

An Overview of CEPF's Portfolio in the Cape Floristic Region

The Cape Floristic Region is located at the southwestern tip of Africa and lies within the borders of South Africa. Its high concentration of endemic plant taxa, large number of species, and vulnerability to processes that threaten its unique biodiversity contribute to its global recognition as a biodiversity hotspot. The Cape Floristic Region is remarkable in that it contains 3 percent of the world's plant species on only 0.05 percent of the land area. The region is notable not only for its diversity of plant species (9,000), but also for its high levels of endemism. New data released in 2005 following a global hotspots reanalysis indicates that nearly 70 percent of the region's plants are endemic. The 78,555-square-kilometer hotspot also boasts considerable diversity and endemism amongst the fauna, with for example, over 55 percent of the 44 frog taxa being endemic, and 14 of the 35 freshwater fishes being endemic. Invertebrate diversity is noteworthy as well.

The greatest threat to biodiversity in the region is agricultural and urban expansion. Agricultural land use has already consumed 26 percent of the hotspot and has devastated lowland areas – 96 percent of renosterveld and 49 percent of fynbos habitats have been converted. The invasion of alien species is regarded as the second greatest threat, and there is no other place on Earth (excluding islands) where aliens plants have invaded natural vegetation to a comparable extent. Nearly 2 percent of the Cape Floristic Region is covered in stands of alien plants so dense as to constitute land conversion. An additional 1 percent is in medium-density stands, while a startling 70 percent of the remaining natural vegetation is covered by low-density stands or scattered patches of alien plants. Alien fauna have also taken their toll, with trout and smallmouth black bass eradicating indigenous fishes in some freshwater ecosystems. Additional threats include the lack of a coordinated approach to conservation planning and management, fragmented legal and institutional frameworks, insufficient technical capacity, and lack of public awareness of the importance of conservation. The last factor is particularly important, as more than 80 percent of land in the region is held by private or communal landowners.

Niche for CEPF Investment

CEPF grantmaking commenced in December 2001 with the approval of the ecosystem profile and an allocation of \$6 million to be spent over five years. CEPF's strategy for investment is based on the Cape Action Plan for the Environment (C.A.P.E.). C.A.P.E. was developed from 1998 to 2000 with funding from GEF and the World Bank, and managed by WWF-South Africa. C.A.P.E. was a two-year participatory process involving nongovernmental organizations (NGOs), communities, and government and private sector representatives aimed at developing an action plan for the long-term conservation of the biodiversity in the Cape. It was complemented by a significant investment in the consolidation and effective management of the Table Mountain National Park, and the capitalization of the Table Mountain Fund, a trust fund, the proceeds of which catalyze small and large projects that contribute to the strategy.

Following analysis of threats, opportunities, and the legal, social and economic and institutional contexts, and an analysis of scientific data on biodiversity and ecosystem processes, the group identified spatial outcomes and conservation priorities and articulated them in a 20-year action plan. As the plan moved into implementation the name was changed to Cape Action for People and the Environment to reinforce the importance of collaboration and the strong relationship of people to the environment. The development of the CEPF ecosystem profile for the Cape region identified the most critical niche for CEPF investment within the broader C.A.P.E. initiative and vis a vis other donors.

The implementation of C.A.P.E. has been planned to take place in three distinct phases over 20 years, with the first two phases supported by GEF and other donors, and the third phase supported via domestic financing. CEPF's niche for investment in the Cape builds upon the C.A.P.E. planning process and aims to catalyze civil society action on the most urgent geographic and thematic priorities. Within the targeted geographic areas, CEPF sought to complement other funding sources to augment the strength and capacity of the institutional structures being developed to implement C.A.P.E. Through a focus on NGOs and private sector participation, CEPF planned to fill an important funding niche to implement key components of the action plan. Throughout, CEPF has sought to support innovative mechanisms and projects that can serve as a model for implementation of the 20-year strategy. The timing of CEPF's investment in the region was such that it played an important bridging role for the C.A.P.E. strategy – supporting important initial pilot projects until the GEF investment was fully secured.

The CEPF strategy is described in the CEPF ecosystem profile, and includes the following strategic directions that guide CEPF investment in the region.

1. Support civil society involvement in the establishment of protected areas and management plans in Cape Floristic Region biodiversity corridors.
2. Promote innovative private sector and community involvement in conservation landscapes surrounding Cape Floristic Region biodiversity corridors.
3. Support civil society efforts to create an institutional environment that enables effective conservation action.
4. Establish a small grants fund to build capacity among institutions and individuals working on conservation in the Cape Floristic Region.

