

An Overview of CEPF's Consolidation Portfolio in the Mountains of Southwest China Hotspot

November 2012

Introduction

The Mountains of Southwest China Hotspot stretches over 262,400 square kilometers of mountains between the Tibetan Plateau and the Central Chinese Plain. Although it only covers about 10 percent of China's geographical area, it is home to about 50 percent of the country's birds and mammals and more than 30 percent of its higher plants. The hotspot also supports great cultural diversity and delivers ecosystem services of high economic value.

Critical Ecosystem Partnership Fund (CEPF) engagement in the Mountains of Southwest China began with the development of an ecosystem profile¹ for the hotspot in 2002. This was followed by a five-year investment program, under which CEPF supported 80 projects led by civil society, with a total investment of \$6.5 million.

In 2002, civil society in southwest China was at a very early stage of development. Grassroots organizations and local nongovernmental organizations (NGOs) were just beginning to take greater advantage of opportunities to collect and disseminate analyses of environmental problems, convene to publicly debate development scenarios, and link local conservation issues to national policies and programs. Recognizing this, CEPF focused on catalyzing growth in civil society's capacity, networking and influence. CEPF took advantage of the fact that civil society was increasingly being viewed by local government as a resource for incorporating community input and technical advice into the development process. CEPF maximized this opportunity during the initial investment phase by disbursing funding and sustained technical guidance through three small grants mechanisms. In some ways, southwest China was the most challenging of investment climates for CEPF to date, given that there was so little local civil society when investment began in 2002. Today, some would argue that CEPF was instrumental in helping to launch a true people's movement.

CEPF Consolidation Phase

Overview

While much was achieved during the initial investment phase in the Mountains of Southwest China Hotspot, the gains are fragile. Many challenges remain to ensuring that the conservation efforts initiated with the help of CEPF are placed on a sustainable and solid footing. These

¹ Mountains of Southwest China Ecosystem Profile: English, www.cepf.net/Documents/final.china.southwestchina.ep.pdf (PDF - 1.1 MB) / Chinese, www.cepf.net/Documents/final.chinese.china.southwestchina.ep.pdf (PDF - 645 KB)

challenges go hand-in-hand with new opportunities to amplify the results of CEPF investment by influencing policy and planning at provincial and national levels. The focus of the consolidation phase is, therefore, to ensure the financial, social and institutional sustainability of CEPF's key achievements, consolidate nascent civil society networks, and leverage experience from pilot projects to effect policy change.

CEPF investment in on-the-ground conservation during the initial investment phase focused on three conservation corridors: the Giant Panda corridor in Sichuan and Gansu provinces; the Snub-nosed Monkey corridor in Yunnan province and Tibet Autonomous Region; and the Species-rich Sacred Landscape in Qinghai, Sichuan, Tibet and Yunnan. Within these corridors, CEPF supported efforts to establish and strengthen formal nature reserves, and link them through Community Conservation Areas (CCAs). CEPF support demonstrated the effectiveness of CCAs as a means of enhancing landscape integrity. At the end of the investment phase, it was determined that, in order to consolidate CEPF investments in these corridors, there was a need for the pilot CCAs to be strengthened, legally recognized, incorporated into provincial nature reserve development plans, and sustained through long-term financing mechanisms.

As well as supporting work on the ground, CEPF also funded efforts to tackle two of the most severe threats undermining conservation efforts in the hotspot: illegal trade in wildlife; and infrastructure development. Civil society efforts to tackle the illegal wildlife trade were coordinated through the Save Wildlife in Trade Coalition, which encouraged its members to assume complementary roles in field information collection, education, government relations and international convention processes. The coalition had a number of notable successes, such as successfully advocating for strengthened controls on trade in tiger parts. Although individual actions by coalition members continued beyond the end of the initial investment period, it was determined that there was a need to formally constitute the coalition and support it to undertake strategic actions aimed at promoting cooperation with and among government agencies, and strengthening key wildlife protection legislation.

