

Document of
The World Bank

Report No: ICR0000438

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(WBTF-24879)

ON A
CREDIT
IN THE AMOUNT OF US \$25.0 MILLION EQUIVALENT
TO THE
CONSERVATION INTERNATIONAL
FOR A
CRITICAL ECOSYSTEM PARTNERSHIP FUND

June 18, 2007

ENV

Global

CURRENCY EQUIVALENTS

(Exchange Rate Effective 00000000)

Currency Unit =

1.00 = US\$ []

US\$ 1.00 = []

FISCAL YEAR

ABBREVIATIONS AND ACRONYMS

BCIS	=	Biodiversity Conservation Information System
CAPE	=	Cape Action for People and the Environment
CAS	=	Country Assistance Strategy
CEPF	=	Critical Ecosystem Partnership Fund
CI	=	Conservation International
DGF	=	Development Grant Facility
FY	=	Fiscal Year
GCF	=	Global Conservation Fund
GEF	=	Global Environment Facility
GEO	=	Global Environment Objectives
IBRD	=	International Bank for Reconstruction and Development
ISR	=	Information Status and Results Report
GIS	=	Geographic Information System
LCU	=	Local Coordination Unit
M&E	=	Monitoring & Evaluation
MOP	=	Memorandum and Recommendation of the President
MSP	=	Medium Sized Project
NGO	=	Non-Governmental Organization
PA-METT	=	Protected Areas – Management Effectiveness Tracking Tool
PAD	=	Project Appraisal Document
PSR	=	Project Status Report
RIT	=	Regional Implementation Team
STAP	=	Scientific and Technical Advisory Panel
WWF	=	World Wide Fund for Nature

Vice President:	Kathy Sierra
Country Director:	Warren Evans
Sector Manager:	Laura Tlaiye
Project Team Leader:	Kathleen S. Mackinnon
ICR Team Leader	Karen Luz

WORLD
Critical Ecosystem Partnership Fund

CONTENTS

Data Sheet

- A. Basic Information
- B. Key Dates
- C. Ratings Summary
- D. Sector and Theme Codes
- E. Bank Staff
- F. Results Framework Analysis
- G. Ratings of Project Performance in ISRs
- H. Restructuring
- I. Disbursement Graph

1. Project Context, Global Environment Objectives and Design	1
2. Key Factors Affecting Implementation and Outcomes	3
3. Assessment of Outcomes	8
4. Assessment of Risk to Development Outcome.....	11
5. Assessment of Bank and Borrower Performance	12
5.1 Bank	12
6. Lessons Learned	14
7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners	15
Annex 1. Project Costs and Financing.....	16
Annex 2. Outputs by Component	17
Annex 3. Economic and Financial Analysis.....	19
Annex 4. Bank Lending and Implementation Support/Supervision Processes	20
Annex 5. Beneficiary Survey Results	22
Annex 6. Stakeholder Workshop Report and Results.....	23
Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR.....	24
Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders	34
Annex 9. List of Supporting Documents	35
Annex 10. Selected Results of the Project.....	37

MAP

1. Project Context, Global Environment Objectives and Design

1.1 Context at Appraisal

The World Bank, the Global Environment Facility (GEF) and Conservation International (CI) launched the Critical Ecosystem Partnership Fund (CEPF) in 2000 to initiate a global program to address the Earth's biodiversity hotspots, the world's biologically richest and most threatened ecosystems. These critical areas for conservation are also home to millions of rural people who are highly dependent on healthy ecosystems for their livelihoods and wellbeing.

Conservation cannot be accomplished without engaging the people who live in and around these high biodiversity areas and whose livelihoods depend on them. The CEPF was established to provide strategic assistance to engage non-governmental organizations (NGOs), community groups, and other civil society partners in conserving Earth's biodiversity hotspots. The CEPF framework is consistent with the objectives of the Environment Strategy to improve management of the global commons. It is also consistent with the Bank's emphasis on partnerships to deliver development outcomes. The partnership theme is reflected in the governance structure of the CEPF with the Fund supervised by a Donor Council, representing all the donors.

1.2 Original Global Environment Objectives (GEO) and Key Indicators (as approved)

The GEF Goal in the CEPF log frame in the Memorandum and Recommendation of the President (MOP) is "enhanced biodiversity conservation and sustainable use within each ecosystem funded by CEPF". This would be measured against relevant biodiversity indicators to be selected for each ecosystem profile. Intermediate key performance indicators include the following: (i) biodiversity is conserved in a verifiable manner; (ii) the intended/articulated impact of each recipient organization is increased; (iii) the ability to monitor and measure impact and performance of each recipient organization is improved; (iv) at least 5 actors change policies or practices to be more compatible with biodiversity conservation as a result of information generated from CEPF investments; (v) at least one additional partner added that provides US\$5 million per year; and (vi) better consideration of ecological considerations important for each hotspot in the World Bank's country dialogue.

In addition, during project implementation a log frame was developed for each investment region, as part of the ecosystem profile (see Section 1.5 below). Each individual log frame had specific objectives and indicators for that region which guided project implementation. The Donor Council approved the log frames for the individual ecosystems.

1.3 Revised GEO and Key Indicators, and Reasons/Justification

The GEO and indicators were never formally revised with Board approval. However, by the time of the first ISR, the GEF goal had been refined to the more precise GEO that has been used during project implementation: “The conservation of ecosystems in 19 globally important hotspots, protecting or enhancing the multiple benefits provided by them to agriculture, forestry, water supply and fisheries, and other sectors critical to the Bank's contribution to poverty alleviation.”

1.4 Main Beneficiaries

The main beneficiaries were the civil society grantees in the hotspots, those local communities that rely on biodiversity for their livelihoods and the global community. The biodiversity hotspots are inhabited by millions of people, of which many are impoverished and highly dependent on healthy ecosystems for their survival. By supporting projects that combined community development and livelihood opportunities with biodiversity conservation, the CEPF aimed to provide valuable long-term opportunities for sustainable development. CEPF also brought benefits to local civil society organizations, in the form of improved capacity to fulfill their mission of biodiversity conservation and sustainable use of natural resources.

1.5 Original Components (as approved)

Three components were identified in the original project log frame: training, funding, and information/knowledge

1.6 Revised Components N/A

As with the GEO, early in implementation the project components were refined, although not substantively changed, to the components subsequently used for project reporting in PSRs/ISRs. The components used for reporting were the following:

Component 1: Grants

The CEPF awarded grants to civil society groups for strengthening protection and management of key biodiversity areas within the hotspots. Grants were also used to empower civil society actors to take part in, and influence, decisions affecting conservation in the hotspots.

Component 2: Ecosystem profile preparation

This component supported the development of the ecosystem profiles as strategic business planning and implementation documents for the partnership and wider conservation community. The ecosystem profile contained a description of the area, including threats and opportunities for conservation, existing funding from other donors, and a proposed three-year CEPF funding strategy to guide investment in the region (later revised to a five year strategy). The profiles included log frames identifying indicators and expected conservation outcomes. A GEF Scientific and Technical Advisory Panel (STAP) review was to be conducted of each of the Ecosystem Profiles.

Component 3: Business development, management, grant making

This component supported the overall execution and administration of the CEPF. The Secretariat managed the funding for each hotspot and supported sub-projects through

Local Coordination Units (LCU), which could have different arrangements based on local circumstances and needs. The Secretariat was responsible for overall strategic and financial management, oversight and reporting for the global program, monitoring and reporting, ensuring that all project activities were in compliance with Donor Council decisions and the Operational Manual, and seeking co-financing.

Component 4: Monitoring and evaluation, information and knowledge management

The objectives of this component were to develop a system for monitoring and evaluation of the project, and a system for information and knowledge management. CEPF would use a knowledge information system built, shared, and used by different players, including the donors, the project managers and project executors and other collaborators. The Biodiversity Conservation Information System (BCIS) would take the lead on building and managing of the system. For reasons unrelated to CEPF, BCIS was dissolved during the program's second year. Information and knowledge management subsequently became a primary function of the CEPF Secretariat management team.

1.7 Other significant changes

Institutional arrangements: In its first meeting (2000) the Donor Council agreed to establish a Technical Working Group, representing all the Donors and charged, among other tasks, with discussing and providing technical input to ecosystem profiles. Accordingly, GEF decided to eliminate the need for STAP reviews of the ecosystem profiles as there was already adequate technical review of profiles.

Addition of donors: The MacArthur Foundation joined the CEPF in 2001 and the Government of Japan joined in 2002, both committing \$25 million over five years. In 2003, the Financing Agreement was amended and extended in order to accommodate the new donors, and the grant-making period for each hotspot was extended from three to five years.

Funding and scope of project: The Donor Council subsequently agreed to restrict investments to 15 instead of 19 hotspots, based on the available financing of \$125 million. Nevertheless, ecosystem profiles were also prepared for another four regions, but the Council agreed to delay investments in those hotspots until a sixth donor was secured. These regions will be the first implemented under CEPF-2.

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Geographic prioritization: A key factor affecting the success of this project was the use of the hotspot methodology to determine geographic priorities for investment. Hotspots are characterized by high biodiversity (measured by high plant endemism) and by a high degree of threat (less than 30% of the original habitat remaining). Together, the complete suite of CI hotspots is home to 75% of the planet's most threatened mammals, birds, and amphibians. In using the hotspots to identify priority sites, and in developing the ecosystem profile methodology as a strategic planning tool to guide investments at particular sites, CEPF drew upon best practice and lessons learned in the larger

conservation community. Preparation of the profiles, as strategic investment plans in each region, involved broad stakeholder consultations and hence buy-in.

Phasing: Another aspect of project design that enhanced quality of entry was the phasing of new investment regions throughout the implementation period. Mechanisms such as developing ecosystem profiles in a phased fashion and Donor Council approval of new profile and Annual Spending Plans allowed a flexible approach consistent with individual hotspot needs and absorptive capacity and the financial resources available to the fund as new donors gradually joined. By close of the first GEF Grant, in FY07, grant-making programs had closed in nine of the 15 targeted regions.

GEO/Log frame: The GEO and log frame as originally formulated were meant to capture the overall impact of multiple activities and outcomes from individual hotspots and sub-projects. Perhaps inevitably, the formulation of indicators at the macro level was not as precise and meaningful as that of the objectives and indicators at the hotspot and sub-project levels. Monitoring and evaluation data demonstrate that the project did substantively achieve the intention of its original goals and objectives, even if these were not very precisely formulated in the original project design.

Risk assessment: The risk analysis in the MOP was a realistic presentation of the risks that were apparent at the time of project design, and reasonable actions were undertaken to mitigate the identified risks. The principal risks identified and mitigating actions proposed were the following:

- (i) Compliance with Bank safeguards, since CI would be the project executing agency. Mitigation measures included procedures, outlined in the Operational Manual, for selection and legal arrangements of sub-projects; Donor Council oversight of ecosystem profiles; exclusion of certain activities; safeguards training for CEPF staff from Bank staff, and ex-post review by the Bank.
- (ii) Stakeholder perception of inadequate consultation in the development of the ecosystem funding strategy. To mitigate this risk, all ecosystem profiles would include stakeholder consultation strategies.
- (iii) Conflict of interest. Project design specified that up to 50% of the implementing grant funds available for each ecosystem could go to CI's own field offices where it was deemed that CI had a comparative advantage. To mitigate the risk of conflict of interest, the Annual Spending Plan submitted for approval by the Donor Council would specifically highlight programs to be implemented by CI itself.

