

Critical Ecosystem Partnership Fund
No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement

March 23, 2017

Ecosystem profile for the Mediterranean Basin Hotspot

Recommended Action Item:

The Donor Council is asked **to approve on a no-objection basis** the ecosystem profile for the Mediterranean Basin Biodiversity Hotspot. Similarly, the Donor Council is asked to increase CEPF's spending authority by \$10 million for the implementation of this profile.

The deadline for no-objection approval is **May 7, 2017**.

Background

The ecosystem profile for the Mediterranean Basin Biodiversity Hotspot was revised and updated between May 2016 and January 2017, following the Donor Council's selection of the hotspot for reinvestment at its meeting Twenty-Eighth meeting in January 2016.

This is intended to be a full reinvestment, following an initial investment phase between 2012 and 2017, during which CEPF provided a total of \$11.2 million in funding to conservation projects in the hotspot (including additional support from the MAVA Foundation). The investment strategy set out in the revised ecosystem profile builds on the results achieved and lessons learned from these earlier investments.

The process to update the ecosystem profile was led by the BirdLife International secretariat, working in close partnership with IUCN, Tour du Valat, Conservatoire du Littoral, Sociedad Española de Ornitología (BirdLife Spain), Društvo za opazovanje in proučevanje ptic Slovenije (BirdLife Slovenia) and Association des Amis des Oiseaux (BirdLife Tunisia). During the course of the revision, over 500 biodiversity experts, field conservationists, government officials and representatives of donors and CSOs were consulted via a series of national and regional workshops and specialist meetings, which covered all countries and territories eligible to receive CEPF support.

The ecosystem profile for the Mediterranean Basin Hotspot was shared with the Working Group for review on 3 February 2017 and comments from its members have been incorporated into the final draft. A matrix showing how comments from the Working Group have been addressed is attached, together with an extended summary of the profile. The full text of the ecosystem profile for the Mediterranean Basin Hotspot can be downloaded from:

https://www.dropbox.com/s/ejbmuclwycwysy/Med%20Ecosystem%20Profile_FINAL_23March2017.pdf?dl=0

RESPONSE TO WORKING GROUP COMMENTS ON THE MEDITERRANEAN BASIN ECOSYSTEM PROFILE

TOPIC	WORKING GROUP COMMENTS	SECRETARIAT RESPONSE
<p>CONSULTATION PROCESS</p>	<p>Would like to understand the consultation process a little better. How much consensus was there? Were all stakeholders represented in a balanced way?</p>	<p>Section 2.1 (pp4-5) gives an overview of the numbers and different groups of stakeholders involved in the consultations. Fourteen national workshops were held, involving 461 participants. There was balanced representation of different countries eligible for CEPF support, with at least 20 participants from each, apart from Libya, where security concerns prevented an in-country consultation, and where CEPF grant making is anticipated to be limited in any case, due to the prevailing security situation. There was a good representation of different sectors of civil society and other stakeholder groups at the national workshops, with NGOs being the best represented group (42%), followed by government agencies (28%). Research institutions, business and media and donor agencies were also represented.</p> <p>On the identification of Key Biodiversity Areas (KBAs), there was generally a high degree of consensus over most sites in each country. Additional sites were proposed (or retained) on the basis of specialist knowledge of particular experts or groups of experts (for example plants, freshwater invertebrates). These were not necessarily known to the wider group but were accepted when the justification for identifying them was provided. The clear, biologically based criteria for identification of a KBA allowed objective judgements on whether sites should be included, and meant that relatively few proposed sites had to be rejected. Sites where data were inadequate to confirm their status as KBAs were recorded on a candidate list, and may warrant future survey effort. For some sites, the precise alignment of KBA boundaries took some time to finalize, as stakeholders discussed (for example) the merits of combining or separating neighboring KBAs. The national and regional coordinators facilitated these discussions and ensured, as far as possible, that final decisions were made on a pragmatic basis.</p> <p>The other data collected through the national consultations (on threats, civil society, policies, etc.) were generally non-controversial, and the process involved compiling all inputs, rather than having to create consensus on specific points.</p>
<p>LESSONS FROM EARLIER CEPF INVESTMENT</p>	<p>Happy to see lessons learned informing the investment strategy (Chapter 12). Would like an overall review of lessons learned from first investment phase; a separate section on this should be included.</p> <p>Would like to see more information included in the profile about investments (number of grants and grant amount by country) and impacts during the first five years.</p> <p>Did not see some of the challenges and lessons learned from the first five years; would expect to see this (but does not need to be a 20-page chapter).</p>	<p>Details of the results and lessons learned from the first investment phase have been added as follows:</p> <p>In Chapter 2, a new section (2.2, pp5-6) has been added on “CEPF grant-making during the first phase”, presenting data on distribution of investment.</p> <p>In Chapter 11, a new section (11.2, p198) has been added on “Lessons learned from the first phase”, giving an overview of these lessons, which are described in detail in Sections 11.3 and 11.4 (pp198-203). Lessons from the first phase are also integrated into the investment strategy for the second phase (Chapter 12, pp206-232).</p> <p>Annex 4 (pp293-304) has been added to provide a detailed comparison between Phase 1 and Phase 2, with changes in objectives and targets between the two phases justified in terms of impacts of CEPF investment and lessons learned from Phase 1, as well as changes in data and the external context.</p>

