

Critical Ecosystem Partnership Fund

Twelfth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
20 November 2007
9 a.m. – 12 p.m.

Report on Progress by the Executive Director

For Information Only:

The Executive Director will highlight key developments since the Eleventh Meeting of the Donor Council on 18 July 2007. For information, a report covering the following activities since that date is attached:

- Portfolio Overview
- Partnership Highlights
- Highlights from the Field
- Approved grants (June 2007 – September 2007)

Global Portfolio Overview

- Approved 19 new grants, bringing the global CEPF grant portfolio to \$92.4 million.
- Increased the number of groups working with CEPF support to more than 1,200 (across 15 regions within 14 of the originally defined hotspots in 33 countries).
- Expanded the amount of globally significant landscapes protected with the help of CEPF-supported grantees to 10.4 million hectares in 15 countries within 11 hotspots.

Partnership Highlights

In October, the CEPF Executive Director visited the John D. and Catherine T. MacArthur Foundation in Chicago as well as Japanese governmental partners, including the Ministry of Finance, Ministry of Environment, and the Japan International Cooperation Agency, in Tokyo. His visit to Tokyo was timed to coincide with a trip to the region that included a meeting in Laos to help secure GEF focal point endorsement for the new CEPF ecosystem profile for Indochina. It also followed closely on the heels of a World Bank Public Information Center Coffee Hour hosted by the World Bank's Tokyo Office and featuring GEF and CEPF as one of its partnership programs. Yoko Watanabe, the GEF Biodiversity Program Manager and CEPF Working Group representative, and CI Japan Program Director Yasushi Hibi gave presentations, including about CEPF. The two also participated in a workshop with representatives of the ministries of Finance and Environment and the Japan Bank of International Cooperation about environmental policy and approaches in general, as well as GEF and CEPF.

Also in October, a French governmental delegation visited CI's Headquarters. The delegation included Minister of Cooperation for the Ministry of Foreign Affairs Jean-Marie Bockel and Pierre Jacquet, l'Agence Française de Développement Executive Director for Strategy and Chief Economist who is also the CEPF Donor Council member. Discussions focused on the CI/AFD partnership and also specifically CEPF. The Minister also met with World Bank President Robert Zoellick and members of the delegation met separately with the Bill and Melinda Gates Foundation, highlighting CEPF as an important and innovative partnership during both meetings.

Highlights from the Field

- With the addition of its newest cooperative cellar member, the Montagu Wine Cellar, the Biodiversity and Wine Initiative (BWI) reached the halfway point of its conservation goal. The five champions, five cooperative cellars, and 77 members have set aside 50,638 hectares for conservation, in addition to implementing the biodiversity guidelines set out by BWI for the sustainable production of wine. CEPF supports BWI as part of its strategic direction of engaging key industrial sectors in meeting conservation objectives identified by the Succulent Karoo Ecosystem Planning (SKEP) process. The initiative has expanded from its initial work in the Cape Floristic Region Hotspot to include projects in the Succulent Karoo Hotspot; the newest BWI member represents the first member from the Little Karoo. BWI is a partnership between the South African Wine Industry and the conservation sector that aims to minimize the further loss of threatened natural habitat and contribute to sustainable wine production.
- The May 2007 declaration of an additional 1 million hectares of protected area in Madagascar included the Mahavavy-Kinkony Wetlands Complex. This 276,836-hectare

area on the northwest coast of the island nation contains mangrove and associated estuarine habitats as well as freshwater zones. Concurrent with the designation of the complex as a priority focus for the Durban Vision, CEPF helped BirdLife International begin implementing a project that focused on conserving the habitat through private sector management initiatives, one of CEPF's strategic directions for investment in the Madagascar and Indian Ocean Islands Hotspot. In particular, this project engaged community associations and locally based industrial food producers in natural resource management. One of the results of the project was the establishment of the "Plateforme de Gestion," a structure that will eventually become the official management authority of the new protected area. BirdLife also helped build community-based resource management associations in all five communes within the complex.

