



# **Strategic Framework**

## **FY 2008-2012**

July 2007

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## I. INTRODUCTION

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Earth's biologically richest ecosystems are also the most threatened. Together, these biodiversity hotspots harbor half the diversity of life yet they have already lost 86 percent of their original habitat. The convergence of critical areas for conservation with millions of people who are impoverished and highly dependent on healthy ecosystems for their survival is also more evident in the hotspots than anywhere else.

Conservation International (CI), the Global Environment Facility, and the World Bank launched the Critical Ecosystem Partnership Fund (CEPF) in 2000 as an urgently needed new approach to enable nongovernmental organizations (NGOs), community groups, and other sectors of civil society to participate in conserving the hotspots. The program's unique focus on hotspots and civil society attracted the John D. and Catherine T. MacArthur Foundation as a partner in 2001 and the Government of Japan in 2002. L'Agence Française de Développement, the French Development Agency (AFD), also joined the partnership in 2007.

The hotspots approach to the conservation of ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for the benefit of the global environment.

During its first phase, CEPF had established active grant programs in 15 regions within 14 originally defined hotspots (Annex I). More than 600 civil society groups in 33 countries received grants and many of these groups also awarded funds to others, bringing the total number of groups supported by CEPF to more than 1,000.

Grant recipients ranged from small farming cooperatives and community associations to local and international NGOs. Every grant helped implement region-specific investment strategies developed with diverse stakeholders and approved by a council of high-level representatives from each CEPF donor partner institution.

CEPF investments have enabled hundreds of civil society groups to achieve significant, positive outcomes. Their efforts have influenced major governmental policies in dozens of countries and helped protect nearly 10 million hectares of globally important land since the program's creation in 2000.

An independent evaluation of the global program identified the following areas where CEPF grants appear to have been particularly effective or to show particular promise:

- Protected areas: Project portfolios in all hotspots have supported the expansion, consolidation, and improved planning and management of protected areas.
- Species conservation: CEPF grants have established research and educational projects at the local level and have supported community organizations in participatory monitoring activities to prevent species extinctions.
- Capacity building and training: Grants to the national offices of international NGOs have helped provide formal training as well as employment for promising local individuals who represent the next generation of national conservation leaders.
- Community development and poverty mitigation: A significant number of grants

have provided the basis for improving incomes and economic well being of poor communities.

- Building conservation into development planning: Grants have equipped decisionmakers and planners with tools and knowledge to harmonize conservation with economic development.
- Private sector: Several hotspots have achieved significant conservation contributions from national and international companies in private sector industries due to CEPF-supported projects.
- Multinational hotspots: CEPF has demonstrated that conservation planning and implementation can take place on a regional, multi-country scale.
- Long-term conservation financing: CEPF grants have helped establish conservation trust funds and leverage partner support in several regions.

This 5-year Strategic Framework sets out the vision for FY 2008-2012, for which CEPF aims to secure at least \$100 million in new commitments from donor partners. The start of implementation has been made possible by new \$25 million commitments from both AFD and CI, which administers the global program. Ultimately, CEPF hopes to secure \$150 million to further increase the resources available for implementation.

The independent evaluation concluded overwhelmingly positive and recommended that the CEPF donor partners continue supporting the program and seeking further expansion opportunities. The evaluators found projects at the ecosystem level to be strategic and well selected to form integrated portfolios, with small grants complemented by targeted larger grants and a focus on influencing changes within institutions and governments. The evaluation report also included recommendations for strengthening the program that have been incorporated into this Framework.

CEPF will build on a rich repository of experience and lessons learned during the program's first years of operation, as well as recommendations from the evaluation that will expand the program's potential to act as a mechanism for the conservation community as a whole to align conservation investments for greater impact. The overarching goal will be to strengthen the involvement and effectiveness of NGOs and other sectors of civil society in contributing to conservation and management of globally significant biodiversity.

This will be achieved by providing strategic assistance to NGOs, community groups, and other civil society partners, including the private sector, to support

- (i) strengthened protection and management of biodiversity within selected hotspots and critical ecosystems;
- (ii) increased local and national capacity to integrate biodiversity conservation into development and landscape planning; and
- (iii) expanded and improved monitoring and learning to demonstrate biodiversity impact and enable adaptive management and replication.

## **II. RATIONALE FOR INVESTMENT**

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The global biodiversity hotspots once covered 15.7 percent of the Earth's land surface. Today, however, 86 percent of the hotspots' natural vegetation has already been destroyed: The intact remnants of the hotspots now cover only 2.3 percent of the Earth's land surface.

As might be expected, very large proportions of threatened species occur within and are often unique to the hotspots. Between them, the hotspots hold at least 150,000 plant species found nowhere else on Earth, 50 percent of the world's total endemic species. In addition, 77 percent of threatened amphibian species are hotspot endemics, along with 73 percent of threatened bird species and 51 percent of threatened mammal species.

The status of species can be one of the most important indicators of ecosystem health. Their demise can endanger the vitality and ability of ecosystems to provide services important for human survival: air and water cleansing, flood and climate control, soil regeneration, crop pollination, food, medicines, and raw materials. Many people and many species share a common vulnerability.

By strategically focusing on the hotspots in developing countries, CEPF provides critically needed resources to assist civil society groups in helping preserve the diversity of life and healthy ecosystems as essential components of stable and thriving societies.

