

An Overview of CEPF's Portfolio in the Indo-Burma Hotspot

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Introduction

Encompassing more than 2 million square kilometers of tropical Asia, Indo-Burma is the largest and one of the most geographically diverse of Earth's 36 biodiversity hotspots. The hotspot encompasses a number of major mountain ranges, including the Annamite Mountains and eastern extensions of the Himalayas, as well as extensive areas of limestone karst and five of Asia's largest rivers: the Ayeyarwady, Salween, Mekong, Red and Pearl (Zhujiang). Its sweeping expanse of level lowlands embraces several fertile floodplains and deltas and includes Tonle Sap Lake in Cambodia, Southeast Asia's largest and most productive freshwater lake.

As a result of a high diversity of landforms and climatic zones, Indo-Burma supports a wide variety of habitats and, thus, high overall biodiversity. This diversity has been further increased by the development of endemism as a result of the hotspot's geological and evolutionary history. Centers of plant and animal endemism include the Annamite Mountains and the highlands of southern China and northern Vietnam. Consequently, the Indo-Burma Hotspot ranks in the top 10 hotspots for irreplaceability. Unfortunately, it is also ranked in the top five for threat, with only 5 percent of its original natural habitat remaining.

Indo-Burma holds more people than any other hotspot, the vast majority of who depend for their livelihoods on the services provided by the hotspot's natural ecosystems. Of particular importance, in a region where paddy rice and fish protein provide the staple diet of more than 300 million people, are hydrological services and provisioning of fish and other freshwater products. The issues of poverty alleviation and biodiversity conservation are inextricably linked.

In common with many of the world's biodiversity hotspots, a combination of economic development and human population growth is placing unprecedented pressures on Indo-Burma's natural capital. This is compounded by a lack of effective systems to manage these pressures and a dearth of environmentally sustainable development models. An extensive stakeholder consultation exercise conducted by the Critical Ecosystem Partnership Fund (CEPF) in 2011 identified hunting and trade of wildlife as the highest ranked threat to biodiversity in the hotspot. Conversion of natural habitats into agro-industrial plantations of rubber, oil palm, tea and other cash crops was identified as the next highest threat, followed by proliferation of hydropower dams, which is the major threat to riverine ecosystems in the hotspot. The broad consensus from the stakeholder consultations was that all three threats are getting more severe, and will continue to do so, at least in the short-term. In every case, these threats have major implications for national economies and the livelihoods of rural people, both of which depend upon the services provided by natural ecosystems.

The 2000s saw a gradual reduction in the amount of funding available for biodiversity conservation in the Indo-Burma Hotspot, as donors shifted focus to other issues (most notably climate change) or withdrew from countries altogether. At the same time, changing political and economic conditions have facilitated increased private sector investment in hydropower, agro-industry, mining and other industries with potentially large environmental footprints. While these trends present ever-greater conservation challenges, one positive development has been the growth of local civil society groups engaged in biodiversity conservation and related issues of sustainable development, poverty alleviation and social equity.

The emergence of these groups presents new opportunities to engage civil society, in collaboration with private and public sector partners, in addressing the urgent conservation challenges facing the hotspot. To this end, CEPF launched an investment program in Indo-Burma in 2013, building on the result of an earlier program, from 2008 to 2013. The program was initially expected to run until 2018 but, thanks to additional commitments of funding, will now continue until June 2020. Specifically, contributions from CEPF's global donors have been complemented by two regional donors: the Margaret A. Cargill Foundation; and the Leona M. and Harry B. Helmsley Charitable Trust. This document presents an overview of the status of the CEPF grants portfolio at the end of the sixth year of the investment program.

Niche for CEPF Investment

Overview

CEPF investment in the Indo-Burma Hotspot is focused on Cambodia, Lao PDR, Myanmar, Thailand and Vietnam, plus parts of southern China. The current investment program is informed by the ecosystem profile for the hotspot, which was prepared in 2011, through an extensive consultation process coordinated by the CEPF Secretariat, in collaboration with BirdLife International *in Indochina*, the CI-China Program, Kadoorie Farm & Botanic Garden, the Samdhana Institute and the Yunnan Green Environment Development Foundation. The process engaged more than 470 stakeholders from civil society, government, and donor institutions.

The ecosystem profile presents an overview of the Indo-Burma Hotspot, in terms of its biodiversity conservation importance, and socioeconomic, policy and civil society contexts. It defines a suite of measurable conservation outcomes, at species, site and corridor scales, and assesses the major direct threats to biodiversity and their root causes. This analysis is complemented by assessments of current conservation investment, and the implications of climate change for biodiversity conservation. The ecosystem profile articulates an overarching investment strategy for funders interested in supporting conservation efforts led by civil society, including a niche where CEPF's investment can provide the greatest incremental value.

The investment niche for CEPF builds on the experience of the first phase of investment, by focusing on approaches that have demonstrated success, moving from pilot projects to longer-term interventions, and integrating results more concretely into government programs and policies. At the same time, the CEPF niche responds to emerging conservation issues, such as wildlife trade, hydropower development and expansion of agro-industry, with strategies developed through extensive consultation with practitioners in the field. These strategies are focused on the corridors where these conservation issues are most acutely felt: the Mekong River and its major tributaries; Tonle Sap Lake and its inundation zone; the limestone highlands along the Vietnam-China border; and the mountains of Hainan Island. The geographic scope of the CEPF niche also embraces Myanmar, to take advantage of opportunities to strengthen capacity among civil society organizations in the country and enable them to address priority conservation actions in a rapidly changing political and development context.

In line with this niche, the ecosystem profile sets out six strategic directions¹ for CEPF investment in Indo-Burma:

1. Safeguard priority globally threatened species by mitigating major threats.
2. Demonstrate innovative responses to illegal trafficking and consumption of wildlife.
4. Empower local communities to engage in conservation and management of priority Key Biodiversity Areas.
6. Engage key actors in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors.
8. Strengthen the capacity of civil society to work on biodiversity, communities and livelihoods at regional, national, local and grassroots levels.
11. Provide strategic leadership and effective coordination of conservation investment through a regional implementation team.

The ecosystem profile was approved by the CEPF Donor Council in October 2012, with a total spending authority of \$10.4 million. The Donor Council subsequently approved the appointment of the International Union for Conservation of Nature (IUCN) as the Regional Implementation Team (RIT) for the hotspot. IUCN began work as the RIT in July 2013, thus beginning the second phase of CEPF investment in the hotspot. The spending authority for Indo-Burma was subsequently raised to almost \$15.8 million, thanks to additional commitments by CEPF’s global and regional donors.

Portfolio Status

The current CEPF investment program in Indo-Burma will continue until June 2020; it is now six years into its seven-year duration. The program began with the award of two grants to IUCN to perform the RIT role: one dealing with administrative functions, the other with programmatic functions. At that point, the ecosystem profile had been endorsed by the GEF Focal Points for Cambodia, China, Lao PDR and Thailand. Thus, these four countries were covered by the first call for proposals, which was announced in July 2013. Following endorsement of the ecosystem profile by the GEF Focal Points for Myanmar and Vietnam, a second call for proposals, covering these countries, was announced in October 2013. In subsequent fiscal years, two calls for proposals were issued each year, up to 2017, when the last calls were issued (Table 1).