Another key niche for CEPF was mainstreaming biodiversity into development planning and policy. CEPF supported the emergence of a new network of environmental groups, law practitioners and legal researchers to address environmental justice issues related to major development projects. This ground-breaking work introduced legal approaches as tools for biodiversity conservation in the hotspot, and CEPF projects had a number of notable successes in this regard. In 2008, Yunnan piloted 'environmental courts', an experimental legal mechanism to address major environmental violations, and expanded them to the entire province the following year. To date, however, very few cases have been brought by civil society groups, due to a lack of mobilization among legal practitioners and limited capacity among NGOs. It was determined, therefore, that the civil society networks working on environmental law required further support to take full advantage of available legal mechanisms to address negative biodiversity impacts of development projects.

During the initial investment phase, CEPF supported a number of innovative approaches to conservation, including four pilot CCAs, an initiative to empower local communities to take legal action to prevent unsustainable infrastructure development, and a pioneering payment for ecosystem service project. Such projects generated invaluable experience and insights, relevant to other actors interested in replicating successful approaches, as well as to development of national policy. It was determined that there was a need to share more broadly the rich pool of experiences and lessons learned, to help consolidate the achievements of the initial investment phase and promote replication. In particular, opportunities were identified to use results from the initial

phase to influence several key pieces of legislation currently under development, including the Property Law, the Wildlife Protection Law and the Protected Areas Law.

Building on the final assessment of the initial investment phase² and a review of opportunities to integrate CEPF’s results into planning and legislation, four mutually reinforcing themes were selected to consolidate CEPF’s initial investment: sustaining and scaling up investments in CCAs; strengthening collaboration among government and civil society actors to address wildlife trade; strengthening civil society participation in promoting development policies and plans consistent with biodiversity conservation; and integrating experience from CEPF investments into targeted legislation processes. The CEPF consolidation program was finalized in April 2011, with a total allocation of \$1.35 million. The program was scheduled to run for three years, from November 1, 2011 to October 30, 2014.

Portfolio Status

The CEPF investment program began on November 1, 2011, with the award of the first consolidation grant. Five grants were awarded, totaling \$1.35 million, all of which had begun by January 1, 2012. As this was a consolidation program, the grant review and contracting process was coordinated by the CEPF Secretariat. For the grant to The Nature Conservancy (TNC), the entire process, from submission of letter of inquiry to contracting, took five months. For the remaining grants, the process took around seven months. The contracting process was slightly longer for these grants due to the added complexities of signing contracts with organizations in China. Overall, however, considering the number of steps involved, the time taken for the review and contracting process was considered acceptable and consistent with that in other regions.

Table 1: CEPF Consolidation Grants in the Mountains of Southwest China Hotspot

| Grantee | Project title | Grant amount |
|--|--|---------------------|
| Shan Shui Conservation Center | Promoting community conservation areas and civil society’s involvement in development planning in the Mountains of Southwest China Hotspot | \$399,245 |
| The Nature Conservancy - China Program | Promoting community participation in Yunnan snub-nosed monkey conservation by strengthening management of community conservation areas | \$250,000 |
| Beijing Normal University | Consolidating civil society’s participation in the prevention of illegal wildlife trafficking in China | \$349,350 |
| Center for Legal Assistance to Pollution Victims | Building legal capacity to protect biodiversity in the Mountains of Southwest China | \$99,811 |
| Conservation International – China Program | Integrating experiences gained from community conservation areas into China’s protected area legislation processes | \$251,266 |
| TOTAL | | \$1,349,672 |

The five consolidation grants covered the four outcomes of the consolidation program, such that there were no gaps in the coverage of the portfolio from the outset. Consequently, if the five grants are implemented successfully, the goals of the consolidation program should be met.

² Final assessment report: http://www.cepf.net/Documents/final_mswchina_assessment_aug08.pdf

Performance Assessment

There was a three-year gap between the end of the initial investment phase in 2008 and the start of the consolidation phase in 2011. This can be attributed to a number of factors, including the aftermath of the devastating earthquake that hit Sichuan province in May 2008 and complications regarding endorsement of the consolidation plan. However, a few changes to pilot sites notwithstanding, the outcomes of the consolidation program remained relevant, and initiatives supported by CEPF under the initial investment phase had maintained sufficient momentum to be continued during the consolidation phase.