The hotspots concept complements other systems for assessing global conservation priorities. All hotspots contain at least one Global 200 Ecoregion identified by WWF for their species richness, endemism, taxonomic uniqueness, unusual ecological or evolutionary phenomena, and global rarity. All but three contain at least one Endemic Bird Area identified by BirdLife International for holding two or more endemic bird species. In addition, nearly 80 percent of the sites identified by the Alliance for Zero Extinction<sup>1</sup> are located in the hotspots. These high-priority areas for conservation hold threatened species as endemics to a single site.

No matter how successful conservation activities are elsewhere, the state of the hotspots is the real measure of the conservation challenge. Unless the global community succeeds in conserving this small fraction of the planet's land area, more than half of Earth's diversity of life will be lost.

By March 2007, the award of new grants in nine of the original hotspots ceased after five years of implementation and funding will soon end for other critical ecosystems. Although the program has been shown to be highly effective, there are still significant conservation needs, both in the original 14 hotspots and in other critical ecosystems that have not yet benefited under the program. CEPF investments in a number of current hotspots targeted only selected areas, such as the Indonesian island of Sumatra in the Sundaland Hotspot and the Upper Guinean Forest in the Guinean Forests of West Africa Hotspot, while other areas in

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<sup>1</sup> Signatories to the Alliance for Zero Extinction include American Bird Conservancy; American Museum of Natural History; Asociación Armonía; Asociación de Conservación de los Ecosistemas Andinos; Association "Les Amis des Oiseaux"; Asociación Naymlap; BirdLife International; Charles Darwin Foundation; CIPAMEX; Conservation and Research for Endangered Species; Conservation International; Doga Dernegi – Turkey; Durrell Wildlife Conservation Trust; EcoSystems-India; Fairchild Tropical Botanical Garden; Fauna and Flora International; Forest Partners International; Fundación Jocotoco; Guyra Paraguay; Hawai'i Endangered Bird Conservation Program; Instituto Ecología Aplicada; International Iguana Foundation; Island Conservation and Ecology Group; Island Endemics; Loro Parque Fundación; Lubee Bat Conservancy; Mindo Cloudforest Foundation; Missouri Botanical Garden; National Audubon Society; The Nature Conservancy; NatureServe; ProAves Colombia; Rare; Saint Louis Zoo's WildCare Institute; Société Audubon Haiti!; Vermont Institute of Natural Science; Wildlife Conservation and Environmental Development Association of Ethiopia; Wildlife Conservation Society; Wildlife Trust; World Parks; World Pheasant Association; and World Wildlife Fund.

those hotspots are also of high value with major needs.

Based on new research by nearly 400 experts, CI also refined the original hotspot framework, aligned hotspot boundaries to match the WWF ecoregions wherever they overlap, and designated nine additional hotspots in early 2005. This refinement raised the number of hotspots globally from 25 to 34 (Annex II), up to 30 of which include countries eligible for support under the current CEPF eligibility criteria as they occur in a biodiversity hotspot, are World Bank clients, and have ratified the Convention on Biological Diversity (CBD). Twenty-five hotspots covering 77 countries are wholly eligible for CEPF support, while five others include 17 additional eligible countries.

This 5-year period of the global program will enable expansion and replication of successful civil society implementation models more broadly within at least 14 hotspots. CEPF will build on lessons learned to date as well as on recommendations from the independent evaluation to further strengthen the program in existing hotspots and to expand activities to new critical ecosystems and to marine and coastal habitats within and adjacent to the hotspots. Supporting conservation activities in marine and coastal habitats will provide a more holistic and integrated ecosystem approach to conservation needs. The CEPF Donor Council may also decide to establish new funding windows to accommodate the strategic interests of specific donors.

Expected global benefits will arise from the increased participation and capacity of national and local civil society groups to manage and deliver conservation initiatives in a strategic and effective manner and to integrate biodiversity conservation into development and landscape planning in regions of recognized global importance. These interventions will lead to generation, adoption, adaptation, and application of lessons for improved outcomes relevant both to CEPF and the broader conservation and development communities.

New CEPF programs and choice of hotspots will also complement activities likely to be supported under the new Global Environment Facility Resource Allocation Framework (RAF). Although CEPF has invested in some of the biodiversity-rich countries that are likely to receive substantial allocations under the framework, the 30 eligible hotspots together target 94 countries. CEPF has the potential to be able to complement conservation efforts in many of these countries by filling in gaps and focusing resources to civil society and private sector efforts that may not otherwise be supported.

As previously, all of the countries involved in the program will have ratified the CBD and all region-specific investment strategies will be endorsed by the relevant national Global Environment Facility focal points to ensure consistency with national Biodiversity Action Plans and country programmatic frameworks. CEPF is fully consistent with and explicitly supports the goals and agreed work programs of the CBD, including the protected areas work program and others that will contribute to the 2010 targets. By directing resources to the most critical irreplaceable ecosystems, CEPF directly supports the goal of “significantly reducing the rate of biodiversity loss.”

The program recognizes national needs to target conservation funding more efficiently and effectively. One of the differentiating elements of the CEPF approach is the highly participatory process used to prepare ecosystem profiles and identify the CEPF funding niche

for each critical ecosystem. The process is led by civil society organizations tasked with ensuring wide participation and transparency at the local level to enable diverse stakeholders, including governmental partners, to reach consensus on the highest priorities for conservation and hence where CEPF investments will have the greatest incremental value.

