



Annual Portfolio Overview Madagascar and Indian Ocean Islands February 2015 – June 2015

Introduction

While the different islands of the hotspot share specific biogeographical features, they form a single unit characterized by a wide disparity in scale in terms of both land mass and human population.

Madagascar, an island-continent, makes up about 95 percent of the hotspot's land area and is home to about 98 percent of the population, overwhelming the three island groups of Comoros, Seychelles, the Mascarene Islands (comprising La Réunion, Mauritius and Rodrigues) and other scattered islands in the Western Indian Ocean in those respects.

The hotspot has often been considered a priority among hotspots, because of its extreme diversity—with about 15,000 plant species, of which more than 12,000 are endemic—and because of the high-level taxonomic endemism, which demonstrates distinct evolutionary mechanisms related to the isolation of the hotspot. The area also qualifies as a hotspot due to a very high level of degraded natural ecosystems. While human well-being and economic development rely heavily on ecosystems, the environment of the hotspot is under immense threat. Humans have deeply disturbed ecosystems and biodiversity across the hotspot for centuries, but today enhanced anthropogenic pressures due to population growth and exacerbated by climate change seriously threaten the already degraded and often fragmented ecosystems. Deforestation and habitat loss continue at an alarming rate in Madagascar and the Comoros, mostly as a response to the need for farmland and energy for the growing local communities. Wild species are overexploited for local consumption or international markets—a situation that is especially a concern in regard to coastal resources, which provide a majority of the protein for the hotspot's people. In Madagascar, the mining industry, while in a position to provide economic benefits to the country, also threatens sites of high biodiversity value.

Focusing on 38 priority Key Biodiversity Areas (among the 369 identified in the region), CEPF intends to enable a stronger voice, influence and action by civil society in the region, to tackle the immense environmental challenges of the hotspot. CEPF considers strengthening the conservation community, at local, national and regional level, as an important element for safeguarding the natural wealth of the Madagascar and Indian Ocean Islands Hotspot.

Annual Portfolio Overviews (APOs) aim at providing an update on progress of CEPF's investment strategy. This particular APO covers progress in the Madagascar and Indian Ocean Islands Hotspot from February 1st 2015 to June 30th 2015.

CEPF is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank. The investment in the Madagascar and Indian Ocean Islands Hotspot benefits from an additional contribution from the Leona M. and Harry B. Helmsley Charitable Trust.

Figure 1. General Map of the Madagascar and Indian Ocean Islands Hotspot



I- Niche for CEPF Investment

1. Overview

The CEPF niche for investment has been formulated through an inclusive participatory process involving the national, subregional and expert consultations during the Ecosystem Profiling process which took place in 2013-2014. The niche is also based on a geographical prioritization process to reduce the number of KBAs and corridors to a level commensurate with the funding that is likely to be available. This process has involved the interplay of several criteria, namely biodiversity priority, past and current donor investment levels, protection status, significant threats and provision of ecosystem services.

The CEPF niche in the hotspot has been defined to take advantage of CEPF's ability to provide variable levels of funding, in particular with its small grants mechanism. In this context, the niche would enable CEPF to support the emergence and strengthening of local organizations that could work toward the implementation of site-based conservation actions, maximizing the chances of local ownership, and work hand in hand with other economic sectors and government to support mainstreaming of biodiversity conservation in development policies and business practices. CEPF is also ideally positioned to support concrete regional collaborations among the civil society organizations of the hotspot, maximizing the wealth and diversity of experiences developed—so far in isolation—within the hotspot and using the heterogeneity of the regions to their benefit, fostering the emergence of a regional conservation community.

In terms of geographical focus, the consultations resulted in a plan to primarily focus on seven priority corridors or clusters in Madagascar, plus three other sites, totaling 38 priority KBAs in Madagascar, and 19, 9 and 12 priority KBAs for the Comoros, Mauritius and the Seychelles, respectively. Most of these sites focus on ecosystems that have extraordinary biodiversity but so far have been underfunded relative to other ecosystems: the wetlands and freshwater bodies, the dry forests, and coastal and near-shore marine areas.

