, indigenous peoples, women and women's groups, community groups and private sector representatives. To date more than 3,000 stakeholders have been involved in preparing CEPF's ecosystem profiles. This phase sets the foundation for future interaction, and paves the way for the partnerships, networks and collaborations that are the hallmark of our approach. CEPF actively seeks out and supports stakeholder engagement during all phases of investment.</p>				

While it would be difficult to list all stakeholders that CEPF has engaged with in the three hotspots and 23 countries covered by the GEF project, the Cerrado is illustrative of the broad range of stakeholders that CEPF seeks to engage. Stakeholder engagement will take place initially during preparation of CEPF's ecosystem profile and investment strategy. Subsequently, engagement will take place as determined by the investment strategy, and where feasible during the implementation phase. Stakeholders will help identify Key Biodiversity Areas, develop strategies for CEPF grant-making, advise on grant-making, receive grants (if they are eligible as members of civil society), and partner with and complement grantees. In the Cerrado we will interact with four broad sets of stakeholders. The categories below represent a subset of potential stakeholders from the Brazilian Cerrado that CEPF will seek to engage with during the project.

The project will seek to engage with all stakeholders within the community including any potentially marginalized groups. The project will engage through current leadership structures and will seek to add to or strengthen these groups when key stakeholders are underrepresented. CEPF will ensure that men, women, youth and other groups are engaged and build monitoring systems that include necessary disaggregation to track this throughout the life of the project. The most important mechanism that CEPF has put in place to ensure systematic and locally appropriate consultation with and participation of local communities in project activities is its set of social and environmental safeguard policies, the implementation of which is outlined earlier in this document.

- **Civil society:** *At a regional level, we will reach many NGOs through the very active Cerrado Network, which has more than 200 members. We will also work with rural and small-farm workers via the National Confederation of Workers in Agriculture (CONTAG), the Federation of Family Farm Workers (FETRAF) and the Landless Workers Movement (MST).*
- **Women:** *At the sub-regional level, there are key groups or networks such as women's palm nut splitters association (MIQCB), the Pacari medicinal plants network, the Grande Sertão Cooperative and the FrutaSã social enterprise.*
- **Indigenous peoples:** *Further, because indigenous groups live in the largest areas of intact Cerrado ecosystem, we will engage with the National Program for Environmental Management in Indigenous Lands (PNGATI) and the national and regional networks (ABIP and MOPIC, respectively). The women's and indigenous groups highlighted above are reflective of the type of stakeholders we engage in all hotspots.*
- **Government:** *The list of federal, state, and municipal agency stakeholders is exhaustive, but at a minimum, includes the Ministry of Environment's secretariats of Biodiversity and Forests, Extractive Industries, and Sustainable Rural Development, as well as the subordinate agencies IBAMA (natural resources) and ICMBio (biodiversity). The list also includes the Sustainable Cerrado Commission (CONAC ER), the ministries of Agrarian Development, Agriculture, and Science and Technology. Further engagement would happen with agencies in the states of Minas Gerais, Bahia, Distrito Federal, Goiás, Maranhão, Tocantins, Mato Grosso, and Mato Grosso do Sul.*

<ul style="list-style-type: none"> • Private Sector: Stakeholders include commercial and private farmers, large-scale ranchers, cooperatives, the steel industry, and associations, such as the Brazilian Confederation of Agriculture and Livestock (CNA), the soybean association (APROSOJA), and the National Confederation of Industry (CNI). We will also work with banks that provide financing for development, including BNDES, BNB and the Bank of Brazil. 				
Gender mainstreaming	X			
<p><i>Justification:</i> Gender mainstreaming is something that CEPF has been continuously seeking to improve and increase. Throughout the project CEPF will ensure full and equitable representation in and benefit sharing from project activities. Although CEPF does not currently have a specific policy on gender mainstreaming, a number of measures have been introduced on an ad hoc basis, such as disaggregation of socio-economic impacts of individual grants by gender. As part of the bridging of phase two and phase three, CEPF will take advantage of the opportunity presented by the GEF project to strengthen its tools and policies to mainstream gender into its operations more systematically, including gender analyses where relevant. As a result of this project, CEPF will update its Environmental and Social Management Framework (ESMF) to include specific measures of gender assessment and mainstreaming in our actions as well as gender indicators in CEPF's recently approved monitoring framework.</p>				

III. KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

- The Safeguard Screening process indicates that six CI-GEF Project Agency Environmental and Social Safeguards will/might be triggered by this project (for details please refer to Section II above):
 - a) Involuntary Resettlement Policy (voluntary and involuntary restrictions to access, use or control to natural resources used by local people)
 - b) Indigenous Peoples Policy
 - c) Pest Management Policy
 - d) Physical Cultural Resources Policy
 - e) Gender Mainstreaming Policy
 - f) Stakeholder Engagement Best Practice
- This review has determined that the project's activities **will not cause or enable to cause significant** negative environmental and social impacts. This project is expected to improve biodiversity conservation and generate benefits for local people.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

- *Two potential indirect and/or long term adverse impacts can be anticipated at this stage of the project, if the recommendations described below (Section 4 below) are not properly implemented:*
 - A. *Restriction/prohibition to traditional or customary access and use of natural resources to be created without proper compensation or alternatives **beyond** the life of the project, and*
 - B. *Unequal distribution of project benefits among different groups within affected communities, especially women and disadvantaged groups.*

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts:

- *No project alternatives are necessary for this project.*

4. Describe measures to be taken by the Executing Entity to address safeguard policy issues. Provide an assessment of the Executing Entity capacity to plan and implement the measures described:

- *Given that the CEPF has Environmental and Social Safeguards in place, the main recommendations are:*
 - A. *During the PPG phase, the CEPF team will conduct a brief comparative analysis of the CI-GEF Project Agency and CEPF Environmental and Social Policies and Best Practices. The purpose of this analysis will be to identify possible gaps between these two sets of policies and best practices and produce recommendations to ensure that CEPF grants from this project meet or exceed the CI-GEF Project Agency environmental and social safeguards. The CI-GEF Project Agency will review and approve these recommendations before they are implemented;*
 - B. *The PPG Workplan will include list of main stakeholders for the PPG phase and brief description of how they will be engaged during the PPG phase for the preparation of the Project Document; and*
 - C. *Given that the CEPF does not have a Gender Mainstreaming Policy perse, but will be developing one during the implantation of this project, the CEPF team will describe in the PPG Workplan the measures to be put in place to meet the CI-GEF Project Agency's policy on Gender Mainstreaming.*

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people:

- *The identification of key stakeholders, the description of consultation mechanisms and disclosure on safeguard policies will be defined during the PPG and included as part of the Project Document.*
- *The CI-Project Agency will review, approve and monitor the implementation of these mechanisms and disclosure of safeguard issues to key stakeholders.*

IV. PROJECT CATEGORIZATION

PROJECT CATEGORY	Category A	Category B	Category C
<i>Justification:</i> <ul style="list-style-type: none"> The review of the safeguard screening form and the PIF indicates that this project will not cause or enable to cause any major environmental and/or social impacts. 			

V. EXPECTED DISCLOSURE DATES

Safeguard	CI Disclosure Date	In-Country Disclosure Date
Environmental & Social Impact Assessment (ESIA)	N/A	N/A
Natural Habitats	N/A	N/A
Involuntary Resettlement	Before Grant Implementation Begins (date to be confirmed)	Before Grant Implementation Begins (date to be confirmed)
Indigenous Peoples	Before Grant Implementation Begins (date to be confirmed)	Before Grant Implementation Begins (date to be confirmed)
Physical Cultural Resources	Before Grant Implementation Begins (date to be confirmed)	Before Grant Implementation Begins (date to be confirmed)
Pest Management	Before Grant Implementation Begins (date to be confirmed)	Before Grant Implementation Begins (date to be confirmed)

VI. APPROVALS

<i>Signed and submitted by:</i>		
Vice President CI-GEF Project Agency:	Name	Date
<i>Approved by:</i>		
CI-GEF Technical & Safeguards Coordinator:	Name Miguel A. Morales	Date July 14, 2014
<i>Comments:</i>		
Account Manager:	Name	Date
<i>Comments:</i>		

APPENDIX IV: Project Results Monitoring Plan

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Objective:							
Indicator a:	Number of long-term conservation visions and financing plans for biodiversity hotspots developed and implemented with clear targets for CEPF graduation and endorsed by civil society, government, donor and/or private sector actors	Count of long term visions completed that contain all requirements and count of endorsements received	0 long-term visions 0 endorsements	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Indicator b:	Number of civil societies and CEPF grantees in the pilot hotspots that improve their financial and institutional sustainability	Analysis of Civil Society Tracking Tools for grantees and Collective Civil Society Tracking Tools	0 grantees 0 hotspots	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Indicator c:	Total area of production landscapes, protected areas, and conservation corridors implementing biodiversity conservation and sustainable use	Review of grantee reports and SP1 METTs	0 hectares of production landscapes 0 hectares of protected areas 0 hectares of conservation corridors	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Indicator d:	Number of policy demonstration models and management best practices adopted in number of additional biodiversity hotspots	Count and analysis of CEPF's monitoring data on policies and best practices based on grantee reports	0 policy demonstration models 0 best practices 0 additional hotspots	9 additional hotspots	Project mid-term and end	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Component 1: Developing long-term conservation visions, financing plans and associated strategies for biodiversity hotspots							
Outcome Indicator 1.1.1:	Number of long-term visions incorporating resource mobilization strategies that support the mobilization of new funding, and policy targets addressing key drivers of biodiversity loss and guiding the development of new policy demonstration models	Count of long-term vision documents with resource mobilization strategies and policy targets	0 long-term visions incorporating resource mobilization strategies and policy targets	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 1.1.2:	Number of hotspots with clear targets for graduation of civil society from CEPF support	Count of long-term vision documents with graduation targets	0 pilot hotspots with graduation targets	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 1.1.3:	Number of civil society, government, donor and/or private sector actors that endorse the long-term visions	Count of endorsements	0 endorsements of the long-term visions	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 1.1.1:	Number of approved vision documents incorporating civil society 'graduation' targets	Count of approved long-term visions with targets	0 approved long-term visions	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 1.1.2:	Number of financing plans defined for implementation of the long-term conservation visions	Count of financing plans	0 financing plans	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Output Indicator 1.1.3:	Number of vision documents incorporating a full set of targets covering major sectoral drivers and key policies, developed with broad stakeholder participation	Count number of long-term visions with targets and number of consultation processes	1 set of targets in the long-term visions 5 consultation processes	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 1.1.4:	Number of pilot hotspots with completed strategies for engagement with private sector actors	Count number of completed strategies for engagement with private sector actors	0 strategies	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs							
Outcome Indicator 2.1.1:	Number of pilot hotspots that show at least 20% improvement in collective civil society capacity tracking tool scores	Analysis of Collective Civil Society Tracking Tools [under development]	0 hotspots with 20% improvement over duration of project [baselines will be set for each hotpot at project start]	3 pilot hotspots	Project start, mid-term and end	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 2.1.2:	Number of CEPF grantees, number of Indigenous People's organizations and number of women's groups that show at least 10% improvement in civil society tracking tool scores	Analysis of Civil Society Tracking Tools for grantees	0 grantees, including 0 Indigenous People's organizations and 0 women's groups, with 10% improvement over duration of project	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Outcome Indicator 2.1.3:	Number of CEPF grantees that show at least 20% improvement in gender mainstreaming tracking tool scores	Analysis of Gender Mainstreaming Tracking Tools for grantees	0 grantees with 20% improvement over duration of project	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 2.1.1:	Number of hotspots with long-term institutional structures in place	Count of hotspots with long-term institutional structures	0 hotspots	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 2.1.2:	Number of local civil society organizations engaged in biodiversity conservation in each pilot hotspot with a civil society tracking tool score of 80 or more	Analysis of Civil Society Tracking Tools for grantees	8 local organizations: <ul style="list-style-type: none"> • TBD in Cerrado • 2 in Eastern Afromontane • 6 in Indo-Burma 	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 2.2.1:	Funds available in sustainable financing mechanisms to support priorities in long-term conservation visions, including: <ul style="list-style-type: none"> • sustainable financing mechanisms from non-traditional sources (e.g. private sector, new economic and financial instruments, etc.) • conservation finance generated by innovative private sector models 	Analysis of Long Term Financing Tracking Tools [to be updated] for sustainable financing mechanisms supported by CEPF	USD 8.9 million available in sustainable financing mechanisms in the pilot hotspots: <ul style="list-style-type: none"> • USD 0 in Cerrado • USD 8.9 million in Eastern Afromontane • USD 0 in Indo-Burma 	3 pilot hotspots	Project start, mid-term and end	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Output Indicator 2.2.1:	Number of regional resource mobilization strategies developed to generate additional revenue	Count of regional resource mobilization strategies	0 strategies	3 pilot hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 2.2.2:	Number of models for private sector conservation finance demonstrated	Review of grantee reports	0 models	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Component 3: Ensuring the financial and institutional sustainability of multi-sector conservation programs							
Outcome Indicator 3.1.1:	Number of hectares of production landscapes that demonstrate effective ways of mainstreaming biodiversity	Review of grantee reports	389,569 hectares of production landscapes with effective biodiversity mainstreaming: <ul style="list-style-type: none"> • 0 hectares in Cerrado • 0 hectares in Eastern Afromontane • 389,569 hectares in Indo-Burma 	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 3.1.2:	Number of protected areas with new management models that feature direct participation of civil society organizations or indigenous and local communities that show improvements in SP1 METT scores	Review of grantee reports and SP1 METTs	0 protected areas with new models	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Outcome Indicator 3.1.3:	Number of globally threatened species with reduced threats to their populations through mainstreaming of biodiversity into production landscapes and/or implementation of new protected area models	Review of grantee reports	0 globally threatened species with reduced threats to their populations	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 3.1.4:	Number of conservation corridors with enhanced ecological connectivity through the incorporation of financial incentives into policy and the adoption of biodiversity-friendly management practices by private companies	Review of grantee reports	0 conservation corridors with enhanced ecological connectivity	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 3.1.5:	Number of indigenous and local communities that have increased, gender-equitable access to ecosystem services.	Review of grantee reports	0 communities with increased, gender-equitable access to ecosystem services	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 3.1.6:	Number of women and number of men that receive direct socio-economic benefits through increased income, food security, resource rights or other measures of human wellbeing.	Review of grantee reports	0 women and 0 men with direct socio-economic benefits	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Outcome Indicator 3.1.7:	Number of women and number of men that receive indirect socio-economic benefits through enhanced and more secure delivery of ecosystem services.	Review of grantee reports	0 women and 0 men with indirect socio-economic benefits	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 3.1.1	Number of policies, programs, or plans incorporating results of policy demonstration models	Review of grantee reports and hotspot-level mid-term and final assessments	0 policies, programs and plans	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 3.1.2:	Number of biodiversity-friendly business practices adopted by key private sector change agents	Review of grantee reports and hotspot-level mid-term and final assessments	0 business practices	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 3.1.3:	Number of new management models involving direct participation introduced at protected areas	Review of grantee reports	0 models	3 pilot hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Component 4: Replicating success through knowledge products and tools							
Outcome Indicator 4.1.1:	Number of additional hotspots that have long-term implementation structures	Count of hotspots with long-term implementation structures	0 hotspots with long-term implementation structures	9 additional hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 4.1.2:	Number of additional hotspots that have regional resource mobilization strategies	Count of hotspots with resource mobilization strategies	0 hotspots with regional resource mobilization strategies	9 additional hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Outcome Indicator 4.1.3:	Number of successful policy demonstration models that have been adopted in at least one additional hotspot	Review of grantee reports and hotspot-level mid-term and final assessments	0 policy demonstration models adopted in at least one additional hotspot	At least 2 additional hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Outcome Indicator 4.1.4:	Number of management best practices that have been adopted in at least one additional hotspot	Review of grantee reports and hotspot-level mid-term and final assessments	0 management best practices adopted in at least one additional hotspot	At least 2 additional hotspots	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 4.1.1:	Number of additional (non-pilot) hotspots with long-term implementation structures	Count of hotspots with long-term implementation structures	0 hotspots	9 additional hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 4.1.2:	Number of hotspots with regional resource mobilization strategies	Count of hotspots with resource mobilization strategies	0 hotspots	9 additional hotspots	Annual	CEPF Secretariat (Grants Team)	Covered under Salaries and Benefits budget line
Output Indicator 4.1.3:	Number of countries in other hotspots adopting policy demonstration models	Review of grantee reports and hotspot-level mid-term and final assessments	0 countries	At least 1 additional hotspot	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 4.1.4:	Number of countries in other hotspots replicating management practices for mainstreaming biodiversity	Review of grantee reports and hotspot-level mid-term and final assessments	0 countries	At least 1 additional hotspot	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line

Indicators	Metrics	Methodology	Baseline	Location	Frequency	Responsible Parties	Indicative Resources
Outcome Indicator 4.2.1:	Number of models, tools and best practices developed under the project that have been adopted by conservation practitioners in areas outside CEPF investments	Review of grantee reports; correspondence with conservation practitioners in areas outside CEPF investments	0 models, tools and/or best practices adopted in areas outside CEPF investments	Areas outside hotspots with CEPF investment	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Output Indicator 4.2.1:	Number of innovative knowledge products made publicly available	Count of knowledge products made available through CEPF website and other channels	0 knowledge products	Areas outside hotspots with CEPF investment	Annual	CEPF Secretariat (Monitoring Learning & Evaluation Team)	Covered under Salaries and Benefits budget line
Safeguard Plans:							
Gender mainstreaming indicator:	Number of hotspots in which Gender Mainstreaming Plan implemented and monitored according to CEPF's gender mainstreaming policy	Review grantees' reports	None	3 pilot hotspots	Annual	Grant Directors and Monitoring Evaluation and Outreach Unit	Covered under salary budget line

APPENDIX V: GEF Tracking Tool by Focal Area

- *Include the GEF Focal Area Tracking Tool, including the baseline information*

APPENDIX VI: Safeguard Compliance Plan

CEPF Best Practice on Stakeholder Engagement

21 May 2015

1. CEPF's best practice on stakeholder engagement is based on the CI-GEF Project Agency's Environmental and Social Management Framework, which is, in turn, based on the International Finance Corporation's Good Practice Handbook for Companies Doing Business in Emerging Markets. It is applicable to all CEPF-funded projects.
2. Stakeholder engagement is a fundamental principle of good project design, and best practice consists of involving all stakeholders, including indigenous and local communities and other project-affected people, as well as government, private sector and civil society partners, as early as possible in the preparation process and ensuring that their views and concerns are made known and taken into account.
3. The CEPF Secretariat will ensure that all CEPF-funded projects comply with this best practice. In the case of large grants, this will mean working directly with applicants and grantees. In the case of small grants, this will mean providing training and oversight to Regional Implementation Teams (RITs), to ensure that they are providing appropriate guidance to applicants and grantees.
4. Organizations applying for CEPF grants are expected to identify the range of stakeholders that may be interested in their actions and consider how external communications might facilitate a dialogue with all stakeholders during design and, later, implementation of the project. Stakeholders should be informed and provided with information regarding project activities.
5. Applicants will be required to submit a Letter of Inquiry (LoI), describing the proposed project in outline. In the LoI, applicants will be explicitly requested to identify project partners and stakeholders, and to summarize the involvement of each in the project.
6. Applicants for large grants that pass the LoI stage will be required to submit a full proposal, describing their proposed project in detail. In the full proposal, applicants will be asked to describe, for each identified stakeholder, any relevant consultations they have had or partnership agreements have made with regard to the project.
7. These consultations are expected to take place during the project design phase, either before or after submission of the LoI, or both. In cases where applicants are unable to consult with all stakeholders during the project design phase (for instance, due to remoteness), these consultations may be incorporated into project design, as an activity during the first year of implementation.
8. Where no adverse social or environmental impacts to local or indigenous communities can reasonably be expected, no further documentation is required. The approved project proposal will function as the Stakeholder Engagement Plan, and the grantee will be expected to continue to communicate with stakeholders for the duration of the project.