In addition to the identification of the strategic directions outlined above, each strategic direction has further refined investment guidance provided through investment priorities, which are more specific and concrete. The investment priorities provide more specific targets for CEPF funding in the region and are used to inform grantmaking decisions. They are included as part of the full investment priority table in the ecosystem profile and on the CEPF Web site (www.cepf.net).

The geographic investment focus has been on the “mega-reserve” corridors and lowland areas where biodiversity is most endangered. Mega-reserves include the planning domains of the Greater Cederberg Biodiversity Corridor, the Gouritz Initiative and the Baviaanskloof in the Eastern Cape. Lowland focus areas include the southwest lowlands centered on Cape Town, northwest lowlands, Garden Route and southeast lowlands (see map following the overview). Investment has been focused according to the four CEPF strategic directions as well as across all geographic priorities.

Recognizing the need to invest in all priority areas, special attention has been given to project development in areas with capacity constraints.

To date, CEPF has awarded 39 grants valued at almost \$4.8 million (see Chart 1 included at the end of the overview). Chart 2 demonstrates the geographic distribution of approved grants in each of the geographic focus areas mentioned above. These grants range in size from \$1,967 to \$898,744, with the average grant size being \$123,000 (see list of grants). The full status of the portfolio to date and the timeline of grants awarded are illustrated in Charts 3 and 4.

Investment has focused on Strategic Directions 1, 3, and 4 and the portfolio has seen significant activity in the well-capacitated southwest lowlands region. Future project development will focus on Strategic Direction 2, especially in areas that have not received significant funding to date.

The special Capacity Building Program established under Strategic Direction 4 has supported candidates from throughout the hotspot to attend long or short courses that improve their eligibility and capacity to assume management positions in conservation agencies, or to be placed as interns in conservation agencies or other appropriate organizations. Candidates are selected from throughout the region and where possible are linked to the implementation of ongoing CEPF projects.

Coordinating CEPF Grantmaking on the Ground

The Cape Coordination Unit (CCU) coordinates the implementation of the CEPF portfolio. CCU origins stem from a 2001 MOU signed by the Ministry of Environmental Affairs and Tourism, the Ministry of Water Affairs and Forestry, and the Eastern Cape and Western Cape provincial governments that created the Cape Coordinating Committee (CCC) and the Cape Implementation Committee (CIC) to provide coordination and collaboration among government and agencies implementing the C.A.P.E. strategy. In order to realize the coordination and collaboration envisioned in this MOU, and in particular to ensure strategic, cost-effective and efficient collaboration as well as neutral brokering between the numerous agencies involved in implementation, the Cape Coordination Unit was created. Initially funded by WWF-US, the unit has continued with support from CEPF, GEF and other donors. The South African National Biodiversity Institute (SANBI) is currently the managing agency of the CCU. This model of central coordination of multi-donor investments to benefit an overarching strategy allows for critical donor synergy within a region and is a valuable model to evaluate for replication potential. The integration and implementation of CEPF within C.A.P.E. is a tangible example of how CEPF grantmaking can effectively collaborate with CEPF donor partners at a regional level.

The CCU supports both the CCC and the CIC, providing technical and administrative support as well as regular reports at meetings. The unit is responsible for coordination of C.A.P.E., including management of all funding for the strategy. It also coordinates CEPF investment in the region as part of a strategic decision by CEPF to support the unit and ensure synergies with C.A.P.E. The unit plays a vital role in responding to both needs and opportunities within the conservation community.

Portfolio Investment Highlights by Strategic Direction

Strategic Direction 1: *Support civil society involvement in the establishment of protected areas and management plans in Cape Floristic Region biodiversity corridors.*

While CEPF investment via this strategic direction has attempted to address needs in each of the geographic priority areas, the main focus has been the realization of the mega-reserves: Cederberg, Gouritz and Baviaanskloof. Initial funding to the mega-reserves envisioned support for the groundwork that would allow these areas to become recognized mega-reserves complete with management and business plans, committed and knowledgeable staff, and a plan for the long-term financing. Although ambitious, largely due the immense size of the mega-reserves and patchwork of ownership, all three mega-reserves are now established and functioning. Significant gains have also been made in some of the lowland areas.