While the first two risks were adequately addressed in project design, mitigation measures for the third were not as successful. In retrospect, it appears that the measures put in place in the Memorandum of Understanding, Financing Agreement, and Operational Manual were inadequate and the perception of conflict of interest haunted project implementation, despite the fact that the CEPF followed the agreed procedures.

2.2 Implementation

Adaptive management: A notable characteristic of CEPF implementation has been the staff's willingness and ability to learn from experience and to adapt their approach based on that experience. For instance, when CEPF staff observed that grant application

procedures were proving burdensome, procedures were modified to allow applicants to write a simple Letter of Inquiry and receive an initial response on project suitability, before undertaking the preparation of a full-blown proposal. Similarly, the process and methodology for producing the ecosystem profiles was continually refined, and later exercises showed substantial improvement. This learning-by-doing approach was made possible by the phased timing of work in the different hotspots. Early hotspots functioned as pilots, while later ones reaped the benefits of experience. Even though the project was being implemented in multiple hotspots around the globe, the central CEPF staff made sure that lessons learned from different approaches were communicated and utilized.

Programs adapted to hotspots: Another factor that contributed positively to implementation success was a commitment to adapting the project to the widely different circumstances prevailing in each hotspot. While certain characteristics of the overall program were used everywhere, the emphasis varied from place to place. For instance, in the Upper Guinean Forest Ecosystem, where civil society is weak, the project focused a significant amount of resources on strengthening local civil society organizations. In the Atlantic Forest, with a well-developed NGO sector, more resources were directed towards harnessing that NGO-capacity and expanding the availability of funds to smaller organizations through a dedicated on-granting mechanism. Similarly, in both the Atlantic Forest and the Cape Floristic Region, where much remaining natural habitat is in private hands, the project devoted significant resources to working with private landowners.

Coherence of grant portfolios: An on-demand grant program can suffer from a lack of coherence at the portfolio level. In many hotspots, CEPF sought to address this potential issue by identifying one or several large “anchor” sub-projects that would be implemented by an experienced group, and putting together a portfolio of medium-size and smaller grants to complement it. This allowed experimentation and risk-taking with more untried groups, while guaranteeing a core program that was likely to be able to deliver on its objectives.

Institutional factors: Several factors contributed to effective project implementation. CI provided a variety of coordination, implementation, scientific and administrative services to CEPF at both headquarters and field level. This relationship with the parent organization brought many positive benefits, including the ability to leverage additional funds from other CI programs to complement CEPF activities. Involvement of national programs of CI and other international NGOs as Local Coordination Units within individual hotspots built on key local expertise and was praised in the 2006 evaluation as “one of the key strengths of the CEPF”. The evaluation recognized the LCUs for their ability to link “smaller grassroots activities, larger projects, policy initiatives, international collaboration, sustainable financing and other key elements of comprehensive, vertically-integrated conservation portfolios”. In addition, the governance structure, especially the oversight and advice from the Donor Council and its Technical Working Group, contributed substantially to adaptability during project implementation, enabling the CEPF to respond to new opportunities and replicate successful initiatives.

Responses to mid-term review: The mid-term review in June 2003 was generally positive, but it also identified several areas for improvement. Most have been expeditiously addressed; a few required ongoing efforts and eventually changes in program design for the second phase of CEPF. Among the latter are the following:

- *Create better synergies between CEPF and donor programs:* In 2005, the project held three regional workshops with Bank staff to identify opportunities for greater synergies and collaboration between the Bank's operations and CEPF.
- *Minimize the perception of conflict of interest in terms of CI's dual role as grant-maker and grantee by adhering strictly to the requirement that CI not get special preference as a grantee or exercise undue influence over the grant-making process:* The perception of a conflict of interest was an issue throughout the first phase of CEPF, and the 2006 evaluation concluded that "it would be hard to argue convincingly that CI has been treated like any other potential grantee, as required by the CEPF Operational Manual". The original financing agreement allowed CI to access up to 50% of the global grant. In practice, as CEPF moved into new regions and engaged more partners, CI's overall share of grants fell to 26% by March 2007.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

M&E design: The original log frame for the project in the MOP was never revised to correspond to the more precisely worded GEO and revised project components developed during early project implementation. The early log frame was written in general terms and lacked specific, verifiable targets for some indicators. In practice, project progress was measured against individual log frames created for each hotspot as part of the ecosystem profiles. Some of these earlier log frames were revised during project implementation to strengthen indicators and expected outcomes.

M&E implementation: CEPF reported on different levels of accomplishment at different time intervals. Quarterly and annual progress reports focused on specific achievements by sub-projects at the hotspot level. The five-year assessments, finalized in 2006/2007 for nine hotspots, report against the ecosystem profile log frames. In later years, CEPF also reported annually at the hotspot level against the standard GEF biodiversity indicators, including new hectares of protected areas, hectares of protected areas under improved management, and other measurements of improved biodiversity conservation. At the overall project level, in effect these measures were substituted for the original key performance indicators (see Annex 10).

CEPF was diligent about requiring monitoring of the use of grant funds. Consequently, the program managed a great deal of data about the outcomes of specific sub-projects, which it aggregated up and reported on as a way of assessing hotspot and project level outcomes. CEPF was a model of transparency in making publicly available on its website (www.cepf.net) information about grants and awardees, including final reports from sub-projects, as well as a wealth of other information.

M&E utilization: CEPF did an admirable job of practicing adaptive management based on informal analysis of implementation experience. This was particularly true at the regional level, with several regions benefiting from regular stakeholder meetings to share

lessons learned and develop and share guidelines on key issues, such as conservation stewardship. Nevertheless, more formal analysis of project-level data and sharing of information across the whole portfolio would have further strengthened CEPF's adaptive management capacity.

2.4 Safeguard and Fiduciary Compliance

Individual grantees and sub-projects were legally bound by Bank safeguards. Procedures for compliance were outlined in an operational manual that describes the responsibilities of CI and grantees and procedures for sub-project implementation; it explicitly excludes certain activities. The Bank also undertook ex-ante reviews of each ecosystem profile and ex-post review of projects using CEPF reports, and field visits. The Bank also provided several trainings for CEPF staff at the beginning of the project to ensure that they understood the safeguards and were able to apply them to sub-projects. In the few cases where safeguards were triggered, mitigation measures were put into place. For instance, a CEPF project for gazettement of the Derema Forest Reserve in Tanzania was complemented with a broader package of benefits to local farmers to mitigate reduced access to resources.

CEPF monitoring ensured fiduciary compliance. By the end of FY07 all three original donors (CI, Bank and GEF) had made their full commitment of US\$25 million to the CEPF. The costs of the CEPF Secretariat were less than 13% of the total Fund. Administration costs for individual sub-projects were also capped at 13% of the grants.

2.5 Post-completion Operation/Next Phase

The CEPF is a program with different donors funding different time slices. Although Bank contributions through GEF and DGF have been completed in FY07, later donor contributions are only partially disbursed. Because of the phased start-up approach for different hotspots, grant-making and implementation is still ongoing in six of the hotspots initiated under the first phase (e.g., Eastern Himalayas will conclude in 2009).

The independent evaluation recommended that the Donors continue and expand the Critical Ecosystem Partnership Fund. Accordingly, at the invitation of the GEF CEO, a project (CEPF-2) for a second GEF grant was submitted to the GEF Council in June 2006 and is expected to become effective in FY08. Another two of the original donors, CI and MacArthur Foundation, have also made commitments to this second phase and a sixth donor, l'Agence Française de Développement, has joined the partnership. The new phase of the program is designed for a \$100 million investment in 14 hotspots, with expansion into at least nine new hotspots and consolidation activities in some earlier programs to promote sustainability. Building on recommendations from the independent evaluation all new investments would be guided by revised institutional arrangements to further devolve responsibilities to Regional Implementation Teams (RIT) at the local level. To avoid potential conflict of interest, no organization acting as a RIT will be eligible for grants in that hotspot and CI staff will be recused from any decision concerning CI grants and programs.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

The project was, and continues to be, highly relevant to the global development objective of biodiversity conservation. CEPF was targeted to key regions of global biodiversity importance, as identified through CI's hotspot methodology. In addition, the approach of working through civil society groups is widely acknowledged as an important element of conservation strategy in countries which often lack adequate budget, capacity, and in some cases, political will for conservation. Creating strong local civil society organizations is widely seen as a key part of ensuring the sustainability of conservation efforts in those areas.

The project has contributed to Bank operations in several ways. Early mobilization of CEPF grants and "pre-investment" in capacity building in the Cape Floristic Region benefited preparation and implementation of the Cape Action for People and Environment project (C.A.P.E.), and tested guidelines and methodologies to be rolled out under the larger Bank project. The close relationship between CEPF and CAPE provided excellent opportunities for cross-learning and expanded conservation activities across a broader geographic area. CEPF grants complemented and extended Bank-funded activities. For instance, in Madagascar, the project supported development of community forest management plans and community management of wetlands, complementing the Bank's Second Environment Program there. CEPF involvement in many hotspots helped to leverage additional funding resources, including from the Global Conservation Fund (GCF), also managed by CI. Thus, GCF provided funding for land purchases of critical biological corridors which strengthened the viability of the Namaqua National Park in South Africa, where the Bank was funding a Medium Sized Project (MSP) to strengthen park management. Finally, in all the regions of the CEPF, grants built the capacity of local actors, strengthening stakeholder capacity for future Bank endeavors in those areas.

3.2 Achievement of Global Environmental Objectives

The 2006 independent evaluation and later assessments in hotspots confirm that substantial progress has been made towards better conservation – see reports available on www.cepf.net. CEPF has completed grant-making in nine regions while grant-making remains active in six regions approved for investment since July 2002. In total (by March 2007), CEPF has committed \$89.8 million in direct grants to more than 600 civil society groups in 33 countries in South and Central America (4 hotspots, \$28.9 million), Africa and Madagascar (5 hotspots, \$28.8 million), the Caucasus (\$7 million), and East Asia (4 hotspots, \$25.1 million). Special re-granting programs in some regions bring the number of groups supported by CEPF to more than 1,000.