The program is unique because of its focus on enabling civil society participation in conservation, as well as because of its global scale and potential to act as a mechanism for the conservation community as a whole to align investments for greater impact.

CEPF will further expand the efforts of its partners and national governments as a streamlined, agile fund designed to enable civil society groups, including the private sector, to act as essential partners in conserving the hotspots. It will directly benefit national and local groups that many donors have found difficult to reach. Implementation will emphasize partnerships and transparency at all levels of the program to avoid duplication of effort and to maximize a multi-stakeholder approach to the challenge of biodiversity conservation.

The CEPF dual-pronged approach of focusing on the world's most critical ecosystems for conservation and civil society is also designed to inspire others to realign their own efforts to safeguard the irreplaceable and build the capacity of civil society. The first phase of CEPF leveraged an additional \$130 million of non-CEPF funds toward specific projects and civil society activities within the hotspots. CEPF support has also played an influential role in shaping national and municipal policies in favor of biodiversity conservation.

### **III. PROGRAM DESIGN**

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The program design has been informed by consultations with national and regional civil society groups, the CEPF donors, and other partners, including international NGOs and bilateral agencies. It also incorporates recommendations from the independent evaluators, who visited 10 of the 15 CEPF investment regions to date and consulted with a wide variety of grant recipients and other stakeholders, including government, donor, and implementing agency representatives, during August-December 2005.

The first hotspots for investment will be those for which ecosystem profiles have already been prepared and were approved by the CEPF Donor Council in April 2007. These are the Polynesia-Micronesia Hotspot; the Western Ghats region of the Western Ghats and Sri Lanka Hotspot; and the Indochina region of the Indo-Burma Hotspot. The CEPF Donor Council will choose other critical ecosystems for investment from among the biodiversity hotspots. Marine ecosystems may also be considered where they overlap with targeted terrestrial hotspots.

Supplemental information will be developed to inform the Donor Council's decisions regarding whether to re-invest in or exit hotspots supported by CEPF to date. This will include, for example, biological status, levels of threat, current or planned investment by the donor partners, and the results of participatory assessments of CEPF progress in those hotspots as they reach the end of their existing 5-year investment period. The assessments will feature workshops with stakeholders in each hotspot. CEPF has completed nine of these assessments to date.

The number of hotspots approved for new investment will be staggered to ensure adequate funding and implementation capacity, and the total investment level per hotspot will vary depending on local needs.

The global program will include four overarching and interlinked components:

1. Strengthening protection and management of globally significant biodiversity.
2. Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning.
3. Effective monitoring and knowledge sharing.
4. Ecosystem profile development and program execution.

Key indicators of success will include:

- At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.
- 20 million hectares of key biodiversity areas with strengthened protection and management, including at least 8 million hectares of new protected areas.
- 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.

### **Component 1: Strengthening protection and management of globally significant biodiversity**

CEPF will focus on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses, including protected areas, biological corridors, and high-value conservation sites in production landscapes. Protected areas remain a critical foundation of biodiversity conservation worldwide, yet only 5 percent of globally significant biodiversity within most hotspots is currently protected. Target areas will not be limited to formal designated protected areas and legal entities but will also include indigenous reserves, and community and private lands that are managed for a conservation objective. Support to civil society groups will contribute to the strengthened protection and management of more than 20 million hectares of key biodiversity areas within hotspots. This will include at least 8 million hectares of new protected areas. CEPF will also support activities that contribute to improved conservation of biodiversity within biological corridors and production landscapes, as well as trans-boundary collaboration to protect key areas that straddle national borders. Specific activities are expected to include the following:

1a. Protected areas and other key biodiversity areas: These areas encompass the critical habitat required for the survival of globally threatened and geographically concentrated species and as such are integral components of an effective protected area network. CEPF will support civil society efforts to catalyze improved management and expansion of existing protected areas, as well as the creation of new protected areas. Activities will include building awareness and support for protected areas and systems, development and provision of technical expertise and tools for effective land-use planning, and enabling local community and indigenous groups to take part in the design, implementation, management, and monitoring of key biodiversity areas.



1b. Community – Indigenous Initiatives: CEPF-supported activities will assist communities, including indigenous groups, and other partners in managing biologically rich land as well as landscapes that buffer key biodiversity and protected areas. The independent evaluation found that all of the current CEPF portfolios support community stewardship of biodiversity and ecosystem services through improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity, and the development and adoption of a variety of alternative livelihood opportunities. This focus on the synergistic and direct linkages between biodiversity conservation and human welfare will continue and be emphasized, particularly in regard to scaling up and enabling best practices and replication.

1c. Innovative financial mechanisms for sustainability: Achieving financial sustainability for biodiversity conservation is an ongoing challenge. CEPF will scale up efforts to create and support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation. CEPF will further strengthen joint efforts with governmental partners, the private sector, and other funding mechanisms, including two complementary funds managed by CI. The Global Conservation Fund's expertise is in creating and expanding protected areas as well as in developing long-term funding mechanisms, while Verde Ventures makes debt and equity investment in sustainable enterprises that are strategically important to biodiversity conservation.