- Communities and nature reserve officials are working together in an important partnership to protect Endangered Yunnan snub-nosed monkeys (*Rhinopithecus bieti*) in the Mountains of Southwest China Hotspot. Widespread deforestation during the 1990s reduced the monkeys' food supply and fragmented the natural habitat so that some populations were genetically isolated. Over the last three years, CEPF supported The Nature Conservancy's (TNC) efforts to learn more about the monkey, identify threats, and coordinate a long-term plan to ensure its survival as part of the strategic direction in the hotspot of supporting site-related projects led by civil society to mitigate key threats to natural areas and species populations. Authorities in five reserves where the monkey is found have agreed to work together toward its protection, and the first comprehensive count of the monkeys in the wild has taken place. Additionally, TNC's Alternative Energy Program installed biogas pits, energy-efficient stoves or fireplaces, or solar water heaters in 2,000 households to reduce the need for fuel wood collection and in turn protect the forests. The project has received growing support from local communities because it makes participants' lives easier and improves public sanitation.
- An influential new textbook in China, titled "Environmental Law Casebook," features a case study on the work of the Center for Biodiversity and Indigenous Knowledge (CBIK), which was supported by CEPF. CBIK's assistance to communities in Yunnan Province helped prevent large-scale, tourism infrastructure plans in a key area of China's Three Parallel Rivers World Heritage Site. Published by Higher Education Press of China, the book has the potential to be used in more than 40 of China's law schools and includes suggestions for governance on development inside national parks and World Heritage areas. The book was edited by leading environmental law authority Lu Zhongmei of the Zhongnan University of Economics and Law. Lu also holds the position of deputy chief of the Hubei Provincial High Court and is a national representative of the People's Congress. CEPF support also helped CBIK develop a network of approximately 100 legal specialists in the country focusing on issues related to resource governance, community livelihoods, and biodiversity conservation.
- With support from CEPF, the Yunnan Academy of Arts arranged for 11 artists to paint in the Baimaxueshan National Nature Reserve in the Mountains of Southwest China Hotspot. These artists created paintings that focused on raising public awareness of and establishing a new fundraising mechanism for conservation in the region. The paintings were then displayed at the exhibition hall of the academy as well as in an online exhibition. CEPF supported the academy in this project as part of its strategic direction in the hotspot of supporting site-related projects led by civil society to mitigate key threats to natural areas and species populations. An exhibit of the paintings is being planned for

the United States where selected paintings will be auctioned to raise funds for conservation and community development projects in Baimaxueshan Nature Reserve.