Table 1: Calls for proposals in the Indo-Burma Hotspot during the current investment phase

| No. | Release date | Closing date | LoIs received |
|--------------|---------------------|---------------------|------------------------------------|
| 1 | 29 July 2013 | 9 September 2013 | 228 [95 large / 133 small] |
| 2 | 30 October 2013 | 11 December 2013 | 104 [51 large / 53 small] |
| 3 | 8 July 2014 | 18 August 2014 | 165 [46 large / 119 small] |
| 4 | 10 November 2014 | 22 December 2014 | 17 [2 large / 15 small] |
| 5 | 8 July 2015 | 19 August 2015 | 219 [78 large / 141 small] |
| 6 | 25 January 2016 | 7 March 2016 | 21 [all small] |
| 7 | 6 July 2016 | 17 August 2016 | 168 [all small] |
| 8 | 6 July 2016 | 17 August 2016 | 15 [all large] |
| 9 | 7 April 2017 | 19 May 2017 | 84 [38 large / 46 small] |
| 10 | 7 April 2017 | 19 May 2017 | 35 [21 large / 14 small] |
| Total | | | 1,056 [346 large/710 small] |

¹ Because the overall investment strategy in the ecosystem profile includes strategic directions that are supported by other funders, the numbering of the CEPF-funded strategic directions is non-consecutive.

The reason for issuing two calls each fiscal year was to allow for the different timing and scope of grant-making in Myanmar. Specifically, additional time was needed to train potential applicants in proposal writing and project cycle management, and the interests of regional donors required the calls to focus on a slightly different set of investment priorities to those in the other hotspot countries.

Over the course of the 10 calls (or five “funding rounds”), 1,056 letters of inquiry were received, comprising 346 for large grants (i.e. grants of \$20,000 and above) and 710 for small grants (i.e. grants under \$20,000). Final decisions on three small grant applications submitted under the fifth funding round are still pending. Assuming that these applications are successful, the ratio of applications to awards will be around 4:1 for large grants and 7:1 for small grants. The RIT was successful in generating a large volume of applications, with a significant proportion being of sufficient quality and fit to the scope of the calls to be awarded. In addition to awarding calls through competitive calls, four grants were awarded on an invitation basis, to respond to time-limited opportunity or to facilitate a change in implementing organization.

Over the first six years of the investment phase, 83 large grants have been awarded, including two grants to IUCN to serve as the RIT (Charts 1 to 4). These grants comprise 42 to international organizations and 41 to local organizations, with a total value of \$13.7 million (Table 1). Over the same period, 105 small grants have been awarded, comprising 17 to international organizations and 88 to local organizations, with a total value of \$1.9 million (Table 2).

Table 1: Status of the large grant portfolio in the Indo-Burma Hotspot, as of June 30, 2019

| Strategic Direction | Active grants | Pipeline grants | Total |
|----------------------------|----------------------|------------------------|---------------------|
| SD1 | \$1,882,412 | \$0 | \$1,882,412 |
| SD2 | \$1,036,268 | \$0 | \$1,036,268 |
| SD4 | \$3,809,317 | \$0 | \$3,809,317 |
| SD6 | \$4,159,943 | \$0 | \$4,159,943 |
| SD8 | \$795,159 | \$0 | \$795,159 |
| SD11 | \$2,000,000 | \$0 | \$2,000,000 |
| Total | \$13,683,099 | \$0 | \$13,683,099 |

Table 2: Status of the small grant portfolio in the Indo-Burma Hotspot, as of June 30, 2019

| Strategic Direction | Active grants | Pipeline grants | Total |
|----------------------------|----------------------|------------------------|--------------------|
| SD1 | \$251,383 | \$0 | \$251,383 |
| SD2 | \$19,742 | \$0 | \$19,742 |
| SD4 | \$406,497 | \$0 | \$406,497 |
| SD6 | \$199,635 | \$0 | \$199,635 |
| SD8 | \$1,051,611 | \$0 | \$1,051,611 |
| SD11 | \$0 | \$0 | \$0 |
| Total | \$1,928,869 | \$0 | \$1,928,869 |

Grant making has proceeded at a steady pace since the beginning of the investment phase, and there is a good spread of investment among strategic directions and across the priority geographies of the investment phase (Charts 1 to 4). Excluding the RIT grants, local organizations have received 69 percent of the grants awarded and 43 percent of the investment amount. Both these proportions are a major step forwards from the first CEPF investment phase (2008-2013) in the Indo-Burma Hotspot, during which local groups received only 37 percent of the grants and 19 percent of the total investment. This reflects both growth in the number and capacity of local civil society and targeted efforts by the RIT to engage local organizations.

Excluding the RIT grant, the mean large grant size is \$145,615. Only six grants larger than \$250,000 have been awarded: a grant to Fauna & Flora International to empower local communities to engage in conservation of priority sites in the Sino-Vietnamese Limestone Corridor; a similar grant to Wildlife Conservation Society (WCS) focusing on the Tonle Sap Lake and Inundation Zone Corridor; a grant to WCS promoting government-civil society partnerships to combat wildlife trade; a grant to Stockholm Environment Institute to mainstream biodiversity into development plans for the Chindwin River basin in Myanmar; a grant to International Center for Environmental Management to undertake a rapid environmental assessment of a plan to facilitate navigation on the Mekong River through blasting the river channel; and a grant to WCS to pilot a payment for ecosystem services model with a hydropower company in Lao PDR. For small grants, the mean size of grants awarded to date is \$18,011. This reflects that fact that small grant applicants tend to apply for the maximum funding available.

The total size of the CEPF grant portfolio in the Indo-Burma Hotspot is \$15.6 million (Table 3). Of this total, \$4.5 million was awarded for grants in Cambodia, \$1.4 million for China, \$1.6 million for Lao PDR, \$2.1 million for Myanmar, \$600,000 for Thailand and \$2.3 million for Vietnam. In addition, there was \$3.1 million awarded for grants covering multiple countries, including the two RIT grants.

Table 3: Status of the overall portfolio in the Indo-Burma Hotspot, as of June 30, 2019

| Strategic Direction | Active grants | Pipeline grants | Total |
|---------------------|---------------------|-----------------|---------------------|
| SD1 | \$2,133,795 | \$0 | \$2,133,795 |
| SD2 | \$1,056,010 | \$0 | \$1,056,010 |
| SD4 | \$4,215,814 | \$0 | \$4,215,814 |
| SD6 | \$4,359,578 | \$0 | \$4,359,578 |
| SD8 | \$1,846,770 | \$0 | \$1,846,770 |
| SD11 | \$2,000,000 | \$0 | \$2,000,000 |
| Total | \$15,611,968 | \$0 | \$15,611,968 |

Almost the entire spending authority for the second phase of CEPF investment in the Indo-Burma Hotspot has been committed (Table 4). There remains an unspent balance of \$154,235. This is significantly larger than the balance at the end of fiscal year 2018, which is due to unspent funds being deobligated as grants close. These funds may be used to make a small number of grants by invitation during the final year of the investment phase, to respond to urgent needs or opportunities, or to fill persistent gaps in the grant portfolio.

