

An Overview of CEPF's Portfolio in the East Melanesian Islands Hotspot

September 2014

Introduction

The East Melanesian Islands comprise some 1,600 islands to the northeast and east of the island of New Guinea, encompassing a land area of nearly 100,000 km². Politically, the region includes Vanuatu, the Solomon Islands and the islands region of Papua New Guinea (PNG). This is one of the most geographically complex areas on Earth, with a diverse range of islands of varying age and development. Isolation and adaptive radiation have led to very high levels of endemism. Because most of the islands have never been in land contact with New Guinea, their fauna and flora are a mix of recent long-distance immigrants and indigenous lineages derived from ancient Pacific-Gondwanaland species.

Because of these high levels of endemism, coupled with accelerating rates of habitat loss, the East Melanesian Islands qualify as a biodiversity hotspot. Chief threats to biodiversity include widespread commercial logging and mining, expansion of subsistence and plantation agriculture, impacts of invasive species, human population increase, and impacts of climate change.

Natural habitats in the East Melanesian Islands include coral reefs, mangrove forests, freshwater swamp forests, lowland rainforests, seasonally dry forests and grasslands, and montane rainforests. In many places, natural habitats extend from mountain ridge to reef, although fragmented by agricultural conversion and logging in many places. These 'ridge-to-reef' ecosystems are important for their resilience to climate change, and because they deliver a wide range of ecosystem services to human communities.

As well as being exceedingly rich in biodiversity, the hotspot also holds exceptional cultural and linguistic diversity. Because many languages are spoken by only a few hundred people, they are disappearing quickly, leading to a rapid erosion of traditional knowledge and practice. This is highly significant in a region where most land and resources are under customary ownership, and local people are the true stewards of biodiversity.

In July 2013, CEPF launched an eight-year investment phase in the East Melanesian Islands Hotspot, focusing on 20 priority sites spread across the three countries, and addressing threats to 48 priority species. The CEPF investment strategy sets out to support biodiversity conservation in ways that deliver significant, meaningful benefits to local communities, while making a sustained contribution to the development of local, national and regional capacity for conservation. This document presents an overview of the status of the CEPF grants portfolio at the end of the first year of the investment phase. All facts and figures presented cover the period up to June 30, 2014.

Niche for CEPF Investment

Overview

CEPF investment in the East Melanesian Islands is informed by the ecosystem profile for the hotspot, which was prepared in 2011-2012, through an extensive process of consultation and desk study led by the University of the South Pacific in partnership with the University of PNG and Conservation International's Pacific Islands Program. Initial research and analysis at the regional level provided draft biodiversity and thematic priorities, which were subsequently reviewed by experts within the hotspot. The year-long consultation process involved an expert roundtable meeting and nine stakeholder consultation workshops, and engaged more than 150 stakeholders from local communities, civil society organizations, government institutions and donor agencies.

The ecosystem profile presents an overview of the East Melanesian Islands in terms of their biodiversity conservation importance, and socioeconomic, policy and civil society contexts. It defines a suite of measurable conservation outcomes, at species, site and corridor scales, as the scientific basis for determining CEPF's geographic and thematic niche for investment. The conservation outcomes for the East Melanesian Islands Hotspot are framed by a situational analysis, which includes an assessment of the predicted impacts of climate change in the region, as well as reviews of the policy, socio-economic and civil society contexts for biodiversity conservation. It also includes an assessment of patterns and trends in current conservation investment, which captures lessons learned from past investments in the hotspot, as well as an overview of threats and drivers of biodiversity loss.

The conservation outcomes and situational analysis provide the justification for a niche for CEPF grant making in the hotspot. The CEPF investment niche recognizes local communities and their organizations as the ultimate custodians of the biodiversity of the East Melanesian Islands Hotspot, with support from national and international NGOs, universities and private companies, and within an enabling regulatory and institutional context established by national, provincial and local government. The complementary capacities of different sections of civil society will be leveraged in support of local communities by catalyzing partnerships. Through these partnerships, communities and civil society organizations at different levels will jointly explore the conservation status of priority species and sites, develop a common understanding of their values and the threats facing them, drawing on traditional ecological knowledge as well as western science, and develop and implement conservation actions that are led by and relevant to local communities. To respond to threats originating from outside of the community, such as commercial logging and plantations, civil society will be supported to integrate biodiversity conservation into local land-use and development planning.

In line with this niche, the ecosystem profile sets out five strategic directions for CEPF investment in the East Melanesian Islands:

1. Empower local communities to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under-served by current conservation efforts.
2. Integrate biodiversity conservation into local land-use and development planning.
3. Safeguard priority globally threatened species by addressing major threats and information gaps.
4. Increase local, national and regional capacity to conserve biodiversity through catalyzing civil society partnerships.
5. 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 December 2012, with a total budget allocation of \$9 million. Of this amount, \$3.2 million was allocated to Strategic Direction 1, \$1.0 million to Strategic Direction 2, \$1.2 million to Strategic Direction 3, \$2.1 million to Strategic Direction 4, and \$1.5 million to Strategic Direction 5. 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 CEPF investment phase.

