

Critical Ecosystem Partnership Fund

Eighth Meeting of the Donor Council
Jackson Hole, Wyoming
26 March 2005

Options for directing additional CEPF resources to Sumatra, post tsunami

Recommended Action Item:

The Donor Council is asked to **consider** options for directing additional CEPF resources to Sumatra, in the wake of the Tsunami and to **endorse** the scenario that they feel is most appropriate.

December 26, 2004 Tsunami and Earthquake

Massive losses of life and livelihoods were suffered by CEPF grantees, other NGO partners and the millions of other people in the Indonesian provinces of Aceh and North Sumatra following the 26 December 2005 earthquake and tsunamis.

Sadly, CEPF has received confirmation that dozens of our governmental and nongovernmental partners and their families are among the dead in Aceh Province, where entire communities were washed away. It is also confirmed that nearly 700 homes were destroyed in the buffer zone of the new Batang Gadis National Park in North Sumatra Province, where the community had been preparing to celebrate the one-year anniversary of the park that CEPF support helped make possible.

The tsunamis and earthquake on 26 December 2005 followed a very successful World Bank Supervisory Mission to Sumatra in November. At that time, Michael Carroll and Jorgen Thomsen evaluated CEPF's diverse and innovative portfolio of projects led by civil society at the village, municipal and provincial levels.

Providing funding at the local level is especially important in Sumatra due to the fact that Indonesia only recently decentralized management of natural resources. However, the power shift did little or nothing to build local capacity or coffer so that local people could effectively use their newfound sway over biodiversity conservation. That has been CEPF's niche. Since January 2002, CEPF has funded 57 grants totaling \$9,211,468 led by more than 30 NGOs and involving many other partner NGOs, communities and government officials. Grants range in size from less than \$4,000 to about \$994,972, with an average size of about \$161,000.

In Aceh and North Sumatra, where civil society's enthusiasm far exceeds its capacity for conservation work, CEPF's Sumatra Grant Manager Purbasari Surjadi ("Sari") has spent a great deal of time helping NGOs one-on-one conceptualize and plan projects and apply for CEPF funds. The projects CEPF supports there have empowered local people to stop a major road from being built through a species-rich protected area, trained local groups to identify high-biodiversity forest tracts for protection, and helped small communities find opportunities for economic development from eco tourism rather than forest felling. CEPF has supported community involvement in protected area management and funded local efforts to cancel logging concessions that would have wiped out community forests.

To date, CEPF's \$10 million investment is enabling small civil society groups to work in alliance to save their natural resources and the livelihoods that depend on those resources. The World Bank supervisory mission to Sumatra concluded that CEPF's work through its grantees has been remarkable, especially in a place that some conservationists had pronounced beyond hope.

It is clear that since the tsunami, conservation efforts are losing precious momentum, for so many of the CEPF grantees and partners and the government officials with whom they worked have lost either their

lives or their loved ones, and in many cases, their homes to the earthquake and tsunamis. These partners will need the most basic kinds of assistance to return to a life that would allow them to even consider picking up the conservation efforts that were so abruptly stopped on December 26th.

CEPF began funding some of those efforts in January 2002. The Regional Vice President of CI Indonesia Jatna Supriatna heads an Advisory Committee, made up of senior managers from WWF Indonesia and the Wildlife Conservation Society's Indonesia Program and a Senior Director at the Ministry of Forestry, which assists CEPF grantees with matters requiring assistance at regional and national political levels. A Technical Team also sits within CI Indonesia ready to assist CEPF grantees should they encounter trouble with scientific and technical aspects of project implementation. Our Grant Manager, the Advisory Council and the Technical Team make up CEPF's Sumatra coordination team.

CEPF's coordination team has built a network within civil society in Sumatra - particularly the areas hardest hit by the earthquake and tsunamis - that has allowed us to place the money of international donors into local hands. Thanks to their hard work, CEPF has been a bright spot in this troubled region, giving hope for positive change to scores of NGOs and perhaps thousands of people in local communities.

It is this network that is allowing CEPF to aid directly people devastated by the ongoing disaster. In addition, CI Indonesia has already transferred funds to help Banda Aceh residents with food, medicine and water.

CEPF's team in Indonesia is in a unique position to give desperately needed support directly to civil society in Sumatra's Aceh and North Sumatra Provinces. The CEPF conduit built by CEPF's donor partners could be mobilized to assist in international efforts to aid in the immediate and longer-term recovery of Sumatra from this crippling tragedy.

The context above underscores why CEPF Management is seeking Donor Council input on the two scenarios presented below highlighting options to direct more CEPF resources to Sumatra. CEPF board member, Jonathan Fanton, President of the MacArthur Foundation, recommended that CEPF consider directing additional resources to this strife-ridden region.

Optional Scenarios for directing additional resources to Sumatra

Scenario #1:

The CEPF Donor Council Members determine that no additional CEPF funding will be directed to Sumatra.

Scenario #2

Select CEPF donor partners commit to a continuation of CEPF (in any form), enabling us to channel additional resources to Sumatra, under the auspices of the existing priorities in the ecosystem profile, with a particular emphasis on capacity building.

Suggested Investment:

\$3 million

Implications:

Few to no political implications to channeling additional resources under this assumption. A pledge for continuation of CEPF would need to be formalized within a reasonably quick timeframe if the resources are meant to respond to the tsunami crisis in a time efficient manner. Ideally, there would be documented pledges prior to CEPF's new fiscal year, in order to allow for a scaling up in grantmaking by July 1, 2005.

