a new model for global conservation

CRITICAL ECOSYSTEM PARTNERSHIP FUND

Executive Summary

a revolution is under way in conservation

Ten years ago, a new partnership was created to channel funding and expertise to the individuals and organizations that could help to bring the global biodiversity crisis to an end.

Established in 2000, the Critical Ecosystem Partnership Fund (CEPF) is a global leader in enabling civil society to participate in and influence the conservation of some of the world's most critical ecosystems. CEPF is a joint initiative of l'Agence Française de Développement (AFD), Conservation International (CI), the Global Environment Facility (GEF), the Government of Japan, the John D. and Catherine T. MacArthur Foundation, and the World Bank. CEPF is unique among funding mechanisms in that supports civil society to focus on high-priority biological areas going beyondpolitical boundaries and examines conservation threats on a landscape scale. From this perspective, CEPF seeks to identify and support an ecosystem-wide, rather than a national, approach to achieving conservation outcomes, and engages a wide range of public and private institutions to address conservation needs through coordinated efforts.

By transforming the way the global environment movement plans and implements its essential work, CEPF has, for the first time, shown how it might be possible to address the global biodiversity crisis. In the process, it has enabled a powerful group of organizations to work together at the global, regional and local levels, achieving unprecedented results.

Local children welcoming weary conservationists to Half Moon Reef, Viti Levu Island, Fiji.

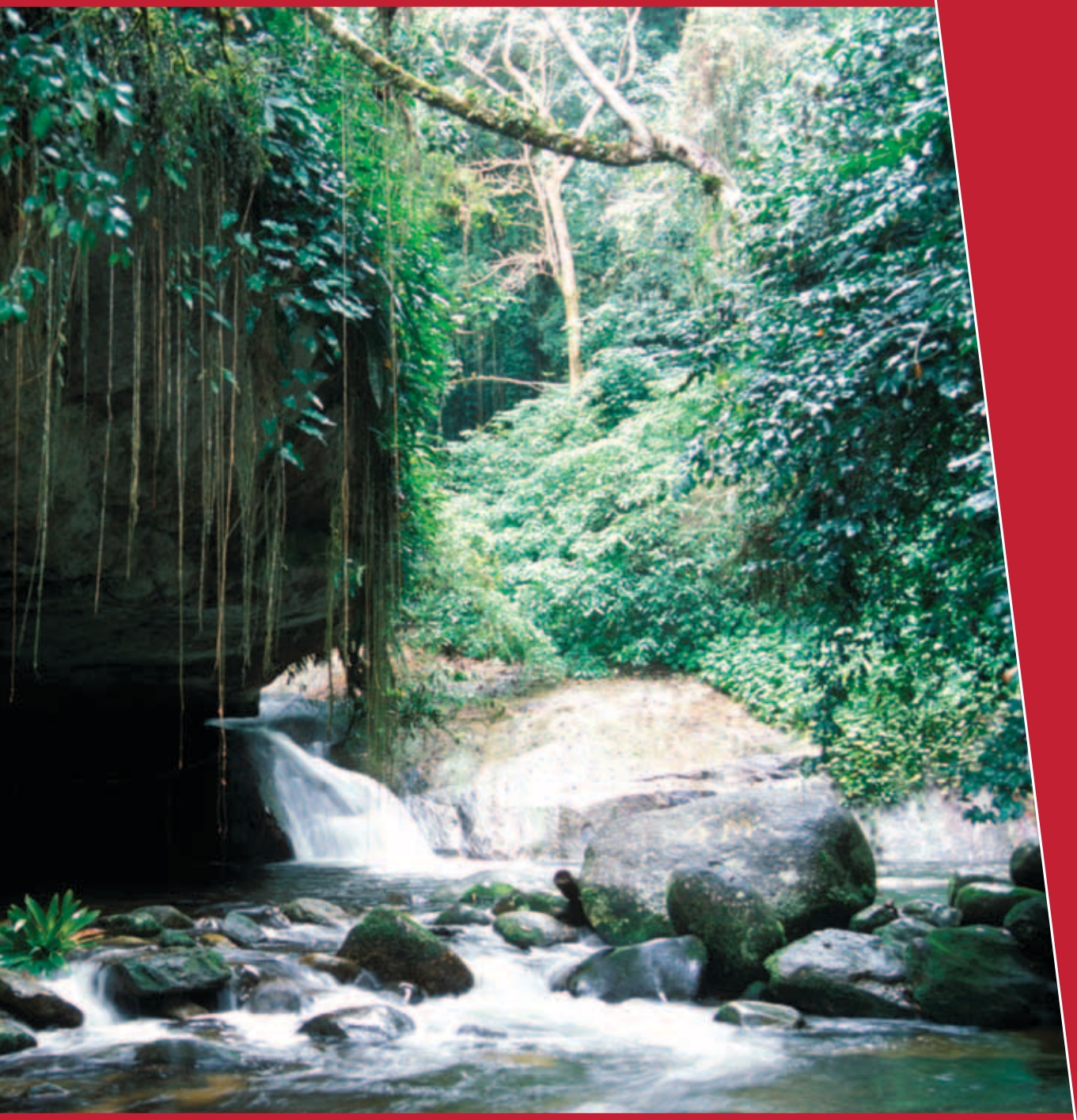
A new response to the global crisis

Healthy ecosystems provide essential habitat for the immense variety of life on the planet. For our own species, as well as millions of others, they provide essential services such as clean air and water, flood and climate control, as well as food, medicines and raw materials. Without them, we would not just be impoverished economically and spiritually, our very survival would be jeopardized.

Since its inception in the 1940s, the global environmental movement has been working to stop the cataclysmic decline in the world's biodiversity. At that time, a group of increasingly concerned individuals tried to put a stop to the destruction of habitat and species but they had limited resources and no proven models for action. By the 1980s, the movement had grown massively and successfully pioneered a professional conservation and development model that recognized the interdependence of humanity and nature. However, despite their hard work and huge achievements in raising awareness about the crisis, real progress was elusive: vast consumption of natural resources by an ever larger human population was putting more and more pressure on fragile ecosystems around the world, frustrating their efforts at almost every turn.

It was clear that a new, more efficient model was needed, and, in 2000, CI, the GEF and the World Bank came together to develop one, joined soon afterwards by the MacArthur Foundation, the Government of Japan and AFD. Building on the collective experience of the global conservation and development movement, they wanted to find a way to make the best use of the limited resources available. After 10 years, although the challenge of biodiversity conservation remains, CEPF has pointed the way to tackling it, by demonstrating solutions that work.

