

An Overview of CEPF's Portfolio in the East Melanesian Islands Hotspot

September 2015

Introduction

The East Melanesian Islands comprise some 1,600 islands to the northeast and east of the island of New Guinea, encompassing a land area of nearly 100,000 km². Politically, the region includes Vanuatu, the Solomon Islands and the islands region of Papua New Guinea (PNG). This is one of the most geographically complex areas on Earth, with a diverse range of islands of varying age and development. Isolation and adaptive radiation have led to very high levels of endemism. Because most of the islands have never been in land contact with New Guinea, their fauna and flora are a mix of recent long-distance immigrants and indigenous lineages derived from ancient Pacific-Gondwanaland species.

Because of these high levels of endemism, coupled with accelerating rates of habitat loss, the East Melanesian Islands qualify as a biodiversity hotspot. Chief threats to biodiversity include widespread commercial logging and mining, expansion of subsistence and plantation agriculture, impacts of invasive species, human population increase, and impacts of climate change.

Natural habitats in the East Melanesian Islands include coral reefs, mangrove forests, freshwater swamp forests, lowland rainforests, seasonally dry forests and grasslands, and montane rainforests. In many places, natural habitats extend from mountain ridge to reef, although fragmented by agricultural conversion and logging in many places. These 'ridge-to-reef' ecosystems are important for their resilience to climate change, and because they deliver a wide range of ecosystem services to human communities.

As well as being exceedingly rich in biodiversity, the hotspot also holds exceptional cultural and linguistic diversity. Because many languages are spoken by only a few hundred people, they are disappearing quickly, leading to a rapid erosion of traditional knowledge and practice. This is highly significant in a region where most land and resources are under customary ownership, and local people are the stewards of biodiversity.

In July 2013, CEPF launched an eight-year investment phase in the East Melanesian Islands Hotspot, focusing on 20 priority sites spread across the three countries, and addressing threats to 48 priority species. The CEPF investment strategy sets out to support biodiversity conservation in ways that deliver significant, meaningful benefits to local communities, while making a sustained contribution to the development of local, national and regional capacity for conservation. This document presents an overview of the status of the CEPF grants portfolio at the end of the second year of the investment phase. All facts and figures presented cover the period up to June 30, 2015.

Niche for CEPF Investment

Overview

CEPF investment in the East Melanesian Islands is informed by the ecosystem profile for the hotspot, which was prepared in 2011-2012, through an extensive process of consultation and desk study led by the University of the South Pacific in partnership with the University of PNG and Conservation International's Pacific Islands Program. Initial research and analysis at the regional level provided draft biodiversity and thematic priorities, which were subsequently reviewed by experts within the hotspot. The year-long consultation process involved an expert roundtable meeting and nine stakeholder consultation workshops, and engaged more than 150 stakeholders from local communities, civil society organizations, government institutions and donor agencies.

The ecosystem profile presents an overview of the East Melanesian Islands in terms of their biodiversity conservation importance, and socioeconomic, policy and civil society contexts. It defines a suite of measurable conservation outcomes, at species, site and corridor scales, as the scientific basis for determining CEPF's geographic and thematic niche for investment. The conservation outcomes for the East Melanesian Islands Hotspot are framed by a situational analysis, which includes an assessment of the predicted impacts of climate change in the region, as well as reviews of the policy, socio-economic and civil society contexts for biodiversity conservation. It also includes an assessment of patterns and trends in current conservation investment, which captures lessons learned from past investments in the hotspot, as well as an overview of threats and drivers of biodiversity loss.

The conservation outcomes and situational analysis provide the justification for a niche for CEPF grant making in the hotspot. The CEPF investment niche recognizes local communities and their organizations as the ultimate custodians of the biodiversity of the East Melanesian Islands Hotspot, with support from national and international NGOs, universities and private companies, and within an enabling regulatory and institutional context established by national, provincial and local government. The complementary capacities of different sections of civil society will be leveraged in support of local communities by catalyzing partnerships. Through these partnerships, communities and civil society organizations at different levels will jointly explore the conservation status of priority species and sites, develop a common understanding of their values and the threats facing them, drawing on traditional ecological knowledge as well as western science, and develop and implement conservation actions that are led by and relevant to local communities. To respond to threats originating from outside of the community, such as commercial logging and plantations, civil society will be supported to integrate biodiversity conservation into local land-use and development planning.

