

Critical Ecosystem Partnership Fund

Overview of Consolidation Approach

June 2008

In July 2007, the Donor Council of the Critical Ecosystem Partnership Fund (CEPF) approved the paper entitled “Setting Priorities for Future Investment,” which proposed combining an emphasis on additional new regions that would receive full investment with selected existing regions that would receive shorter term and smaller amounts to consolidate conservation gains achieved with earlier CEPF support. The approval provides for all 13 existing CEPF investment regions that will have reached the end of their 5-year investment period by July 2008 to be eligible for a consolidation program to advance and sustain the conservation gains made to date. As agreed by the Council, the consolidation programs will draw from a total consolidation allocation of \$20-24 million.

This paper provides a summary of the overarching approach for consolidation. A draft of this paper was discussed with the CEPF Working Group in April 2008.

Purpose

The purpose of a regional consolidation program will be to reinforce and sustain the conservation gains achieved as a result of CEPF investments in the initial 5-year investment period. A consolidation program will consist of a limited set of mutually reinforcing grants. These grants will carry out a specific consolidation plan in selected hotspot regions, which will influence natural resource management decisions for periods substantially longer than CEPF’s initial 5-year grant-making program. They will include an emphasis on:

- Enhancing the resilience and durability of the conservation gains made as a result of earlier CEPF grants by developing sustainable financing mechanisms that leverage additional resources; and
- Strengthening networks of stakeholders that will support long-term conservation action by replicating and scaling up CEPF successes.

Rationale

In the arena of biodiversity conservation and sustainable development, five years is an extremely brief period for establishing new programs and patterns of relationships. The January 2006 report of the Independent Evaluation of CEPF concluded that “... many of the conservation outcomes have an anticipated time frame of considerably more than five years. As this report has emphasized, significant, long-term progress toward these outcomes requires sustained investments.” (Wells et al., p. 70¹). Consolidation programs will address this concern by identifying specific opportunities to enhance sustainability and by making grants that take advantage of those opportunities.

The first phase of CEPF funding supported many innovative projects and relationships for which other sources of financial backing are not commonly available. Reinforcing the new patterns of relationships among communities, nongovernmental organizations (NGOs), government

¹ Wells, M, L. Curran, and S. Qayum, 2006. Report of the Independent Evaluation of the Critical Ecosystem Partnership Fund

agencies, and other sectors that resulted from CEPF grants and demonstrated their value for improving the impact of natural resource management programs is a needed sequel to ensure sustainability. Consolidation programs will extend CEPF's impact beyond the initial 5-year funding through explicit, converging efforts to solidify the gains achieved.

Approach

Consolidation programs will be based explicitly on the existing ecosystem profiles and 5-year investment assessments for each eligible region. The conservation outcomes and improved enabling conditions achieved as a result of earlier CEPF grants are identified in a 5-year assessment report for each region that has reached the end of its investment period to date. Those conclusions will form the basis of consolidation plans and the grants awarded for this purpose.

The programs will be substantially different from standard CEPF grantmaking, not merely extensions of prior projects. More specifically, consolidation programs will not support:

- Working beyond the geographic scope defined by the profile.
- Initiating additional protected area creation / expansion (unless a sufficiently capitalized long-term financing mechanism exists that can cover the recurring management costs of the new or expanded protected area).
- Financing additional scientific investigation and research.
- Supporting the recurrent costs of existing projects, even extremely effective ones. CEPF will, however, seek out opportunities to replicate or scale up effective projects.
- Multi-regional initiatives.

To take advantage of existing momentum in regions where CEPF has been active, consolidation programs will be designed and approved for funding in 2008. CEPF will request proposals from appropriate organizations based on consolidation plans for each region developed by the CEPF Grants Team in consultation with key regional partners, including CEPF Coordination Units where these previously existed. The package of recommended awards will focus on the portfolio effect, rather than individual projects. All programs will last less than five years.

A coordination role may be included in some of the regional consolidation programs, if it is considered to be an integral part of achieving the overall goals of the specific program. However, in those cases where it is included, this would not be as a formal "Regional Implementation Team" as defined in the revised Operational Manual because the function would be limited by the nature of the consolidation approach. This includes, for example, that the award of all grants will be designed and completed at the same time as awarding the coordination piece, where it exists. In funding such a role, however, CEPF would implement the new Conflict of Interest provision requiring CEPF Working Group approval for all grants proposed for award to CI. In addition, the organization fulfilling this function would not be eligible for implementation grants in that region.

Co-financing initiatives and leveraging long-term support from other donors will be a vital factor in consolidation programs as well. Opportunities include:

- Engaging the regional programs of the CEPF donor partners to scale up successful projects piloted with CEPF financing;
- Leveraging resources for long-term financing of protected areas through partnerships with national government agencies, such as the German Development Bank (KfW) and the U.S Treasury (through the Tropical Forest Conservation Act); and
- Expanding and sustaining networks of smaller NGOs and community initiatives in collaboration with the UNDP-GEF Small Grants Program and other partners.

Selection of Regions for Consolidation

As agreed by the Donor Council, CEPF investment regions scheduled to close by July 2008 will be eligible for consolidation programs. It is envisioned that consolidation will be undertaken in all 13 eligible regions, once their 5-year investment period concludes and assessment of the gains has been completed as well.

Regions currently eligible include: Atlantic Forest (Brazil), Cape Floristic Region, Guinean Forests of West Africa (Upper Guinean Forest Ecosystem), Madagascar and Indian Ocean Islands (Madagascar), Mesoamerica (Southern), Sundaland (Sumatra), The Philippines, Tropical Andes (Vilcabamba-Amboró Corridor), and Tumbes-Chocó-Magdalena (Chocó-Manabí Conservation Corridor). The Mountains of Southwest China, Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya, Succulent Karoo, and the Caucasus will be considered for consolidation once both their 5-year investment period concludes and assessments are conducted.

Resources will be allocated based on the strength of the consolidation plan for each region. The strength of those plans also will determine whether each eligible region will receive consolidation funding. The Grant Directors will develop these plans in consultation with key regional partners.

Regions with stronger results will, in general, be higher priorities to receive the resources available for consolidation programs. This means that consolidation program budgets, like the budgets allocated for the initial 5-year grant programs, will vary, depending on the potential impact, coherence, and practicality of the plan. Rapid responses to newly elevated threats identified in the ecosystem profile could be a focus, but remedial actions will not be targets.

The CEPF Secretariat will evaluate each proposed program's conservation value and the risks and costs associated with it. Criteria will include:

- Conservation Impact (if implemented, will the program have significant, effective, and lasting conservation impact)
- Levels of Threat / Vulnerability of Results (are the results achieved during the initial 5-year investment period sufficiently resilient to existing threats or vulnerable without supporting sustainability mechanisms)
- Opportunities (are there specific opportunities for CEPF funding to capitalize on)
- Efficiency (are the costs of the program justifiable relative to its potential long-term impact)

The CEPF Executive Director, in consultation with the Grant Directors, will evaluate consolidation plans against these criteria and approve budgets for consolidation programs.

Working summaries of each regional consolidation plan in development will be shared with the Working Group to:

- provide the members with information to use within their own institutions to explain the consolidation program;
- enable feedback and identification of potential synergies; and
- provide context for the regional-level planning and also the potential role of CI.

These summaries will be working documents and will not replace individual project documents, which will be developed for each project in accordance with CEPF's standard operating procedures. The Secretariat also will report to the Donor Council after one year of implementation and thereafter on an annual basis.