Sulfur butterfly *(Eurema hecabe)*, yellow males gather on a pile of dung they found in a forest clearing, Guinea, West Africa.



River surrounded by vegetation, Ilhabela State Park, Atlantic Forest, Brazil
© CI/Photo by Haroldo Castro

Strategy, implementation, efficiency

The CEPF model targets with extreme precision the biologically richest but most threatened areas on the planet, known as biodiversity hotspots. In each one, CEPF brings teams of global and regional scientists together with representatives from local communities, often for the first time, and helps them develop a comprehensive strategy that outlines the necessary actions.

With a clear strategy in place, the Fund enables local community associations, NGOs, private businesses and other civil society groups to engage in the conservation of these hotspots. This is done by first bringing them together to build one common conservation strategy for the area, and then providing them with funding to take action on key strategic priorities. It is this combination of a shared vision and fast provision of capital that allows CEPF to make a difference.

CEPF combines global conservation planning tools, such as the IUCN Red List of Threatened Species, with local expertise to define and prioritize conservation outcomes at the site, species and corridor levels. By so doing, CEPF ensures that its investments address local priorities that contribute towards global goals. Of the nearly 12,000 key biodiversity areas in the world—sites of global importance for the conservation of biodiversity—CEPF investment has benefited 563, or 5 percent of the total. The targeting of conservation resources towards the sites[1] at the highest pinnacle of conservation importance—Alliance for Zero Extinction (AZE) sites[1]—has been even better, with 65 of the world's 561 AZE sites (12 percent) having benefitted from CEPF investment to date.

Because it is a focused yet flexible partnership, CEPF supports a diverse range of conservation efforts operating in its target areas. While it works with international, regional and national organizations, it puts an emphasis on reaching deeply into the hotspots to support grassroots initiatives that many major donors find difficult to connect with due to their large size and lack of local presence. In many cases, through mplementing CEPF projects, these local groups gain the experience, profile and confidence they need to raise additional funds from other sources, which is key to sustainability. Indeed, while CEPF has awarded US$124 million to date, the grantees have gone on to double this, raising a total of US$261 million in co-financing. In terms of actual, on-the-ground impact, the Fund's results speak for themselves. By transforming the way global conservation is planned and implemented, CEPF has helped local organizations create new protected areas to save 10.8 million hectares of the world's richest and most threatened habitat – an area more than twice the size of Costa Rica.

Eight years ago, the U.N.'s Convention on Biological Diversity (CBD) established targets to help the world slow the catastrophic rate of species loss by 2010. Not one of the countries who signed up have completely met them at the national level. But since 2000, the global conservation funders behind CEPF have, for the first time, created a model that could and should be taken up by governments who want to avoid this failure and halt the current crisis by 2020. The time to act is now.

[1] AZE sites provide the last remaining refuge for one or more Critically Endangered or Endangered species.

introduction

"Conservation is a global issue which can only be tackled hand in hand with development. The best way to do that is to ensure the important issues are identified locally and that the solutions are then implemented locally."

James D. Wolfensohn, chairperson of the CEPF Donor Council,
former president of the World Bank

By the year 2000, it was abundantly clear that a new approach was needed to tackle the environmental crisis that continues to threaten the future of life on our planet. Pooling their resources, two of the world's biggest development donors and one of the biggest conservation organizations came together to create a mechanism that could target funding with unprecedented accuracy and achieve unprecedented results. They were later joined by three other donors with a shared commitment to engaging civil society in biodiversity conservation.

This report sets out to define how these donors brought to bear global funds and expertise to build on the collective experience of the environmental movement for a new approach. The result has been a new method of identifying critical conservation issues at the local level and the implementation of local solutions to solve them.

By sticking rigorously to this strategy, this new partnership has made an extraordinary impact around the world. CEPF has created a conservation network that links the world's most influential donors directly with the spectrum of conservationists operating in the hotspots who have the power to achieve what has largely eluded mankind: an effective way to slow the loss of species in the world's biologically richest and most threatened areas.

Global conservation impact

Working with nearly 1,600 partners in 51 countries, CEPF has done more with less money than many other conservation funds. The US$124 million awarded by CEPF since its inception in 2000 represents only 0.5 percent of total biodiversity-related aid to developing countries over this period[2]. With these modest resources, CEPF has helped local organizations improve management in 21 million hectares of critical habitat, finding ways for local communities to benefit economically from conserving their own natural heritage. CEPF has also helped to create 10.8 million hectares of new protected areas, an area twice the size of Costa Rica, accounting for 7 percent of the total expansion of terrestrial protected areas over the last decade. In turn, these site-based conservation actions have benefited 131 Critically Endangered, 341 Endangered and 708 Vulnerable species, representing 7 percent of all globally threatened species in the world.

Just as importantly, the Fund has helped to safeguard the long-term future of these areas by strengthening or creating 14 sustainable funding mechanisms and 84 new conservation networks, fora and alliances. Sharing resources and skills with local people, especially poor and marginalized rural communities, is critical to sustain their commitment to conserving the ecosystems in which they live, and CEPF has brought direct socioeconomic benefits to at least 11,000 families and 18,000 individuals. Training has also played a vital role and CEPF has helped over 46,000 people develop new skills in a wide variety of areas, ranging from environmental monitoring and project management to farming, teaching, media relations and many others. This training has not only resulted in better conservation but also in new job opportunities for local practitioners.

[2] OECD (2009) estimates that biodiversity related ODA during the 2000s averaged $2.5 billion per year.

Childern playing in a field in Madagascar.

Poverty alleviation

In many cases, people living in remote communities have to rely exclusively on natural resources for their livelihoods. Also, because of growing populations, their traditional methods—in fishing and farming, for example, or gathering wood for fuel—have become increasingly environmentally destructive. For poor rural communities, the relative importance of services, such as flood prevention and drought control, provided by natural ecosystems can be very high. Studies in Brazil, India and Indonesia, for instance, have shown that ecosystem services can provide 40 to 80 percent of the incomes of poor households[3].

The Fund, therefore, makes every effort to help people living in critical ecosystems find sustainable alternatives, creating more than 3,000 jobs in 20 different industries, ranging from agriculture, forestry, fisheries and ecotourism to mining, manufacturing and craft making.

