

Annual Portfolio Overview
Maputaland-Pondoland-Albany Biodiversity Hotspot
October 2012

I. Introduction

Stretching along roughly 800 miles of the Indian Ocean coast and 200 miles inland to the Great Escarpment, from Port Elizabeth in South Africa's Eastern Cape Province, north through KwaZulu-Natal, further covering much of Swaziland and southern Mozambique, the Maputaland-Pondoland-Albany Hotspot is characterized by an endemic vegetation type called subtropical thicket. Subtropical thicket – a condensed forest of thorny trees, shrubs, and vines – is an ecosystem driven by elephants, black rhino, and Cape buffalo that trample down paths and disperse seeds through their digestive tracks.

The region is named for its three main centers of endemism: Maputaland in the north, typified by lush riverine and estuary habitats, diverse savannah, foothill grasslands, and dune forests; Pondoland in the middle, typified by a matrix of forests, grasslands, and rushing river valleys; and Albany in the south, typified by thickets and ecotones that shade into the *fynbos* of the Cape Floristic and the plants of the Succulent and Nama Karoo habitats. There are 1,900 endemic plant species in the hotspot, of which 534 are either Vulnerable, Endangered, or Critically Endangered per the IUCN Red List. While vertebrate diversity and endemism are lower than that of plants, they are still remarkable. Furthermore, the sub-equatorial waters are centers of diversity for sharks, rays, skates, and coastal fish. In addition to the endemic species, the region is also home to the many charismatic species – lions, elephants, hippos – that characterize the classic African safari tourism experience.

The political and cultural landscapes are as varied as the biological diversity. Approximately 18 million people live in the portions of the three countries that fall within hotspot boundaries. Portuguese-speaking Mozambique, stable after several years of post-colonial turmoil and with some unusual legacies regarding land ownership from its past socialist government, is less developed than its neighbors, but is aggressively courting overseas investment – particularly from China – around its mineral wealth. Swaziland is a monarchy whose economy and land have been dominated by a relative few corporate, tribal, and individual interests. South Africa's KwaZulu-Natal Province, with the major commercial center of Durban, is a long-standing center of wealth and development in the country and is home to globally renowned protected areas. The Eastern Cape Province, on the other hand, has suffered more from the legacy of apartheid. Comprising the former "homeland" territories of Siskei and Transkei, the region has high levels of unemployment and a history of public sector mismanagement.

Similar to many hotspots, Maputaland-Pondoland-Albany suffers from the tensions between national and local governments seeking to provide economic opportunities for their people while also conserving the underlying natural capital. Sugarcane and plantation forestry dominate the agricultural landscape and continue to encroach on key biodiversity areas, as does urban expansion, both from migrants seeking an escape from rural poverty and from resort and tourism development along the coast. Mining is always a threat, but now as worrisome are the discussions around infrastructure development to support those efforts, such as port construction.

CEPF's response to these threats is to engage civil society as a partner in conservation. Mirroring the political state of the hotspot, the capacity of grassroots groups remains low in Mozambique, Swaziland, and the Eastern Cape. Thus, the challenge for CEPF is twofold in that we wish to both conserve biodiversity while also building the capacity of our local partners.

II. Niche for CEPF Investment

Overview

The ecosystem profile for the region was formally approved in April 2010 and the five-year investment period began in September of that year with the commencement of the Regional Implementation Team (RIT) grant. The total allocation to the region is \$6,650,000 with the plan being that all money is obligated and all grants are closed by August 2015.

The hotspot encompasses 274,000 km² and, as identified during the ecosystem profiling process, contains 72 key biodiversity areas (KBAs) and 12 conservation corridors. The stakeholders who participated in the profile – led by Conservation International and the South African National Biodiversity Institute and including over 150 others from civil society, government, and donor agencies – prioritized these KBAs and corridors, considering the limited pool of CEPF funds, the immediacy of need for some locations, and the fact that some KBAs, like the larger national and provincial parks, are already well-resourced. The result is that CEPF investment focuses on 22 KBAs and two corridors in the hotspot, to be addressed within the context of CEPF’s niche for investment; namely: *supporting civil society in applying innovative approaches to conservation in under-capacitated protected areas, KBAs, and corridors, thereby enabling changes in policy and building resilience in the region’s ecosystems and economy to sustain biodiversity in the long term.* This is expressed via five Strategic Directions:

1. Strengthen protection and management in under-capacitated and emerging protected areas in three priority key biodiversity areas (KBAs).¹
2. Expand conservation areas and improve land use in 19 key biodiversity areas through innovative approaches.²
3. Maintain and restore ecosystem function and integrity in the Highland Grasslands and Pondoland corridors.
4. Create an enabling environment to improve conservation and management of Maputaland-Pondoland-Albany priority sites.
5. Provide strategic leadership and effective coordination of CEPF investment through a regional implementation team (the RIT).

The CEPF Donor Council has made initial allocations to each of the Strategic Directions, as follows:

Strategic Direction 1: \$800,000
Strategic Direction 2: \$3,000,000
Strategic Direction 3: \$1,500,000
Strategic Direction 4: \$650,000
Strategic Direction 5: \$700,000

¹ The three KBAs are Ponto d’Ouro Partial Marine Reserve in Mozambique, the Eastern Swazi Lebombo transboundary area in Mozambique and Swaziland, and the areas adjacent to the Mkambati and Dwesa-Cwebe reserves in the Pondoland North Coast of South Africa’s Eastern Cape.

² Of the 19 KBAs, one is in Mozambique: Manhica. The other 18 are in South Africa: Boston, Ethekeeni South, Greater Greytown, Greater Itala, Hogsback/Stutterheim, Lower Mzimvubu, Lower Tugela, Midlands, Mistbelt Grasslands, Mountain Zebra complex, Northern Drakensburg foothills, Northern Eastern Cape, Pongola-Magudu, Port Elizabeth, Port St. John’s Forest, Southern Drakensburg foothills, Umzimkulu, and Vernon Crooks.

Portfolio Status

CEPF grant-making formally began with the RIT Grant to the Wildlands Conservation Trust (Wildlands) in September 2010. The grant is for the full amount of the Strategic Direction – \$700,000 – with no plans for any further obligation as of this time.

The Secretariat and RIT have released calls for Letters of Inquiry to solicit applications for the other strategic directions. Table 1 summarizes the calls released to date.