Portfolio Status

The CEPF investment program in the East Melanesian Islands will run for eight years until June 2021. This is a departure from the five-year investment period that has been the norm for CEPF, and reflects the need for up-front investment in capacity building and partnerships with local communities, if conservation efforts are to be locally owned and, thus, to endure. 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 Operational Focal Points for the Solomon Islands and Vanuatu. Therefore, these countries were covered by the first call for proposals, which was announced on August 19, 2013, with a deadline of October 14. Following endorsement of the ecosystem profile by the GEF Focal Point for PNG, a second call for proposals, targeting this country, was announced on September 3 with a deadline of October 28. The scope of the calls for proposals was restricted to two investment priorities under Strategic Direction 1 and three under Strategic Direction 4, in order to focus grant making on the fundamental building blocks of long-term success: baseline information; government-civil society partnerships; trust and understanding of local communities; and civil society capacity at individual, organizational and network scales.

As of June 30, 2014, the portfolio of active grants in the East Melanesian Islands Hotspot stood at \$2.9 million (Charts 1-4). These comprised 15 large grants of more than \$20,000, and six small grants of up to \$20,000. The portfolio was dominated by the two large grants to IUCN to perform the RIT functions, totaling \$1.5 million, equivalent to 52 percent of awarded funds. Excluding the RIT grants, the average large grant size was \$99,483, while the average small grant size was \$19,297. This reflects the fact that the call was focused explicitly on preparatory activities, which tend to be short-term with moderate budgets. The grant portfolio is expected to expand to around \$3.3 million over the third quarter of 2014, as four pipeline large grants and five pipeline small grants are awarded.

Large grant applicants under the first funding round were invited to submit 17 full proposals, comprising 10 under Strategic Direction 1 and seven under Strategic Direction 4. Assuming that all of these grants are contracted, the total size of the large grant portfolio will be \$3.1 million (Table 1). In addition, 11 small grants, totaling more than \$0.2 million were approved by the RIT (Table 2).

Table 1: Current status of the large grant portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$644,084	\$235,549	\$879,633
SD2	\$0	\$0	\$0
SD3	\$0	\$0	\$0
SD4	\$649,196	\$49,489	\$698,685
SD5	\$1,500,000	\$0	\$1,500,000
Total	\$2,793,280	\$285,038	\$3,078,318

Table 2: Current status of the small grant portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$54,349	\$79,500	\$133,849
SD2	\$0	\$0	\$0
SD3	\$0	\$0	\$0
SD4	\$57,138	\$20,000	\$77,138
SD5	\$0	\$0	\$0
Total	\$111,487	\$99,500	\$210,987

Assuming that there are no unforeseen problems with contracting any of the pipeline grants, the overall portfolio at the end of the first funding round will total \$3.3 million (Table 3). Of the 28 active and pipeline grants, 12 are to local civil society organizations, accounting for 43 percent of the grants and 39 percent of the total grant amount. This indicates that the RIT has been successful in reaching out to local civil society organizations, who tend to be more difficult to reach and slower to respond to funding opportunities than international organizations. At the same time, there is an important role for international civil society organizations to play in delivering the CEPF program in the hotspot, especially by providing technical expertise for baseline surveys and building the capacity of local partners. As implementation proceeds, the proportion of funding going to local civil society is projected to increase, although CEPF and the RIT will need to maintain a balanced portfolio, leveraging the complementary capacities of different types of organization.

Table 3: Current status of the overall portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$698,433	\$315,049	\$1,013,482
SD2	\$0	\$0	\$0
SD3	\$0	\$0	\$0
SD4	\$706,334	\$69,489	\$775,823
SD5	\$1,500,000	\$0	\$1,500,000
Total	\$2,904,767	\$384,538	\$3,289,305

Around \$5.7 million remains to cover grant making under future funding rounds, comprising 68 percent of the allocation for Strategic Direction 1, 63 percent of the allocation for Strategic Direction 4 and 100 percent of the allocations for Strategic Directions 2 and 3 (Table 4). Assuming that the rate of grant making remains broadly comparable to that in the first round, the remaining balance can be expected to cover four more rounds of grants, with the last round being awarded in 2018. In actuality, there may be more funding rounds than this, for instance, if civil society organizations do not show interest in certain investment priorities, or if a deliberate decision is made to hold some funds back to respond to new threats and opportunities that may arise in the last years of the program.