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<p>CEPF INVESTMENT NICHE</p>	<p>(1) Given the large size of the hotspot, encourage discussion of options for more focused use of the CEPF investment. Does it make more sense to be more focused on certain ecosystems or focused areas of investment, so that we can have an impact that is not localized and seeks synergies? Applaud the emphasis on plant conservation, especially investing in the next generation of plant conservationists. Like the focus on plants and freshwater taxa. CEPF has a competitive advantage here, given that these species often have small ranges and links to local livelihoods.</p> <p>(2) In Bosnia and Herzegovina, why were no rivers prioritized for CEPF support but only three lakes? Might have expected to see some rivers prioritized given that one threat to biodiversity in the western Balkans is massive planning of hydropower dams.</p> <p>(3) Would like to have more insight on why promotion of traditional land-use practices was a distinct strategic direction (SD3), given that there were some projects on this during phase 1.</p> <p>(4) Under Strategic Direction 2, would like to understand why there is a specific place holder to gain even more information on freshwater biodiversity. How does this play out over the five-year phase? Will knowledge generation be concentrated in the first year and then inform conservation actions in the remaining four years?</p>	<p>(1) A new section (11.4.4, p203) has been added to Chapter 11 on “Ensuring strategic focus for the program”. This section emphasizes how the ecosystem profile focuses on site-based action at a limited set of priority sites, while mitigating security and political risk by spreading grant-making across the eligible countries of the hotspot. Risk is also addressed in the relevant parts of the risk analysis (pp239-242). The total number of KBAs prioritized for Phase 2 is similar to that in Phase 1, which proved an ambitious but realistic target (see Annex 4 (pp293-304) for a detailed comparison of the two phases). The prioritization under each strategic direction identifies 31 priority KBAs under SD1, and 24 priority catchment management zones (CMZs) under SD2. The focus on plant and freshwater conservation is retained.</p> <p>(2) Bosnia-Herzegovina KBAs include the important Trebizat and Neretva river systems. The approach to freshwater KBA conservation (SD2) emphasizes the need to focus on KBAs but also to address threats at a CMZ level. The priorities for CEPF support under SD2 include three CMZs in Bosnia and Herzegovina, including the two rivers mentioned (Table 12.3, p216).</p> <p>(3) Section 11.5.1 (pp203-205) provides an overview, and Annex 4 provides a detailed explanation of how the lessons of phase 1 and availability of new data led to the decision to have a dedicated strategic direction on traditional management. In essence: (a) changes to traditional management (intensification and land abandonment) emerge as important threats; (b) traditional management persists mainly in mountainous areas, which are not covered by SD1 (coastal) and only partially by SD2 (freshwater); (c) greatly improved data on threatened and endemic plants has also emphasized the role played by traditional management in maintaining plant diversity; and (d) a focus on traditional management is highly relevant to livelihoods and ecosystem services, which are very high priorities in the hotspot.</p> <p>(4) The point has been addressed through additional text in the description of Investment Priority 2.1 (pp216-218). Specifically, there exists a need (in some cases) for additional information gathering prior to taking conservation action for freshwater ecosystems, because the effective scale for civil-society-led conservation actions is the site (i.e. KBA), while time and data limitations during the ecosystem profiling process meant that priorities for CEPF investment are set at the level of the landscape (i.e. CMZ). For some CMZs, sites are already well known (for example the Balkan lakes). For others, however, rapid assessment work is needed to confirm the most important places requiring conservation action. Any such work is intended to be a rapid survey that leads to further conservation action; no stand-alone surveys will be supported.</p>
<p>RESPONSE TO POLITICAL AND SECURITY RISKS</p>	<p>How flexible are the strategic directions and investment priorities, given the changing political context in the hotspot? Would be good to include a section on risks to the investment strategy. This could be a matrix, showing severity of each risk, mitigation measures that will be adopted, and adaptation that would be done in the event of the risk materializing.</p>	<p>As noted above, a new section (11.4.4, p203) has been added to Chapter 11 that specifically addresses the issue of prioritization and spreading the geographic risk. A risk analysis (pp239-242) has also been added, after the logical framework, which presents the risks and assumptions, the likelihood and severity of each, and proposed mitigation measures.</p>