Table 1. MPAH Calls for Letters of Inquiry

Release Date	Due Date	LOIs Received*
September 4, 2010	October 15, 2010	52
November 1, 2010	February 15, 2011	54
December 1, 2011	February 15, 2012	47
June 1, 2012	August 12, 2012	26

* Includes LOIs submitted for both core and small grants.

Note that Wildlands accepts small grants on a rolling basis, and thus has received more total applications than those itemized in open calls for proposals. In total, we have received 193 letters of inquiry for small and core grants, and of these, we have advanced 55 to a second stage LOI or full proposal. As of this writing, including the RIT, a total of 52 grants had been awarded and 44 were active, per Table 2.

Table 2. Awarded (Active and Closed) and Pipeline Large and Small Grants by Strategic Direction

Strategic Direction	Allocation	Awarded Grants (count)	Awarded Grants (total USD)	Pipeline Grants (count)	Pipeline Grants (total USD)
SD 1	\$800,000	8	\$982,452	1	\$150,000
SD 2	\$3,000,000	24	\$2,534,010	6	\$170,800
SD 3	\$1,500,000	7	\$614,227	3	\$211,853
SD 4	\$650,000	12	\$835,166	0	\$0
SD 5	\$700,000	1	\$700,000	0	\$0
Total	\$6,650,000	52	\$5,665,855	10	\$532,653

Readers should consider the total dollar values for pipeline grants as estimates. The final values will be subject to negotiations between the CEPF Secretariat and the applicant, and in all likelihood, will be lower than that reflected here.

The discrepancy between the allocated and awarded amounts for any strategic direction are a function of the imperfect estimation process at the time of the Ecosystem Profile and subsequent adaptive management by the portfolio managers. There has been a purposeful decision to “over-award” in Mozambique and Swaziland, and in capacity building and the creation of networks [via SD 1 and 4]. At the same time, SD 3 deals with payment for ecosystem services and corridor-level approaches in South Africa that require sophisticated project concepts from high capacity groups. There is a question of whether CEPF and its typical grantee are best suited to undertake the work envisioned under that strategic direction.

Coordinating CEPF Grant-Making

The Wildlands Conservation Trust (Wildlands) holds the \$700,000 grant to serve as the Regional Implementation Team. Wildlands is a 13-year old South African NGO with operations based primarily in KwaZulu-Natal. Its headquarters are in Hilton, a suburb of the provincial capital, Pietermaritzburg, and in the heart of the hotspot. Wildlands is a prominent organization in the National Committee of the IUCN and is a member of an executive council of other conservation groups in South Africa (e.g., WWF-South Africa, Conservation South Africa, Endangered Wildlife Trust, Wildlife and Environment Society of South Africa). As a member of these groups, Wildlands regularly reports to its peers and invites their feedback on proposals and strategy, ensuring transparency of CEPF investment decisions. As the RIT, Wildlands is also responsible for managing the small grants fund, which the CEPF Secretariat issues as a separate grant. The current ceiling is \$500,000, from which Wildlands can issue grants of up to \$20,000.

With a fixed cost from the CEPF Secretariat of \$700,000 and the relatively high labor costs of South Africa, the RIT has a very lean team, reflected in Table 3. The team leader, based in Hilton, is Roelie Kloppers, who was a lead member of the Ecosystem Profile team. Roelie formally bills 60 percent of his time to the CEPF grant, with the remainder of his time devoted to other Wildlands responsibilities, although the organization contributes much of this back to CEPF. Also based in Hilton, the small grants coordinator and Eastern Cape specialist, Dumile Tshingana, is fully funded by CEPF. During the past year Wildlands contracted Bruno Nhancale, an environmental planner and geographic information systems specialist based in Maputo, as coordinator for the calls for letters of inquiry in Mozambique.

While Wildlands direct-bills only the amount of the time in Table 3, the organization has committed to provide all the time necessary of its personnel to fulfill the obligations of the RIT Terms of Reference. As such, Kevin McCann, Wildlands' Strategic Manager for Stewardship has taken a lead role in coordinating grantees active in the KwaZulu-Natal Province. Kevin has set up a Midlands learning forum that meets bi-monthly to discuss stewardship models and methods and actively monitors the progress of these grantees in securing additional land for conservation. Kevin also works closely with grantees in the Pongola-Magudu KBA where Wildlands has a longstanding presence working with communities to secure biodiversity. As such, Kevin is a valuable member of the RIT, without being formally recognized as such. In addition, Wildlands' communications department, led by Lauren Laign, provides marketing and communications support to the RIT, including regular updates on the Wildlands website and via social media. Moreover, the organization also has fully-staffed programs for tree-planting, environmental education, recycling, event-based fund-raising, and geographic information systems, all of which dovetail with portfolio execution. The full cost of the level of effort that Wildlands provides far exceeds that direct-billed to CEPF.

Apart from the programs described above, Wildlands, spurred by the responsibility of overseeing core grants in Mozambique and making small grants there, is now exploring how to formally constitute itself in Mozambique, the costs of such an effort, and how this relates to the organization's long-term goals.

Table 3. RIT Staffing

Position	Name	Base of Operations	Time Direct-Billed to Grant	Qualifications
Team Leader	Roelie Kloppers	Hilton	60%	PhD in ecology with field research and 10 years work experience in the hotspot; major writer of Ecosystem Profile; conversant in Portuguese and Zulu
South Africa Coordinator	Dumile Tshingana	Hilton	100%	MS in ecology with 10 years work and professional education throughout South Africa and the United States; native of Eastern Cape; fluent in !Xhosa and Zulu
Mozambique Coordinator	Bruno Nhancale	Maputo	5%	PhD in Environmental Science; fluent in Portuguese and XiRonga and active in civil society community.
Financial Manager	Shanitha Singh	Hilton	5%	BA in accounting; responsible for management of Wildlands revenue of over \$1 million per year
Liaison and Strategy	Andrew Venter	Hilton	5%	PhD in ecology with field research and 20 years work experience in the hotspot; overseer of Wildlands' major growth since 2002

Performance Assessment

In terms of the biophysical and socioeconomic indicators in the logical framework, after only two years of operations, it is more appropriate to speak of progress toward those goals than achievement, *per se*. Performance can be assessed by several managerial and qualitative measures, but overall, is high.