Table 4: Current balance of CEPF funds allocated to the East Melanesian Islands Hotspot

Strategic Direction	Active plus pipeline grants	Allocation	Balance
SD1	\$1,013,482	\$3,200,000	\$2,186,518
SD2	\$0	\$1,000,000	\$1,000,000
SD3	\$0	\$1,200,000	\$1,200,000
SD4	\$775,823	\$2,100,000	\$1,324,177
SD5	\$1,500,000	\$1,500,000	\$0
Total	\$3,289,305	\$9,000,000	\$5,710,695

Excluding the RIT grants, the greatest concentration of active and pipeline grants is in the Solomon Islands, where there are 13, with a total budget of \$873,671. There are eight active and pipeline grants in PNG, with a total budget of \$382,270, while Vanuatu, the country with the fewest civil society organizations active at the national level, has only two grants, totaling \$99,800. Vanuatu is, nevertheless, covered by each of the five multi-country grants, which total \$433,564. During the first funding round, the short time period between establishing the RIT and announcing the calls for proposals did not allow much time for outreach to potential applicant organizations in the hotspot countries. For the second round, there will be a need to redouble efforts in this area, especially in Vanuatu, and to reach out to civil society organizations working at the provincial and site levels.

Coordinating CEPF Grant Making

IUCN is serving as the RIT for the East Melanesian Islands Hotspot. To perform the RIT role, IUCN is drawing upon the organization's extensive regional expertise and contacts, as well as its experience with grant making, particularly through the Mangrove Rehabilitation for Sustainably-Managed Healthy Forests (MARSH) Project, funded by USAID.

The work of the RIT is supported through two grants. The administrative grant is led by Luisa Tagicakibau, the Team Leader-Admin. Luisa reports to Helen Pippard, the Project Manager, who has principal responsibility for the programmatic grant. Helen reports, in turn, to Alan Saunders, the Project Coordinator, who has overall responsibility for oversight of the RIT and coordination with other IUCN initiatives. Luisa and Helen are supported by a Finance Assistant (Anjani Gosai) and a Project Assistant (to be recruited). Additional inputs are provided by Mark Borg, IUCN Oceania Regional Office's Strategic Partnerships, Project Development and GEF Advisor, who has responsibility for coordination with other donors active in the region.

The aforementioned team members are all based at the IUCN Oceania Regional Office in Suva, Fiji. According to the design of the RIT grants, the core team will be supported by Country Coordinators, covering the three countries in the hotspot. As of June 30, 2014, only one of the three Country Coordinators had been recruited: Gae Gowae for PNG. For the Solomon Islands and Vanuatu, interviews had taken place and IUCN is expected to have people in place soon. Recruitment of Country Coordinators has been challenging, particularly because the RIT grants contain sufficient funds to cover part-time positions only. To overcome this difficulty, IUCN has decided to make these into full-time positions, by combining the RIT role with work on other IUCN projects, especially MARSH and the MACBIO project on marine spatial planning.

As well as establishing an experienced, integrated team, IUCN has put in place the 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. These include a Technical Advisory Group (TAG), with eight members, representing key government departments and civil society organizations across the hotspot, and an External Review Panel (ERP), comprising three regional experts responsible for review of applications from IUCN members or Conservation International, or for amounts greater than \$250,000. 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 CEPF's environmental and social safeguard policies.

Performance Assessment

Since taking over the RIT role, IUCN has established a core team to implement the CEPF investment program, which is well integrated within its regional program. The first funding round was handled efficiently, with the first grants being contracted within six months of the application

deadline, and key stakeholders from the three hotspot countries, as well as regional actors, being engaged in the review process. The RIT members have quickly got to grips with CEPF's policies and procedures, and have provided clear guidance to applicants and grantees. IUCN is clearly well respected by civil society and government partners in the region, and has been able to facilitate good working relationships with key stakeholders, most notably the respective GEF Operational Focal Points. The RIT has also benefited from two rounds of training provided by the CEPF Secretariat, as well as from participation in a global RIT exchange event in Front Royal, Virginia, in September 2013.

The RIT managed the first funding round professionally and efficiently. In this regard, it was helped by restricted calls, only covering a few investment priorities, which kept the response to a manageable level. The calls for proposals (in English and French) were widely disseminated via an electronic mailing list, the IUCN and CEPF websites, various IUCN commission newsletters, and advertisements in the local press. The RIT also enlisted support from the Pacific Islands Association of NGOs (PIANGO) network to disseminate the calls.