9. Where projects involve activities that are likely to generate adverse social or environmental impacts to local or indigenous communities, the applicant will identify the Affected Communities in the full proposal, and develop and implement a Stakeholder Engagement Plan (see template below).
10. The Stakeholder Engagement Plan should be scaled to the project risks and impacts, and be tailored to the characteristics and interests of the Affected Communities. The plan must also incorporate the key principles of CEPF's Gender Mainstreaming Policy.
11. Where applicable, the Stakeholder Engagement Plan will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives (e.g., village leaders, local elected representatives, etc.), the applicant will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents.
12. In cases where the exact location of the project is not known at the project design stage, but the project can reasonably be expected to have significant impacts on local or indigenous communities, the applicant will prepare a Stakeholder Engagement Framework, as an annex to the full proposal, outlining general principles and a strategy to identify Affected Communities and other relevant stakeholders and plan for an engagement process.
13. Where the project also triggers another safeguard policy (e.g., Indigenous People, involuntary resettlement, pest management, etc.), it may not be necessary to develop a stand-alone Stakeholder Engagement Plan. Rather, the Stakeholder Engagement Plan can be incorporated into the safeguard documentation required by that policy (i.e., Social Assessment, Indigenous Peoples Plan, Process Framework, Pest Management Plan, etc.), to ensure integration and avoid duplication.
14. The CEPF Secretariat will review and approve all Stakeholder Engagement Plans for large grants, prior to disclosure on the CEPF website. The relevant RIT will perform this function for small grants.
15. Once a Stakeholder Engagement Plan has been approved, it is recommended that stakeholder engagement continue throughout the life of the project. The nature, frequency and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of implementation.

Stakeholder Engagement Plan Template

1. The CEPF Secretariat will ensure that all CEPF-funded projects comply with the Best Practice on Stakeholder Engagement, by involving all stakeholders, including project-affected groups, indigenous peoples, and local civil society organizations, as early as possible in the design process and ensuring that their views and concerns are made known and taken into account. The CEPF Secretariat will also ensure that grantees will continue to hold consultations with stakeholders throughout project implementation, as deemed necessary to address social and environmental issues that affect them.

2. Grantees are responsible for drafting and executing the Stakeholder Engagement Plan. The CEPF Secretariat and its RITs will review the plan and oversee its execution.

3. Benefits of stakeholder engagement include:

a) Letting interested and affected parties participate in decision-making to give them more control and security;

b) Sharing information and facilitating understanding;

c) Building legitimacy and support for decisions;

d) Fostering constructive working relationships among stakeholders;

e) Building consensus and generating support for the project;

f) Reducing conflict;

g) Tapping into the local, specialist knowledge of stakeholders to inform assessment and design; and

h) Improving the end decision and aiding sustainability.

4. A Stakeholder Engagement Plan should:

a) Describe CEPF requirements for consultation and disclosure;

b) Identify and prioritize key stakeholder groups;

c) Provide a strategy and timetable for sharing information and consulting with each of these groups;

d) Describe resources and responsibilities for implementing stakeholder engagement activities;

e) Describe how stakeholder engagement will be incorporated into project design; and

f) Have of a scope and level of detail that is scaled to fit the needs of the project.

5. A Stakeholder Engagement Plan should contain the following sections:

a) *Introduction*: Briefly describe the project including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.

b) *Policies and Requirements*: Summarize any requirements by CEPF pertaining to stakeholder engagement applicable to the project. This may involve public consultation and disclosure requirements related to other social and environmental safeguards.

c) *Summary of Previous Stakeholder Engagement Activities*: If the grantee has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:

- Type of information disclosed, in what form (e.g., oral, brochure, reports, posters, radio, etc.), and how it was disseminated;
- The locations and dates of any meetings undertaken to date;
- Individuals, groups, and/or organizations that have been consulted;
- Key issues discussed and key concerns raised;
- Grantee response to issues raised, including any commitments or follow-up actions; and
- Process undertaken for documenting these activities and reporting back to stakeholders.

d) *Project Stakeholders*: List the key stakeholder groups who will be informed and consulted about the project. These should include persons or groups who:

- Are directly and/or indirectly affected by the project or have “interests” in the project that determine them as stakeholders; and
- Have the potential to influence project outcomes (examples of potential stakeholders are affected communities, local organizations, non-governmental organizations (NGOs) and government authorities. Stakeholders can also include politicians, companies, labor unions, academics, religious groups, national social and environmental public sector agencies, and the media).

e) *Stakeholder Engagement Program*: Summarize the purpose and goals of the program. Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the identified groups of stakeholders. Methods used may vary according to target audience, for example:

- Newspapers, posters, radio, television;
- Information centers and exhibitions or other visual displays; and
- Brochures, leaflets, posters, non-technical summary documents and reports.

f) *Consultation methods*: Description of the methods that will be used to consult with each of the stakeholder groups identified in previous sections. Methods used may vary according to target audience, for example:

- Interviews with stakeholder representatives and key informants;
- Surveys, polls, and questionnaires;
- Public meetings, workshops, and/or focus groups with a specific group;
- Participatory methods; and
- Other traditional mechanisms for consultation and decision-making.

g) *Other Engagement Activities*: Description of any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships

undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs, community development initiatives, resettlement and development programs, and/or training and microfinance programs.

h) *Timetable*: Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into project design.

i) *Resources and Responsibilities*: Indicate what staff and resources will be devoted to managing and implementing the Stakeholder Engagement Plan. Who within the project team will be responsible for carrying out these activities? What budget has been allocated toward these activities?

j) *Grievance Mechanism*: Describe the process by which people affected by the project can bring their grievances to the grantee for consideration and redress. Who will receive public grievances? How and by whom will they be resolved? How will the response be communicated back to the complainant? Please note that all grievance mechanisms must make available the contact details of the RIT and/or CEPF Secretariat, in case people affected by the project have concerns that they do not wish to raise directly with the grantee.

k) *Monitoring and Reporting*: Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups.

Detailed GEF Project budget



GEF Project ID:	5735								
Project Title:	Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale								
Executing Agencies :	Critical Ecosystem Partnership Fund (CEPF)								
Project Amount GEF-funded (USD) :	9,800,000		Indicative Project start date :	1/1/2016					
Project Amount co-financing (USD) :	84,500,000		Indicative Project end date :	12/31/2020					
Total Project Amount (USD) :	94,300,000		Duration (in years):	5					

Component 1 description : Developing long-term conservation visions and financing plans for biodiversity hotspots

Component 2 description : Ensuring the financial and institutional sustainability of multi-sector conservation programs

Component 3 description : Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships

Component 4 description : Replicating success through knowledge products and tools

GEF FUNDED BUDGET			Project budget by component (in USD)						Project budget per year (in USD)					
EXPENSES TYPE	DESCRIPTION		Component 1	Component 2	Component 3	Component 4	Project Management Costs	Total	YR1	YR2	YR3	YR4	YR5	TOTAL
Salaries and benefits	Grant and Monitoring Team			274,595	632,179	73,226		980,000	184,587	190,125	195,829	201,704	207,755	980,000
Salaries and benefits	Grant Management Team (Administration of the grants)						440,000	440,000	82,876	85,362	87,923	90,561	93,278	440,000
Total Personnel Salaries and benefits			-	274,595	632,179	73,226	440,000	1,420,000	267,463	275,487	283,752	292,265	301,033	1,420,000
Consultants fees - International	mid-term review and terminal evaluation						40,000	40,000	-	-	20,000	-	20,000	40,000
Reimbursable expenses - Inter consultant	Consultant reimbursables for mid-term evaluation						10,000	10,000	-	-	5,000	-	5,000	10,000
Consultants fees - International	Consultancy to develop innovative knowledge products					168,000		168,000		28,000	28,000	56,000	56,000	168,000
Consultants fees - International	Development of CEPF website for dissemination of models, tools					132,000		132,000	132,000					132,000
Total Professional Services			-	-	-	300,000	50,000	350,000	132,000	28,000	53,000	56,000	81,000	350,000
Total Travel and Accommodations			-	-	-	-	-	-	-	-	-	-	-	-
Total Meetings and workshops			-	-	-	-	-	-	-	-	-	-	-	-
Grants & Agreements	Grants to civil society groups in the 3 pilot hotspots			2,250,000	5,180,000			7,430,000	3,715,000	2,229,000	1,486,000			7,430,000
Grants & Agreements	Multi-hotspot grants to facilitate exchange of experience between the pilot hotspots and 9 additional hotspots where CEPF invests					600,000		600,000		100,000	100,000	200,000	200,000	600,000
Total Grants & Agreements			-	2,250,000	5,180,000	600,000	-	8,030,000	3,715,000	2,329,000	1,586,000	200,000	200,000	8,030,000
Total Equipment			-	-	-	-	-	-	-	-	-	-	-	-
Total Other Direct Costs			-	-	-	-	-	-	-	-	-	-	-	-
Total GEF funded project costs			-	2,524,595	5,812,179	973,226	490,000	9,800,000	4,114,463	2,632,487	1,922,752	548,265	582,033	9,800,000
CO-FINANCING			Co-financing by component (in USD)						Co-financing per year (in USD)					
SOURCES OF CO-FINANCING	NAME OF CO-FINANCIER	TYPE OF COFINANCING	Component 1	Component 2	Component 3	Component 4	Project Management Costs	Total	YR1	YR2	YR3	YR4	YR5	TOTAL
GEF Agency	Conservation International	Cash	750,000	1,393,750	1,393,750	8,362,500	2,100,000	14,000,000	1,500,000	3,125,000	3,125,000	3,125,000	3,125,000	14,000,000
Multilateral Agency	European Union	Cash	750,000	1,947,024	1,947,024	11,682,144	2,881,093	19,207,285	9,603,643	9,603,643	-	-	-	19,207,285
Government	Government of Japan	Cash	750,000	1,480,131	1,480,131	8,880,788	2,221,950	14,813,000	2,962,600	2,962,600	2,962,600	2,962,600	2,962,600	14,813,000
Other	Helmsley Foundation	Cash	-	-	-	765,000	135,000	900,000	300,000	300,000	300,000	-	-	900,000
Other	MacArthur Foundation	Cash	-	5,925,000	5,925,000	-	-	11,850,000	2,370,000	2,370,000	2,370,000	2,370,000	2,370,000	11,850,000
Other	Margaret A. Cargill Foundation	Cash	-	7,500,000	7,500,000	-	-	15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Other	MAVA Foundation	Cash	-	-	-	1,016,744	112,972	1,129,715	1,129,715	-	-	-	-	1,129,715
Multilateral Agency	World Bank	Cash	750,000	856,250	856,250	5,137,500	-	7,600,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	7,600,000
Sub Total Co-financing IN-KIND			-	-	-	-	-	-	-	-	-	-	-	-
Sub Total Co-financing IN CASH			3,000,000	19,102,155	19,102,155	35,844,675	7,451,014	84,500,000	22,385,958	22,881,243	13,277,600	12,977,600	12,977,600	84,500,000
Total Co-financing			3,000,000	19,102,155	19,102,155	35,844,675	7,451,014	84,500,000	22,385,958	22,881,243	13,277,600	12,977,600	12,977,600	84,500,000
TOTAL PROJECT BUDGET			3,000,000	21,626,750	24,914,334	36,817,901	7,941,014	94,300,000	26,500,421	25,513,730	15,200,352	13,525,865	13,559,633	94,300,000

APPENDIX VIII: Co-financing Commitment Letters

- 1) Co-financing Letter from CEPF for USD 57,650,000.
- 2) Commitment letter from CI to CEPF for CEPF Phase III.
- 3) Co-financing Letter from the MacArthur Foundation for USD 11,850,000.
- 4) Co-financing Letter from the Margaret A. Cargill Foundation for USD 15,000,000.

July 31, 2015

Ms. Lilian Spijkerman
Vice President and Managing Director, CI-GEF Project Agency
2011 Crystal Drive
Suite 500
Arlington, Virginia 22202
USA

Subject: Co-financing support for: Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale

Dear Ms. Spijkerman,

On behalf of the Critical Ecosystem Partnership Fund (CEPF), I am pleased to commit USD 57,650,000 in co-financing to Conservation International in support of the GEF Funded Project, “Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale”. This co-financing is provided from the following sources:

Co-financier	Amount (USD)	Dates	Components
European Union	19,207,285	March 1, 2014 - December 31, 2017	1,2,3,4
Government of Japan	14,813,000	October 1, 2015 – December 31, 2018	1,2,3,4
Helmsley Foundation	900,000	March 15, 2015 – March 14, 2018	4
MAVA Foundation	1,129,715	March 1, 2014 - December 31, 2016	4
World Bank	7,600,000	March 1, 2014 - December 31, 2016	1,2,3,4
CI – future commitment	14,000,000	July 1, 2016 – December 31, 2020	1,2,3,4
Total	57,650,000		

The co-financing is secured as follows:

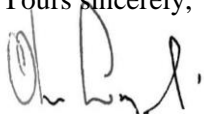
- The European Union. With the International Bank for Reconstruction and Development acting as administrator, the European Union committed EUR 17.1 million (USD 23.5 million) to CEPF in an agreement dated November 27, 2013. The term of the agreement is to December 31, 2017. Of this contribution, USD 19,207,285 will be spent by CEPF between March 1, 2014 and the end of 2017.
- The Government of Japan. In June 2012, the Government of Japan replenished its Phase I commitment, pledging to contribute USD 14.813 million to CEPF in addition to the USD 9.875 million already committed in June 2012. It is anticipated that these pledged funds will be committed to CEPF between 2015 and 2017 in annual instalments.

CRITICAL ECOSYSTEM PARTNERSHIP FUND

- The World Bank. The World Bank, through its Development Grant Facility, pledged to contribute USD 25 million to CEPF Phase II. To the end of 2013, it had contributed USD 22 million of this pledge. USD 4.540 million of the contribution will be spent by CEPF after March 1, 2014. In an agreement dated October 30, 2014, the World Bank contributed a further USD 1.5 million to CEPF, to be spent by the end of 2015. It is anticipated that it will contribute the remaining USD 1.560 million of its pledge in 2015, with the funds to be utilized by the end of 2016. This results in USD 7.6 million of World Bank funds to be spent by CEPF between March 1, 2014, and the end of 2016.
- The Leona M. and Harry B. Helmsley Charitable Trust. Helmsley committed USD 900,000 to support CEPF build a stronger conservation community in Madagascar under an agreement signed on March 17, 2015.
- MAVA Fondation pour la Nature. MAVA contributed USD 1,129,715 to promote integrated coastal zone management throughout the Mediterranean Basin under an agreement signed on January 31, 2014.
- Conservation International (CI). CI has committed to contribute USD 25 million to CEPF Phase III over an 8-year period, beginning in 2016. It is anticipated that USD 14 million of this commitment will be spent by CEPF by December 31, 2020.

The contributions as described above are intended to qualify as co-financing should the project proposal be successful.

Yours sincerely,



Olivier Langrand
Executive Director

2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA
Tel: +1 703 841 2400
Fax: +1 703 555 4817
www.conservation.org



09 September 2015

M. Jean-Michel Severino
Chairperson, Donor Council
Critical Ecosystem Partnership Fund
2011 Crystal Drive
Suite 500
Arlington, Virginia 22202
USA

Subject: Conservation International commitment to CEPF Phase III

Dear M. Severino,

This serves to confirm that CI, as a founding partner of the Critical Ecosystem Partnership Fund (CEPF) and the host to the Secretariat, agrees to continue its support to CEPF. CI will contribute \$25 million to the CEPF partnership for the implementation of the Phase III Strategy. It is anticipated that this support will commence during 2016 and will continue over an 8-year period. The terms of the contribution, including the timing of the payments, will be discussed and agreed with all parties in due course.

CI is proud of its role in establishing CEPF and its ongoing support for the important work that CEPF does to empower civil society to conserve the world's most critical ecosystems and biodiversity. CI looks forward to continuing this support in partnership with the current and new donors to enhance the impact that CEPF is having on biodiversity conservation.

Yours sincerely,

A handwritten signature in black ink that reads "Peter Seligmann". The signature is fluid and cursive, written in a professional style.

Peter Seligmann
Chairperson and CEO

17 July 2015

Ms. Lilian Spijkerman
Vice President and Managing Director, CI-GEF Project Agency
2011 Crystal Drive, Suite 500
Arlington, Virginia 22202, USA

Subject: Co-Financing support for “Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale”

Dear Ms. Spijkerman,

On behalf of the John D. and Catherine T. MacArthur Foundation, I am pleased to commit \$11,850,000 in co-financing in support of the GEF Funded Project, “Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale”.

This co-financing will support Components 2 (Ensuring the financial and institutional sustainability of multi-sector conservation programs) and 3 (Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships) during the period 2014-2020.

Specifically, in 2011-2012, the MacArthur Foundation collaborated with CEPF and other funders to develop a joint strategy for grant-making to civil society organizations in the Indo-Burma Hotspot: the Ecosystem Profile. This document is guiding coordinated investments towards a shared set of strategic goals in the hotspot. Over the period 2014-2020, the MacArthur Foundation will award two cycles of grants: the first totaling \$6.80 million and the second totaling \$5.05 million.

This contribution, as described above, is intended to qualify as co-financing should the project proposal be successful.

Sincerely,



Christopher Holtz
Program Officer
John D. and Catherine T. MacArthur Foundation



17 July 2015

Ms. Lilian Spijkerman
Vice President and Managing Director, CI-GEF Project Agency
2011 Crystal Drive, Suite 500
Arlington, Virginia 22202, USA

Subject: Co-Financing support for “Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale”

Dear Ms. Spijkerman,

On behalf of the Margaret A. Cargill Foundation, I am pleased to commit \$15 million in co-financing in support of the GEF Funded Project, “Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale”.

This co-financing will support Components 2 (Ensuring the financial and institutional sustainability of multi-sector conservation programs) and 3 (Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships) during the period 2014-2020.

Specifically, in 2011-2012, the Margaret A. Cargill Foundation collaborated with CEPF and other funders to develop a joint strategy for grant-making to civil society organizations in the Indo-Burma Hotspot: the Ecosystem Profile. This document is guiding coordinated investments towards a shared set of strategic goals in the hotspot. Over the period 2014-2020, the Margaret A. Cargill Foundation will support two cycles of grants: the first totaling \$6 million and the second totaling \$9 million.

This contribution, as described above, is intended to qualify as co-financing should the project proposal be successful.