The following four strategic directions and 10 investment priorities will guide CEPF's five-year investment in the region. The national workshops made initial suggestions for strategic directions that were reconsidered and prioritized during the subregional workshops and finalized through discussions based on the other considerations described above and detailed in the profile.

Strategic Directions	Investment Priorities
1. Empower local communities to protect and manage biodiversity in priority key biodiversity areas.	1.1 Provide the necessary technical and financial support in designing and implementing natural resources conservation and management measures adapted to the local context, taking into consideration local development needs. 1.2 Support the development of economic models to improve both livelihoods and biodiversity conservation. 1.3 Build the technical, administrative and financial capacity of local grassroots organizations and their partners.
2. Enable civil society to mainstream biodiversity and conservation into political and economic decision-making.	2.1 Support local research institutions to improve basic knowledge on biodiversity of priority KBAs and corridors. 2.2 Support civil society to disseminate biodiversity information and influence political and economic decision-makers in favor of biodiversity and conservation priorities. 2.3 Explore partnerships with private sector stakeholders to promote sustainable practices that deliver positive impacts for conservation.
3. Strengthen civil society capacity at	3.1 Foster the emergence of a new generation of conservation

<p>local and regional levels through training, exchanges and regional cooperation.</p>	<p>professionals and organizations by small grants assistance for technical and practical training.</p> <p>3.2 Encourage exchanges and partnerships between civil society organizations to strengthen conservation knowledge, organizational capacity, and management and fundraising skills.</p>
<p>4. Provide strategic leadership and effective coordination of CEPF investment through a regional implementation team.</p>	<p>4.1 Make operational and coordinate the allocation and monitoring process of the CEPF grants to ensure effective implementation of the strategy.</p> <p>4.2 Foster the emergence of a conservation community beyond institutional and political boundaries to achieve conservation objectives.</p>

The Implementation of CEPF Strategy started in February 2015, when the Regional Implementation Team was recruited. The overall budget available for the Hotspot is \$8.265 million, comprising an allocation from the CEPF global donors supplemented by additional funds from the Leona M. and Harry B. Helmsley Charitable Trust.

2. Coordinating CEPF Grant Making

Following a competitive process in the second half of 2014, CEPF recruited Tany Meva as Regional Implementation Team (RIT) for the Madagascar and Indian Ocean Islands Hotspot. Tany Meva is a Malagasy foundation created in 1996 with the objective to support civil society organizations in Madagascar to develop community-based management and sustainable use of natural resources. Since inception, Tany Meva has supported over 1,700 projects for a total amount of more than \$14.4 million, on issues covering reforestation, renewable energy, alternative livelihood activities, biodiversity conservation or environmental education.

The core team of the RIT is composed as follows:

Ravaka Ranaivoson is the RIT Lead. An economist by training, Ravaka has 14 years' experience in grant making and support to civil society organizations. Ravaka is in charge of coordinating the RIT: preparing the call for proposals, supervising the Project Officers, piloting the communication and outreach, reporting to CEPF. She is supported by an administration and finance assistant (to be recruited). Ravaka is supported by three part-time Project Officers, in charge of direct monitoring of small and large projects in their respective geographical zones.

Aina (Rakotoniaina) Hantavololona is a forestry engineer by training and in charge of Madagascar's Far North corridor and the Comoros.

Miara Rajaobelina, a geographer by training, is in charge of the Madagascar's Western corridor, Southern corridor and Highlands cluster.

Manitra (Herimanitra Abigaile) Randrianarijaona, an agronomist by training, follows projects in Mauritius and the Seychelles.

This team of Project officers will be complemented by a **Focal Person for the Comoros**, who will be employed part-time to reach out to and support the Comorian civil society organizations during preparation and implementation of their projects. This person will also be in charge of liaising regularly with Comorian authorities and donors supporting environmental programs in the country.