Measuring long-term conservation outcomes and relating them to specific short-term investments such as the CEPF is notoriously difficult. Standard GEF biodiversity indicators can be used as a proxy measure of contributions towards biodiversity conservation (see Annex 10). At the hotspot level, the ecosystem profile for each hotspot had its own log frame and the assessment for each funding region reported data against its ecosystem profile indicators. A review of the assessments shows that many or most hotspots reported accomplishments in the following areas: strengthening biodiversity

corridors; creation and/or expansion of protected areas, including private and community-managed areas; strengthening protected areas management; fostering cooperation among stakeholders, including creating new networks among partners; civil society capacity-building and increased civil society engagement in conservation; promoting sustainable development practices; increasing scientific knowledge/biological monitoring; identifying long-term financing; and building conservation awareness. Examples of specific results include the following:

Protected areas: These were a major focus of CEPF interventions. Project portfolios have supported the creation or expansion, consolidation, and improved planning and management of protected area networks based on the identification of key biodiversity areas and biodiversity conservation corridors. As of March 2007, CEPF had contributed to the creation or expansion of 9.4 million hectares of protected areas in 15 countries, a very significant achievement in some of the most globally important areas for biodiversity on earth. Many existing protected areas also came under improved management as a result of CEPF investments, including 559,000 hectares in the Caucasus Region and some 325,000 hectares in Northern Mesoamerica.

Mainstreaming: CEPF support contributed to improving the sustainable use of biodiversity in production landscapes through stewardship, improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity, and the development and adoption of a variety of alternative livelihood opportunities. A key approach has been to strengthen protection of critical biological corridors within a multiple-use landscape through improved land use planning and other activities that mainstream conservation into development, including collaboration with the private sector and developing supportive policy and legislative frameworks. Innovative payment for environmental services programs have promoted biological connectivity and restoration in buffer zones of protected areas and corridors while providing attractive economic incentives for small farmers and landowners to maintain land uses consistent with conservation. Specific examples of interventions in production landscapes include the following: agroforestry systems and organic agriculture were adopted by 25% of private land owners around the Una Biological Reserve in Brazil's Atlantic Forest; in the Guinean Forests of West Africa hotspot, 1,700 Ghanaian farmers received training in sustainable cocoa production and agroforestry practices around Kakum National Park; and in Northern Mesoamerica, more than 242,000 hectares in the Sierra de las Minas Biosphere Reserve in Guatemala are under improved watershed management as a result of a water fund payments for environmental services program.

CEPF support has also played an influential role in shaping national and municipal policies in favor of biodiversity conservation. For example, in the Tumbes-Chocó-Magdalena region, Colombia integrated the corridor concept into policies of the Department of National Parks, the Ministry of Foreign Affairs, and the Ministry of Transportation, Mining, and Energy. In the Philippines, the National Economic Development Authority incorporated biodiversity conservation priorities into the newly updated thirty-year Regional Physical Framework Plan for a key region of the country.

At least five Ecosystem Profiles have included strategic directions that specifically target the private sector (Atlantic Forest, Cape Floristic Region, Madagascar, Succulent Karoo, and Sundaland), with several achieving significant conservation contributions from national and international companies in the mining, agribusiness, wine production, logging, and ecotourism sectors. Sub-projects have also targeted conservation on indigenous lands, supporting community-based management of protected areas or indigenous territories. In Panama (Southern Mesoamerica), for example, CEPF funding helped the Ngöbe-Bugle indigenous people to better manage more than 420,000 hectares of land in and around the Amistad Biosphere Reserve; and in the Philippines hotspot CEPF funded the Livelihood Enhancement in Agro-forestry Foundation to help the small Monobo Indigenous Peoples organization work with local government officials to develop a co-management plan promoting sustainable watershed management based on traditional practices of land tenure.

3.3 Efficiency

The CEPF modality was chosen by the donors because it is a nimble and cost-effective way to get small grants to civil society. CEPF was designed to distribute relatively small amounts of money to large numbers of civil society partners with varying levels of institutional sophistication in a flexible and agile fashion. Donors, including the Bank and the GEF, were well aware that their size, institutional procedures, and focus on governments limited their ability to accomplish this goal. At the same time, the structure of the project, including donor representation on both the Donor Council and the Working Group, ensured that donors remained involved in the major decisions and informed of the major results of the project.

Overall, some 1,000 civil society organizations received grants, in 15 regions around the globe. Most grants were relatively small: more than half were under \$50,000. The project was also very efficient in terms of leveraging additional funding: CEPF grant recipients have reported some \$128 million in leveraged funds to date.

3.4 Justification of Overall Outcome Rating

Rating: Satisfactory

The overall outcome rating is satisfactory. The GEO and the design of the project were, and continue to be, highly relevant to achieving the conservation of globally important biodiversity in the Bank's client countries. In particular, the approach of working through civil society organizations is widely acknowledged as an important ingredient in both successful conservation and sustainability of conservation efforts. Project implementation made strong contributions towards conservation in 15 regions of global biodiversity importance. The project was cost effective and nimble in contrast to the alternative of the Bank itself creating the same sort of grant mechanism for small civil society organizations. The 2006 evaluation concluded the following: "This innovative model fills a unique niche in international biodiversity conservation and is being implemented by a very professional global team plus partners who have made excellent early progress towards their long-term goals."

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

The CEPF is focused on achieving global environmental objectives. As such, poverty impacts are presumed to be an indirect and not a direct result of project interventions. Nevertheless, at the request of the Donor Council, starting in 2005 the project began conducting an analysis of the linkages with poverty alleviation in individual ecosystems where it invests. To date, ten of these reports have been completed and are available on the CEPF website www.cepf.net. The hotspots tend to be areas of higher poverty within their regional context and there is some evidence that the project contributed to poverty alleviation, through limited employment opportunities and capacity building, but the data supporting this conclusion are generally weak.

(b) Institutional Change / Strengthening

The independent evaluation found that capacity building with civil society organizations was one of the most valuable contributions of the CEPF. Capacity building happened directly, through training and other opportunities, and indirectly, through participation in the grant-making process and subsequent sub-project implementation. Since few of the grantees, especially the less experienced and emerging organizations, had access to alternative sources of funding, CEPF offered them an invaluable opportunity to develop their practical skills in applying for grants and in designing and implementing projects.

An additional aspect to this institutional strengthening was the forging of partnerships and alliances among civil society groups and others, including governments, within each hotspot. In some cases, groups which had previously worked in an isolated fashion had the opportunity to work with others, increasing their impact and also the breadth of their perspective. Several of the partnerships formed under the project will continue beyond CEPF. Around Tesso Nilo National Park in Sumatra, for example, WWF will continue working with Jikalahari, a newly established local NGO.

(c) Other Unintended Outcomes and Impacts

Participation in CEPF may have encouraged and certainly reinforced a strategic shift in CI's own approach to conserving biodiversity worldwide. In 2004, CI formally committed to re-grant substantial portions of its annual budget to partners in recognition of the need to engage many other civil society groups in conserving biodiversity. In FY06, 28% of CI's budget was on-granted to partners. The independent evaluation notes that CEPF "gave CI one of its first experiences of an explicit focus on making grants to civil society with an emphasis on partnerships and alliances". The transformative effect of this experience on CI itself may have contributed to a willingness to embrace this approach at a more institutional scale.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

4. Assessment of Risk to Development Outcome

Rating: satisfactory

The risk to development outcome is moderate. The impact of biodiversity conservation projects is often long-term and beyond the project time frame. As with other Bank conservation investments, the sustainability of the CEPF's efforts is as yet unknown. Nevertheless, the approach taken by CEPF, based on fostering a lively and diverse network of organizations committed to conservation in each hotspot, and on enhancing

their effectiveness by building their skills and contacts, is a sound one. The fact that these local and national-level organizations have established partnerships and alliances with international organizations, including CI itself, is particularly encouraging. These international organizations bring both technical expertise and considerable fundraising abilities to the service of conservation in the targeted hotspots. In a number of hotspots, sustainability is further enhanced by the creation, with project support, of sustainable financing mechanisms. For example, a conservation trust fund has been set up in the Caucasus hotspot, and payments for ecosystem services have been instituted in the Philippines and Southern Mesoamerica.

5. Assessment of Bank and Borrower Performance

5.1 Bank

(a) Bank Performance in Ensuring Quality at Entry

Rating: satisfactory

The overall design of the project was strong and was specifically focused on overcoming key barriers to entry for the Bank in supporting civil society, especially grassroots and community groups, to carry out conservation projects. Best practice in the conservation community has for many years highlighted the important role of civil society in addressing conservation challenges, so this project had high strategic relevance. Implementation arrangements were well thought out, and the creation of the Donor Council in particular was an innovative feature that allowed the project to be managed adaptively and thus enhanced flexibility. Policy and institutional aspects were intended to be addressed at the sub-project level, and the design of the ecosystem profile methodology ensured that policy issues in each hotspot would be identified so that funding could be allocated for dealing with them.

CEPF was an unusual project at the design stage, and it did not fit easily into the normal processing procedures of the Bank. The Bank at the time had already had experience with granting GEF resources directly to NGOs as MSPs, but this was a new partnership model with the Bank staying more directly involved in the strategic planning and decision-making as part of the Donor Council, along with other donors, including CI.

The project was intended to be flexible and agile, and as such, many of the design details were worked out during implementation. The project lacks a PAD, and the GEF Project Brief is more focused on the structure and operation of the CEPF than on the specific components and activities. Similarly, the Financing Agreement, the project's core legal document, focuses almost exclusively on project procedures. Even the Memorandum of Understanding between CI, GEF, and the Bank and the Memorandum and Recommendation of the President present project objectives and outcomes only in general terms. Because the Donor Council was involved in key decisions, leaving design details to implementation still allowed the donors to ensure the project met their expectations. Nevertheless, the lack of design detail from the preparation stage and particularly the fact that the log frame was never revised, nor used for reporting, made tracking progress toward agreed project-level outcomes more difficult. Overall, M&E in this project would have benefited from more attention during the design phase.

The MOP identifies three risks, as outlined above, but does not rate the level of risk. It appears that mitigation measures taken to address the risks were adequate in the case of safeguards and participation issues. A design that involved stricter procedures to avoid the impression of self-dealing might have alleviated continued concern about conflict of interest. New measures to remove CI from decision-making process on grants and Regional Implementation Team contracts to CI are in place for CEPF2.

(b) Quality of Supervision

Rating: satisfactory

The Bank's role in supervision was unusual, because it was also actively involved in making decisions about implementation as a member of the Working Group and the Donor Council; it also shared responsibility for raising additional funds. Because of this dual relationship, Conservation International did not necessarily understand nor accept at first the Bank's role in technical supervision; it may also have been unclear to the earliest Bank task team how project supervision should be approached. The Bank role evolved over time and Bank task teams gradually assumed a stronger role in project supervision.

The quality of Bank supervision was satisfactory overall. Bank and CEPF management worked diligently, sometimes within the context of the Donor Council and sometimes directly, to identify issues that arose during project implementation and to resolve them. Because many of the details of the project remained to be worked out during the earliest stages of implementation, this flexibility of approach was an important ingredient in project success.

A minor shortcoming of the project relates to fostering linkages between the project and other Bank-financed regional projects. Originally this was highlighted as a key opportunity for this innovative donor partnership. Individual Task Team Leaders assigned to the project varied substantially in their attention to facilitating and encouraging this sort of collaboration. Bank regional staff did review ecosystem profiles but more active collaboration at the field level has been variable. There are exceptions. In the Cape Floristic Region, the CEPF resources were especially useful and effective in maintaining stakeholder interest and support and testing new partnerships and initiatives that could then be rolled out on a larger scale once the main CAPE (Bank/GEF) project came on line. In 2005, a series of regional workshops was held with Bank and CEPF staff to improve collaboration with other Bank regional operations.