In Tanzania, for example, a butterfly farming project, created with the help of CEPF as a means of generating extra income from non destructive forest use, helped nearly 400 farming households around the Amani Nature Reserve earn US$90,000 in a year from sales of pupae to butterfly houses in the United States and Europe. Demand is expected to remain at a similar level both because of repeat business and the opening of new displays locally in Kenya and in more developed markets in Europe and the United States. Because they are generating vital income from this forest, the community is now deeply committed to preserving it.

At a time when we continue to lose biodiversity at a rate never before seen in history—extinction rates may be up to 1,000 times higher than the historical rate[4]—CEPF's conservation successes point to a clear conclusion: in a challenging financial climate, it is not only a question of making more money available for biodiversity conservation but also one of using available resources more efficiently.

As this report will demonstrate, the refinements the Fund has made in conservation planning and implementation amount to a transformation of historic proportions. With its new model, the partnership has created a powerful mechanism for global conservation.

[3] Pavan Sukhdev, leader of the UN's Economics of Ecosystems and Biodiversity (TEEB) for Business report quoted in The Guardian, June 10, 2010.
[4] Global Biodiversity Outlook, Edition III. Published by the Convention on Biological Diversity.

Women working in a rice field in Northern Sumatra, near Gunung Leuser National Park

Chapter I

Transforming conservation strategy

CEPF's unique partnership model has, for the first time, enabled global donors to work with local communities and conservationists to develop comprehensive and practical strategies for conserving the world's biologically richest but most threatened areas, known as biodiversity hotspots.

In order to deliver conservation where it is most needed, CEPF focuses exclusively on biodiversity hotspots. The first 10 of these hotspots were identified in a landmark study in 1988. By 2005, further research by nearly 400 specialists had brought the total number of these irreplaceable and vulnerable areas up to 34.

Together, biodiversity hotspots cover only 15.7 percent of the Earth's land surface but they harbor more than 90 percent of its biodiversity. However, they have each lost at least 70 percent of their original habitat, and conserving what is left is made more complex by the needs of the more than two billion people who live in them. Civil unrest is another major barrier to conservation is these areas, which have seen 80 percent of the world's major armed conflicts between 1950 and 2000.

One of the best-known hotspots is the Tropical Andes, which extends over 1.5 million square kilometers from western Venezuela to northern Chile and Argentina. Often referred to as "the global epicenter of diversity", the hotspot contains about one-sixth of all plant life in only 1 percent of the world's land area. But 75 percent of its original vegetation has been destroyed, while the remainder faces threats from growing population as well as industrial development ranging from petroleum and mining to hydroelectric, road and other infrastructure projects. Another example is the Sundaland Hotspot in Southeast Asia, which covers an arc of some 17,000 equatorial islands, including two of the world's largest, Borneo and Sumatra. It is home to about 25,000 species of plants, 60 percent of which are found nowhere else, yet only 7 percent of the area's original natural vegetation remains.

Significantly, many hotspots include habitat in more than one country, so by focusing on these areas, CEPF can maximize efforts made across large landscapes. This has been particularly important in politically unstable areas, such as the Caucasus and the Guinean Forests of West Africa.

The amazon river basin, Vilcabamba-Amboro Corridor, Peru

The ecosystem profile: a lasting contribution to conservation

In each hotspot, CEPF brings together a wide range of experts, including botanists, zoologists, local government officials, sustainable development specialists and many others, to work with local communities and conservationists to explore their needs and create a practical conservation strategy, known as an ecosystem profile.

The purpose of the ecosystem profile is to provide an overview of the causes of biodiversity loss in a particular region and to couple this assessment with an inventory of current conservation activities. This helps to identify the niche where CEPF investments can provide the greatest incremental value, as well as provide a blueprint for future conservation efforts by and cooperation with the wider donor community. Moreover, the process of developing an ecosystem profile creates a common vision among diverse stakeholders and the momentum to reverse the trend of biodiversity loss.

In the Mediterranean Basin Hotspot, for example, which covers 34 countries and territories—from France and Italy in the north to Morocco, Algeria and Egypt to the south and Israel, Lebanon and Syria to the east—there are 13,000 endemic vascular plant species, 10 percent of the world's vascular plants. The basin's location at the intersection of two major landmasses has contributed to its high diversity and spectacular scenery.

There has been intensive human development and impact on its ecosystems for thousands of years, significantly longer than any other hotspot. It is estimated that the Mediterranean countries and territories are home to around 455 million people. Today, the shores of the basin see 220 million tourists arriving per year, a figure that is expected to double in the next two decades.

As a result, populations of the 555 threatened species, such as Mediterranean monk seal, Barbary macaque and the Critically Endangered Iberian lynx, are increasingly fragmented.

Vegetation of the Calanque east of Marseille, France
© CI/Photo by John Watkins

To protect these ecosystems and prevent further species loss, CEPF created the first ever comprehensive assessment of the Mediterranean ecosystem and, led by its partner in the region, Doğa Derneği (the Turkish Nature Association) worked to gather scientific and technical input from more than 80 organizations across the area. The resultant ecosystem profile detailed major threats and identified 1,110 key biodiversity areas, where urgent action is necessary to conserve biodiversity of global importance. The profile also provided an overview of the existing policy, civil society, socioeconomic context for conservation, as well as an analysis of funding gaps and opportunities.

In all 21 of the hotspots where CEPF has developed ecosystem profiles to date, local partners have worked together to develop them from the ground up, creating a strong sense of ownership for these documents.

In many cases, the ecosystem profiles turn out to be one of CEPF's most important contributions to a region. For instance, other donors often use the profiles to decide how to invest because they know that each strategy has been agreed upon by many of the most important players on the ground and because the process of building the strategy creates ownership of it among the participating stakeholders, enabling a better investment environment.

In the Mediterranean Basin, one of the biggest conservation funders in the region, the Swiss-based MAVA Foundation, is already using the profile to guide its own investments of about €15 million a year, even before CEPF has begun its own five-year investment. In Colombia, Fondo para la Acción Ambiental y la Niñez (the Fund for Environmental Action and Childhood) committed US$1 million to organizations focusing on conservation priorities established in the profile for the Tumbes-Chocó-Magdalena Hotspot, a region spanning over a quarter of a million square kilometers along the western coastal flank of the Andes Mountains.