Table 4: Balance of CEPF funds allocated to the Indo-Burma Hotspot, as of June 30, 2019

| Strategic Direction | Allocation ² | Active plus pipeline grants | Balance |
|---------------------|-------------------------|-----------------------------|------------------|
| SD1 | \$2,121,203 | \$2,133,795 | -\$12,592 |
| SD2 | \$1,200,000 | \$1,056,010 | \$143,990 |
| SD4 | \$4,200,000 | \$4,215,814 | -\$15,814 |
| SD6 | \$4,355,000 | \$4,359,578 | -\$4,578 |
| SD8 | \$1,890,000 | \$1,846,770 | \$43,230 |
| SD11 | \$2,000,000 | \$2,000,000 | \$0 |
| Total | \$15,766,203 | \$15,611,968 | \$154,235 |

² The original allocations by strategic direction were supplemented by additional commitments of funding from global and regional donors.

The sheer size of the grant portfolio (this has been the largest investment phase in CEPF's history) has created a heavy workload on the CEPF Secretariat and RIT. Over the course of the fiscal year, the emphasis shifted away from awarding new grants to closing grants and documenting their impacts and lessons learned. Twenty-four grants were closed during the year, bringing the total number of closed grants to 118.

Coordinating CEPF Grant Making

IUCN serves as the RIT for the second investment phase in the Indo-Burma Hotspot, in partnership with Kadoorie Farm & Botanic Garden (KFBG) and Myanmar Environment Rehabilitation-conservation Network (MERN). Overall coordination of the RIT is provided by Alessandro Badalotti, the RIT Manager, based at the IUCN Asia Regional Office in Bangkok. Alessandro is supported in the role by Scott Perkin, the Senior Technical Adviser. Communications support is provided by Ann Moey, and financial management is the responsibility of Theerada Kanittapongrat ("Joy"), both based at the IUCN Asia Regional Office. At the national level, implementation is supported by IUCN staff based in the relevant country programs, as well as by staff of KFBG in China and MERN in Myanmar. The National Coordinator for Cambodia is Lou Vanny, for Lao PDR it is Phoutsakhone Ounchith, for Thailand it is Supranee Kampongsun ("Pern"), and for Vietnam it is Nguyen Duc Tu. In Myanmar, the functions of the National Coordinator have been transitioned from MERN to Zin Myo Thu of IUCN, reflecting the development of IUCN's program in the country. In China, KFBG continues to lead on the RIT functions, which are carried out by Jay Wan, the National Coordinator, with technical support from other experts at KFBG. Most of the RIT staff work on the program part time, alongside their other duties, which ensures good integration of the RIT functions within the overall programs of IUCN and KFBG.

As well as establishing an experienced, integrated team, IUCN and its partners have put in place necessary structures to ensure transparency and technical rigor in the proposal review process, and facilitate uptake of the results of CEPF-supported pilot projects into national policy processes, through the establishment of National Advisory Committees. These committees bring together representatives of government, civil society and the donor community in each country, and have an advisory role in the review process for applications in their respective countries. The review process also involves voluntary peer reviewers from the conservation community in Indo-Burma, and draws on expertise from within IUCN's commissions, especially the Species Survival Commission and its specialist groups. IUCN has also put in place the necessary processes to ensure sound financial management of the RIT grants, financial and programmatic risk assessment of small grants, and compliance with environmental and social safeguard policies.

Performance Assessment

As mentioned previously, the RIT has placed a lot of emphasis on making CEPF grants accessible to a wide variety of civil society actors in each hotspot country. This has involved widely disseminating calls for proposals, making provision for small grant applications in local languages, facilitating a review process that looks for potential in applicants not polished proposals, and, where necessary, providing targeted training in proposal writing for applicants with limited experience of applying for international donor funding. These efforts have been met with success, in terms not just of the proportion of grants that have gone to local groups (69 percent) but also the quality of the applications and, ultimately, the results of the grants themselves. A number of CEPF grantees that have been recipients of support for several years now have emerged as leading conservation actors in their countries, while new organizations have developed the credibility and capacity needed to manage donor funding and advance sustainable natural resource management and related agendas at the grassroots level.

Working with nascent and lower capacity groups does require a disproportionate amount of time, when compared with established organizations with a long track record of successful implementation of grants. The RIT's achievements in this area have, therefore, come at the cost of not being able to devote as much time to the other core functions of the RIT as might otherwise have been possible. In particular, the potential to capture lessons learned from the portfolio and communicate them to decision makers and conservation practitioners has yet to be fully realized. This is essential if the results of the most successful projects in the portfolio are to be amplified through mainstreaming into public policy and private sector practice, and/or replicated by other conservation actors. Some efforts are now being made in this area, such as the documentation of case studies of best practice from the CEPF portfolio.

The RIT has also been instrumental in developing the long-term vision for CEPF investment in the Indo-Burma Hotspot, and facilitating collaboration and information flow among civil society groups working on ecosystem conservation. This includes hosting two well attended and successful participatory assessments: a mid-term assessment in March 2015; and a final assessment in May 2019. Grantees of other donors active in the hotspot were invited to these events, alongside CEPF grantees, to promote wider exchange of lessons learned. In addition, the RIT has coordinated a series of regional meetings aimed at catalyzing collaboration between funders, their intermediaries and implementing partners in the Lower Mekong Region. The full power of this networked approach has yet to be released, it has the potential to enable civil society to respond to complex, transnational environmental issues that no single organization has the skills, resources or credibility to tackle alone.

Portfolio Investment Highlights by Strategic Direction

Excluding the RIT grants, 186 grants (81 large and 105 small) have been awarded, out of which 118 grants (66 large and 52 small) had closed by June 30, 2019. When a grant is awarded, its expected contribution to the targets in the portfolio logframe is recorded. This allows the expected results of the portfolio to be tracked, thereby ensuring the development of a well balanced portfolio that, to the extent possible, meets all of the targets. The actual results are only confirmed at the end of each grant, when all reports from the grantee have been submitted and the CEPF Secretariat and RIT are able to verify the information provided. For this reason, there is a time lag between results being actually achieved and the same results being confirmed and included into portfolio-level monitoring data. The summary of results to date presented in the following sections is based mainly on the results of closed grants, which account for only around two-thirds of total portfolio. As the remaining 65 active grants close, it is expected that almost all targets in the portfolio logframe will be met and, in some cases, significantly exceeded (Annex 1).

Strategic Direction 1

CEPF investment under this strategic direction aims to safeguard priority globally threatened species by mitigating major threats. This strategic direction is intended to support targeted conservation actions for species that address threats other than habitat loss (which can be effectively addressed through site and corridor-scale conservation actions), particularly overexploitation, which is all too often manifested as the “empty-forest syndrome” of protected areas with high levels of forest cover but heavily depleted wildlife populations.