Overall candor and quality of performance reporting appears adequate. One minor issue is the rating of the risk identified in the MOP that grants that CEPF made to CI would represent a conflict of interest. In the first ISR this risk was rated as moderate, but in subsequent PSRs it was rated low or negligible. Nevertheless, it is apparent from later ISRs and the independent evaluation that the perception of conflict of interest continued to be an issue for the project.

(c) Justification of Rating for Overall Bank Performance

Rating: satisfactory

Bank performance overall was satisfactory. Only minor shortcomings were noted in ensuring quality at entry and in project supervision. Because the project was unusual in its design, it was probably inevitable that there would be shortcomings. The flexible project design was an important asset for being able to address problems and issues as they arose and represents a key design strength.

5.2 Borrower

(a) Government Performance

Rating: satisfactory. Investments in hotspots were subject to national GEF focal point approval of the ecosystem profile.

(b) Implementing Agency or Agencies Performance

Rating: satisfactory

PSRs and ISRs consistently rated CI progress in project implementation as satisfactory. Both project planning (at the step of Ecosystem Profile preparation) and project implementation (in the form of funding for sub-projects presented by a wide array of grantees) were highly participatory. The high quality and commitment of CEPF staff at both the central and the field levels have been noted by many observers, including the independent evaluation. Bank staff commented that the central CEPF operation was quite small but nevertheless performed admirably; staff also praised the efforts of CEPF management to ensure a certain independence of the project from CI operations. Relations with partners, particularly with grantees and in some hotspots with local or national governments, have apparently been strong and positive.

CEPF was particularly committed to learning by doing and managed the project adaptively as it brought on new hotspots. However, learning in the CEPF at the overall level was focused on process more than on outcomes. The independent evaluation found that “overall impacts of the [hotspot] portfolios and progress towards the conservation outcomes had not been systematically compiled and assessed.” The evaluation also notes that this sort of assessment is difficult to do in conservation projects, and that it is unusual to find adequate reporting on outcomes in this type of project. At the level of individual sub-projects, however, a wealth of monitoring information exists and was well used to manage hotspot-level portfolios.

CEPF was very good at documenting lessons learned and interesting success stories in their quarterly reports and on their website. CEPF was also good at sharing experiences through stakeholder workshops and annual meetings within, and across, hotspots, as for example in the Cape Floristic region. The project was less focused on carrying out higher-level, systematic analysis of lessons learned.

On safeguards compliance, the project consistently received ratings of satisfactory.

(c) Justification of Rating for Overall Borrower Performance

Rating: satisfactory

6. Lessons Learned

The CEPF was an unusual project in many ways. Because it took an experimental approach, lessons learned during implementation were continuously being integrated into ongoing operations. Some lessons are quite specific to this project, but other aspects of the approach have wider applications. Among these lessons are the following:

- Transaction costs for large donors to reach multiple smaller organizations can be reduced by use of a multi-purpose intermediary that provides not only grant-making services but also technical and other support to grantees.
- Civil society varies greatly in its level of organization and sophistication from country to country. Projects that work with civil society must have sufficient knowledge of the level of development of the sector and be flexible to design appropriate interventions with local organizations, including capacity building.
- In a project that takes a deliberately experimental approach, phasing start-up of regions is a good way to take advantage of the fact that many lessons are learned early on in project implementation.
- Small grants can be useful to pilot new initiatives, prior to roll out through bigger Bank projects, e.g. the synergies between CEPF and the C.A.P.E project.
- A coherent planning process such as that used in the preparation of ecosystem profiles together with a strategic alignment of grants, can contribute greatly to the coordination and effectiveness of conservation interventions.
- A governance structure that includes donors in higher-level decision making can be very useful for producing buy-in and can give enable greater flexibility to make adjustments in the course of implementation.
- Concerns about conflict of interest and self-dealing are bound to arise in cases where the granting organization can also be a grantee, even where such grants are subject to independent review. Experience with the first phase of CEPF has led to much strengthened institutional arrangements to avoid potential conflict of interest in the second phase – see 2.5.
- Monitoring outcomes at the portfolio or the global level is more complex than simply aggregating outcomes of individual sub-projects. Careful thought must be given to useful indicators or benchmarks for monitoring at these levels at the very beginning of project implementation, or else data will not be available on which to base well-supported conclusions about impacts.

Numerous lessons were learned at the hotspot level and in the individual sub-projects. These can be found in the five-year hotspot assessment reports and the reports on individual sub-projects available on the CEPF website, www.cepf.net.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

(b) Cofinanciers

(c) Other partners and stakeholders

The effectiveness of the first phase of CEPF can be assessed from the willingness of key donors to continue with a second phase of investments under CEPF-2.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)*	Percentage of Appraisal
GRANTS	0.00	60.57	
ECOSYSTEM PROFILE PREPARATION	0.00	4.47	
BUSINESS DEVELOPMENT, MGT, GRANT MAKING	0.00	7.57	
M&E, INFORMATION AND KNOWLEDGE MGT	0.00	2.39	
Total Baseline Cost		75.00	
Physical Contingencies	0.00		
Price Contingencies	0.00		
Total Project Costs		75.00	
Project Preparation Facility (PPF)	0.00		
Front-end fee IBRD	0.00		
Total Financing Required		75.00	

*Note, an additional \$36.2 million was spent through March 31st and attributed to other partners for a total of \$111.5 million. (\$89.8 million in grants)

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower NGO: Conservation International (CI)		25.00	25.00	33.33
Associated IBRD Fund - Development Grant Facility (DGF)		25.00	25.00	33.33.
Global Environment Facility (GEF)		25.00	25.00	33.33

Annex 2. Outputs by Component

(1) Grants: To date, CEPF has completed active grant making in nine regions, while grant-making remains active in six regions approved for investment since July 2002. In total, CEPF has committed \$89.8 million in direct grants to more than 600 civil society groups in 33 countries in South and Central America (4 hotspots, \$28.9m), Africa and Madagascar (5 hotspots, \$28.8m), the Caucasus (\$7m), and East Asia (4 hotspots, \$25.1m). The civil society actors supported by the special re-granting programs brings the number of groups supported by CEPF to more than 1,000.

(2) Ecosystem Profile preparation: Over the course of the first phase of the project, 19 ecosystem profiles were prepared. In cases where previous participatory planning processes existed, such as Madagascar and the Cape Floristic Region, CEPF built on those exercises. In other hotspots, the preparation of the ecosystem profile involved broad consultation with conservation stakeholders, usually including national experts and participants from government agencies, NGOs, local communities and donor organizations. The output from each process is an ecosystem profile which includes baseline information, a logical framework, a threats and opportunities analysis, an analysis of CEPF's niche, and strategic directions for grant making. Common strategic directions identified for multiple hotspots include mechanisms for corridor-level conservation; species and protected areas management; empowering civil society for biodiversity conservation; and awareness building, among others. The Donor Council approves completed ecosystem profiles, which are then posted on CEPF's website.

(3) Business development, management and grant making: The CEPF Secretariat's administration of the project was a strong point of the project, including the appointment of grant directors with responsibility for specific regions. The phased start-ups in different regions allowed ample opportunity to learn from initial experiences and constantly improve project administration. An abundance of information about grant-making is accessible on the CEPF website, from calls for proposals and detailed information on which organizations and sub-projects were awarded funding to sub-project overall reports and achievements. This gave the project great transparency and credibility. The project leveraged \$128 million overall, in addition to the \$125 million mobilized by the donors for CEPF itself.

(4) M&E, and information and knowledge management: CEPF did exceptional work in communications. Numerous project documents are available on the website, down to the proposals and final reports at the sub-project level. A monthly newsletter highlights new and interesting developments in the program, as well as providing links to new documents. Grant information has been managed through software specially designed for CEPF. While the independent evaluation found it a bit complex for some users, in general it seems to have worked well, and it has been improved through project implementation. M&E at the project level appears to have been adequate. Nevertheless M&E could have been further strengthened by more systematic gathering and analysis of information at the portfolio and project levels, to derive lessons learned and good practice for wider

dissemination and replication. The recent assessments at conclusion of hotspot investments provide some useful material for future analysis.

Annex 3. Economic and Financial Analysis
(including assumptions in the analysis)

NOT APPLICABLE TO THIS PROJECT.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Supervision/ICR			
Kathleen S. Mackinnon	Lead Biodiversity Specialist	ENV	TTL
Michael Carroll	Lead Natural Resources Management Specialist	LCSER	TTL
Gonzalo Castro	Senior Biodiversity Specialist	ENV	TTL
Randall B. Purcell	Sr Partnership Specialist	DGF	Team member
Jeanette Ramirez	Operations Officer	LCSER	Team member
Modupe A. Adebowale	Senior Finance Officer	LOAG2	Financial Management Specialist
Michael Fowler	Finance Officer	LOAG2	Financial Management Specialist
Steve J. Gaginis	Finance Officer	LOAG2	Finance Officer
Jao Francisco Ferreira	Finance Officer	LOAG2	Finance Officer
Jaime A. Roman	Consultant	LCOPR	Procurement Specialist
Simon Ochieng Lang'o	Finance Analyst	LOAG2	Finance Analyst
Jane Moraa Mwebi	Finance Analyst	LOAG2	Finance Analyst
Simon Nicholas Milward	Junior Professional Associate	LCSEN	Team member
Bryony Morgan	Junior Professional Associate	EASRE	Team member
Marieke van der Zon	Junior Professional Associate	ENV	Team member
Greicy C. Amjadi	Senior Program Assistant	LCSER	Team member
Grace Aguilar	Program Assistant	ENV	Team member
Wamuka Geoffrey Mwamuka	Finance Assistant	LOAG2	Finance Assistant

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
Total:		679,548.30
Supervision/ICR		
FY01	3.10	38,887.76
FY02	9.39	58,278.30
FY03	23.35	104,094.94
FY04	25.02	161,500.41
FY05	22.82	185,424.67
FY06	16.73	74,763.41
FY07	11.06	56,598.81
Total:		

Annex 5. Beneficiary Survey Results

Not Applicable

Annex 6. Stakeholder Workshop Report and Results (if any)

One or more consultation workshops were organized in each of the nine regions where the five-year CEPF grant-making period has come to an end: the Vilcabamba-Ambóro corridor in the Tropical Andes, the Chocó-Manabi corridor in Tumbes-Chocó-Magdalena, the Sumatra Forest Ecosystem in Sundaland, Southern Mesoamerica, the Cape Floristic Region, Madagascar, the Philippines, the Atlantic Forest, and the Upper Guinean Forest Ecosystem in West Africa.

