

Annual Portfolio Overview: CEPF Investment in the Indo-Burma Biodiversity Hotspot

September 2009

Introduction

Encompassing more than 2 million square kilometers of tropical Asia, Indo-Burma is one of the most geographically diverse of Earth's 34 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 areas 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. The Indo-Burma Hotspot ranks in the top 10 hotspots for irreplaceability and 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 250 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 planning and management systems to control these pressures. The two greatest immediate threats facing the region's natural ecosystems are habitat loss and overexploitation of plant and animal species. Over the last five years, infrastructure development has emerged as a key factor underlying these threats, with major schemes to increase regional economic integration now underway, and a rapid acceleration in planning for hydropower development on the Mekong River and its major tributaries. These trends have been counteracted, although by no means offset, by amelioration in the operating climate for local civil society over the last five years, including, most notably, a decision by the Lao PDR government to allow local nongovernmental organizations (NGOs) to register and operate as independent entities, which will become active in November 2009.

Niche for CEPF Investment

Overview

The Critical Ecosystem Partnership Fund (CEPF) is a joint initiative of l'Agence Française de Développement, Conservation International, the Global Environment Facility, the Government of Japan, the John D. and Catherine T. MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation.

CEPF investment in the Indo-Burma Hotspot is focused on the Indochina Region, comprising Cambodia, Lao PDR, Thailand, Vietnam and parts of southern China, with a total area of 1.5 million square kilometers. The part of the hotspot in northeastern India is covered by the CEPF investment program in the Eastern Himalayas, while Myanmar (Burma) is not currently eligible to receive CEPF investment.

The CEPF ecosystem profile and five-year investment strategy for the Indochina Region were developed through a process of consultation and desk study coordinated by BirdLife International, in collaboration with the Bird Conservation Society of Thailand, Kadoorie Farm & Botanic Garden and the WWF Cambodia Program, with the technical support of the Center for Applied Biodiversity Science at Conservation International. More than 170 stakeholders from civil society, government and donor institutions were consulted during the preparation of the ecosystem profile.

The ecosystem profile presents an overview of Indochina in terms of its biodiversity conservation importance, major threats to and root causes of biodiversity loss, socioeconomic context and current conservation investments. It provides a suite of measurable conservation outcomes, identifies funding gaps and opportunities for investment, and thus identifies the niche where CEPF investment can provide the greatest incremental value.

Given the very significant investments already being made in biodiversity conservation by international donors and national governments, the CEPF niche was defined to target support to civil society initiatives that complement and better target these existing investments. In particular, resources were targeted to conservation efforts for freshwater biodiversity and trade-threatened species, two long-standing investment gaps, as well as for civil society efforts to mainstream biodiversity into development policy and planning.

In line with this niche, the ecosystem profile defines four strategic directions for CEPF investment in Indochina:

1. Safeguard priority globally threatened species in Indochina by mitigating major threats.
2. Develop innovative, locally led approaches to site-based conservation at 28 key biodiversity areas.
3. Engage key actors in reconciling biodiversity conservation and development objectives, with a particular emphasis on the Northern Highlands Limestone and Mekong River and its major tributaries.
4. Provide strategic leadership and effective coordination of CEPF investment through a regional implementation team.

To maximize impact and enable synergies among individual projects, CEPF investment is focused on 67 priority animal species and 28 priority sites in two biodiversity conservation corridors. In addition, all 248 globally threatened plant species in the region are priorities for

investment. The two conservation corridors were prioritized for investment on the basis of their high biological importance, the level of threat to their biodiversity values and the opportunities they presented for engaging civil society in biodiversity conservation. The Northern Highlands Limestone corridor, in northern Vietnam and south-western China, is particularly important for the conservation of primates, supporting the entire global population of two Critically Endangered taxa. The corridor is also of high importance for plant conservation, supporting high levels of endemism in groups such as orchids and conifers. The Mekong River and Major Tributaries corridor contains Indochina's best remaining examples of riverine ecosystems, whose values are often under-appreciated by decisionmakers, and which are severely under-represented within national protected area systems. As well as their intrinsic values, the riverine ecosystems of the Mekong basin supports the most productive freshwater fishery in the world, accounting for one-quarter of the world's freshwater fish catch.

The CEPF ecosystem profile for this region was approved by the CEPF Donor Council in April 2007, with a total budget allocation of \$9.5 million. Of this amount, the profile allocates \$3.95 million to Strategic Direction 1, \$2.15 million to Strategic Direction 2, \$2.5 million to Strategic Direction 3 and \$900,000 to Strategic Direction 4. The Council subsequently approved the appointment of BirdLife International as the Regional Implementation Team for the region in November 2007, instructing the Secretariat to finalize the work plan and budget for this important implementation partnership with BirdLife and, thus, clearing the way for grant making to begin.

Portfolio Status

CEPF grant making in the Indochina Region began in June 2008 and will continue for five years through June 2013. As noted above, the first grant was made to BirdLife International to constitute the Regional Implementation Team for CEPF implementation in Indochina. At that point, only two national GEF focal points (for Cambodia and Vietnam) had endorsed the ecosystem profile. Consequently, when the first call for proposals was made in August 2008, it only covered these countries. The GEF focal point endorsements for Lao PDR and Thailand were received in November 2008 and March 2009, respectively. Strategic efforts continue to secure the GEF focal point endorsement for China, which is still awaited.