As soon as it became possible to move ahead with implementing the consolidation phase, the CEPF Secretariat solicited and processed the five grant applications swiftly and efficiently. This was aided by the small size of the consolidation portfolio and the support provided by the Conservation International China Program (the former Coordination Unit for CEPF investment in the hotspot) to facilitate grant making to civil society organizations in China. Monitoring of grant implementation has also proceeded smoothly, as all grantees are up to date with their financial and programmatic performance. Site visits to all grants are planned for the first half of 2013, which will provide an opportunity to evaluate grantees' performance and facilitate linkages among grants.

Portfolio Investment Highlights by Strategic Direction

Of the five consolidation grants, one had been under implementation for 12 months as of November 1, 2012, and four for ten months. All five grants had at least 12 months of implementation remaining. Therefore, while some initial results are beginning to emerge from the consolidation portfolio, these should be viewed as preliminary. Some grants are making more rapid progress towards their stated objectives than others but, overall, the portfolio appears to be moving in the right direction.

The purpose of the consolidation grant to Shan Shui Conservation Center is to sustain and amplify the results of CEPF investments in CCAs during the initial investment phase by building capacity at the community level and promoting incorporation of CCAs within provincial nature reserve development plans. The grant also aims to consolidate and expand the network of civil society organizations piloting CCAs through communication and experience sharing, and to facilitate civil society's involvement in development planning by means of an on-line information platform.

There has been progress to date in all three directions. At the community level, the three pilot CCAs targeted by the project (Jiuzhi Nianbaoyuze in Qinghai province, Yajiang Tangqiao-Gexigou in Sichuan province and Wenxian Liziba in Gansu province) have received technical and legal support from local nature reserves and government departments. Also at the community level, training has been provided to strengthen the capacities of CCA management bodies in Sichuan province. At the provincial level, draft strategies for building community conservation leadership of CCAs have been developed in collaboration with Sichuan and Qinghai Forestry Departments. At the civil society network level, the first of several semi-annual meetings has been held to facilitate experience sharing among community groups and NGOs involved in promoting the CCA approach during the initial CEPF investment phase. Also, development of a training manual on CCA leadership building has begun, as a tool for promoting the wider uptake of the approach. Finally, a sub-grant has been awarded to Chengdu Biology Institute to develop a strategy on community-based endangered plant conservation in the Gonggashan Landscape, as the basis for planning a new CCA of around 20,000 hectares in extent.

The purpose of the consolidation grant to The Nature Conservancy (TNC) China Program is to strengthen the management capacity of three CCAs in the Snub-nosed Monkey Corridor in northwestern Yunnan province. In common with the grant to Shan Shui Conservation Center further north, this grant also aims to document lessons learned from the pilot CCAs, establish a broad coalition of civil society groups to facilitate replication of the CCA model, and promote the integration of the CCA model into the provincial biodiversity conservation strategy.

At the community level, resource management regulations and community patrol mechanisms have been put in place for three pilot CCAs (Deqin Bamei, Yulong Liju and Weixi Tuoluoding). Activities have varied among sites, according to needs and conditions on the ground, but achievements to date include: establishment and capacity building of CCA management committees and women's information groups; revision of patrol mechanisms and demarcation of patrol areas; installation of infrared cameras to monitor wildlife usage; and development of community natural resource management regulations and benefit-sharing systems. At the civil society network level, TNC's sub-grantees and local stakeholders have participated in a study tour to Wenxian Liziba CCA in Gansu province, one of the project sites under the Shan Shui Conservation Center project. Work to formally integrate the CCA model into provincial level planning for biodiversity conservation has not yet begun. The project will target integrating the model into the provincial biodiversity strategy and action plan, and promote recognition of at least one of the pilot CCAs as a best practice demonstration site by Yunnan Forestry Department.

The grant to Beijing Normal University aims to consolidate networks among civil society organizations and government agencies combating the illegal wildlife trade by strengthening the Save Wildlife in Trade Coalition. Specifically, the project is working to enhance the coalition's role through constituting a system of financial contributions from its members, strengthening collaboration among government agencies at national and provincial levels, and supporting the finalization and implementation of key policies related to wildlife trade.