The legacy of the ecosystem profiles, however, is more than just financial. In the Cape Floristic Region Hotspot in South Africa, for example, CEPF funding enabled wine makers and flower growers to develop best practice guidelines to help them reduce their environmental impact and to conserve threatened habitat in their vineyards and farms. After the CEPF funding finished, similar guidelines based on these initial programs were developed by leading potato, ostrich and citrus farmers for their industries, as well as by land owners developing 4x4 off-road ecotourism businesses.

In addition, several projects funded by CEPF in the hotspot have changed the way government conservation bodies and private landowners look at conservation on private land by exploring partnership and management models and investigating incentives for conservation. One such body, the Western Cape Nature Conservation Board, now regards stewardship, or working with the private sector to conserve their land and the biodiversity it contains, as a mainstream method for achieving conservation targets in the region, and, thanks to CEPF funding, it has gathered a wealth of research that informs new and existing management models long after that funding has stopped.

This section has explained how CEPF targets funding at hotspots and the global conservation priorities they hold. It has also shown how the Fund works with an array of conservation stakeholders to create ecosystem-wide plans that they—and other conservation donors—can use as a basis for long-term action. This has not just helped CEPF achieve unprecedented impacts in the locations where it has been operating. It has also created a new blueprint for conservation strategy and action, which, with additional investment, can be scaled up. The approach can and should be adopted elsewhere by other bodies engaged in the urgent task of slowing global biodiversity loss.

Habitat of black-necked crane in Bhutan.
© WWF/Shubash Lohani

Chapter II

A new blueprint for action

While one key reason for CEPF's success lies in the Fund's transformation of global conservation strategy, a second reason lies in an equally comprehensive transformation of the implementation of conservation on the ground.

Unlike many other conservation funds, CEPF focuses exclusively on enabling local civil society groups, such as NGOs, community organizations and private companies, to carry out conservation work themselves. In many cases, these groups work alongside government but funding goes directly to them, not only cutting out bureaucracy but also complementing government projects for a broader result. Having funds at hand also allows local civil society groups to participate in the decision-making process and be empowered to take care of their environment.

Donors often find these groups difficult to reach but CEPF has found an innovative way of keeping a small operational staff in its headquarters in Washington, D.C., while at the same time extending its reach to the local level. It developed what it calls Regional Implementation Teams (RIT), which consists of one or more locally operating NGOs that represent CEPF on the ground in each hotspot, providing local expertise, knowledge and presence.

The RITs' responsibility is to build a broad network of civil society groups working across institutional and political boundaries achieve the shared goals described in the ecosystem profiles. The RITs also give hands-on assistance to small groups and grassroots organizations, helping them improve proposal writing and project management so they can access additional funding to maintain and scale up projects. The successful implementation of CEPF's conservation strategies is due to the engagement of these locally based leaders, who provide local knowledge to staff in headquarters and at the same time reach out to local partners and help them achieve and sustain results.

China, Sichuan Province, Southwest China Hotspot, Tibetan Plateau

Local groups, local solutions

CEPF works with a wide variety of groups ranging from small local organizations to large international institutions to find local solutions to global conservation problems. By creating a model that channels funds directly to local civil society groups, CEPF helps local communities take charge of the conservation of their own ecosystems, giving them the resources and skills they need to take on the challenge of conserving their own natural heritage and find ways of sustainably benefiting from it.

Beneficiaries of CEPF grants typically include farmers, small landowners, teachers, fishermen, and business owners who have grown up locally. Their livelihoods are usually closely linked to the environment and, unlike non-resident conservationists, they have first-hand knowledge of the pressures and needs facing their communities and the challenges they have to overcome to manage their ecosystems sustainably.

In Madagascar, for example, 32 percent of the people living in the remote Mahavavy-Kinkony wetlands region rely on farming and 46 percent on fishing. Their involvement in conserving the area was critical because it was ultimately their actions—such as conversion of land for agricultural purposes and overfishing—that were damaging natural habitats and the dwindling populations of birds, reptiles and fish that depended on them. CEPF funding enhanced the sustainable use of these resources by empowering civil society to design and implement community-based action plans that combined traditional management practices with science-based resource management, resulting in sustainable provision of resources for the communities.

Under this project, CEPF funding enabled 24 community associations to work with local government and the private sector to establish a collaborative structure for conserving the area's biodiversity and managing its natural resources. Three years later, the government officially designated a new protected area for the region, and placed it under the management of the community. Here, as elsewhere, care was taken to

CEPF engages civil society at the grassroots, such as this women's group from the south coast of Kenya. Shared strategies like planted tree lots and fuel-efficient stoves reduce impact on remaining forests and the women's workload.
© CI/Photo by John Watkin

share the results and lessons learned from the project with other conservation groups working in the hotspot and beyond, so local civil society groups can benefit from one another's experience.

To date, CEPF has supported nearly 1,600 civil society grantees around the world, with a particular focus on local groups. In certain areas where local conservation expertise is nascent, CEPF supports international organizations that have experience in the area to help build local capacity. In the Madagascar case, initial funding went to the NGO BirdLife International, who, by working with local teams in the field and the capital city, were able to create the foundations for a new national NGO, Asity Madagascar. By 2008, Asity Madagascar had developed sufficient capacity to take over all of BirdLife's operations in the country.

Who is behind CEPF

CEPF's extraordinary track record in transforming the way global conservation is planned and carried out on the ground is in large part due to the vision of its donors, which is based on a solid understanding of how governments, businesses and international organizations operate. In this way, CEPF is guided not by conservation theory alone but also by the real world experience of its donor partners.

