

## **An Overview of CEPF's Portfolio in the Indo-Burma Hotspot**

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### **Introduction**

Encompassing more than 2 million square kilometers of tropical Asia, Indo-Burma is the largest and one of the most geographically diverse of Earth's 35 biodiversity hotspots. The hotspot encompasses a number of major mountain ranges, including the Annamite Mountains and eastern extensions of the Himalayas, as well as extensive areas of limestone karst and five of Asia's largest rivers: the Ayeyarwady; Salween; Mekong; Red; and Pearl (Zhujiang). Its sweeping expanse of level lowlands embraces several fertile floodplains and deltas and includes Tonle Sap Lake, Southeast Asia's largest and most productive freshwater lake.

As a result of a high diversity of landforms and climatic zones, Indo-Burma supports a wide variety of habitats and, thus, high overall biodiversity. This diversity has been further increased by the development of endemism as a result of the hotspot's geological and evolutionary history. Centers of plant and animal endemism include the Annamite Mountains and the highlands of southern China and northern Vietnam. Consequently, the Indo-Burma Hotspot ranks in the top 10 hotspots for irreplaceability. Unfortunately, it is also ranked in the top five for threat, with only 5 percent of its natural habitat remaining.

Indo-Burma holds more people than any other hotspot, the vast majority of who depend for their livelihoods on the services provided by the hotspot's natural ecosystems. Of particular importance, in a region where paddy rice and fish protein provide the staple diet of more than 300 million people, are hydrological services and provisioning of fish and other freshwater products. The issues of poverty alleviation and biodiversity conservation are inextricably linked.

In common with many of the world's biodiversity hotspots, a combination of economic development and human population growth is placing unprecedented pressures on Indo-Burma's natural capital. This is compounded by a lack of effective systems to manage these pressures and a dearth of environmentally sustainable development models. An extensive stakeholder consultation exercise conducted by the Critical Ecosystem Partnership Fund (CEPF) in 2011 identified hunting and trade of wildlife as the highest ranked threat to biodiversity in the hotspot. Conversion of natural habitats into agro-industrial plantations of rubber, oil palm, tea and other cash crops was identified as the next highest threat, followed by proliferation of hydropower dams, which is the major threat to riverine ecosystems in the hotspot. The broad consensus from the stakeholder consultations was that all three threats are getting more severe, and will continue to do so, at least in the short-term. In every case, these threats have major implications for national economies and the livelihoods of rural people, both of which depend upon the services provided by natural ecosystems.

Over the last decade, there has been a gradual reduction in the amount of funding available for biodiversity conservation in the Indo-Burma Hotspot, as donors have shifted focus to other issues (most notably climate change) or withdrawn from countries altogether. At the same time, changing political and economic conditions have facilitated increased private sector investment in hydropower, agro-industry, mining and other industries with potentially large environmental footprints. While these trends present ever-greater conservation challenges, one positive development has been the growth of local civil society groups engaged in biodiversity conservation and related issues of sustainable development, poverty alleviation and social equity.

The emergence of these groups presents new opportunities to engage civil society, in collaboration with private and public sector partners, in addressing the urgent conservation challenges facing the hotspot. To this end, CEPF launched an investment program in Indo-Burma in 2013, building on the results of an earlier program, from 2008 to 2013. The program will run for five years, until 2018. This document presents an overview of the status of the CEPF grant portfolio at the end of the third year of the program.

## **Niche for CEPF Investment**

### ***Overview***

CEPF investment in the Indo-Burma Hotspot is focused on Cambodia, Lao PDR, Myanmar, Thailand and Vietnam, plus parts of southern China. The current investment program is informed by the ecosystem profile for the hotspot, which was prepared in 2011, through an extensive consultation process coordinated by the CEPF Secretariat, in collaboration with BirdLife International in *Indochina*, the CI-China Program, Kadoorie Farm & Botanic Garden, the Samdhana Institute and the Yunnan Green Environment Development Foundation. The process engaged more than 470 stakeholders from civil society, government, and donor institutions.

The ecosystem profile presents an overview of the Indo-Burma Hotspot, in terms of its biodiversity conservation importance, and socioeconomic, policy and civil society contexts. It defines a suite of measurable conservation outcomes, at species, site and corridor scales, and assesses the major direct threats to biodiversity and their root causes. This analysis is complemented by assessments of current conservation investment, and the implications of climate change for biodiversity conservation. The ecosystem profile articulates an overarching investment strategy for funders interested in supporting conservation efforts led by civil society, including a niche where CEPF's investment can provide the greatest incremental value.

The investment niche for CEPF builds on the experience of the first phase of investment, by focusing on approaches that have had demonstrated success, moving from pilot projects to longer-term interventions, and integrating results more concretely into government programs and policies. At the same time, the CEPF niche responds to emerging conservation issues, such as wildlife trade, hydropower development and expansion of agro-industry, with strategies developed through extensive consultation with practitioners in the field. These strategies are focused on the corridors where these conservation issues are most acutely felt: the Mekong River and its major tributaries; the Tonle Sap Lake and inundation zone; the limestone highlands along the Vietnam-China border; and the mountains of Hainan Island. The geographic scope of the CEPF niche also embraces Myanmar, to take advantage of opportunities to strengthen capacity among civil society organizations in the country and enable them to address priority conservation actions in a rapidly changing political and development context.

In line with this niche, the ecosystem profile sets out six strategic directions<sup>1</sup> for CEPF investment in Indo-Burma:

1. Safeguard priority globally threatened species by mitigating major threats.
2. Demonstrate innovative responses to illegal trafficking and consumption of wildlife.
4. Empower local communities to engage in conservation and management of priority Key Biodiversity Areas.
6. Engage key actors in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors.
8. Strengthen the capacity of civil society to work on biodiversity, communities and livelihoods at regional, national, local and grassroots levels.
11. Provide strategic leadership and effective coordination of conservation investment through a regional implementation team.

The ecosystem profile was approved by the CEPF Donor Council in October 2012, with a total spending authority of \$10.4 million. The Donor Council subsequently approved the appointment of the International Union for Conservation of Nature (IUCN) as the Regional Implementation Team (RIT) for the hotspot. IUCN began work as the RIT in July 2013, thus beginning the second phase of CEPF investment in the hotspot. The spending authority for Indo-Burma was subsequently raised to \$15.2 million, thanks to additional commitments by the GEF and the Margaret A. Cargill Foundation.