- Asociación Balam para la Conservación del Patrimonio Natural y Cultural Integrado is supporting efforts to promote dialogue and achieve consensus among government authorities, communities, and nongovernmental organizations across Guatemala and between Guatemala and Mexico. With support from CEPF, the organization has helped to develop a roundtable that aims to increase collaboration between and economic opportunities for the communities and stakeholders involved in the conservation of El Mirador-Río Azul National Park in the northern region of the Mesoamerica Hotspot. The park is one of the few core zones that still has exemplary conservation status and serves as a cornerstone for connectivity within the Maya Forest (which spans Belize, Guatemala, and Mexico). The roundtable has held three meetings to date, and by-laws have been approved. CEPF is supporting this project as part of its strategic direction of collaborating with other donor-funded projects to facilitate and operationalize successful conservation activities in Northern Mesoamerica's eight most important key biodiversity areas.
- Along the Pacific border of La Amistad Biosphere Reserve in Panama, in the southern region of the Mesoamerica Hotspot, farmers sold their entire 2007 harvest of conservation coffee for \$270 per *quintal*, well above the \$130 per *quintal* that regular coffee fetches. CEPF support for Conservation International (CI) and its local partners helped make this possible through a program that introduced sustainable agriculture techniques, especially conservation coffee, to stakeholders living in the buffer zones of La Amistad. The project was part of CEPF's strategic direction in the region of connecting critical areas through economic alternatives. Through assistance from CI-Japan, the coffee is being marketed and sold in Japan as high quality boutique coffee. Delicafe, a Costa Rican marketing firm that helped facilitate the deal, donated a coffee roasting facility to the communities, and hopes to market conservation coffee coming from Costa Rica in the near future with similar success as the coffee coming from Panama.
- CEPF support for Instituto Amigos da Reserva da Biosfera da Mata Atlântica helped establish three new mosaics of protected areas in the Atlantic Forest Hotspot. The mosaics, located in the Serra do Mar biodiversity conservation corridor, will benefit 51 protected areas in the states of Rio de Janeiro, São Paulo, and Minas Gerais in southeastern Brazil. These isolated areas, considered a national priority for the conservation of biodiversity, freshwater, and coastal ecosystems, will be brought under one integrated management strategy to increase habitat protection and reduce negative pressures, such as poaching, logging, forest fires, and unplanned land occupation. CEPF supported the project as part of its strategic direction in the hotspot of improving the management of existing and future public protected areas through targeted civil society efforts. The management strategy is expected to involve strategic coordination between the protected areas' programs, key stakeholders in the region, and related initiatives. Additionally, efforts among environmental management organizations at the municipal, state, and federal levels, as well as private reserve owners, are set to be aligned.
- Inspired by the success of fair-trade tea and coffee, Colombian sustainable development group Oro Verde worked with local people in 12 sites in the municipalities of Condoto and Tadó in the Tumbes-Chocó-Magdalena Hotspot to develop a set of environmental and social criteria for small-scale gold mining. In creating the Green Gold™ certification

for sustainably produced artisan gold, Oro Verde was able to offer gold produced by Afro-Colombian mining families at a higher price, which then provided revenue to restore degraded areas and establish conservation zones within community territories. CEPF supported Oro Verde's work as part of its strategic direction of identifying and promoting sustainable development practices in communities near selected protected areas in the hotspot. Jewelers in the Netherlands and the United Kingdom have already begun offering products using Green GoldTM-certified gold. Internationally, the Association of Responsible Mining, an independent, multi-national initiative based in Colombia, is also using Oro Verde's experiences to develop a framework for responsible small-scale mining that can be applied in other regions of the world.



**Approved Grants
June 1, 2007 – Sept. 30, 2007**

Caucasus Hotspot

Strategic Direction 3. Implement models demonstrating sustainable resource use in five target corridors

Promoting Sustainable Resource Use Among Local Communities Near Protected Areas in Southern Armenia

The Fund for Biodiversity Conservation of the Armenian Highlands (FBCAH) will provide small grants for local communities to implement model sustainable use projects. FBCAH support will engage six communities around protected areas in southern Armenia in activities benefiting local economic development and enhancing protected areas management effectiveness in the Syunik region.

Funding: \$199,700
Grant Term: 7/1/07 - 12/31/08
Grantee: Fund for Biodiversity Conservation of Armenian Highland

Promoting Sustainable Forest Management within the Support/Buffer Zone of the Mtirala National Park

Establish effective management in the buffer zone around the newly declared Mtirala National Park in the Republic of Georgia. The buffer zone area is 35,000 hectares, 20,000 hectares of which is forest important for globally threatened species. The CEPF investment will complement support from the Government of Norway to the Government of Georgia and WWF, which will establish an effective management regime within this newly established park.

Funding: \$154,000
Grant Term: 6/1/07 - 3/31/08
Grantee: Association for Nature Protection and Sustainable Use "Mta-Bari"

Eastern Arc Mountains & Coastal Forests of Tanzania and Kenya

Strategic Direction 2. Restore and increase connectivity among fragmented forest patches

Improve Forest Connectivity in the Taita Hills: A Preparatory Phase

In conjunction with village community forest associations, develop participatory management plans for selected forest fragments identified to improve connectivity, namely Vuria, Susu, and a combined plan for Wesu Big Rock, Mbili, and Weni Mwana.