In line with this niche, the ecosystem profile sets out five strategic directions for CEPF investment in the East Melanesian Islands:

1. Empower local communities to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under-served by current conservation efforts.
2. Integrate biodiversity conservation into local land-use and development planning.
3. Safeguard priority globally threatened species by addressing major threats and information gaps.
4. Increase local, national and regional capacity to conserve biodiversity through catalyzing civil society partnerships.
5. Provide strategic leadership and effective coordination of conservation investment through a Regional Implementation Team.

The ecosystem profile was approved by the CEPF Donor Council in December 2012, with a total budget allocation of \$9 million. Of this amount, \$3.2 million was allocated to Strategic Direction 1, \$1.0 million to Strategic Direction 2, \$1.2 million to Strategic Direction 3, \$2.1 million to Strategic Direction 4, and \$1.5 million to Strategic Direction 5. The Donor Council subsequently approved the appointment of the International Union for Conservation of Nature (IUCN) as the Regional Implementation Team (RIT) for the hotspot. IUCN began work as the RIT in July 2013, thus beginning the CEPF investment phase.

Portfolio Status

Following the award of two grants to IUCN to perform the RIT role, the first calls for proposals were launched in 2013, leading to the first grant awards during the first half of 2014. During the period covered by this report (July 2014 to June 2015), a single call for proposals was issued, covering all three countries in the hotspot. The call was launched on July 1 and closed on August 26, 2014. The call was restricted to Investment Priorities 1.3, 2.1, 3.1, 4.1, 4.2 and 4.3 from the investment strategy, with the aim of supporting initiatives that establish a foundation of capacity, partnerships and knowledge on which future calls for proposals can build. The response to the call for proposals was strong, both in terms of number and quality of applications, with 29 Letters of Inquiry (LoIs) for large grants of more than \$20,000, and 20 LoIs small grants of up to \$20,000 being received. The LoIs were reviewed by a Technical Advisory Group, the RIT and (in the case of large grants only) the CEPF Secretariat. Based on these reviews, funding decisions were made.

As of June 30, 2015, the portfolio of active grants in the East Melanesian Islands Hotspot stands at \$3.9 million (Charts 1-4). The portfolio comprises 24 large grants, totaling \$3.6 million (Table 1), and 15 small grants, totaling almost \$300,000 (Table 2). Excluding the RIT grants, the average large grant size was \$95,582, while the average small grant size was \$19,364. The relatively modest average large grant size reflects the fact that most grants awarded to date have been for preparatory activities, such as surveys, community outreach and capacity building, which tend to be short in duration. In future years, the average duration and size of large grants is anticipated to increase, as their scope changes towards a greater focus on activities that strengthen conservation management and address threats to biodiversity.

Table 1: Current status of the large grant portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$986,962	\$337,601	\$1,324,563
SD2	\$83,100	\$0	\$83,100
SD3	\$49,916	\$272,114	\$322,030
SD4	\$982,822	\$126,797	\$1,109,619
SD5	\$1,500,000	\$0	\$1,500,000
Total	\$3,602,800	\$736,512	\$4,339,312

Table 2: Current status of the small grant portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$113,849	\$20,000	\$133,849
SD2	\$0	\$0	\$0
SD3	\$19,796	\$0	\$19,796
SD4	\$156,819	\$0	\$156,819
SD5	\$0	\$0	\$0
Total	\$290,464	\$20,000	\$310,464

In addition to the awarded grants, seven applicants are currently finalizing their applications to address comments from reviewers, prior to contracting. Assuming that all of these “pipeline” grants are contracted, the total size of the large grant portfolio will be \$4.6 million (Table 3).

Excluding the RIT grants, 17 of the 37 active grants have been awarded to local civil society organizations, accounting for 46 percent of the grants and 39 percent of the total amount awarded. This indicates that the RIT has been successful in reaching out to local civil society organizations, who tend to be more difficult to reach and slower to respond to funding opportunities than international organizations. At the same time, there is an important role for international civil society organizations to play in delivering the CEPF program in the hotspot, especially by providing technical expertise for baseline surveys and building the capacity of local partners. As implementation proceeds, the proportion of funding going to local civil society is anticipated to increase, as CEPF and the RIT leverage the complementary capacities of different types of organization.