1d. Multi-regional priorities: This subcomponent will support selected grants to civil society groups for strengthening protection and management of globally significant biodiversity in ways that efficiently benefit multiple hotspots. These will include, for example, activities to address common threats such as trade in Endangered species where demand and supply chains cross national borders, and global assessments to consolidate available information on the distribution, ecology, and conservation status of groups of species to indicate the status of ecosystem health. Multi-regional grants will also capitalize on significant co-financing opportunities and replication and scaling up of successful approaches across hotspots in a cost-effective way.

## **Component 2: Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning**

Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development communities. Mobilizing civil society to play a more effective role in this process is the CEPF niche. Grantees include individuals, farming cooperatives and community organizations, national NGOs, research institutions and private sector organizations, and international NGOs. Many of these groups also act as vital multipliers, further building local and national capacity for conservation. A key CEPF goal is empowerment of civil society actors to take part in, and influence, decisions that affect local lives and livelihoods and, ultimately, the global environment. This component is particularly targeted to biological corridors and more sustainable management in production landscapes. It builds upon the activities supported under Component 1 through support for strategic and effective alliances to increase impact and sustainability.

Grantmaking will foster alliances by identifying and linking potential partners; helping to design integrated and complementary approaches and supporting partnerships within civil

society as well as with development institutions, government agencies, corporate partners, and others.

CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling civil society groups to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. Such participation will build on local knowledge and technical expertise, and leverage social capital to bring innovative ideas to solving local problems. Examples could include development of communal, municipal, or regional land-use plans, plans for local economic development, certification for more sustainable management, and private agreements. The focal approach will be to strengthen protection of critical biological corridors that link key biodiversity areas within a multiple-use landscape.

Civil society activities to be supported will include assisting in improved land-use planning and activities that mainstream conservation into production landscapes, including collaboration with the private sector; promoting supportive policy and legislative frameworks; promoting more sustainable resource management linked to livelihoods; and implementing measures to control and manage invasive alien species in regions where these are a particular threat. Building upon successful models from earlier years, CEPF would promote collaboration with governmental partners and sectors such as mining, agriculture, logging and tourism by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development. The project would strengthen civil society capability for sustainable resource management and for advocacy and influence over development decisions and national strategies at local, regional, and trans-boundary scales.

### **Component 3: Effective monitoring and knowledge sharing**

This component will support effective monitoring, learning, replication, and scaling up of promising models from components 1 and 2. Specific subcomponents will include:

3a. Strengthening monitoring and evaluation at the ecosystem level, including systematic analysis and documentation of CEPF results and experiences: CEPF priorities will include improved outcomes monitoring at the portfolio level in all hotspots receiving CEPF funding and sharing the results of monitoring widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community. Specific conservation targets and related indicators will be developed as an integral part of the ecosystem profiling process for each hotspot. In addition, selected indicators from a Global Results Framework (see page 16) will be monitored and evaluated within each hotspot at the midterm and end of investment. These will include indicators to monitor biodiversity status and outcomes, as well as civil society, policy, and socioeconomic indicators detailed in a logical framework for each portfolio. Monitoring and evaluation of individual projects will be led by a Regional Implementation Team selected for each hotspot. Data on the status of specific conservation targets and landscapes will be calibrated against data drawn from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science (CABS) and the global monitoring programs of other conservation organizations and partners to determine whether shifts may be needed in investment strategy during implementation.

3b: Expanding and formalizing information sharing and learning opportunities: This subcomponent will support conservation at the regional level by expanding and formalizing information sharing and learning opportunities as part of a participatory monitoring approach already tested and replicated by CEPF in multiple hotspots. Results will lead to adaptive management and also feed into analysis and documentation of lessons learned and best practices within and across hotspots. CEPF will also support specific activities to promote distillation, dissemination, and uptake of good practice, including (i) analyses of specific management practices to derive lessons learned (ii) cross site exchanges between grantees for learning and dissemination of best practice; and (iii) outreach activities targeting communities, local government, and NGOs to increase the uptake of good practice into other conservation initiatives within hotspots.

#### **Component 4: Ecosystem profile development and program execution**

This component will support development by civil society groups of the ecosystem profiles as strategic implementation documents for the partnership and wider conservation community, selected functions of Regional Implementation Teams, and overall execution and administration of the global program by CI through the CEPF Secretariat.

4a: Ecosystem profile development: In each hotspot, disbursement of grants will be guided by an ecosystem profile based on a stakeholder-driven prioritizing process to identify conservation targets, major threats, socioeconomic factors, and current conservation investments. The process will be led by locally based NGOs or other civil society organizations to develop a shared strategy by identifying conservation needs, gaps, opportunities, and the specific CEPF niche and investment strategy. In line with recommendations from the evaluation, future profiling will include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats, and opportunities. Future profiles will be developed with even greater inclusiveness by ensuring that key communities, including indigenous groups within the focal biodiversity areas, take part in determining priority actions.

4b. Regional Implementation Teams: Based on recommendations from the independent evaluation, CEPF will devolve more responsibility from the Secretariat to locally based Regional Implementation Teams for capacity building and grant management and monitoring at the local level. The Regional Implementation Teams were singled out for being particularly effective with the support of the CEPF grant directors in linking the key elements of comprehensive, vertically integrated portfolios such as large anchor projects, smaller grassroots activities, policy initiatives, governmental collaboration, and sustainable financing. The responsibilities of these teams, formerly known as Coordination Units, have been standardized and expanded to capture the most important aspects of their function. Responsibilities of new teams selected beginning in 2007 will include (i) acting as an extension service to assist local groups in designing, implementing and replicating successful conservation activities; (ii) reviewing all grant applications and managing external reviews; and (iii) direct decision-making authority for grants up to \$20,000 and deciding jointly with the CEPF Secretariat on other applications.