### ***Portfolio Status***

The current phase of CEPF investment in the Indo-Burma Hotspot is now three years into its five-year duration. The program began with the award of two grants to IUCN to perform the RIT role: one dealing with administrative functions, the other with programmatic functions. At that point, the ecosystem profile had been endorsed by the GEF Focal Points for Cambodia, China, Lao PDR and Thailand. Thus, these four countries were covered by the first call for proposals, which was announced in July 2013. After the ecosystem profile had been endorsed by the GEF Focal Points for Myanmar and Vietnam, a second call for proposals, covering these countries, was announced in October 2013. In the following two fiscal years, two calls for proposals were issued each year (Table 1). Issuing two calls per fiscal year allowed grant making in Myanmar to proceed on a different timescale, making allowance for the unique circumstances in that country. In particular, additional time was needed to train potential applicants in proposal writing and project cycle management.

**Table 1: Calls for proposals since the start of the current investment phase in Indo-Burma**

<b>No.</b>	<b>Release date</b>	<b>Closing date</b>	<b>Lols received</b>
1	29 July 2013	9 September 2013	228 [95 large / 133 small]
2	30 October 2013	11 December 2013	104 [51 large / 53 small]
3	8 July 2014	18 August 2014	165 [46 large / 119 small]
4	10 November 2014	22 December 2014	17 [2 large / 15 small]
5	8 July 2015	19 August 2015	219 [78 large / 141 small]
6	25 January 2016	7 March 2016	21 [all small]
<b>Total</b>			<b>754 [272 large/482 small]</b>

<sup>1</sup> Because the overall investment strategy in the ecosystem profile includes strategic directions that are supported by other funders, the numbering of the CEPF-funded strategic directions is non-consecutive.

Over the course of the six calls (or three “funding rounds”) issued to date, 754 letters of inquiry (LoIs) have been received, comprising 272 for large grants (i.e. grants of \$20,000 and above) and 482 for small grants (i.e. grants under \$20,000). Each LoI was reviewed by the RIT, while each large grant LoI was also reviewed by the CEPF Secretariat. Additional scrutiny was provided by expert peer reviewers, drawn from the conservation community in Indo-Burma and the commissions of IUCN, especially the Species Survival Commission.

Of the 754 applications received during the first three funding rounds, 616 were rejected (mostly on grounds of ineligibility, insufficient fit with the CEPF investment strategy, poor value for money and/or concerns about feasibility) and 138 were approved for award. Of the approved applications, grants have already been awarded in 114 cases, while 24 are at various stages of review, due diligence and contracting (these are termed “pipeline grants”). Assuming that all pipeline grants are eventually awarded, the success rate of applications under the first three rounds will be one-in-five.

Over the first three years of the investment phase, 61 large grants have been awarded, including two grants to IUCN to serve as the RIT (Charts 1 to 4). These comprise 32 grants to international organizations and 29 to local organizations, with a total value of \$10.3 million (Table 1). Over the same period, 55 small grants have been awarded, comprising nine to international organizations and 46 to local organizations, with a total value of almost \$1.0 million (Table 2). A further three large and 21 small grants are in the pipeline (four to international and 20 to local groups).

Grant making has proceeded at a steady pace since the beginning of the investment phase, and there is a good spread of investment by strategic direction and across the priority geographies of the investment phase, although the Hainan Mountains Corridor is emerging as a bit of a gap (Charts 1 to 4). Excluding the RIT grants, local organizations have received 66 percent of the grants awarded and 40 percent of the investment amount. Both these proportions represent progress from the first CEPF investment phase (2008-2013) in the Indo-Burma Hotspot, during which local groups received only 37 percent of the grants and 19 percent of the total investment.

**Table 1: Status of the large grant portfolio in the Indo-Burma Hotspot, as of June 30, 2016**

<b>Strategic Direction</b>	<b>Active grants</b>	<b>Pipeline grants</b>	<b>Total</b>
SD1	\$1,867,632	\$0	\$1,867,632
SD2	\$1,159,284	\$0	\$1,159,284
SD4	\$2,513,489	\$708,423	\$3,221,912
SD6	\$2,717,099	\$0	\$2,717,099
SD8	\$671,752	\$0	\$671,752
SD11	\$1,400,003	\$0	\$1,400,003
<b>Total</b>	<b>\$10,329,259</b>	<b>\$708,423</b>	<b>\$11,037,682</b>

**Table 2: Status of the small grant portfolio in the Indo-Burma Hotspot, as of June 30, 2016**

<b>Strategic Direction</b>	<b>Active grants</b>	<b>Pipeline grants</b>	<b>Total</b>
SD1	\$254,022	\$0	\$254,022
SD2	\$19,742	\$0	\$19,742
SD4	\$196,758	\$119,876	\$316,634
SD6	\$99,872	\$59,856	\$159,728
SD8	\$415,031	\$237,244	\$652,275
SD11	\$0	\$0	\$0
<b>Total</b>	<b>\$985,425</b>	<b>\$416,976</b>	<b>\$1,402,401</b>

Excluding the RIT grant, the mean large grant size is \$175,072. Only five grants larger than \$250,000 have been awarded: a grant to Fauna & Flora International to empower local communities to engage in conservation of priority sites in the Sino-Vietnamese Limestone Corridor; a similar grant to Wildlife Conservation Society (WCS) focusing on the Tonle Sap Lake and Inundation Zone Corridor; a grant to WCS promoting government-civil society partnerships to combat wildlife trade; a grant to International Center for Environmental Management to undertake a rapid environmental assessment of a plan to facilitate navigation on the Mekong River by blasting the river channel; and a grant to WCS to pilot a payment for ecosystem services model with a hydropower company in Lao PDR. For small grants, the mean size of grants awarded to date is \$17,917, which reflects the fact that most applicants apply for the maximum amount of \$20,000.

Assuming that all of the pipeline grants are contracted, the total size of the CEPF grant portfolio in the Indo-Burma Hotspot will be \$12.4 million (Table 3). Of this total, \$4.0 million will be for grants in Cambodia, \$1.5 million will be for China, \$1.5 million will be for Lao PDR, \$600,000 will be for Myanmar, \$400,000 will be for Thailand and \$1.9 million will be for Vietnam. There will also be \$2.5 million for grants covering multiple countries, including the two RIT grants.

**Table 3: Status of the overall portfolio in the Indo-Burma Hotspot, as of June 30, 2016**

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$2,121,654	\$0	\$2,121,654
SD2	\$1,179,026	\$0	\$1,179,026
SD4	\$2,710,247	\$828,299	\$3,538,546
SD6	\$2,816,971	\$59,856	\$2,876,827
SD8	\$1,086,783	\$237,244	\$1,324,027
SD11	\$1,400,003	\$0	\$1,400,003
<b>Total</b>	<b>\$11,314,684</b>	<b>\$1,125,399</b>	<b>\$12,440,083</b>

Once all of the pipeline grants have been awarded, 82 percent of the spending authority for the CEPF investment phase will have been committed (Table 4). Almost \$2.8 million will remain, to cover future rounds of grant making, around half of which will be under Strategic Direction 6 on biodiversity mainstreaming, with significant amounts remaining under Strategic Direction 4 on community empowerment and Strategic Direction 8 on capacity building. These three strategic directions will be the focus of future calls for proposals.