The two calls generated 25 applications for small grants and 40 for large grants. There was a good geographic spread of applications among priority sites and countries, albeit with a lower response from Vanuatu, which is the smallest country in the hotspot and the one with the fewest conservation-focused civil society groups. Overall, 23 applications were received for projects in PNG, 19 for projects in the Solomon Islands, 10 for projects in Vanuatu and 13 for multi-country projects. International organizations submitted 38 applications, compared with 27 from local groups. Nevertheless, this was considered a good response, given the relatively limited number of local civil society organizations with prior experience of accessing international donor funding. Encouragingly, some community-based organizations came forwards, although unfortunately most were not working at CEPF priority sites, which made it difficult to support their applications without diverting resources away from the targets set in the portfolio logframe.

While the call was open, the RIT organized a proposal-writing training for civil society organizations in PNG. Eleven partners of the MARSH project attended a partners meeting, at the end of which two days of training on accessing CEPF resources were added. The training began with an introduction to the CEPF investment program in the East Melanesian Islands, followed by guidance on proposal writing, and ending with a practical exercise to develop draft proposals. Six of the organizations participating in the training applied under the first round, of which three groups (Mama Graun Conservation Trust Fund, Partners With Melanesians and University of PNG) were awarded small grants. In future rounds, such trainings will be replicated, and extended to the Solomon Islands and Vanuatu, with the aim of making CEPF funding accessible to a greater number of local organizations.

The review process for all applications was completed within two months. Successful large grant applicants were invited to submit full proposals, while successful small grant applicants were invited to provide supplementary information prior to contracting. With regard to success rates, 44 percent of small grant applications were successful (i.e. approved for award and currently contracted or in the pipeline), approximating to one application in two. A very similar proportion of large grant applications were successful (43 percent). This was a very high success rate, particularly considering that this was the first funding round in a hotspot with no previous CEPF grant making, and attests to the achievements of the RIT in reaching out to potential applicants and managing their expectations regarding the funding opportunity. It also bodes well for future funding rounds, because it suggests that civil society active in the East Melanesian Islands is able to respond to an opportunity of this type.

Portfolio Investment Highlights by Strategic Direction

Apart from the RIT grants, the first grants to be awarded under the new investment phase began implementation in only March 2014, with most of the grants active by June 30 having begun only in April or May. For most grants, the first few months of implementation were concerned with recruiting and training project staff, procuring necessary equipment and planning detailed activities with partners. Consequently, there have been few opportunities to achieve tangible conservation results, although it is expected that these will begin to materialize during the second half of 2014. By necessity, therefore, the following sections outline important results expected under each strategic direction, rather than summarizing impacts to date.

Strategic Direction 1

CEPF investment under this strategic direction aims to empower local communities to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under-served by current conservation efforts. The rationale for this strategic direction is that local communities, if appropriately organized and supported, are well placed to manage marine and terrestrial resources for conservation. In addition to being effective tools for conservation, community-based approaches also provide greater opportunities to engage civil society at all levels. In particular, by empowering local communities to make decisions regarding the management of natural resources, they can help strengthen and maintain community institutions, preserve traditional knowledge, and contribute to improved livelihoods.

To this end, CEPF will support efforts to conduct baseline surveys of priority sites that build government-civil society partnerships and bridge political boundaries (Investment Priority 1.1). To disseminate the results of these surveys to local communities, CEPF will also support efforts to raise awareness about the values of biodiversity and the nature of threats and drivers among local communities at priority sites (Investment Priority 1.2). These investment priorities will ensure that local communities are in a position to make informed decisions about management of biodiversity, and establish relationships of trust between them and other key actors. Building on these foundations, CEPF will then support local communities to design and implement locally relevant conservation actions that respond to major threats at priority sites (Investment Priority 1.3). To ensure the financial sustainability of these actions, CEPF will support civil society to demonstrate conservation incentives (ecotourism, payments for ecosystem services, conservation agreements, etc.) at priority sites (Investment Priority 1.4).

To date, seven large grants and three small grants have been contracted under Strategic Direction 1, with a further three large and four small grants in the pipeline. These 17 projects directly address two of the five targets for Strategic Direction 1 set out in the portfolio logframe: (i) baseline surveys completed for at least 10 priority sites; and (ii) awareness of the values of biodiversity and the nature of threats and drivers raised among local communities within at least 10 priority sites. Assuming that they are implemented successfully, the active and pipeline grants under Strategic Direction 1 will complete baseline surveys for 16 priority sites and raise awareness among local communities at 18 priority sites, thus greatly exceeding the logframe targets. Sixty-eight percent of the funds remain to meet the three remaining targets under this strategic direction, which seems sufficient. It should be noted that for two of the four priority sites for which baseline surveys are not planned under the first round of grants (East Rennell and Santo Mountain Range) significant amounts of baseline data are already available. The major geographic gap in the portfolio to date appears to be Cape Saint George on New Ireland, which is not covered by any activities. Identifying suitable partners working at this site will be a priority for future funding rounds.