Table 3: Current status of the overall portfolio in the East Melanesian Islands Hotspot

Strategic Direction	Active grants	Pipeline grants	Total
SD1	\$1,100,811	\$357,601	\$1,458,412
SD2	\$83,100	\$0	\$83,100
SD3	\$69,712	\$272,114	\$341,826
SD4	\$1,139,641	\$126,797	\$1,266,438
SD5	\$1,500,000	\$0	\$1,500,000
Total	\$3,893,264	\$756,512	\$4,649,776

Assuming that all pipeline grants are awarded, then \$4.3 million remains to cover grant making under future funding rounds, comprising 54 percent of the allocation for Strategic Direction 1, 92 percent of the allocation for Strategic Direction 2, 72 percent of the allocation for Strategic Direction 3 and 40 percent of the allocation for Strategic Direction 4 (Table 4). Provided the rate of grant making remains broadly comparable to that in the first two rounds, the remaining balance can be expected to cover three more rounds of grants, with the last round being awarded in 2018.

Table 4: Current balance of CEPF funds allocated to the East Melanesian Islands Hotspot

Strategic Direction	Allocation	Active plus pipeline grants	Balance
SD1	\$3,200,000	\$1,458,412	\$1,741,588
SD2	\$1,000,000	\$83,100	\$916,900
SD3	\$1,200,000	\$341,826	\$858,174
SD4	\$2,100,000	\$1,266,438	\$833,562
SD5	\$1,500,000	\$1,500,000	\$0
Total	\$9,000,000	\$4,649,776	\$4,350,224

Excluding the RIT grants, the greatest concentration of active grants is in the Solomon Islands, where there are 20, with a total budget of \$1.3 million. There are seven active grants in PNG, with a total budget of \$400,000, while Vanuatu, the country with the fewest civil society organizations active at the national level, has only three active grants, totaling more than \$100,000. Vanuatu is, nevertheless, covered by the seven multi-country grants, which total \$600,000. For future funding rounds, there will be a need for additional efforts to identify potential applicants in Vanuatu, and to reach out to civil society organizations working at the provincial and site levels in the other countries.

Coordinating CEPF Grant Making

IUCN Ocean Regional Office (ORO) is serving as the RIT for the East Melanesian Islands Hotspot. To perform the RIT role, IUCN ORO draws upon the organization's extensive regional expertise and contacts, as well as its experience with grant making.

The work of the RIT is supported through two grants. The administrative grant is led by Luisa Tagicakibau, the Team Leader-Admin. Luisa reports to Helen Pippard, the Project Manager, who has principal responsibility for the programmatic grant. Helen and Luisa are based in Suva, Fiji, together with the Finance Assistant (Anjani Gosai). Local presence in each of the hotspot countries is provided by three national coordinators: Gae Gowae in PNG; Lysa Wini in the Solomon Islands; and Vatu Molisa in Vanuatu. The national coordinators work part time of the RIT and for the rest of their time on other IUCN projects, such as the MACBIO project on marine spatial planning.

As well as establishing an experienced, integrated team, IUCN has put in place the necessary structures to ensure transparency and technical rigor in the proposal review process, and facilitate uptake of the results of CEPF-supported pilot projects into national policy processes. These include a Technical Advisory Group, with eight members, representing key government departments and civil society organizations across the hotspot, and an External Review Panel, comprising three regional experts responsible for review of applications from IUCN members or Conservation International, or for amounts greater than \$250,000. IUCN has also put in place the necessary processes to ensure sound financial management of the RIT grants, financial and programmatic risk assessment of small grants, and compliance with CEPF's environmental and social safeguard policies.

Performance Assessment

Since taking over the RIT role, IUCN has established a core team to implement the CEPF investment program, which is well integrated within its regional program. The first funding round was handled efficiently, with the first grants being contracted within six months of the application deadline, and key stakeholders from the three hotspot countries, as well as regional actors, being engaged in the review process. The second funding round was also handled well, considering the challenges of communicating with applicants who are based in remote locations with limited internet access, and the need for consultations with target communities at all stages of the project cycle.