**Table 4: Balance of CEPF funds allocated to the Indo-Burma Hotspot, as of June 30, 2016**

Strategic Direction	Allocation <sup>2</sup>	Active plus pipeline grants	Balance
SD1	\$2,021,203	\$2,121,654	-\$100,451
SD2	\$1,200,000	\$1,179,026	\$20,974
SD4	\$3,900,000	\$3,538,546	\$361,454
SD6	\$4,300,000	\$2,876,827	\$1,423,173
SD8	\$1,780,000	\$1,324,027	\$455,973
SD11	\$2,000,000	\$1,400,003	\$599,997
<b>Total</b>	<b>\$15,201,203</b>	<b>\$12,440,083</b>	<b>\$2,761,120</b>

<sup>2</sup> The original allocations by strategic direction were supplemented by additional commitments of funding from global and regional donors.

There also remains an unspent balance of almost \$600,000 under Strategic Direction 11. These funds will be used to extend the existing grants to IUCN, to enable the RIT to take on an expanded scope of work, and establish the foundation for an implementation structure that can provide support and coordination for civil society groups engaged in biodiversity conservation in the Indo-Burma Hotspot into the long-term. Discussions are currently underway with IUCN regarding amending the RIT grants to reflect this expanded scope of work.

### ***Coordinating CEPF Grant Making***

IUCN has been performing the role of the RIT for the second phase of CEPF investment in the Indo-Burma Hotspot, in partnership with Kadoorie Farm & Botanic Garden (KFBG) and Myanmar Environment Rehabilitation-conservation Network (MERN). IUCN has overall responsibility for ensuring delivery of the CEPF program, and leads implementation in Cambodia, Lao PDR, Thailand and Vietnam. KFBG leads on implementation in the Chinese portion of the hotspot, while MERN is responsible for implementation in Myanmar, with support from the IUCN Country Program.

Overall coordination of the RIT is provided by James Tallant, the RIT Manager, based at the IUCN Vietnam Country Office in Hanoi. James is supported in the role by Scott Perkin, the Senior Technical Adviser, Ann Moey, the Communications Manager, and Apinya Odthon, the Finance Manager, all based at the IUCN Asia Regional Office. At the national level, implementation is supported by IUCN staff based in the relevant country programs, as well as by staff of KFBG in China and MERN in Myanmar. The National Coordinators are Lou Vanny for Cambodia, Phoutsakhone Ounchith for Lao PDR, Supranee “Pern” Kampongsun for Thailand, and Nguyen Duc Tu for Vietnam. For Myanmar, the National Coordinator is Aung Thant Zin of MERN, supported by Zin Myo Thu of IUCN. The National Coordinator role for China is split between Anny Li, Tingting Yin and Michelle Wong, all with KFBG. They are supported by Bosco Chan and Zhang Yan of KFBG and IUCN’s Zhang Cheng. Most of the RIT staff work on the program part time, alongside their other duties, which ensures good integration of the RIT functions within the overall programs of IUCN, KFBG and MERN.

As well as establishing an experienced, integrated team, IUCN and its partners have put in place necessary structures to ensure transparency and technical rigor in the proposal review process, and facilitate uptake of the results of CEPF-supported pilot projects into national policy processes, through the establishment of National Advisory Committees. These committees bring together representatives of government, civil society and donors in each country, and have an advisory role in the review process for applications in their respective countries. The review process also involves voluntary peer reviewers from the conservation community in Indo-Burma, and draws on expertise from within IUCN, especially the Species Survival Commission and its specialist groups. IUCN has also put in place the necessary processes to ensure sound financial management of the RIT grants, financial and programmatic risk assessment of small grants, and compliance with the environmental and social safeguard policies of the World Bank.

### ***Performance Assessment***

The RIT has placed a lot of emphasis on making CEPF grants accessible to a wide variety of civil society actors in each hotspot country. This has involved widely disseminating calls for proposals, making provision for small grant applications in local languages, facilitating a review process that looks for potential in applicants not polished proposals, and, where necessary, providing targeted training in proposal writing for applicants with limited experience of applying for international donor funding. These efforts have been met with success, in terms not just of the proportion of grants that have gone to local groups (two-thirds) but also the quality of the

applications. This can be expected to translate into greater impacts, as can already be seen from the results that have emerged from the portfolio to date.

In terms of volume of applications processed, the RIT has reviewed 272 applications for large grants and 482 applications for small grants over the first three years of the investment phase. This is more than double the volume of applications that was handled during the whole of the first phase of investment in the hotspot (five and a half years), during which time 114 large grant and 192 small grant applications were received. A similar volume of grants has been awarded over the first three years of the current investment phase (116 grants, totaling \$11.3 million) compared with the entire first phase (126 grants, totaling \$9.7 million). Although the RIT has coped with this very high workload, the sheer volume of applications has meant that the average time between submission and contracting of small grants has been much longer than the six-month target originally aspired to. The review and contracting of large grants, where the CEPF Secretariat is more directly involved, has proceeded more efficiently, with the average time between submission and contracting actually being shorter for large grants than for small grants, despite there being fewer steps in the process.

With regard to the success rate of applications, 16 percent of small grant applications received under the current investment phase have been successful (i.e. contracted or in the pipeline), which approximates to a success rate of one-in-six. In contrast, 23 percent of large grant applications have been successful, which approximates to a success rate of one-in-four. This discrepancy in success rates can be attributed to the large proportion of small grant applications that were judged ineligible because they focused on species or sites not recognized as priorities for CEPF investment, plus the greater proportion of small grant applications submitted by local organizations with limited prior experience of receiving grants from international donors. In comparison with the first investment phase (when the success rate was two-in-five for both large and small grants), the success rate has decreased significantly. During the first phase, a high proportion of those applications that were of sufficient quality and fit with the scope of the call could be supported. During the current phase, there have been increases in both the number of civil society organizations working on conservation in the hotspot, and their ability to prepare good quality applications. These trends, coupled with the success of the RIT's efforts to communicate the availability of CEPF grants, have meant that the number of high quality applications now outstrips the available funding to support them.

### **Portfolio Investment Highlights by Strategic Direction**

Excluding the RIT grants, 114 grants (59 large and 55 small) had been awarded, out of which 37 grants (2 large and 35 small) had closed as of June 30, 2016. In most of the remaining cases, the grant is still active, although, in some cases, implementation has ended recently and the grantee is still working on the reports required to close out the grant. When grants are awarded, the expected contribution of each grant to the targets in the portfolio logframe is recorded. This allows the expected results of the portfolio to be tracked, thereby ensuring the development of a well balanced portfolio that, to the extent possible, meets all of the targets. The actual results are only confirmed at the end of each grant, when all reports from the grantee have been submitted and the RIT or CEPF Secretariat is able to verify the information provided. For this reason, there is a time lag between results being actually achieved and the same results being confirmed and included into portfolio-level monitoring data. Consequently, the summary of results to date presented in the following sections should be viewed as an underestimate of the actual results that will be achieved over the investment phase as a whole.