To date, solid progress has been made in all these areas. A working group to develop a long-term strategy and funding plan for the coalition has been formed, with membership from six leading international NGOs. The working group has already developed a joint action plan for the coalition, and held exploratory discussions about a financing mechanism. At the provincial level, the coalition has begun to establish local networks among government and civil society partners within the Mountains of Southwest China Hotspot: meetings have been held in Sichuan and Yunnan provinces, hosted by local partners, and grassroots NGOs have been engaged. At the national level, closer links have been being forged between the coalition and the National Wildlife Trade Management and Enforcement Committee: a government body. For instance, the committee invited members of the Save Wildlife in Trade Coalition to participate in a technical meeting in Urumqi in August 2012. One of the first collaborations between the committee and the coalition has been a joint effort to assess unprotected CEPF priority species with a view to affording them legal protection under China's Wildlife Protection Law and/or the Convention on International Trade in Endangered Species (CITES).

The grant to Center for Legal Assistance to Pollution Victims aims to reduce negative impacts of development projects on biodiversity in the hotspot through applying environmental law to resolve conflicts between development and conservation agendas, strengthening the capacity of local civil society organizations to use the law to protect biodiversity through training and hands-on support in legal cases and publishing a biodiversity conservation law handbook. Progress with this grant has been slower than with the others, due to difficulties with identifying suitable test cases for the application of environmental law. Specifically, many small-scale cases of biodiversity loss have been documented in Sichuan, Gansu, Qinghai and Yunnan provinces but

their impacts are relatively small, and it has been difficult to identify affected groups interested in taking up legal cases. Nevertheless, the Center for Legal Assistance to Pollution Victims has begun to build networks of contacts among environmental NGOs, academics and environmental lawyers in the hotspot, and to gather data on policies with unintended environmental impacts.

The grant to the Conservation International China Program complements the other four grants (all of which have a strong focus at the field level) by working at the national and provincial levels to promote incorporation of the results of the initial investment phase into policy. The grant is working to document experiences gained by former CEPF investments in the hotspot, including CCAs, conservation agreements and payment for ecosystem services (PES), and integrate them into relevant legislation. Specifically, the grant aims to identify and pursue opportunities to establish long-term financing mechanisms in support of CCAs, and to promote the recognition of the conservation agreement model by at least one provincial or national policy.

At the provincial level, the CCA and PES models have been incorporated into wetland conservation regulations recently adopted by Yunnan Provincial Government. At the national level, the project has convened a working group on protected area legislation, to provide inputs to the Environment and Natural Resources Committee of the People's Congress (the national legislative body) on the development of the National Protected Area Law with regard to CCA and PES models. To inform these discussions, the project has prepared a case study report on the application of the conservation agreements approach in the Mountains of Southwest China Hotspot.

Collaboration with CEPF Donor Partners

Several of the consolidation grants link to or build upon investments by CEPF's global donor partners. One of the largest single investments in the conservation of China's biodiversity by an international funder has been the EU China Biodiversity Project (ECBP) funded by the European Commission. Between 2005 and 2011, the ECBP funded 17 field projects in western China, to test innovative and replicable mechanisms for biodiversity management, policy implementation and partnership. The CEPF consolidation grant to TNC builds upon an earlier ECBP field project to develop a legal and administrative framework that will satisfy local development needs and safeguard biodiversity resources in northwestern Yunnan province. Similarly, the CEPF consolidation grant to Shan Shui Conservation Center builds upon an earlier ECBP field project to develop and demonstrate community-based approaches to conservation in Qinghai and Sichuan provinces.

The MacArthur Foundation's Conservation and Sustainable Development Program previously supported a number of grants in Yunnan province, as part of its Eastern Himalayas portfolio. Building on these past achievements, the MacArthur Foundation plans to launch a new nine-year investment program for the Upper Mekong Basin, which overlaps significantly with the Mountains of Southwest China Hotspot in Yunnan and Tibet. The foundation's investment strategy for the Upper Mekong Basin is being developed through a consultation process led by Shan Shui Conservation Center and involving other CEPF consolidation grantees. The planned investment program creates opportunities to reinforce and amplify the results emerging from CEPF investments in the region.