Sincerely,

Alan Holt
Director, Environment Program

APPENDIX IX: Examples of Conservation Financing Modalities in Pilot Hotspots

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
<i>1. Indo-Burma Hotspot</i>							
Cambodia	<ul style="list-style-type: none"> • Giant Ibis Transport company is sponsoring ibis conservation by BirdLife International (B - \$10,000 to \$100,000) • The Australia and New Zealand Banking Group (ANZ) staff foundation makes grants of up to \$5,000 (A - \$1,000 to \$10,000) • The entertainment channel MTV is supporting the End Exploitation and Trafficking campaign against human trafficking and exploitation; some elements of the campaign have been extended to address wildlife trade (B - \$10,000 to \$100,000) 	<ul style="list-style-type: none"> • PES mechanism has been mooted in relation to Phnom Kulen, the main water catchment for Siem Reap, based on Green Fees for water usage, but nothing substantial has materialized to date 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Trocaire is providing support to indigenous peoples groups and grassroots organizations on natural resource rights (C - \$100,000 to \$1 million) • American Jewish World Service is supporting indigenous groups working on land and resource rights (C - \$100,000 to \$1 million) • The Danish International Development Agency (Danida) is supporting several projects on climate change, sustainable development and natural resource management (D - \$1 million - \$10 million) • The Oxfam network is supporting several initiatives on natural resources rights, including ones directly linked to drivers of biodiversity loss (D - \$1 million to \$10 million) • ADB provides loans to sectors with close links to conservation, including agriculture, forestry, water resources, and transport (E - \$10 million to \$100 million) 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> •

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
China	<ul style="list-style-type: none"> • Ford Motor Conservation and Environmental Grants (C - \$100,000 to \$1 million) • Protected Area Friendly Company Ltd supports protected areas through sale of ecological friendly products (B - \$10,000 to \$100,000) • HSBC provides support to biodiversity surveys and water conservation in Western China (C - \$100,000 to \$1 million) • Bridgestone Company supports conservation initiatives in southwest China (C - \$100,000 to \$1 million) • Marriot Hotels are supporting water resource conservation in southwest China (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> • Elsewhere in southwestern China, such as Yinjing and Pingwu counties in Sichuan province, local governments and water utilities are supporting PES mechanisms for catchment protection (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • ADB provides loans for development of sectors with close links to biodiversity conservation, including agriculture, forestry, water resources, and transport (E - \$10 million to \$100 million) • UNDP supports a wide range of program areas including environment and climate change (E - \$10 million to \$100 million) • The European Union supports a wide range of program areas, including the forestry sector and climate change (E - \$10 million to \$100 million) 	<ul style="list-style-type: none"> • An online public fundraising platform has been initiated in collaboration by Tencent to raise funds for species conservation (C - \$100,000 to \$1 million) • An online public fundraising platform has been initiated in collaboration by Alibaba to raise funds for species conservation (C - \$100,000 to \$1 million) • An online public fundraising platform has been initiated in collaboration by Jing Dong to raise funds for species conservation (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> • Chinese law allows the establishment of private foundations for charitable purposes. One example is the Yunnan Green Environment Development Fund, which supports biodiversity conservation (C - \$100,000 to \$1 million) • Yunnan Provincial Biodiversity Conservation Foundation (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> • Low-carbon Development Fund of Yunnan is supporting low-carbon development pathways (D - \$1 million to \$10 million)

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Lao PDR	<ul style="list-style-type: none"> MMG Limited has been supporting biodiversity conservation in Savannakhet province as part of a biodiversity offset strategy for the Sepon mine (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> The Nakai Nam Theun Watershed Management Protection Authority is funded through transfer payments from the Nam Theun 2 hydropower project (D - \$1 million to \$10 million) The Theun-Hinboun Hydropower Company has been supporting conservation actions in Bolikhamxay province as part of a PES / biodiversity offset strategy (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> ADB provides loans for development of sectors with close links to biodiversity conservation, including agriculture, forestry, water resources, and transport (E - \$10 million to \$100 million) The Food and Agriculture Organization of the United Nations (FAO) supports government initiatives to promote sustainable natural resource management and sustainable production (D - \$1 million to \$10 million) UNDP supports a wide range of program areas including poverty reduction and environment (D - \$1 million to \$10 million) The European Union supports a wide range of program areas, including the forestry sector and climate change (D - \$1 million to \$10 million) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Myanmar	<ul style="list-style-type: none"> • Moattama Gas Transportation Company and Taninthayi Pipeline Company have been supporting Taninthayi Nature Reserve as part of a compensation scheme for pipeline developments (C - \$100,000 to \$1 million) • Ford Motor Conservation and Environmental Grants (B - \$10,000 to \$100,000) 	•	•	<ul style="list-style-type: none"> • American Jewish World Service is supporting rural communities to influence decision making on the use of natural resources (C - \$100,000 to \$1 million) • ADB is just starting to lend money to the government of Myanmar (D - \$1 million to \$10 million) • UNDP supports a wide range of program areas including environment, disaster-risk-reduction and climate change (E - \$10 million to \$100 million) • The European Union supports a wide range of program areas, including the forestry sector and climate change (E - \$10 million to \$100 million) • The Open Society Institute is supporting grants on human rights and capacity building for civil society; a small portion are to groups working on environmental issues (D - \$1 million to \$10 million) 	•	•	•

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Thailand	<ul style="list-style-type: none"> • The marketing agency J Walter Thompson has been supporting anti-wildlife-trade campaigns, including the ARREST program, by providing pro bono support (B - \$10,000 to \$100,000) • Beverage manufacturer Red Bull is supporting conservation activities in the Western Forest Complex (A - \$1,000 to \$10,000) • Toyota Environmental Activities Grant Program supports initiatives on biodiversity conservation and climate change (B - \$10,000 to \$100,000) • The Asahi Glass Foundation supports research in the natural sciences, including a handful of grants on conservation each year (B - \$10,000 to \$100,000) 	•	•	<ul style="list-style-type: none"> • American Jewish World Service is supporting advocacy for land rights (C - \$100,000 to \$1 million) • ADB provides loans for development of sectors with close links to biodiversity conservation, including agriculture, forestry, water resources, and transport (E - \$10 million to \$100 million) • UNDP supports a wide range of program areas including disaster-risk-reduction and climate change (E - \$10 million to \$100 million) • The European Union supports a wide range of program areas, including the forestry sector and climate change (E - \$10 million to \$100 million) 	•	<ul style="list-style-type: none"> • Revenues for fuel tax are contributed to the Thailand Environmental Fund, which makes some funding available to NGOs and research institutions (C - \$100,000 to \$1 million) 	•

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Vietnam	<ul style="list-style-type: none"> The Toyota Environmental Activities Grant Program supports initiatives on biodiversity conservation and climate change (B - \$10,000 to \$100,000) The internet service provider FPT has provided small support to conservation initiatives (A - \$1,000 to \$10,000) The mapping company Spatial Decisions has provided pro bono support to conservation organizations (A - \$1,000 to \$10,000) 	<ul style="list-style-type: none"> 26 pilot provinces are piloting PES mechanisms for forest conservation linked to catchment protection for dams; some funds (e.g. in Quang Nam and Thua Thien Hue) are already being used to support patrolling of protected areas (E - \$10 million to \$100 million) The Forest Protection Development Fund in Lam Dong province is a PES mechanism, channeling resources for hydropower dams and tourism operators to forest protection (D - \$1 million to \$10 million) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> ADB provides loans for development of sectors with close links to biodiversity conservation, including agriculture, forestry, water resources, and transport (E - \$10 million to \$100 million) FAO supports government initiatives to promote sustainable agriculture, forestry and fisheries and respond to climate change (D - \$1 million to \$10 million) UNDP supports a wide range of program areas including environment and climate change (E - \$10 million to \$100 million) The European Union supports a wide range of program areas, including the forestry sector and climate change (E - \$10 million to \$100 million) 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> High-net worth individuals in Vietnam have recently begun philanthropic giving for biodiversity conservation, e.g. for conservation of threatened primates (C - \$100,000 to \$1 million) 	<ul style="list-style-type: none">
2. Eastern Afromontane Hotspot							
Burundi	<ul style="list-style-type: none"> Taylors of Harrogate (tea) and Unilever both support rural community development efforts in the context of sustainable agriculture at a small scale 	<ul style="list-style-type: none"> WB-brokered project on sustainable coffee production 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total Overseas Development Assistance (ODA) in 2014 of \$20 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Children's Investment Fund Foundation

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
DR Congo	<ul style="list-style-type: none"> BANRO Gold Mining does CSR, as do many of the international extractive companies 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Congolotta (supports social welfare projects, no history of supporting conservation) 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$456 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Eritrea	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Very limited international support. Total ODA in 2014 of \$4.1 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Ethiopia	<ul style="list-style-type: none"> Ecopia natural products company and several international and domestic coffee producers and buyers involved in sustainable agriculture and associated community enterprise 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$534 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Conrad N. Hilton Foundation
Kenya	<ul style="list-style-type: none"> Several international and domestic coffee producers and buyers and high value agricultural product companies; lots of support from tourism/safari companies 	<ul style="list-style-type: none"> Lake Naivasha pilot involving local users associations and water utility (World Bank and NGO-driven) 	<ul style="list-style-type: none"> Kenya Charity Sweepstakes (supports social welfare projects, no history of supporting conservation) 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$238 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Malawi	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$84 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Mozambique	<ul style="list-style-type: none"> Mozambique Holdings with various corporate social responsibility projects 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$23 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Rwanda	<ul style="list-style-type: none"> International corporations with value chains extending into Rwanda providing support 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$10 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Saudi Arabia	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Alwaleed Bin Talal Foundation King Khalid Foundation King Abdullah International Foundation King Faisal Foundation
South Sudan	<ul style="list-style-type: none"> lots of support from tourism/safari companies 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$1.9 billion 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Tanzania	<ul style="list-style-type: none"> lots of support from tourism/safari companies 	<ul style="list-style-type: none"> Uluguru pilot programme (NGO-driven) engaged Coca Cola and Dar Es Salaam Water Company (DAWASCO) 	<ul style="list-style-type: none"> Winlot Tanzania Limited (supports social welfare projects, no history of supporting conservation) 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$18 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Uganda	<ul style="list-style-type: none"> lots of support from tourism/safari companies Uganda Breweries Limited supporting wetlands restoration 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Play Lotto (supports social welfare projects, no history of supporting conservation) 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$169 million 	<ul style="list-style-type: none"> A platform exists called Akabbo; however, it is brand new. Only two campaigns unrelated to conservation 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Yemen	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$402 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

Country	Type of financing						
	Support to conservation from private companies	Public utility companies (supporting Payments for Ecosystem Services)	State lotteries or other mechanisms for charitable giving	Donor agencies with a development mission (health, agriculture, water and sanitation, etc.)	Funding from general public (e.g. crowd-sourcing via the Web)	Tax breaks or other incentives for private support to conservation	Other
Zambia	<ul style="list-style-type: none"> lots of support from tourism/safari companies 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Limited, \$5 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Zimbabwe	<ul style="list-style-type: none"> lots of support from tourism/safari companies 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> No state lottery providing funding 	<ul style="list-style-type: none"> Impossible to list in this space; total ODA in 2014 of \$14 million 	<ul style="list-style-type: none"> No platform exists in the country 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
3. Cerrado Hotspot							
Brazil	<ul style="list-style-type: none"> Sustainable Agriculture Landscape Initiative - Monsanto 	<ul style="list-style-type: none"> The National Water Agency, legally liable for implementing the National Water Resources Management System, coordinates the Water Producer Program, whose main objective is the environmental regeneration of watersheds through payment for environmental services concerning water and soil in rural environment. 	<ul style="list-style-type: none"> No state lottery providing funding. 	<ul style="list-style-type: none"> \$4.3 million from the UK government through the Department for Environment, Food and Rural Affairs to mitigate the effects of climate change and strengthen natural resource management in the Cerrado by improving public policies and farming; <ul style="list-style-type: none"> The Forest Investment Program under the Climate Investment Fund is an investment of \$32.5 million coordinated by the Brazilian government. The investment plan includes environmental regularization of agricultural land uses, climate-friendly farming technologies and techniques, information systems to support public and private sector partners in forest and land management, and early warning systems for fire prevention and land protection. 	<ul style="list-style-type: none"> No platform exists for Cerrado. 	<ul style="list-style-type: none"> An important legal mechanism for private protection in Brazil is known as the Private Natural Heritage Reserve Program (RPPN). The RPPN offers landowners tax incentives to protect natural habitats on their properties. Protection for these legally declared RPPNs is provided by the federal and state government environmental agencies. RPPNs can be decreed voluntarily and in perpetuity by private landowners. 	<ul style="list-style-type: none"> Distribution of states tax revenues among municipal governments taking into account environmental criteria, known as Ecological ICMS (market circulation income on goods). This economic incentive is based on area under official protection by protected areas and other environmental activities in the municipalities. <ul style="list-style-type: none">

APPENDIX X: Comparative Analysis of CI and CEPF Social and Environmental Safeguards

Project: Effectively mainstreaming biodiversity conservation into government policy and private sector practice: piloting sustainability models to take the Critical Ecosystem Partnership Fund (CEPF) to scale

Executing Agency: Critical Ecosystem Partnership Fund

Background

The Environmental and Social Safeguard Screening for this grant, conducted by the CI-GEF Project Agency on July 18, 2014, recommended that, “during the PPG phase, the CEPF team will conduct a brief comparative analysis of the CI-GEF Project Agency and CEPF Environmental and Social Policies and Best Practices. The purpose of this analysis will be to identify possible gaps between these two sets of policies and best practices and produce recommendations to ensure that CEPF grants from this project meet or exceed the CI-GEF Project Agency environmental and social safeguards. The CI-GEF Project Agency will review and approve these recommendations before they are implemented.” This analysis is being undertaken at the beginning of the Project Preparation Grant (PPG), in order that recommendations to address identified gaps (if any) in CEPF’s policies and best practices can be addressed during the PPG phase.

CI-GEF Project Agency policies

The CI-GEF Project Agency adopted an Environmental and Social Management Framework (ESMF) in June 2014. The ESMF is based on the GEF’s Minimum Standards on Environmental and Social Safeguards and Gender Mainstreaming, as well as current CI policies and international best practices. The ESMF comprises eight policies and one best practice guideline. Together, they describe the minimum standards that each CI-GEF funded project must meet or exceed. The policies are on: (i) environmental and social impact assessment; (ii) protection of natural habitats; (iii) involuntary resettlement; (iv) Indigenous Peoples; (v) pest management; (vi) physical cultural resources; (vii) accountability and grievance systems; and (viii) gender mainstreaming. The best practice guideline is on stakeholder engagement.

CEPF policies

CEPF’s safeguard policies were set out in its Operational Manual, which was approved by the CEPF Donor Council in 2007, updated in 2009 and 2013, and further elucidated in an ESMF in January 2012. The safeguard policies are based upon the environmental and social safeguard policies of the WB, with adaptations to facilitate their consistent application within CEPF’s Project Cycle Management Approach. The most recent (May 2013) update of the Operational Manual contains seven safeguard policies, covering: (i) environmental assessment; (ii) natural habitats; (iii) forests; (iv) involuntary resettlement; (v) Indigenous Peoples; (vi) pest management; and (vii) physical cultural resources. In contrast to the ESMF of the CI-GEF Project Agency, CEPF does not have separate policies on accountability and grievance systems, and gender mainstreaming. The former is a cross-cutting theme across CEPF’s policies, while the latter is under development. CEPF also differs from the CI-GEF Project Agency in not having a best practice guideline on stakeholder engagement, although, once again, this is a cross-cutting theme across its policies.

The following table presents a comparison between the safeguard policies of the CI-GEF Project Agency and those of CEPF, highlighting significant disparities between the two.

CI-GEF Project Agency policy/best practice	CEPF policy
<p><u>Environmental and social impact assessment policy</u></p> <p>This policy complies with GEF Minimum Standard 1.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • An initial screening is conducted to categorize projects according to their expected impacts. • Screening outcomes may result in a project being designated as Category A (full or comprehensive ESIA required), Category B (limited ESIA required), or Category C (no ESIA required). • Category A and B projects must incorporate mitigation measures into project design and prepare an Environmental and Social Management Plan. 	<p><u>Environmental assessment policy</u></p> <p>This policy is based on WB OP 4.01.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • An initial screening is conducted to categorize projects according to their expected impacts. • Screening results may result in a project being required to produce a full EIA, a limited EIA or no EIA during the design phase. • Projects triggering the safeguard are required to prepare an Environmental Management Plan and build (and budget for) mitigation measures into project design. <p>Key differences:</p> <ul style="list-style-type: none"> • The CEPF policy does not extend to social impacts. • Control of invasive species by physical means (i.e. without the use of chemicals), does not automatically trigger the CEPF policy, although grantees are required to have: (i) the necessary permits; (ii) facilities and equipment to ensure the health and safety of staff; and (iii) a plan to address any potential negative communications that might result from the removal.
<p><u>Protection of natural habitats policy</u></p> <p>This policy complies with GEF Minimum Standard 2.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must be consistent with existing protected area management plans or other resource management strategies. • Habitat restoration projects must demonstrate that they will restore or improve ecosystem composition, structure and function. • Projects must not create significant destruction or degradation of any type of critical natural habitat. • Projects must not carry out harvesting of natural resources or the establishment of forest plantations in natural critical habitats. • Projects must not contravene major international and regional conventions on environmental issues. • In areas of natural habitat, mitigation measures will be designed to achieve no net loss of biodiversity where feasible. • Projects that trigger this safeguard are required to prepare an Environmental and Social Management Plan. 	<p><u>Natural habitats policy</u></p> <p>This policy is based on WB OP 4.04.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • All activities are consistent with existing protected area management plans or other resource management strategies. • Projects must not involve significant conversion or degradation of critical natural habitats. • Projects that cause significant loss or degradation of natural habitats are required to prepare an EIA. • Projects that trigger the safeguard are required to prepare an Environmental Management Plan and build mitigation measures into project design. <p>Key differences:</p> <ul style="list-style-type: none"> • The CEPF policy does not specify explicit requirements for habitat restoration projects. • The CEPF policy does not prohibit all harvesting of natural resources within natural habitats. • The CEPF policy does not make explicit reference to major international and regional conventions on environmental issues. • The CEPF policy does not set a target of no net loss of biodiversity for mitigation measures.

CI-GEF Project Agency policy/best practice	CEPF policy
<p><u>Forests policy</u></p> <p>The CI-GEF Project Agency does not have a separate policy on forests.</p>	<p><u>Forests policy</u></p> <p>This policy is based on WB OP 4.36.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not involve large-scale commercial forestry. • Projects that include small-scale community forestry activities are required to prepare an EIA and consider certification as part of the project. • Projects that cause degradation of forests are required to prepare an EIA. • Projects triggering the safeguard are required to prepare an Environmental Management Plan and build mitigation measures into project design. <p>Key differences:</p> <ul style="list-style-type: none"> • The CI-GEF Project Agency does not have a separate policy on forests.
<p><u>Involuntary resettlement policy</u></p> <p>This policy complies with GEF Minimum Standard 3.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not involve involuntary resettlement or land acquisition. • Projects that involve physical or non-physical displacement of people are required to undergo free, prior and informed consent (FPIC) and prepare a Resettlement Action Plan. • Projects that involve involuntary restrictions of access to legally designated parks and protected areas are required to prepare a Process Framework and Plan of Action. • Affected communities have the right to FPIC, and to participate in deciding on the nature and extent of the resource restrictions and mitigation measures. • The policy does not apply to projects that provide incentives to change livelihood and natural resource use practices on a voluntary basis. 	<p><u>Involuntary resettlement policy</u></p> <p>This policy is based on WB OP 4.12.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not involve any resettlement of people or land acquisition. • Projects that introduce or improve enforcement of involuntary restrictions of access to resources within legally designated protected areas are required to prepare a Process Framework and establish a grievance redress mechanism. • Where these restrictions are not limited in scope and do not apply mainly to activities that are clearly illegal, unsustainable or destructive, measures to mitigate serious impacts on community livelihoods must be integrated into project design and budgeted for. • The policy does not apply to projects that provide incentives to change livelihood and natural resource use practices on a voluntary basis. <p>Key differences:</p> <ul style="list-style-type: none"> • The CEPF policy does not allow voluntary relocation of people, even as an exceptional measure. • The CEPF policy does not grant affected communities the right to FPIC in relation to activities that are clearly illegal, unsustainable or destructive.

CI-GEF Project Agency policy/best practice	CEPF policy
<p data-bbox="186 262 470 294"><u>Indigenous Peoples policy</u></p> <p data-bbox="186 304 747 336">This policy complies with GEF Minimum Standard 4.</p> <p data-bbox="186 357 349 388">Key provisions:</p> <ul data-bbox="194 409 771 1218" style="list-style-type: none"> • Projects must respect Indigenous Peoples’ rights, including their rights to FPIC processes. • Projects must ensure that potential adverse impacts on Indigenous Peoples are avoided or adequately addressed through a participatory and consultative approach. • Projects must provide Indigenous Peoples with culturally appropriate social and economic benefits that are negotiated and agreed upon with the communities in question. • Projects in places where Indigenous Peoples are present are required to prepare an ESIA with the participation of Indigenous Peoples, to assess risks and opportunities. • Projects that potentially have adverse impacts on or have direct interventions with Indigenous Peoples must develop an Indigenous Peoples Plan (IPP) with the communities concerned, including measures to avoid adverse impacts and enhance culturally appropriate benefits. • In cases where Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, a stand-alone IPP is not required, and elements of the plan can be incorporated into overall project design. 	<p data-bbox="799 262 1079 294"><u>Indigenous Peoples policy</u></p> <p data-bbox="799 304 1185 336">This policy is based on WB OP 4.10.</p> <p data-bbox="799 357 966 388">Key provisions:</p> <ul data-bbox="807 409 1388 1186" style="list-style-type: none"> • Projects must identify and respect Indigenous Peoples’ rights, including their rights to FPIC processes, and ensure that activities are not adversely affecting these rights. • Projects must avoid adverse impacts on Indigenous Peoples and provide culturally appropriate benefits through a consultative approach. • Projects that implement conservation actions in areas with Indigenous Peoples are required to prepare a Social Assessment during the design phase, in consultation with the communities in question. • Projects that are large and complex and/or expected to have significant adverse impacts on Indigenous Peoples must develop an IPP with the communities concerned, including measures to avoid adverse impacts and enhance culturally appropriate benefits. • In cases where the local population is fully or predominantly composed of Indigenous Peoples, a stand-alone IPP is not required, and elements of the plan can be incorporated into overall project design. <p data-bbox="799 1207 974 1239">Key differences:</p> <ul data-bbox="807 1260 1388 1512" style="list-style-type: none"> • The CEPF policy requires projects that trigger the safeguard to prepare a stand-alone Social Assessment, rather than an ESIA. • The CEPF policy does not require projects that have direct interventions with Indigenous People to prepare an IPP, unless they are large and complex and/or expected to have significant adverse impacts.