The calls for proposals issued to date (two separate ones, covering different countries, in the first rounds, and one in the second) were widely disseminated, in both English and French. Use was made of an electronic mailing list, the IUCN and CEPF websites, and various IUCN newsletters, as well as advertisements in the local press. The calls generated a total of 114 funding applications, comprising 45 for small grants and 69 for large grants. There was a good geographic spread of applications among priority sites and countries, albeit with a lower response from Vanuatu, which is the smallest country in the hotspot and the one with the fewest conservation-focused civil society groups. Thanks to this spread of applications, it has been possible to support activities at all 20 priority sites. These activities are mostly baseline surveys to establish the key biodiversity values and conservation issues at the site, and outreach activities to raise awareness of biodiversity values and threats among local communities. Such activities establish a platform for subsequent activities to empower communities to address locally identified conservation issues.

There was also a good spread of applications from different types of civil society organization, including international NGOs and universities, and domestic NGOs operating at national and

grassroots levels. A small number of applications were submitted by community-based organizations, and it was possible to support two of these directly: Kolombangara Islands Biodiversity Conservation Association; and Tawatana Community Conservation and Development Association (both in the Solomon Islands). Other applications from community-based organizations were rejected because the applicants were not located at CEPF priority sites or working on themes prioritized for support in the investment strategy.

In terms of success rate, assuming that all pipeline grants are eventually awarded, 41 percent of large grant applications to date have been successful, compared with 36 percent of small grant applications. These rates compare very favorably with those in other hotspots. They reflect the fact that there is a limited pool of potential applicants in the East Melanesian Islands. In this context, the strategy of the RIT has been to invest time in capacity building and mentoring to support local organizations to develop fundable proposals, and to ensure that organizations with limited experience of managing international donor funded projects were not excluded from receiving small grants. While this approach has made CEPF grants accessible to a wide range of organizations, the RIT now has the liability of managing a small grant portfolio with a high proportion of relatively low capacity grantees, which may require a disproportionate amount of time to support and monitor. It will be important to monitor the performance of these grantees closely and determine whether the workload involved in managing them has significant adverse impacts on the ability of the RIT to implement its other functions effectively.

In terms of efficiency, the average time from receipt of LOI to contract signature for the large grants awarded to date has been seven months. This is comparable with CEPF's performance in other biodiversity hotspots. For small grants, it has been eight-and-a-half-months. While it may seem counter-intuitive that the small grant application process takes significantly longer than the large grant process, despite having fewer steps, it is less surprising when one considers that small grant applicants tend to have less experience in applying for international donor funding, and therefore require more support and mentoring from the RIT, as discussed above. Nevertheless, going forward, the RIT should carefully consider the number of small grants it awards each year, in order to achieve an optimum balance between efficiency and accessibility.

Portfolio Investment Highlights by Strategic Direction

Apart from the RIT grants, the first grants to be awarded under the new investment phase began implementation in only March 2014. By June 30, 2015, the active grants had only been implemented for 10 months, on average. Given that the first months of implementation are typically given over to recruiting and training project staff, procuring equipment and planning detailed activities with partners, there has been little time to date to achieve tangible conservation results. Moreover, CEPF grantees report on their impacts (in terms of biodiversity conservation, human wellbeing, civil society capacity and enabling conditions) only when they close. To date, only one grant has closed (grant 64036 to OceansWatch for the project "Empowering the People of Temotu to Protect their Significant Biodiversity"), hence there are few reported impacts. For these reasons, the following sections outline the impacts anticipated under each strategic direction, rather than summarizing impacts to date.

Strategic Direction 1

CEPF investment under this strategic direction aims to empower local communities to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under-served by current conservation efforts. The rationale for this strategic direction is that local communities, if appropriately organized and supported, are well placed to manage marine and terrestrial resources for conservation. In addition to being effective tools for conservation, community-based approaches also provide greater opportunities to engage civil society at all levels. In particular, by

empowering local communities to make decisions regarding the management of natural resources, they can help strengthen and maintain community institutions, preserve traditional knowledge, and contribute to improved livelihoods.