### ***Strategic Direction 1***

CEPF investment under this strategic direction aims to safeguard priority globally threatened species by mitigating major threats. This strategic direction is intended to support targeted conservation actions for species that address threats other than habitat loss (which can be effectively addressed through site and corridor-scale conservation actions), particularly overexploitation, which is all too often manifested as the “empty-forest syndrome” of protected areas with high levels of forest cover but heavily depleted wildlife populations.

To this end, CEPF is supporting efforts to build and strengthen long-term conservation programs for core populations of priority species (Investment Priority 1.1). To redress an imbalance in conservation efforts, which have tended to overlook freshwater biodiversity, CEPF is also supporting efforts to develop best-practice approaches for conservation of highly threatened and endemic freshwater species (Investment Priority 1.2). This strategic direction is also intended to fill long-standing information gaps about the status of key species and, thereby, guide site and habitat conservation efforts and support efforts to mainstream biodiversity into development plans and policies, particularly for the energy, transport and agriculture sectors. To this end, CEPF is supporting research on globally threatened and data deficient species for which there is a need for greatly improved information (Investment Priority 1.3). In addition, CEPF is supporting the development of long-term financing mechanisms for the conservation of priority species (Investment Priority 1.4), in order to enhance the financial sustainability of species conservation efforts in the hotspot, which are necessarily long-term, given the scale of the threats facing priority species.

Fourteen large grants and 14 small grants have been awarded under Strategic Direction 1. These 28 grants directly address the conservation of 24 of the 152 globally threatened species identified as priorities in the ecosystem profile (a further 14 priority species are directly addressed by grants awarded under other strategic directions). They also address all of the investment priorities under Strategic Direction 1 apart from Investment Priority 1.4 (develop long-term financing mechanisms for conservation of priority species), for which no suitable applications have so far been received. As all of the available funding for Strategic Direction 1 has been spent, the current plan is for this investment priority to be addressed by the RIT, whose terms of reference include promoting opportunities to leverage CEPF funds with donors and governments. Apart from increasing funding for the conservation of priority species in the hotspot, the other targets in the portfolio logframe are expected to be met (Annex 1).

Highlights from the grant portfolio under Strategic Direction 1 include: consolidation of conservation efforts for Indochinese silvered langur (*Trachypithecus germaini*, EN) in Dong Sakee forest, Lao PDR, including by signing conservation agreements with three target villages; generation of new information on the status and distribution of the poorly known masked finfoot (*Heliopais personata*, EN) in Cambodia’s Preah Vihear province; and successful release of 45 juvenile Siamese crocodiles (*Crocodylus siamensis*, CR) into Xe Champhone wetland, with the support of the local authorities and communities.

### ***Strategic Direction 2***

CEPF investment under this strategic direction aims to demonstrate innovative responses to illegal trafficking and consumption of wildlife, in order to respond to the highest ranked threat to biodiversity in the hotspot. The rationale for developing and testing innovative approaches is that, compared with other threats to biodiversity, there is little consensus among conservationists about what represents best practice with regard to addressing this sinuous and pernicious threat.

To this end, CEPF is supporting enforcement agencies to unravel high-level wildlife trade networks by introducing them to global best practice with investigations and informants (Investment Priority 2.1). These efforts are complemented by facilitating collaboration among enforcement agencies and non-traditional actors to reduce cross-border trafficking of wildlife (Investment Priority 2.2). In addition to strengthening collaboration with and among government agencies, CEPF is also supporting civil society organizations to engage with private sector companies to develop effective measures to reduce their involvement in wildlife trafficking (Investment Priority 2.3). To complement these actions, CEPF is helping to engage the general public in efforts to combat the wildlife trade by supporting campaigns, social marketing, hotlines, crime prevention and other long-term programs to reduce consumption of wildlife and build public support for wildlife law enforcement (Investment Priority 2.4).

Six grants (five large and one small) have been awarded under Strategic Direction 2, all under the first funding round. These grants address all of the investment priorities under this strategic direction, although it is not yet clear whether all of the targets in the portfolio logframe will be met (Annex 1), because only one grant has closed so far. Highlights from this grant, which aimed to change attitudes towards illegal consumption and trade of wildlife in Vietnam's Danang city, include: training 25 local government officials in the use of communications tools; engaging 34 journalists at a press conference; producing a talk show on local radio and television stations; and engaging travel companies, including a taxi company and an international airport, to distribute communication materials to their customers.

#### ***Strategic Direction 4***

CEPF investment under this strategic direction aims to empower local communities to engage in conservation and management of priority Key Biodiversity Areas (KBAs). The rationale for this investment is that community-based conservation initiatives can provide greater opportunities for meaningful participation in decision making regarding the use of natural resources than conventional protected area approaches. Consequently, such initiatives can contribute to improved livelihoods for rural people, especially those with high levels of dependency on natural resources, while engaging local communities as positive stakeholders in biodiversity conservation.

To this end, CEPF is supporting efforts to raise awareness about biodiversity conservation legislation among target groups at priority sites (Investment Priority 4.1). This is intended to form a foundation for investments outside of conventional protected areas to pilot and amplify community forests, community fisheries and community-managed protected areas (Investment Priority 4.2). Within protected areas, CEPF is supporting the development of co-management mechanisms that enable community participation in management and governance (Investment Priority 4.3). While the first three investment priorities are focused on KBAs within the four priority corridors, they are complemented by investments in Myanmar to conduct a gap analysis of KBAs (Investment Priority 4.4) and support expansion of the protected area network using participatory gazettement, community consultation processes and/or community-based models (Investment Priority 4.5).

Fifteen large grants and 10 small grants have been awarded under Strategic Direction 4, while a further six small grants are in the pipeline. These 31 grants directly address the conservation of 28 of the 74 priority sites identified in the ecosystem profile. They also address all four investment priorities under this strategic direction, and all but one of the targets in the portfolio logframe are on track to be met (Annex 1). For the one target that is not currently on track to be met (awareness of biodiversity conservation legislation raised among target groups within at least 10

priority sites), ongoing and closed grants address nine priority sites, meaning that only one more priority site needs to be addressed under a future grant to meet this target.

Highlights from the grant portfolio under Strategic Direction 4 to date include: establishment of three community-managed fish conservation zones along a 13 km stretch of the Mekong River from Luang Prabang to Vientiane KBA in Lao PDR; and raised environmental awareness raising among children and adults at Peck Kantiel floating village near Prek Toal KBA in Cambodia, through 268 classes in a floating classroom and 49 outdoor activities.