With their many years of collective experience, CEPF's donor partners were able to see the precise problems facing existing conservation mechanisms and commit the necessary expertise and funds to developing a new one. Today, CEPF unites six global leaders who are committed to enabling nongovernmental and private sector organizations to help protect vital ecosystems. Together, these six donors officially represent 187 of the 195 countries in the world. They are:

L'Agence Française de Développement, the French Development Agency, is a financial institution that is at the heart of France's Development Assistance Policy. It supports a wide range of social and economic projects in more than 60 countries. For more information, visit www.afd.fr

Conservation International (CI) builds upon a strong foundation of science, partnership and field demonstration to empower societies to responsibly and sustainably care for nature for the well-being of humanity. With headquarters in Washington, D.C., CI works in more than 40 countries on four continents. For more information, visit www.conservation.org

The Global Environment Facility is the world's largest source of funding for the global environment. It brings 181 member governments together with leading development institutions and others in support of a common global environmental agenda. For more information, visit www.thegef.org

The Government of Japan is one of the world's largest providers of development assistance for the environment. Japan seeks constructive measures and concrete programs to preserve unique ecosystems that provide people with important benefits and help reduce poverty. For more information, visit www.env.go.jp/en/

The John D. and Catherine T. MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society. For more information, visit www.macfound.org

The World Bank is the world's largest source of development assistance. It works in more than 100 developing economies to fight poverty and to help people help themselves and their environment. For more information, visit www.worldbank.org

Turkish frog (*Rana holtzi*)
© Ali Ihsan Gokcen

Chapter III

CEPF does more with less

CEPF's donor partners have been able to develop an innovative model for global conservation efficiency. There are three main drivers behind their success: working across biodiversity hotspots for a more comprehensive approach, a lean operational structure, and empowerment of local civil society groups to leverage additional capital themselves.

Work across ecological regions

CEPF's efficiency results in part from its work across biodiversity hotspots rather than funding specific projects in isolation. The investment strategies developed as part of the ecosystem profile for each hotspot ensure that conservation action is planned not only at the local level but also at the regional and international levels, since, in many cases, hotspots cover more than one country. CEPF's approach is particularly important where habitats have become fragmented for wide-ranging or migratory species, such as elephants, hornbills and big cats. It is also crucial as conservation can frequently be held up where responsibility is divided between national agencies or international bodies.

The Caucasus Hotspot, for example, spans the politically, culturally and biologically diverse region between the Black and Caspian Seas. Political tensions and armed conflict among countries in the region meant that, prior to the start of CEPF investment in 2003, there was little support for conservation across borders. One of CEPF's key priorities for the hotspot was, therefore, to support civil society efforts to promote transboundary cooperation and improve protected area systems in five transboundary corridors. Examples included CEPF's support for the creation of joint working groups for the conservation of transboundary key biodiversity areas, establishment of a transboundary bat monitoring network, and support for the emergence of the Caucasus Biodiversity Council as a high-level forum to address transboundary issues as an effective, widely accepted, and broadly supported institution for regional conservation.

Magnoliopsida, Cape Floristic Province hotspot, south of Cederberg Moutains, South Africa.

In multi-country hotspots, CEPF has also managed to increase the coordination of work at the regional level by hosting meetings of all grantees during which they share lessons learned and expertise gained. As all completed project reports are now held on a public Web site, these data are available globally, with the result that specific conservation methodologies developed for a particular purpose – such as engaging communities living in wetlands, or raising environmental awareness and improving environmental education – can now be shared more easily, and used even where CEPF is not involved.

Lean operations

CEPF has a lean operational structure. By maintaining a small staff and an emphasis on putting money directly on the hands of civil society groups, it has been successful in maximizing investments. CEPF is committed to spending no more than 12.3 percent on management costs. It has just 18 employees in its headquarters.

The donors behind the partnership also recognized from their experience that threats can arise suddenly, so they designed the new funding mechanism to be as agile and flexible as possible. This has been particularly effective when sudden natural disasters have threatened ongoing conservation work or created new priorities. For instance, after the 2004 Indian Ocean tsunami hit Sumatra, organizations such as Yayasan Rumpun Bambu Indonesia (YRBI), a community-based forest management group, were able to redirect CEPF funds to help with emergency efforts. Survivors in a small village about two hours from the capital of Aceh province were able to get extensive help from YRBI's local office. Elsewhere in the region, grantees were also able to spend remaining funds on items or services to get conservationists back on their feet and working again.

The speed with which CEPF can process grants also makes the fund efficient when man-made disasters threaten critical ecosystems. In Guatemala's Laguna del Tigre Park, for example, fires started by illegal clearing of land for cattle ranching in the midst of the 2005 drought showed signs that, without quick action, they would soon encroach on the park's core areas. CEPF issued an emergency grant to the Wildlife Conservation Society that enabled local partners and communities to prevent the spread of fires in high priority areas. The emergency grant then served as a basis for longer-term support of Laguna del Tigre,

Waterfall at Las Escobas, Guatemala
© Robin Moore

including collaboration with local communities and the Guatemalan Park Service on management actions to successfully reverse years of degradation. The impact of the fires in Laguna del Tigre in 2005 was significantly less that of fires in other areas of the Mayan Biosphere Reserve.

Capital leverage

The third reason for CEPF's exceptional efficiency is rooted in its focus on establishing conditions for its grantees to be able to generate additional funding themselves, enabling them to extend the scope of their work and ensure that the solutions they have put in place will last. These groups have generated an additional US$261 million, more than double the amount invested by CEPF.

There are numerous examples of this "leveraging" impact of CEPF in each of the hotspots. Two of the most recent can be seen in Panama, where CEPF-funded projects helped local communities conserve critical habitat in one of the largest remaining tracts of undisturbed forest in Central America. The area's exceptionally high biological diversity is protected by La Amistad Biosphere Reserve but unsustainable farming practices along the Pacific edge of the reserve were progressively degrading the forest. Grants to two organizations—the Fundación para el Desarrollo Integral Comunitario y la Conservación de Ecosistemas en Panamá (FUNDICCEP) and Amigos del Parque Internacional La Amistad (AMPILA) in Costa Rica—encouraged local farmers to grow coffee which thrives in the shade, unlike other crops that require tree felling and lead to environmental destruction.

Once CEPF funding had been exhausted, FUNDICCEP applied successfully to Toyota for a further US$54,000, which it used to set up tree nurseries to accelerate reforestation of degraded areas and to disseminate best practices developed during the earlier CEPF-funded project. The group was also able to ngage an additional 20 coffee farmers in the program. AMPILA applied successfully to the Embassy of Japan in Costa Rica for US$96,000, which is helping local farmers boost coffee output by producing fertilizer from previously discarded material generated when processing the coffee beans.

In the course of the last 10 years, CEPF has also managed to put in place a wide variety of mechanisms for long-term funding. This has not only helped to secure conservation gains made during the Fund's initial phase of investment in many hotspots but, in many cases, has laid foundations for much greater achievements.

To date, CEPF has established or helped to establish 14 sustainable funding initiatives, including small grant funds, ecosystem services funds, carbon storage credits, and funds focused on indigenous peoples. These initiatives have also included debt-for-nature swaps, under which a portion of a developing nation's foreign sovereign debt is forgiven in exchange for local investments in conservation measures.