The workshops aimed to assess the degree to which CEPF met its objectives as defined in the ecosystem profile for the region, and offered an opportunity for the grantees, donors, government agencies and other partners to discuss their achievements. In each region the results of the workshops were used as input for the “Assessing Five years of CEPF Investment in the hotspot” report. Preparatory consultation meetings or workshops with grantees and other stakeholders were organized during the preparation of the draft report. A final consultation workshop offered the opportunity for stakeholders to review and comment upon the accomplishments described in the draft report, with a particular emphasis on the program’s impact, lessons learned, and sustainability.

A summary of results of the workshop and outcomes for the hotspot, as described in the five-year assessment reports, can be found in Annex 10 of this report. Full reports of all the workshops can be found on the CEPF website: www.cepf.net.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

This report presents an overview of the implementation and results of the Critical Ecosystem Partnership Fund (CEPF) through March 2007. The information presented is based on monitoring and evaluation at three levels: program-wide, ecosystem portfolio, and individual projects supported by the program. Specific information is also highlighted from the results of independent evaluations conducted in 2003 and 2005, as well as from participatory assessments of nine ecosystem portfolios concluded to date.

1) Assessment of objective, design, implementation, and operational experience

Conservation International (CI), the Global Environment Facility, and the World Bank launched CEPF in 2000 as a global response program to address the rapid loss of biological diversity in some of the world's most critical ecosystems. CEPF represented a new and urgent approach to biodiversity conservation as the first global fund tailored to focus on biological, rather than geopolitical, boundaries and on channeling funds to civil society. The objective of CEPF, as stated in the Financing Agreement between the partners, is to provide strategic assistance to nongovernmental and private sector organizations for the protection of vital ecosystems.

By design, CEPF offered its partners an opportunity to align and leverage significant resources to promote the conservation of Earth's biodiversity hotspots through support to a sector often outside the reach of traditional funding mechanisms. The growth of civil society, which CEPF defines broadly to also include community groups and the private sector, has been one of the most significant trends in international development in recent years. Civil society participation in government development projects and programs can enhance their operational performance by contributing local knowledge, providing technical expertise, and leveraging social capital. Further, civil society organizations can bring innovative ideas and solutions, as well as participatory approaches, to solving local challenges. The importance of conserving the hotspots was heightened by the growing recognition of the multiple benefits provided by healthy, diverse ecosystems in areas such as agriculture, forestry, and water supply — all issues critical to the partners' contribution to human welfare. The hotspots are home to millions of people who are highly dependent on healthy ecosystems for their livelihoods and well-being. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination across large landscapes for local and global benefits.

The unique CEPF focus on the hotspots and civil society attracted the John D. and Catherine T. MacArthur Foundation to join the partnership in 2001 and the Government of Japan in 2002, bringing the Fund's total capital to \$125 million. The two additional partners each committed \$25 million. CEPF grant recipients have also reported an additional \$128 million in co-financing and leveraged funds to date, bringing the total leveraged by the project to more than \$175 million, or \$7 for every GEF dollar spent.

CEPF complemented and expanded the overall approaches of the World Bank and the GEF to biodiversity conservation by providing a streamlined funding mechanism within the context of a broad range of private sector partners. Civil society groups were eligible to apply for CEPF grants for projects within selected hotspots in World Bank client countries that also had ratified the Convention on Biological Diversity. As originally envisioned, CEPF developed a region-specific ecosystem profile prior to awarding grants in a hotspot, with an investment strategy and selected strategic directions to guide both civil society in applying for grants and CEPF decision-making. Specific short- and long-term targets were also identified in a logical framework for each ecosystem. The profiling process evolved significantly during implementation — from the first three profiles, which were developed by individual consultants as part of the preparation phase prior to the program’s formal inception, to the latter profiles developed directly by locally based civil society groups who engaged diverse stakeholders in identifying the niche and priorities for CEPF investment. Engaging a rich mix of civil society, governmental partners, and other stakeholders at this early stage has proven to be a critical foundation for creating a shared strategy among stakeholders and maximizing impact.

Each profile was reviewed and approved by the CEPF Donor Council, a body of high-level donor partner representatives that governs the global program. Relevant GEF Focal Points also endorsed the profiles prior to implementation at the national level, further ensuring a complementary approach to national Biodiversity Action Plans and country programmatic frameworks. Every grant awarded helped to implement a profile, further enabling CEPF to act as a catalyst in aligning and coordinating conservation efforts. Emphasis on corridor level or landscape-scale action was a hallmark of the CEPF approach, moving beyond a strictly species- or site-based focus in recognition of the need to maintain ecological and evolutionary processes.

A key approach during implementation has been the establishment of coordination units led by civil society groups based in the hotspots. These teams, created in 13 of the 15 CEPF funding regions established to date, have played a key role in all aspects of CEPF implementation, and were characterized as one of the greatest strengths of the program by the independent evaluators. In a number of hotspots, CEPF has also established special small grant programs directly managed by local civil society groups to implement selected components of the ecosystem profiles. Together, the coordination units and these special programs have acted as the local ecosystem facilities envisioned in the original CEPF design and significantly expanded both the program’s reach and impact.

2) Assessment of the outcome against the agreed objectives

As indicated in Table 1, CEPF has established active grant programs in 15 regions within 14 of the hotspots selected by the Donor Council, with spending plans authorized for \$100.4 million in investments as of March 31, 2007. The Council progressively approved critical ecosystems for the profiling process and subsequent investment, based on capacity and availability of funds—creating a staggered implementation of investment regions that enabled CEPF also to practice extensive adaptive management and replicate

best practices across hotspots throughout implementation. The profiling process was also approved for three additional hotspots, however the Council decided these completed profiles should move forward only after securing a sixth CEPF donor partner. These profiles for the Indo-Burma, Polynesia-Micronesia, and Western Ghats and Sri Lanka hotspots are slated to become the first for future investment under CEPF-2.

Based on the 5-year investment period for each region, CEPF has completed active investments in nine regions while grant-making remains active in six regions approved for investment since July 2002. In total, CEPF has committed \$89.8 million in grants to more than 600 civil society groups in 33 countries in South and Central America (4 hotspots, \$28.9m), Africa and Madagascar (5 hotspots, \$28.8m), the Caucasus (\$7m), and East Asia (4 hotspots, \$25.1m). The civil society actors supported by the special re-granting programs brings the number of groups supported by CEPF to more than 1,000.

Table 1. Ecosystem Grants, Inception through March 31, 2007

Start Date	Hotspot/Region	Spending Authority	Committed Grants	% of Authority	Years Active
Dec. 00	Guinean Forests of West Africa	6,200,000	6,202,565	100%	5
Dec. 00	Madagascar	4,250,000	4,249,840	100%	5
Dec. 00	Tropical Andes	6,150,000	6,133,510	100%	5
Dec. 01	Atlantic Forest	8,000,000	8,000,000	100%	5
Dec. 01	Cape Floristic Region	6,000,000	6,133,169	102%	5
Dec. 01	The Philippines	7,000,000	7,000,000	100%	5
Dec. 01	Southern Mesoamerica	5,500,000	5,499,848	100%	5
Dec. 01	Sundaland	10,000,000	9,990,069	100%	5
Dec. 01	Tumbes-Chocó Magdalena	5,000,000	4,999,975	100%	5
Jul. 02	Mountains of Southwest China	6,500,000	6,451,223	99%	4.75
Feb. 03	Succulent Karoo	8,000,000	5,788,689	72%	4
Jul. 03	Caucasus	8,500,000	6,976,538	82%	3.75
Jul. 03	Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya	7,000,000	6,424,798	92%	3.75
Jan. 04	Northern Mesoamerica	7,300,000	4,290,769	59%	3
Feb. 05	Eastern Himalayas	5,000,000	1,658,423	33%	2
	Total Ecosystem Grants	100,400,000	89,799,414	89%	

* Including management and ecosystem profile development expenses, CEPF has committed \$111.5 million through March 31, 2007.

CEPF support has enabled civil society to contribute to a major expansion and improvement in biodiversity conservation and sustainable use in the targeted hotspots. The range of partners and grantees has extended from individuals, farmers, and community organizations, through to national NGOs, research institutions, and private sector organizations, up to international environmental NGOs with global reach. Prominent and strategically vital partnerships have also been developed with local and national governments, including the agencies responsible for conservation as well as closely-related sectors such as forestry and agriculture.

CEPF has reached a wide array of civil society actors and institutions in all of the targeted hotspots despite a variety of social, economic, and political constraints. The CEPF approach has been flexible enough to make progress in the midst of some potentially discouraging civil society scenarios. For example, NGO networks and civil society organizations have only recently started to emerge in the Caucasus and Mountains of Southwest China hotspots, while local organizations that exist in other hotspots have often lacked capacity, training, and opportunities. In some hotspots, such as the Guinean Forests of West Africa, civil unrest has been, and continues to be, one of the most important factors affecting the ability of stakeholders to succeed in conservation efforts.

The 2005 independent evaluation of the global CEPF program found “overall performance from a global perspective has been excellent.” The evaluators, who were appointed by the CEPF Donor Council and visited 10 of the 15 CEPF investment regions, concluded in their final report issued in January 2006: “This innovative model fills a unique niche in international biodiversity conservation and is being implemented by a very professional global team plus partners who have made excellent early progress toward their long-term goals. We have no hesitation in recommending that the donor partners continue funding the program and seeking further expansion opportunities.”

The following results are presented in thematic areas and include highlights from the evaluations as well as CEPF assessments conducted together with stakeholders in the nine regions that have reached the end of their 5-year investment period. Individual reports for each of these portfolio-level assessments are available separately on the CEPF website¹.

¹ Atlantic Forest - www.cepf.net/xp/cepf/static/pdfs/Final_AtlanticForest_assessment.March07.pdf
Cape Floristic Region: www.cepf.net/xp/cepf/static/pdfs/Final_CapeFloristic_assessment_April07.pdf
Guinean Forests of West Africa - www.cepf.net/xp/cepf/static/pdfs/Final_GuineanForests_assessment_Oct06.pdf
Madagascar - www.cepf.net/xp/cepf/static/pdfs/Final_Madagascar_assessment.Dec06.pdf
Philippines - www.cepf.net/xp/cepf/static/pdfs/Final_Philippines_assessment_March07.pdf
Southern Mesoamerica - www.cepf.net/xp/cepf/static/pdfs/Final_SMesoamerica_assessment_April07.pdf
Sundaland - www.cepf.net/xp/cepf/static/pdfs/Final_Sumatra_assessment_March07.pdf
Tumbes-Chocó Magdalena - www.cepf.net/xp/cepf/static/pdfs/Final_ChocoManabi_assessment.March07.pdf

Protected area networks: Protected areas remain the critical foundation of biodiversity conservation worldwide, and as such, have been a major focal area for CEPF. Project portfolios have supported the creation or expansion, consolidation, and improved planning and management of protected area networks based on the identification of key biodiversity areas and biodiversity conservation corridors. Activities have included expanding or strengthening protected area networks; providing training and other capacity-building services to protected area managers and staff; supporting NGOs working in collaboration with government conservation agencies and stakeholders in activities such as park planning and development of management plans; and, crucially, integrating these various approaches into a cohesive program. As of March 2007, CEPF-supported civil society groups have contributed to the creation or expansion of 9.4 million hectares of globally significant biodiversity in 15 countries within 11 hotspots.