### ***Strategic Direction 6***

CEPF investment under this strategic direction aims at engaging key actors in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors. The intention is to mainstream biodiversity, communities and livelihoods into economic development and, thereby, secure broader political, institutional and financial support for these goals. In this way, the hotspot's natural ecosystems will be able to underpin inclusive, pro-poor growth strategies, and be resilient to the effects of climate change.

To this end, CEPF is supporting civil society efforts to analyze development policies, plans and programs, evaluate their impact on biodiversity, communities and livelihoods, and propose alternative development scenarios and appropriate mitigating measures where needed (Investment Priority 6.1). CEPF is also supporting efforts to integrate the biodiversity and ecosystem service values of priority corridors into government land-use and development plans at all levels and promote effective implementation and monitoring of these plans (Investment Priority 6.2), and to develop protocols and demonstration projects for ecological restoration that improve the biodiversity performance of government programs in the forestry and other natural resource sectors (Investment Priority 6.3). These initiatives are being assisted by efforts to engage the media as a tool to increase awareness and inform public debate on mainstreaming biodiversity into development planning (Investment Priority 6.4). As well as seeking to influence public policy and development planning, CEPF investment under this strategic direction also aims to promote update of biodiversity-friendly practices by the private sector, by piloting models for biodiversity-friendly production, including certification and eco-labelling (Investment Priority 6.5), and integrating the biodiversity and ecosystem service values of priority corridors into financial decision making by governments, private investors and development banks (Investment Priority 6.6).

Seventeen large grants and five small grants have been contracted under Strategic Direction 6, with six more grants (three large and three small) in the pipeline. These 28 grants aim to mainstream biodiversity into 12 development plans, policies and programs, spread across three of the four priority corridors identified in the ecosystem profile plus Myanmar. The one priority corridor that is not addressed by any of these grants is Hainan Mountains. Very few suitable applications have been received from this corridor to date, with most interest coming from organizations based elsewhere in China but with limited local presence. This is in spite of targeted efforts by the RIT to reach out to local civil society groups on Hainan island. With hindsight, it may have been over-ambitious to include Hainan Mountains as a priority corridor for CEPF investment, and a more limited program of outreach and capacity building to local civil society organizations there may have been more appropriate. Nevertheless, the grant portfolio under Strategic Direction 6 addresses five of the six investment priorities, while all but one of the targets in the portfolio logframe are on track to be met (Annex 1). The one exception is Investment Priority 6.3 (develop protocols and demonstration projects for ecological restoration that improve the biodiversity performance of government programs in the forestry and other natural resource sectors) and its related target (new protocols for ecological restoration

demonstrated in the priority corridors and integrated into the national forestry programs of at least one hotspot country). This investment priority will be targeted by future calls for proposals and, hopefully, one or more suitable application will be received.

To date, only five grants under Strategic Direction 6 (one large and four small) have closed. Highlights from the grant portfolio include: integration of environmentally friendly practices into the tourism development plan for Xiaohai lagoon on Hainan island, China; and multiple communication activities regarding hydropower dam development on the Mekong mainstream, which have helped maintain a high level awareness of the social and environmental impacts among decision makers and the general public in the riparian countries.

### ***Strategic Direction 8***

CEPF investment under this strategic direction aims to strengthen the capacity of civil society to work on biodiversity, communities and livelihoods at regional, national, local and grassroots levels. This strategic direction recognizes that local civil society organizations are growing in credibility and influence, and beginning to play leading roles in efforts to address key threats to biodiversity. Therefore, CEPF is making direct investments in the development of skilled, authoritative and effectively networked conservation champions at different levels.

To this end, CEPF is supporting networking activities that enable collective civil society responses to priority and emerging threats (Investment Priority 8.1). At the level of individual organizations, CEPF is providing core support for the organizational development of domestic civil society organizations (Investment Priority 8.2), while supporting efforts to establish clearing house mechanisms that match volunteers to civil society organizations' training needs (Investment Priority 8.3).

To date, eight large grants and 25 small grants have been awarded under Strategic Direction 8, with an additional 12 small grants in the pipeline. The preponderance of small grants under this strategic direction shows how important a tool they are for building the capacity of national and grassroots civil society organizations. These 45 grants aim to strengthen the capacity of 65 civil society organizations across the hotspot, and to establish or strengthen 16 civil society networks. To date, only a single grants has been awarded under Investment Priority 8.3 (establish clearing house mechanisms to match volunteers to civil society organizations' training needs), despite this being included within every call for proposals. Unfortunately, this grant had to close early, without achieving its objectives, meaning that the related target in the portfolio logframe is not on track to be met (Annex 1). The other two targets for Strategic Direction 8, however, have already been met.

Highlights from the grant portfolio under Strategic Direction 8 include: strengthening of a network of civil society organizations and individuals to monitor Thailand's Important Bird Areas network; official establishment of Guangxi Bird Watching Society, a local NGO working on bird conservation in Guangxi Zhuang Autonomous Region, China; and strengthened capacity of network of grassroots civil society organizations in the Areng Valley, which was threatened by hydropower development. The organizations whose capacity was strengthened under this project went on to conduct a successful media campaign, which contributed to a decision by the Cambodian government to suspend the planned hydropower project.

### ***Strategic Direction 11***

CEPF investment under this strategic direction is providing strategic leadership and effective coordination of conservation investment in the Indo-Burma Hotspot. This strategic direction provides support to the RIT, which is responsible for converting the vision set out in the

ecosystem profile into a cohesive portfolio of grants that exceeds in impact the sum of its parts. Two RIT grants were awarded at the beginning of the investment phase: one to operationalize and coordinate CEPF's grant-making processes and procedures to ensure effective implementation of the investment strategy throughout the hotspot (Investment Priority 11.1); and the other to build a broad constituency of civil society groups working across institutional and political boundaries towards achieving the shared conservation goals described in the ecosystem profile (Investment Priority 11.2). As previously described, these grants are being implemented by IUCN, in partnership with KFBG and MERN.

### **Collaboration with CEPF Donors**

In each country in the hotspot, the RIT has constituted a National Advisory Committee to provide an additional layer of quality control on grants, to ensure transparency, and to build ownership of the CEPF grant portfolio among key stakeholders in government, civil society, private sector and the donor community. National Advisory Committee members participate as representatives of their institutions. Regional staff members from CEPF's global donors, including l'Agence Française de Développement (AFD), the European Commission and the World Bank, have been invited to participate in National Advisory Committee meetings, although they have not always been able to attend, while the GEF has been represented in the form of its Operational Focal Points in government and GEF Small Grants Program Coordinators at UNDP.