4c: CEPF Secretariat: CI will administer and execute the global program. This includes hosting the CEPF Secretariat, employing Secretariat staff, and ensuring that all funds are managed with due diligence and efficiency on behalf of the partnership. The CEPF Secretariat is responsible for strategic and financial management, oversight, and reporting for the global program. This includes supervision of the ecosystem profiling process, training and management of the Regional Implementation Teams, and overall ecosystem portfolio development, monitoring and reporting to ensure that all activities and financial management are carried out in compliance with CEPF Donor Council decisions and the CEPF Operational Manual, which contains the specific operating policies and procedures of the Fund and has been updated to reflect this new framework. The Secretariat also negotiates, manages, and monitors grants for multi-regional activities, which will be endorsed by the relevant Regional Implementation Teams and external review to ascertain strategic fit with the profiles. The Secretariat is also responsible for fundraising, financial management, donor coordination, and global information management and outreach, including management of the program's global Web site ([www.cepf.net](http://www.cepf.net)), newsletter and publication production, and development and implementation of a program-wide replication and dissemination strategy for lessons learned and good practice.

#### **IV. IMPLEMENTATION**

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The CEPF implementation arrangements are designed to build on lessons learned during the first phase, to enable continued expeditious, efficient support to diverse civil society groups, and to establish a clear and effective chain of accountability for results. The approach allocates authority, responsibility, and accountability purposefully among different stakeholders, while ensuring important linkages between different levels of the program.

As recommended by the independent evaluation, CI will continue to administer the program through the CEPF Secretariat. The organization hosts the CEPF Secretariat and ensures that all funds are managed with due diligence, efficiency, and the same degree of care it uses in the administration of its own public funds. The CEPF Executive Director is a CI senior vice president, who reports to both the CEPF Donor Council and to a selected individual from CI's Executive Management Team.

CEPF will also retain its overall structure of a Donor Council and Working Group, as well as Regional Implementation Teams based in the hotspots.

The Donor Council, comprised of senior representatives from each CEPF donor institution, reviews and approves each annual spending plan; recommendations by CI for consideration of priority ecosystem profiles to be prepared; and each ecosystem profile. The Council approves any amendment to the CEPF Operational Manual. In addition, the Council creates and approves the conditions under which donors take part in the Council. The members also elect the chairperson.

The Working Group, comprised of representatives from each donor institution, provides guidance to the Secretariat on strategy development, monitoring, and other aspects of implementation. The members also act as advisers to their respective Donor Council representatives and as CEPF focal points for their broader institutions. Guests, including civil society groups that lead the ecosystem profiling processes, grant recipients, and other

stakeholders, will be invited to inform relevant topics of discussions.

Regional Implementation Teams, comprising civil society groups, lead implementation within the hotspots. The Independent Evaluation characterized this function as “one of the most impressive aspects” of CEPF and the teams in existing investment regions as a “major strength of CEPF, demonstrating the viability of an innovative range of institutional arrangements and providing services that go well beyond grant program administration.” Formerly known as Coordination Units, these teams will now be known as Regional Implementation Teams to reflect their vital leadership in implementation.

New Regional Implementation Teams will be selected by the CEPF Donor Council based on terms of reference and a competitive selection process approved by the Council in April 2007.

Each Regional Implementation Team will be responsible for implementation of the relevant ecosystem profile and for establishment of a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving shared conservation goals. While strategic oversight will remain at the Secretariat level to maintain focus and the reporting and safeguard standards required by the CEPF donor partners, at a minimum each Regional Implementation Team will be responsible for:

- acting as an extension service to assist civil society groups in designing, implementing, and replicating successful conservation activities;
- reviewing all grant applications and managing external reviews with technical experts and advisory committees;
- awarding grants up to \$20,000 and jointly with the CEPF Secretariat deciding on all other applications;
- leading monitoring and evaluation of individual projects and assisting the CEPF Secretariat in portfolio-level monitoring and evaluation;
- communicating CEPF objectives, opportunities to apply for grants, lessons learned, and results;
- involving the existing regional programs of the RIT, CEPF donor and implementing agency representatives, government officials, and other sectors in implementation; and
- ensuring effective coordination with the CEPF Secretariat on all aspects of implementation.

In addition, CEPF will incorporate specific steps approved by the CEPF Donor Council to ensure further transparency and effective decisionmaking, particularly in regard to the award of CEPF grant funds to CI programs and other international organizations as well as to those organizations that lead implementation in the hotspots. The objective will be to ensure that international organizations are not implementing projects that could be successfully undertaken by local groups, emphasizing the CEPF commitment to further strengthen and empower local NGOs. These steps, which will be outlined in detail in the CEPF Operational Manual and approved by the Donor Council, are also designed to avoid potential conflict of interest.

CI will not be eligible to receive a set share of the funds but may apply for grants and have its application considered through the process defined in the CEPF Operational Manual. To

avoid potential conflict of interest at the hotspot level, neither the individual groups that comprise the Regional Implementation Teams nor other offices and programs of those organizations will be eligible for additional grants in that particular hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

As recommended by the independent evaluation, strengthening operational collaboration with the CEPF donor partners will be an explicit priority during implementation as well. The aim will be to maximize the role and comparative advantage of each partner, increasing the benefits of the partnership to each partner and to the global environment.