Community stewardship: The CEPF regional portfolios reflect a growing appreciation that effective conservation requires working with the people in and around protected areas and critical ecosystems who rely on and sometimes manage critical biodiversity resources. All of the portfolios have supported community stewardship of biodiversity through improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity, and the development and adoption of a variety of alternative livelihood opportunities. The 2005 evaluation found that a significant number of CEPF grants have provided the basis for improving the incomes and economic well-being of poor communities. In Southern Mesoamerica, for example, civil society groups leading 22 projects worked closely with Indigenous and Afro-Caribbean peoples to support land-use practices and livelihood projects that maintained both forest cover and cultural identities. Other examples include CEPF support enabling community associations in Madagascar to win approval from the government to directly manage wetland sites that benefit their local villages, and 130 small-scale farmers in the Tropical Andes Hotspot to secure formal Brazil nut concessions from the Peruvian government and thereby safeguard 225,000 hectares of primary tropical forest as well as their own livelihoods in the long term.

Building Conservation into Development Planning: Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development community. Mobilizing civil society to help strengthen the enabling environment for conservation has been a major focus. A key approach has been to strengthen protection of critical biological corridors that link key biodiversity areas within a multiple-use landscape through improved planning and other activities that mainstream conservation into production landscapes, including collaboration with the

Tropical Andes -

www.cepf.net/xp/cepf/static/pdfs/Final_TropicalAndes_assessment_Oct06.pdf

private sector and developing supportive policy and legislative frameworks. Grants have supported the development and implementation of GIS systems as sources of biodiversity information for decision makers and planners in different sectors attempting to harmonize conservation with economic development. Innovative payment for environmental services programs have promoted biological connectivity and restoration in buffer zones of protected areas and corridors while providing attractive economic incentives for small farmers and landowners to maintain land uses consistent with conservation. Grants in Southern Mesoamerica, for example, tapped into Costa Rica's payment for environmental services schemes. Projects implemented by Centro Científico Tropical, Asociación de Organizaciones del Corredor Biológico Talamanca Caribe, and Fundación Neotropical played instrumental roles in helping 177 farmers to access funds from Costa Rica's National Forestry Financing Fund (FONAFIO), which compensates farmers who set aside land for conservation in priority sites. Other grants supported restoration of former forested areas in ways that generate attractive returns for landowners and promoted sustainable practices through environmental certification for mining and forestry.

CEPF support has also played an influential role in shaping national and municipal policies in favor of biodiversity conservation. In the Philippines Hotspot, national and regional governmental bodies adopted biodiversity conservation priorities into their planning processes. Additionally, CEPF-identified Key Biodiversity Areas in the Philippines (which cover 20 percent of the total land area) were declared by presidential order to be "critical habitats" and the Department of Environment and Natural Resources was directed to promulgate guidelines for their management and protection. Watershed management plans were also adopted in multiple municipal areas (covering approximately 14,000 hectares) across the hotspot. Within the Chocó-Manabí Corridor of the Tumbes-Chocó Magdalena Hotspot, national government agencies in Colombia incorporated the corridor concept into their planning policies as well as into the 2005-2007 environmental action plans of regional environmental authorities. In Ecuador, the corridor concept was integrated into development plans for Manabí Province; land-use planning for San Lorenzo, Rio Verde, and Eloy Alfaro was undertaken for the first time.

At least five Ecosystem Profiles have contained strategic directions that specifically target the private sector (Atlantic Forest, Cape Floristic Region, Madagascar, Succulent Karoo, and Sundaland), with several of these regions achieving significant conservation contributions from national and international companies in the mining, agribusiness, wine production, logging, and ecotourism sectors. A key example is support to The South African Wine & Brandy Company for the Biodiversity and Wine Initiative (BWI), an innovative effort aimed at mainstreaming biodiversity conservation into the South African wine industry by promoting biodiversity best practices and a stewardship approach. Thus far, BWI has brought more than 78 champions into its network and put more than 48,000 hectares of land into conservation management. Through the BWI, biodiversity guidelines also have been accepted as part of the Integrated Production of Wine, an industry-wide, technical system of sustainable wine production. Other policies and guidelines for biodiversity and sustainable development have also been strengthened in the Cape Floristic Region Hotspot due to CEPF investment, including the Western Cape Provincial Spatial Development Framework, policies and procedures for stewardship,

codes of practice, and a policy framework for ensuring that biodiversity priorities are included in Integrated Development Plans for municipalities.

3) Evaluation of the borrower's own performance during the preparation and implementation of the operation, with special emphasis on lessons learned that may be helpful in the future

CI has led the preparation and implementation of the CEPF global program. Like the other donor partners, CI contributed \$25 million to the program. CI also administers CEPF. Its role and responsibilities are explicitly laid out in the Financing Agreement between the partners and further detailed in the CEPF Operational Manual. CI has a fiduciary responsibility to ensure that projects and other activities are financed and carried out in accordance with the guidance of the CEPF Donor Council and the Operational Manual. Compliance with the World Bank's Safeguard Policies and GEF's Operational Policies are also emphasized. The CEPF Financing Agreement specifies CI's responsibility for preparing and securing the approval of ecosystem profiles and for identifying, preparing, appraising, selecting, and supervising projects and activities carried out under each of the approved profiles. CI is responsible for strategic and financial management, oversight, and reporting for the global program. It also leads fundraising, donor coordination, and global information management and outreach.

Both independent evaluations found that strong and responsive CEPF leadership and management has very ably guided the program through its start-up phase and expansion while also helping the program to evolve in response to changing needs. Strong, strategic decision-making informed by earlier experiences has been particularly evident as well.

The evaluation team also found that the CEPF Management Team administered the Fund prudently, staffing conservatively and well, learning from experience and making adjustments along the way to vital procedures like granting applications and grant tracking, and developing a solid basis for future monitoring and evaluation of the program. Aware of the power of public perceptions, the Team has also made a concerted effort to maintain the transparency and autonomy of CEPF.

The Financing Agreement also sets out the specific procedures to be followed in cases where CI is a recipient of CEPF grant funding. CI has received 26% of the \$104 million in grant funds available to date, while it was eligible to apply for up to 50% of the funds. In regard to grants to CI, the evaluation team concluded that CI has generally done an excellent job with the funds it has received from CEPF. It reported that the coordination and project implementation services from CI regional programs and Centers for Biodiversity Conservation, the scientific and technical support from the Center for Applied Biodiversity Science, as well as the administrative, management, and information technology services from CI's headquarters have all been of high quality and have provided essential support to CEPF civil society grant-making.

Lessons learned include the following:

- Identification of conservation targets or outcomes and engaging diverse stakeholders in developing the CEPF niche and strategy for investment in each region has sharpened the CEPF focus, inspired other donors and national governments to use the profiles as planning tools, and helped create a shared strategy from the outset among potential implementers and partners in the field.
- Developing mutually supportive grants and vertically integrated portfolios with large anchor projects supported by smaller, strategic projects has significantly contributed to the achievement of objectives specified in the profiles and ensured that all projects supported together exceed in impact the sum of their parts. Similarly, designing site level portfolios or clusters with several projects of varying sizes can be more effective than one large project – CEPF often seeks to develop a cluster of projects around a site of different sizes implemented by organizations with diverse capacities. Rather than a donor making a large grant to a single organization to implement a wide range of interventions meant to yield conservation and development benefits at the site level, CEPF has shown the value of being able to disburse funding to a number of specialized civil society groups all working together toward a common set of objectives at multiple scales.
- The Regional Implementation Teams (RITs) piloted as coordination units during the first phase of the program have become one of the greatest strengths, providing hands-on capacity building and local knowledge directly in the field. The evaluators concluded that their vital function goes well beyond grant program administration. CEPF will standardize the role of future RITs to further devolve responsibility for grant-making decisions, capacity building of local partners, and monitoring of individual projects to the regional level.

4) Evaluation of the performance of the Bank, any co-financiers, or of other partners during the preparation and implementation of the operation, including the effectiveness of their relationships, with special emphasis on lessons learned

World Bank finance, procurement, safeguard, and legal staff were actively involved in developing CEPF management systems, grant-making procedures and the Operational Manual during preparation of the project. The Bank has also taken a significant leadership and supervisory role in the program throughout implementation, including:

- the President’s chairmanship of the CEPF Donor Council, which has met on average twice yearly
- acting as the implementing agency for two CEPF donor partners (the GEF and Government of Japan) as well as for its own \$25 million contribution
- regular supervision meetings, missions, and other consultations by the CEPF Task Team leader;
- providing technical guidance through participation in the CEPF Working Group, which has met up to four times yearly
- training the CEPF management team and locally based teams in implementing the Bank’s social and safeguard policies; and
- participating in high-level strategic fundraising and events.

While the Bank has played a lead role, each of the CEPF donor partners, including the GEF, has also played an important role through participation in the CEPF Donor Council and Working Group as well as in other activities. The 2005 independent evaluation found that the management and oversight of the Fund has demonstrated that the partners can work well together to keep the Fund well focused and operationally effective. The Donor Council, supported by the Working Group, has provided strategic vision to the Fund, timely and useful review and approval of CEPF ecosystem profiles and investment plans, and productive guidance and support for fundraising. It has demonstrated that a well-designed alliance between NGOs, multilateral development banks and foundations can work effectively with civil society in the field of conservation.

Lessons learned include the need to strengthen operational collaboration with the CEPF donor partners as a priority agreed between the partners, rather than just relying on coordination between the CEPF Secretariat and the focal points of the donor partner institutions. This is particularly true, for example, in the case of the World Bank as a multilateral institution with an extensive global structure and representatives within many of the hotspots. Strengthening this type of collaboration will be a priority in the future to maximize the role and comparative advantage of each partner, and thereby increase the benefits of the partnership to each partner and to the global environment.

5) Description of the proposed arrangements for future operation of the project.

An expansion is planned to expand and replicate successful civil society implementation models more broadly within at least 14 of the eligible 30 hotspots, including at least nine new ones. CEPF would build on lessons learned to date and recommendations from the independent evaluation to further strengthen the program in existing hotspots and to expand activities to marine ecosystems and new hotspots. By focusing on a small number of critical ecosystems, and expanding into new hotspots, the project would maximize overall impact. Expected global benefits will arise from the increased participation and capacity of national and local civil society groups to manage and deliver conservation initiatives in a strategic and effective manner and to integrate biodiversity conservation into development and landscape planning in regions of recognized global importance. These interventions would lead to generation, adoption, adaptation, and application of lessons for improved conservation outcomes, relevant both to CEPF and the broader Bank and GEF biodiversity portfolios.

These objectives would be achieved by providing strategic assistance to NGOs, community groups, including indigenous peoples, the private sector, and other civil society partners, to support:

- strengthened protection and management of globally significant biodiversity within selected hotspots and critical ecosystems;
- increased local and national capacity to integrate biodiversity conservation into development and landscape planning; and
- effective monitoring and knowledge sharing to demonstrate biodiversity impact and enable adaptive management and replication.