To this end, CEPF will support efforts to conduct baseline surveys of priority sites that build government-civil society partnerships and bridge political boundaries (Investment Priority 1.1). To disseminate the results of these surveys to local communities, CEPF will also support efforts to raise awareness about the values of biodiversity and the nature of threats and drivers among local communities at priority sites (Investment Priority 1.2). These investment priorities will ensure that local communities are in a position to make informed decisions about management of biodiversity, and establish relationships of trust between them and other key actors. Building on these foundations, CEPF will then support local communities to design and implement locally relevant conservation actions that respond to major threats at priority sites (Investment Priority 1.3). To ensure the financial sustainability of these actions, CEPF will support civil society to demonstrate conservation incentives (ecotourism, payments for ecosystem services, conservation agreements, etc.) at priority sites (Investment Priority 1.4).

To date, 11 large grants and six small grants have been contracted under Strategic Direction 1, with a further two large and one small grants in the pipeline. These 20 grants directly address three of the five targets for Outcome 1 set out in the portfolio logframe (Annex 1). Specifically, they aim to complete baseline surveys for 16 priority sites (against a target of 10), and to raise awareness among local communities at 18 priority sites (against a target of 10). One of these grants also aims to reduce threat levels at two priority sites (against a target of 15). As the portfolio develops, additional grants will be awarded under Investment Priorities 1.3 and 1.4, to support conservation actions by local communities and ensure the financial sustainability of these actions.

One highlight from the grant portfolio is the large grant to Wildlife Conservation Society (WCS) in PNG, which completed baseline surveys of Manus and Mussau islands in the Bismarck Archipelago in October 2014, with support and participation of local customary landowners. Through these surveys, major gaps in the baseline knowledge of the islands' biodiversity were filled; and at least 13 new species to science were discovered, including six plants, six vertebrates and a damselfly. The surveys also made some important recommendations for future conservation. For Mussau, the main recommendations were that a plan needs to be enacted to ensure the forests of Mussau are allowed to rehabilitate and, if any future logging is undertaken, it adheres to strict provisions with proper benefit distribution to the impacted communities, and that research needs to be undertaken to establish the scale of the problem posed by feral pigs, which are a known agricultural pest and, likely, conservation problem for the island. For Manus, the main recommendations were that the central forest of Manus be formally recognized by the government for its biodiversity and ecosystem values and support be given to plans and initiatives to retain it; and that incentives be developed to benefit communities who seek to retain their forests. The findings of the WCS-led surveys help establish a platform for informed conservation action by customary landowners on both islands, some of which could be supported by future grants under this strategic direction.

Strategic Direction 2

CEPF investment under this strategic direction aims to integrate biodiversity conservation into local land-use and development planning. The rationale for this strategic direction is that community-based conservation risks being undermined by incompatible development and land-use decisions, such as expansion of commercial logging, plantations or mining. These threats are driven by international market demand for timber, metals and agricultural commodities, and

national governments' need to generate foreign exchange. These drivers are compounded by a lack of integration of the economic values of biodiversity and ecosystem services into land-use and development planning. Consequently, there is a pressing need to support such integration, particularly at the local level, where national policies and development trends are played out.

To this end, CEPF will support civil society organizations to conduct participatory ownership and tenure mapping of resources within customary lands at priority sites (Investment Priority 2.1). Clarifying ownership and tenure arrangements will make it more difficult for companies to gain access to natural resources by circumventing collective decision-making processes and working directly with local elites. These efforts will be complemented by support for legal training and support to communities for effective enforcement of environmental protection regulations (Investment Priority 2.2). In addition to strengthening the voice and legal rights of local communities in land-use and development decision making, CEPF will also support civil society organizations to explore partnerships with private companies to promote sustainable development through better environmental and social practices in key natural resource sectors (Investment Priority 2.3).