The core team is supported by the finance team of Tany Meva, and in particular **Hasina (Hasimbony) Randriamalalandro** for the financial management of CEPF programme (full time) under supervision of **Haingo Ratsimbazafy. Rija (Rijaharivony) Andriamasimanana** supports the team for all issues pertaining to monitoring and evaluation. Finally, **Elodie Randrianarijaona** will be in charge of external communication. Other members of Tany Meva, including the foundation's Executive Director **Tovondriaka Rakotobe**, also play a critical role in implementation of CEPF activities.

3. Portfolio Status to date

The CEPF portfolio in the MAD-IO hotspot is still, at the end of June 2015, at a very early stage. The most important grant is the one to Regional Implementation Team – Tany Meva – for an amount of \$1.425 million over five years (Strategic Direction 4).

A first call for proposals for Large Grants, covering Strategic Directions 2 and 3, was launched prior to RIT recruitment, in December 2014, with a deadline at the end of January 2015. Eighty Letters of Inquiry (LoIs) were received for this call, from all eligible countries. The RIT and CEPF Secretariat reviewed all the LoIs and processed three grants for contracting by the end of the fiscal year: One in the Comoros with Comorian organization Dahari, and two for Madagascar, with IUCN (International Union for Conservation of Nature) and Wildlife Conservation Society (WCS) Madagascar Program. These three projects, under SD2, come to a total of \$579,638. Seventeen other LoIs have been selected, with full proposals under preparation at the end of the fiscal year.

Another project, for an amount of \$20,000, was approved under the emergency procedure, allowing BirdLife International and local partners to take urgent actions to understand and fight the spread of an emerging disease affecting Seychelles' Magpie Robin, an endangered endemic bird.

No small grant has been awarded during the period covered by this report, as the RIT focused in the first few months on setting up the operating systems and procedures, and to support selection and preparation of Large Grants. A first Call for Proposals under the Small grant mechanism is scheduled for the second half of 2015.

Table: Grant-making Status by Strategic Direction, June 2015

Strategic Direction		Budget Allocation	Contracted Grants			Budget balance	% Contracted
			Total Amount	No. of Large grants	No. of Small grants		
SD1	Empower local communities to protect biodiversity	\$ 3 100 000	\$ 599 638	4	0	\$ 2 500 362	19%
SD2	Maintream conservation into political and economic decision making	\$ 2 200 000	\$ -	0	0	\$ 2 200 000	0%
SD3	Strengthen Civil Society at local and regional level	\$ 1 465 000	\$ -	0	0	\$ 1 465 000	0%
SD4	Regional Implementation Team	\$ 1 500 000	\$ 1 425 000	1	0	\$ 75 000	95%
TOTAL		\$ 8 265 000	\$ 2 024 638	5	0	\$ 6 240 362	24%

II- Performance of CEPF Investment

1. Assessment

The first months of implementation have been mostly focused on setting up the basis for the investment phase, and in particular, to provide the RIT staff with all the necessary support to perform their tasks. To this end, an initial training was organized for the RIT the first week of March 2015 in Antananarivo. In June, the RIT Team Leader and Monitoring and Evaluation Expert participated to the Final Assessment Workshop of CEPF investment in the Western Ghats hotspot in India, an opportunity for these new members of the CEPF community to get feed back from their peers of another RIT.

The team also put an emphasis on out-reach, with official launching ceremonies in Madagascar (March 6th) and Comoros (outreach mission from 7th to 11th of March). Numerous contacts have been established with civil society organizations working in or close to CEPF priority Key Biodiversity Areas in Madagascar.

Four grants have been allocated before June 2015, with an additional 14 proposals in preparation. The first grants in Madagascar focus on nation-wide projects, designed to fill up information gaps on specific issues, which were identified in the Ecosystem Profile as major bottlenecks for improving and influencing decision-making. It is important that such grants be implemented early on during the investment phase, as the results could be used in future projects. This is the case of the IUCN project on Freshwater Key Biodiversity Areas Assessment, or the Vahatra project (under preparation) on updating information of Madagascar's protected areas.