Scenario #3

Divert planned investment from existing CEPF active regions in order to finance additional grantmaking in Sumatra. The regions selected are highlighted below in yellow. They have been chosen because these regions have remaining resources that have not yet been committed.

Region	Budget	Total Committed	Pending II Grants	Balance Available	Percent Available	Possible Modifications to finance additional support for Sumatra
Atlantic Forest	8,000,000	6,450,624	1,462,975	86,401	1%	
Cape Floristic Region	6,000,000	4,762,661	333,628	903,712	15%	
Caucasus	8,500,000	2,499,238	1,314,942	4,685,820	55%	500,000
Chocó-Darién-Western Ecuador	5,000,000	3,812,521	883,928	303,551	6%	
Eastern Arc Mountains	7,000,000	1,472,788	3,144,517	2,382,695	34%	
Eastern Himalayas Region	5,000,000		1,125,000	3,875,000	78%	
Guinean Forests of West Africa	6,200,000	5,702,840	87,184	409,976	7%	
Madagascar	4,250,000	4,057,484	113,848	78,668	2%	
Mountains of Southwest China	6,500,000	5,282,659	1,267,184	-49,843	-1%	
Northern Mesoamerica	6,720,000	1,937,454	678,636	4,103,910	61%	500,000
Southern Mesoamerica	5,500,000	3,648,383	209,881	1,641,736	30%	
Succulent Karoo	8,000,000	2,158,305	1,625,646	4,216,049	53%	1,500,000
Sundaland	10,000,000	9,211,469	793,127	-4,596	0%	
The Philippines	7,000,000	4,793,692	1,719,347	486,961	7%	
Tropical Andes	6,150,000	4,541,292	350,676	1,258,032	20%	
Total	99,820,000	60,331,410	15,110,518	24,378,072	24%	2,000,000

Suggested Investment:

\$2 million

Implications:

1. Staff and financial implications in order to modify the CEPF system (web, printed communication materials, budgeting tools, application system) to reflect the changed investment amount.
2. Political repercussions in changing investment amount by local, regional and national stakeholders in affected hotspots.
3. This could be operationalized in a quicker timeframe for a May 1, 2005 roll out.

Executive overview of CEPF's involvement in Sumatra

The Critical Ecosystem Partnership Fund in Sumatra originally designed its investment strategy – ecosystem profile to address a biodiversity emergency. CEPF's Donor Council decided to activate CEPF in the Sundaland Hotspot in Sumatra before Kalimantan because of dire predictions from World Bank experts, who in a 2001 article in the journal *Science* warned that all of the island's species-rich lowland forests would be gone by 2005. These dire predictions coincided with many large donors, including the World Bank, pulling large amounts of funding away from conservation efforts in Sumatra. With the fate of Sumatra's biodiversity left at a precipice, the Donor Council allocated \$10 million to the hotspot – the largest allocation for any region where CEPF is active.

This decision followed a year-long process of consulting with Sumatra's stakeholders and conservation experts to determine and agree the highest priorities and actions for conservation. CEPF's ecosystem profile for Sumatra prescribes a grantmaking focus on four geographic areas:

- Tesso Nilo/Bukit Tigapuluh (central Sumatra)
- Bukit Barisan Selatan National Park (Sumatra's southern tip)
- Northern Sumatra (Sumatra's two northern-most provinces)
- Siberut Island (in the Mentawai chain off west Sumatra)

Coordinating CEPF Grantmaking on the Ground

With the above mandate, CEPF began funding projects in Sumatra in January 2002. While final decisions on grants are made by the Asia Grant Director in consultation with the Executive Director in Washington, DC, CEPF has "eyes and ears" on the ground in Sumatra in the form of a grant manager who works daily with CEPF's many partners. The Grant Manager sits within CI Indonesia, which serves as the "glue" that unites all Sumatra grantees under a larger agenda to address, at a national level, issues common to all, such as cancellation of unsustainable logging concessions and supporting declaration of new protected areas. The Regional Vice President of CI Indonesia heads an Advisory Committee, made up of senior managers from WWF Indonesia and the Wildlife Conservation Society's Indonesia Program as well as a senior representative of the Ministry of Forestry, which assists CEPF grantees with matters requiring assistance at regional and national political levels. A Technical Team also sits within CI Indonesia ready to assist CEPF grantees who encounter trouble with scientific and technical aspects of project implementation.

World Bank Supervisory Mission

In November 2004, Michael Carroll of the World Bank conducted a supervisory mission to assess CEPF implementation in Sumatra. The mission itinerary included visits to the Tesso Nilo/Bukit Tigapuluh corridor and the newly-declared Batang Gadis National Park in Northern Sumatra. Mr. Carroll met with lead organizations WWF Indonesia, WCS Indonesia Program and CI Indonesia, as well as many of their civil society and government partners.

Upon his return, Mr. Carroll briefed CEPF staff on his conclusions. Among them were the following:

- Participation of small, local NGOs is plentiful and diverse.
- The portfolio includes innovative projects and partnerships, as well as buy-in from local governments and civil society and promising efforts to ensure sustainability of corridor conservation efforts after CEPF funds are no longer available.
- CEPF grantmakers in Washington and Indonesia have established excellent team work with one another and with grantees.
- There should be another World Bank mission to Sumatra to promote larger, follow-on support from the GEF for CEPF-supported projects.
- It is important to "get Sumatra back on the map" for bilateral and multilateral donors by sharing the successes of CEPF grantees.

Current Status of Grant Making in the Region