Consequently, the second call for proposals, made in June 2009, covered Lao PDR and Thailand, with more restricted calls for Cambodia and Vietnam, focused on addressing gaps in the CEPF investment portfolio in these countries. Because very few Letters of Inquiry (LoIs) were received under the second call for proposals (which had a deadline of Sept. 11, 2009), the facts and figures presented here refer mainly to projects submitted under the first call. Due to the staggered endorsement of the ecosystem profile, most grants that have been contracted or are in advanced stages of review and contracting focus on Cambodia and/or Vietnam, although a few large grants cover the entire region.

As of July 31, 2009, 17 grants had been contracted, with a total value of \$1.9 million, equivalent to 20 percent of the total budget allocation for the Indochina Region (Charts 1 to 4). These include three large grants (>\$20,000): a grant of \$299,504 to the IUCN Freshwater Biodiversity Unit, for a project to assess the status of freshwater biodiversity across the hotspot and apply the results to planning and policy; a grant of \$452,216 to a partnership of local and international plant conservation organizations led by Missouri Botanical Garden for a project to assess the status and distribution of globally threatened plant species in Indochina; and the Regional Implementation Team grant of \$899,929.

The remaining 14 grants that have been contracted to date are all small grants (\leq \$20,000), and range in size from \$1,820 to \$20,000, with a mean of \$16,638. Eleven small grants, totaling

\$191,353, have been made under Strategic Direction 1, and three grants, totaling \$41,580, have been made under Strategic Direction 3. Eight of the small grants, with an average size of \$17,786, were awarded to international organizations, while six, averaging \$15,108, were awarded to local organizations.

In addition to the 17 grants that have been contracted, a further 19 grants are currently in the pipeline, pending finalization of the contracting process over the next two months. At this stage, it is not possible to provide accurate figures about the size of these grants, because negotiations are taking place on the budget in many cases. However, the 19 pending grants are estimated to total around \$2.8 million, comprising \$2.7 million divided across 15 large grants and \$75,000 across four small grants.

Therefore, by the end of September 2009, it is projected that CEPF will have committed around \$4.7 million in Indochina, across 18 large and 18 small grants, equivalent to nearly 50 percent of the total allocation for the region. Under Strategic Direction 1, around \$2.7 million will have been committed across 28 grants, equivalent to 68 percent of the allocation for this strategic direction. Under Strategic Direction 2, around \$800,000 will have been committed between two large grants, equivalent to 37 percent of the allocation. Under Strategic Direction 3, around \$240,000, equivalent to only 10 percent of the allocation, will have been committed across five grants. Finally, under Strategic Direction 4, \$899,929 has already been committed for the Regional Implementation Team grant, representing nearly the full allocation for this purpose.

Coordinating CEPF Grant Making

BirdLife International is performing the role of the Regional Implementation Team for the Indochina Region. The Regional Implementation Team has five dedicated staff, all of whom work on the project full time. The Manager, John Pilgrim, is responsible for managing the Regional Implementation Team, and, in close consultation with the CEPF Grant Director, overseeing the development of the CEPF investment portfolio in the region. The Manager is assisted by two Project Officers, Ouk Thira and Nguyen Hoang Long, who are responsible for raising awareness about CEPF among potential grantees, assisting local civil society organizations to develop proposals, and coordinating technical review of proposals. The Administrator, Tran Thi Thanh Huong, is responsible for office administration and external communications. Finally, the Finance Officer, Pham Thi Bich Hai is responsible for financial management and reporting, and preparing Financial Risk Assessments and grant agreements for small grants. The Regional Implementation Team staff are based at the BirdLife office in Hanoi, Vietnam, apart from Ouk Thira, who is based at the BirdLife office in Phnom Penh, Cambodia.

Since the establishment of the Regional Implementation Team in July 2008, there has been some turnover in staff. This led to some time being lost during the LoI review process, as the new staff members were brought up to speed. Nevertheless, BirdLife has assembled an experienced, motivated team, and worked hard to establish key structures, including Technical Review Groups and National Advisory Groups, to promote transparency and ensure synergies between CEPF investments and those of other key donors in each country. BirdLife has also introduced the necessary processes to ensure sound financial management of the Regional Implementation Team grant, financial and programmatic risk assessment of individual grants and compliance with all other relevant CEPF policies and procedures.

Performance Assessment

The Regional Implementation Team has overcome a number of challenges inherent in being one of the first regions where CEPF grant making has been made under this model, most notably the lack of precedent for many of the new processes and policies introduced by CEPF. The Regional

Implementation Team has also had to face the expected challenge of ensuring that CEPF's goal of engaging civil society in biodiversity conservation is met in a region where local civil society is generally weak and operating under very challenging conditions. It is unsurprising, therefore, that the first large grants awarded have been to international organizations. Not only have international groups proven faster at responding to calls for proposals, they have, in general, submitted proposals of a higher technical quality. This can be seen in the statistics for small grant applications. Of the 13 proposals submitted by international groups, 10 (77 percent) are approved or pending approval. Whereas, of the 14 eligible proposals submitted by local groups, only eight (57 percent) are approved or pending.