Highlights to date:

- Greater Cederberg Biodiversity Corridor – a Project Management Unit is staffed, functioning effectively, and armed with the necessary tools to achieve conservation in this vast, diverse and wild area. Tools include a management plan, business plan, spatial and development plans, an ecotourism assessment, as well as numerous other reports that proved useful in conceiving the conservation strategy for this important region. The Greater Cederberg Biodiversity Corridor, under the guidance of the capable Project Management Unit, is now in a position to spend new funding effectively (from GEF and other donors) to secure this area for the future.
- Baviaanskloof Mega-reserve – The Baviaanskloof Mega-Reserve Project is firmly established within the broader conservation community and amongst local stakeholders, with a functional steering committee and project management unit. Key studies have been conducted and plans prepared, setting the stage for this mega-reserve to deliver substantial gains for biodiversity conservation as well as the regional economy. The project has attracted significant funding from a variety of donors, in particular GEF.
- Gouritz Initiative – A strategic management plan and a business plan have been developed for this mega-reserve, a vast area occurring in both the Cape Floristic Region and the Succulent Karoo hotspots, now known as the Gouritz Initiative. With continued funding from CEPF, Cape Nature will move from the 18-month planning phase into a five-year implementation phase.
- St. Francis Conservancy Project – Through the development of a mission, vision and management plan, this project has provided stakeholders with a common direction to work toward managing the area for conservation. The first step in securing the biodiversity of the area has been taken through an in-principle agreement with a landowner to form a private contract reserve. Also, landowners are taking over the management of the conservancy (managing meetings, finances, governance), an indication that the conservancy will continue to function once the project team withdraws.
- Tokai's Core Cape Flats Flora Conservation Site – This urban biodiversity project saw two biodiversity studies in the lower Tokai Plantation being commissioned and completed. The first study was for the restoration of 0.5ha of land adjacent to Orpen Road and the second was the "Biodiversity Assessment and Restoration Potential of Different Compartments in the Lower Tokai Plantation". The project has been successfully leveraged in the restoration of the wetlands and a partnership with Working for Wetlands.

Strategic Direction 2: Promote innovative private sector and community involvement in conservation landscapes surrounding Cape Floristic Region biodiversity corridors.

Because such a large portion of the cape (80 percent) is in private hands, this strategic direction is seen as critical to the success of conservation actions in the region. It focuses on identifying and piloting innovative means to engage the private sector and local communities in a variety of activities that will contribute to conservation.

Highlights to date:

- Through grants to the South Africa Protea Producers Association and the Flower Valley Conservation Trust, industry has investigated and documented sustainable harvesting methods for proteas and other Cape plants valued for the cut flower industry, and has disseminated awareness materials on this topic throughout the industry. This project served as an introduction to the Flower Valley/Agulhus Biosphere Initiative (ABI) training course, which will be offered in 2005. This model could well be adapted to other regions outside the Agulhas Plain.
- Stewardship has been recognized as a landscape conservation tool by the majority of initiatives in the region, via a pilot project undertaken by The Botanical Society of South Africa. This project has successfully changed the way Cape Nature and other initiatives approach conservation, by piloting stewardship within the region and in particular in the southwest lowlands and the three mega-reserves. WESSA has initiated the St. Francis Conservancy in the southeast lowlands.
- CEPF and other donors are supporting the Biodiversity and Wine Initiative, an innovative effort aimed at mainstreaming biodiversity conservation into the South African wine industry by promoting biodiversity best practices and the stewardship approach. The entire South African wine industry has already bought into the implementation of the Biodiversity Wine Initiative. This project is implemented via a grant to the South African Wine and Brandy Company.
- In recognition of the urgent need to involve South Africa's urban poor in conservation of the valuable and threatened biodiversity that occurs within the urban landscape where they live, CEPF is supporting a challenging and innovative project implemented by Cape Flats Nature. This project aims to build partnerships between all tiers of government, nongovernmental and community-based organizations, and the private sector to conserve biodiversity at four pilot sites using a people-centered approach that benefits surrounding communities, particularly townships, in a way that is sustainable and replicable at other sites in the City of Cape Town's biodiversity conservation network.
- The environmental and social benefits of the biodiversity-based business at Flower Valley, including the floral and paper business, is clearly depicted in the work being undertaken by the Flower Valley Conservation Trust (FVCT). Relationships have also evolved between FVCT and certain large corporations with international bases that have both a donor element and have undertaken to support commercial products through an ethical procurement policy. On the basis of its ongoing training program, FVCT secured funding from GEF through ABI and the South African Government's Primary Agriculture Education and Training Seta (PAETA) for future skills development on a broader base and Adult Basic Education and Training in wild fynbos sector.
- Western Baviaanskloof Initiative – The mixture of cultural and natural heritage in the area has vast potential for biodiversity-friendly developments. The process undertaken has created a strong sense of unity and co-operation between the diverse peoples of the kloof, and resulted in a strong awareness of biodiversity value in the kloof. Many opportunities exist for cooperation between the mega-reserve project and local initiatives.