To this end, CEPF is supporting efforts to build and strengthen long-term conservation programs for core populations of priority species (Investment Priority 1.1). To redress an imbalance in conservation efforts, which have tended to overlook freshwater biodiversity, CEPF is also supporting efforts to develop best-practice approaches for conservation of highly threatened and endemic freshwater species (Investment Priority 1.2). This strategic direction is also intended to fill long-standing information gaps about the status of key species and, thereby, guide site and

habitat conservation efforts and support efforts to mainstream biodiversity into development sectors, particularly energy, transport and agriculture. To this end, CEPF is supporting research on globally threatened and data deficient species for which there is a need for greatly improved information (Investment Priority 1.3). In addition, CEPF intends to support the development of long-term financing mechanisms for the conservation of priority species (Investment Priority 1.4), in order to enhance the financial sustainability of species conservation efforts in the hotspot, which are necessarily long-term, given the scale of the threats facing priority species.

Fourteen large grants and 14 small grants have been awarded under Strategic Direction 1. These grants directly address the conservation of 24 of the 152 globally threatened species identified as priorities in the ecosystem profile (a further 14 priority species are directly addressed by grants awarded under other strategic directions). These grants address three of the four investment priorities under Strategic Direction 1. The exception is Investment Priority 1.4, which is not directly addressed by any grant. Nevertheless, a study of non-traditional sources of funding for species conservation has been undertaken by the RIT, and several opportunities for supporting the development of long-term financing mechanisms for species conservation are being explored. Even if an opportunity arises to support activities under Investment Priority 1.4 during the last year of the phase, the related target in the portfolio logframe (funding for the conservation of priority species in the hotspot from existing funds increased by at least 25 percent) is unlikely to be met. Another target that will not be fully met is knowledge of the status and distribution of at least 10 priority species improved through research. CEPF supported efforts to improve understanding of the status and distribution of nine species but only in seven cases was this achieved. While additional grants could have been awarded under Investment Priority 1.3 in pursuit of this target, it was felt that, investing in conservation action, rather than research, would be a better return on investment. The other targets under Strategic Direction 1 have both been met (Annex 1).

Highlights from the grant portfolio under Strategic Direction 1 include: discovery of one of the largest populations globally of large-antlered muntjac (*Muntiacus vuquangensis*, CR); consolidation of the community forest guard model at two protected areas in central Vietnam, resulting in a 40 percent reduction in snaring, which is the main threat to saola (*Pseudoryx nghetinhensis*, CR); introduction of a ban on sand mining in the Sre Ambel river system by Cambodia's Ministry of Mines and Energy, informed by acoustic tracking data on movements of southern river terrapin (*Batagur affinis*, CR); and consolidation of conservation efforts for three Critically Endangered vulture species in Cambodia into a collaborative program involving all key institutions, with the creation of a permanent Cambodia Vulture Working Group and the update of the national vulture action plan.

Strategic Direction 2

CEPF investment under this strategic direction aims to demonstrate innovative responses to illegal trafficking and consumption of wildlife, in order to respond to the highest ranked threat to biodiversity in the hotspot. The rationale for developing and testing innovative approaches is that, compared with other threats to biodiversity, there is little consensus among conservationists about what represents best practice with regard to addressing this sinuous and pernicious threat.

To this end, CEPF is supporting enforcement agencies to unravel high-level wildlife trade networks by introducing them to global best practice with investigations and informants (Investment Priority 2.1). These efforts are complemented by facilitating collaboration among enforcement agencies and non-traditional actors to reduce cross-border trafficking of wildlife (Investment Priority 2.2). In addition to strengthening collaboration with and among government agencies, CEPF is also supporting civil society organizations to engage with private sector

companies to develop effective measures to reduce their involvement in wildlife trafficking (Investment Priority 2.3). To complement these actions, CEPF is helping to engage the general public in efforts to combat the wildlife trade by supporting campaigns, social marketing, hotlines, crime prevention and other long-term programs to reduce consumption of wildlife and build public support for wildlife law enforcement (Investment Priority 2.4).

CEPF and the RIT built the grant portfolio under Strategic Direction 2 by awarding a small number of larger grants to the most trusted partner organizations. This reflected the fact that a relatively small number of civil society organizations were working on wildlife-trade-related issues at the start of the investment phase. Six grants (five large and one small) were awarded, all under the first funding round. There was then a significant increase in donor interest in addressing wildlife crime issues in Indo-Burma, which led to a decision not to include Strategic Direction 2 in future calls for proposals.

All six grants awarded under this strategic direction have now closed, meaning that the final results from the grant portfolio are known. All targets in the portfolio logframe have been met (Annex 1). Highlights from the portfolio include: voluntary commitments by 17 leading courier companies in China (including DHL, FedEx and TNT), which account for around 95 percent of the market, of zero tolerance towards illegal wildlife trade; substantial changes in attitudes and behavior towards consumption of wildlife products in southern China and Vietnam, following a public awareness campaign involving more than 40 influential opinion leaders; and a successful public awareness campaign in Cambodia, which translated into a 61 percent increase in calls to a 24-hour wildlife trade hotline by members of the public.

Strategic Direction 4

CEPF investment under this strategic direction aims to empower local communities to engage in conservation and management of priority Key Biodiversity Areas (KBAs). The rationale for this investment is that community-based conservation initiatives can provide greater opportunities for meaningful participation in decision making regarding the use of natural resources than conventional protected area approaches. Consequently, such initiatives can contribute to improved livelihoods for rural people, especially those with high levels of dependency on natural resources, while engaging local communities as positive stakeholders in biodiversity conservation.

To this end, CEPF is supporting efforts to raise awareness about biodiversity conservation legislation among target groups at priority sites (Investment Priority 4.1). This is intended to form a foundation for investments outside of conventional protected areas to pilot and amplify community forests, community fisheries and community-managed protected areas (Investment Priority 4.2). Within protected areas, CEPF is supporting the development of co-management mechanisms that enable community participation in management and governance (Investment Priority 4.3). While the first three investment priorities are focused on KBAs within the four priority corridors, they are complemented by investments in Myanmar to conduct a gap analysis of KBAs (Investment Priority 4.4) and support expansion of the protected area network using participatory gazettal, community consultation processes and/or community-based models (Investment Priority 4.5).

Twenty-eight large grants and 22 small grants have been contracted under Strategic Direction 4. These grants directly address the conservation of 32 of the 74 priority sites identified in the ecosystem profile. They also address all four investment priorities under this strategic direction, and all targets in the portfolio logframe either have been met or are expected to be met when active grants close (Annex 1).

Highlights from the grant portfolio under Strategic Direction 4 include: establishment of 11 fish conservation zones in Kachin State, replicating in Myanmar a conservation approach that has been demonstrated in other hotspot countries; establishment of community forests in two villages in Myanmar and initiation of community-led monitoring and protection efforts for eastern hoolock gibbon (*Hoolock leuconedys*, VU); piloting of the multi-level Co-management Advisory Committee model at Bangliang National Nature Reserve in China, to enable participation of communities and local authorities in protected area management; and establishment of a community-based fish conservation zone at Keng Mai rapids, along the Lao section of the Mekong River, to protect an important spawning site for Jullien's golden carp (*Probarbus jullieni*, EN) and thick-lipped barb (*P. labeamajor*, EN).

Strategic Direction 6

CEPF investment under this strategic direction is aimed at engaging key actors in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors. The intention is to secure broader political, institutional and financial support for these goals. In this way, the hotspot's natural ecosystems will be able to underpin inclusive, pro-poor growth strategies, and be resilient to the effects of climate change.