Activities will include engaging regional and national representatives of the donor partners and implementing agencies at a much greater level in the planning process for each ecosystem and developing hotspot-level guidelines for regular sharing of information and collaboration opportunities. The guidelines will also draw from strategic opportunities identified during a series of regional meetings in 2005 to improve collaboration between CEPF and the World Bank at the country and hotspot level.

## **V. MONITORING AND EVALUATION**

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The CEPF monitoring approach focuses on monitoring and evaluating performance and impact of the overall program, as well at the ecosystem and individual project levels. The three levels will be carefully integrated to build linkages between the program's overall purpose, the strategic directions and investment priorities identified to achieve selected conservation targets in each hotspot, and the many projects that CEPF supports.

Data gathered will inform decisions and adaptive management of ecosystem portfolios, as well as feed into analysis and documentation of best practices, lessons, and results within and across critical ecosystems and at the global level.

A global Results Framework provides the conceptual underpinning for the CEPF monitoring approach. Specific conservation targets and related indicators will also be developed as an integral part of the ecosystem profiling process for each hotspot.

Priorities for strengthening the monitoring approach during implementation will include (i) ensuring that conservation targets are defined in all regions that receive CEPF funding; (ii) improved outcomes monitoring at the ecosystem level in all critical ecosystems receiving funding; and (iii) sharing the results widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community.

The Regional Implementation Teams will be responsible for monitoring all projects and will assist the CEPF Secretariat in portfolio-level monitoring. The approach will build upon and further strengthen the success of the first phase to conduct baseline assessments as part of developing the ecosystem profiles in partnership with local groups, and then to facilitate and support continuation of monitoring at the local level.

All grantees, including the Regional Implementation Teams, will submit regular financial and programmatic reports detailing progress toward specific deliverables. CEPF will also use the

GEF tracking tools to monitor impact of protected area and other interventions. Monitoring at the ecosystem level will also draw data from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science at the midterm and the global monitoring programs of other conservation organizations to provide additional information and inform decisions on whether to adapt implementation.

CEPF will use global socioeconomic, policy, and civil society measures to better assess and monitor the impact of CEPF investments in improving people's welfare, particularly with regard to poverty reduction, as well as capacity and empowerment of civil society groups. Selected, related indicators will be drawn from the Global Results Framework for monitoring at the ecosystem level. In addition, CEPF will continue to track results against key socioeconomic indicators agreed to date by the donor partners. These types of indicators and measures may also be further developed at the ecosystem level.

Monitoring by the CEPF Secretariat will include monitoring the performance of the Regional Implementation Teams and lead responsibility for producing mid-term and final analytical overviews of each ecosystem portfolio. These overviews will draw from the participatory assessments led by the Regional Implementation Teams and include details of interim progress toward the targets, lessons learned, and, in the case of the mid-term report, recommendations for changes to the targets or overall strategy, where appropriate.

The Secretariat will also be responsible for monitoring performance of the overall program and ensuring that all activities and financial management are carried out in compliance with the guidance of the Donor Council and the CEPF Operational Manual.

Evaluation will be mainstreamed into all levels of the program. In addition, the program's overall performance will also be assessed through an independent evaluation under the direction of the Donor Council at the mid point of this Strategic Framework.

## Global Results Framework

Objective	Targets	Use of Information
<p>Strengthening the involvement and effectiveness of civil society in conservation and management of globally important biodiversity.</p>	<ul style="list-style-type: none"> <li>▪ At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.</li> <li>▪ At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.</li> <li>▪ 20 million hectares of key biodiversity areas with strengthened protection and management<sup>2</sup> including at least 8 million hectares of new protected areas<sup>3</sup>.</li> <li>▪ 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.</li> </ul>	<p>YR 1-4: Gauge CEPF's global performance in achieving coverage targets and key milestones against ecosystem profile targets.</p> <p>YR3: Contribute to independent mid-term assessment and adjust overall strategy and operations as recommended.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>Results feed into global outreach program, program evaluation.</p>
Intermediate Outcomes	Intermediate Targets	Use of Information
<p><b>Outcome 1:</b> Globally significant biodiversity is under improved management and protection.</p>	<ul style="list-style-type: none"> <li>• At least 70% of targeted key biodiversity areas with strengthened protection and management.</li> <li>• At least 30% of projects globally enable effective stewardship of biodiversity and ecosystem services by indigenous and local communities in focal areas.</li> <li>• At least 10 sustainable financing mechanisms established or strengthened with initial capital secured.</li> <li>• At least 5 multi-regional projects contribute to the conservation of globally significant biodiversity.</li> </ul>	<p>Profile Midterm: Gauge portfolio performance against targets and milestones identified in ecosystem profile. Refine Results Framework or profiles as needed. (Start-up in hotspots will be staggered.)</p> <p>Program Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tools for protected areas and mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD programs.</p>