III- Collaboration with CEPF's donors and other funders

The CEPF Secretariat has paid a specific attention to contacting and informing the local representatives of the CEPF Donors in the region during the first months of implementation, paving the way for future collaboration during investment phase. This include meetings with:

- Mr Akira Nishimoto, from **JICA** office in Madagascar, covering the Indian Ocean Islands, in March 2015.
- Mme Laure Quentin de Gromard, Environment Officer at **Agence française de Développement** in Madagascar, and Mme Ali Bicarima, from the AFD office in the Comoros, in March 2015. A meeting was also organized with Mme Nadège Lagardère from the Cooperation Service of the **French Embassy in the Comoros**.
- Several exchanges took place with Giovanni Ruta, in charge of Environment projects at the **World Bank** Office in Madagascar. Paul-Jean Feno, safeguards specialist at the WB office in Madagascar, also participated to the session on safeguards during the initial RIT training.
- The RIT and CEPF Secretariat have been meeting with representatives of the **European Commission** offices, namely Marie-Ange Bonnescuelle de Lespinois in the Comoros, and Tom Leemans in Madagascar.
- The CEPF grant director met on several occasions with **Conservation International's** Vice President, director of Madagascar Office, Leon Rajaobelina, and the CI team in Madagascar – which supported the RIT on several occasions, in particular for the organization of the launching events.

- The **Global Environment Facility (GEF)** focal points in all four countries have been regularly informed by the Secretariat and the RIT, and meeting organized in the Comoros with UNDP representatives Said Youssef Mbechezi and Adame Hamadi, in charge of the GEF Small Grant Program.

Following up on preliminary contacts in 2014, the CEPF Secretariat prepared a proposal to the **Leona M. and Harry B. Helmsley Charitable Trust**, which resulted in HCT joining the CEPF partnership as a Regional Donor in support of projects in Madagascar.

Conclusion

This Annual Portfolio Overview covers only the first 5 months of the new investment phase of CEPF in the Madagascar and Indian Ocean Islands Hotspot. In such a short period of time, no conservation results could be observed. The focus during this period of time has rather been on preparing the ground for the investment phase: recruiting and training the Regional Implementation Team, setting up processes and systems, reaching out to civil society organizations in all four eligible countries, and communicating with CEPF donors, governmental authorities and other partners to ensure synergies. Four grants have been awarded, while a dozen more are in preparation. The basis is now in place for a full-speed implementation in the coming years, enabling CEPF and the Regional Implementation Team, Tany Meva, to support civil society in their efforts to preserve the incredible natural resources of the Hotspot.

Annex I – Progress Against the Logical framework

Objective	Targets	Progress to date (June 2015)
<p>Engage civil society in the conservation of globally threatened biodiversity through targeted investments with maximum impact on the highest conservation priorities.</p> <p>Total amount: \$ 7,500,000</p>	<p>40 Key Biodiversity Areas, covering 2.8 million hectares, have new or strengthened protection and management.</p> <p>At least 10 Key Biodiversity Areas that were unprotected or under temporary protection gain officially declared permanent protected status, covering 1 million hectares.</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>At least 40 civil society organizations, including at least 30 local organizations, actively participate in conservation actions guided by the ecosystem profile.</p>	<p><i>4 organizations, including 1 local organization, have been granted projects to actively participate in conservation activities guided by the ecosystem profile</i></p>
<p>Outcome 1:</p> <p>Local communities empowered to protect and manage biodiversity at priority Key Biodiversity Areas.</p> <p>\$ 2,700,000</p>	<p>Threat levels to at least 25 priority sites reduced through locally relevant conservation actions implemented by local communities.</p> <p>Awareness of the values of biodiversity and the nature of threats and drivers raised among local communities in at least 25 priority sites.</p> <p>Effective participation of local communities in the management of at least 10 new protected areas at priority sites.</p> <p>Mechanisms for effective participation of private landowners in improved biodiversity management on private lands for at least four priority sites.</p> <p>Economic tools and models improving livelihoods while preserving natural capital and biodiversity (ecotourism,</p>	<p><i>No progress to date</i></p>