CI-GEF Project Agency policy/best practice	CEPF policy
<p><u>Pest management policy</u></p> <p>This policy complies with GEF Minimum Standard 5.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not use pesticides that are unlawful under national or international law, or that are specified as persistent organic pollutants. • Projects must not use pesticides in toxicity Classes IA, IB or II of the World Health Organization. • Any pesticides used must be properly applied, stored and disposed of, and communities using them must be trained to manage them responsibly. • Projects that involve the use of chemical pesticides are required to prepare a Pest Management Plan (PMP). • The policy does not apply to removal of alien and invasive plants and animals by physical means. 	<p><u>Pest management policy</u></p> <p>This policy is based on WB OP 4.09.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not use pesticides that are unlawful under national or international law. • Special due diligence is required for projects that use pesticides in toxicity Classes IA, IB or II of the World Health Organization. • Any pesticides used must be properly applied, stored and disposed of, and communities using them must be trained to manage them responsibly. • Projects that involve the removal of alien and invasive plants and animals through chemical means are required to prepare a PMP. • The policy does not apply to removal of alien and invasive plants and animals by physical means. <p>Key differences:</p> <ul style="list-style-type: none"> • The CEPF policy does not explicitly prohibit the use of pesticides specified as persistent organic pollutants under the Stockholm Convention. • The CEPF policy does not prohibit the use of pesticides in toxicity Classes IA, IB or II of the World Health Organization but only requires that special due diligence be applied.
<p><u>Physical cultural resources policy</u></p> <p>This policy complies with GEF Minimum Standard 6.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not involve the removal, alteration or disturbance of any physical cultural resources. • Where physical cultural resources may be present in project areas, measures should be put in place to ensure that they are identified and adverse impacts on them are avoided. • Projects that trigger this safeguard are required to prepare an Environmental Management Plan. 	<p><u>Physical cultural resources policy</u></p> <p>This policy is based on WB OP 4.11.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must not involve the removal, alteration or disturbance of any physical cultural resources. • Where physical cultural resources may be present in project areas, measures should be put in place to ensure that they are identified and adverse impacts on them are avoided. • Projects that trigger this safeguard are required to prepare a Physical Cultural Resources Plan, and to demonstrate that communities at the present site and (where relevant) the new site have been fully engaged and given their consent. <p>Key differences:</p> <ul style="list-style-type: none"> • The CEPF policy requires a stand-alone Physical Cultural Resources Plan, rather than an Environmental Management Plan.

CI-GEF Project Agency policy/best practice	CEPF policy
<p><u>Accountability and grievance systems policy</u></p> <p>This policy complies with GEF Minimum Standard 8.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Project-affected communities and other interested stakeholders may raise a grievance at any time to the Executing Agency, CI or the GEF. • Project-related grievances should be communicated to the Executing Agency, which should respond in writing within 15 days. • Projects requiring FPIC or triggering an IPP must also include local conflict resolution and grievance redress mechanisms in the respective safeguard documents. 	<p><u>Accountability and grievance systems policy</u></p> <p>CEPF's ESMF contains a dedicated section on grievance mechanisms.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Local communities and other interested stakeholders may raise a grievance at any time to the grantee, the CEPF Secretariat or the WB. • Grievances should be made to the grantee, who should respond in writing within 15 days. • Projects that trigger the involuntary resettlement or Indigenous Peoples policy must include a locally appropriate grievance redress mechanism in the relevant safeguard documents. <p>Key differences:</p> <ul style="list-style-type: none"> • CEPF does not have a separate policy on accountability and grievance systems. • CEPF does not require communication of grievances to CI or the GEF.
<p><u>Gender mainstreaming policy</u></p> <p>This policy is consistent with the GEF's Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming.</p> <p>Key provisions:</p> <ul style="list-style-type: none"> • Projects must be designed in such a way that both women and men: (i) receive culturally compatible social and economic benefits; (ii) do not suffer adverse effects during the development process; and (iii) receive full respect for their dignity and human rights. • Projects must include a gender mainstreaming strategy developed in consultation with CI's gender specialist and/or local organizations working specifically on gender. • Projects must specify gender-sensitive indicators for M&E, and use them to inform adaptive management. 	<p><u>Gender mainstreaming policy</u></p> <p>CEPF is currently developing policy on gender but this is not yet in place.</p> <p>Key differences:</p> <ul style="list-style-type: none"> • CEPF does not have a gender mainstreaming policy in place.

CI-GEF Project Agency policy/best practice	CEPF policy
<p data-bbox="183 268 607 296"><u>Stakeholder engagement best practice</u></p> <p data-bbox="183 310 732 405">This best practice is based on the International Finance Corporation’s (IFC) best practice with stakeholder engagement.</p> <p data-bbox="183 426 354 453">Key provisions:</p> <ul data-bbox="196 474 743 659" style="list-style-type: none"> <li data-bbox="196 474 743 659">• The Executing Agency must involve all stakeholders, including project-affected groups, Indigenous Peoples and local civil society organizations, in the preparation process and ensure that their views and concerns are made known and taken into account. 	<p data-bbox="795 268 1219 296"><u>Stakeholder engagement best practice</u></p> <p data-bbox="795 310 1377 436">CEPF is committed to the principle of stakeholder engagement during the design and implementation of its hotspot-level strategies (i.e. ecosystem profiles) and its individual grants.</p> <p data-bbox="795 457 976 485">Key differences:</p> <ul data-bbox="808 506 1320 569" style="list-style-type: none"> <li data-bbox="808 506 1320 569">• CEPF does not have an explicit best practice document on stakeholder engagement.

Recommendations

A number of key differences between the safeguard policies of the CI-GEF Project Agency and those of CEPF have been identified. In some cases, it may be possible to resolve the difference by modifying or supplementing CEPF’s policies for the purposes of the GEF project. In other cases, no change may be required. Finally, there are a number of cases where further clarification needs to be sought from the CI-GEF Project Agency.

Differences requiring modification or supplementation of CEPF policies for the GEF project

1. The CI-GEF Project Agency’s ESMF lists pest management as one of five types of potential adverse environmental impact that would require inclusion of actions to minimize and mitigate environmental and social impacts in the project’s Environmental and Social Management Plan. The CEPF environmental assessment policy is not automatically triggered by projects that propose to control invasive species by physical means (i.e. without the use of chemicals). Moreover, given the objectives of the GEF project, it is unlikely that pest management activities will feature prominently, if at all, in the CEPF portfolios in the three pilot hotspots. Nevertheless, it is recommended that **any CEPF-supported projects in the pilot hotspots that involve pest management by physical means, will be required to prepare an Environmental Management Plan, or a Pest Management Plan if the pest management is by chemical means.**
2. The CEPF Indigenous Peoples policy does not require projects that have direct interventions with Indigenous People to prepare an IPP, unless they are large and complex and/or expected to have significant adverse impacts. It is recommended that **any CEPF-supported projects in the pilot hotspots that involve direct interventions with Indigenous People will be required to prepare an IPP.**
3. The CEPF pest management policy does not explicitly prohibit the use of pesticides specified as persistent organic pollutants under the Stockholm Convention, or the use of pesticides in toxicity Classes IA, IB or II of the World Health Organization. Given the objectives of the GEF project, it is unlikely that pest management activities will feature prominently, if at all, in the CEPF portfolios in the three pilot hotspots. Nevertheless, it is recommended that **CEPF will not support any projects in the pilot hotspots that involve the use of pesticides specified as persistent organic pollutants under the Stockholm Convention or listed in toxicity Classes IA, IB or II by the World Health Organization.**
4. CEPF does not require communication of grievances to CI or the GEF. It is recommended that **any grievances raised by project-affected communities or other interested stakeholders will**

be communicated to the CI-GEF Project Agency within 15 days of receipt by the CEPF Secretariat.

5. CEPF does not have a gender mainstreaming policy in place. It is recommended that **CEPF will develop a gender mainstreaming strategy for the GEF project, in consultation with CI's gender specialist.** It is further recommended that **CEPF will revisit its monitoring framework in light of the demands of the GEF project, and ensure appropriate integration of gender-sensitive indicators.**
6. CEPF does not have an explicit best practice document on stakeholder engagement. CEPF has completed a stakeholder mapping exercise for the GEF project, and it is recommended that **CEPF will engage in an extensive process of consultation with stakeholders during the design phase to ensure that their views and concerns are made known and taken into account.**

Differences requiring no change to CEPF policies

1. The CEPF environmental assessment policy does not extend to social impacts. It is recommended that **no change is needed**, because social impacts are covered by other safeguard policies, especially those on involuntary resettlement, Indigenous People and physical cultural resources.
2. The CEPF natural habitats policy does not specify explicit requirements for habitat restoration projects. It is recommended that **no change is needed**, because these are implicit in the conditions about loss or degradation of natural habitats.
3. The CEPF natural habitats policy does not make explicit reference to major international and regional conventions on environmental issues. It is recommended that **no change is needed**, because compliance with these conventions is implicit in the policy.
4. The CEPF natural habitats policy does not set a target of no net loss of biodiversity for mitigation measures. It is recommended that **no change is needed**, because adverse impacts on natural resources arising from the project are expected to be minimal, if present at all.
5. The CI-GEF Project Agency does not have a separate policy on forests. It is recommended that **no change is needed**, because its natural habitats policy seems to apply, by extension, to natural forests.
6. The CEPF involuntary resettlement policy does not allow voluntary relocation of people, even as an exceptional measure. It is recommended that **no change is needed**, because the CEPF policy is more rigorous in this regard than the policy of the CI-GEF Project Agency.
7. The CEPF Indigenous Peoples policy requires projects that trigger the safeguard to prepare a stand-alone Social Assessment, rather than an ESIA. It is recommended that **no change is needed**, because the contents of a Social Assessment do not differ substantively from those of the relevant sections of an ESIA.
8. The CEPF physical cultural resources policy requires a stand-alone Physical Cultural Resources Plan, rather than an Environmental Management Plan. It is recommended that **no change is needed**, because the contents of a Physical Cultural Resources Plan do not differ substantively from those of an Environmental Management Plan.
9. CEPF does not have a separate policy on accountability and grievance systems. It is recommended that **no change is needed**, because this is explicitly covered by a section of CEPF's ESMF.

Differences requiring clarification from the CI-GEF Project Agency

1. CEPF's natural habitats policy does not unconditionally prohibit harvesting of natural resources within natural critical habitats (*sic*), because regulated, sustainable harvesting can contribute

positively to avoiding loss and degradation of natural habitats and meeting the development aspirations of local communities. Nevertheless, this represents a substantive difference between the two policies, and it is recommended that **clarification be sought from the CI-GEF Project Agency on its interpretation of its policy.**

2. The CEPF policy involuntary resettlement does not grant affected communities the right to FPIC in relation to activities that are clearly illegal, unsustainable or destructive, because extending the right to FPIC to communities involved in such activities would amount to giving them a veto over legitimate conservation actions aimed at controlling illegal activities, such as poaching of threatened species or conversion of critical natural habitat. Nevertheless, this represents a substantive difference between the two policies, and it is recommended that **clarification be sought from the CI-GEF Project Agency on its interpretation of its policy.**

APPENDIX XI: Grant-making mechanisms for CEPF Phase III – Discussion Paper

CEPF grant making under Phase II has been on a competitive basis, following calls for proposals. The GEF bridging grant provides an opportunity to pilot new mechanisms with potential for wider application during Phase III, such as inviting grant applications on a non-competitive basis, active outreach to targeted organizations, more extensive use of planning grants, and multi-regional grants.

This discussion paper reviews the grant-making mechanisms currently used by CEPF (both typical and less usual ones), and discusses the advantages and challenges associated with their use. The paper also explores the grant-making mechanisms used during Phase I of CEPF, some of which were discontinued in Phase II. Finally, the paper ends with a discussion on grant-making mechanisms that CEPF could embrace in the future to improve its effectiveness during Phase III.

For the purpose of this paper, the term “grant-making mechanisms” is used to describe the various mechanisms whereby funding applications are generated and decisions are made on which to support. It *does not include* broader approaches to establishing grant making priorities, developing grant portfolios, and engaging and strengthening grantee partners, except insofar as they relate directly to the grant-making process.

1. Current CEPF grant-making mechanisms

CEPF provides grants to civil society actors: mainly non-governmental organizations (NGOs), community-based organizations, academic institutions, and, to a lesser extent, private sector (including consultancy companies, for-profit ecotourism enterprises, and software development companies).

CEPF grants are of two types:

- Large Grants: over 20,000 USD, managed by the CEPF Secretariat (with support from RITs). The median size of these grants is around 125,000 USD.
- Small Grants: of up to 20,000 USD, managed directly by the RIT in each hotspot. In most cases, the grant size is close to the threshold.

The need for a strict threshold to the grant amount is universally recognized by RITs and grantees alike, as it imposes a reasonable amount of budgetary discipline on applicants, and encourages them to seek co-financing. Where funding needs significantly exceed the threshold for small grants, applicants have the option of applying for a large grant, or for a follow-on small grant, to continue work after the initial grant has ended.

One topic for discussion is whether 20,000 USD is still an appropriate upper limit for small grants. While this is definitely the case in some hotspots, where labor and travel are relatively affordable (e.g. Western Ghats and Sri Lanka, Himalayas, Madagascar and the Indian Ocean Islands, etc.), the threshold can prove limiting in hotspots with higher salary and/or logistical costs (e.g. Mediterranean Basin, Caribbean, Polynesia-Micronesia, etc.). This leads to a difference in what can be obtained from small grants from one hotspot to another.

Several options for the threshold grant amount could be discussed – and, if desired, tested in the pilot hotspots under the GEF project – including the following:

- a) keep the 20,000 USD threshold globally

- b) raise the 20,000 USD threshold (to an amount to be determined) – while allowing RITs in some hotspots to set a lower threshold in their Calls for Proposals for Small Grants if they wished
- c) determine for each hotspot a specific threshold for small grants mechanisms – for instance by defining a specific threshold in the ecosystem profile.

It should be noted that the 20,000 USD threshold is set in the CEPF Operational Manual, and any alteration would require Donor Council approval.

1.1 The typical CEPF grant-making mechanism: open Calls for Proposals

For both large and small grants, the typical grant-making mechanism used during CEPF Phase II has been fixed-duration Calls for Proposals by Hotspot, open to all eligible applicants.

Open Calls for Proposals are based on the priorities stated in the ecosystem profile: geographic priorities (KBAs and/or corridors) and thematic priorities (Investment priorities grouped under Strategic Directions).

Open Calls for Proposals are mandatorily displayed on the CEPF website. Additional tools are used to advertise them, including:

- CEPF newsletter
- RIT websites
- Mailing lists of partners
- Regional newsletters (managed by RITs)
- Use of partners' website or other informational hubs
- Workshops for prospective applicants organized by RITs

Open Calls for Proposals include a clear deadline for submission of Letter of Inquiries (LoI) under region-specific templates for small grants, and a single template across all hotspots for large grants).

After the review process (which differs from one hotspot to another), some large grant LoIs are short-listed, for which organizations are asked to submit Full Proposals. At this stage there is open discussion/negotiation with selected organizations, and specific deadlines are set up for each proposal, on an *ad hoc* basis. Decisions on large grants award are made jointly by the CEPF Grant Director and the RIT. For small grants, the grant award decision is made by the RIT, based on information presented in the LoI; there is no full proposal stage. The RIT may, however, engage with the small grant applicants to request revisions to their project design, or development of supplementary documents, such as logframes.

A common element of this mechanism across all hotspots is that grant making is competitive. LoIs are evaluated against a set of criteria, which may vary among regions but typically include contribution to the CEPF investment strategy, potential for strengthening capacity of local civil society, value for money, and prospects for long-term sustainability or replication.

- **The typical CEPF grant-making mechanism in Phase II has been open calls for proposals, which ensure open participation from all civil society stakeholders, with i) clear guidelines on eligible projects, coming from the ecosystem profile, and ii) flexibility in the project design, through discussion with applicants, after the LoI has been approved.**

Advantages:

- There is a high degree of transparency and competitiveness.
- Open calls help to identify “new” NGOs or organizations who are not already in CEPF’s network.
- Grant award decisions are made (near) simultaneously, which allows the relative merits of different proposals to be compared against each other, and helps identify potential overlaps and duplication among proposals.

Challenges:

- Calls for proposals are more suited to high capacity organizations, which have access to information and have the know-how to respond following templates. Therefore, frequent solicitations from the “usual suspects” are the norm.
- The administrative burden (review, rejection letters etc.) can be high, with lots of low-quality proposals or proposals which do not fit with CEPF priorities.
- Open calls tend not to generate many innovative proposals, as organizations tend to ‘play safe’ by sticking to activities they are confident in or experienced with. This frequently results in situations where few or no proposals are received for specific investment priorities.
- Open calls are more suited to soliciting proposals for individual projects. It can be difficult to generate linked applications from ‘partnerships’ or ‘alliances’ of organizations working collaboratively.
- There is less flexibility about the start date of projects, because all grants tend to start around the same time (i.e. six to nine months after the call). This could lead to missed opportunities (e.g., planting season, fieldwork season, coordination with one-off events, etc.).

1.2 CEPF experience with other grant-making mechanisms

While the typical grant-making mechanism during CEPF Phase II has been open Calls for Proposals with clear deadlines, in a few cases other mechanisms have been used to respond to specific situations.

The Operational Manual does not explicitly require CEPF to use open Calls for Proposals, even if the general assumption has been that these are the typical grant-making mechanism. Section 4.4.3 of the Operational Manual (pages 128 and following) describes criteria for eligible proposals, and characteristics that could be encouraged. The grant-making process described in the Operational Manual makes provision for a two-stage process for large grants and a one-stage process for small grants but there is no mention of the way in which LoIs are solicited in the first place. There is no specific mention of Calls for Proposals, nor is there any provision that explicitly proscribes grants by invitation or restricted calls for proposals. Nevertheless, a common understanding has emerged during CEPF Phase II that open Calls for Proposals are the norm, and other mechanisms the exception, at least for full investment regions (for consolidation regions, open Calls for Proposals have not been used).

This section presents considerations on CEPF experience with other mechanisms.

a- Emergency grants

These *ad hoc* grants have been awarded in situations of urgency, generally upon request from civil society (i.e., not driven by CEPF or the RIT). The rationale was to allow actions to address a specific situation, needing immediate action: in particular when waiting for a future Call for Proposals would have either made the proposal obsolete, or resulted in considerable/irreversible damage being done to biodiversity.

An example emergency grant was the project *“Emergency Management of an Incursion of Mongoose on Upolu Island, Samoa”* in Polynesia-Micronesia, which was awarded to SPREP in a matter of days to prevent an accidental incursion of mongooses. Another was a project focused on fire-fighting in Laguna del Tigre protected area in northern Mesoamerica. More recently, the project *“Enforcement and improvement of hunting legislation and strengthening of institutional capacities for wildlife management in Albania”* was awarded to ASPBM, after a government decision to impose a hunting ban in Albania. In each case, postponing the award of the grant would have jeopardized the outcomes of the project, or simply rendered the project useless.

Generally, this grant-making mechanism has been used only for Small Grants, with the exception of the recent one in Albania. As the use of this mechanism has not been specifically tracked, CEPF is not able to determine readily how often it has been used.

For emergency Small Grants, which are awarded by the RIT, there is an additional step, whereby prior permission to award the grant must be sought from the Grant Director. For emergency Large Grants, of which there is only one example to date, prior approval was sought from the CEPF Managing Director.

Advantages:

- There are clear benefits in terms of conservation, with delivery of funds for urgent actions – something that few donors are able to do.
- These grants enable CEPF to appear flexible and responsive, which has benefits in terms of the Fund’s reputation among civil society.

During the 2013 RIT exchange, RITs highlighted CEPF flexibility in terms of grant-making in a context of emergency, observing that *“CEPF has been able to take rapid action when in the right place at the right time, for example fire-fighting in Laguna del Tigre (Mesoamerica) and mongoose eradication in Samoa.”*

Challenges:

- Emergency grants are less transparent, which could present a potential risk of a negative image if used too widely (although the Secretariat is aware of no negative reaction to the limited number of emergency grants awarded to date –and has on the contrary received very positive feed-back).
- A few small grants awarded on an emergency basis have run into problems of administrative compliance and/or failed to deliver their expected results in terms of biodiversity conservation. One possible explanation may be that these grants did not go through as rigorous a process of review as the grants awarded under open calls.

b- Planning grants

In some cases, grants have been awarded to one or more organizations in order to support preparatory activities leading to the design of large grants. These are comparable to the project planning grants used by the GEF.

There has been no systematic use of planning grants but situations where they have been used include when:

- An organization has submitted an Lol with some interesting ideas, or a good analysis of the conservation needs, but where proposed activities need further analysis, specific expertise, or local consultation to make sure that a proper set of activities is identified.