- ***Efficiency of operations.*** The RIT grant was awarded in September 2010. In the subsequent two years, the team released four calls for proposals, reviewed 193 letters of inquiry, awarded 52 individual grants, and obligated 85 percent of the portfolio. Because of this, the team intends to purposefully limit awards in advance of the mid-term assessment in April 2013, ensuring that there are funds to respond to agreed-upon priorities for the remainder of the five year investment.
- ***Engagement of civil society.*** CEPF has awarded 52 grants to 42 organizations. Of these, only two recipients of core grants are not from Mozambique, South Africa, or Swaziland: the Italian organization CESVI to lead efforts in southern Mozambique, and Conservation International's South Africa office to conduct corridor-level efforts in the Highland Grasslands. Of the remaining organizations, we can characterize 28 as first-time recipients of international funds or as smaller groups who can use their association with CEPF – and its donors – as a springboard to a broader and more demanding pool of funders.
- ***Breadth of operations.*** The mandate of the Ecosystem Profile is to work in 22 KBAs and two corridors. Per Table 4, we have made grants in all but three of the KBAs: Boston and the Lower Umzimkulu, both in KwaZulu-Natal, and the Lower Mzimvubu, in the Eastern Cape. Finding interested and qualified applicants to do good work in the first two KBAs will not be difficult; however, the RIT will need to make a special effort to find an appropriate grantee and activity for the work in Pondoland's Lower Mzimvubu.

Table 4. Grants per KBAs and Corridors

No. *	KBA / Corridor Name	Grantees
KBA 4	Boston	No awarded grants
KBA 12	Ethekwini South	Duzi uMngeni Conservation Trust (DUCT)
KBA 17	Greater Greytown Complex	Botanical Society of South Africa (BotSoc)
KBA 18	Greater Ithala Complex	BotSoc
KBA 23	Hogsback-Stutterheim	Wildbird Trust, Border Rural Committee, Cata CPA, Endangered Wildlife Trust (EWT)
KBA 29	Licuat Forest and Eastern Swazi Lebombo	VIDA, Lubombo Conservancy
KBA 32	Lower Mzimvubu	No awarded grants
KBA 33	Lower Tugela Valley	Zinkwazi Ratepayers Association, SA Association for Marine Biological Research
KBA 35	Manhica District	Ecosol
KBA 42	Midlands	Birdlife SA, BotSoc, Dargle Conservancy, Game Rangers Association, Treverton Trust, Masifukalane Support Group, DUCT, WWF-SA
KBA 43	Mistbelt Grasslands	BotSoc, KZN Crane Foundation
KBA 44	Mt. Zebra National Park Complex	Wilderness Foundation
KBA 52	Northern Drakensberg Foothills	Wilderness Action Group
KBA 53	Northern Eastern Cape	Conservation South Africa, Environmental & Rural Solutions, Cedarville Conservancy
KBA 59	Pondoland North Coast	Sustaining the Wild Coast, Community Organization Resource Centre, BotSoc, WWF-SA, Eco-logic, Wilderness Foundation
KBA 60	Pongola-Magudu	Wildlife Act, Africa Conservation Trust, Space for Elephants
KBA 61	Ponta d'Ouro	CESVI, LUPA, Kawuka JDA, Madjadjane Community Association, ORAM, Centro Terra Viva, African Safari Lodge Foundation, Birdlife SA, Peace Parks Foundation
KBA 62	Port Elizabeth Complex	Wildlife and Environment Society of South Africa (WESSA)
KBA 63	Port St John's forests	WESSA
KBA 66	Southern Drakensberg Foothills	EWT, BotSoc, Mabandla Community Trust
KBA 69	Umzimkulu Complex	No awarded grants
KBA 70	Vernon Crookes	BotSoc
CRD 4	Highland Grasslands	Conservation South Africa
CRD 10	Pondoland	WESSA, Wilderness Foundation

* Numbering per Conservation Outcomes map.

- Progress toward goals.** The logical framework and performance monitoring plan provide more details, but progress to date and projected progress suggest that the portfolio will fall short of the three major biophysical targets described in the ecosystem profile: 1,400,000 of KBAs with strengthened management; 300,000 of new protected areas included in the previous target; and 1,465,000 hectares of production land managed for sustainable use. The reasons for this are multiple, but can be distilled to two: the targets in the profile may be unreasonable given the resources; and that while grants are awarded for numerous reasons, the size of contribution to the highlight targets not a major discriminator. Rather, grants are awarded, appropriately, recognizing the trade-off between working with small civil society organizations in challenging or critical environments versus making grants to large organizations or quasi-state agencies that might affect larger land areas.

There has not been any lack of performance in the second year. Rather, the RIT and Secretariat will need to respond to the following challenges in the coming year.

- With slightly less than \$1 million remaining, determine how to best use these limited funds to have maximum impact.
- Develop and implement a strategy that builds on, institutionalizes, and creates sustainable financing for conservation efforts begun in the Cape Floristic, continued in the Succulent Karoo, and now active in this hotspot.
- Position the portfolio or momentum from grantees to (1) respond to emerging threats, such as hydraulic fracturing for natural gas and (2) respond to local government stakeholders concerns about employment generation.
- Manage the consortium of grantees in southern Mozambique, who together, represent a major investment into conservation in the Matutuine District of the Maputo Province.
- Ensure adherence to procedures for the four grants triggering the World Bank safeguard on pest management.
- Ensure synergy of operations and approach in Mozambique with the newly begun portfolio in the Eastern Afromontane, with targets in the northwestern part of the country. The IUCN office in Mozambique provides the country manager for that portfolio as a subordinate partner to BirdLife International in Nairobi, Kenya.

III. Portfolio Highlights by Strategic Direction

Strategic Direction 1: strengthen protection and management in under-capacitated and emerging protected areas in three priority key biodiversity areas

This Strategic Direction focuses on the Ponto d'Ouro (Mozambique), Mkambati/Dwesa-Cwebe (Eastern Cape), and Eastern Swazi Lebombo (Swaziland) KBAs. Together these areas encompass 650,000 hectares. They merit special attention within the context of the Ecosystem Profile because of their low management capacity, their physical relationship to the surrounding impoverished communities, and in the case of Ponto d'Ouro and Mkambati, their important seascapes.