Conclusion

Despite a three-year delay between the end of the initial investment period and the start of the consolidation phase, the CEPF consolidation program is making good progress towards

consolidating the results of earlier investments in the Mountains of Southwest China Hotspot. There have been initial results on the ground, with six pilot CCAs benefitting from strengthened management. Progress has also been made towards incorporating the results of CEPF investments into policy and planning at local and central levels, although more time will be required for measurable impacts to be observed. Finally, the consolidation grants are reinvigorating some of the networks of civil society groups active in the hotspot, around three key issues: community-based approaches to conservation; addressing the illegal wildlife trade; and balancing development needs and biodiversity conservation goals. In this way, the consolidation grants are helping sustain the increases in civil society capacity and engagement in biodiversity conservation that were observed over the initial investment phase.

Charts – CEPF Investment in the Mountains of Southwest China Hotspot as of November 1, 2012

Chart 1. Approved Grants by Strategic Direction

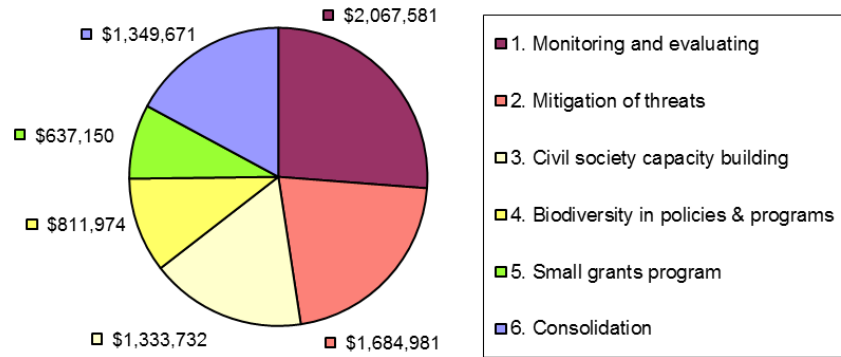


Chart 2. Approved Grants by Corridor

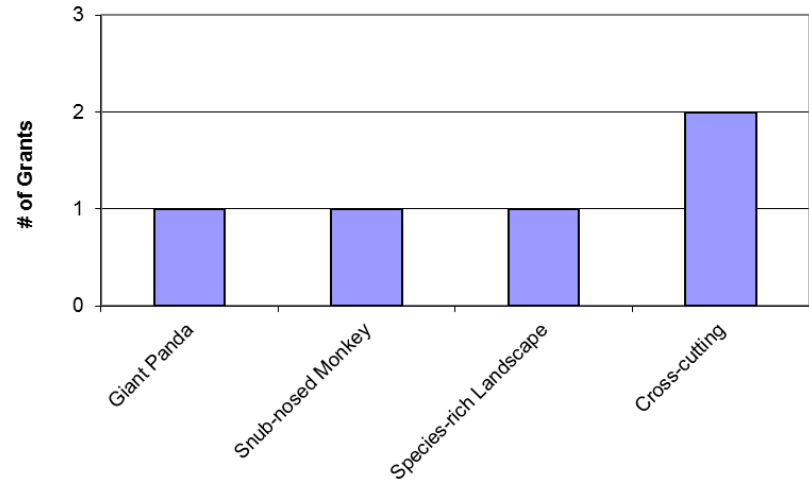


Chart 3. Portfolio Status by Strategic Direction

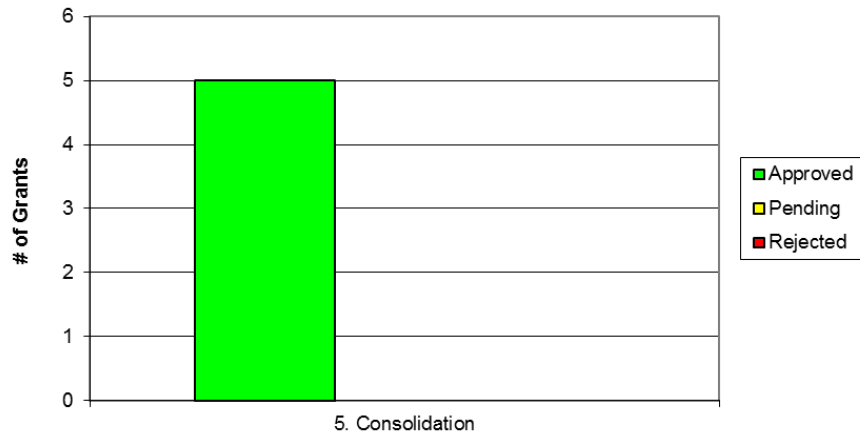
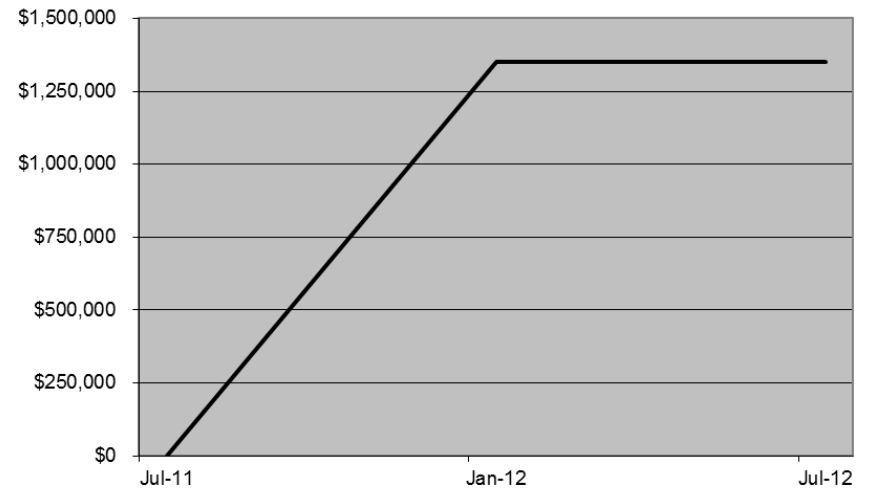


Chart 4. Combined Value of Grants Awarded



Annex 1 – Update of the Logical Framework for Consolidation in the Mountains of Southwest China Hotspot

| Objective | Targets | Progress |
|---|--|---|
| <p>Reinforce and sustain the conservation gains achieved as a result of previous CEPF investment in the Mountains of Southwest China Hotspot.</p> | <p>Three civil society networks strengthened to support long-term conservation action by replicating and scaling up CEPF achievements.</p> <p>Six Community Conservation Areas (CCAs) totaling more than 25,000 hectares with strengthened protection and management.