- Valuable monitoring data on the status of threatened species and sites are being collected in a relatively inexpensive and sustainable manner through the use of volunteers in the C.A.P.E. Threatened Plants Program. The project has been highly effective in building capacity amongst volunteers and conservation extension staff to identify important biodiversity at the site level for conservation.
- While the Baviaanskloof Conservancy project was only initiated in January 2005, an evident highlight so far is the active networking that is occurring between role-players, landowners and conservation authorities.

Strategic Direction 3: Support civil society efforts to create an institutional environment that enables effective conservation action.

This strategic direction aims at addressing several key elements that are essential for a coherent and efficient institutional framework, specifically the need for coordination of all stakeholders operating in the hotspot, improved access to biological information, better laws and policies, and increased capacity.

Highlights to date:

- The Cape Coordination Unit has effectively coordinated actions and funding for the hotspot, and has served efficiently as CEPF's voice on the ground. The results include strategic fundraising that helps ensure sustainability of conservation initiatives, sensible funding decisions with regard to CEPF funds so grantmaking complements available funds and leverages new funding, and targeted grantmaking that contributes effectively to the Cape strategy
- Via the Conservation Planning Unit of the Western Cape Nature Conservation Board (now Cape Nature), the lack of available biodiversity information has been addressed. The aim of this project was to make available the most recent and comprehensive biodiversity data to decisionmakers, planners, consultants and researchers for use in land-use management and decisionmaking in the hotspot. At the close of the project, the CPU has produced a wide variety of materials, held numerous training courses, produced an excellent Web site where users can access data and learn how to use the information, and has become the main source of biodiversity data for conservation and land-use decisions in the region. The CPU also provides services, where requested, for data analysis. This aspect of the CPU is popular and very likely to grow, as more government agencies learn of the CPU and seek assistance in meeting the legal requirements pertaining to conservation/land-use planning in their municipalities.
- CEPF is supporting a two-year project by the Botanical Society of South Africa to mainstream the use of systematic conservation plans into land-use planning and decisionmaking in the Western Cape Province, in order to curtail habitat loss in priority areas for biodiversity conservation. The project is innovative in that it will produce materials and methodologies that interpret the outputs of fine-scale systematic conservation plans, and then will test and apply these in pilot municipal areas. As part of the project, the organization has successfully developed plans and guidelines that are being used by local authorities in two pilot areas to inform their forward planning and land-use decisions. The project will be further supported by the C.A.P.E. GEF Conservation and Sustainable Development grant.

- Creating electronic access to information on the Red Data species and endemic plant families of the Cape Floristic Region – The publication accompanying the new South African Vegetation Map will include the map produced by this project and the lists of Red Data species for the vegetation units of the hotspot. This is intended by the authors of VegMap to encourage the rest of the country to do the same exercise. This is clearly a feather in the cap for this CEPF-funded project. The database developed has formed the basis for much of the work of the C.R.E.W. project and also the work of the Threatened Species Program of SANBI.
- Public interest and participation has exceeded expectations in the “Effective conservation of amphibians and reptiles in the Greater Cederberg Biodiversity Corridor” project which encourages stakeholder involvement by asking the public to submit photographs of the herpetofauna they encounter in the project area. Information received from the public has already led to the discovery of one and possibly two new lizard species.

Strategic Direction 4: *Establish a small grants fund to build capacity among institutions and individuals working on conservation in the Cape Floristic Region.*

Investment in this strategic direction has been accomplished through a block grant to the Table Mountain Fund for the project, *The Table Mountain Fund Capacity Building Program for the Cape Floristic Region*. Initiated in September 2002, this project has already achieved much in its three years of operation.