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COLLABORATION WITH OTHER INITIATIVES	<p>Support stronger engagement and collaboration with World Bank country staff, especially to help embed results in national policy.</p> <p>What are the opportunities for North-South collaboration between CSOs in EU member states and CSOs in the eligible hotspot countries?</p>	<p>During Phase 1, the RIT had a number of contacts with in-country offices of the World Bank, EU delegations, GEF focal points and other CEPF donor representatives, and it is recognized that there is potential to make better use of these relationships in Phase 2. A new section has been added to Chapter 11 (Section 11.4.3, pp202-203) on “Building on local actions to achieve policy impacts”, which emphasizes the potential for such collaboration, especially for communicating site-level lessons to policy makers. Moreover, consultation with donor representatives in country, as part of assessing and monitoring risks and important external developments, has been added to the description of RIT’s role (pp229-232).</p>
GEOGRAPHIC FOCUS FOR INVESTMENT	<p>What could be the role of CEPF in supporting CSOs in conflict regions?</p> <p>Further guidance awaited from World Bank legal department on grant making in Palestine (West Bank and Gaza) and Libya.</p>	<p>Text has been added to Section 11.4.4 (p203) to recognize the possibility and potential of CEPF support to CSOs in post-conflict situations. Globally, CEPF has substantial experience of supporting civil society organizations in post-conflict countries (e.g. Liberia, Rwanda, Sierra Leone, etc.), where minimal funding can make a major difference to the resurgence of a CSO community and integrating environmental concerns into plans for reconstruction and social and economic recovery.</p> <p>The eligibility of the West Bank and Gaza to receive CEPF funding still needs to be confirmed by the World Bank. Based upon the results of this review, the final version of the ecosystem profile will be amended accordingly. In the current draft, background information on Palestine is included in the context Chapters 1-10, as this information is relevant to the overall conservation agenda in the Mediterranean Basin Hotspot, but no KBAs, CMZs or corridors in Palestine are included in the lists of priority geographies for CEPF investment in Chapter 12 (Table 12.2, p210; Table 12.3, p216; Table 12.4, p220).</p> <p>World Bank guidance is that Libya is eligible for CEPF support but advice on the security situation should be sought from local contacts before issuing a call for proposals that includes the country.</p>
RESULTS FRAMEWORK	<p>(1) How were the logframe targets at the objectives level arrived at? What was the logic for them?</p> <p>Would like to understand justification for the targets in the logframe.</p> <p>It is important to benchmark targets for the new phase against the results from the first five years.</p> <p>Would like to see a matrix comparing the investment strategy and results achieved from the first phase with the investment strategy for the second phase.</p> <p>Would like to see impacts presented linked to the targets of the first phase (what was met, what were the gaps).</p> <p>Intermediate Outcomes 5 and 6 are excellent.</p> <p>(2) Have issue with indicators that refer to improved status of threatened species, because this may not be a realistic goal over a five-year period.</p> <p>It is better to have indicators based on threat level not on Red List status, due to the short timeframe.</p>	<p>(1) Annex 4 (pp293-304) has been added, which provides a detailed comparison of the logframe targets in Phase 1 and Phase 2, together with explanations of how they were set. In general, the scale of ambition is similar to the actual results achieved during Phase 1. It is, thus, a realistic projection of what can be achieved with the requested funding. If additional funding is leveraged, this will allow the targets to be revised upwards.</p> <p>(2) The indicators in the logframe (pp235-238) have been revised to make it clear that they measure reduced pressure on species’ populations from threats and short-term increases in population size or reproductive success at specific sites, not to changes in IUCN Red List status.</p>
THEORY OF CHANGE	<p>Would like to see more clarity on the theory of change, explaining how localized grants will lead to impacts at the hotspot level.</p> <p>Would be good to see a theory of change.</p>	<p>A theory of change for the program has been added (Section 11.3, pp198-200). The issue of how the program will work to achieve wider-scale impacts (hotspot level and policy level), building on the results of site-focused interventions, is also elaborated in the expanded Section 11.4 (pp200-203).</p>