</p> <p>Six CEPF conservation results replicated and/or scaled up.</p> <p>At least \$1 million leveraged for long-term financing of CEPF conservation outcomes.</p> | <p>Two civil society networks have been strengthened to support long-term conservation action:</p> <ul style="list-style-type: none"> • A broad coalition of civil society organizations promoting the CCA model. • The Save Wildlife in Trade Coalition. <p>Six CCAs totaling 53,300 hectares have strengthened protection and management:</p> <ul style="list-style-type: none"> • Jiuzhi Nianbaoyuze (30,000 hectares). • Yajiang Tangqiao-Gexigou (7,000 hectares). • Wenxian Liziba (6,500 hectares). • Deqin Bamei (4,000 hectares). • Yulong Liju (4,000 hectares). • Weixi Tuoluoding (800 hectares). <p>No progress has been reported.</p> <p>No progress has been reported.</p> |
| Intermediate Outcomes | Intermediate Indicators | Progress |
| <p>Outcome 1: CEPF investments in CCAs in the Species-rich Sacred Landscape, Giant Panda and Snub-nosed Monkey Corridors sustained and scaled up through community capacity building and legal recognition.</p> <p>Allocation: \$500,000</p> | <p>Strengthened management of six existing CCAs:</p> <ul style="list-style-type: none"> • Nianbaoyuze CCA, Qinghai province. • Yajiang Pamuling CCA, Sichuan province. • Wenxian Liziba CCA, Gansu province. • Deqin Bamei CCA, Yunnan province. • Yulong Laojunshan CCA, Yunnan province. • Weixi Tuoluoding CCA, Yunnan province. <p>A training manual, strategy and at least eight trainers available for building the capacities of CCA management bodies.</p> | <p>Management of six existing CCAs has been strengthened:</p> <ul style="list-style-type: none"> • Technical and legal support has been given to Jiuzhi Nianbaoyuze, Yajiang Tangqiao-Gexigou and Wenxian Liziba CCAs by local forestry departments and nature reserves. • Resource management regulations and community patrol mechanisms have been put in place for Deqin Bamei, Yulong Liju and Weixi Tuoluoding CCAs. <p>A training manual on CCA leadership building is under development, and training has been provided for 30 trainers.</p> |