Strategic Direction 2

CEPF investment under this strategic direction aims to integrate biodiversity conservation into local land-use and development planning. The rationale for this strategic direction is that community-based conservation risks being undermined by incompatible development and land-use decisions, such as expansion of commercial logging, plantations or mining. These threats are driven by international market demand for timber, metals and agricultural commodities, and national governments' need to generate foreign exchange. These drivers are compounded by a lack of integration of the economic values of biodiversity and ecosystem services into land-use and development planning. Consequently, there is a pressing need to support such integration, particularly at the local level, where national policies and development trends are played out.

To this end, CEPF will support civil society organizations to conduct participatory ownership and tenure mapping of resources within customary lands at priority sites (Investment Priority 2.1). Clarifying ownership and tenure arrangements will make it more difficult for companies to gain access to natural resources by circumventing collective decision-making processes and working directly with local elites. These efforts will be complemented by support for legal training and support to communities for effective enforcement of environmental protection regulations (Investment Priority 2.2). In addition to strengthening the voice and legal rights of local communities in land-use and development decision making, CEPF will also support civil society organizations to explore partnerships with private companies to promote sustainable development through better environmental and social practices in key natural resource sectors (Investment Priority 2.3).

This strategic direction was not covered by the first funding round. Consequently, there are currently no active or pipeline grants. The first grants under this strategic direction are expected to be awarded under the second round.

Strategic Direction 3

CEPF investment under this strategic direction aims to safeguard priority globally threatened species by addressing major threats and information gaps. The rationale for this is that a number of globally threatened species have conservation needs that are not fully addressed by habitat protection, especially control of over-exploitation and control of invasive species. This gap is compounded by a heavy focus of conservation investment in the hotspot on ecosystem-based approaches, meaning that very limited resources are available for species-focused conservation.

To this end, CEPF will support efforts to conduct research on six globally threatened species for which there is a need for greatly improved information on their status and distribution (Investment Priority 3.1). For the remaining 42 priority species, for which extant populations are known, CEPF will support civil-society-led efforts to develop, implement and monitor species recovery plans (Investment Priority 3.2). In addition, for selected priority species that are important to local food security and have populations able to support regulated harvest, CEPF will support the introduction of science-based harvest management (Investment Priority 3.3).

As with the previous strategic direction, Strategic Direction 3 was not covered by the first funding round. Consequently, there are currently no active or pipeline grants. The first grants under this strategic direction are expected to be awarded under the second round.

Strategic Direction 4

CEPF investment under this strategic direction aims to increase local, national and regional capacity to conserve biodiversity through catalyzing civil society partnerships. Capacity building is required to ensure the effective delivery of the other components of the investment strategy.

Beyond this immediate need, a stronger civil society sector, led by conservation leaders drawn from within the hotspot, is essential for securing the impacts of CEPF projects into the long term, in the face of new pressures emerging from future social, political, economic and climatic changes.

To this end, CEPF will support efforts to strengthen the capacity of local and national civil society organizations in financial management, project management and organizational governance (Investment Priority 4.1). It will also provide core support for the development of civil society organizations into national and regional conservation leaders (Investment Priority 4.2). Finally, CEPF will support efforts to strengthen civil society capacity in conservation management, science and leadership through short-term training courses at domestic academic institutions (Investment Priority 4.3), and thereby increase the pool of trained and motivated individuals that civil society organizations can draw on.

To date, six large grants and three small grants have been contracted under Strategic Direction 4, with a further one large and one small grant in the pipeline. These 11 projects directly address all four targets for Strategic Direction 1 set out in the portfolio logframe: (i) at least five civil society networks enable collective responses to priority and emerging threats; (ii) at least 20 domestic civil society organizations demonstrate improvements in organizational capacity; (iii) at least two civil society organizations emerge as national conservation leaders in each hotspot country; and (iv) at least 30 conservationists demonstrate strengthened capacity in conservation management, science and leadership. Assuming that they meet their objectives, the active and pipeline grants under Strategic Direction 4 will enable seven civil society networks to respond collectively to threats, strengthen the capacity of 31 domestic civil society organizations, support the emergence of two organizations as national conservation leaders in both PNG and the Solomon Islands and one in Vanuatu, and strengthen the capacity of at least 19 conservationists. With 63 percent of the available funds under this strategic direction remaining, there is every reason to be confident that the portfolio-level targets will be met or exceeded. The main challenge going forwards will be to identify additional local organizations with the potential to emerge as national conservation leaders, especially in Vanuatu, where organized civil society appears to be less developed than elsewhere in the hotspot.