A major bottleneck from Year 1 was removed in November 2011 when the GEF Operational Focal Point in Mozambique gave approval for CEPF to begin operations in that country. The RIT replied by rapidly releasing a call for letters of inquiry that led to one small and eight large grants being awarded between May and September. In addition, a major grant was awarded in Swaziland that brings together the managers of public protected areas, communal lands, individual landholdings, and commercial agricultural schemes to create a large conservancy.

The pace of work in the two KBAs in South Africa's Wild Coast has been more deliberate. There is one grant that pairs the managers of Mkambati and Dwesa-Cwebe with reserve managers in other parts of the Eastern Cape, but beyond this, the RIT has been trying to determine the best way to complement the large GEF-funded Wild Coast Project managed by the Eastern Cape Tourism and Parks Authority. WWF-South Africa used a small grant to facilitate discussions between the multiple government agencies responsible for reserve, coastal, and marine management along with communities to determine a future integrated effort.

Strategic Direction 1 Highlights to Date

- The Matutuine consortium of grants is led by Cesvi, an Italian community development NGO with a long-term presence in Mozambique, and includes LUPA, ORAM, and Kawuka JDA. Together they are addressing the multiple issues to turn the Futi Corridor and transfrontier conservation area (called the Maputo Special Reserve in Mozambique) into more than a “paper park.” The consortium is working in several small towns to variously raise awareness on the reserve and people’s rights and responsibilities, create the legally mandated community natural resource use committees, and promote livelihood activities that are consonant with improved management of the Reserve.
- Also in Matutuine, the Ponta do Ouro Partial Marine Reserve lies immediately east of the Maputo Special Reserve. There, the grant to Centro Terra Viva supports monitoring of sea turtle nesting sites, but at a broader level, is about filling the gaps between the efforts of the reserve authorities and private partners with an interest in conservation (i.e., some of the tourism operators) by educating and engaging local communities.
- Grants to the African Safari Lodge Foundation (ASLF) and BirdLife South Africa will both promote sustainable tourism and lead to private sector employment in southern Mozambique. The former is a small contribution on the part of CEPF to a much larger – \$3 million – effort initiated by the International Finance Corporation to support the development of an eco-lodge at Ponto Chemucane. CEPF support allows the ASLF to provide training in best practice on sustainable resource use and local employment. Meanwhile, BirdLife is working with a nascent group, the Mozambique Ornithological Society, to identify birding tourism routes within the Futi Corridor, train guides, and ultimately, promote the experience to potential South African tourists.
- Elsewhere in Mozambique, in the Licuati Forests, CEPF is supporting the work of a small Portuguese voluntary organization that operates in Mozambique, called VIDA. Similar to the Matutuine consortium, they are strengthening community natural resource committees and promoting the sustainable harvest of resources from the Licuati sand-forests.
- In Swaziland, the grant to the Lubombo Conservancy will lead to the proclamation of a 25,000 hectare protected area along the country’s eastern border and, conceivably, improve biodiversity management in the production (mainly sugarcane) landscape across almost a quarter of the country. The grant brings together multiple groups of land managers – government protected areas, a private irrigation scheme, individual landowners, and a community landowner –in a formal legal and so creates the foundation of a civil society network in Swaziland. This grant is also instrumental in unlocking additional funds from the GEF, as it creates and enabling environment and provides much needed pre-planning and organization of role players.
- In South Africa’s Eastern Cape province, the Wilderness Foundation has created a peer network and is providing on-the-job training by linking managers from Mkambati and Dwesa-Cwebe provincial nature reserves with their peers from the more mature Camdeboo and Mt. Zebra National Parks and two other private nature/game reserves. The project is using METTs to measure progress and is already showing measured improvement.

- In communities bordering Mkambati and Dwesa-Cwebe, small grants to the Alliance for Rural Committees and Sustaining the Wild Coast provided training to adults and environmental education to children on appreciation for their landscapes and sustainable use of resources.

Strategic Direction 2: expand conservation areas and improve land use in 19 key biodiversity areas through innovative approaches

The Ecosystem Profile process identified 18 KBAs in South Africa and one in Mozambique that are not part of the current protected areas network. CEPF is making grants that promote innovative approaches to expanding private and communal protected areas, integrate conservation practice into land-reform agreements, expand the area under improved management, and promote sustainable livelihoods.

Strategic Direction 2 Highlights to Date

- The Pongola-Magudu KBA in northern KwaZulu-Natal is home to large rangeland mammals, such as rhino, elephant and wild dogs. CEPF's grants are strategically aimed at creating biodiversity corridors that link formal protected areas with communal multi-use areas. Wildlife ACT, the African Conservation Trust, and Space for Elephants received grant funding to collectively secure an additional 36,000 hectares of new land under conservation: 16,000 hectares via formal proclamation and 20,000 via community agreement.
- In the Lower Tugela KBA, the Zinkwazi Conservancy is safeguarding threatened coastal dune forests, lagoons and estuaries that form part of the Tugela River system. The Oceanographic Research Institute supports this work, assessing the status of the estuaries and developing management plans for this area. The research work is critical in establishing baselines on estuarine health and will help answer the question of whether land protection or improved sugarcane agricultural management practices make a difference on environmental indicators.
- Several organizations have grants to work across the broader Midlands area, covering the Midlands KBA, Mistbelt Grasslands KBA, Boston KBA, Greytown KBA, Northern Drakensberg Foothills KBA, and Southern Drakensberg Foothills KBA. This landscape is highly fragmented by agriculture and small urban development. Grantees are using the formal stewardship process to secure conservation of 75,000 hectares to protect threatened grasslands.
- In the Eastern Cape's Hogsback-Stutterheim KBA, the grant to the Wild Bird Trust is restoring indigenous forests and improving management effectiveness of existing Cape Parrot habitat. The project combines stewardship, tree-planting (with payment based on tree survival as opposed to planting), and parrot ecology. At the same time, the Border Rural Committee is working at a different site within this KBA to remove alien plants and restore vast tracks of land that have been degraded since the apartheid era. Meanwhile, the CATA Communal Property Association has received a small grant to work in the same area under the mentorship of the two larger organizations named above.
- In the Mountain Zebra national park Complex the Wilderness Foundation works with the South African National Parks over a 580,000 area to integrate biodiversity management in production and conservation landscapes. At the core is a plan to link the Mountain Zebra National park with the

Camdeboo National park and to formally bring 30,000 hectares of new areas under formal conservation.