To this end, CEPF is supporting civil society efforts to analyze development policies, plans and programs, evaluate their impact on biodiversity, communities and livelihoods, and propose alternative development scenarios and appropriate mitigating measures where needed (Investment Priority 6.1). CEPF is also supporting efforts to integrate the biodiversity and ecosystem service values of priority corridors into government land-use and development plans at all levels and promote effective implementation and monitoring of these plans (Investment Priority 6.2), and to develop protocols and demonstration projects for ecological restoration that improve the biodiversity performance of government programs in the forestry and other natural resource sectors (Investment Priority 6.3). These initiatives are being assisted by efforts to engage the media as a tool to increase awareness and inform public debate on mainstreaming biodiversity into development planning (Investment Priority 6.4). As well as seeking to influence public policy and development planning, CEPF investment under this strategic direction also aims to promote update of biodiversity-friendly practices by the private sector, by piloting models for biodiversity-friendly production, including certification and eco-labelling (Investment Priority 6.5), and integrating the biodiversity and ecosystem service values of priority corridors into financial decision making by governments, private investors and development banks (Investment Priority 6.6).

Twenty-five large grants and 10 small grants have been awarded under Strategic Direction 6. These grants aim to mainstream biodiversity into 15 development plans, policies and programs, spread across three of the four priority corridors identified in the ecosystem profile plus Myanmar. The one priority corridor that is not addressed by any of these grants is Hainan Mountains. Very few suitable applications were received from this corridor, with most interest coming from organizations based elsewhere in China but with limited local presence, despite efforts by the RIT to reach out to local civil society on Hainan island. With hindsight, it may have been over-ambitious to include Hainan Mountains as a priority corridor for CEPF investment, and a more limited program of outreach and capacity building to local civil society organizations there may have been more appropriate. Nevertheless, the grant portfolio under Strategic Direction 6 addresses all six investment priorities, while all targets in the portfolio logframe either have been met or are expected to be met (Annex 1).

Highlights from the grant portfolio under Strategic Direction 6 include: promotion of the "Mae Chaem Model Plus" for integrated land, forest and water resources management, leading to its

adoption by district and provincial authorities in the upper Mae Chaem basin in Thailand; promotion of public debate of environmental issues in the Vietnamese media, which triggered responses by the concerned government bodies, such as suspension of harmful mining activities by the Bac Kan provincial authorities; and studies on the geology and biodiversity of the valley of the Nu River (one of the last remaining major undammed rivers in Asia), which contributed to a climate in which the central and provincial governments adopted positions in favor of environmental protection, at least in the short term. Specifically, China's 13th Five-year Plan (2016-2020) did not include plans to develop hydropower on the Nu River, and the provincial government announced a moratorium on small hydropower projects on the Nu River's tributaries, as well as approving the designation of the Nu River Grand Canyon National Park.

With regard to biodiversity-friendly production, in China, the Protected Area Friendly System model was introduced at three protected areas, wildlife-friendly products, such as frog tea, elephant-friendly rice and eco-friendly orchids, were developed, marketed and sold to over 6,000 customers. In Cambodia, more than 200 farmers adopted the Sustainable Rice Platform standard, and introduced practices friendly to wildlife species, such as field leveling, to reduce dependence on chemical pesticides, and use of legumes as cover crops, which improve soil nutrition and provide cover for Bengal florican (*Houbaropsis bengalensis*, CR).

Strategic Direction 8

CEPF investment under this strategic direction aims to strengthen the capacity of civil society to work on biodiversity, communities and livelihoods at regional, national, local and grassroots levels. This strategic direction recognizes that local civil society organizations are growing in credibility and influence, and beginning to play leading roles in efforts to address key threats to biodiversity. Therefore, CEPF is making direct investments in the development of skilled, authoritative and effectively networked conservation champions at different levels.

To this end, CEPF is supporting networking activities that enable collective civil society responses to priority and emerging threats (Investment Priority 8.1). At the level of individual organizations, CEPF is providing core support for the organizational development of domestic civil society organizations (Investment Priority 8.2), while supporting efforts to establish clearing house mechanisms that match volunteers to civil society organizations' training needs (Investment Priority 8.3).

To date, nine large grants and 58 small grants have been awarded under Strategic Direction 8. The preponderance of small grants under this strategic direction shows how important a tool they are for building the capacity of national and grassroots civil society organizations. The grants awarded under this strategic direction aim to strengthen the capacity of 100 civil society organizations across the hotspot, and to establish or strengthen 21 civil society networks. In this way, most grants focus on the first two investment priorities, while only two grants address clearing house mechanisms under Investment Priority 8.3, one of which had to close early. Nevertheless, all targets in the portfolio logframe either have been met or are expected to be met (Annex 1).

Highlights from the grant portfolio under Strategic Direction 8 include: strengthening of a network of civil society organizations and individuals to monitor Thailand's Important Bird Areas network; official establishment of Zhanjiang Bird Watching Society, a local NGO working on the conservation of migratory shorebirds in China's Guangdong province; and support to the Save Wildlife in Trade Coalition to coordinate collaboration between civil society groups working on wildlife crime issues and enforcement agencies in China. The work of the coalition helped

Chinese civil society to engage in the development of national wildlife protection policy in a coordinated manner, most notable with regard to the domestic ivory ban in December 2017.

Strategic Direction 11

This strategic direction provides support to the RIT, which is responsible for converting the vision set out in the ecosystem profile into a cohesive portfolio of grants that exceeds in impact the sum of its parts. Two RIT grants were awarded at the beginning of the investment phase: one to operationalize and coordinate CEPF's grant-making processes and procedures in the hotspot (Investment Priority 11.1); and the other to build a broad constituency of civil society groups working across institutional and political boundaries towards achieving the shared conservation goals described in the ecosystem profile (Investment Priority 11.2). As previously described, these grants are being implemented by IUCN, in partnership with KFBG and MERN.

Two of the three targets in the portfolio logframe related to this strategic direction have already been met. The third, that at least 80 percent of domestic civil society organizations receiving grants demonstrate more effective capacity to design and implement conservation actions, has not yet been met. Changes in civil society capacity are monitored by means of a tracking tool, which grantees complete at the start and end of the period of CEPF support. Of the 52 domestic civil society organizations to have completed baseline and final tracking tools, 77 percent reported an increase in capacity, which is slightly less than the target of 80 percent. However, a further 24 organizations have completed a baseline tool but not yet a final tool. If a high proportion of these organizations demonstrate increased capacity, the target may still be met.

Collaboration with CEPF Donors

In each country in the hotspot, the RIT has constituted a National Advisory Committee to provide an additional layer of quality control on grants, to ensure transparency, and to build ownership of the CEPF grant portfolio among key stakeholders in government, civil society, private sector and the donor community. National Advisory Committee members participate as representatives of their institutions. Regional staff members from CEPF's global donors, including l'Agence Française de Développement (AFD), the European Union (EU) and the World Bank, have been invited to participate in National Advisory Committee meetings, although they have not always been able to attend, while the GEF has been represented in the form of its Operational Focal Points in government and GEF Small Grants Program Coordinators at UNDP.