The Regional Implementation Team has been proactive in making CEPF funding accessible to local civil society organizations, including by searching for local groups working in or around CEPF priority sites, organizing introductory meetings for potential grantees in Stoeng Treng and Kratie provinces, Cambodia, and holding face-to-face meetings with 13 local groups to provide guidance on project design and management. That these efforts are already coming to fruition can be seen from the pipeline grants, where four large and two small grants are expected to be made to local groups in the coming months.

The number and proportion of local civil society organizations successfully applying for CEPF funds are both expected to rise as their proposal-writing capacity improves and, in particular, once grants begin to be awarded in Thailand, the country in the region where capacity among local civil society is greatest.

As well as overcoming barriers to applications from local civil society, the Regional Implementation Team has added significant value to CEPF implementation in the Indochina Region by guiding the development of a balanced, integrated portfolio. The approach adopted by the Regional Implementation Team, in consultation with the CEPF Grant Director, has been to anchor the portfolio on a series of "cornerstone" projects, covering the key geographic and thematic priorities, around which a series of smaller projects can be built.

To date, seven cornerstone projects have been identified. Two have been contracted: a regional freshwater biodiversity initiative led by the IUCN Freshwater Biodiversity Unit; and a regional assessment of globally threatened plants coordinated by the Missouri Botanical Garden. Organizations selected to implement four cornerstone projects are in the process of revising their full proposals, following comments from CEPF and the Regional Implementation Team, and are about to enter the contracting process. These projects comprise: a site-based conservation initiative focused on the Northern Highlands Limestone corridor led by Fauna & Flora International; an initiative to reconcile conservation and development in the Northern Highlands Limestone Corridor led by IUCN-Vietnam; a regional initiative to address the conservation of threatened tortoises and freshwater turtles led by the Cleveland Zoological Society; and a program of innovative, community-based efforts to conserve threatened large waterbirds in Cambodia led by the Wildlife Conservation Society (WCS). The seventh cornerstone project, a site-based conservation initiative in the Mekong River and its major tributaries corridor led by WWF-Cambodia is being refined to avoid overlaps and realize opportunities for synergy with two other proposed projects led by local NGOs. Going forward, the Regional Implementation Team aims to catalyze the development of at least one other cornerstone project, focused on reconciling conservation and development in the Mekong River and its major tributaries corridor.

Another achievement of the Regional Implementation Team has been leveraging co-financing toward individual grants in the CEPF portfolio. As a result of meetings and discussion with applicants and donors, \$259,798 in co-financing (counterpart funding and in-kind contributions)

was leveraged toward the 14 small grants made to date, and \$437,211 was leveraged toward the two large grants (i.e. excluding the Regional Implementation Team grant). A meeting was also held with the development section of the Royal Netherlands Embassy in Hanoi to explore the possibility of portfolio-level co-financing. As the success of the Regional Implementation Team as a mechanism for channeling development assistance to civil society groups active in Indochina is demonstrated, new opportunities for leveraging portfolio co-financing are expected to emerge.

So far, the area of Regional Implementation Team performance with the greatest room for improvement has been the timeliness of technical review of LoIs. The Regional Implementation Team set itself a target of coordinating external technical reviews of all LoIs within six weeks of submission, by at least three experts in the case of large grants, and at least two in the case of small grants. Under the first call for proposals, only 19 of the 47 eligible large-grant LoIs (40 percent) had been reviewed by at least three experts within six weeks of submission, although a further 16 (34 percent) had been reviewed by two experts. The statistics for small grants were better, with 24 of the 26 eligible small grant LoIs (92 percent) having been reviewed by at least two reviewers within six weeks of submission. Some reasons for delays in completing the reviews of large grant LoIs are common to all Regional Implementation Teams, and relate to this being the first time CEPF grant making had been conducted under the Regional Implementation Team model. Other reasons were one-off problems due to the timing of the review period for the first round of applications coinciding with the holiday periods of many Technical Review Groups members. The LoI review process was examined in detail during a CEPF Supervision Mission to the Indochina Regional Implementation Team in April 2009, and several recommendations for improving the efficiency of the process were adopted.

Portfolio Investment Highlights by Strategic Direction

As discussed previously, three large grants have been contracted, as of July 31, 2009. One of these is the Regional Implementation Team grant, which deals with coordination and monitoring. Another (led by the IUCN Freshwater Biodiversity Unit) will begin implementation Sept. 1, 2009. The third (led by Missouri Botanical Garden) began implementation on July 1, 2009, and activities to date have focused on preparing for a launch and planning workshop to be held in Hanoi, Vietnam on Sept. 15-16, 2009. Of the 14 small grants contracted to date, three have yet to begin implementation, six have been under implementation for less than three months, and only five have been under implementation for more than three months (of which one has been completed). Consequently, there have been few opportunities to achieve tangible conservation results, although it is expected that these will begin to materialize as the CEPF grant portfolio expands and implementation gets underway for more projects during the second half of 2009.