Strategic Direction 3: maintain and restore ecosystem function and integrity in the Highland Grasslands and Pondoland corridors

This strategic direction supports corridor-level efforts by focusing on catchments, estuaries, regulations affecting riparian and coastal zones, carbon markets, and engagement of government-sponsored, labor-intensive natural resource management programs. As noted previously, there has been an “under-award” of grants in this Strategic Direction, in part due to lack of appropriate applicants submitted qualified proposals, and possibly in part due to what grants constitute Strategic Direction 2 (stewardship) versus Strategic Direction 3 (corridors). Certainly the Matutuine cluster of grants, the Midlands stewardship grants, and the Mountain Zebra/Hogsback grants all qualify as “corridor-influencing” efforts in the Lebombo Transfrontier, KZN Midlands, and Amathole-Sneeuberg Montane Belt Corridors, all of which are named in the Ecosystem Profile, even if not prioritized under this Strategic Direction.

Core grants in this Strategic Direction finally got underway when the pest management safeguard issues were resolved for WWF and when Conservation South Africa was able to ensure enough complementary funding to that provided by CEPF.

Strategic Direction 3 Highlights to Date

- WWF South Africa has an ongoing and innovative initiative, the Water Balance programme, working in three watersheds around the country, including the Upper Umgeni, funded by CEPF. The program solicits funds from private sector partners (e.g., Nedbank) which seek to offset their water use by paying for restoration, alien plant removal, and stewardship in critical watersheds. Funding from CEPF supports the management of these efforts in the Highlands Grasslands Corridor and the targeting and recruitment of landowners while the private contributions pay for the actual labor and materials for the restoration teams.
- Further south in the same corridor, but in the Eastern Cape, Conservation South Africa now has a grant to begin work on the 20-year Upper Umzimvubu River catchment strategy. This strategy was developed in collaboration with the Eastern Cape government, several municipalities, and various non-government stakeholders (including CEPF grantees) as part of a long-term plan to develop and implement a payment for ecosystem services scheme.
- As an example of the point about stewardship (Strategic Direction 2) grants being incorporated into corridor grants, Environment and Rural Solutions has a grant to improve conservation in and adjacent to the Ongeluksnek Nature Reserve via the removal of alien plants. This site sits atop the Umzimvubu basin and is incorporated in Conservation South Africa’s work.

Strategic Direction 4: create an enabling environment to improve conservation and management of Maputaland-Pondoland-Albany priority sites

This strategic direction supports grants that strengthen civil society and further educational opportunities for the staff of CSOs in Mozambique and Swaziland. It also supports grants that create a network of organizations across the hotspot and ensure effective conservation at a broad scale.

Strategic Direction 4 Highlights to Date

- SANBI has been awarded a grant to promote a network of conservation organizations and institute a knowledge-capture and learning exchange system within the hotspot modeled on its similar programs for the Cape Floristic and Succulent Karoo regions. It will also hold annual capacity building sessions and be responsible for managing the mid-term and final assessment workshops.
- Birdlife South Africa is building the capacity of the Mozambique Ornithological Society and site support groups to promote birding tourism in southern Mozambique. One goal is to transition the Ornithological Society from being a bird-watching club to that of a viable actor in the conservation movement in the country.
- The Wildlands Conservation Trust, acting as RIT and per its own organizational mission, has been an active planner of the KZN Conservation Symposium, formally sponsored by Ezemvelo KZN Wildlife, to be held in October. Ten grantees will make formal presentations of their work at the symposium, in effect using a non-CEPF event as a learning exchange.

IV. Collaboration with CEPF Donors, Other Donors, and Local Government

Over the course of the year, CEPF – via the Grant Director, RIT, or grantees – held formal meetings with the GEF focal points or GEF project representatives in Mozambique, South Africa, and Swaziland; met with AFD and World Bank in Maputo, briefed JICA in Pretoria, and hosted the Japanese Ministry of Finance’s advisor to the World Bank’s Executive Director for Japan on a visit to grantees in South Africa and Swaziland.

Several grantee efforts are closely aligned with those funded by CEPF donors.

- The Swaziland Lubombo Conservancy designed its grant proposal in conjunction with the Swazi government personnel applying for larger GEF funding. The CEPF grant will put in place much of the basic structure to be funded later by the GEF.
- The various grants in Matutuine and northern Zululand directly support the World Bank/GEF Transfrontier Conservation Area program in Mozambique, and the director of that program served as a reviewer of Mozambique proposals.
- The African Safari Lodge Foundation, with a grant to help develop a lodge at Ponto Chemucane in Mozambique, has been working for over 18 months with the local managers of World Bank/IFC funds. The grant from CEPF directly complements those efforts.
- The RIT and Eastern Cape grantees like WESSA, the Wilderness Foundation, and WWF South Africa all ensure their efforts are aligned with the GEF-funded Wild Coast Project, managed by the Eastern Cape Parks and Tourism Authority. The manager of the Wild Coast Project and the director of the ECPTA have both served as proposal reviewers.

Beyond CEPF's donors, the RIT has made important strides connecting with other funders of the broad CEPF mission in the hotspot, most notably by Wildlands applying to the South African Department of Environmental Affairs for funds to implement the Youth Environmental Services Programme (YES) in the Eastern Cape. In June 2012 the Department awarded South African Rand 15million (\$1.87 million) to pay for the costs of recruiting, managing, and employing 300 youth (age 18-35) over the course of three years to do restoration, alien plant removal, environmental education, and similar work in the Upper Umzimvubu, Lower Umzimvubu, Hogsback Stutterheim, and Camdeboo-Mountain Zebra Complex KBAs. Wildlands will be able to direct this labor to support the efforts of ongoing grantees: Border Rural Committee, CATA Community Trust, WESSA, Sustaining the Wild Coast, Environment and Rural Solutions, and the Wilderness Foundation.

Separately, Wildlands was awarded an addition \$1.87 million to lead the YES programme in KwaZulu-Natal, focusing on the Greater Greytown Complex, Boston, eThekweni South, Southern Drakensberg Foothills, and Pongola-Magudu KBAs to the benefit of the Mabandla Community Trust, Wilderness Action Group, Wildlife ACT, and the African Conservation Trust, as well as the other Midlands corridor grants.