To date, only one large grant has been contracted under Strategic Direction 2. This grant directly addresses one of the four targets for Outcome 2 set out in the portfolio logframe (Annex 1). Specifically, it aims to map ownership and tenure rights at one priority site (against a target of five). This grant provides the portfolio highlight for this Strategic Direction, although it has only been under implementation for four months. The grant is implemented by Ecological Solutions, Solomon Islands (ESSI), a local NGO, and builds on the results of a previous grant under Strategic Direction 1, which conducted a baseline survey of Mount Maetambe - Kolombangara River Key Biodiversity Area (KBA) on Choiseul Island. The grant aims to establish a solid foundation for long-term, community-owned conservation initiatives for the KBA by mapping customary ownership of land by local tribes, supporting customary land owners to develop a comprehensive land-use plan that enshrines the cultural and biological values of the area, and assisting customary landowners to form and register tribal associations responsible for natural resource governance. As of June 30, 2015, land borders had been mapped for two of the 20 tribes with customary land within the KBA.

Strategic Direction 3

CEPF investment under this strategic direction aims to safeguard priority globally threatened species by addressing major threats and information gaps. The rationale for this is that a number of globally threatened species have conservation needs that are not fully addressed by habitat protection, especially control of over-exploitation and control of invasive species. This gap is compounded by a heavy focus of conservation investment in the hotspot on ecosystem-based approaches, meaning that very limited resources are available for species-focused conservation.

To this end, CEPF will support efforts to conduct research on six globally threatened species for which there is a need for greatly improved information on their status and distribution (Investment Priority 3.1). For the remaining 42 priority species, for which extant populations are known, CEPF will support civil-society-led efforts to develop, implement and monitor species recovery plans (Investment Priority 3.2). In addition, for selected priority species that are important to local food security and have populations able to support regulated harvest, CEPF will support the introduction of science-based harvest management (Investment Priority 3.3).

To date, one large grant and one small grant have been contracted under Strategic Direction 3, with three more large grants in the pipeline. These five grants directly address one of the three targets for Outcome 3 set out in the portfolio logframe (Annex 1). Specifically, they aim to Active

improve knowledge of the status and distribution of five priority species (against a target of five). In other words, if these grants are successful, this target will be met. The species targeted by these grants comprise three mammals and two birds: Guadalcanal rat (*Uromys porculus*); emperor rat (*U. imperator*); Vanikoro flying-fox (*Pteropus tuberculatus*); Beck's petrel (*Pseudobulweria becki*); and Makira moorhen (*Gallinula silvestris*). One highlight from the grant portfolio is the large grant to Solomon Islands Community Conservation Partnership (SICCP), a local NGO in the Solomon Islands, which aims to ensure the long-term survival of the Critically Endangered Makira moorhen by locating an extant population, assessing threats and managing responses in ways that benefit the species, its habitat and the well-being of local people on Makira Island. As well as investigating the conservation status of the species and the prevalence of threats (such as invasive alien species), the grant also aims to develop strong relationships with grassroots civil society to ensure long-term commitments to conservation goals. As of June 30, 2015, that grant had only been active for two months, and field activities had yet to begin.

Strategic Direction 4

CEPF investment under this strategic direction aims to increase local, national and regional capacity to conserve biodiversity through catalyzing civil society partnerships. Capacity building is required to ensure the effective delivery of the other components of the investment strategy. Beyond this immediate need, a stronger civil society sector, led by conservation leaders drawn from within the hotspot, is essential for securing the impacts of CEPF projects into the long term, in the face of new pressures emerging from future social, political, economic and climatic changes.

To this end, CEPF will support efforts to strengthen the capacity of local and national civil society organizations in financial management, project management and organizational governance (Investment Priority 4.1). It will also provide core support for the development of civil society organizations into national and regional conservation leaders (Investment Priority 4.2). Finally, CEPF will support efforts to strengthen civil society capacity in conservation management, science and leadership through short-term training courses at domestic academic institutions (Investment Priority 4.3), and thereby increase the pool of trained and motivated individuals that civil society organizations can draw on.