Strategic Direction 1

CEPF investment under this strategic direction aims to safeguard priority globally threatened species in Indochina by mitigating major threats. This strategic direction is intended to address the insidious threat of over-exploitation of wildlife, which threatens to undermine all conservation efforts in the region. To this end, CEPF will support efforts to identify and secure core populations of 67 globally threatened species from overexploitation and illegal trade (Investment Priority 1.1). On the demand side, CEPF will invest in public awareness campaigns to reduce consumer demand for globally threatened species and their products (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 sectors, particularly energy, transport and agriculture. To this end, CEPF will support efforts to investigate the status and distribution of globally threatened plant species, and apply the results to planning, management, and outreach (Investment Priority 1.3). CEPF will also support efforts to assess the global threat status of

selected freshwater taxa and integrate the results into planning processes for the conservation of wetland biodiversity and development plans in the Mekong River and its major tributaries (Investment Priority 1.4). In addition, CEPF will fund research on 12 little-known species believed to be highly threatened (Investment Priority 1.5), and support the publication of local-language reference materials on globally threatened species (Investment Priority 1.6).

Table 1: Distribution of Investment under Strategic Direction 1 by Investment Priority

GRANT	AMOUNT	IP1.1	IP1.2	IP1.3	IP1.4	IP1.5	IP1.6
Center for People and Nature Reconciliation Development of Educational Materials and Information Focused on the Tonkin Snub-Nosed Monkey in Northern Vietnam	\$9,150						X
Chamroien Chiet Khmer Community Protection of Eastern Sarus Crane and Its Habitat in Boeung Prek Lapouv Management and Conservation Area, Cambodia	\$19,928	X					
Cleveland Zoological Society Awareness and Research Conservation Program for Swinhoe's Softshell Turtle in Vietnam	\$20,000					X	
Harrison Institute Increasing In-Country Capacity and Regional Cooperation to Promote Bat Conservation in Cambodia with Particular Reference to <i>Otomops Wroughtoni</i>	\$20,000					X	
IUCN Freshwater Biodiversity Unit Freshwater Biodiversity Assessments in the Indo-Burma Biodiversity Hotspot: Fishes, Molluscs, Odonates and Plants	\$299,504				X		
IUCN Lao PDR Country Programme Moving from Planning to Action to Save the Saola: The First Meeting of the Saola Working Group	\$19,794	X					
Missouri Botanical Garden Assessment of the Status and Distribution of Globally Threatened Plant Species in Indochina	\$452,216			X			
Missouri Botanical Garden Improving Linkages for Collaborative Research and Conservation of Plants in Indochina	\$4,673			X			
Mlup Baitong Conserving Non-Breeding Populations of Eastern Sarus Crane at Kampong Trach Wetland, Cambodia	\$19,990	X					
University of East Anglia Conservation Ecology of Bengal Florican in Cambodia	\$18,416	X					
University of East Anglia Conservation Ecology of White-Shouldered Ibis and Local Livelihoods	\$19,999	X					
Wildlife Conservation Society Cambodia Culture Conservation Project	\$19,730	X					
Wildlife Conservation Society Northern Plains of Cambodia Bird Nest Protection Project	\$19,673	X					

To date, two large grants and 11 small grants have been contracted under Strategic Direction 1, with a total investment by CEPF of \$943,073, representing 24 percent of the funds allocated to this strategic direction. These 13 projects directly address the conservation of 11 of the 67 CEPF priority animal species, and propose to assess the status and distribution of all 248 globally threatened plant species in the region. The projects directly address five of the six investment priorities under Strategic Direction 1, completely in the case of Investment Priorities 1.3 and 1.4 (Table 1). Investment Priority 1.2 is not directly addressed by any active or pipeline project (although several projects have components related to it), while Investment Priority 1.6 is only addressed by a single small grant. Prospective applicants were explicitly encouraged to target these Investment Priorities in the second call for proposals made in Cambodia and Vietnam in June 2009.

Strategic Direction 2

CEPF investment under this strategic direction aims to develop innovative, locally led approaches to site-based conservation at 28 key biodiversity areas located within the two priority corridors. To this end, CEPF investment will help establish innovative stakeholder-based conservation management and caretaking initiatives at these sites, as models for replication elsewhere in the region (Investment Priority 2.1). CEPF will also support the development of standards and programs that address the overexploitation of biodiversity and pilot them at selected sites (Investment Priority 2.2).

To date, no grants have been contracted under Strategic Direction 2. Nevertheless, several CEPF priority sites will benefit from investments already made under other strategic directions. The two pipeline projects expected to be funded under this strategic direction in coming months are large grants; both address Investment Priority 2.1. One of these grants (led by Fauna & Flora International) proposes to address the conservation of seven of the 17 key biodiversity areas within the Northern Highlands Limestone corridor. The second pipeline grant (led by Mlup Baitong) proposes to address the conservation of a single key biodiversity area in the Mekong River and its major tributaries corridor.