Wildlands has also worked directly on behalf of individual grantee efforts, such as Wildlife ACT and the African Conservation Trust in Somkhanda. There, the RIT secured funds from the KZN Integrated Greening Programme to cover the salaries of game rangers in the reserve and paid directly for rhino monitors, education facilitators, and community workers. Wildlands also secured co-funding from the German Ministry for Economic Development and Cooperation (BMZ) and two German foundations, the Global Nature Fund and the Ursula Metz Foundation, to continue work in Somkhanda. Collectively, this amounts to Euro 467,000.

Across the hotspot, Wildlands ensures that individual grants and the overall portfolio are aligned with the efforts of national, provincial, and local government.

- Wildlands is a member of the national committee of the IUCN, which is chaired by the Director General of the Department of Environmental Affairs and includes representatives of all national and provincial conservation authorities in the MPAH. At each meeting, which takes place quarterly, Wildlands provides a detailed report of the CEPF investment. These reports are included in the minutes and circulated to all IUCN members in South Africa.
- Wildlands attends all quarterly meetings of the Eastern Cape Implementation Forum, chaired by the Eastern Cape Department of Environmental Affairs and attended by local and provincial authorities and local representatives of national government agencies.
- Wildlands is a member of the KZN Provincial Stewardship Coordination Committee that meets quarterly to agree on priorities for stewardship in the province. The provincial authority, Ezemvelo KZN Wildlife, will only declare stewardship on properties previously approved by the Committee.

V. Conclusion

The CEPF grants portfolio in Maputaland-Pondoland-Albany is proceeding rapidly and according to the implementation plan proposed by the RIT. Grants have now been awarded in all three in countries and in 19 of 22 KBAs. Some projects have already closed and showed meaningful results, per the Logical Framework that follows and the Performance Monitoring Plan, available separately. Over \$4 million in

leveraged funds are due directly to efforts initiated by CEPF. In the coming year, the challenge will be to position the portfolio to ensure long-term sustainability.

VI. Summary Figures

Figure 1. Current Obligation by Strategic Direction

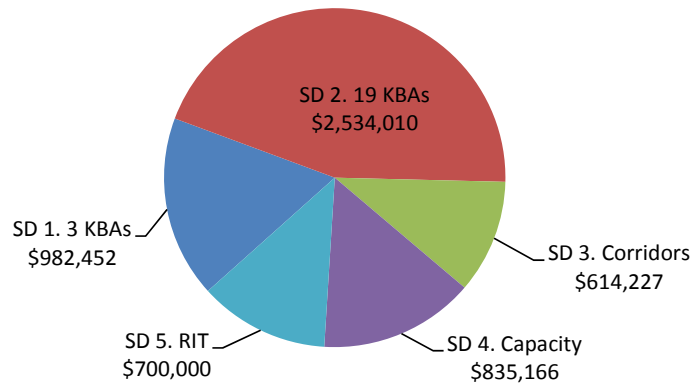


Figure 3. Maputaland-Pondoland-Albany Obligation Trend

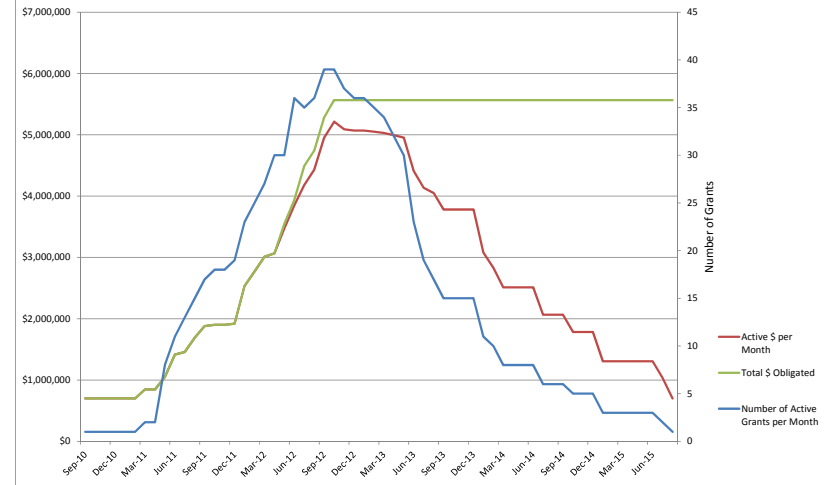
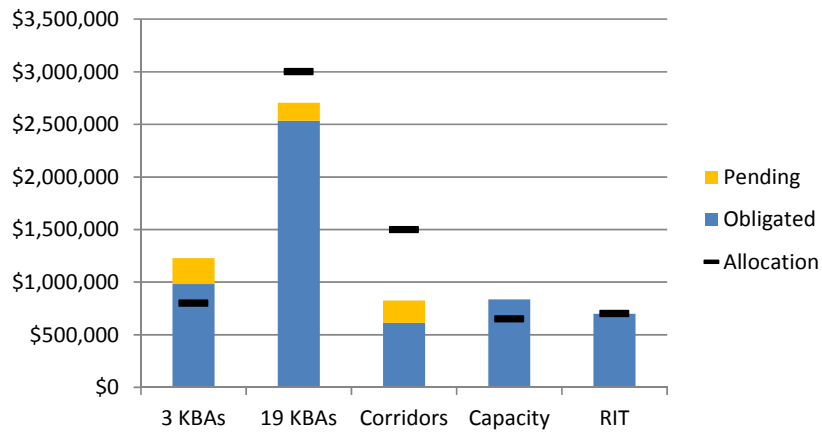


Figure 2. Portfolio Status by Strategic Direction



VII. Update of the Logical Framework

Objective	Targets	Results
Strengthening the involvement and effectiveness of civil society in conservation and management of globally important biodiversity	At least 40 civil society actors actively participate in conservation programs guided by the ecosystem profile	50 civil society organizations are engaged directly in CEPF efforts
	1,400,000 hectares of key biodiversity areas (5% of the hotspot) with strengthened protection and management, including at least 300,000 hectares of new protected areas	Expected results from ongoing work: 1,100,000 hectares of KBA with strengthened management 240,000 hectares of new protected areas
	1,465,000 hectares in production landscapes managed for biodiversity conservation or sustainable use	Expected results from ongoing work: 1,100,000 hectares of production landscape with improved management