Funding: \$53,627
Grant Term: 5/1/07 - 10/31/08
Grantee: The East African Wild Life Society

Strategic Direction 5. Develop and support efforts for further fundraising for the hotspot

Technical Backstopping of Sustainable Finance and Final Reporting Processes

Provide technical advice to the CEPF Secretariat and East Africa Coordination Unit with regard to opportunities for long-term funding as well as linking with the Valuing the Arc and Natural Capital projects that much of the data from biological inventories of forest cover and forest change analysis will contribute to in the future.

Funding: \$20,000
Grant Term: 6/1/07 - 12/31/08
Grantee: World Wide Fund for Nature - UK

Eastern Himalayas Region

Strategic Direction 1. Build on existing landscape conservation initiatives to maintain and restore connectivity and to protect wide-ranging threatened species in priority corridors with a particular emphasis on the Bhutan Biological Conservation Complex, Kangchenjunga-Singalila Complex, and North Bank Landscape

Advocacy and Awareness Campaign on Biodiversity in Bhutan

Identify and design appropriate initiatives for building awareness of biodiversity values and conservation issues in six sites in the Bhutan Biological Conservation Complex as well as educating and raising awareness levels of civil society groups at the grassroots as well as of government decisionmakers at the policy level.

Funding: \$79,947
Grant Term: 7/1/07 - 9/30/10
Grantee: Kuensel Corporation Limited

Management of Social Forestry in Bhutan

Develop appropriate management practices to be piloted in select social forestry groups within the Bhutan Biological Conservation Complex. Royal Institute of Management will conduct studies on current government policies regarding social forestry and the operational and management structure of local social forestry groups and will also study best practices within the region.

Funding: \$84,011
Grant Term: 7/1/07 - 6/30/10
Grantee: Royal Institute of Management

Strategic Direction 2. Secure the conservation of priority site outcomes (key biodiversity areas) in the eastern Himalayas with a particular emphasis on the Bhutan Biological Conservation Complex, Kangchenjunga-Singalila Complex, and North Bank Landscape.

Production of Alternative Fuel from Sawdust and other Wood Waste by Using Briquetting Technology

Initiate the production of briquettes as a sustainable and environmentally sound alternative for domestic energy in two pilot communities within a critical corridor in the Bhutan Biological Conservation Complex. To encourage adoption of the product, Norden Pines will offer incentives to major users through public awareness campaigns.

Funding: \$22,000
Grant Term: 7/1/07 - 6/30/08
Grantee: Norden Pines

Strategic Direction 3. Leverage partnerships among donor agencies, civil society, and government institutions to achieve priority biodiversity conservation outcomes over the long term

Building Grassroots Civil Society Support for Biodiversity Conservation in Bhutan

Establish a network of local support groups in six pilot districts within key biodiversity areas of the Bhutan Biological Conservation Complex. Royal Society for the Protection of Nature will also build capacity of these groups to identify and undertake conservation actions for key biodiversity areas and important habitat linkages, with action grants and funds leveraged from small grant schemes.

Funding: \$140,000
Grant Term: 7/1/07 - 9/30/10
Grantee: Royal Society for the Protection of Nature

Succulent Karoo Hotspot

Strategic Direction 2. Engage key industrial sectors in meeting conservation objectives identified by SKEP

Biodiversity and Wine Initiative – Extension Services in the Little Karoo

Expand extension services of the Biodiversity and Wine Initiative into the Little Karoo geographic priority area. This project will specifically 1) create an enabling environment for all partners to promote conservation and sustainability within the wine industry; 2) promote implementation and refinement of biodiversity guidelines into the Integrated Production of Wine Scheme; 3) extend conservation stewardship among wine producers in the Little Karoo; and 4) promote biodiversity into the Brand South Africa marketing scheme.

Funding: \$133,250
Grant Term: 6/1/07 - 8/31/08
Grantee: Botanical Society of South Africa

Strategic Direction 3. Retain and restore critical biodiversity in areas under greatest land-use pressure

Land Conservation Facilitation for Leslie Hill Succulent Karoo Trust

Investigate alternative mechanisms for land-management arrangements using land purchases that will enable the creation of conservation areas in priority areas of the Succulent Karoo Hotspot under high land-use pressure.