Strategic Direction 5

CEPF investment under this strategic direction aims to provide strategic leadership and effective coordination of conservation investment through a Regional Implementation Team. This strategic direction provides for the establishment of an RIT, to translate the vision in the ecosystem profile into a cohesive portfolio of grants that exceeds in impact the sum of its parts. To this end, funding was allocated for two RIT grants: 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 5.1); 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 5.2). As previously described, these grants were awarded to IUCN, which is currently acting as the RIT for the East Melanesian Islands.

Collaboration with CEPF Donors

As mentioned earlier, the RIT has established a TAG to provide transparency and quality control for the grant-making process, to build ownership of the CEPF grant portfolio among key stakeholders and to facilitate uptake of results into national policy processes. TAG members have already proven useful for discriminating strong from weak applications, identifying potential synergies with other initiatives, and ensuring alignment with local and national government

priorities. The GEF Operational Focal Points, or their representatives, in the three hotspot countries are members of the TAG. Alignment between CEPF investments and those of the GEF is also being assured through regular consultations between the RIT and the respective UNDP/GEF Small Grants Program Coordinators.

As this is only the first year of implementation, few results have emerged from work on the ground. As implementation progresses, the RIT will collaborate more closely with regional staff of CEPF donor partners based in the region, including: the European Union delegations to PNG, the Solomon Islands and Vanuatu; the French Embassies in PNG and Vanuatu; the Japan International Cooperation Agency (JICA) offices in PNG, the Solomon Islands and Vanuatu; and the World Bank offices in PNG and the Solomon Islands. These interactions will enable sharing of results and identification of possible synergies. One such opportunity that has already been identified is the Tina River Hydropower Development Project of the Solomon Islands government, financed by the World Bank. CEPF grants to the American Museum of Natural History and the University of the South Pacific have engaged the best available international and national expertise to help design community-based protected areas to protect the upper catchment of the planned dam, within the Guadalacanal Watersheds priority site.

Conclusion

The CEPF investment program in the East Melanesian Islands Hotspot is off to a good start. The first calls for proposals elicited responses from a broad cross-section of civil society organizations, from within as well as outside of the region. This has enabled the award of grants addressing all investment priorities included in the scope of the calls, with a good geographic spread across the three countries in the hotspot, albeit with a greater concentration in PNG and the Solomon Islands than in Vanuatu. In particular, it is encouraging that 43 percent of the grants approved for award will go to local organizations, ranging from established NGOs based in capital cities to community-based organizations and other grassroots groups.

Although a balanced grant portfolio is being to take shape, it is still early days. The 30 active and pipeline grants have a total budget of nearly \$3.3 million, equivalent to one-third of the total funding allocation for the hotspot. When one considers that the two RIT grants account for around half of this figure, there is clearly still some way to go before the grant portfolio is fully developed. From the development of the ecosystem profile onwards, it has always been the intention to develop the grant portfolio gradually, in order to enable investments in capacity building to increase the number and ability of domestic civil society organizations at different levels, and enable them to play a leading role in implementation of the program, thereby ensuring its long-term sustainability. In this regard, development of the CEPF investment portfolio in the East Melanesian Islands Hotspot is proceeding on schedule.

Charts – CEPF Investment in the East Melanesian Islands Hotspot as of June 30, 2014