<sup>2</sup> Guided by a sustainable management plan

<sup>3</sup> Protected through a formal legal declaration or community agreement



<p><b>Outcome 2:</b> Biodiversity conservation is integrated into landscape and development planning as a result of increased local and national civil society capacity.</p>	<ul style="list-style-type: none"> <li>• 60% of projects outside protected areas integrate biodiversity conservation in management practices.</li> <li>• At least 10 public-private partnerships mainstream biodiversity in the forestry, agriculture, and tourism sectors.</li> <li>• At least 50% of global grant funds allocated to local civil society groups<sup>4</sup>.</li> <li>• At least 70% of targeted communities involved in sustainable use projects show socioeconomic benefits.</li> </ul>	<p>Profile Midterm: With each hotspot, gauge portfolio-level performance against targets and key milestones identified in ecosystem profile. Refine Results Framework or ecosystem profiles as needed. (Start-up in each hotspot will be staggered.)</p> <p>Framework Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tool for mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD work programs.</p>
<p><b>Outcome 3:</b> Effective monitoring and knowledge sharing.</p>	<ul style="list-style-type: none"> <li>• 100% of CEPF regions possess baseline data and indicators and monitor and report against approved logical frameworks.</li> <li>• Select targets from global Results Framework standardized for all hotspots and contribute to global reporting and assessment.</li> <li>• At least 75% of civil society groups receiving grants effectively plan and manage conservation projects.</li> <li>• 2 learning exchanges and participatory assessments of portfolio-level results hosted and documented within each new hotspot for investment.</li> </ul>	<p>All years: Portfolio reviews feed into strategy decisions.</p> <p>Midterm and end of Framework: Calibrate against other biodiversity status reports produced for the hotspot e.g. forest status, Important Bird Areas, etc.</p> <p>All years: Identifying best practice and lessons learned for dissemination and uptake.</p> <p>All years: Results feed into global outreach program.</p> <p>Midterm and end of Framework: Assess progress and examples of replication.</p>
<p><b>Outcome 4:</b> Ecosystem profiles act as shared strategies, and effective program-wide implementation and outreach.</p>	<ul style="list-style-type: none"> <li>▪ Ecosystem profiles and investment strategies developed with stakeholders and financed for all new hotspots selected for</li> </ul>	<p>All years: Results feed into profile planning, implementation and adaptation.</p> <p>All years: Profiles guide</p>

<sup>4</sup> CEPF defines a local civil society group as one that is legally registered in a country within the hotspot and has an independent board of directors or a similar type of independent governing structure.

	<p>investment.</p> <ul style="list-style-type: none"> <li>▪ In at least five hotspots, ecosystem profiles influence other donors' investment strategies.</li> <li>• Regional Implementation Teams build capacity of local civil society groups to design and implement projects.</li> <li>▪ Overall program, including all activities and financial management, effectively monitored and in compliance with CEPF Operational Manual.</li> <li>• Program-wide replication strategy developed and implemented to disseminate best practice within and across hotspots.</li> <li>• 10 publications produced and disseminated on CEPF experiences, lessons learned, and specific themes.</li> <li>• 100% of final project reports compiled by grant recipients available online.</li> <li>• Visitors to Web site and newsletter subscribers increase by 70%.</li> <li>• 5 annual reports and 20 quarterly reports produced.</li> </ul>	<p>decisionmaking and assessments of progress and results.</p> <p>All years: Results feed into global reporting to CEPF donors and overall outreach program.</p> <p>Midterm and end of Framework: Results feed into evaluation.</p>
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## VI. SUSTAINABILITY

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*Ecological sustainability.* The fundamental premise of CEPF is that large-scale actions taken by multi-lateral institutions and national government agencies to protect biodiversity (and, therefore, functioning ecosystems on which many economic systems depend) are more likely to succeed if they are both influenced and supported by civil society. This 5-year period of CEPF will contribute to ecological sustainability in at least 14 hotspots through directed and strategic civil society actions that will complement government and other donor conservation programs. The project's components and specific elements are designed to interlink, with each complementing and building upon the activities in the other, to contribute to sustainability of project initiatives, influence larger policy and institutional framework, and ensure ecosystem conservation in the long term.

*Social and institutional sustainability.* The CEPF experience to date demonstrates that the program can strengthen positive roles for civil society in ensuring ecological sustainability,

and in building long-term skills and strengthened environmental governance. When local communities are able to express their knowledge about the natural systems that form the basis of their livelihoods and can articulate their economic and cultural interests, better and more enduring decisions are likely to be made at national and international levels. A key part of the Regional Implementation Teams' responsibilities will be to build the capacity of local actors to design and implement conservation activities. CEPF will empower civil society actors to directly assist in biodiversity conservation, acquire a positive stake in sustainable development programs, and become sources of improved design, support, and durability for those efforts, thereby also further contributing to ecological sustainability as well.

*Financial sustainability.* CEPF is a long-term, multi-donor program with different donors funding different time slices. To date, CEPF grantees have leveraged at least an additional \$130 million toward specific projects and civil society activities within the hotspots, thereby contributing to sustainability of these efforts beyond CEPF involvement. The capacity of CEPF and the many civil society groups it has supported to attract other donors constitutes a significant market test of the initiative. It is highly unlikely that most of these funds would have been allocated by their donors to civil society-led conservation or the specific hotspots without the existence of the CEPF program.

In addition, CEPF will seek to further expand its formal donor base to ensure financial sustainability for the global program, as well as to again leverage significant funds at the hotspot level. Activities to be encouraged will also include piloting of specific innovative financial mechanisms, such as payments for ecosystem services and market transformation initiatives that would contribute to sustainability of results.