Since 2011, CEPF has been coordinating its grant making in the Lower Mekong Region of the Indo-Burma Hotspot (i.e. Cambodia, Lao PDR, Thailand and Vietnam) with a collaborative of philanthropic donors, including the MacArthur Foundation (a CEPF global donor), the Margaret A. Cargill Foundation (a regional donor to CEPF), the McKnight Foundation and the Chino Cienega Foundation. The collaborative is attempting to catalyze the evolution of the institutional arrangements for philanthropic funding in the region towards a networked model, whereby there are more frequent and diverse interactions among different actors, a greater number of shared initiatives, and more co-creation of situational analysis and grant-making priorities between funders, intermediaries and implementers.

As part of this initiative, a meeting was held at the Asian Institute of Technology Campus, outside of Bangkok, in March 2016. This meeting, which was organized by the RIT, brought together civil society organizations from the four Lower Mekong countries (Cambodia, Lao PDR, Thailand and Vietnam) working on aspects of biodiversity conservation through networks. The meeting was attended by CEPF, the Margaret A. Cargill Foundation and the McKnight Foundation, while the Chino Cienega Foundation and the MacArthur Foundation, although unable to attend, provided support.

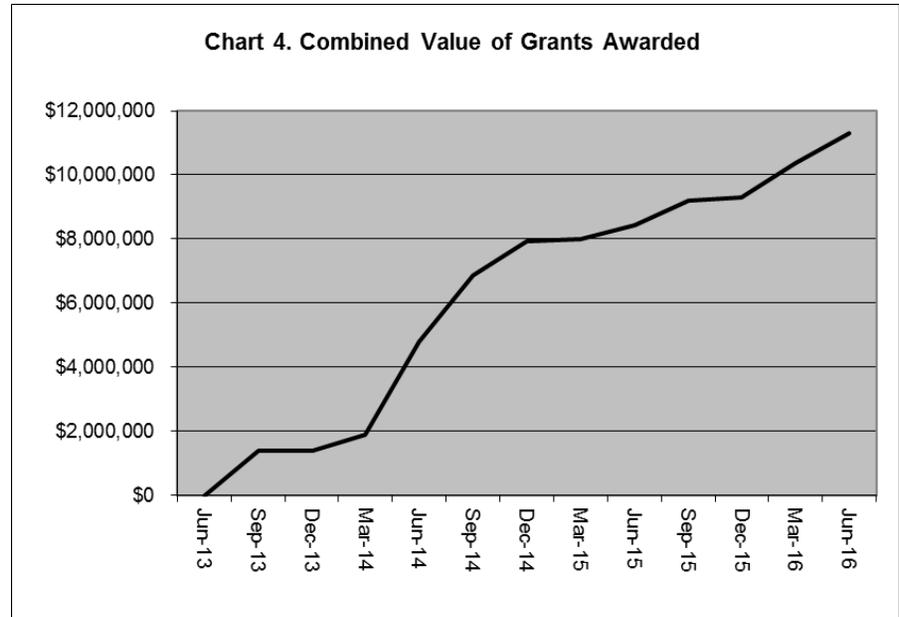
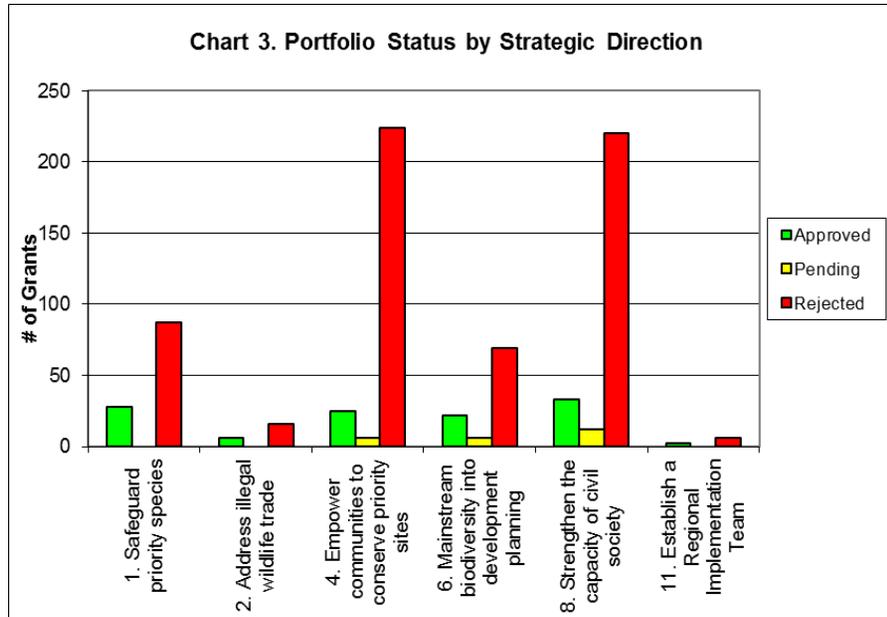
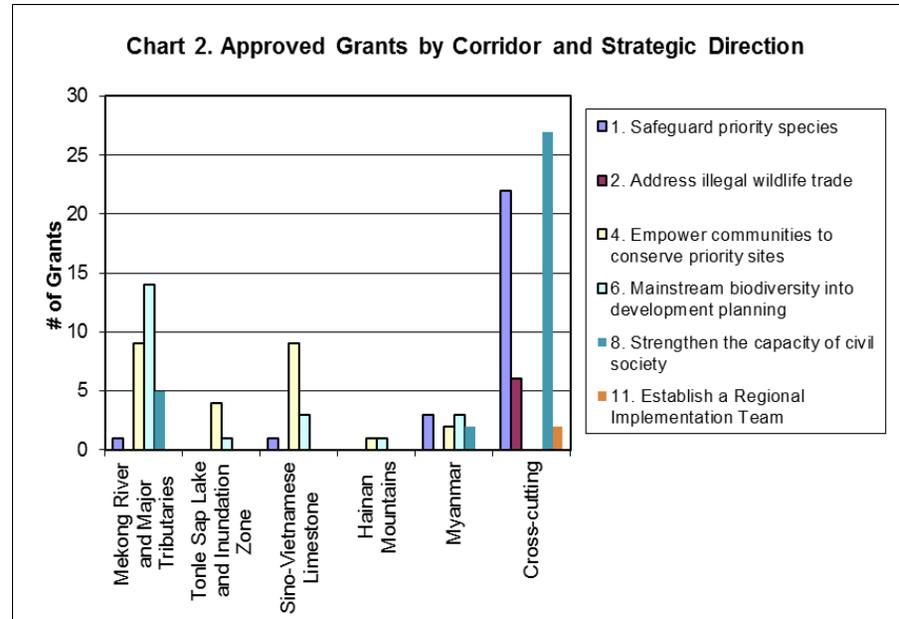
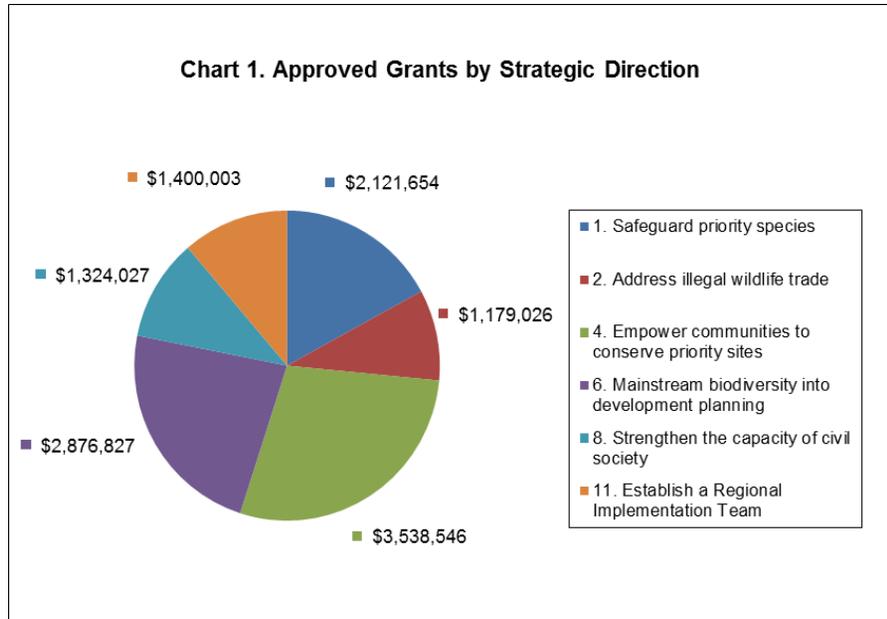
The objectives of the meeting were to: (i) explore the possibilities for strengthening or creating collective approaches to enhance individual and shared impacts in the lower Mekong region; (ii) learn about each other's work in a deeper way and allow for exchange between various fields of interest; and (iii) determine whether there was an interest to continue this process and, if so, what the next steps should be. After a day of sharing and learning about each participant's successes, challenges and strategies and approaches to the work, the participants developed a list of shared concerns and strategies for further exploration. The participants expressed a desire to continue and deepen collaboration, and welcomed the continued involvement of the funders. A list of next steps were agreed upon, including setting up a task force to undertake a quick scan of existing networks, actors and issues not included in the workshop, and to decide upon tools to facilitate communication among the wider group.