The CEPF program provides a field-tested mechanism for achieving these objectives, demonstrated by successful experience since its inception in 2000. The project would continue to provide support to Bank client countries to meet their obligations under the CBD and to implement National Biodiversity Strategies and Action Plans. Prior to implementation, each ecosystem profile would continue to be endorsed by the relevant national GEF focal points to ensure consistency with country biodiversity priorities, as outlined in national Biodiversity Action Plans and country programmatic frameworks. The implementation arrangements would build on the first phase to continue expeditious, efficient support to diverse civil society groups, and to establish a clear and effective chain of accountability for results. The partnership would retain the overall structure of a Donor Council, Secretariat and Working Group. CI would continue to administer and execute the project, through the CEPF Secretariat, on behalf of the CEPF donors. Explicit provisions are also being put in place to enable locally based regional implementation teams to take a greater role in implementation and decision-making, and to avoid potential conflict of interest. Strengthening operational collaboration with the CEPF donor partners would be an explicit priority during implementation as well.

This project would be supported through a GEF Grant Agreement for \$20 million over five years linked to at least \$80 million in co-funding from CI and other donors. The GEF Council approved inclusion of the project in the GEF-3 work plan in September 2006.

While this report presents an overview of the implementation and results to date, conserving the hotspots is not a short-term endeavor but an effort that must be sustained over the long term. The CEPF niche and overall mission emphasizing support for civil society is a more subtle and sustaining type of intervention than practiced by many other conservation and development programs. The long-term indirect impacts of creating effective, allied civil societies acting in favor of biodiversity conservation is expected to be considerably more important than the immediate, direct impacts and to play a pivotal role in ensuring sustainability of these efforts for the future. We look forward to continuing this extremely important approach together with our partners in the future.

Comments on Draft World Bank ICR

We concur with the overall ratings of satisfactory in the draft ICR report for both our own performance and that of the World Bank. We are particularly pleased to see that the draft references a number of ways in which key elements of implementation have evolved over time — an evolution that was expected to occur as a result of learning from experience and our unique multi-donor partnership and governance structure.

The multi-donor partnership has also brought unique challenges. For example, the evolution in the Bank's supervisory role has proven to be helpful over time but each donor has distinct needs and all need to work together to balance their individual priorities with those of the broader partnership. The great advantage of our partnership is the richly varied experiences of its diverse members and the opportunities they provide for CEPF to make strategic investment choices that reinforce and often expand their own conservation and sustainable development programs, as well as those of their partners.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Annex 9. List of Supporting Documents

- Launching the Critical Ecosystem Partnership Fund program design and sample ecosystem profiles and project pipelines, October 2000
- Memorandum and recommendation of the President of the International Bank for Reconstruction and Development to the Executive Directors on a proposed grant in the amount of US\$25 million equivalent to the Conservation International for Critical Ecosystem Partnership Fund, November 13 2000
- Document requesting ED approval, November 10 2000
- CEPF Financing Agreement, December 14 2000
- Program Brief: The Critical Ecosystem Partnership Fund (CEPF), October 30 2000
- GEF Secretariat Formal Confirmation to suspend STAP, November 16 2001
- Changes to CEPF Operational Practices, December 11 2001
- Critical Ecosystem Partnership Fund Mid-Term Review prepared for the Critical Ecosystem Partnership Fund as required by the World Bank by Walter W. Arensberg Consultant, June 18 2003
- Minutes of meetings of the Donor Council: December 14 2000 (first meeting); December 11 2001 (second meeting); Council, December 12 2001 (third meeting); February 12 2003 (fourth meeting); July 31 2003 (fifth meeting); March 31 2004 (sixth meeting); November 1 2004 (seventh meeting); March 26 2005 (eighth meeting)
- ISRs; November 28 2001; December 21 2001; June 18 2002; October 16 2003; January 7 2005; November 12 2005; August 18 2006; March 19 2007
- Aide memoires: November 2001; July 2002; November 2004; November 2005; May 2006; December 2006
- CEPF Quarterly Reports
- CEPF 2 Project Executive Summary, GEF Council submission, January 19 2006
- Draft PAD CEPF2
- Mountains to Coral Reefs, The World Bank and Biodiversity, 1988-2005, February 2006
- Fyjnbos; Fyjnense: People Making Biodiversity Work. SANBI Biodiversity Series 2006

Available on the CEPF website (www.cepf.net):

- CEPF Annual Reports
- Report of the Independent Evaluation of the Critical Ecosystem Partnership Fund, January 25 2006
- Assessing Five Years of CEPF Investment in the Atlantic Forest Biodiversity Hotspot, Brazil, March 2007
- Assessing Five Years of CEPF Investment in the Tumbes-Chocó-Magdalena Hotspot, Chocó-Manabi Conservation Corridor, Colombia and Ecuador, March 2007
- Assessing Five Years of CEPF Investment in the Sumatra Forests Ecosystem of the Sundaland Biodiversity Hotspot, March 2007

- Assessing Five Years of CEPF Investment in the Mesoamerica Biodiversity Hotspot, Southern Mesoamerica, April 2007
- Assessing Five Years of CEPF Investment in the Cape Floristic Region, April 2007
- Assessing Five Years of CEPF Investment in the Madagascar and Indian Ocean Islands Biodiversity Hotspot, Madagascar, December 2006
- Assessing Five Years of CEPF Investment in The Philippines Biodiversity Hotspot, March 2007
- Assessing Five Years of CEPF Investment in the Tropical Andes Biodiversity Hotspot, Vilcabamba-Amboró Corridor, October 2006
- Assessing Five Years of CEPF Investment Guinean Forests of West Africa Biodiversity Hotspot, Upper Guinean Ecosystem, October 2006
- The Critical Ecosystem Partnership Fund and Poverty Reduction: An overview, November 2004 (<http://www.cepf.net/xp/cepf/resources/publications/>)
- The final reports of most of the projects under CEPF in the hotspots

Annex 10. Selected Results of the Project

a) Protected Areas Created or Expanded with CEPF Support

As of March 2007

Number of hectares: 9,393,687

Number of hotspots: 11

Number of countries: 15

Global Overview Table

Hotspot/Region	Country	Hectares Protected
Atlantic Forest	Brazil	100,370
Cape Floristic Region	South Africa	204,612
Guinean Forest of West Africa (Upper Guinean Forest)	Ghana	100,000
	Liberia	86,268
Madagascar & Indian Ocean Islands (Madagascar)	Madagascar	1,547,880
Mesoamerica	Costa Rica	54,000
	Guatemala	6,000
	Panama	24,089
Mountains of Southwest China	China	40,000
Philippines	Philippines	329,893
Succulent Karoo	Namibia	2,600,000
	South Africa	97,979
Sundaland (Sumatra)	Indonesia	146,576
Tropical Andes (Vilcabamba-Amboró Corridor)	Peru	3,994,736
Tumbes-Chocó Magdalena (Chocó-Manabí Corridor)	Colombia	30,460
	Ecuador	30,824
Total hotspots: 11	Countries: 15	Hectares: 9,393,687

Detailed Summary Table

Hotspot/Region	Country	Protected Area	Hectares Protected
Atlantic Forest	Brazil	8 Private Natural Heritage Reserves created by landowners and incorporated into National Protected Areas system	370
	Brazil	Canavieiras Extractive Reserve	100,000
Cape Floristic Region	South Africa	Baviaanskloof Mega-reserve (expanded from 213,937 to 237,764 hectares)	23,827
	South Africa	Tokai Forest (expanded from 1 to 3.5 hectares)	2.5
	South Africa	St. Francis Conservancy	5,600
	South Africa	Blaauwberg Conservation Area	1,000
	South Africa	Die Oog	1.3
	South Africa	Baviaans Conservancy	52,821
	South Africa	Cape winelands set aside for conservation	45,000
	South Africa	Garden Route protected areas expanded from initial 146,328 ha to 222,689 ha	76,361
Guinean Forest of West Africa (Upper Guinean Forest)	Ghana	Upgraded to Globally Significant Biodiversity Areas; the Ghanaian Forestry Division will manage these areas for strict protection	100,000
	Liberia	Nimba Nature Reserve declared out of the former Nimba East National Forest	13,568
	Liberia	Sapo National Park (expanded from 107,300 to 180,000 hectares)	72,700
Madagascar & Indian Ocean Islands (Madagascar)	Madagascar	Makira Forest	350,000
	Madagascar	Ankenihey-Zahamena Corridor	475,000
	Madagascar	Anjozorobe	50,000
	Madagascar	Loky-Manambato Forest Station	72,000
	Madagascar	Dairana Multiple Use Forest Station	70,837
	Madagascar	Sahamalaza as part of the ANGAP Protected Area network	129,042.74
	Madagascar	Mahavavy-Kinkony Wetlands Complex	276,000
	Madagascar	Menabe Central Forest	125,000
Mesoamerica	Costa Rica	Maquenque National Wildlife Reserve	54,000
	Panama	Damani Wetland	24,089
	Guatemala	Todos Santos de Cuchumatanes	6,000
Mountains of Southwest China	China	Two new protected areas established in Sichuan	40,000
Philippines	Philippines	Peñablanca Protected Landscape and Seascape (expanded from 4,136 hectares to 118,108 hectares)	113,972
	Philippines	Quirino Protected Landscape	206,875

Hotspot/Region	Country	Protected Area	Hectares Protected
	Philippines	Wildlife Sanctuary in San Mariano, Isabela	32
	Philippines	Municipality of Puerto Princesa, Palawan	60
	Philippines	Mati Philippine Eagle Sanctuary	7,000
	Philippines	Municipal Reserve in the Municipality of Rizal, Palawan	1,954
Succulent Karoo	Namibia	Sperrgebiet National Park	2,600,000
	South Africa	Namaqua National Park	30,000
	South Africa	Area in the Bushmanland Conservation Initiative set aside and managed by Anglo as protected area	24,000
	South Africa	Knersvlakte	43,979
Sundaland (Sumatra)	Indonesia	Batang Gadis National Park	108,000
	Indonesia	Tesso Nilo National Park	38,576
Tropical Andes (Vilcabamba-Amboró Corridor)	Peru	Manu National Park (expanded from 1,517,700 ha to 1.7 million ha)	183,000
	Peru	Alto Purus Restricted Zone	2,700,000
	Peru	Amarakaeri Communal Reserve	402,336
	Peru	Ashaninka and Matsiguenga Communal Reserves and the Otishi National Park created, providing new levels of protection to the former Apurimac Restricted Zone	709,400
Tumbes-Chocó Magdalena (Chocó-Manabí Corridor)	Colombia	El Pangan Bird Reserve	7,000
	Colombia	Civil society reserves in Bahía Málaga	3,000
	Colombia	Private reserves in mangrove ecosystems of Bahía Málaga	2,260
	Colombia	Set aside for conservation in Tumaco by Afro-Colombian community councils	13,000
	Colombia	Established as conservation areas as part of the network of community councils of the Pacific (RECONPAS)	2,000
	Colombia	Private reserves	2,000
	Colombia	Private reserves established connecting Tatama National Park and Serranía de Los Paraguas.	1,200
	Ecuador	Awacachi Biological Corridor established connecting the Cotacachi Cayapas Ecological Reserve with the Awá Indigenous Territories	8,624
	Ecuador	Communal reserve, Gran Reserva Chachi	7,200
	Ecuador	Awá Indigenous Territories in Ecuador demarcated as part of the Awá Communal Reserve.	15,000
Total hotspots: 11	Countries: 15		Hectares: 9,393,687.54

b) Improving management effectiveness of protected areas

Number of hectares: 21,466,382

Number of hotspots: 9

Number of countries: 16

Global Overview Table

Hotspot/Region	Country	Hectares Impacted
Atlantic Forest	Brazil	1,149,272
Caucasus	Armenia	41,296
	Azerbaijan	46,062
	Russia	280,335
Guinean Forests of West Africa	Côte d'Ivoire	646,000
	Sierra Leone	1,200
Madagascar	Madagascar	63,500
Mesoamerica	Costa Rica	643,301
	Nicaragua	658,280
	Panama	786,214
Sundaland	Indonesia	1,550,000
Philippines	Philippines	891,000
Tropical Andes	Bolivia	6,152,750
	Peru	8,236,000
Tumbes-Chocó-Magdalena	Colombia	200,000
	Ecuador	121,172
Total Hotspots: 9	Countries: 16	Hectares: 21,466,382