Highlights to date:

- To date, eight individuals have received placements, nine individuals have enrolled on long courses and 92 have enrolled in short courses, totaling 109 individuals who have benefited from TMF-CBP interventions.
- Forty-nine women, of which six received placements, four enrolled in long courses, and 39 enrolled in short courses, have benefited from the project. Of the 60 men benefiting from the project, two received placements, five were enrolled in long courses and 53 were enrolled in short courses.
- Individuals from the Southwestern Lowlands received the largest portion of TMF-CBP interventions with five individuals receiving placements, six enrolled in long courses, and 55 enrolled in short courses. Individuals from the Southeastern Lowlands received two placements, two were enrolled in long courses and nine were enrolled in short courses. The Agulhas and Garden Route areas each had 12 individuals enrolled on short courses.
- To date, six of the nine individuals enrolled in long courses have completed their courses; while 87 of those enrolled in short courses have completed their courses. The eight placements are still running.
- Individuals benefiting from the project are mainly linked to the following institutions: SANPARKS with 28 individuals, Cape Nature with 15, SANBI with 14, the City of Cape Town with 10 and Cape Flats Nature with six individuals.
- To date, through TMF-CBP interventions, nine individuals now hold management positions in the CFR. One of the candidates who received funding for tertiary studies passed with distinction and has since been placed with Cape Nature, while another won a full scholarship to complete a Master’s Degree at Rhodes University.

Collaboration with the World Bank and GEF

In 1998, the GEF provided \$12.3 million through the World Bank for the Cape Peninsula Biodiversity Conservation Project to strengthen management of the globally significant Cape Peninsula National Park, to part-capitalize the Table Mountain Fund, and to prepare the C.A.P.E. 2000 Strategy.

In 2003, the GEF provided an additional \$11 million in funding through the UNDP (\$2 million) and World Bank (\$9 million) for the C.A.P.E. Biodiversity Conservation and Sustainable Development Project. The global objective of the project is that the natural environment of the Cape Floristic Region and adjacent marine environment will be effectively conserved, restored wherever appropriate and will deliver significant benefits to the people of the region in a way that is embraced by local communities, endorsed by government and recognized internationally. This project has two Project Development Objectives:

- Capable institutions cooperate to develop a foundation for mainstreaming biodiversity in the Cape Floristic Region into economic activities.
- Conservation of the Cape Floristic Region is enhanced through piloting and adapting site-based models for sustainable, effective management.

Project funds that have been made available by the GEF have complemented the CEPF investment, and have enabled project executants to implement a suite of projects through different implementation stages. The whole strategy is underpinned by a programmatic approach, drawing on the complementary niches and strengths of the agencies responsible, and having the effect of creating synergy among South African counterparts. In the four years since the C.A.P.E. 2000 strategy was launched, there is tangible evidence that the strategy is not only feasible but is being effectively implemented. It is clear though that there are huge challenges, and the real opportunity now is to build on the investments and further replicate effective approaches across the region.

Conclusion

As the CEPF Cape Floristic Region portfolio enters its fourth year, it is clear that CEPF funding has had a major impact in the region. Major successes are evident in the mega-reserves and in parts of the lowlands. CEPF has been strategic in supporting local groups' projects to ready them for future funding coming online in the near future or to develop sustainable financing plans to ensure that CEPF's investment will continue to reap benefits for conservation. CEPF projects have been selected to fulfill the CEPF investment strategy, which in turn is designed to complement the C.A.P.E. 2000 Strategy and Action Plan.

CEPF's investments in some areas, such as Cederberg and Baviaanskloof, have prepared these areas to move from planning to implementation, and have also ensured that the stage has been set to use new funding efficiently and effectively. Pilot projects have also set a good foundation for replicating innovative and successful approaches, and these have done well in attracting new donors.

At the same time, there are areas that are not slated to benefit from GEF funding in the near future, and this is where CEPF has planned to invest, such as the Gouritz Initiative. Additionally, CEPF will spend remaining funds on Strategic Direction 2, as more emphasis needs to be directed toward the private sector. While the first four years of

CEPF investment have yielded excellent results, much remains to be done in the Cape Floristic Region to secure the conservation of this incredible region and particular attention needs to be paid to ensuring the sustainability of CEPF investment to date.