## **Conclusion**

The current CEPF investment phase in the Indo-Burma Hotspot is now more than half way through its five-year duration. The RIT is performing its core functions professionally. Over the past three years, the RIT's attention has been heavily focused on review and contracting of small grants, and providing project cycle management training to applicants and grantees, especially in Myanmar. The RIT had also made monitoring, learning and evaluation visits to a growing list of active grants. Looking forwards, the priorities for the RIT are to complete the contracting of the pipeline grants from the first three funding rounds, announce one or more calls for proposals for the next fiscal year, ramp up monitoring, learning and evaluation visits to grantees, and plan for the extensions to the RIT grants. In particular, these extensions should reflect the expanded role that IUCN and its partners will play during the expanded CEPF investment program in the Indo-Burma Hotspot, made possible by additional funding from the GEF and the Margaret A Cargill Foundation.

To date, the grant portfolio has been developed in a balanced way. The main gaps are with regard to Investment Priority 1.4 on long-term financing mechanisms for species conservation and Investment Priority 8.3 on clearing house mechanisms to match volunteers to civil society organizations. There also remains a large unmet demand for dedicated funding for species conservation. The grants that have been awarded are making good progress. Most of the 37 grants to have already closed have met their objectives, and most of the targets in the portfolio logframe are on track to be met, with several having already been met or exceeded (Annex 1). Almost \$3 million remains to support grant making under future rounds, which ought to be enough to ensure that all targets in the portfolio logframe are met, provided that suitable applications are forthcoming.

**Charts – CEPF Investment in the Indo-Burma Hotspot as of June 30, 2016**



## Annex 1 – Update of the Logical Framework for CEPF Investment in Indo-Burma

Objective	Targets	Progress
<p>Engage civil society in the conservation of globally threatened biodiversity through targeted investments with maximum impact on the highest conservation priorities</p>	<p>At least 50 civil society organizations, including at least 30 domestic organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 8 alliances and networks formed among civil society actors to avoid duplication of effort and maximize impact in support of the CEPF ecosystem profile.</p> <p>At least 25 KBAs targeted by CEPF grants have new or strengthened protection and management.</p> <p>At least 5 development plans or policies influenced to accommodate biodiversity.</p> <p>Improved management for biodiversity conservation or sustainable use within production landscapes in 4 conservation corridors covering 109,976 square kilometers or 5 percent of the hotspot.</p>	<p>78 civil society organizations, including 56 domestic organizations, have been awarded CEPF grants. Applications from a further 12 civil society organizations (all domestic) are in the pipeline.</p> <p>4 alliances and networks have been formed among civil society organizations; examples include:</p> <ul style="list-style-type: none"> <li>• Network of local conservation leaders around Salak Phra Wildlife Sanctuary, Thailand.</li> <li>• Network of civil society organizations and individuals involved in monitoring Thailand’s Important Bird Areas.</li> <li>• Grassroots civil society network in Anlong Veng district, Cambodia.</li> </ul> <p>1 KBA (Mekong River from Luang Prabang to Vientiane) has new or strengthened protection and management. A further 39 KBAs are targeted by ongoing grants.</p> <p>Ongoing grants propose to influence 4 development plans and policies to accommodate biodiversity.</p> <p>Grants have been awarded improving conservation and sustainable use of biodiversity within production landscapes in 4 conservation corridors plus Myanmar.</p>

Intermediate Outcomes	Intermediate Indicators	Progress
<p><b>Outcome 1:</b> Priority globally threatened species safeguarded by mitigating major threats</p>	<p>Pilot interventions for core populations of at least 20 priority species transformed into long-term conservation programs.</p> <p>At least 3 best practice approaches for conservation of highly threatened and endemic freshwater species developed.</p> <p>Knowledge of the status and distribution of at least 10 priority species improved through research.</p> <p>Funding for the conservation of priority species in the hotspot from existing funds increased by at least 25 percent.</p>	<p>Long-term conservation programs have been put in place for core populations of 3 priority species. Ongoing grants are targeting populations of a further 31 species.</p> <p>Best practice approaches have been developed and demonstrated for 3 highly threatened and/or endemic freshwater species. Ongoing grants are developing approaches for a further 3 species.</p> <p>Knowledge of the status and distribution of 2 priority species has been improved through research. Ongoing grants are targeting a further 6 priority species with an overriding need for improved information.</p> <p>No progress to date.</p>
<p><b>Outcome 2:</b> Innovative responses to illegal trafficking and consumption of wildlife demonstrated</p>	<p>At least 1 high-level wildlife trade network unraveled by enforcement agencies employing global best practice with investigations and informants.</p> <p>At least 2 initiatives to reduce cross-border trafficking of wildlife piloted by enforcement agencies in collaboration with non-traditional actors.</p> <p>At least 5 private sector companies promote the adoption of voluntary restrictions on the international transportation, sale and consumption of wildlife.</p>	<p>1 ongoing grant aims to unravel high-level wildlife trade networks in Lao PDR and Vietnam by supporting enforcement agencies to map and investigate trade networks.</p> <p>5 initiatives to reduce wildlife trafficking across international borders are being piloted by ongoing grants. These address China's borders with Lao PDR, Myanmar and Vietnam, as well as Vietnam's borders with Cambodia and Lao PDR.</p> <p>Ongoing grants aim to promote the adoption of voluntary restriction on the international transportation, sale and consumption of wildlife by at least 4 private companies in China.</p>