Strategic Direction 3

CEPF investment under this strategic direction is aimed at engaging key actors in reconciling biodiversity conservation and development objectives, with a particular emphasis on the two priority corridors: the Northern Highlands Limestone; and the Mekong River and its major tributaries. To this end, CEPF will support civil society efforts to analyze development policies, plans and programs, evaluate their impact on biodiversity and ecosystem services, and propose alternative development scenarios and appropriate mitigating measures (Investment Priority 3.1). CEPF will also support initiatives that leverage support for biodiversity conservation from development projects and programs (Investment Priority 3.2). Finally, CEPF will fund targeted outreach and awareness raising for decisionmakers, journalists and lawyers (Investment Priority 3.3).

To date, three small grants have been contracted under Strategic Direction 3. The first (led by the 3S Rivers Protection Network) focuses on the Mekong River and its major tributaries corridor. The project aims to raise awareness of communities along the Sekong, Sesan and Srepok rivers of impending hydropower projects and enable local voices to be taken into account in decision-making processes. The second (led by the Center for Water Resources Conservation and Development) focuses on the Northern Highlands Limestone corridor, where it aims to empower local communities to engage in development decision making concerning the Gam River. The third grant (led by Thai Fund Foundation) is part of a strategic approach to address the coverage

of the Regional Implementation Team in Thailand and focuses on providing local translation and civil society outreach in this part of Indochina.

Collaboration with CEPF Donors

In Cambodia, Lao PDR and Vietnam, the Regional Implementation Team has constituted National Advisory Groups, comprising representatives of government, donor agencies, NGOs and academia. These advisory groups help review the CEPF portfolio in each country annually, providing guidance and comments to the Regional Implementation Team. Representatives of l'Agence Française de Développement and the World Bank from the relevant country offices have been invited to sit on these bodies, and GEF is represented in the form of the National Operational Focal Point and the UNDP/GEF Small Grants Program Coordinator in each country. Advisory group meetings provide an opportunity for coordination with CEPF donors. Already, a number of opportunities for collaboration have arisen.

The large grant to IUCN for freshwater assessments neatly complements a very similar project by IUCN that was funded by the MacArthur Foundation in the Eastern Himalayas. Further, two significant projects led by WCS are in the advance stages of consideration by CEPF and complement existing GEF funding. In Cambodia, WCS aims to use additional funding from CEPF to enhance participation and capacity of civil society organizations in increasing financial sustainability of outputs that they aim to achieve under a UNDP/GEF project. In Vietnam, WCS aims to use CEPF funding to expand the scope of its in-country component of a regional World Bank/GEF project addressing trade in tiger and its prey species.

Conclusion

Strong foundations for the development of a well rounded, integrated and high-impact portfolio of CEPF grants are already in place in the Indochina Region. Through clear leadership, hard work and a good understanding of the local context, the Regional Implementation Team has made significant progress toward developing a CEPF investment portfolio that realizes the vision set out in the ecosystem profile. Throughout, the Regional Implementation Team has coordinated closely with the CEPF Secretariat, and, through overcoming challenges together, the experience gained has informed CEPF implementation in the other new granting regions.

With grants already contracted under three of the four strategic directions, the CEPF investment portfolio is developing well. Under the first call for proposals in Cambodia and Vietnam, Strategic Direction 1 attracted the greatest amount of interest and, hence, accounts for the greatest amounts of committed and pipeline investment. This places few restrictions on future opportunities for CEPF grant making, however, because this strategic direction has, by far, the largest allocation of funds. Indeed, even if all pipeline projects under Strategic Direction 1 were to be funded, more than \$1.2 million would still remain unallocated. In order to ensure a more even spread of investment across Strategic Directions 1, 2 and 3, future calls for proposals will be limited to gaps in the investment portfolio. This was already done during the June 2009 calls in Cambodia and Vietnam, which were the second calls in those countries. In addition, the Regional Implementation Team will proactively identify and approach local civil society groups active in the Northern Highlands Limestone and Mekong and Major Tributaries corridors through networking and provincial workshops. This will also help ensure that local civil society is aware of and able to access CEPF funding. Through these different strategies, CEPF and the Regional Implementation Team aim to have committed 100 percent of the available large and small grant funding by the end of 2010, which is the mid-point of the five-year investment period.

In addition to facilitating grant making, the Regional Implementation Team is already demonstrating its value as a mechanism to convene stakeholders and enable coordinated action.

One example is a small grant to the IUCN Lao PDR Country Programme to bring together all key stakeholders involved in the conservation of saola (*Pseudoryx nghetinhensis*), Indochina's flagship species, and prepare a recovery plan and fundraising strategy for the species. More broadly, through facilitation of collaboration on projects and establishment of National Advisory Groups and Technical Review Groups, the Regional Implementation Team has started to build a broad constituency of civil society organizations working across institutional and geographical boundaries towards achieving shared conservation goals.