| | | |
|--|--|--|
| | <p>Six CCAs included within provincial nature reserve development plans.</p> <p>At least 10 civil society organizations, government agencies, and protected areas participate actively in CCA coalitions, including by contributing case studies.</p> | <p>Integrating the CCAs into provincial nature reserve development plans is under discussion.</p> <p>10 partners have actively participated in CCA coalitions: Baima Snow Mountain Nature Reserve; Baishuijiang National Nature Reserve; Chengdu Biology Institute; Deqin Community Co-management Association; Gansu Forestry Department; Qinghai Forestry Department; Sanjiangyuan National Nature Reserve; Shangrila Yunnan Golden Monkey Conservation Association; Sichuan Forestry Department; and Yulong Wildlife and Plant Conservation Association.</p> |
| <p>Outcome 2: Policies and legislation related to trade in wildlife approved and implemented, and networks initiated under phase I CEPF investment formalized and placed on a sustainable footing.</p> <p>Allocation: \$350,000</p> | <p>Membership and financing mechanisms for the Save Wildlife in Trade Coalition formally constituted.</p> <p>National Wildlife Trade Management and Enforcement Committee constituted with participation of civil society and key government agencies.</p> <p>At least 40 currently unprotected CEPF priority species receive legal protection under China's Wildlife Protection Law.</p> | <p>A joint action plan has been prepared by a working group and adopted by all coalition members.</p> <p>A dialogue meeting between the National Wildlife Trade Management and Enforcement Committee and Save Wildlife in Trade Coalition members was held in Urumqi in August 2012.</p> <p>No progress has been reported.</p> |
| <p>Outcome 3: Civil society participation in promoting development policies and plans that are consistent with biodiversity conservation increased through strengthening grassroots capacity and replicating the successes of phase I CEPF investment.</p> <p>Allocation: \$250,000</p> | <p>10 community groups and NGOs involved in phase I CEPF investment participate actively in civil society networks to reconcile biodiversity conservation and development objectives.</p> <p>10 law practitioners and legal researchers trained in environmental issues and given first-hand experience of CEPF projects.</p> <p>Four provincial or national policies influenced as a result of CEPF consolidation grants.</p> | <p>No progress has been reported.</p> <p>No progress has been reported.</p> <p>A protected area legislation working group has been established with participation of 45 experts, and an 18-month workplan has been adopted.</p> |

| | | |
|--|---|---|
| <p>Outcome 4: CEPF investments in Community Conservation Areas (CCAs) consolidated by integrating experience gained into targeted legislation processes.</p> <p>Allocation: \$250,000</p> | <p>CCA recognized as a category of protected area under the national Law on Protected Areas.</p> <p>Conservation agreements model recognized by at least one national or provincial policy.</p> <p>At least one long-term CCA financing mechanism established with initial capital secured.</p> | <p>A protected area legislation working group has been established with participation of 45 experts, and an 18-month workplan has been adopted.</p> <p>A case study report on conservation agreements has been prepared for circulation to government officials.</p> <p>A field trip to Sichuan province has been organized for national legislators to study CCAs.</p> |
| <p>Strategic Funding Summary</p> | <p>Amount</p> | |
| <p>Spending Authority</p> | <p>\$1,350,000</p> | |