Chart 1. Approved Grants by Strategic Direction

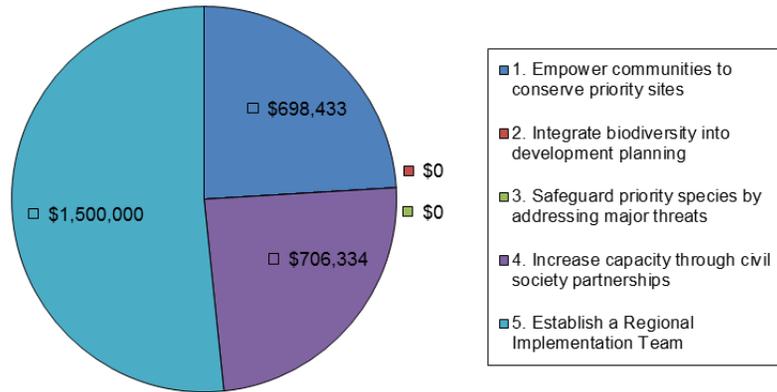


Chart 2. Approved Grants by Country and Strategic Direction

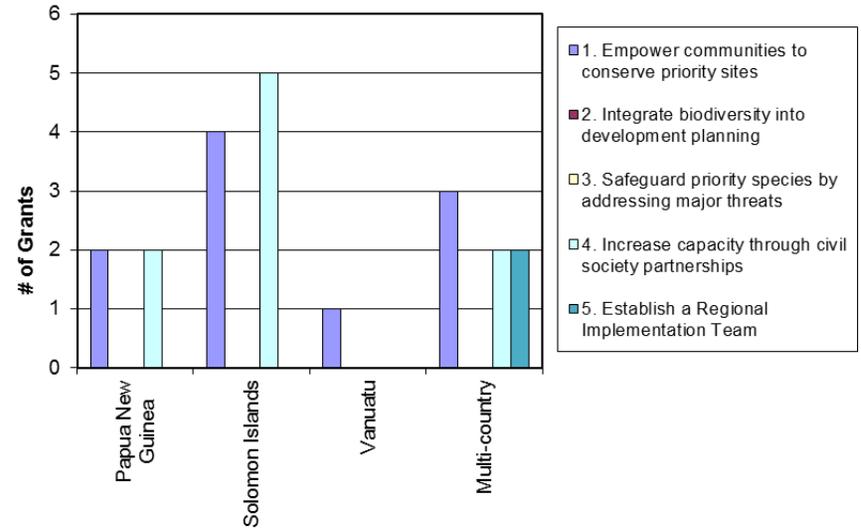


Chart 3. Portfolio Status by Strategic Direction

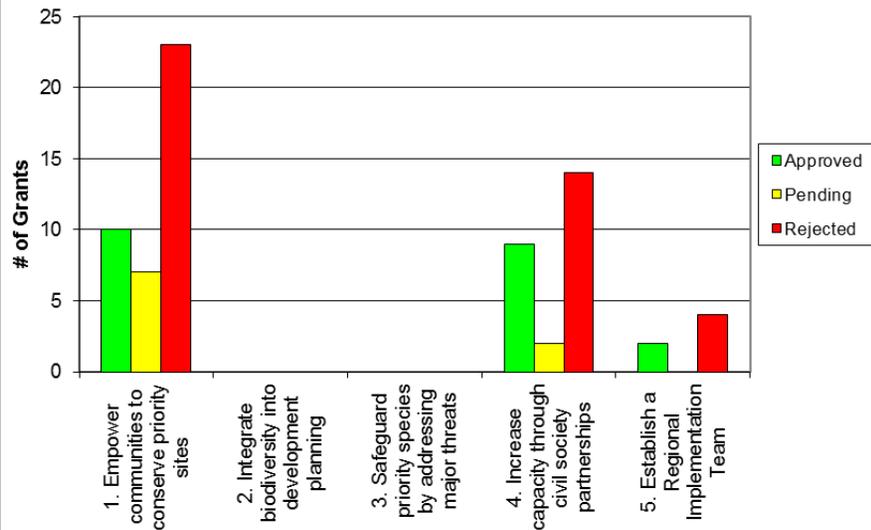
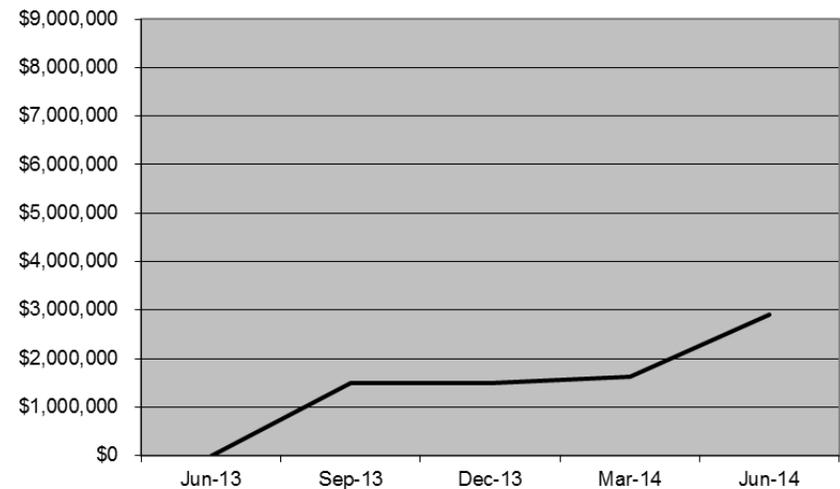


Chart 4. Combined Value of Grants Awarded



Annex 1 – Update of the Logical Framework for CEPF Investment in the East Melanesian Islands

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>20 key biodiversity areas covering 1,549,009 hectares have new or strengthened protection and management.</p> <p>At least 100,000 hectares within production landscapes are managed for biodiversity conservation or sustainable use.</p> <p>At least 5 local land-use or development plans influenced to accommodate biodiversity.</p> <p>48 globally threatened species have improved conservation status and/or available information on status and distribution.</p> <p>At least 10 partnerships and networks formed among civil society, government and communities to leverage complementary capacities and maximize impact in support of the ecosystem profile.</p>	<p>No progress to date.</p> <p>No progress to date.</p> <p>No progress to date.</p> <p>Active and pipeline grants propose to make information available on the status and distribution of 3 globally threatened species:</p> <ul style="list-style-type: none"> • Guadalcanal rat. • Emperor rat. • Vanikoro flying-fox. <p>Active and pipeline grants propose to form 5 partnerships and networks to leverage complementary capacities and implement collaborative initiatives:</p> <ul style="list-style-type: none"> • Network of international groups building capacity of Solomon Islands Community Conservation Partnership. • Network of partners to undertake biological and socio-economic assessment of Guadalcanal Watersheds KBA. • Solomon Islands Protected Areas Network. • Partnership of local groups in the Solomon Islands to coordinate conservation action for priority sites. • Partnership of local groups in Vanuatu to coordinate conservation action for priority sites.