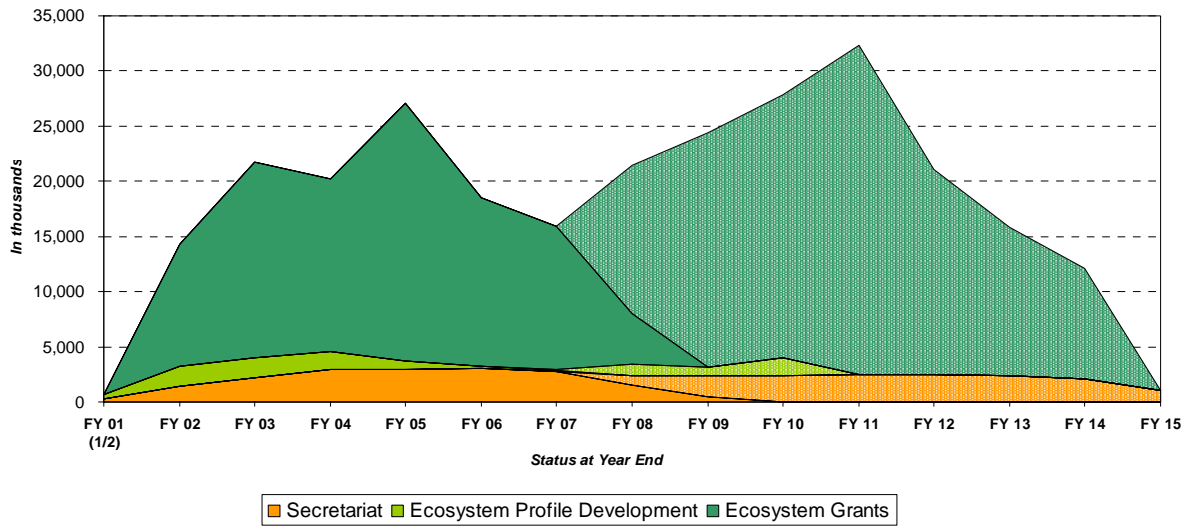
The funding model below illustrates the envisioned transition to this new Strategic Framework beginning in FY 08 based on the following assumptions:

- The total goal for direct donor commitments to CEPF for implementation will be \$150 million.
- Ecosystem profiles will continue to be developed for each new hotspot selected for investment.
- CEPF will manage the two phases of CEPF concurrently and present consolidated reporting that illustrates the full activity of the fund.

CEPF is planning for a seamless transition that will allow for continuity and solid investment management.

Per the original CEPF funding model, in FY 07 preparation (ecosystem profile development) funding for new regions ceased and grantmaking and Secretariat operations began to decline. In the new model below, the lighter shaded areas combined represent the total funding goal for this Framework and the start of new investments beginning in FY 08 based on the newly approved ecosystem profiles for the Polynesia-Micronesia Hotspot, the Western Ghats and Sri Lanka Hotspot, and the Indochina Region of the Indo-Burma Hotspot, as well as future consolidation and expansion. CEPF Secretariat operations will not exceed 13 percent of the total.

**CEPF**  
Phase I and Future Funding Goal



## **ANNEX I. HOTSPOTS WHERE CEPF SUPPORTED CIVIL SOCIETY DURING PHASE 1**

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1. Atlantic Forest (Brazil)
2. Cape Floristic Region
3. Caucasus
4. Chocó-Darién-Western Ecuador (Chocó-Manabi biodiversity conservation corridor)
5. Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya
6. Guinean Forests of West Africa (Upper Guinean Forest)
7. Indo-Burma (Eastern Himalayas region)
8. Madagascar and Indian Ocean Islands (Madagascar)
9. Mesoamerica (Northern Mesoamerica and Southern Mesoamerica)
10. Mountains of Southwest China
11. The Philippines
12. Succulent Karoo
13. Sundaland (the Indonesian island of Sumatra)
14. Tropical Andes (Vilcabamba-Amboró biodiversity conservation corridor)

## ANNEX II. GLOBAL BIODIVERSITY HOTSPOTS AS DEFINED IN 2005

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1. Atlantic Forest
2. California Floristic Province\*
3. Cape Floristic Region
4. Caribbean Islands\*
5. Caucasus
6. Cerrado
7. Chilean Winter Rainfall-Valdivian Forests
8. Coastal Forests of Eastern Africa
9. Eastern Afromontane
10. East Melanesian Islands
11. Guinean Forests of West Africa
12. Himalaya
13. Horn of Africa
14. Indo-Burma
15. Irano-Anatolian
16. Japan\*
17. Madagascar and Indian Ocean Islands
18. Madrean Pine-Oak Woodlands\*
19. Maputaland-Pondoland-Albany
20. Mediterranean Basin\*
21. Mesoamerica
22. Mountains of Central Asia
23. Mountains of Southwest China
24. New Caledonia\*
25. New Zealand\*
26. Philippines
27. Polynesia-Micronesia\*
28. Southwest Australia\*
29. Succulent Karoo
30. Sundaland
31. Tropical Andes
32. Tumbes-Chocó-Magdalena
33. Wallacea
34. Western Ghats and Sri Lanka

Source: Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

\* Not all countries in this hotspot would be eligible for funding under the current investment criteria. However, the CEPF Donor Council may choose to establish new funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Council may also choose to include marine ecosystems within targeted hotspots.

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