- More than one organization has applied to work on a similar issue and/or in the same place, and additional consultations have been required to delineated roles and responsibilities of each partner for a cluster of complementary projects.
- Planning grants could also potentially be used to carry out specific activities required under the safeguard policies (for instance, preparing a Process Framework or Pest Management Plan) – an option that was also suggested by the World Bank during discussions on safeguards issues. CEPF has not used planning grants for this purpose to date.

Generally, the planning grants have followed a typical open Call for Proposals, even if the planning grants awarded did not follow the initial proposition in the Lol.

It has to be noted that some ecosystem profiles (i.e. Madagascar and Indian Ocean Islands (2014) and East Melanesian Islands (2013)) specifically mention planning grants in the investment strategies, with the idea of supporting low-capacity community organizations to prepare larger interventions.

Currently there are no limits to planning grants (either in terms of budget or time limit), or agreed criteria for when they can be used. It would be necessary to establish guidance on these before making more systematic use of planning grants.

Advantages:

- Planning grants have proved very useful in designing stronger projects, with better collaboration among implementing partners, and/or greater ownership by local stakeholders.

Challenges:

- A proportion of the funding allocation for each region will be used on preparatory activities rather than direct conservation interventions. Provided this proportion is not excessive, the overall impact of the portfolio can be expected to be greater.

c- Grants by invitation

In some cases, targeted grants have been awarded to pre-selected organizations for a specific activity or set of activities. These cases have always been discussed with (and approved by) the Grants Management Team and Managing Director before requesting an Lol from the targeted organization. This was the case for many grants under CEPF I and of all grants in consolidation regions under CEPF II.

Under CEPF II, with the exception of consolidation regions, grants by invitation have been used on several occasions, on an *ad hoc* basis. For example:

- A small grant was awarded to Green Home in Montenegro to organize an exchange on the Lake Skadar future conservation strategy, which allowed building collaborative projects between organizations in a specific context. This was analogous to a planning grant.
- Large grant #65300 to WWF-South Africa was awarded to fill a gap in the grant portfolio for the Maputaland-Pondoland-Albany Hotspot related to testing creation of a carbon-forestry scheme. This was an identified priority in the ecosystem profile but, over four years, open Calls for Proposals generated either no bids or only bad bids. During the mid-term assessment, stakeholders agreed this still needed to happen. The CEPF Secretariat and RIT came to the decision that only WWF could do it within the timeframe. Therefore, they designed the grant with them, issued a Request for Proposals, and asked them to apply.

- Large grant #65467 was awarded to WESSA on a similar basis, for creating a biosphere reserve over a big production landscape. This also addressed a gap in the portfolio for the Maputaland-Pondoland-Albany Hotspot.
- In the Mediterranean Hotspot, there has been no application for the last three years for setting up sustainable funding mechanisms for integrated river basin management, which is an identified priority in the ecosystem profile. Through discussion, it happens that WWF Greece is trying to set up such scheme for conservation of a transboundary river basin – and is looking for support. Consequently, the CEPF Secretariat and the RIT are currently considering supporting them through a grant by invitation, without going through yet another Call for Proposals.

Advantages:

- This granting mechanism appears useful (and has been used with satisfactory results) when the usual Calls for Proposals do not bring the expected results, for activities already identified in the ecosystem profiles.
- This granting mechanism also allows CEPF to be reactive to time-bound opportunities.
- An offer of a grant by invitation can motivate the right organization to take up an important activity, knowing that funding will be made available.
- There is a lower administrative burden for CEPF and the RIT, due to not having to launch an open Call for Proposals and review multiple proposals. There is also a saving of effort for potential applicants who would not qualify.
- Grant Directors who have used this mechanism report that grants by invitation have performed as well as – or better than – others.

Challenges:

- Targeted grant making poses a risk of lack of transparency. This could be mitigated by, for instance, only having recourse to targeted grant making after an open call for proposals has failed to generate high quality proposals addressing a particular priority – or by setting up a clear set of rules and criteria.
- There is a potential risk of the targeted applicant inflating their funding request, as they are aware that there is no competition for the grant.

d- Restricted calls for proposals

Under this mechanism, a small number of shortlisted organizations are called to participate in a Call for Proposals. This mechanism is similar to the grants by invitation, only with more competition.

One example of this mechanism having been used to date was in the Maputaland-Pondoland-Albany Hotspot, where CEPF wanted an organization to facilitate a cross-border stakeholder learning and KBA management process among Swaziland, Mozambique and South Africa. There were only a few groups who had the capacity and mandate to do so: Peace Parks; ACT; and WESSA. With approval from the GMU and the Managing Director, a shortlist of three was prepared, and they were asked to bid.

Advantages:

- Similar to grants by invitation, only with less of a saving in time and effort, due to the need to solicit and review multiple proposals

Challenges:

- Similar to grants by invitation, only with similar more transparency regarding the selection of grantees (albeit not necessarily with regard to the shortlisting of applicants).

- This mechanism does not apply to all situations presented above, as there are not always several organizations to shortlist. It couldn't be applied systematically. For instance, the mechanism does not address situations when a time-bound opportunity arises.

➤ **All these “special cases” demonstrate the flexibility and adaptive management of CEPF, even if they represent only a handful of the projects funded by CEPF in Phase II. They have proven their effectiveness in specific circumstances, and sometimes their limitations. Their systematic use would require clearer criteria for each grant-making mechanism.**

2. Past Grant-making mechanisms: Experience from CEPF Phase I (2000-2006)

2.1 Rolling Calls for Proposals

The mechanism of “rolling” or “open-ended” Calls for Proposals, where the call is permanently open, as long as funds remain available, was the norm during CEPF Phase I.

It has also been considered (although not applied) in some hotspots for Phase II, particularly in the context of responding to “emergency” situations, for example for rapid biodiversity inventories in the case of KBAs under immediate threat. Specifically, provision for rolling Calls for Proposals was envisaged in the ecosystem profiles for the Eastern Afromontane, and Madagascar and Indian Ocean Islands Hotspots. In each profile, one investment priority specifically mentions actions to respond to urgent threats, such as mining or infrastructure operations. Rather than launching frequent Calls for Proposals, an idea was raised was to be able to receive proposals under this investment priority on a continuous basis. Such an approach would be consistent with the Operational Manual but has not applied to date.

Advantages:

- This approach allows the administrative workload of reviewing and contracting grants to be spread across the year.
- Applicants are able to prepare Lols at times that suit their own schedules, not in response to arbitrary deadlines imposed by the donor.

Challenges:

- It is more difficult to compare proposals for work on similar topics or at the same locations, when Lols are not submitted simultaneously.
- It is more difficult to identify potential synergies among proposals if these are submitted at different times.
- The absence of discreet, time-bound calls makes it more challenging to modify the scope of the call over time.

2.2 Grants by invitation

Grants by invitation were much more frequently used during Phase I than during Phase II. One reason for doing so was to achieve rapid conservation results on the ground, which could be used to demonstrate the effectiveness of CEPF as a mechanism for channeling funds to civil society. There were, however, some significant disadvantages. In particular, international organizations, which tended to be

better known and to have better connections to senior staff within CEPF and CI, were much more favored in Phase I than in Phase II. In some funding regions, a small number of grantees were provided with a large proportion of the funds. This called into question the idea of CEPF as a vehicle for supporting the emergence of conservation communities, and was raised as an issue in external evaluations of Phase I. For some if not all of CEPF's global donors, having a vehicle for targeting funds to local civil society organizations is a reason for contributing to CEPF, as they have existing mechanisms for channeling funds to big international organizations.

2.3 Collaboration with local conservation trust funds

During Phase I, particularly in Latin America, CEPF pooled its resources with local trust funds, which yielded a number of important advantages that are not possible now. The pooling of resources led to a 1-to-1 match for CEPF grants, and it probably leveraged well over USD 2 million this way. Also, because the local trust funds remained in country (while CEPF departed) and often garnered new funds, it ensured some much-needed sustainable financing for CEPF-supported work. Furthermore, local trust funds have continued to build alliances and networks with former CEPF grantees, and helped to sustain conservation communities.

Under the current grant-making system, there are more challenges to pooling CEPF resources with local conservation trust funds, since the small-grants mechanism is managed by the RIT.

2.4 Multi-hotspot grants (“Global grants”)

Multi-hotspot grants existed in CEPF Phase I. They were characterized as any grant that drew funds from multiple regions. For example, a grant to *Rare* supported pride campaigns in several hotspots. Similarly, a grant to *Save the Tiger Fund* supported a small grants program across tiger range states in several hotspots. This allowed CEPF to award a single grant to an organization for a project with multi-region benefits.

CEPF had several quite successful multi-hotspot grants in Latin American under Phase I, on communications, amphibian conservation, environmental safeguards for infrastructure projects, and KBA delineation. Most of these grants emerged organically from the normal grant-making processes.

In CEPF Phase II, the multi-hotspot grants featured in the Global Results Framework, which included the intermediate target: *At least 5 multi-regional projects contribute to the conservation of globally significant biodiversity*. In January 2012, a proposal was submitted to the Donor Council for awarding multi-hotspot grants, with the following criteria: (i) the grant must benefit two or more hotspots; (ii) it must employ a multi-regional approach; and (iii) it must address a threat or theme that is relevant to more than one hotspot, an assessment that pertains to more than one hotspot, or a method or practice that will contribute to the overall improvement of implementation of the CEPF project (such as learning exchanges). The proposal was rejected by the Donor Council, which argued that the grants budget should not be used for this purpose.

Moving into Phase III, there are potential advantages to revisiting the mechanism of multi-hotspot grants, provided that there is a more transparent and participatory approach to their award than was the case during Phase I. For instance, there could be value in having a multi-hotspot grant related to environmental safeguards for major infrastructure developments and extractive industry, as these are threats that impact many hotspots and require regional and global responses, in addition to ones at the

hotspot scale. Another example might be a multi-hotspot grant addressing wildlife trade, spanning source countries in southern Africa with consumer countries in Asia. When an issue spans multiple hotspots, a common approach can provide economies of scale and pooling of expertise, leading to the “whole being greater than the sum of the parts”.

It has to be noted that such grants are being tested by other donors (cf. Helmsley Charitable Trust with “connectivity grants”) with seemingly good results, in particular in terms of sharing experience, mainstreaming good practices and fostering innovation.

Advantages:

- These grants allowed for cross-hotspot collaboration and standardization of approaches, which so often is lacking in multi-country hotspots, even in Latin America.
- Such grants would allow CEPF to strengthen its position as a “global mechanism” and would be extremely important to strengthen experience sharing and capitalization of experience, which are an important aspect of CEPF Phase III’s objective.

Challenges:

- Tracking funds was difficult, especially because global grant priorities were not identified in ecosystem profiles, and strategic directions were not uniform.
- Collecting and communicating statistics at the hotspot scale was challenging, depending on whether the reporting included, or excluded, the multi-hotspot grants.
- Supervision was challenging, with several Grant Directors typically being involved, and confusion about the allocation of the funds.
- Some decisions about the grants were made without the knowledge of the Grant Directors. Understandably this was not liked by Grant Directors. In general, the impression created was that global grants were awarded in a top-down manner, lacked transparency, and did not fit well with other grants in the portfolio.
- Multi-hotspot grants tended to be awarded to international organizations, because these were typically the only ones present in more than one region. This runs contrary to CEPF’s long-term goal of engaging and strengthening local civil society. Arguably, there are other funding opportunities available to international organizations for these types of projects (which typically have larger budgets), including from several of CEPF’s global donors.

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| <ul style="list-style-type: none">➤ While multi-hotspot grants yielded some important results during Phase I, the lack of clarity on the criteria for their use frequently created problems. Their management proved difficult, and they lacked sufficient local ownership from the Coordination Units (the forerunner of the RITs).➤ Multi-hotspot grants have the potential to address trans-hotspot issues (such as wildlife trade and investment in major infrastructure projects) and foster cooperation and exchange of experience within the global CEPF community, which it is difficult for CEPF to do at the present time. |
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3. The need for other mechanisms in addition to open Calls for Proposals in the context of CEPF III

While open Calls for Proposals has been the mainstay of CEPF's grant making during Phase II, other mechanisms have been used in limited ways in specific circumstances, where there have been limits to open calls. In particular, the open calls mechanism has shown its limitations in the following cases:

- **Support to Conservation Trust Funds.** While, during the period 2000-2006, CEPF supported a large number of conservation trust funds (e.g., support to administrative costs, support for initial studies, etc.), such activities were considerably reduced post 2007, even though sustainable financing schemes are part of the investment strategies in two recent ecosystem profiles (Mediterranean and Eastern Afromontane). The open Calls for Proposals mechanism is not particularly well adapted to such activities, as there is generally one potential applicant (hence competition is meaningless), activities require a longer timeframe and, generally, more funds than CEPF can provide alone. In such situations, it would be preferable to identify actors in the process of setting up conservation trust funds and discuss with them how CEPF could best support their efforts.
- **Activities requiring specific expertise and collaborative efforts.** For such activities, open calls cannot be expected to generate the necessary proposals. This has been and still is the case for setting up large carbon-funding mechanisms (cf. Eastern Afromontane). The RIT and Secretariat should be able to play a more proactive role in gathering stakeholders, and defining with them which organizations could be responsible for specific activities.
- **Where civil society capacity is very low or non-existent.** In such situations, it may make sense to have a more proactive role for the RIT, either by approaching stakeholders directly and defining a set of activities that would fit their needs as well as CEPF's objective, or by organizing collaborative workshops to identify ways to develop a coherent conservation vision. The recent cases of South Sudan, Yemen and Libya, for instance, illustrate the need to work closely with stakeholders rather than expecting fundable proposals from open calls.
- **Engaging government and private sector.** CEPF Phase III puts an emphasis on working more closely with governments (without funding them) and private sector (with potential funding, and other innovative schemes). This aspiration may be difficult to turn into reality with an open call mechanism. Once more, a more proactive role of the RIT and CEPF Secretariat will be needed to reach out to private sector organizations and government agencies and discuss directly with them potential projects. From CEPF's experience, attempting to engage the private sector through open calls for proposals will almost certainly fail to bring expected results.
- **Non-grant support.** CEPF may wish to broaden the types of support it provides for conservation projects away from short-duration grants. For example, CEPF might fund more innovative, seed grants that spur new ways of linking private sector practices with conservation. Perhaps forming an alliance with a bank to fund low-interest loans akin to Verde Ventures, where CEPF can fund the technical assistance required to set up these loans, for example. Such approaches could leverage private sector funding or open up new avenues for accessing public funds but would clearly require alternative grant-making mechanisms.
- **Multi-hotspot grants.** Further consideration should be given to the possibility of including a provision for such grants. For instance, there is an intention to improve cross-learning and experience exchange among regions during CEPF Phase III, and global grants could provide the funding stream to make this happen. At the same time, issues of transparency, local ownership and coherence would need to be addressed. One option would be to have a separate funding allocation for multi-hotspot grants, which would not require funds to be taken from the allocations for individual hotspots.

4. Possible grant mechanisms fitting with CEPF mission: Pros and Cons

4.1 Open Calls for Proposals

It was clear from the interviews conducted for this paper that open Calls for Proposals are a “trademark” of CEPF and fit perfectly with its objectives. Nobody suggested not continuing with open calls as the main grant-making mechanism. Their value in “discovering new talents” from among local civil society was particularly emphasized, which would be difficult to do if there was a move towards grants by invitation. However, all interviewees made it clear that the use of other grant-making mechanisms, whether on an *ad hoc* basis or under certain predetermined conditions, would allow CEPF to improve its efficiency.

4.2 Grants by invitation

This mechanism was mentioned in all interviews as being potentially useful, even if everyone agreed that it should be used sparingly and only under certain conditions to avoid the appearance of lack of transparency.

The mechanism could be put in place swiftly, although it would be important to specify the conditions under which it could be used. Where these conditions were met, the RIT and/or CEPF Grant Director would open a dialogue with the selected civil society organization, which would be asked to submit either:

- an Lol, followed by a full proposal, or
- a full proposal directly, thereby skipping the Lol stage (this would require a modification to the Operational Manual)

In terms of procedure, and to limit the perception of a lack of transparency, a system of compulsory peer-review or external evaluation could be set up, along the lines followed at present time for proposals over \$250,000. This might even extend to compulsory review by the CEPF Working Group.

The most important challenge is to decide upon criteria to allow CEPF to use grants by invitation. Among the ideas proposed (which could be combined) were the following:

- **Ad hoc approval** by Managing Director (or Executive Director), upon proposition by the concerned Grant Director.
- **Grantees already working with CEPF.** Grants by invitation could be restricted to grantees that have already been selected through open calls. Such a criterion could be useful for:
 - Providing follow-on funding to an existing initiative, in cases where a cost extension is not possible (cf. new CEPF funding phase in a region) or not practical (new phase with lots of new activities/components).
 - Scaling-up activities of a small grant into a large grant. This situation occurs quite often, and waiting for a scheduled Call for Proposals to submit a large grant proposal could negatively impact activities on the ground (e.g., by causing a loss of momentum with stakeholders, etc.).
 - Teaming-up several CEPF grantees to build a larger, cooperative project.
- **Persistent gaps in the investment portfolio.** Several Grant Directors and RIT members mentioned that they still had, even after several years of Calls for Proposals, “orphan” investment priorities or “orphan” priority sites. In such cases, building a specific project through dialogue with potentially interested partners would be useful. This would allow the RIT and CEPF Secretariat to be more “proactive” when facing such situations.

- **Building partnerships and testing innovative approaches.** For some specific issues, a coordinated approach between grantees would bring additional benefits. This might become even more important with the objective to work more closely with private sector under CEPF Phase III. One way in which this could work would be by bringing together potential applicants and government/private sector partners, to plan clusters of linked grants to address a particular issue or test a particular approach, especially where CEPF did not expect to receive applications under open calls, or where it expected these applications to be insufficiently coordinated with one another.
- **Specific emergency situations.** In situations of emerging threat or opportunity, time-bound projects (in the context of a specific event), and situations when seasonality is important (e.g., reforestation, agro-ecology, etc.) waiting for scheduled calls could be detrimental to conservation outcomes.
- **Situations where grants by invitation are identified as a mechanism in the ecosystem profile.** It could happen that a specific project, to be implemented by a pre-selected organization, could be identified at the profiling stage. This could be in a *de facto* preselection, when an actor possesses a unique capability to implement a critical piece of the investment strategy.

4.3 Acceptance of proposals on a rolling basis

This mechanism requires further discussion among the Grants Team. It might be redundant if the option of awarding grants by invitation in response to specific emergency situations is maintained for instance. This was not proposed as a future mechanism during any of the interviews.

4.4 Planning grants

This mechanism requires further discussion among the Grants Team. It might be combined with the following mechanism, particularly where multi-stakeholder initiatives are being proposed by local organizations.

4.5 Proposal development workshops

The approach here would be to bring together organizations interested in working on a particular theme or at a specific site to jointly plan a program of work consistent with the CEPF investment strategy, and then to develop complementary funding proposals that leveraged the different capabilities of each organization. Such workshops would also be an opportunity to engage other funders interested in supporting these programs of work.

The Mediterranean RIT mentioned the possibility of organizing workshops with potential low-capacity applicants, in order to design projects with them. This could be one “mechanism” to reach out to organizations before awarding grants by invitation.

4.6 Pooling resources with local Conservation Trust Funds

Under the current grant-making system, CEPF cannot easily pool resources with other funds. This granting mechanism delivered important results in the past (cf Latin America, above), in situations where a strong local conservation trust fund existed. This mechanism could be important in the context

of supporting “long term stewards” of the CEPF vision in the hotspots (at least the long-term financing component).

It is proposed that CEPF revisit the possibility of pooling its resources with local conservation trust funds. Specific attention would need to be given to monitoring compliance with CEPF’s policies, monitoring impact and ensuring value-added. In the past, CEPF has encountered problems with one trust fund but the risks can be managed successfully. The ability to insert CEPF’s agenda onto local conservation trust funds to ensure long-term sustainability is quite compelling and deserves due consideration.

4.7 Multi-hotspot grants

Should there be a transparent and participatory approach to selection of multi-hotspot grants, such grants could be of tremendous value. Among examples of possible multi-hotspot grants: exchange of experience and good practices to ensure safeguards of infrastructure and extractive industry efforts, or addressing traffic of endangered species from the supply as well as the demand side, exchanging practices on invasive species of management in similar contexts (small island developing states, mountainous areas...). However, due consideration would need to be given to legitimate concerns about transparency, accountability and ownership. Further work on defining options for selection criteria, award mechanism, and management practices could be undertaken by the CEPF Secretariat, should the donors be supportive of exploring the concept of multi-hotspots grants further.