Funding: \$60,390
Grant Term: 8/1/07 - 12/31/08
Grantee: World Wide Fund for Nature - South Africa

Veld and Flora of the Little Karoo

Prepare a field guide of the flora of the Little Karoo that will include illustration and discussion of the different habitat types and the flora of the region.

Funding: \$20,000
Grant Term: 8/1/07 - 12/31/08
Grantee: Regalis Environmental Services CC

Retention and Restoration of the Biodiversity of the Little Karoo

Develop and disseminate spatial data that will enable sound land-use decisions affecting the ecology, biodiversity, and economy of the Little Karoo region.

Funding: \$16,700
Grant Term: 7/1/07 - 6/30/08
Grantee: Council for Scientific and Industrial Research

SKEPPIES Fund (SKEP Partnering In your Environment)—A Fund for Conservation and Development in the Succulent Karoo

Building on the successful pilot phase of this initiative, provide small grants aimed at supporting integrated conservation and development projects that improve livelihoods and achieve a biodiversity conservation benefit in the Succulent Karoo Hotspot.

Funding: \$300,000
Grant Term: 3/1/07 - 12/31/08
Grantee: Development Bank of Southern Africa

Strategic Direction 4. Mainstream conservation priorities into land-use planning and policymaking

Climate Change Communication Campaign

Conduct a climate change communication campaign in seven SKEP geographic priority areas to provide key information to build the capacity of communities to understand climate change issues. Enable local authorities to gain initial understanding and ongoing information to assist in their decisionmaking related to climate change.

Funding: \$91,567
Grant Term: 9/1/07 - 6/30/08
Grantee: The Green Connection

Developing Products for Integrating Biodiversity Priorities into Land-Use Planning and Decisionmaking in the Namaqua District Municipality

Integrate the outputs from completed and current projects into a single harmonized set of products for the Namaqua District Municipality that is aligned with the new national guidelines for bioregional plans to provide guidance on suitable areas for formal conservation.

Funding: \$134,100
Grant Term: 7/1/07 - 6/30/08
Grantee: Botanical Society of South Africa

Greening the Namaqua District Municipality

Support the development of the legal framework and skill capacity for the Namaqua District Municipality to develop and implement a green development vision that not only considers but is also led by the biodiversity conservation vision for the region.

Funding: \$94,807
Grant Term: 7/1/07 - 12/31/08
Grantee: Conservation International

Wetlands of Kamiesberg Municipality

Classify, describe, and assess the status of the wetlands in the Kamiesberg Municipality in the Namaqualand Uplands geographic priority area to inform the Spatial Development Framework for the municipality.

Funding: \$14,500
Grant Term: 7/1/07 - 3/31/08
Grantee: Freshwater Consulting Group

Biodiversity Guidelines for Agricultural Development in the Northern Cape

Develop guidelines for agricultural development that can be used in decisionmaking relating to applications for cultivation of new agricultural land in the Bokkeveld Plateau of the Hantam-Tanqua-Roggeveld geographic priority area.

Funding: \$19,700
Grant Term: 5/1/07 - 12/31/07
Grantee: Botanical Society of South Africa

Strategic Direction 5. Increase awareness of the Succulent Karoo Hotspot

Drought in the Succulent Karoo – Increasing the Awareness of Stakeholders Through a Better Understanding of the Physical, Ecological, and Socioeconomic Effects, Interactions, and Responses

Publicize the forum's research to a civil society audience beyond those attending the annual conference. This includes publishing at least four review papers, a conference synthesis, popular articles, and electronic abstracts of conference presentations as well as ensuring communication between the scientific community and the farmers of Sutherland, the site of the annual conference to be held in September 2007.

Funding: \$19,030
Grant Term: 7/1/07 - 2/28/08
Grantee: Arid Zone Ecology Forum