Intermediate Outcomes	Intermediate Indicators	Results
Outcome 1: The conservation status of under-capacitated and emerging protected areas in 3 priority key biodiversity areas strengthened	At least 2 public-private partnerships and civil society initiatives supported that facilitate planning and implementation of the Ponto d'Ouro Partial Marine Reserve, Lebombo Transfrontier Corridor (both in Mozambique) and protection of the Mkambati and Dwesa-Cwebe reserves in Pondoland North Coast, South Africa	2 public-private partnerships to be developed in the eco-tourism sector through grants awarded to Birdlife SA and African Safari Lodge Foundation
\$800,000	At least 4 innovative approaches promoted and strengthened to safeguard threatened habitats in the Licuati Forests and Eastern Swazi Lebombo (in Mozambique and Swaziland)	Grant award to the Lubombo Conservancy for development of a Protected Environment in Eastern Swaziland to strengthen and safeguard the threatened cycad species in the Lubombo Mountains Grant awarded in Mozambique to VIDA for innovative community conservation project

Intermediate Outcomes	Intermediate Indicators	Results
<p>Outcome 2: Conservation areas expanded and land-use management improved in 19 priority key biodiversity areas through innovative approaches</p> <p>\$3,000,000</p>	<p>At least 20 innovative approaches developed and implemented to expand protected areas on private and communal lands, particularly lands with threatened species and habitats underrepresented in the current protected area network</p>	<p>Grants awarded in 19 of the 22 KBAs identified. Grants are using stewardship, community conservation, partnership with for-profit tourism operators, environmental education, and employment generation work as the basis of protection.</p>
	<p>8 land reform agreements have integrated conservation practice to expand conservation management and sustain livelihood opportunities</p>	<p>1 land reform stewardship agreement has been signed concerning the formal proclamation of the Somkhanda Game Reserve. Other land reform sites where grants are being implemented are the Mkhambathi Game Reserve (Wild Coast), and the Mduna-Royal Reserve.</p>
<p>Outcome 3: Maintain and restore ecosystem function and integrity in the Highland Grasslands and Pondoland corridors</p> <p>\$1,500,000</p>	<p>15 innovative projects developed and implemented that expand conservation management and benefit people in threatened catchment, freshwater, and estuarine ecosystems</p>	<p>The grant to WWF for its water balance program is an important step in the creation of a “market” for water conservation. Conservation South Africa’s grant entailed the collaboration of multiple local, provincial, and national agencies to create a river basin strategy with the long-term plan of creating a payment for ecosystem services scheme. Multiple small grants – Cedarville Conservancy, Duzi uMngeni Conservation Trust, Eco-Logic Consultants, Mabandla Community Trust, and Sustaining the Wild Coast are further working in or promoting improved management regimes in catchment areas.</p>
	<p>Environmental regulations have improved implementation, leading to maintained functional ecosystem corridors, particularly rivers and coastal zones</p>	<p>No progress to date</p>
	<p>3 projects instituted to enable restoration of degraded lands according to optimal carbon sequestration and stewardship plans</p>	<p>No progress to date</p>
	<p>Government-sponsored large-scale NRM programs have improved effectiveness in the Corridors through improved knowledge and support for implementation</p>	<p>One grant in the pipeline to SANBI to engage a leading specialist in the field with appropriate entrée to relevant government authorities. Individual grants to Zinkwazi Beach, BRC, WESSA-Nsubane, WESSA-Nelson Mandela Bay, and the Wilderness Foundation are leveraging the efforts of these public employments programs.</p>

Intermediate Outcomes	Intermediate Indicators	Results
<p>Outcome 4: The capacity for conservation and management of Maputaland-Pondoland-Albany priority sites increased</p> <p>\$650,000</p>	<p>50 staff from civil society organizations in Mozambique and Swaziland receive training and educational opportunities</p>	<p>Nine grants in Mozambique and one in Swaziland are directly affecting the personnel in those organizations plus multiple smaller and associated partners from community-based natural resource committees.</p>
	<p>At least one civil society network established to increase and coordinate civil society participation and facilitate lessons sharing to promote linkages that ensure effective conservation action at a broad scale</p>	<p>2 networks (MPAH-wide and Midlands) established. Rhino learning network in the pipeline.</p>
<p>Outcome 5: A regional implementation team provides strategic leadership and effectively coordinates CEPF investment in the Maputaland-Pondoland-Albany Hotspot</p> <p>\$700,000</p>	<p>100% of groups receiving grants achieve a satisfactory score on final performance scorecard</p>	<p>All relevant grants to date have closed in a satisfactory manner.</p>
	<p>Regional Implementation Team performance in fulfilling the approved terms of reference</p>	<p>The RIT is meeting all internal performance requirements</p>
	<p>At least two learning exchanges and/or participatory assessments hosted and documented</p>	<p>Facilitated through SANBI and CSA, learning exchanges with CAPE and SKEP are on-going.</p>