Charts – CEPF Investment in the Indo-Burma Hotspot as of July 31, 2009

Chart 1. Approved Grants by Strategic Direction

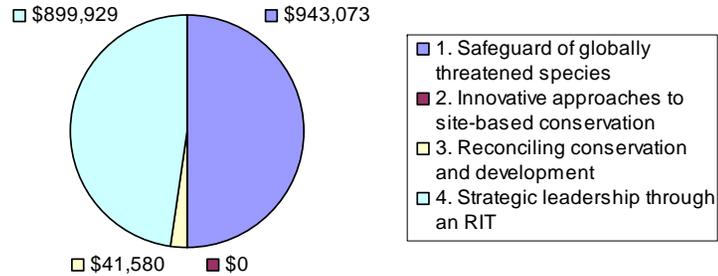


Chart 2. Approved Grants by Corridor and Strategic Direction

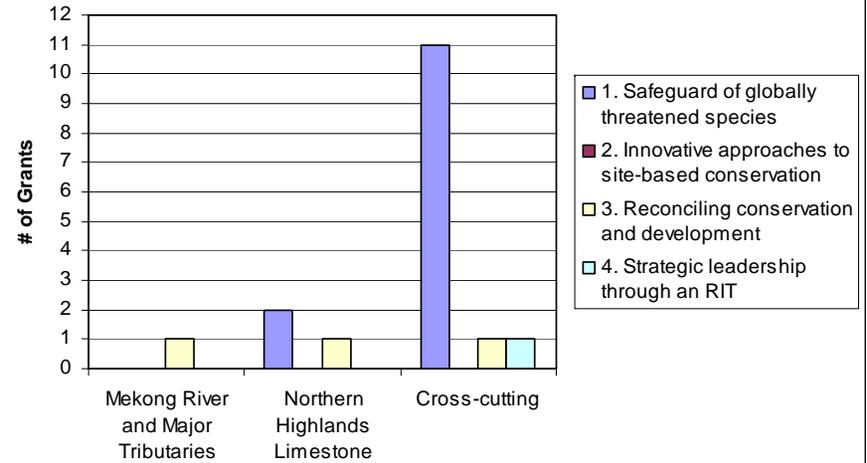


Chart 3. Portfolio Status by Strategic Direction

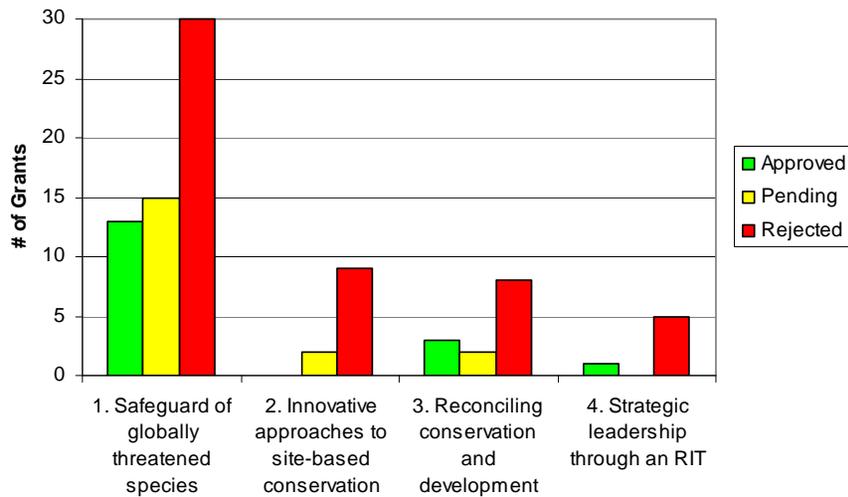
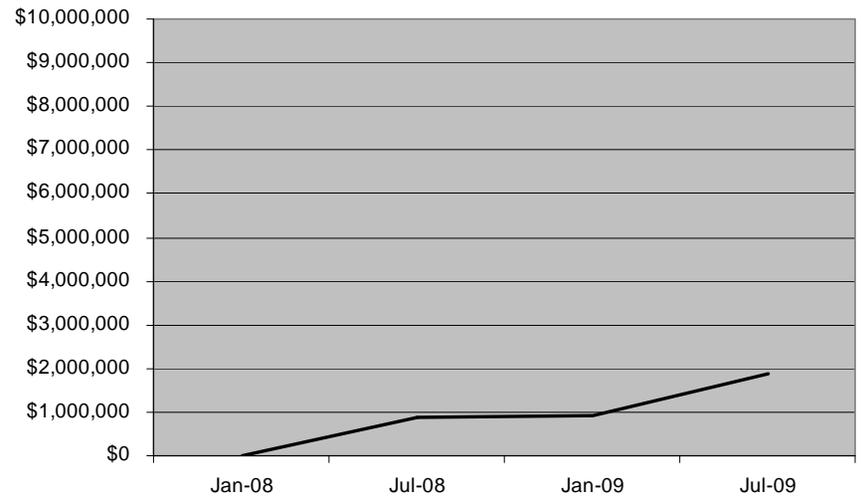