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GENDER	<p>Gender is an issue that should not be overlooked; it may be more relevant to development of the portfolio of grants than the investment strategy, however.</p>	<p>Gender issues are addressed explicitly in Section 5.4.3 (pp98-100), which presents gender inequality scores for hotspot countries. The responsibility of the RIT for ensuring that individual projects and the program as a whole are gender sensitive, and that gender-disaggregated data are gathered to support monitoring, is emphasized in the description of Investment Priority 6.1 (pp231-232).</p> <p>In the logframe (pp235-238), sex-disaggregated indicators have been added for Intermediate Outcomes 3 and 4, while a new target has been added under Intermediate Outcome 6 to the effect that the RIT will assist at least 30 grantees to achieve improvements in gender mainstreaming, as measured by gender tracking tool scores.</p>
PRIVATE SECTOR	<p>(1) Investment Priority 1.2 emphasizes engaging private sector stakeholders to adopt sustainable practices. What lessons learned from the first phase give confidence that this strategy will be successful? Given the wide range of different types of private sector actor that exist, it would be helpful to understand where CEPF's niche is for engagement with the private sector. Considering that its resources might not be ideally suited to engaging with some private sector actors, CEPF investments should be targeted and well thought through. The SOS project had a few elements that could be used for the focused approach with the private sector. Would be useful to reflect on these lessons learned.</p> <p>(2) Regarding eco-labelling and certification, the GEF has a guidance document on this, and there have been GEF initiatives in the Balkans and Eastern Europe. In general, the GEF's experience has been that these approaches do not often generate price premiums but may deliver benefits in terms of increased productivity and/or market access.</p>	<p>(1) Specific discussion of the program approach to working with the private sector has been added (Section 11.4.2, pp201-202), and through additional details under the relevant investment priorities (i.e., IP1.2, pp212-213, and IP2.3, pp218-219). Annex 4, comparing Phase 1 and Phase 2 objectives and targets, provides further discussion of the lessons from Phase 1 and the justification for the focus on engaging private sector actors in Phase 2.</p> <p>(2) The GEF publication on lessons from eco-labelling and fair trade products (Blackman and Rivera, 2010) has been consulted and the lessons taken into account in Section 11.4.2 (pp201-202). These lessons are referenced under the relevant investment priority (i.e., IP3.1, p222). Annex 4 (pp293-304) provides further discussion of the lessons from Phase 1 and the justification for the focus on eco-labelling and certification in Phase 2.</p>
CONSERVATION OUTCOMES	<p>Advise caution with use of Red List statistics. It may be misleading to point out that there are so many more Red Listed species than before, because these changes mainly reflect changes in knowledge not status. Percentages rather than absolute numbers might be a better way to present these statistics.</p>	<p>The text of Chapter 4 has been revised to make it clear that the changes in numbers of Red List species is primarily a result of additional species being assessed, not actual changes in the conservation status of individual species (see Section 4.2.4, p29). Percentages of species groups assessed for the Red List, and percentages of threatened species within each, are given in Table 4.1 (p25) to enable comparison among groups.</p>
FUTURE RIT ROLE	<p>Understand that the role of the RIT will be more strategic going forwards. This could be presented more clearly in the profile, with a more detailed discussion of the role of the RIT and how this relates to the Secretariat and beneficiaries of the fund. Maximizing opportunities for sustainability is a role for the future RIT. Would like to see that the RIT has the necessary capacity to fulfil this role.</p>	<p>Information on the role of the RIT, with emphasis on the role in achieving policy impacts and contributing to the sustainability of the program, has been added to the description of Strategic Direction 6 (pp229-232), and in a new section in Chapter 13 on sustainability (pp233-234). It is also part of the description of the role of CEPF in the Theory of change (Section 11.3, pp198-200) and on the strategic focus of the program (Section 11.4, pp200-203).</p>
DOCUMENT STRUCTURE	<p>(1) Would like to see a technical summary.</p> <p>(2) Would be useful to include maps of the priority KBAs, CMZs and landscapes; these would be very useful from a communications perspective.</p>	<p>(1) A technical summary has been prepared.</p> <p>(2) A map of priority coastal KBAs is presented as Figure 12.1 (p210). A map of priority CMZs is presented as Figure 12.2 (p217). A map of priority corridors is presented as Figure 12.3 (p221).</p>