In Madagascar, CEPF support stimulated discussions to create a new national conservation fund. The Madagascar Foundation has now hit its endowment target of US$50 million and those funds are playing a key role in fulfilling Madagascar's goal of tripling the size of its protected areas network, and ensuring sustainable financing for these critical areas.

Two of the most successful swaps to which CEPF has contributed have been US government deals with the governments of Guatemala, which generated US$24 million in conservation funding, and Costa Rica, which generated US$26 million. In both cases, CEPF was part of a multi-organization effort to support the swaps that was led by The Nature Conservancy, CI and CI's Global Conservation Fund. As a result of the Guatemala deal, grants have already been made outside the original area of CEPF work in the region, thus extending the reach of the Fund's impact.

These three characteristics of CEPF's model for conservation—working across hotspots, a lean operational structure, and empowerment of local civil society groups to leverage additional capital—have proven to be key reasons for success. CEPF has been unique in its ability to combine all three at scale and create one of the most efficient mechanisms for funding global conservation yet devised.

case studies

1) Caucasus Hotspot:
   Sustainable funding for long-term protection

2) Western Ghats and Sri Lanka Hotspot:
   Small grants, big impact

3) Himalaya Hotspot:
   Flourishing birds, flourishing farms

4) Mesoamerica Hotspot:
   Coffee farmers and carbon offsets

5) Succulent Karoo Hotspot:
   Working with ranchers to keep the flowers blooming

6) Cape Floristic Region Hotspot:
   Promoting eco-friendly wine

Caucasus Hotspot: Sustainable funding for long-term protection

The deserts, savannas, swamp forests and arid woodlands of the Caucasus Hotspot are home to more than twice the animal diversity found in adjacent regions of Europe and Asia. The hotspot, which spans 500,000 square kilometers of mountains between the Black and Caspian Seas, boasts 6,500 species of vascular plants, a quarter of which are found nowhere else. Protected areas in the region not only help globally threatened species, but also protect water resources, provide job opportunities, and potentially nurture transboundary cooperation in a region rife with political tension.

To boost to the region's protected areas, CEPF supported global and regional organizations in creation of a new fund that provides up to 50 percent of the annual operating costs for Caucasus protected areas with the highest biodiversity. The respective national governments also provide 50 percent.

"The funding has been critical for us," says Levan Tabunidze of Georgia's Borjomi-Kharagauli National Park, a 76,000-hectare area of native forest and alpine meadow that is home to dwindling species such as Caucasian leopard and Caucasian salamander.

Tabunidze said 300 hectares of forest were lost to fire in 2008. "But when a fire broke out recently, we were able to put it out with minimum damage thanks to training and equipment financed by the Caucasus Protected Areas Fund."

Borjomi-Kharagauli National Park
© WWF/Caucasus

The Caucasus Protected Areas Fund was capitalized by the German government, World Wide Fund for Nature (WWF), and Conservation International's Global Conservation Fund, and later boosted by contributions by other donors. National governments in the region have pledged to cover the remaining operating costs for these sites.

"It has been extraordinarily hard to give this spectacular landscape – and the flora and fauna that thrive here – the protection they need," Tabundize adds. "Now we not only have a secure source of funding but renewed commitments from governments in the region."

The Caucasus region has been subject to various territorial disputes since the collapse of the Soviet Union in 1990. Most of the countries in the region are experiencing economic difficulties. The rural population is especially poor, where people are largely dependent on the land to meet their basic needs.

"We hope that regional dialogue over conservation might also help us to avoid future conflicts: once people are talking about what they value, it's harder for them to fight," says Tabundize.

Other conservation achievements reached during CEPF's investment in the region include initiation and strengthening of other forms of transboundary cooperation, such as the establishment of the regional Caucasus Biodiversity Council with representatives of government and nongovernmental organizations from nations in the region. The coverage of protected areas in the Caucasus Hotspot increased by more than 80,000 hectares, thanks to the efforts of CEPF grantees, with another 194,000 hectares in the pipeline. And grantees leveraged nearly US$22 million for conservation activities in the hotspot, thereby more than doubling the CEPF investment.

Western Ghats and Sri Lanka Hotspot: Small grants, big impact

CEPF grantee Balu Hegde holds his daughter in front of Aghanashini Valley, near his farm in Uttara Kannada District, southern India.
© CI/Photo by Jack Tordoff

Balu Hegde grew up on a small farm built by his father in the Uttara Kannada district of southeastern India. The steep sides of their valley are covered by dense evergreen forest, a habitat they share with some of the region's rarest species such as sloth bears, and, recently, even a tiger.

In neighboring valleys much of the forest has been felled for agriculture but the challenge of those steep slopes appears to have held off such deforestation, and Balu and other farmers in the district raise crops such as pepper, nutmeg and betel nut that grow among the trees. Unfortunately, though, plans for further development are under way in the area.

"As a farmer," says Balu, "I don't agree with total protection [for nature]. But when I found out about 'conservation reserves,' I thought that might be the answer."

The reserves offer habitat protection but also give local people a greater stake in their management, allowing sustainable extraction of forest products and limited development.
With a grant of less than US$10,000 from CEPF, he has worked with local communities, NGOs and the Forest Department to create three new conservation reserves. This has helped create a patchwork of forest fragments, totaling more than 50,000 hectares, to protect critical habitat for the threatened species. The work also links in with other projects in the hotspot to protect lion-tailed macaques and restore other unique ecosystems.

"This way we can protect the region. Hopefully, forever," Balu says.

Hunters turned protectors

Another small-grant project in the Western Ghats has converted hunters to guardians of hornbill bird species.

The US$10,000 grant, made to researcher Amitha Bachan, allowed expansion of community-based conservation and monitoring of great hornbills and Malabar pied hornbills, and their habitats, in the Vazhachal Forest Division in Kerala State.

Vazhachal supports the last remaining example of intact riparian forest in Kerala and is the last nesting locality for Malabar pied hornbill in the state. The area also supports a sizeable population of great hornbill. Both species are threatened by loss of suitable nesting trees, as well as by hunting.

Amitha, a botanist, has been researching hornbills – which play an important role in dispersing the seeds of forest canopy trees – and working on their conservation for the last seven years. In 2004, Amitha began to survey the hornbills, finding 62 active nests by 2007. To benefit from local Kadar tribe knowledge of the forest and its ecology, Amitha engaged Kadar men as research assistants, training around 15 former hunters as 'hornbill monitoring guards'. In 2006, the Forest Department began to provide three months' wages per year for each man for monitoring the hornbill nests during the nesting period.