Chart 4. Combined Value of Grants Awarded



Annex 1 –Logical Framework Reporting 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>NGOs and civil society actors actively participate in conservation programs guided by the ecosystem profile.</p> <p>Alliances and networks among civil society groups formed to avoid duplication of effort and maximize impact in support of the CEPF ecosystem profile.</p> <p>28 key biodiversity areas have new or strengthened protection and management.</p> <p>Development plans or policies influenced to accommodate biodiversity.</p> <p>Improved management for biodiversity conservation or sustainable use within production landscapes in 2 conservation corridors covering 41,547 km² or approximately 3 percent of the region.</p>	<p>39 civil society organizations have applied for large grants, of which three have been funded and 11 others are in the pipeline. 30 civil society organizations have applied for small grants, of which 12 have been funded and seven are in the pipeline.</p> <p>Alliances have been forged among applicants for three key cornerstone initiatives: turtle conservation; status assessments of globally threatened plants; and site-based conservation in the Northern Highlands Limestone corridor. A fourth alliance is being forged for a fourth cornerstone projects in the Mekong River and its major tributaries corridor.</p> <p>No progress to date.</p> <p>No progress to date.</p> <p>Two grants have been awarded for projects promoting sustainable development within production landscapes: one in the Mekong River and Major Tributaries Corridor and one in the Northern Highlands Limestone Corridor.</p>
Intermediate Outcomes	Intermediate Indicators	Progress
<p>Outcome 1: Globally threatened species in Indochina safeguarded by mitigating major threats</p> <p>\$3,950,000</p>	<p>Core populations of priority species identified and secured from overexploitation and illegal trade by implementing targeted, high impact projects.</p> <p>Public awareness campaigns that reinforce existing wildlife trade policies implemented and contributing to the reduction of consumer demand for priority species and their products.</p>	<p>Seven small grants have been awarded to identify and/or secure core populations of nine of the 67 priority animal species in the Indochina Region.</p> <p>No progress to date.</p>

	<p>The status and distribution of globally threatened plant species investigated and results applied to planning, management, awareness raising and/or outreach</p> <p>The global threat status of selected freshwater taxa assessed and the results integrated into planning for the conservation of wetland biodiversity and development plans in the priority corridors.</p> <p>Research on priority species conducted where there is a need for greatly improved information on their status and distribution.</p> <p>Local language reference materials on globally threatened species published.</p>	<p>Work has begun on building a strong network of botanists across the hotspot to generate baseline data on the conservation of threatened plants.</p> <p>A large grant has been awarded for a major collaborative initiative to assess the global threat status of all freshwater fishes, molluscs, odonates and plants, and integrate the results into conservation and development planning in the priority corridors.</p> <p>Two small grants have been awarded to conduct research on two priority species: Swinhoe’s softshell turtle and Wroughton’s free-tailed bat.</p> <p>One small grant has been awarded to prepare local-language materials on Tonkin snub-nosed monkey.</p>
<p>Outcome 2: Innovative, locally led approaches to site-based conservation developed at 28 key biodiversity areas</p> <p>\$2,150,000</p>	<p>Innovative local stakeholder-based conservation management and caretaking initiatives established.</p> <p>Regional standards and programs that address overexploitation of biodiversity are developed and piloted at selected sites.</p> <p>Percent of projects that enable effective stewardship of biodiversity and ecosystem services by Indigenous and local communities in focal areas.</p> <p>Percent of targeted communities involved in sustainable use projects that show socioeconomic benefits.</p> <p>Percent of targeted protected areas with strengthened protection and management.</p> <p>Percent of projects outside protected areas that</p>	<p>No progress to date.</p>

	integrate biodiversity conservation in management practices.	
<p>Outcome 3: Key actors in reconciling biodiversity conservation and development objectives engaged, with a particular emphasis on the Northern Highlands Limestone and Mekong River and its major tributaries</p> <p>\$2,500,000</p>	<p>Civil society efforts to analyze development policies, plans, and programs, evaluate their impact on biodiversity and ecosystem services and propose alternative development scenarios and appropriate mitigating measures implemented.</p> <p>Initiatives that leverage support for biodiversity conservation from development projects and programs.</p> <p>Targeted outreach and awareness raising for decisionmakers, journalists and lawyers conducted.</p>	<p>Two small grants have been awarded to assist local communities to engage in development decision-making processes in the Mekong River and Major Tributaries and the Northern Highlands Limestone corridors.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 4: A regional implementation team provides strategic leadership and effectively coordinates CEPF investment in the Indochina Region of the Indo-Burma Hotspot.</p> <p>\$900,000</p>	<p>Percent of civil society groups receiving grants that demonstrate more effective capacity to plan and manage conservation projects.</p> <p>Regional Implementation Team performance in fulfilling the approved terms of reference.</p> <p>At least 2 learning exchanges and/or participatory assessments hosted and documented.</p>	<p>Civil society capacity baselines have been established for five local civil society recipients of CEPF grants.</p> <p>During the first reporting period (July 1 to December 31, 2008), the Regional Implementation Team met 17 of the 18 planned milestones. During the following reporting period (January 1 to June 30, 2009), 18 of the 21 planned milestones were met.</p> <p>No progress to date.</p>
Strategic Funding Summary	Amount	
Total Budget Amount	\$9,500,000	

Annex 2 – Selected articles on CEPF implementation in the Indo-Burma Hotspot from newsletters, and local or international press

Article in the BirdLife International in Indochina Newsletter, March 2009

Critical Ecosystem Partnership Fund update

Four more small grants made for bird conservation in Cambodia

In the first quarter of 2009, BirdLife International *in Indochina*, acting as the Critical Ecosystem Partnership Fund-Regional Implementation Team (CEPF-RIT) *in Indochina*, approved four more small grant applications, making the total of funded projects under this small grant programme six to date. All four of the most recently funded conservation projects were in Cambodia, with the University of East Anglia (UEA) and the Wildlife Conservation Society (WCS) each receiving two small grants.