	<p>At least 3 campaigns, social marketing programs, hotlines or other long-term communication programs implemented to reduce consumer demand for wildlife and build public support for wildlife law enforcement.</p>	<p>1 public campaign to reduce consumer demand for wildlife and build public support for wildlife law enforcement has been implemented in Danang city, Vietnam, involving TV and radio stations, a leading taxi company and an international airport. Ongoing grants aim to implement a further 4 communication programs.</p>
<p><b>Outcome 3:</b> Local communities empowered to engage in conservation and management of priority Key Biodiversity Areas</p>	<p>Awareness of biodiversity conservation legislation raised among target groups within at least 10 priority sites.</p> <p>Community forests, community fisheries and/or community-managed protected areas piloted or replicated within at least 15 priority sites.</p> <p>Co-management mechanisms that enable community participation in management of formal protected areas developed for at least 10 priority sites.</p> <p>Gap analysis of Key Biodiversity Areas in Myanmar conducted, and protected area network expanded through the creation of at least 5 new protected areas using community-based models.</p> <p>At least 75 percent of local communities targeted by site-based projects show tangible well-being benefits.</p>	<p>Awareness of conservation legislation has been raised among local communities and other target groups at 1 priority site (Prek Toal KBA, Cambodia). Ongoing grants are targeting at a further 8 priority sites.</p> <p>1 priority site has benefited from a community-based approach: 3 community-managed fish conservation zones have been established along a 13 km stretch of the Mekong River from Luang Prabang to Vientiane KBA. Ongoing grants are piloting similar approaches at an additional 16 priority sites.</p> <p>Ongoing grants are developing mechanisms that enable community participation in protected area management at 12 priority sites.</p> <p>Ongoing grants are conducting KBA gap analyses for the Chin Hills Complex, Rakhine Yoma Range and Western Shan Yoma Range Corridors, plus freshwater ecosystems in the upper Ayeyarwady Basin. Ongoing grants also aim to pilot new, community-based models for protected area establishment at KBAs in Myanmar.</p> <p>6 ongoing grants aim to deliver benefits to local communities but none of them have yet closed and reported their results.</p>

<p><b>Outcome 4:</b> Key actors engaged in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors.</p>	<p>At least 5 development policies, plans or programs analyzed, with impacts on biodiversity and ecosystem services evaluated and alternative development scenarios and appropriate mitigating measures proposed.</p> <p>The biodiversity and ecosystem service values of at least 2 priority corridors integrated into land-use and/or development plans.</p> <p>New protocols for ecological restoration demonstrated in the priority corridors and integrated into the national forestry programs of at least 1 hotspot country.</p> <p>Public debate and awareness of at least 3 key environmental issues increased through coverage in domestic media.</p> <p>*At least 3 pilot models for biodiversity-friendly production, including certification and eco-labelling established.</p> <p>*The biodiversity and ecosystem service values of at least 1 priority corridor integrated into financial decision making by governments, private investors and development banks</p>	<p>1 tourism development plan for Xiaohai lagoon, Hainan, China, has been analyzed for its impacts on biodiversity and ecosystem services, and mitigating measures have been proposed. Ongoing grants aim to analyze a further 7 policies, plans and programs.</p> <p>Ongoing projects aim to integrate into land-use and/or development plans the biodiversity and ecosystem service values of 2 priority corridors: Mekong River and Major Tributaries; and Tonle Sap Lake and Inundation Zone.</p> <p>No progress to date.</p> <p>Ongoing grants aim to increase public debate and awareness of 8 key environmental issues through coverage in domestic media.</p> <p>Ongoing grants aim to demonstrate 3 models for biodiversity-friendly production of rice in Cambodia.</p> <p>An ongoing grant aims to integrate the biodiversity and ecosystem service values of 1 priority corridor into financial decision making: the Mekong River and Major Tributaries Corridor.</p>
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<p><b>Outcome 5:</b> Civil society capacity to work on biodiversity, communities and livelihoods strengthened at regional, national, local and grassroots levels.</p>	<p>At least 5 civil society networks enable collective responses to priority and emerging threats.</p> <p>At least 20 domestic civil society organizations demonstrate improvements in organizational capacity.</p> <p>At least 1 clearing house mechanism established to match volunteers to civil society organizations' training needs.</p>	<p>6 civil society networks have enabled collective responses to priority and emerging threats. Examples include:</p> <ul style="list-style-type: none"> <li>• A network of civil society organizations responded to the threat of hydropower development in the Areng Valley, Cambodia.</li> <li>• The Ing Women's Network for Environmental Conservation responded to environmental problems in the Ing River basin, Thailand.</li> <li>• A network of local conservation leaders responded to human-elephant conflict around Salak Phra Wildlife Sanctuary, Thailand.</li> </ul> <p>44 domestic civil society organizations have demonstrated improvements in organizational capacity, including grantees, sub-grantees and beneficiaries of capacity building activities.</p> <p>No progress to date.</p>
<p><b>Outcome 6:</b> A Regional Implementation Team provides strategic leadership and effectively coordinates CEPF investment in the Indo-Burma Hotspot.</p>	<p>At least 50 civil society organizations, including at least 30 domestic organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 80 percent of domestic civil society organizations receiving grants demonstrate more effective capacity to design and implement conservation actions.</p> <p>At least 2 participatory assessments are undertaken and documented.</p>	<p>78 civil society organizations, including 56 domestic organizations, have been awarded CEPF grants. Applications from a further 12 civil society organizations (all domestic) are in the pipeline.</p> <p>Baseline and final civil society tracking tools have been completed by 15 domestic civil society organizations receiving grants or sub-grants. Among these, the scores of 10 organizations (67 percent) have increased over the period of CEPF support.</p> <p>1 mid-term assessment has been undertaken.</p>

Note: \* = new indicator, added following the mid-term assessment in 2015.