The CEPF small grant is enabling Amitha and his tribal assistants to consolidate the hornbill nest monitoring program at Vazhachal and expand it into three neighboring forest landscapes: Parambikulam, Chalakudy and Nelliampathi. Amitha conducted an awareness program in each Kadar settlement in these forest areas, which generated a large amount of community interest in and applicants for the guard program. Amitha selected 31 people, conducted field training and set them to work monitoring nesting trees, thereby tripling the scale of the project in terms of area covered and people engaged.

The guards are enthusiastic about their achievements. One of them explained that, previously, they enjoyed going to the forest to hunt but this had to stop with the passage of wildlife protection laws. The hornbill project has allowed them to return to what they love: spending time in the forest observing wildlife.

Vazhachal falls on the Chalakudy River situated near the famed rainforests of Kerala in the Western Ghats, where four species of Hornbill can be found. © CI/Photo by Jack Tordoff

In 2010, the Ministry of Environment and Forests provided funding for the hornbill monitoring guards for the first time, ensuring sustainability of the initiative. While salaries are paid for three months of the year, some participants collect data for the remaining nine months even though they are not paid to do so.

Amitha is now planning to help the hornbill monitoring guards form a community-based organization so they can raise and manage their own funding.

Proof of the initiative's success: over the last five years, there have only been two recorded cases of hunting or nest predation of hornbills in the project area; the numbers of Malabar pied hornbill, the rarer of the two species, increased from one active nest in 2005 to five active nests in 2010, and the species is believed to be moving into neighboring areas. Around 80 nests of great hornbill have also been identified and are being monitored.

Himalaya Hotspot: Flourishing birds, flourishing farms

Bhutanese children in the Himalaya Hotspot.
© WWF/Shubash Lohani

As soon as the harvest has finished in the remote Bumdeling Valley high up in the Himalayas of eastern Bhutan, the increasingly rare black-necked cranes arrive from China and Tibet to nest in the rice paddy fields.

"Ever since I was a child, I've watched them perform their courtship dance after they arrive. It's one of the highlights of my year," says local farmer Yeshi Dorji. "But things are changing: we have more and more floods because of climate change and deforestation upriver. Last year, all six acres of my paddy fields were washed away. There was nowhere for the birds to nest. And I had no harvest."

About 30 other farmers in the valley, one of the sites identified as a priority for CEPF's investment, have also lost land, taking a toll on their livelihoods and reducing critical habitat for the 150 or so cranes that have historically nested in the valley.

In 2009, however, the Nature Conservation Committee of Trashiyangtse, a local NGO, applied for CEPF funding to combat the problem. Working with other local groups, they have restored the course of the river in the valley to follow its earlier course. They are now restoring the paddy fields and building flood protection walls around them. More than 200 households in the valley have benefited so far and many now farm with the wider ecosystem in mind.

"We've stopped planting winter crops like wheat and maize and we leave the fields fallow instead so the birds can nest," explains Yeshi. "We're growing new cash crops for the summer too: we've planted walnut, plum and orange saplings." The farmers have offset the loss of the winter crops through a combination of the new cash crops and the use of improved seeds, breeds and machinery, allowing for more intensive farming during the summer.

Funding from CEPF has also helped to repair the 8-kilometer road into the valley, making it easier for tourists to visit and for farmers to take produce to market.

"This year 75 people came and stayed," says Passang Dorji, the project director. Previously about 20 to 35 tourists came through the area annually, but bypassed the cranes' roosting area because the road was so bad. "The revenue has been a big help. We tell them that the bird has always been an important symbol of long life for us in Bhutan. Now it also symbolizes how we can all prosper at the same time."

Mesoamerica Hotspot: Coffee farmers and carbon offsets

It was not a big leap for farmers in the Sierra Madre de Chiapas to adopt sustainable shade-coffee farming practices.

"We proposed something that they were already doing in their own way," said Adalberto Vargas, project coordinator with CEPF grantee Cooperative AMBIO[5]. "It was normal, for example, for coffee farmers to have a few fruit trees, next to which they might grow another product, and they might also have a few cows."

AMBIO, a Mexican NGO committed to the sustainable development of rural areas, found that getting the farmers on board with its associated carbon offsets program was, however, a more arduous task.

"It was hard," Vargas admits. "Some of them didn't understand what carbon sequestration was, and when we explained that the trees they were planting should not be cut down, the farmers became distrustful and began to suspect that our project was a trick to steal their land."

Vargas and his colleagues eventually managed to convince the farmers to participate by pointing out the gains to be made: proceeds from the sale of carbon credits, increased economic value of their trees by the end of the project, and improved soil quality. The first payments for carbon offsets were issued in April 2009.

Coffee farmer Dimas Corzo works with tree seedlings as part of the Scolel Te program.
© CI/Photo by Miguel Angel de la Cueva

AMBIO is now working with 30 coffee growers and 58 communities in Chiapas to involve them in conservation coffee farming and the carbon offset market as an additional incentive for reforestation.

Achieving conservation in a productive landscape in this manner supports "satoyama," a Japanese concept based on the objective of humanity living in harmony with nature. This is a central element to much of what CEPF strives to achieve through its grants. Here in the mountainous region of Chiapas where daily symphonies of tropical birds can be heard echoing throughout the cloud forests as well as throughout the productive shade-grown coffee farms, "satoyama" seems to be taking hold.

"They pay us to plant trees, so in a way, we are being paid to capture carbon," said Dimas Corzo, a carbon project member and coffee farmer in charge of a tree nursery located behind his house. "They used to pay us to cut down trees. Today, it's the reverse. Now they pay us to plant trees," he said.

"The great strength of this project is that it has demonstrated to the communities that it is possible to produce at the same time that you conserve," Lorena Soto of ECOSUR, who is working on an extension of this project, told Eco-Exchange, "and it has given them good results on the economic, ecological, and social fronts."

[5] Adalberto Vargas quoted in a November 2009 interview with the online news bulletin Eco-Exchange.