The UEA was granted just over US\$ 38,000 for two projects, both starting in January this year. The first UEA project 'Conservation Ecology of White-Shouldered Ibis and Local Livelihoods' will help assess the population, status and habitat preferences of the Critically Endangered White-shouldered Ibis *Pseudibis davisoni* in northern Cambodia. The project will identify threats, and synergies with local community livelihoods, and make recommendations for successful conservation management.

The second UEA project, 'Conservation Ecology of Bengal Florican in Cambodia', will fill key information gaps in Farming and Biodiversity Areas (IFBAs) of the Tonle Sap floodplain, Kampong Thom Province, for conservation management of the Bengal Florican *Houbaropsis bengalensis*. The world's rarest bustard had coexisted well prior to a wave of land-grabbing for dry season rice cultivation in the last few years. This major threat has emerged since the development of the CEPF Ecosystem Profile, and resulted in the uplifting of the Bengal Florican from Vulnerable to Critically Endangered, justifying funding for this imperiled bird. The project will use field research, including satellite tracking, to identify important nesting and non-breeding areas.

WCS will receive nearly US\$ 40,000 for two projects. The first project, 'Northern Plains of Cambodia Bird Nest Protection' aims to increase populations of nine globally threatened bird species, particularly waterbirds, including ibises and cranes, in the Northern Plains of Cambodia. The project aims to increase awareness and extend a successful model of providing financial incentives for local people to locate, monitor and protect bird nest sites. A number of large waterbirds are priorities for CEPF in Indochina, and the best remaining populations of most are found in Cambodia.

The second WCS project plans to protect and monitor the largest Indochinese populations of three Critically Endangered vulture species, in north and northeastern Cambodia. The project will provide uncontaminated food, protect nests, and work to ban veterinary use of the drug diclofenac, which has proved to be fatally toxic to vultures, causing enormous declines.

Progress with previous small grants

The first two small grants made by the BirdLife International *in Indochina* CEPF-RIT were given to Missouri Botanical Garden (MBG) for plant conservation and to the Harrison Institute for bat research. For more information please visit: http://birdlifeindochina.org/cepf/first_grants MBG completed the project 'Improving Linkages for Collaborative Research and Conservation of Plants in Indochina' in January 2009. As part of this, CEPF supported 20 junior botanists and

students from Vietnam to attend the first international symposium on the Flora of Cambodia, Laos, and Vietnam, held in Phnom Penh, Cambodia, in December 2008.

CEPF helped open the avenue for international and trans-boundary cooperation in plant conservation by increasing the representation of participants from Vietnam, particularly from Hanoi where several junior researchers and graduate students are actively involved in writing the Flora of Vietnam.

Feedback to applicants in progress

By the end of March 2009, all 71 submitted large grant Letters of Inquiry (LoIs) were reviewed by BirdLife International in Indochina CEPF-RIT and national Technical Review Groups. Two large grant applicants have been invited to submit full proposals to CEPF. The two grants include the IUCN Freshwater Biodiversity Unit's project 'Freshwater biodiversity assessments in the Indo-Burma Biodiversity Hotspot: fishes, molluscs, odonates, and plants', and Missouri Botanical Garden's project 'Assessment of the Status and Distribution of Globally Threatened Plant Species and Capacity Building for Botanical Conservation Planning in the Indochina Region.'

Another round of review will be undertaken when these full proposals are submitted. To date, letters have also been sent by CEPF in response to 20 other LoIs, and by the CEPF-RIT to 10 other small-grant LoIs, either asking for significant revisions to submitted LoIs, or rejecting requests owing to ineligibility.

First meeting of the CEPF-RIT National Advisory Group for Cambodia

On February 20, 2009, the first meeting of the National Advisory Group for Cambodia was held at the Phnom Penh Hotel, Cambodia. Participants attended from l'Agence Française de Développement, Conservation International, Forestry Administration, Ministry of Agriculture, Forestry, and Fisheries, Cambodian national GEF Focal Point, GEF Small Grants Programme, UNDP, Royal University of Phnom Penh, and Save Cambodia's Wildlife, as well as the Cambodia and Vietnam programmes of BirdLife. John Pilgrim, Manager of CEPF-RIT, presented progress to date and key plans for the coming year, resulting in a useful discussion among the group. Particular concern was expressed by a number of group members about the limited number of applications from Cambodian civil society organisations, particularly smaller ones. A number of useful suggestions were made by the group to address this issue, which the CEPF-RIT will follow up in the coming months. A similar meeting of the National Advisory Group for Vietnam took place in Hanoi in early April 2009.

Web-page for BirdLife International in Indochina CEPF-RIT upgraded

At the end of February, a new version of the Birdlife website was successfully launched. The improved website includes a separate page dedicated to www.cepf.net, including useful information on eligibility for funds, the application process, and project monitoring and evaluation. The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation. For more information please visit www.cepf.net