VIII. All Awarded Grants, by Start Date

GEM	Organization	SD	KBA	Country	Obligated Amount	Title/Description	Start Date	End Date
57889	Wildlands Conservation Trust	5		South Africa	\$700,000	RIT	1-Sep-10	31-Aug-15
59033	Wildlife ACT	2	60	South Africa	\$146,182	Somkhanda community reserve	1-Mar-11	30-Jun-12
59088	African Conservation Trust	2	60	South Africa	\$116,178	Conservation south of Somkhanda	1-May-11	31-Oct-12
SG 2	Cedarville Conservancy	3	53	South Africa	\$19,988	Alien vegetation removal and improved grazing practices	1-May-11	30-Apr-12
SG 3	Community Organisation Resource Centre	4	59	South Africa	\$20,000	Environmental school awareness	1-May-11	30-Apr-12
59268	Conservation South Africa	4	n/a	South Africa	\$18,363	Learning from Cape Floristic and Succulent Karoo experience	1-May-11	30-Jun-12
SG 1	Sustainable Seas Trust	4		South Africa	\$9,514	Community education outreach	1-May-11	30-Apr-12
SG 4	Sustaining the Wild Coast	3	59	South Africa	\$19,966	Mkambati community empowerment	1-May-11	30-Apr-12
SG 5	Endangered Wildlife Trust	4	n/a	South Africa	\$19,907	GIS and Data Coordination for the MPAH	1-Jun-11	31-May-12
59053	WESSA	2	62	South Africa	\$186,702	Nelson Mandela Bay Urban Conservation	1-Jun-11	31-May-13
59048	Wilderness Foundation	2	multi	South Africa	\$160,720	Eastern Cape PA METTs	1-Jun-11	31-May-13
SG 6	Landmark Foundation	2		South Africa	\$20,000	Predation Management Manual	1-Jul-11	30-Jun-12
SG 7	SANBI	4	n/a	South Africa	\$19,870	Capacity building strategy facilitation	1-Jul-11	30-Jun-12
59611	Dargle Conservancy	2	42	South Africa	\$154,329	Midlands conservancies	1-Aug-11	30-Jun-13
59587	Wild Bird Trust	2	23	South Africa	\$82,740	Cape Parrot conservation	1-Aug-11	31-Jul-13
SG 8	Wilderness Action Group	2	52	South Africa	\$20,000	45,000 hectares of grasslands into stewardship	1-Sep-11	31-Aug-12
59663	Zinkwazi Beach Ratepayers	2	11	South Africa	\$167,335	Lower Tugela Biodiversity Protection	1-Sep-11	31-Aug-13
SG 9	Peace Parks Foundation	1	61	South Africa	\$19,966	Ndumo Interventions Project	1-Oct-11	30-Sep-12
SG 10	Game Rangers Association of Africa	2		South Africa	\$19,797	Protected areas management system	1-Dec-11	30-Nov-12
59621	Birdlife-SA	2	42	South Africa	\$77,000	Grasslands KBAs stewardship	1-Jan-12	30-Jun-13
59606	Botanical Society of South Africa	2	42	South Africa	\$146,793	Plant assessment in KZN KBAs	1-Jan-12	31-Dec-13
59784	Endangered Wildlife Trust	2	66	South Africa	\$227,394	Southern Drakensberg wetlands and Wattled Cranes	1-Jan-12	31-Dec-14
59102	Space for Elephants	2	60	South Africa	\$161,750	Elephant and rhino habitat in Nduna Royal Reserve	1-Jan-12	31-Dec-13
59603	Environmental & Rural Solutions	2	53	South Africa	\$217,429	Ongeluksnek custodianship	1-Feb-12	31-Dec-13

GEM	Organization	SD	KBA	Country	Obligated Amount	Title/Description	Start Date	End Date
SG 11	Mabandla Community Trust	3		South Africa	\$19,650	Umgano environmental education and ranger training	1-Feb-12	31-Jan-13
SG 12	Treverton Trust	2		South Africa	\$19,738	Educator development in environmental learning in the greater Midlands region	1-Mar-12	28-Feb-13
59783	Wilderness Foundation	2	44	South Africa	\$219,780	Mountain Zebra Corridor Partnership	1-Mar-12	28-Feb-14
SG 13	South African Association for Marine Biological Research	2		South Africa	\$17,879	Nonoti Estuary Biophysical Assessment	1-Apr-12	30-Mar-13
SG 14	Southern African Wildlife College	4		South Africa	\$19,999	Human capacity assessment for Lubombo TFCA	1-Apr-12	30-Mar-13
SG 15	WWF-SA	1		South Africa	\$17,935	Wild Coast marine PA	1-Apr-12	30-Jun-12
59609	Border Rural Committee	2	23	South Africa	\$199,957	Northern Keiskammahoek/Hogsback conservation	1-May-12	30-Jun-14
SG 16	LUPA – Association for Community Development	4	61	Mozambique	\$20,000	Educação Ambiental para conservação da biodiversidade da região corredor Futi	1-May-12	30-Apr-13
SG 17	Masifukulane Support Group	2		South Africa	\$7,359	Soil fertility improvement via composting	1-May-12	31-Oct-12
59096	WWF-SA	3	C4	South Africa	\$249,712	Water Balance Programme	1-May-12	31-Dec-14
SG 18	Eco-Logic Consultants	3		South Africa	\$18,160	High value wild food cultivation	15-May-12	30-Apr-13
61614	African Safari Lodge Foundation	1	61	Mozambique	\$175,232	Ahi Zamani Chemucane Support Project	1-Jun-12	31-Dec-13
SG 19	Cata CPA	2		South Africa	\$11,797	Improved rural wastewater management	1-Jun-12	31-May-13
61529	Centro Terra Viva	1	61	Mozambique	\$49,359	Marine turtle conservation	1-Jun-12	31-May-13
SG 20	University of Kent	4		South Africa	\$5,263	Rhino learning network	1-Jun-12	31-May-13
SG 21	Voluntariado Internacional para o Desenvolvimento Africano	4	61	Mozambique	\$20,000	Conhecimento e Inovação – Associações em acção no distrito de Matutuine	1-Jun-12	31-May-13
59591	WESSA	2	59	South Africa	\$113,151	Nsubane forest livelihoods	1-Jun-12	31-May-13
61525	Birdlife-SA	4	multi	Mozambique	\$245,550	Bird watching tourism development	1-Jul-12	30-Jun-14
59578	Lubombo Conservancy	1	29	Swaziland	\$269,960	Lubombo Conservancy creation	1-Jul-12	30-Jun-15
SG 22	SANBI	2		South Africa	\$20,000	Growing Together	1-Jul-12	30-Jun-13
SG 23	Wildlife ACT	2	60	South Africa	\$20,000	Somkhanda community education	1-Jul-12	30-Jun-13
61510	CESVI	1	29	Mozambique	\$250,400	Reduction of human pressure on the Licuati forest in Matutuine District	1-Aug-12	31-Jan-14
SG 24	Duzi uMngeni Conservation Trust	3		South Africa	\$4,605	Riparian environmental health	30-Aug-12	30-Jul-13
61514	Kuwuka JVA	4		Mozambique	\$100,000	Licuati Sand Forest community NRM	1-Sep-12	31-Aug-13
61623	LUPA – Association for Community Development	1	61	Mozambique	\$99,600	Biodiversity Conservation in Futi Corridor	1-Sep-12	28-Feb-14

GEM	Organization	SD	KBA	Country	Obligated Amount	Title/Description	Start Date	End Date
61888	ORAM	1	61	Mozambique	\$100,000	Matutuine community NRM	1-Sep-12	31-Aug-13
61619	SANBI	4	All	South Africa	\$336,700	MPAH network development and mid-term and final assessment	1-Sep-12	31-Jul-15
61486	Conservation South Africa	3	C4	South Africa	\$282,146	Umzimvubu Catchment Partnership	1-Oct-12	30-Sep-14