Intermediate Outcomes	Intermediate Indicators	Progress
	At least 40 civil society organizations, including at least 30 domestic organizations, actively participate in conservation actions guided by the ecosystem profile.	19 civil society organizations, including 8 domestic organizations have been awarded CEPF grants. Applications from a further 9 groups, including 4 domestic groups are in the pipeline.
<p>Outcome 1: Local communities empowered to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under served by current conservation efforts.</p> <p>\$3,200,000</p>	<p>Baseline surveys completed for at least 10 priority sites.</p> <p>Awareness of the values of biodiversity and the nature of threats and drivers raised among local communities within at least 10 priority sites.</p> <p>Threat levels to at least 15 priority sites reduced through locally relevant conservation actions implemented by local communities.</p> <p>Conservation incentives (ecotourism, payments for ecosystem services, conservation agreements, etc.) demonstrated for at least 5 priority sites.</p> <p>At least 75 percent of local communities targeted by site-based projects show tangible wellbeing benefits.</p>	<p>Active and pipeline grants propose to undertake biodiversity surveys of 16 priority sites.</p> <p>Active and pipeline grants propose to raise awareness among long communities at 18 priority sites.</p> <p>No progress to date.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 2: Biodiversity conservation integrated into local land-use and development planning.</p> <p>\$1,000,000</p>	<p>Ownership and tenure rights within customary lands mapped for at least 5 priority sites.</p> <p>At least 10 communities affected by incompatible development projects provided with legal training and support.</p>	<p>No progress to date.</p> <p>No progress to date.</p>

	<p>At least 3 partnerships catalyzed between civil society organizations and natural resource companies to promote sustainable development through better environmental and social practices.</p> <p>Biodiversity and ecosystem service values of at least 5 priority sites integrated into local land-use and/or development plans and policies.</p>	<p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 3: Priority globally threatened species safeguarded by addressing major threats and information gaps.</p> <p>\$1,200,000</p>	<p>Knowledge of the status and distribution of at least 5 priority species improved through research</p> <p>Species recovery plans developed, implemented and monitored for at least 20 priority species.</p> <p>Science-based harvest management introduced for at least 3 priority species important to local food security.</p>	<p>Active and pipeline grants propose to improve knowledge of the status and distribution of 3 priority species.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 4: Local and national capacity to conserve biodiversity increased through civil society partnerships.</p> <p>\$2,100,000</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 two civil society organizations emerge as national conservation leaders in each hotspot country.</p>	<p>Active and pipeline grants propose to strengthen or establish 7 civil society networks.</p> <p>31 domestic civil society organizations supported through active and pipeline grants are expected to demonstrate improvements in organizational capacity.</p> <p>Active and pipeline grants propose to support 5 organizations to emerge as national conservation leaders:</p> <ul style="list-style-type: none"> • Partners With Melanesians (PNG). • PNG Institute of Biological Research. • Solomon Islands Community Conservation Partnership. • Solomon Islands Protected Areas Network. • Vanuatu Environment Advocacy Network.

	At least 30 conservationists demonstrate strengthened capacity in conservation management, science and leadership.	Active and pipeline grants propose to strengthen the capacity of at least 19 conservationists in conservation management, science and leadership.
<p>Outcome 5: A Regional Implementation Team provides strategic leadership and effectively coordinates CEPF investment in the East Melanesian Islands Hotspot.</p> <p>\$1,500,000</p>	<p>At least 40 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 20 civil society organizations supported by CEPF secure follow-up funding from conservation trust funds and/or the GEF Small Grants Programme.</p> <p>At least 2 participatory assessments are undertaken and lessons learned and best practices from the hotspot are documented.</p>	<p>19 civil society organizations, including 8 domestic organizations have been awarded CEPF grants. Applications from a further 9 groups, including 4 domestic groups are in the pipeline. In addition, 1 domestic organization has been engaged via a sub-grant.</p> <p>Baseline civil society tracking tools have been completed by six domestic civil society organizations receiving grants or sub-grants.</p> <p>No progress to date.</p> <p>No progress to date.</p>
Strategic Funding Summary	Amount	
Total Budget Amount	\$9,000,000	