APPENDIX XII: Gender Mainstreaming Plan

Ensuring that both men and women have equal opportunities to participate in and benefit from the GEF project can be achieved through progressive and efficient mainstreaming of gender dimensions throughout the grant-making processes in the three pilot hotspots. One of the goals of this Gender Mainstreaming Plan is to ensure that, for relevant grants⁵⁰, any gender-related adverse impact is avoided, minimized and/or mitigated. The objective of this Plan is to outline actions that will be specifically taken within the duration of the project.

To ensure that all project activities (e.g., definition of investment strategies, training of Regional Implementation Teams, project design, implementation and reporting, monitoring and evaluation, learning and communication) are consistent with CEPF's Gender Policy, the Plan is divided into three parts:

- 1) Preparation of the organizational structure and necessary tools.
- 2) Implementation throughout the GEF-project.
- 3) Monitoring & Evaluation and dissemination of lessons learned (especially relevant to Component 4, which concerns replicating successful approaches to other hotspots).

CEPF recognizes that grantees have different capacities, needs and experiences in integrating gender into their projects and operational structures. The Gender Mainstreaming Plan seeks to be practical in terms of feasibility given the broad geographical targets of the GEF-project (even more with Component 4), the wide variation in capacities of the civil society organizations that are expected to be engaged and supported by the project, and the gender disparities among the three pilot hotspots. The Plan will be applied accordingly. Nevertheless, there will necessarily be some variations among hotspot that require a site-specific approach to gender mainstreaming.

Cerrado

Brazil, where the Cerrado Hotspot is centered, has moderately high levels of gender inequality, and is ranked 95th on the UNDP Gender Inequality Index. Against some measures of gender equality, Brazil performs relatively well. For instance, there are nearly as many women as men in the labor force and there are more women and girls in schools and colleges than boys and men. There is also a dedicated federal ministry to formulate policies for women. On the other hand, incomes for working women are lower than for men, women are underrepresented in local, state and federal legislatures, and domestic violence remains a problem.

In contrast to government structures, women are well represented in civil society organizations, which employ nearly two women for every man. Women play leadership roles in a significant proportion of local community organizations in the Cerrado, for instance the Regional Association of Women Rural Workers in the Bico do Papagaio. Moreover, sustainable use of biodiversity, including processing of wild

⁵⁰ Depending on the type of intervention and scope of activities, the degree of relevance of gender dimensions may vary. Similarly, depending on the capacities and interest of the grantees, the level of gender mainstreaming opportunity may vary.

foods and handicrafts, contributes to the empowerment of rural women by providing them with income of their own, and many producer cooperatives are led by or managed in the interests of women. The existence of these organizations indicates that there should be significant opportunities to engage women's groups in capacity building and other activities under the GEF project.

The ecosystem profile for the Cerrado recognizes gender as an important issue, especially given the role of women in the sustainable harvesting of wild biodiversity. The investment strategy has a moderate focus on livelihood improvement, and a major focus on capacity building and training, which suggests that a significant proportion of grants will increase gender-equitable access to ecosystem services, deliver socio-economic benefits to women, and strengthen the capacity of women's groups and women-led organizations. In these cases, the role of CEPF and the Regional Implementation Team will be to support grantees to integrate gender-specific deliverables and indicators into their proposals.

At present, however, only a single indicator in the hotspot log frame explicitly addresses gender, "at least 10 markets and supply chains for sustainably harvested non-timber forest products developed or enabled with direct benefit for networks or groups of women and youth in particular", and none are explicitly gender disaggregated. Thus, there will be a need to review the log frame for the hotspot to incorporate more gender-responsive indicators, consistent with those in the results framework for the GEF project.

The Regional Implementation Team for the Cerrado has not yet been selected, which means that consideration can be given to gender representation during the review process. Also, the CEPF Gender Policy can be introduced to the team as part of its initial training, thereby enabling full integration of gender into its operations and interactions with grantees.

Eastern Afromontane

In comparison to the other pilot hotspots, countries in the Eastern Afromontane Hotspot typically score poorly on the UNDP Gender Inequality Index, with only Rwanda (rank = 80) being included among the top 100 ranked countries for gender equality globally, and several falling towards the very bottom of the list. Although there is wide variation in such a culturally and politically diverse region, women in the hotspot tend to have less access to education and health care, lower incomes and reduced ability to own land and other assets. Moreover, political and economic decision-making and access to and rights over natural resources are generally dominated by men, although women's rights vary significantly from country to country.

This gender inequality with regard to education and decision-making in particular is manifested in the natural resource management and conservation sector in the form of male-dominated government bureaucracies and professional NGOs. Conversely, in rural communities, women typically have more direct contact with natural resources, to meet their daily fuel, food and water needs, and a greater appreciation of the value of biodiversity and ecosystem services. These trends point to a need for the GEF project to go beyond urban, professional NGOs to engage with a wider range of civil society organizations, including community-based organizations, producer cooperatives and women's groups.

While the issue of gender is discussed in some detail in the ecosystem profile for the Eastern Afromontane, it is not explicitly addressed in the investment strategy that guides CEPF grant making in the hotspot. There is a need, therefore, to retrofit the log frame to include gender-disaggregated indicators, and revisit the language of the investment strategy to include gender-responsive approaches. Nevertheless, the investment strategy does place a strong emphasis on improving local livelihoods, which creates the potential for activities targeting women or women's groups, for instance community management of inland fisheries, which make a disproportionately large contribution to incomes and food security in the Great Lakes region of the hotspot, particularly of women.

The Regional Implementation Team for the Eastern Afromontane is well established and led by a woman. However, it has not yet been introduced to the CEPF Gender Policy, nor is it working with grantees to systematically mainstream gender into the design of their projects. Therefore training for the team in gender mainstreaming should be considered a priority for the first few months of the GEF project.

Indo-Burma

In comparison to the other pilot hotspots, Indo-Burma has moderate levels of gender inequality, with countries being ranked between 40 (China) and 104 (Cambodia) on the UNDP Gender Inequality Index. Nevertheless, there remain significant gender disparities in poverty and livelihood indicators, many of which are exaggerated further in rural areas. Poor rural women are typically among the most economically and politically marginalized people in the hotspot, and thus should be a particular focus for CEPF grant making. Women's access to basic services, resources and infrastructure is more limited than men's, and their voice in decision making is limited, because political and economic elites remain dominated by men.

Where community-based natural resource management groups exist, these patterns of male dominance tend to be repeated. This is also the case for professional NGOs working on natural resource management and conservation, where the majority of management and field staff tend to be male, while female staff tend to be restricted to administrative and support roles. CEPF and the Regional Implementation Team will need to proactively engage with grantees to integrate gender-specific deliverables and indicators into their proposals, and to provide training on gender mainstreaming for biodiversity conservation projects.

Gender issues are addressed in detail in the ecosystem profile, which recognizes that gender relations exercise an important influence on women and men's access to and control over environmental resources and the goods and services they provide. The ecosystem profile also highlights the need for greater investment in capacity building and support for the development of female conservation practitioners, in order to redress gender imbalances in NGOs. This should be considered as an area for grant making under the GEF project.

The critical role of gender relations in determining men and women's access to and participation in management of natural resources is recognized in the investment strategy, which explicitly requires grantees to integrate gender considerations into the design and implementation of their grants.

However, specific gender-responsive indicators are not yet included in the logframe, and it will need to be retrofitted accordingly.

The Regional Implementation Team for Indo-Burma has not yet received training in the CEPF Gender Policy. This will be a priority for the first months of the GEF project. At the same time, the terms of reference and budget for the Regional Implementation Team will need to be revised, to provide the team with a clear mandate and adequate resources to organize trainings for grantees on gender definition, gender implication in natural resources management and biodiversity conservation, and gender monitoring.

Part 1: Preparation of the organizational structure and necessary tools

Within the first year of the GEF- project, the following actions will be taken in order to build staff skills and develop tools and training materials:

1. A focal person from among CEPF's staff will be nominated and given training to drive the implementation of the Gender Mainstreaming Plan and be a resource person on gender within CEPF.
2. Progressive updates will be made to existing templates, documents, protocols, scopes of work, tools and training materials/contents (and potentially the development of new ones) to integrate gender consideration in the day-to-day management of grant-making. This will flow down from the Ecosystem Profiling stage to the training of Regional Implementation Teams, the selection of projects, the monitoring of their implementation and the refinement of CEPF's Monitoring Framework (see Part 3 below). CEPF's Operational Manual will be updated accordingly.
3. A focal point for gender will be nominated within each Regional Implementation Team for the pilot hotspots, who will receive specific training on gender, subsequently assess capacity-needs, provide guidance and training to applicants and grantees, and report back on gender mainstreaming at the hotspot level. The Scope of Work for the Regional Implementation Teams will be revised accordingly.

The GEF-project will provide a strong foundation for gender integration at the scale of CEPF's global operations. Experience with implementation of the gender mainstreaming plan in the three pilot hotspots will be documented, and inform the implementation of CEPF's gender strategy in the other hotspots where CEPF invests.

Part 2: Implementation throughout the GEF-project

Following the completion of Part 1 of the Gender Mainstreaming Plan, a few additional activities will be implemented throughout the GEF-project:

1. The Regional Implementation Teams in the pilot hotspots, and in particular their respective gender focal points, will be trained on gender definition, on the mainstreaming plan and its implication on the grant-making process and on subsequent monitoring.
2. The log frames for the pilot hotspots will be reviewed, and gender-responsive approaches, with potential indicators, will be incorporated wherever appropriate.
3. Gender analyses and recommendations will be incorporated into relevant grants during the design phase (the decision-making process will remain unchanged from the one described in the core document, although focal points from both CEPF and Regional Implementation Teams may be consulted for additional expertise).
4. Trainings for grantees will be organized on gender definition, gender implication in natural resources management and in biodiversity conservation project, and gender monitoring.
5. Grantees will be supported to integrate gender-specific deliverables and indicators into their proposals as appropriate.

Given that the grant portfolios that will be developed in the three hotspots will be developed reactively, based upon the type and quality of proposals received, it is difficult at this stage to provide a detailed plan for gender integration in each of the GEF-project components. However, while implementation will provide a fuller picture of challenges and opportunities, general suggestions at this point to mainstream gender into the project, are given in the table below.

Part 3: Monitoring & Evaluation and dissemination

Under Part 1 of the Gender Mainstreaming Plan described above, CEPF will further strengthen its global Monitoring Framework by including gender-specific indicators to assess concrete progress on gender mainstreaming. This strengthening will be done with a view to avoid overburdening the system and to ensure lessons learned are captured for subsequent dissemination.

These gender indicators will be applied to all relevant grants and will be mainly captured at the level of individual grants, and then aggregated at hotspot and global levels. Necessary adjustments may be made to the new indicators based on initial implementation experiences during the GEF-project and consultation with the Regional Implementation Teams in the pilot hotspots.

Along with other indicators, the gender monitoring data shall inform programming through adaptive management. In addition to these indicators, efforts will be made to capture appropriate good practices from civil society organizations in particular, in order to share lessons learned via the production and dissemination of analytical documents on the gender theme.

General suggestions for mainstreaming gender into project design

#	Outcome	Gender relevance	Suggestions for including gender considerations
Component 1: Developing long-term conservation visions, financing plans and associated strategies for biodiversity hotspots			
1.1	Long-term conservation visions developed for the Cerrado, Eastern Afromontane and Indo-Burma Hotspots, with participation of civil society, government, donor and private sector actors.	The Long-Term conservation Vision is a document that can help frame expectations for gender considerations in each Hotspot.	Gender considerations could be incorporated into the suggested criteria for local civil society to graduate from CEPF support.
Component 2: Ensuring the financial and institutional sustainability of multi-sector conservation programs			
2.1	Increased capacity and credibility of conservation-focused civil societies in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.	The building of civil society capacities is an opportunity to support the development of a more gender-balanced conservation practitioners group in each Hotspot.	Gender considerations at civil society level could be materialized by strengthening female conservation practitioners' technical and managerial capacities with training and targeted events and by supporting interested institutions to develop their own gender policy and mainstreaming plan.
2.2	Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including non-traditional sources.	N/A	N/A
Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships			
3.1	Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane and Indo-Burma Hotspots.	The mainstreaming of biodiversity into production landscapes' management is an opportunity to document and take into account gender-specific practices.	Detrimental gender-specific practices could be addressed while positive ones could be promoted at production landscapes level. For instance, existing certification standards for agricultural commodities incorporate both gender equity and environmental sustainability criteria.
Component 4: Replicating success through knowledge products and tools			
4.1	CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.	The long-term implementation structure model, which will be refined and rolled out to other hotspots under the project, is seen as a key element in gender mainstreaming.	Long-term implementation structures could be made aware of and trained on gender while their Scope of Work could make provision for a gender focal point.

#	Outcome	Gender relevance	Suggestions for including gender considerations
4.2	Models, tools and best practices developed under the project are widely available and inform other actors developing public-private partnerships for biodiversity conservation globally.	The future models, tools and best practices developed under the project are seen as gender mainstreaming opportunities.	Specific case studies and lessons learned on gender mainstreaming into these models, tools and best practices could be publicized.

APPENDIX XIII: Key Project Stakeholders

1. Indo-Burma

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil society - local NGO	Potential grantee	Facilitate mission by providing funding, developing partnerships, and providing technical guidance	<p><u>Cambodia</u>: 3S Rivers Protection Network; Action for Development; Angkor Centre for Conservation of Biodiversity; Cambodia Indigenous Youth Association; Cambodian Institute for Research and Rural Development; Cambodian Rural Development Team; Chamroen Chiet Khmer; Community Economic Development; Community Development for Peace and Sustainability; Documentation Center of Cambodia; Fisheries Action Coalition Team; Highlanders Association; Indigenous Community Support Organization; Mlup Baitong; Mother Nature (Meada Thoamajeat); My Village Organization; Non-Timber Forest Products Organization; OSMOSE; Poh Kao; Sam Veasna Center for Wildlife Conservation; Save Cambodia's Wildlife; The Coalition of Cambodia Fishers</p> <p><u>China</u>: Green Kunming; Pesticide Eco-Alternatives Centre; Shan Shui Conservation Center; The Hong Kong Bird Watching Society; Zoological Society of Yunnan</p> <p><u>Lao PDR</u>: Association for Community Training and Development; Green Community Alliance; FISHBIO Lao; Lao Biodiversity Association; Lao Wildlife Conservation Association; Participatory Development Training Center</p> <p><u>Myanmar</u>: Advancing Life and Regenerating Motherland; Biodiversity and Nature Conservation Association; Economy and Ecological Development (EcoDev); Forest Resources; Environment; Development and Conservation Association; Friends of Wildlife; Mangrove Service Network; Putao Constellation; Rakhine Coastal Region Conservation Association; Turtle Survival Alliance</p> <p><u>Thailand</u>: Bird Conservation Society of Thailand; FREELAND Foundation; Living River Siam Association; Mekong Community Institute; SE Asian Nepenthes Study & Research Foundation; Seub Nakhasathien Foundation; Thailand Environment Institute</p> <p><u>Vietnam</u>: Center for Biodiversity and Development; Center for Natural Resources and Environmental Studies; Center for People and Nature Reconciliation; Center for Water Resources Conservation and Development; Education for Nature-Vietnam; Green Innovation and Development Centre; Green Viet Biodiversity Conservation Center; Quang Tri Center of Education and Consultancy on Agriculture and Rural Development; Research Centre for Resources and Rural Development; The Law and Policy of Sustainable Development Research Center; Viet Nature</p>
	Regional Implementation Team	Position the organization as a long-term coordinating	<p><u>Myanmar</u>: Myanmar Environment Rehabilitation-conservation Network</p>

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil society - international NGO	Potential grantee	Facilitate mission by providing funding, developing partnerships, and providing technical guidance	<u>Cambodia</u> : BirdLife International; Conservation International Cambodia Program; Wildfowl & Wetlands Trust
			<u>China</u> : Conservation International China Program; The Nature Conservancy; World Wide Fund for Nature China Programme
			<u>Lao PDR</u> : Global Association for People and the Environment
			<u>Vietnam</u> : Douc Langur Foundation; Sustainable Fisheries Partnership Foundation
Potential service provider – capacity building	Facilitate mission by integrating into broader program of support to civil society	<u>Whole hotspot</u> : EarthRights International; Fauna & Flora International; Global Wildlife Conservation; Global Witness; Indo-Myanmar Conservation; International Rivers; Mekong Watch; People Resources and Conservation Foundation; Rainforest Alliance; RECOFTC - The Center for People and Forests; TRAFFIC International; Wildlife Conservation Society; World Wide Fund for Nature Greater Mekong Programme	
		<u>Cambodia</u> : Forum Syd; Oxfam-America, Inc.; Southeast Asia Development Program	
		<u>Lao PDR</u> : Samdhana Institute	
CEPF Regional Implemental Team; long-term vision team	Position the organization as a long-term coordinating	<u>Whole hotspot</u> : International Union for Conservation of Nature	
Civil society - research institution	Potential grantee	Facilitate mission by providing funding, developing partnerships, and providing technical guidance	<u>Cambodia</u> : Charles Darwin University; College of the Environment, University of Washington; Department of Biology, Boston University; Inland Fisheries Research and Development Institute, Pannasastra University of Cambodia; Royal University of Phnom Penh; The University of Minnesota Foundation; University of Canterbury
			<u>China</u> : Beijing Normal University; Institute of Zoology, Chinese Academy of Sciences; Kunming Institute of Zoology; World Agroforestry Centre
			<u>Lao PDR</u> : Pha Tad Ke Botanical Garden
			<u>Myanmar</u> : Harrison Institute
			<u>Thailand</u> : King Mongkut's University of Technology Thonburi
			<u>Vietnam</u> : Allwetterzoo Münster (Munster Zoo); Center for Environmental and Rural Development, Vinh University
			<u>Whole hotspot</u> : International Center for Living Aquatic Resources Management (WorldFish Center); Stimson Center

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Donor agency	CEPF global donor	Amplify results of investments through CEPF and coordinate with other investments	<u>Cambodia</u> : World Bank Cambodia Office
			<u>Vietnam</u> : Japan International Cooperation Agency, Vietnam Office
	Portfolio co-funder	Amplify results of investments through CEPF and coordinate with other investments	<u>Whole hotspot</u> : Margaret A. Cargill Foundation
	Potential grant co-funder	Demonstrate new mainstreaming models transferable to other sectors	<u>Cambodia</u> : GEF Small Grants Programme, UNDP; AFD
			<u>China</u> : GEF Small Grants Programme, UNDP; Yunnan Green Environment Development Foundation
			<u>Lao PDR</u> : GEF Small Grants Programme, UNDP
			<u>Myanmar</u> : Arcus Foundation; Blue Moon Fund; GEF Small Grants Programme, UNDP; Helmsley Charitable Trust; Pyoe Pin Programme, UK Department for International Development
			<u>Thailand</u> : GEF Small Grants Programme, UNDP; German International Cooperation
			<u>Vietnam</u> : GEF Small Grants Programme, UNDP
			<u>Whole hotspot</u> : FAO Regional Office for Asia and the Pacific; GMS Core Environment Program, ADB; MacArthur Foundation; McKnight Foundation; USAID Regional Development Mission for Asia
<u>Myanmar</u> : Blue Moon Fund; Helmsley Charitable Trust; UK Department for International Development			
<u>Whole hotspot</u> : ADB; MacArthur Foundation; McKnight Foundation; USAID Regional Development Mission for Asia			
Government agency	GEF Focal Point	Test new mechanisms for amplification of results from GEF portfolio	<u>Cambodia</u> : Ministry of Environment
			<u>China</u> : International Department, Ministry of Finance
			<u>Lao PDR</u> : Environment Department, Science Technology and Environment Agency
			<u>Myanmar</u> : Environmental Conservation Department, Ministry of Environmental Conservation and Forestry
			<u>Thailand</u> : Ministry of Natural Resources and Environment
			<u>Vietnam</u> : Department of International Cooperation, Ministry of Natural Resources and Environment