- *March 2005*

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March 2005 Charts: Cape Floristic Region

Chart 1. Approved Grants by Strategic Direction

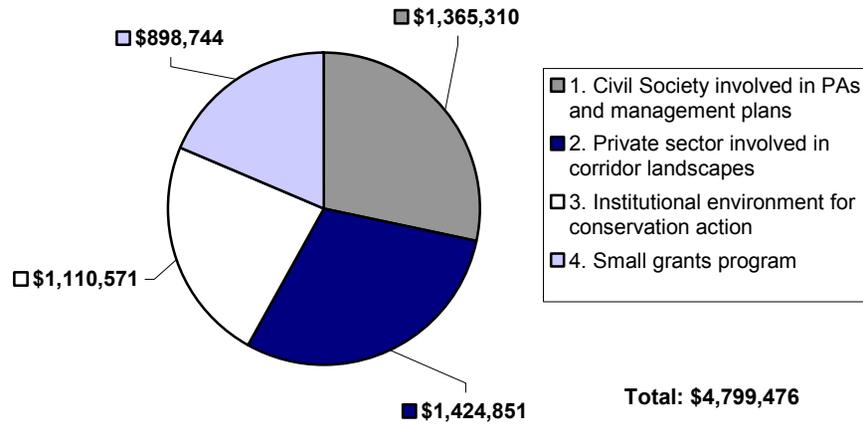


Chart 2. Approved Grants by Corridor and Strategic Direction

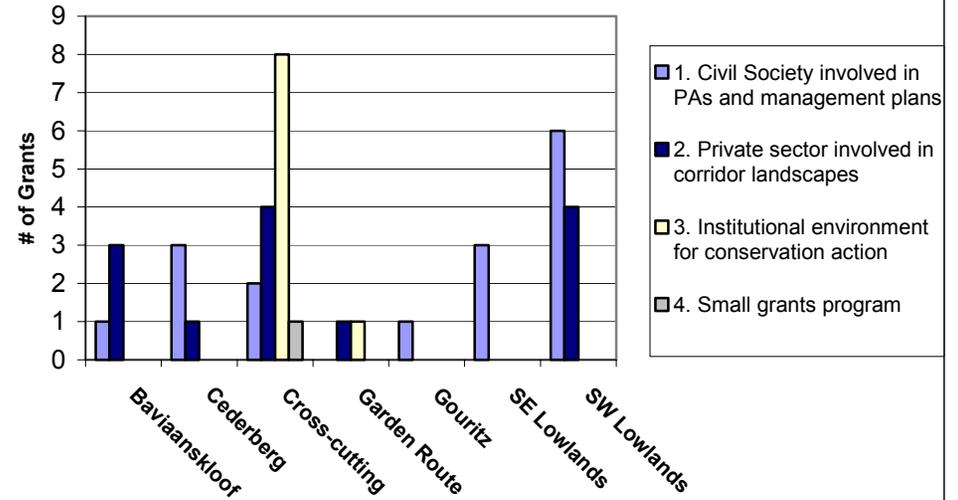


Chart 3. Portfolio Status by Strategic Direction

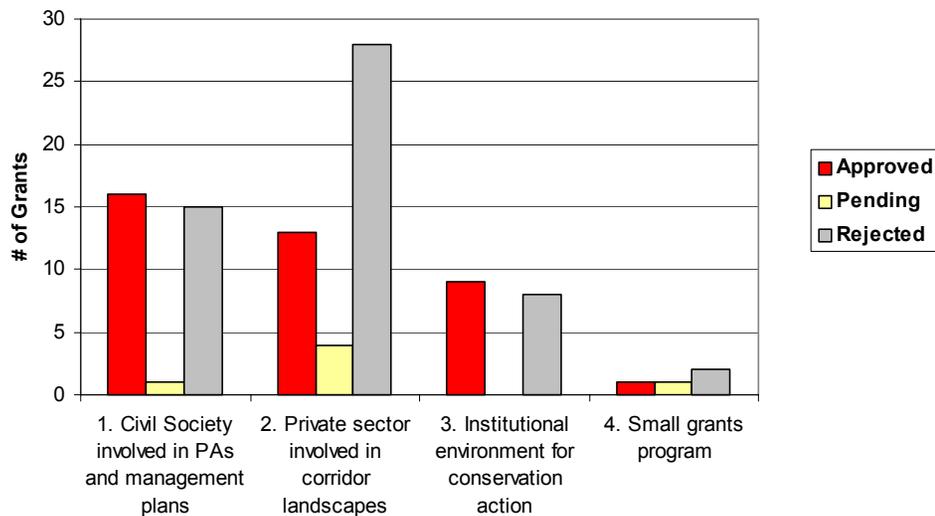


Chart 4. Combined Value of Grants Awarded