Three of CEPF's global donors (AFD, Conservation International and the EU) and one regional donor (the Margaret A. Cargill Foundation) participated in the final assessment workshop in May 2019. As well as CEPF grantees, all recent grantees of the Chino Cienega Foundation, the MacArthur Foundation, the Margaret A. Cargill Foundation, the McConnell Foundation and the McKnight Foundation in the hotspot were invited to the workshop and many were able to attend. This enabled exchange of good practice and lessons learned among grantees of different funders, and created a space in which collaborations could emerge.

Conclusion

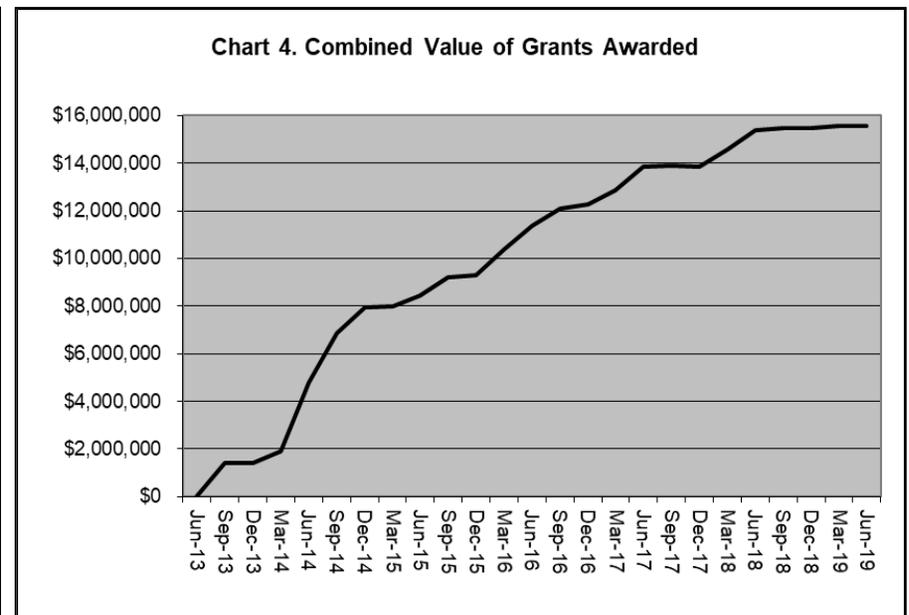
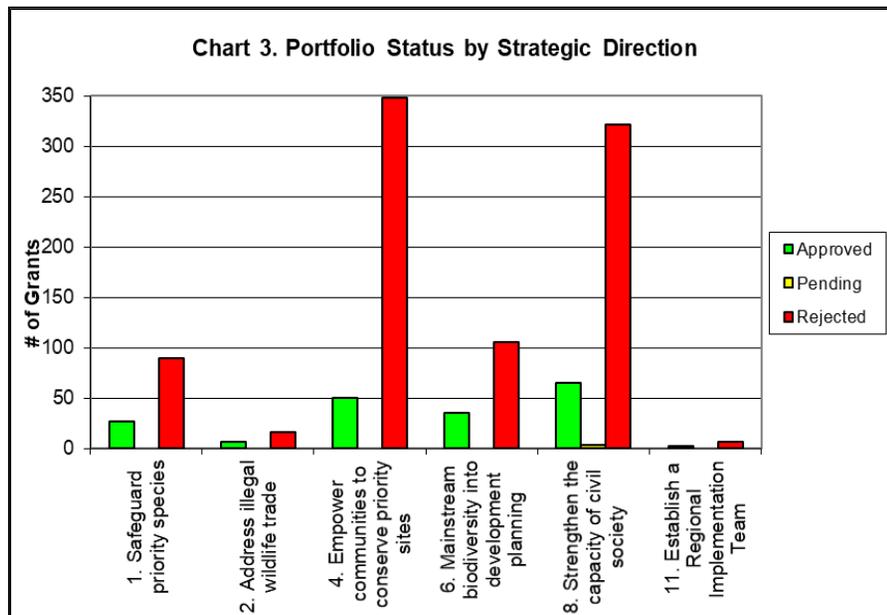
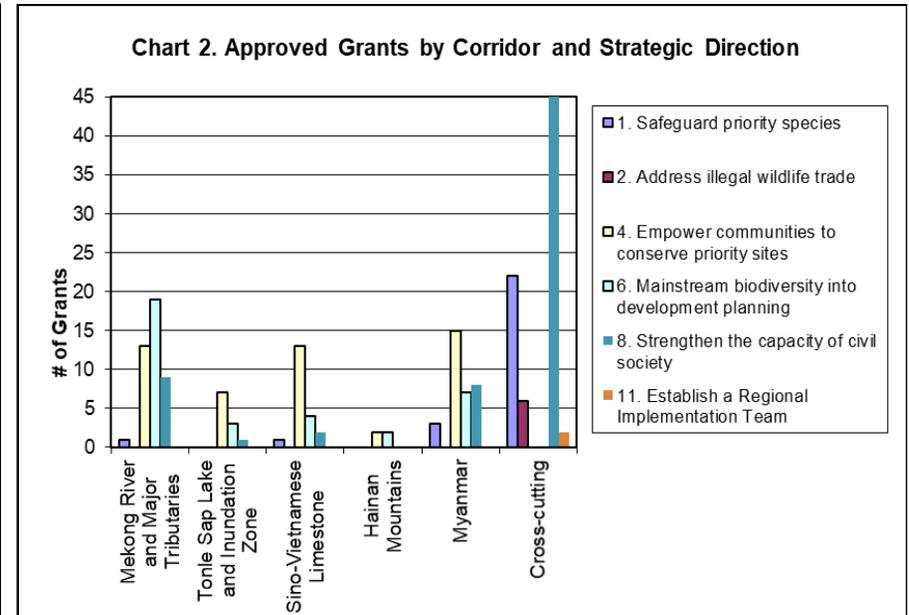
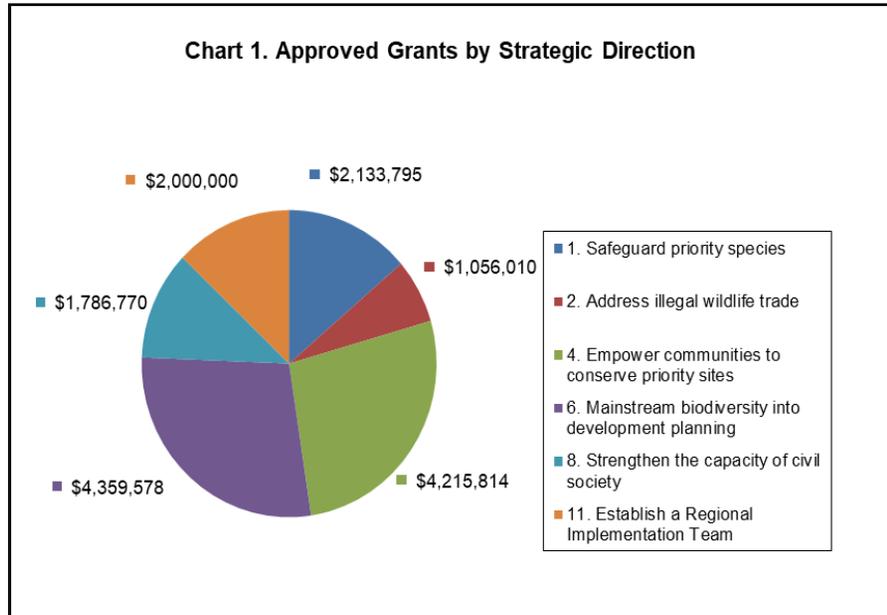
The current CEPF investment phase in the Indo-Burma Hotspot is now six years into an extended seven-year period. The RIT has performed very well, reaching many civil society organizations that had not previously been the recipients of CEPF funding (or, in some cases, international donor funding of any kind), providing training and support, where needed, and allowing applications in local languages. This has resulted in a doubling of the share of the portfolio going to local organizations, in comparison to the previous investment phase, and concurrent increases in the quality of applications and the impact of activities. The sheer size of the grant portfolio, especially the small grants, has occupied a greater proportion of the RIT's time than originally