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
	Government counterpart agency	Demonstrate innovative policy models for wider replication	<p><u>Cambodia</u>: Department of Fisheries Resources Conservation, Fisheries Administration, Ministry of Agriculture, Forestry and Fisheries; Department of Wildlife and Biodiversity, Forestry Administration, Ministry of Agriculture, Forestry and Fisheries; General Department of Administration for Nature Conservation and Protection, Ministry of the Environment</p> <p><u>China</u>: External Affairs Center, State Forest Administration; Guangdong Provincial Forestry Bureau; Guangxi Provincial Forestry Bureau; Hainan Provincial Forestry Bureau; Yunnan Provincial Forestry Bureau; Yunnan Wetland Conservation Office</p> <p><u>Lao PDR</u>: Department of Forestry, Ministry of Agriculture and Forestry; Department of Livestock and Fisheries, Ministry of Agriculture and Forestry</p> <p><u>Myanmar</u>: Department of Fishery, Ministry of Livestock and Fisheries; Nature and Wildlife Conservation Division, Forest Department, Ministry of Environmental Conservation and Forestry</p> <p><u>Thailand</u>: Department of Fisheries; Department of National Parks, Wildlife and Plant Conservation, Ministry of Natural Resources and Environment</p> <p><u>Vietnam</u>: Biodiversity Conservation Agency; Forest Protection Department; Ministry of Agriculture and Rural Development; Vietnam Conservation Fund; Ministry of Agriculture and Rural Development</p>
Private sector	Potential partner in public-private partnerships	Improve business practices leading to increased financial, environmental, and social benefits	<p><u>Cambodia</u>: Asian Pulp and Paper; Hydrolancang; PTT Exploration and Production; Sinohydro</p> <p><u>China</u>: Green Fountain Tea Company; Guangxi Nanning Dipper Sports Culture Co. Ltd; Yi Tai Rui Wo (Beijing) Environmental Consulting Company Limited</p> <p><u>Lao PDR</u>: Lao Sanxai Minerals Company Limited; MMG Sepon; Theun Hinboun Power Company</p> <p><u>Myanmar</u>: Kanbawza Industries; Siam Cement; Total Company Myanmar; Yuzana Company</p> <p><u>Thailand</u>: CP Foods; Electricity Generating Public Company Limited; Minor Group; Mubadala Petroleum; Thai Union Frozen Products Public Company</p> <p><u>Vietnam</u>: Besra Gold Inc.; Dragon Capital; Highlands Coffee; Holcim; Minh Phu Seafood Corporation; PetroVietnam; Trung Nguyen Coffee Company</p> <p><u>Whole hotspot</u>: Hilton Hotels; Hoang Anh Gia Lai; Marriott Hotels; Shangri-la Hotels; Vietnam Rubber Group</p>

2. Eastern Afro-montane

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil society - local NGO	Potential grantee	Facilitate mission by providing funding, developing partnerships, and providing technical guidance	<u>Burundi</u> : Burundi Nature Action; Cadre des Amis Defenseurs de l'Environnement; Association pour le Développement Intégré et la Conservation de la Nature; Duteramire Amashamba; Dukingire Ibidukikije Buringa; Association des Amis de la Nature; Duteramire amashamba; Kundane; Buringa; Association pour la Préservation de l'Environnement; Dukingire ibidukikije Mpinga; Mfasha tubane; Association pour la protection des montagnes du Burundi; Rugereka; Twunge ubumwe uve mu buja; Association pour la Protection des Ressources Naturelles par le Bien-Être de la Population au Burundi; Association Burundaise Pour la Protection de la Nature
			<u>DRC</u> : Amicale Congolaise pour la Conservation des Oiseaux et leurs Habitats; Alliance Congolaise des Organisations de Conservation des Oiseaux ; Organisation of Biodiversity Information and Conservation in Congo Kinshasa; Organisation concertée des écologistes et amis de la nature; Organization for the Promotion of Pygmy Settlements; AfriCapacity; Réseau Ressources Naturelles; Jeunesse pour la protection de l'Environnement; Polepole Foundation; Réseau des Associations pour la Conservation communautaire du Massif d'Itombwe; Horizon Nature
			<u>Ethiopia</u> : Ethiopian Coffee Forest Forum ; Ethiopian Sustainable Tourism Alliance; Ethiopian Wildlife and Natural History Society; Ethio Wetlands and Natural Resources Association; Forum for Environment; Movement for Ecological Learning and Community Action; Wildlife for Sustainable Development; Guassa Community Conservation Council; Tesfa Foundation; Organization for Rehabilitation and Development in Amhara; Konso Cultural Center; Farm Africa Bonga and Sheka Branch; Sustainable Natural Resource Management Association; Population Health and Environment Ethiopia Consortium
			<u>Kenya</u> : African Conservation Centre; East African Wild Life Society; Kilele foundation Kenya; Kenya Forests Working Group; National Alliance of Community Forest Association; NatureKenya
			<u>Malawi</u> : Wildlife and Environmental Society of Malawi; Sustainable Rural Growth and Development Initiative; Action for Environmental Sustainability; Coordination Unit for Rehabilitation of Environment; Communication for Environmental Policy and Advocacy; Misuku Beekeepers Association
			<u>Mozambique</u> : Justicia Ambiental (Friends of the Earth Mozambique); Mulanje Mountain Conservation Trust; MICAIA Foundation
			<u>Rwanda</u> : Association pour la Conservation de la Nature au Rwanda; Association Rwandaise des Ecologistes; Rural Environment and Development Organization; Innovation pour le Developpement et la Protection de l'Environnement; Forest of Hope Association; Association Rwandaise des Ecologistes; Rwanda Bamboo Organisation Society; Albertine Rift Conservation Society
			<u>Tanzania</u> : Tanzania Forestry Research Institute; Tanzania Forest Conservation Group; Wildlife Conservation Society of Tanzania ; Tongwe Trust; Mpingo Conservation and Development Initiative;

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
			<p><u>Uganda</u>: Albertine Rift Conservation Society; Africa Institute for Energy Governance; African Union of Conservationists; Environmental Alert; ECOTRUST; NatureUganda; Uganda Community Tourism Association; Water Governance Institute; Centre d'Information et de Documentation Pygmees</p> <p><u>Yemen</u>: Foundation for the Protection of the Arabian Leopard; Women Association of Jabal Bura'a Protected Area; National Foundation for Watershed Management and Services; Foundation for Endangered Wildlife; United Society for Developing Water Resources and Environment</p> <p><u>Zambia</u>: Zambian Ornithological Society; Wildlife and Environmental Conservation Society of Zambia; BirdWatch Zambia;</p> <p><u>Zimbabwe</u>: BirdLife Zimbabwe</p>
Civil society - international NGO	Potential grantee	Facilitate mission by resourcing, developing partnerships, and providing technical and strategic guidance	<p><u>Ethiopia</u>: Nature and Biodiversity Conservation Union; FARM-Africa/SOS SAHEL ETH; Food and Agriculture Organization; Ethiopian Wolf Conservation Program; International Livestock Research Institute</p> <p><u>Kenya</u>: International Livestock Research Institute; African Wildlife Foundation; East African Plants Red List Authority</p> <p><u>Rwanda</u>: International Gorilla Conservation Programme; Dian Fossey Gorilla Fund</p> <p><u>Uganda</u>: International Union for Conservation of Nature; Jane Goodall Institute; Institute for Environmental Security</p> <p><u>Zambia</u>: Peace Park</p> <p><u>Whole hotspot</u>: African Parks; Association for Strengthening Agricultural Research in Eastern and Central Africa; Conservation International; Fauna Flora International; Frankfurt Zoological Society; Royal Botanic Gardens Kew; Royal Botanic Garden Edinburgh; Royal Society for the Protection of Birds; United Nations Environment Programme; Wildlife Conservation Society; World Wide Fund - Eastern & Southern Africa Regional Programme Office; World Wide Fund; Conservation Leadership Program; The Nature Conservancy; World Resources Institute; Global Biodiversity Information Facility; Rainforest Alliance, Inc.; Rainforest Foundation</p>
	Potential service provider - capacity building	Facilitate mission by resourcing, developing partnerships, and providing technical and strategic guidance	<p><u>Burundi</u>: Forum Burundais de la société Civile du Bassin du Nil</p> <p><u>Whole hotspot</u>: AREALA Network in the Albertine Rift region under the coordination of ARCOS; Secretariat for Environmental Assessment in Central Africa/Secrétariat pour l'Evaluation Environnementale en Afrique Centrale</p>
	CEPF Regional Implemental Team	Position the organization as a long-term coordinating	<u>Whole hotspot</u> : BirdLife International; International Union for Conservation of Nature

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil society - research institution	Potential grantee	Facilitate mission by resourcing, developing partnerships, and providing technical and strategic guidance	<u>DRC</u> : Etablissement d'Enseignement Supérieur et Universitaire de droit congolais; University of Kisangani
			<u>Ethiopia</u> : Addis Ababa University ; Horn of Africa Regional Environmental Center; Ethiopian Institute of Agricultural Research; Gullele Botanic Garden; Amhara Regional Agricultural Research Institute; International Center of Insect Physiology and Ecology; Mizan-Tepi University; Metu University; Jimma University
			<u>Jordan</u> : Jordan University of Science and Technology
			<u>Kenya</u> : African Insect Science for Food and Health; International Center of Insect Physiology and Ecology; Kenya University; National Museums of Kenya; University of Nairobi
			<u>Rwanda</u> : Conservation of the Asiatic Cheetah Project; University of East Anglia Redirect Project
			<u>Tanzania</u> : Ugalla Primate Project; Tanganyika Catchment Reforestation and Education; Sokoine University of Agriculture - Faculty of Forestry and National Reserve; University of Dar es Salaam
			<u>Uganda</u> : Advocates Coalition for Development and Environment; Makerere University
			<u>Yemen</u> : Agricultural Research Authority; Ibb University
			<u>Whole hotspot</u> : Haas Business School of University of California, Berkley; Oxford University
Donor agency	CEPF global donor	Amplify results of investments through CEPF and coordinate with other investments	<u>Whole hotspot</u> : World Bank; Japan Biodiversity Fund
	Potential grant co-funder	Demonstrate new mainstreaming models transferable to other sectors	<u>Burundi</u> : Programme de Réhabilitation du Burundi de l'Union Européenne <u>Tanzania</u> : Eastern Arc Mountains Conservation Endowment Fund <u>Whole hotspot</u> : Deutsche Gesellschaft für Internationale Zusammenarbeit; U.S. Agency for International Development; Norwegian Peoples Aid; Federal German Natural Resource Agency
Government agency	GEF Focal Point	Test new mechanisms for amplification of results from GEF portfolio	<u>Burundi</u> : Ministry of Water, Environment, Lands Management and Urban Planning
			<u>DRC</u> : Ministère de L'Environnement, Conservation de la Nature, Eaux et Forêts
			<u>Ethiopia</u> : Ministry of Environment and Forest
			<u>Jordan</u> : Ministry of Planning and International Cooperation
			<u>Kenya</u> : Ministry of Environment, Water and Natural Resources
			<u>Malawi</u> : Ministry of Natural Resources
<u>Mozambique</u> : Ministry for the Co-ordination of Environmental Affairs			

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
			<p><u>Rwanda</u>: Rwanda Environment Management Authority</p> <p><u>Tanzania</u>: Vice President's Office</p> <p><u>Uganda</u>: Ministry of Finance, Planning and Economic Development</p> <p><u>Yemen</u>: Environmental Protection Authority</p> <p><u>Zambia</u>: Ministry of Lands, Natural Resources and Environmental Protection</p> <p><u>Zimbabwe</u>: Ministry of Environment, Water and Climate</p>
	Government counterpart agency	Demonstrate innovative policy models for wider replication	<p><u>Burundi</u>: Bucuri National Reserve; Kibira National Park/Institut National pour l'Environnement et la Conservation de la Nature; Ministère de l'Eau, de l'Environnement, de l'Aménagement du Territoire et de l'Urbanisme; Ministère de l'Agriculture et de l'Elevage; Autorité du Lac Tanganyika; Office du Thé du Burundi</p> <p><u>DRC</u>: Institut Congolais pour la Conservation de la Nature; Programme d'Appui à la Conservation des Ecosystèmes du Bassin du Congo; Trilateral Lake Kivu and Rusizi River Basin Authority</p> <p><u>Ethiopia</u>: Ethiopian Wildlife Conservation Authority; Institute of Biodiversity Conservation ; Sustainable development of the protected area system of Ethiopia; Bureau of Tourism, Culture and Parks Development; Environmental Protection Land Administration and Use Department; Bureau of Agriculture, Cooperatives, Youth; Woreda Tourism and Cultural Development Offices; Amhara National Regional State; Ethiopian Biodiversity Institute; Ministry of Science and Technology; Ministry of Environment and Forest; Ministry of Agriculture; Environmental Protection and Land Administration from Amhara National Regional State Local Government</p> <p><u>Kenya</u>: Department of Resource Surveys and Remote Sensing; Kenya Forestry Research Institute; Kenya Forest Service; Kenya Wildlife Service</p> <p><u>Malawi</u>: Department of Forestry; Department of Environmental Affairs; Ministry of Agriculture and Food Security</p> <p><u>Mozambique</u>: Instituto de Investigaçao Agraria de Mozambique; Department of Forestry; Centre for Sustainable Development</p> <p><u>Rwanda</u>: Akagera National Park; Ministry of Environment and Lands; Ministry of Water and Environment; Office Rwandais de Tourisme et Parcs Nationaux; Rwanda Environment Management Authority; Rwanda Wildlife Authority Akagera National Park; Rwanda Natural Resources Authority</p> <p><u>Saudi Arabia</u>: Saudi Wildlife Authority</p> <p><u>Tanzania</u>: Tanzania Commission for Science and Technology; Forestry and Beekeeping Division; Ministry of Natural Resources and Tourism; Tanzania National Parks Agency; Directorate of Forestry and Beekeeping; Mpanda and Kigoma District Councils; Small Industries Development Organization; Vocational Educational Training Authority; Tanzania Forest Service</p>

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
			<u>Uganda</u> : Nile Basin Initiative; National Environment Management Authority; National Forestry Authority; Uganda Tourist Board; Wetlands Management Department <u>Yemen</u> : Agricultural and Research Extension Authority; Yemen Environmental Protection Authority <u>Zambia</u> : Forestry Department; Zambia Wildlife Authority <u>Zimbabwe</u> : Zimbabwe Parks and Wildlife Management Authority; Zimbabwe Forestry Commission; Environmental Management Agency; National Herbarium in Harare
Private sector	Potential partner in public-private partnerships	Improve business practices leading to increased financial, environmental, and social benefits	<u>Burundi</u> : REGIDESO; Unilever; Taylors of Harrogate <u>DRC</u> : BANRO corporation <u>Ethiopia</u> : Ecopia; Guna Highland Water; Oromia Forest and Wildlife Enterprise <u>Jordan</u> : ENVIROMATICS <u>Mozambique</u> : Mozambique Holdings <u>Rwanda</u> : Rwanda Development Board <u>Zimbabwe</u> : Allied Timber Holdings

3. Cerrado

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil Society - local NGO	Potential grantee	Facilitate mission by resourcing, developing partnerships, and providing technical and strategic guidance	<u>Bolivia</u> : Conservation International Bolivia; Bolivian Forum on Environment and Development <u>Brazil</u> : Brazilian Forum of NGOs and Social Movements for Environment and Development; Brazilian Association of NGOs; Instituto Socioambiental; IUCN; SAVE Brasil; WWF-Brasil; The Nature Conservancy; Wildlife Conservation Society; Biodiversitas Foundation; World Resources Institute; Federation of Family Farm Workers; Landless Workers' Movement; Small Farmers' Movement; Via Campesina; Confederation of Workers in Agriculture; Pastoral Land Commission; National Articulation of the Indigenous Peoples of Brazil; Mobilization of Indigenous Peoples of the Cerrado; Interstate Movement of Babassu Palmnut Breakers; Grande Sertão Cooperative; FrutaSã; Cerrado Network; Pacari Articulation; National Council of Extractive Populations; Amazon Working Group; Pro-Conservation Unit Coalition; Ecological Research Institute <u>Paraguay</u> : Guyra Paraguay; Global Forest Coalition

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Civil society - research institution	Potential grantee	Facilitate mission by resourcing, developing partnerships, and providing technical and strategic guidance	<u>Brazil</u> : University of Brasília, Department of Ecology; University of Brasília Planaltina; University of Brasília - Cerrado; University of Brasília Center for Sustainable Development; Federal University of Goiás; Laboratório de Processamento de Imagens e Geoprocessamento; State University of Montes Claros; Catholic University of Minas Gerais; Brazilian Agricultural Research Corporation - Cerrados; National Center of Genetic Resources; Network for Scientific and Technological Cooperation for Conservation and Sustainable Use of the Cerrado; Centro Nacional de Conservação da Flora; Rede Brasileira de Restauração Ecológica; Brazilian Agricultural and Livestock Research Enterprise - Soils
Donor agency	CEPF global donor	Amplify results of investments through CEPF and coordinate with other investments	<u>Brazil</u> : European Union; World Bank
	Potential grant co-funder	Demonstrate new mainstreaming models transferable to other sectors	<u>Brazil</u> : UNDP; UNEP; FAO; Inter-American Institute for Cooperation on Agriculture; Norwegian Agency for Development Cooperation; UK Department for International Development; Ford Foundation
Government agency	GEF Focal Point	Test new mechanisms for amplification of results from GEF portfolio	<u>Bolivia</u> : Ministry of Environment and Water <u>Brazil</u> : Ministry of Planning Budget and Management <u>Paraguay</u> : Ministry of Environment of Paraguay
	Government counterpart agency	Demonstrate innovative policy models for wide replication	<u>Brazil</u> : Ministry of Environment; Secretariat of Biodiversity and Forests; Secretariat of Extractive Resources and Sustainable Rural Development; Secretariat of Climate Change and Environmental Quality; Brazilian Institute of Environment and Renewable Natural Resources; Chico Mendes Institute of Biodiversity Conservation; Brazilian Forest Service; National Water Agency; National Environment Council; Sustainable Cerrado Commission; National Commission of Traditional Peoples and Communities; Brazilian Association of State Environmental Agencies; National Association of Municipal Environmental Agencies; Forum of State Environment Secretaries of the Cerrado; Ministry of Agrarian Development; National Institute of Colonization and Agrarian Reform; Ministry of Agriculture, Secretariat of Agricultural Policy; National Supply Company; Ministry of Science, Technology and Innovation; Secretariat of Strategic Affairs, Secretary of Sustainable Development; Institute for Applied Economic Research; Superintendency of Development of the Center-West; National Indian Foundation; Federal Public Attorneys; Environmental Parliamentary Caucus; Operational Center of Public Prosecutors of Justice

Stakeholder category	Nature of interest / potential role in project	Typical Effect(s) of project on stakeholders	Individual stakeholders (by country)
Private sector	Potential partner in public-private partnerships	Improve business practices leading to increased financial, environmental, and social benefits	<u>Brazil</u> : Bank of Brazil; Rabobank; Bank of Brazil Foundation; National Bank of Economic and Social Development; Bank of Northeast Brazil; Bank of the Amazon; Brazilian Confederation of Agriculture and Livestock; Soybean Association; Brazilian Association of Vegetable Oil Industries; National Confederation of Industry; Association of Zero Tillage in the Cerrado; Private Natural Heritage Reserves; Rio de Janeiro Stock Market; Brazilian Business Council for Sustainable Development; Instituto Brasileiro de Árvores

APPENDIX XIV: Criteria for CEPF Support to Private Sector Partnerships and Public Policy Strengthening

1. Background

In January 2014, the CEPF Donor Council adopted a new strategic framework for the third phase of the fund (CEPF III). The third phase features a number of innovations for CEPF, which will be piloted in three hotspots through a full-sized GEF project, and then rolled out to other hotspots where the fund invests. A Project Preparation Grant (PPG) has been awarded to enable preparation of the full Project Document for this project, based upon an approved Project Identification Form (PIF).

The objective of the project is to demonstrate innovative tools, methodologies and investments, and build related capacities, through which civil society in three pilot biodiversity hotspots, in partnership with public and private sector actors, can cost effectively conserve biodiversity and progress towards long-term institutional sustainability, and to replicate demonstrated approaches in nine additional hotspots. Although the specific partnerships that the project will support will be identified only during project implementation, the PPG phase provides an opportunity to frame options in more detail, elaborate examples and develop frameworks for making a final selection. To this end, the CEPF Secretariat has been tasked with developing selection criteria for policy targets (for mainstreaming biodiversity into national/sub-national policy) and private sector partnerships, suitable for application in any hotspot where the fund invests, as well as indicative lists of the types of policy target and private sector partnership that could be selected in each of the three pilot hotspots.

This paper lays out the objectives and nature of CEPF support for private sector partnerships and public policy strengthening, and includes specific criteria to guide CEPF investment in these strategic areas.

2. Criteria for CEPF Support to Private Sector Partnerships

CEPF will support civil society partnerships with those private companies and their associations that play significant roles in achieving conservation over the long term in the three pilot hotspots, in fulfillment of those components, outcomes and outputs of the GEF logical framework specifically dedicated to private sector engagement, as listed in Table I.