	<p>payments for ecosystem services, conservation agreements, etc). piloted and implemented in at least eight priority sites.</p> <p>At least 75 percent of local communities targeted by site-based projects show tangible well-being benefits.</p> <p>Capacities of local community organizations in charge of conservation and local development improved in at least 20 sites, allowing for increased sustainability and efficiency of these organizations.</p>	
<p>Outcome 2:</p> <p>Civil society organizations have enhanced the knowledge base for biodiversity conservation and influence decision-makers for improved mainstreaming of biodiversity conservation.</p> <p>\$ 2,000,000</p>	<p>Baseline studies, inventories and mapping of important biodiversity areas completed for at least six sites—with at least three sites in the Comoros.</p> <p>At least three platforms or dialogues positively engaging stakeholders from development agencies, government and local authorities and private sector, in place and delivering results for mainstreaming biodiversity in decision-making.</p> <p>Civil society actively participating in and influencing at least five local development strategies, environmental impact assessments or other appropriate decision processes.</p> <p>At least 12 national organizations improve their skills in advocacy and engagement with authorities and/or private sector.</p> <p>At least five partnerships between civil society organizations and private sector companies or professional organizations lead to concrete actions benefitting biodiversity conservation.</p>	<p><i>No progress to date</i></p>
<p>Outcome 3:</p> <p>Regional and national capacity to conserve biodiversity increased through civil society partnerships, within the</p>	<p>At least 40 community leaders and/or development professionals with improved capacities and engagement to preserve biodiversity.</p> <p>At least 15 students—including at least six from the Comoros—successfully achieve a degree in a field related to conservation.</p>	<p><i>No progress to date</i></p>

<p>conservation community and with other stakeholders.</p> <p>\$ 1,300,000</p>	<p>At least 12 organizations engaged in a lasting mentoring or partnering relationship at the regional level.</p> <p>At least one regional network is created or reinforced allowing exchange of experience and mutual support at the regional level, enabling collective responses to priority and emerging threats.</p> <p>At least 20 local civil society organizations demonstrate improvements in organizational capacity, project development and institutional fundraising.</p>	
<p>Outcome 4:</p> <p>A regional implementation team provides strategic leadership and effectively coordinates CEPF investment in the Madagascar and Indian Ocean Islands Hotspot.</p> <p>\$ 1,500,000</p>	<p>At least 40 civil society organizations, including at least 30 local organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 80 percent of local 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 other donors.</p> <p>At least two participatory assessments are undertaken and lessons learned and best practices from the hotspot are documented.</p>	<p><i>The regional implementation team, Tany Meva, has been recruited and received initial training.</i></p>

Annex 2: Contracted Grants to date

Zone of Implementation	Strategic Direction	Applicant/ Grantee	Title	Total	Start	End
Comores	SD2	Dahari	Identifying and Monitoring Terrestrial Conservation Priorities in the Comoro Islands, and Building Results into Policy and Practice	\$175,000	July 2015	Feb. 2018
Madagascar	SD2	IUCN	Mobilising Freshwater Biodiversity Information for Better Representation within Protected Areas in Madagascar	\$226,835	July 2015	Aug. 2017
Madagascar	SD2	WCS Madagascar	Fulfilling Madagascar's 'Sydney Promise' through a National Process of Marine Protected Area Planning	\$177,803	July 2015	Dec. 2016
Seychelles	SD2	BirdLife International	Seychelles Magpie Robin Project	\$20,000	Jun. 2015	Nov. 2015
Regional	SD4	Tany Meva	Regional Implementation Team	\$1,425,000	Feb. 2015	Jan. 2020