envisioned. This has had implications for the RIT's ability to perform other functions, especially mainstreaming biodiversity into public policies and private sector business practices. The RIT has started some activities in this direction, such as developing a series of case studies that can be used to communicate good practice from the portfolio to key audiences, and these will need to be amplified during the final year of the investment phase.

The grant portfolio itself is well balanced, with very few gaps. The main exceptions are Investment Priority 1.4 on long-term financing mechanisms for species conservation and Investment Priority 8.3 on clearing house mechanisms to match volunteers to civil society organizations. With 64 percent of the grants in the portfolio closed, 77 percent of the targets in the portfolio logframe have already been met. Moreover, most of the remaining targets are expected to be met, based upon the anticipated results of the remaining active grants. Thanks to the additional funding that has been leveraged from global and regional donors, many of the targets will be significantly exceeded.

Indo-Burma is the most populated and, arguably, most threatened of the world's 36 biodiversity hotspots. Threats to biodiversity are unlikely to diminish in the near future, and may even increase. Nevertheless, CEPF is playing an important role in empowering a diverse array of civil society organizations (108 and counting) to respond to these threats, individually and collectively. Along the way, species and ecosystems are being conserved, delivery of ecosystem services is being secured, rights of indigenous and local communities are being recognized, and the resilience of communities and ecosystems to the impacts of climate change is being built.

Charts – CEPF Investment in the Indo-Burma Hotspot as of June 30, 2019



Annex 1 – Update of the Logical Framework for CEPF Investment in Indo-Burma

| Objective | Targets | Progress |
|---|---|--|
| <p>Engage civil society in the conservation of globally threatened biodiversity through targeted investments with maximum impact on the highest conservation priorities</p> | <p>At least 50 civil society organizations, including at least 30 domestic organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 8 alliances and networks formed among civil society actors to avoid duplication of effort and maximize impact in support of the CEPF ecosystem profile.</p> <p>At least 25 KBAs targeted by CEPF grants have new or strengthened protection and management.</p> <p>At least 5 development plans or policies influenced to accommodate biodiversity.</p> <p>Improved management for biodiversity conservation or sustainable use within production landscapes in 4 conservation corridors covering 109,976 square kilometers or 5 percent of the hotspot.</p> | <p>110 civil society organizations, including 86 domestic organizations, have been awarded CEPF grants.</p> <p>20 alliances and networks have been formed among civil society organizations; examples include:</p> <ul style="list-style-type: none"> • Alliance for sarus crane conservation in the Mekong Delta, Cambodia. • Grassroots civil society network in Anlong Veng district, Cambodia. • Mekong Youth Network, Thailand. <p>45 KBAs have new or strengthened protection and management, comprising 15 in Cambodia, 12 in China, 4 in Lao PDR, 4 in Myanmar and 10 in Vietnam. A further 9 KBAs are targeted by ongoing grants.</p> <p>5 development plans or policies have been influenced:</p> <ul style="list-style-type: none"> • Spatial development plans for 12 villages in Savannakhet province, Lao PDR. • The Mekong River Commission’s Regional Procedures for Notification, Prior Consultation, and Agreement process. • National policy on domestic sale of ivory, China. • Zoning guidelines for protected areas, Cambodia. • Environment and Natural Resources Code, Cambodia. <p>Improved conservation and sustainable use of biodiversity has been observed in production landscapes in 4 conservation corridors plus Myanmar.</p> |

| Intermediate Outcomes | Intermediate Indicators | Progress |
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| <p>Outcome 1: Priority globally threatened species safeguarded by mitigating major threats</p> | <p>Pilot interventions for core populations of at least 20 priority species transformed into long-term conservation programs.</p> <p>At least 3 best practice approaches for conservation of highly threatened and endemic freshwater species developed.</p> <p>Knowledge of the status and distribution of at least 10 priority species improved through research.</p> <p>Funding for the conservation of priority species in the hotspot from existing funds increased by at least 25 percent.</p> | <p>Long-term conservation programs have been put in place for core populations of 32 priority species.</p> <p>Best practice approaches have been developed and demonstrated for 7 highly threatened and/or endemic freshwater species: 3 turtles; 2 fishes; 1 crocodilian; and 1 cetacean.</p> <p>Knowledge of the status and distribution of 7 priority species has been improved through research.</p> <p>A study of non-traditional sources of funding for species conservation has been completed but no grant has been awarded to pursue them yet.</p> |
| <p>Outcome 2: Innovative responses to illegal trafficking and consumption of wildlife demonstrated</p> | <p>At least 1 high-level wildlife trade network unraveled by enforcement agencies employing global best practice with investigations and informants.</p> <p>At least 2 initiatives to reduce cross-border trafficking of wildlife piloted by enforcement agencies in collaboration with non-traditional actors.</p> <p>At least 5 private sector companies promote the adoption of voluntary restrictions on the international transportation, sale and consumption of wildlife.</p> | <p>Intelligence on 2 high-level wildlife trade networks along the Lao-Vietnam-China trade route has been gathered and analyzed and relevant authorities have been pressed to act.</p> <p>5 initiatives to reduce wildlife trafficking across the Cambodia-Vietnam, Lao PDR-Vietnam, Vietnam-China and Myanmar-China borders have been piloted. These have resulted in intelligence-led seizures of major shipments of ivory, pangolin scales and other illegally traded products.</p> <p>17 leading courier companies, accounting for around 95 percent of the market in China, have made public declarations of zero tolerance towards illegal wildlife trade.</p> |