Table I. Private Sector Partnerships Outcomes and Outputs in the GEF Project Logical Framework

Component	Outcome	Output
Component 2: Ensuring the financial and institutional sustainability of multisectoral conservation programs.	2.2 Increased and more sustained financial flows to civil societies engaged in the conservation of biodiversity, from diverse sources, including nontraditional sources.	2.2.2 At least 2 innovative models for private sector conservation finance, such as biodiversity offsets, demonstrated in the pilot hotspots.

Component	Outcome	Output
Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships.	3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afrotropical, and Indo-Burma Hotspots.	3.1.2 At least 12 biodiversity-friendly management practices incorporated into the business practices of key change agents in the agriculture, energy, mining and other sectors.
Component 4: Replicating success through knowledge products and tools.	4.1 CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.	4.1.4 At least 2 countries in other biodiversity hotspots replicate management practices for mainstreaming biodiversity through innovative partnerships of civil society and private sector.

CEPF will support civil society to establish partnerships with private-sector leaders that can serve as models to influence other companies engaged in the most important sectoral drivers of biodiversity loss. CEPF will catalyze change at national and hotspot-wide scales by targeting its engagement within priority sectors and corporate partnerships, as illustrated in Table II:

Table II. Illustrative Target Sectors and Partners for CEPF Collaboration

Sectors	Private-Sector Partners
<ol style="list-style-type: none"> 1. Agriculture: soybeans, cattle, maize, rice, rubber, coffee, tea, cotton 2. Energy: oil, gas, hydropower 3. Transportation: roads 4. Fisheries: aquaculture, freshwater 	<ol style="list-style-type: none"> 1. Small and medium-sized enterprises 2. National corporations and their associations 3. Multinational corporations 4. Financial services companies 5. Commodity round tables

Achievement of CEPF's private sector objectives will rely on funding well designed, strategically aligned grants based on an assessment of project proposals from civil society against the 12 evaluation criteria presented in Table III. The criteria are grouped into three pillars, based on the reasoning that any partnership supported by CEPF must demonstrate the conditions for success to meet CEPF's mission; have demonstration value for a strategic economic sector; and partner with an agent of change within the sector (this would typically be a company but could be an industry association or other body).

Table III. Criteria for CEPF Support of Private Sector Partnerships

Pillar	Criterion	Definition
I - Conditions for Success to Meet CEPF Mission	1. Alignment with CEPF ecosystem profile and Long-Term Vision	Partnership is of high strategic value toward achievement of CEPF priorities based on the ecosystem profile and long-term vision for the hotspot.
	2. Civil Society Empowerment	Partnership has the potential to build the capacity of local civil society, enabling its long-term engagement in conservation.
	3. Biodiversity Impact	Partnership will yield a demonstrable global benefit for biodiversity conservation, through improved management of IUCN globally Red Listed species and/or a key biodiversity area (KBA).
	4. Inclusive Development	Partnership has the potential to deliver social and economic benefits across a broad range of beneficiaries.
	5. Stakeholder Support and Participation	Key stakeholder groups (e.g., government authorities, local communities, etc.) support partnership objectives, and opportunities exist for their meaningful participation.
	6. Efficiency of CEPF Investment	Investment amount is commensurate and reasonable in view of conservation results and impacts to be achieved.
	7. Monitoring and Learning	Partnership supports transparent monitoring and evaluation to maximize potential for learning.
II - Strategic Economic Sector	8. Opportunity for Amplification	Partnership can serve as a model to influence other companies engaged in a key sectoral driver of biodiversity loss in the hotspot (e.g. agriculture, energy, mining, fisheries, etc.).
	9. Business Case	Partnership advances a persuasive business case to mainstream conservation into the sector.
III - Agent of Change within its Sector	10. Commitment to Mainstreaming Biodiversity Conservation	Partner demonstrates existing commitment or sufficient promise of future commitment to mainstreaming conservation into its policies and practices.
	11. Financial Sustainability	Financial health of the partner is sufficiently strong to ensure the sustainability of the partnership.
	12. Reputational Risk	Partner does not present an unacceptable reputational risk to CEPF, as determined by due diligence assessment using the criteria of CI's Center for Environmental Leadership in Business.

3. Worked Example from the Indo-Burma Hotspot

The 12 criteria are intended as a decision-support tool, not as a list of absolute conditions that must be met in order for CEPF to prioritize a particular private sector partnership for support. For this reason, there are no thresholds and no scoring system. In order to illustrate how the criteria might be applied to evaluate a potential private sector partnership, a worked example from the Indo-Burma Hotspot is presented in Table IV. This example draws on information from a recent grant application but it should be noted that the evaluation presented here is retroactive, as a decision on whether to support the partnership was taken before the criteria were developed.

Table IV. Assessment of Criteria for CEPF Support of Private Sector Partnerships

Potential partnership: FFI Myanmar Programme and Kanbawza Industries to pilot best practices for the management of biodiversity at limestone quarries		
Pillar	Criterion	Evaluation
I - Conditions for Success to Meet CEPF Mission	1. Alignment with CEPF Ecosystem Profile and Long-Term Vision	The partnership aligns with Investment Priority 6.2: Integrate the biodiversity and ecosystem service values of priority corridors into land-use and development planning at all levels. It is located in Myanmar, which is a priority for CEPF investment.
	2. Civil Society Empowerment	Partnership has the potential to build the capacity of Southern Shan Biodiversity Conservation Association, a local NGO, which has experience in baseline biodiversity surveys feeding into EIAs for cement factories.
	3. Biodiversity Impact	The cement sector is a key driver of biodiversity loss in the hotspot, due to rapid economic growth and urbanization, which create a strong demand for cement, and the high levels of localized endemism in limestone karst, where cement operations are concentrated.
	4. Inclusive Development	There are local communities in the project area (near Taunggyi, Shan State) and there may be opportunities to engage them in activities such as community-based ecotourism as part of the partnership but they need to be explored in greater detail.
	5. Stakeholder Support and Participation	The partnership is supported by the Ministry of Environmental Conservation and Forests, and there are opportunities to insert karst biodiversity conservation considerations into spatial planning and support the ministry in the development of guidelines for EIA for the cement industry under Myanmar's new Environment Law. FFI has also begun to engage the Department of Ceramic Industries within the Ministry of Industry, to mainstream karst biodiversity conservation into plans and policies for the expansion of the cement industry.

	6. Efficiency of CEPF Investment	The requested investment amount (\$150,000) is reasonable and commensurate with the expected conservation results, given that the grant covers several other partnerships with cement operations in karst areas.
	7. Monitoring and Learning	The project is a pilot, intended to influence the cement industry in Myanmar more widely. FFI has a good track record in transparent M&E to maximize learning potential. The commitment of Kanbawza Industries towards transparency in M&E is untested.
II - Strategic Economic Sector	8. Opportunity for Amplification	The partnership demonstrates a clear potential to serve as a model in its industry to influence other companies. Kanbawza Industries is a subsidiary of the KBZ Group, one of the leading industrial conglomerates in Myanmar.
	9. Business Case	The business case for the private sector partner is that improved biodiversity conservation performance will facilitate environmental permitting and access to capital (especially from sources such as the International Finance Corporation and Equator banks). Environmentally sustainable business practices are largely untested in Myanmar, and sources of capital with few conditions for sustainability are available, so the strength of this business case is untested at present.
III - Agent of Change within its Sector	10. Commitment to Mainstreaming Biodiversity Conservation	Sustainable business practices are a new concept in Myanmar and it would be unrealistic to expect any company to demonstrate a long track record in this area. However, there are some encouraging signals that Kanbawza Industries may be willing to mainstream conservation into its policies and practices. For example, the company has proposed using vertical extraction, whereby limestone is removed from the center of karst outcrops, leaving the sides intact and vegetated.
	11. Financial Sustainability	The financial strength of the Kanbawza Industries quarrying operation near Taunggyi is considered to be strong. There is huge demand for cement for the 7,000 MW Tasan hydropower dam in Shan State, and other cement-intensive infrastructure development projects are expected in the state. The operation has access to 80 million tonnes of limestone: sufficient to last 100 years. This also creates a motivation for long-term thinking on the part of the company.
	12. Reputational Risk	The partnership has not undergone a due diligence assessment using the CELB criteria. This would be worthwhile as the private sector partner is a local company operating in a country with weak environmental and social safeguards.

4. Criteria for CEPF Engagement in Public Policy Strengthening

CEPF will support innovative models to mainstream biodiversity conservation into government policies in order to deliver long-term conservation impacts and to ensure the sustainable management of the natural capital upon which the people of the three pilot hotspots depend. Ultimately, CEPF will seek to amplify successful public policy approaches, to take innovative models to scale where broader conservation and development impacts are achieved across corridors, countries, and hotspots. CEPF investments to strengthen government policies will achieve those project components, outcomes and outputs from project logical framework specifically focussed on policy strengthening, as presented in Table V.

Table V. Public Policy Outcomes and Outputs in the GEF Project Logical Framework

Component	Outcome	Output
Component 3: Amplifying the impacts of CEPF investments through enhanced and innovative public and private sector partnerships.	3.1 Integrating biodiversity conservation and sustainable use into production landscapes implemented with public and private sector actors across at least total 1,000,000 hectares in the Cerrado, Eastern Afromontane, and Indo-Burma Hotspots.	3.1.1 At least 6 policies, programs or plans incorporate results of policy demonstration models addressing drivers of biodiversity loss in the pilot hotspots.
Component 4: Replicating success through knowledge products and tools.	4.1 CEPF investments in other hotspots strengthened through the adoption of successful models and tools developed in the pilot hotspots.	4.1.3 At least 2 countries in other biodiversity hotspots adopt successful policy demonstration models from the pilot hotspots.

These outcomes and outputs will be achieved through grants that enable civil society partners to engage in several approaches, where CEPF and its civil society partners have a comparative advantage at promoting high priority interventions geared toward mainstreaming conservation into public policy, as represented by:

- i. Formal legislation and laws at all levels of governance.
- ii. Regulations to support implementation of laws, including land-use planning and zoning and the procedures to execute key initiatives.
- iii. Conservation and development strategies, plans and programs.
- iv. Economic incentives for conservation, such as payments for ecosystem service schemes.
- v. Funding mechanisms for long-term conservation finance.
- vi. Standards that govern practices in the use of natural capital and biodiversity.
- vii. Regional and global agreements to support collaboration across countries.

Several principles will guide CEPF's support to civil society for strengthening public policy. CEPF will support policies interventions that contribute directly to the achievement of its global mission and to the hotspot's investment strategy and long-term vision. CEPF also will put a high premium on close collaboration with government counterparts to support national-level policy priorities that fulfill National Biodiversity Strategies and Action Plans (NBSAPs) and the Aichi national and global biodiversity

targets. Furthermore, CEPF will not only seek to promote innovative models that directly promote conservation, but it also will seek constructive solutions to mitigate potentially harmful impacts on biodiversity and natural capital arising from those government policies that do not sufficiently integrate environmental safeguards.

CEPF will strengthen public policies along all levels of government, from local to global, although with a principal focus on the national level and below.

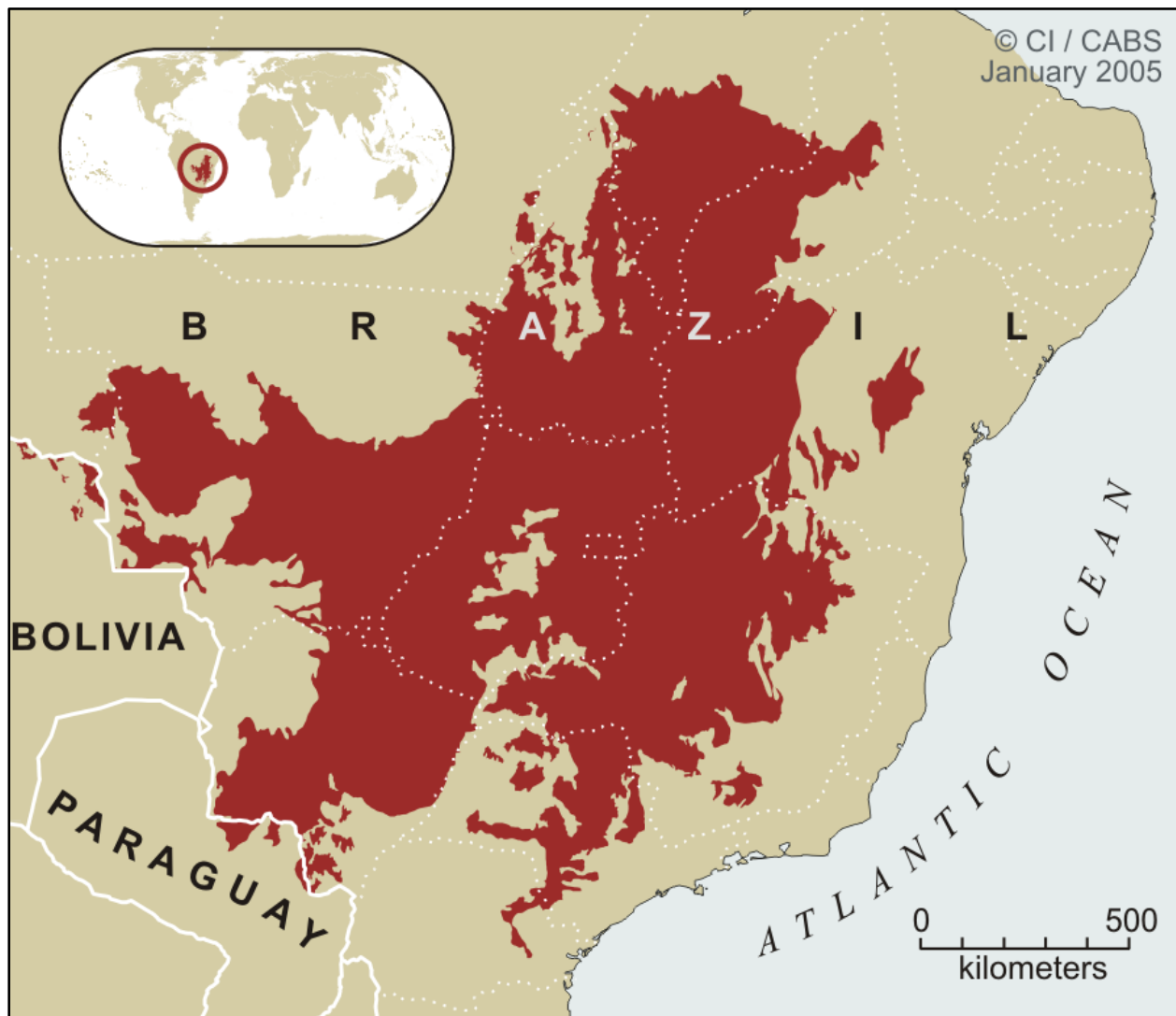
CEPF will adopt nine selection criteria to evaluate opportunities support to public policy frameworks through civil society organizations, presented in Table VI. CEPF recognizes that not all promising opportunities will fulfill all criteria. For example, support for a biosecurity policy to prevent the introduction of invasive alien species may not deliver significant results under Criterion 3 to support inclusive development, although it may be considered worthy of support based on its fulfillment of other the criteria.

Table VI. Criteria for CEPF Engagement in Public Policy Strengthening

Theme	Criterion
1. Alignment with CEPF Ecosystem Profile and Long-Term Vision	Policy intervention is of high strategic value with respect to the hotspot’s investment strategy and long-term vision.
2. Civil Society Participation	Policy intervention has the potential to affect participation of civil society in the management of natural capital and biodiversity.
3. Inclusive Development	Policy intervention has the potential to improve the delivery of sustainable socioeconomic benefits across a broad range of beneficiaries.
4. Efficiency of CEPF Investment	CEPF’s investment amount is commensurate and reasonable in view of the expected conservation results.
5. Conservation Objective	Policy intervention supports priority enabling conditions required to achieve CEPF conservation outcomes.
6. Opportunity for Amplification	Policy intervention has good potential to be replicated and scaled up beyond the demonstration site.
7. Political Support	Key government decision makers demonstrate support for the proposed policy intervention.
8. Stakeholder Support	Key stakeholders outside of government demonstrate strong support for the proposed policy intervention.
9. Capacity for Implementation	Agencies responsible for implementation demonstrate existing capacity or the ability to build the requisite capacity for implementation, including: <ul style="list-style-type: none"> vii. Supportive institutional and legal frameworks viii. Effective stakeholder involvement ix. Financial resources x. Technical expertise xi. Equipment and infrastructure xii. Supportive planning, monitoring & evaluation frameworks

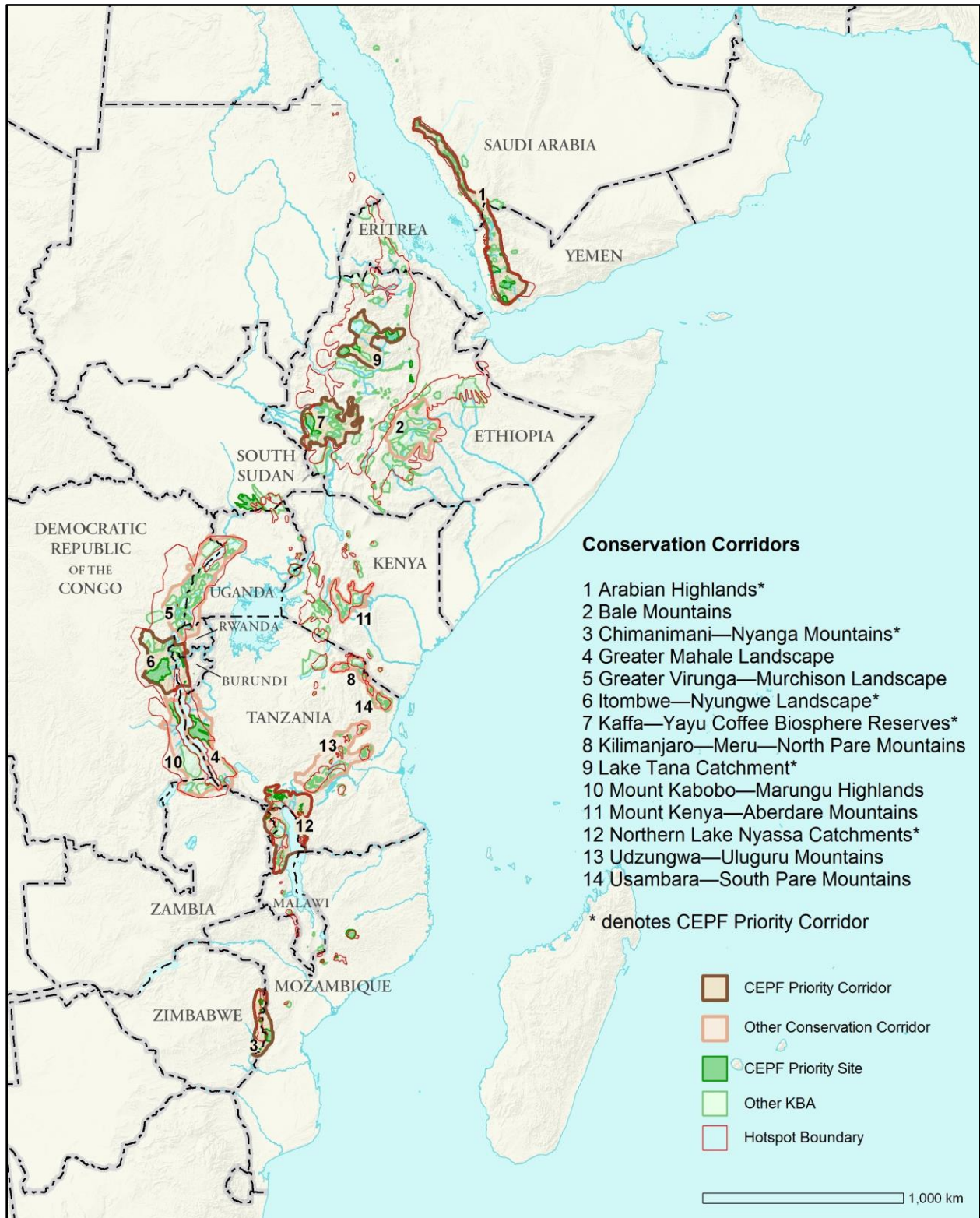
APPENDIX XV: Maps of Priority Corridors for CEPF Investment in the Pilot Hotspots

Cerrado Hotspot



Note: The priority corridors for CEPF investment in the Cerrado Hotspot are currently being selected and delineated as part of the ongoing ecosystem profiling process.

Eastern Afrotontane Hotspot



Indo-Burma Hotspot