Detailed Summary Table

Hotspot/Region	Country	Protected Area	Hectares Impacted
Atlantic Forest	Brazil	APA Estadual Fernão Dias	180,073
		APA Serra da Mantiqueira	422,873
		Parque Estadual da Serra do Mar	315,390
		Parque Estadual do Ibitipoca	1,488
		Parque Estadual Serra do Papagaio	22,917
		Parque Estadual Três Picos	46,350
		Parque Nacional da Bocaina	104,000
		Parque Nacional do Itatiaia	28,155
		Rebio União	3,126
		Reserva Biológica de Tingua	24,900
Caucasus	Armenia	Khosrov Strict Nature Reserve	29,296
		Shikahogh Strict Nature Reserve	12,000
	Azerbaijan	Absheron National Park	783
		Hyrcaan National Park	21,435
		Zakatala Strict Nature Reserve	23,844
Russia	Kavkazsky Biosphere Nature Reserve	280,335	
Guinean Forests of West Africa	Côte d'Ivoire	Marahoue National Park	100,000
		Mont Peko National Park	28,000
		Tai National Park	518,000

	Sierra Leone	Tiwai Island Wildlife Sanctuary	1,200
Madagascar	Madagascar	Zahamena Protected Area	63,500
Mesoamerica	Costa Rica	Atlantic Caribbean Indigenous Reserve	254,204
		Chirripo National Park	50,358
		Corcovado National Park	42,500
		La Amistad International Park	199,147
		Maquenque National Park	54,000
		Piedras Blancas National Park	14,025
		Tortuguero National Park	29,067
	Nicaragua	Cerro Silva Nature Reserve	339,400
		Indio Maiz Biological Reserve	263,980
		Punta Gorda Nature Reserve	54,900
	Panama	Baru Volcano National Park	14,000
		Damani Wetlands	24,089
		La Amistad International Park	207,000
		Naso Indigenous Territory	100,000
Ngobe-Bugle Indigenous Territory		300,000	
Palo Seco Forest Reserve		125,000	
San San Pond/Sak Wetland		16,125	
Sundaland (Sumatra)	Indonesia	Bukit Barisan Selatan National Park	360,000
		Bukit Tigapuluh National Park	120,000
		Leuser National Park	870,000
		Siberut National Park	200,000

Hotspot/Region	Country	Protected Area	Hectares Impacted
Philippines	Philippines	Balinsasayao-Twin Lakes Natural Park	8,000
		Mati Philippine Eagle Sanctuary	7,000
		Mt. Hamiguitan Protected Area	32,000
		Mt. Hilong-hilong Range Protected Landscape	80,000
		Northern Negros Natural Park	80,000
		Northern Sierra Madre National Park	359,000
		Peñablanca Protected Landscape and Seascape	118,000
		Quirino Protected Landscape	207,000
Tropical Andes	Bolivia	Apolobamba Natural Area	483,000
		Carrasco National Park	623,000
		Cotapata National Park	51,000
		Isiboro Secure National Park	1,200,000
		Madidi National Park	1,895,750
		Manuripi-Heath National Park	1,500,000
		Pilon Lajas Biosphere Reserve	400,000
	Peru	Alto-Purus Reserved Zone	2,700,000
		Amarakaeri Reserved Zone	420,000
		Apurimac Reserved Zone	1,700,000
		Bahuaja Sonene National Park	1,100,000
		Manu National Park	1,800,000
		Tambopata-Candamo National Reserve	516,000
Tumbes-Chocó – Magdalena	Colombia	Awá People’s Indigenous Territory	200,000
	Ecuador	Mache Chindul Ecological Reserve	119,172
		Golondrinas Protective Forest	2,000
Total Hotspots: 9	Countries: 16		21,466,382

c) Examples of sectoral policies, laws and regulation effected through CEPF projects

Hotspot/Region	Country	Changes in policies, laws, regulations
Atlantic Forest	Brazil	State legislation in two states for declaring private reserves.
Cape Floristic Region	South Africa	Policies and procedures for Conservation Stewardship.
	South Africa	Guidelines for more biodiversity friendly agriculture, including potato and wine farming.
	South Africa	Policy framework for ensuring that biodiversity priorities are included in Integrated Development Plans for municipalities.
	South Africa	Establishment of the stewardship program in CapeNature for private lands.
	South Africa	Putting Biodiversity Plans to Work. Integration of biodiversity priorities in the Provincial Spatial Development Framework for Western Cape.
Guinean Forest of West Africa (Upper Guinean Forest)	Liberia	Enactment of laws to establish Nimba and Sapo National Parks.
	Liberia	Enactment of the Protected Forest Area Network Law in 2004.
Madagascar & Indian Ocean Islands (Madagascar)	Madagascar	Establishing VAHATRA as a national nongovernmental organization.
	Madagascar	Action Plan for the reform of Madagascar's Wildlife Export Trade adopted by Malagasy authorities with agreed, transparent quota setting system.
Southern Mesoamerica	Costa Rica	Implementation of land use management regulations in the Corcovado-Piedras-Blancas corridor.
	Panama	Cancellation of road through Baru Volcano National Park.
Mountains of Southwest China	China	Government deferred plans to build a series of power generation dams along the Nu River, a World Heritage Site.
	China	37 CEPF-supported projects addressed government policies in several major national programs: Grain to Green, Great Western Development Movement, National Forest Protection Program and National Endangered Plant and Wildlife Protection and Nature Reserve Program.
Philippines	Philippines	Presidential Executive Order 578 declared all Key Biodiversity Areas (KBAs) to be "critical habitats" and directed DENR to promulgate guidelines for their management and protection.
	Philippines	Implementing Rules and Regulations (IPR) of the Wildlife Act (9147) adopted.
	Philippines	Revised Implementing Rules and Regulations for the National Integrated Protected Areas System (NIPAS) Act adopted.
	Philippines	The National Economic Development Authority (NEDA) incorporated biodiversity conservation priorities into the newly updated 30 years Regional Physical Framework

		Plan (RPFPP) of Region 2.
	Philippines	The Regional Development council (RDC) of Region II adopted the Sierra Madre Biodiversity Corridor (SMBC) Strategy.
Succulent Karoo	South Africa	The Northern Cape Government placed a moratorium on the exploitation of <i>Aloe dichotoma</i> (Kokerboom) from the wild for local nursery trade.
	South Africa	Bushmanland Conservation Initiative. MOA with the Northern Cape Department of Environment and Tourism and the Botanical Society developed guidelines for establishment of a network of reserves on private land owned by Anglo Mining Company.
Sundaland	Indonesia	Five Forest concessions totaling 200,000 ha in Siberut, Tesso Nilo, Bukit Tigapuluh and Batang Gadis cancelled.
Tumbes-Chocó-Magdalena (Chocó Manabí Corridor)	Colombia	Corridor concept incorporated into policies of the Department of National Parks, the Ministry of Foreign Affairs, and the Ministry of Transportation, Mining and Energy, and in the 2005-2007 regional environmental action plan.
Caucasus	Armenia	Lobbying by civil society groups resulted in rerouting of transnational highway, away from Shikahogh reserve.

d) Examples of initiatives related to financial sustainability

Hotspot/Region	Country	Financial sustainability
Atlantic Forest	Brazil	Proposal for a payment for environmental services scheme developed.
Philippines	Philippines	Three municipalities, Butuan City, Del Carmen and Socorro, provided counterpart funding towards the development of Watershed Management Plans. Water Districts in municipalities committed to provide \$10,000 annually for implementation of the plans.
	Philippines	In the municipality of Socorro, Surigao del Sur, a cooperative was empowered through a municipal resolution to collect water-fees for watershed management activities in the absence of a legitimate water district.
	Philippines	Conservation fund established in new organization, the Danum Ti Umili Association, for the sustained protection of the Peñablanca Protected Landscape and Seascape.
Caucasus		Establishment of Caucasus Protected Areas Fund for Armenia, Azerbaijan and Georgia

e) CEPF Grant Leverage and Co-financing

Hotspot/Region	Committed Grants	Leveraged and Co-financing Funds
Multi-Regional Grants* (allocated across more than one hotspot)	n / a	16,907,180
Atlantic Forest (Brazil)	8,000,000	7,118,529
Cape Floristic Region	6,133,169	3,839,326
Caucasus	6,976,538	11,911,560
Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya	6,424,798	912,950
Eastern Himalayas	1,658,423	757,000
Guinean Forests of West Africa (Upper Guinean Forest Ecosystem)	6,202,565	12,094,693
Madagascar and Indian Ocean Islands (Madagascar)	4,249,840	6,309,369
Mountains of Southwest China	6,451,223	6,175,203
Northern Mesoamerica	4,290,769	3,135,661
The Philippines	7,000,000	2,665,465
Southern Mesoamerica	5,499,848	15,873,956
Succulent Karoo	5,788,689	2,600,229
Sundaland (Sumatra)	9,990,069	6,819,602
Tropical Andes (Vilcabamba-Amboró Corridor)	6,133,510	19,408,635
Tumbes-Chocó-Magdalena (Chocó-Manabí Corridor)	4,999,975	11,374,551
Total Funding	\$ 89,799,414	\$ 127,903,909

MAP

I N S E R T

M A P

H E R E

AFTER APPROVAL BY COUNTRY DIRECTOR
AN ORIGINAL MAP OBTAINED FROM GSD MAP DESIGN UNIT
SHOULD BE INSERTED
MANUALLY IN HARD COPY
BEFORE SENDING A FINAL ICR TO THE PRINT SHOP.

NOTE: To obtain a map, please contact
the GSD Map Design Unit (Ext. 31482)

A minimum of a one week turnaround is required