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| | <p>At least 3 campaigns, social marketing programs, hotlines or other long-term communication programs implemented to reduce consumer demand for wildlife and build public support for wildlife law enforcement.</p> | <p>5 communication programs to reduce consumer demand for wildlife and build public support for wildlife law enforcement have been implemented. These include hotlines to facilitate reporting of wildlife crime by members of the public in Cambodia and Vietnam, a smartphone app in China, and a social marketing campaign involving key opinion leaders in China and Vietnam.</p> |
| <p>Outcome 3: Local communities empowered to engage in conservation and management of priority Key Biodiversity Areas</p> | <p>Awareness of biodiversity conservation legislation raised among target groups within at least 10 priority sites.</p> <p>Community forests, community fisheries and/or community-managed protected areas piloted or replicated within at least 15 priority sites.</p> <p>Co-management mechanisms that enable community participation in management of formal protected areas developed for at least 10 priority sites.</p> <p>Gap analysis of Key Biodiversity Areas in Myanmar conducted, and protected area network expanded through the creation of at least 5 new protected areas using community-based models.</p> <p>At least 75 percent of local communities targeted by site-based projects show tangible well-being benefits.</p> | <p>Awareness of conservation legislation has been raised among local communities and other target groups at 10 priority sites, comprising 5 in Cambodia, 4 in Vietnam, and 1 in Lao PDR.</p> <p>Community-based approaches have been piloted or replicated at 13 priority sites, including community forests at 2 priority sites in Vietnam, community fisheries at 4 priority sites in Cambodia, 1 in Lao PDR and 1 in Vietnam, and community-managed protected areas at 4 priority sites in China and 1 in Cambodia. Ongoing grants are piloting similar approaches at an additional 4 priority sites.</p> <p>Protected area co-management mechanisms have been put in place at 10 priority sites, comprising 5 in Cambodia, 3 in China and 2 in Vietnam. Ongoing grants are developing similar mechanisms for an additional 4 priority sites.</p> <p>KBA gap analyses have been conducted for the Chin Hills Complex, Rakhine Yoma Range and Western Shan Yoma Range Corridors, plus freshwater ecosystems in the upper Ayeyarwady Basin. 11 fish conservation zones have been established at Hponkanrazi and Indawgyi KBAs, and 2 community forests have been established at Indawgyi KBA. Ongoing grants are piloting 7 additional community-based models.</p> <p>95 local communities targeted by site-based projects have received tangible well-being benefits, including improved land tenure, food security and access to ecosystem services. These comprise 97 percent of the 98 communities targeted by these grants.</p> |

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| <p>Outcome 4: Key actors engaged in mainstreaming biodiversity, communities and livelihoods into development planning in the priority corridors.</p> | <p>At least 5 development policies, plans or programs analyzed, with impacts on biodiversity and ecosystem services evaluated and alternative development scenarios and appropriate mitigating measures proposed.</p> <p>The biodiversity and ecosystem service values of at least 2 priority corridors integrated into land-use and/or development plans.</p> <p>New protocols for ecological restoration demonstrated in the priority corridors and integrated into the national forestry programs of at least 1 hotspot country.</p> | <p>11 development policies, plans and programs have been analyzed for their impacts on biodiversity and ecosystem services, and mitigating measures have been proposed:</p> <ul style="list-style-type: none"> • Hydropower development on the Mekong mainstream. • Hydropower development in the 3S Basin, Cambodia. • Hydropower development on the Nu (Salween) River, China. • Hydropower development in the Red River valley, China. • Hydropower development at Pak Beng, Lao PDR. • River navigation along the Mekong River, Lao PDR and Thailand. • Cement manufacture in limestone karst ecosystems, Myanmar. • Tourism development in limestone karst ecosystems, Myanmar. • Tourism development at Xiaohai lagoon, Hainan, China. • Tourism development at Tonle Sap lake, Cambodia. • Environment and natural resources code, Cambodia. <p>A model for integrated land, forest and water resources management has been adopted by district and provincial authorities in the Mae Chaem River Basin within the Mekong River and Major Tributaries Priority Corridor. In the same corridor, biodiversity values have been integrated into land-use plans for the central section of the Mekong mainstream in Cambodia. Wildlife-friendly practices have been integrated into the rice sector within the Tonle Sap Lake and Inundation Zone Priority Corridor. An ongoing project anticipates similar results in Myanmar.</p> <p>An ongoing project is demonstrating new protocols for ecological restoration of deciduous dipterocarp forest in Cambodia.</p> |
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| | <p>Public debate and awareness of at least 3 key environmental issues increased through coverage in domestic media.</p> <p>*At least 3 pilot models for biodiversity-friendly production, including certification and eco-labelling established.</p> <p>*The biodiversity and ecosystem service values of at least 1 priority corridor integrated into financial decision making by governments, private investors and development banks</p> | <p>Public debate and awareness of 9 key environmental issues has been increased through coverage in domestic media:</p> <ul style="list-style-type: none"> • Hydropower development in the 3S Basin, Cambodia. • Hydropower development on the Mekong mainstream. • Mining in the northern mountains of Vietnam. • Forest management and financing mechanisms in the Sino-Vietnamese Limestone Corridor. • Tourism development on Son Tra peninsula, Vietnam. • Navigation channel improvement project on the Mekong mainstream. • Water diversion project on the Salween River, Myanmar and Thailand. • Special economic zone development at Dawei, Myanmar. • Update of list of nationally protected plant and animal species, China. <p>4 pilot models for biodiversity-friendly production have been established, comprising 3 different models for rice in Cambodia and 1 for medicinal plants in China. Ongoing grants aim to establish 2 additional models.</p> <p>An ongoing grant aims to integrate the biodiversity and ecosystem service values of the Mekong and Major Tributaries Priority Corridor into financial decision making.</p> |
| <p>Outcome 5: Civil society capacity to work on biodiversity, communities and livelihoods strengthened at regional, national, local and grassroots levels.</p> | <p>At least 5 civil society networks enable collective responses to priority and emerging threats.</p> | <p>34 civil society networks have enabled collective responses to priority and emerging threats. Examples include:</p> <ul style="list-style-type: none"> • An alliance of civil society organizations responded to the threat of economic land concessions in northeastern Cambodia. • A biodiversity and governance expert group analyzed the threat of hydropower development on the Nu (Salween) River. • The Save Wildlife in Trade coalition coordinated joint responses to illegal wildlife trade by civil society organizations and government agencies in China. |

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| | <p>At least 20 domestic civil society organizations demonstrate improvements in organizational capacity.</p> <p>At least 1 clearing house mechanism established to match volunteers to civil society organizations' training needs.</p> | <p>90 domestic civil society organizations have demonstrated improvements in organizational capacity, including grantees, sub-grantees and beneficiaries of capacity building activities.</p> <p>An ongoing grant aims to develop a clearing house mechanism to match volunteers to civil society organizations in Myanmar.</p> |
| <p>Outcome 6: A Regional Implementation Team provides strategic leadership and effectively coordinates CEPF investment in the Indo-Burma Hotspot.</p> | <p>At least 50 civil society organizations, including at least 30 domestic organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 80 percent of domestic civil society organizations receiving grants demonstrate more effective capacity to design and implement conservation actions.</p> <p>At least 2 participatory assessments are undertaken and documented.</p> | <p>108 civil society organizations, including 84 domestic organizations, have been awarded CEPF grants.</p> <p>Baseline and final civil society tracking tools have been completed by 52 domestic civil society organizations receiving grants or sub-grants. Among these, 40 organizations (77 percent) have demonstrated increased capacity over the period of CEPF support. A further 24 organizations have completed a baseline tool but not yet a final tool.</p> <p>2 participatory assessments have been undertaken and documented: a mid-term assessment in March 2015; and a final assessment in May 2019.</p> |

Note: * = new indicator, added following the mid-term assessment in 2015.