Succulent Karoo Hotspot: Working with ranchers to keep the flowers blooming

Empodium namaquensis bulb in bloom in Knersvlakte quartz patch, Succulent Karoo. © CI/Photo by John Martin

Between August and September every year, the hills of Knersvlakte become covered by carpets of colorful spring flowers. This semi-arid region in South Africa's Western Cape province is a hotbed of plant endemism, mainly of small succulents. However, small-scale mining for gypsum, diamonds and limestone, overgrazing and unsustainable harvesting of wild plants have been posing major a threat to this environment.

Over the past five years in the Succulent Karoo, CEPF has been working with the Western Cape Nature Conservation Board, the provincial conservation agency in the area to conserve biodiversity in a sustainable way. CEPF's funds have supported the efforts of to create the 62,000 hectare Knersvlakte Provincial Nature Reserve, and are currently being used to continue a conservation stewardship program. The idea is to link private landowners, chiefly ranchers, around the conservation area to the project via contractual agreements that pay them to keep the natural areas on their land intact and sustainably use rangeland, making the effective area of conservation significantly bigger.

In addition to their economic and biodiversity conservation benefits, these agreements create an ownership culture and awareness among these landowners — many from historically poor communities — of the ecosystem that surrounds them. It also helps to strengthen the civil society by involving the landowners in stewardship committees that guide decision-making in the area.

Cape Floristic Region Hotspot: Promoting eco-friendly wine

South Africa is the world's seventh largest producer of wine. The vast majority of this production occurs within the Cape Floristic Region, the richest plant kingdom on Earth yet under increasing threat from unsustainable agriculture, urban development and invasive alien species. Only 9 percent of its unique ecosystems remain. At the same time, more than 80 percent of the region is privately owned.

For CEPF it was clear that, in order to conserve the Cape's unique flora and fauna, landowner participation was going to be essential; and the most effective method of reaching landowners was through the agricultural industries that they supply.

In 2004, CEPF provided a grant for the South African Brandy and Wine Company to help to establish the Biodiversity and Wine Initiative (BWI), a pioneering partnership between the South African wine industry and the conservation sector. The goals of the project are to minimize the loss of threatened natural habitat, and to contribute to sustainable wine production through the adoption of biodiversity guidelines by the South African wine industry.

CEPF's support to the South African Brandy and Wine Company involved the provision of expert advice from the Botanical Society of South Africa and other conservation actors to guide the industry in developing best practice guidelines, and in securing protection for key biodiversity sites on private land.

Succulent Huernia thudichumii, South Africa
© CI/Photo by Haroldo Castro

BWI's strategy for preventing further habitat loss is to encourage and enable closer cooperation between the technical and marketing arms of the South African wine industry. On the technical side, BWI has encouraged take up of biodiversity guidelines into existing sustainable industry practice, while on the marketing side, the scheme has enlisted the help of internationally acclaimed wineries within the Cape Floristic Region, such as the 300-year-old Vergelegen estate and the Clüver vineyard, to showcase the benefits of biodiversity stewardship to producers and consumers alike.

Smaller scale wine producers are encouraged to become engaged by signing up to the regional conservation stewardship program, which offers a combination of tax rebates, help with clearing alien plants on their land and other land management assistance in return for setting aside important habitats for conservation.

The wine industry has been using the BWI as a tool to achieve sustainable natural resource management, while at the same time leveraging the biodiversity of the region as a competitive marketing advantage. It works with the industry body Wines of South Africa to make biodiversity the unique selling point of the country's overall wine brand.

Since inception, the initiative has expanded and most recently it created its own label which enables consumers to identify wines produced in accordance with the initiative's conservation requirements. Also, in less than four years, the South African wine industry has succeeded in setting more area aside for long term conservation than is currently planted under vineyard. Wine producers who have committed valuable remaining natural areas to the BWI have succeeded in setting aside more than 103,000 hectares to underpin the long term sustainability and integrity of the Cape's wine lands.

conclusion

There is an immediate need to stop the decline of global biodiversity for solid economic, development, cultural and social reasons. Put simply, if we fail to protect the world's most biologically rich places we impoverish our own and future generations of humanity.

Over the last decade, CEPF has pioneered a new approach to tackling this decline that significantly increases efficiency — delivering a bigger bang for the buck — while ensuring that conservation outcomes are enhanced and sustainable.

The results CEPF has achieved working with civil society in the biodiversity hotspots over the last decade are unprecedented. While accounting for only 0.5 percent of the total biodiversity-related aid over the last decade, CEPF has supported the expansion of the world's network of terrestrial protected areas by 10.8 million hectares, accounting for 7 percent of the total expansion over that period. CEPF has also strengthened the management of a further 21 million hectares of critical habitat, trained 46,000 local stakeholders in conservation-related fields, and left in place 14 sustainable funding mechanisms to continue these efforts into the future.

While many of the broad achievements of the partnership have been outlined in this document – such as its disproportionate impacts on expansion of the global protected area network, and its strengthening of thousands of small organizations around the world – the essence of CEPF's success is really the cumulative impact of the thousands of diverse, and often small-scale, projects that are taking place in biodiversity hotspots the world over, and that will continue even after CEPF ceases funding them.

The model that CEPF has created is highly effective primarily because it is flexible and ensures that the people who live and work in the areas it seeks to conserve are the central figures in the planning and implementation of strategies to conserve them.

CEPF has ensured that its conservation investments are precisely targeted at global conservation outcomes, defined and prioritized by local stakeholders. It has done this by starting the process with a clear vision of what needs to happen and where, identifying which groups and individuals on the ground can make this happen and then rapidly getting money and expertise to the places where it is needed.

This partnership is a blueprint for the future of conservation, and as such it should inform the wider conservation and development communities' planning processes and should be adopted as a mechanism to help to stem the global decline in biodiversity as widely as possible.

In the short term it would be prudent for the Convention on Biological Diversity to adopt CEPF as an implementing mechanism to achieve its 2020 goals, and in the longer term CEPF's broad approach should become as central to the delivery of conservation as IUCN's Red List has become to the evaluation of extinction risk to the world's species.

Women dancers performing in the Guinean Forest Hotspot, Sierra Leone.
© CI/Photo by Nina Marshall

Ring-tailed lemurs *(Lemur catta)* in the early morning sun, Berenty, Madagascar

www.cepf.net

Critical Ecosystem Partnership Fund

Conservation International
2011 Crystal Drive, Suite 500
Arlington, VA 22202 USA

cepf@conservation.org

CRITICAL ECOSYSTEM PARTNERSHIP FUND