To date, nine large grants and eight small grants have been contracted under Strategic Direction 4, with one additional large grant in the pipeline. These 18 grants directly address all four targets for Outcome 4 set out in the portfolio logframe. Specifically, they aim to strengthen or establish seven civil society networks enable collective responses to priority and emerging threats (against a target of five). These grants aim to support organizational capacity strengthening of 35 domestic civil society organizations (against a target of 20), and to support six organizations to emerge as national conservation leaders (against a target of two in each country). Finally, they aim to strengthen the capacity of at least 104 conservationists in conservation management, science and leadership (against a target of 30). Assuming that these grants meet their objectives, all targets under Outcome 4 will be met or exceeded, with 40 percent of the funding allocation for Strategic Direction 4 uncommitted (Table 4). These funds could then be reallocated to other strategic directions or used to reinforce capacity building provided by grants awarded under the first two funding rounds.

One highlight from the grant portfolio is the small grant to the University of PNG, which successfully delivered a training course for 76 local community members from Rambutso Island, Manus province. The course covered such topics as traditional knowledge, biology, ecology, management, economics, subsistence and commercial use of giant clams. The course participants increased their skills in various aspects of giant clam management, thereby raising the capabilities

of community-based organizations and networks in conservation management. Potential sites for farming of clams were surveyed, with the intention of exploring the possibility of reducing pressure on wild populations of clams. Proposals for locally managed marine conservation management areas were also discussed and generated as a result of the course, and six working groups were set up to take forward the development of these proposals. The training course has potential to be replicated throughout Manus province and perhaps further afield.

Strategic Direction 5

CEPF investment under this strategic direction aims to provide strategic leadership and effective coordination of conservation investment through an RIT. At the very start of the investment phase, two RIT grants were awarded under this strategic direction: one to operationalize and coordinate CEPF's grant-making processes and procedures to ensure effective implementation of the investment strategy throughout the hotspot (Investment Priority 5.1); and the other to build a broad constituency of civil society groups working across institutional and political boundaries towards achieving the shared conservation goals described in the ecosystem profile (Investment Priority 5.2). As previously described, these grants were awarded to IUCN ORO.

Collaboration with CEPF Donors

As mentioned earlier, the RIT has established a Technical Advisory Group to provide transparency and quality control for the grant-making process, to build ownership of the CEPF grant portfolio among key stakeholders and to facilitate uptake of results into national policy processes. Technical Advisory Group members have proven useful for discriminating strong from weak applications, identifying potential synergies with other initiatives, and ensuring alignment with local and national government priorities. The GEF Operational Focal Points, or their representatives, in the three hotspot countries are members of the Technical Advisory Group. Alignment between CEPF investments and those of the GEF is also being assured through regular consultations between the RIT and the respective UNDP/GEF Small Grants Program Coordinators. As implementation progresses, the RIT (and the CEPF Secretariat during visits to the region) will engage with regional staff of other CEPF donors based in the region, including: the European Union delegations to PNG, the Solomon Islands and Vanuatu; the French Embassies in PNG and Vanuatu; the Japan International Cooperation Agency (JICA) offices in PNG, the Solomon Islands and Vanuatu; and the World Bank offices in PNG and the Solomon Islands. These interactions will enable sharing of results and identification of possible synergies.

Conclusion

Two years into an eight-year program, the CEPF investment in the East Melanesian Islands Hotspot is making good progress. As of June 30, 2015, 43 percent of the \$9 million spending authority for the hotspot had been committed. This figure will rise to 52 percent, once seven pipeline grants have been awarded. By design, grant making focused initially on foundational activities, such as baseline surveys, capacity building, awareness raising and engagement with customary landowners at priority sites. All but one of the priority sites are the focus of active or pipeline grants, as well as all but one of the priority species for which there is a need for greatly improved information on their status and distribution. It is also encouraging that local civil society organizations have received 46 percent of the grants and 39 percent of the total amount awarded, which reflects the important work done by the RIT to engage local groups and assist them to access CEPF grants. Progress in this regard has been particularly good in the Solomon Islands, and there is a need to redouble efforts in PNG and Vanuatu, where the number of grantees in general, and local grantees in particular, is still limited. There is also a need to pay attention to the efficiency of the application review and grant award process, especially for small grants, to increase the speed with which requests for funding are responded to.

Charts – CEPF Investment in the East Melanesian Islands Hotspot as of June 30, 2015

Chart 1. Approved Grants by Strategic Direction

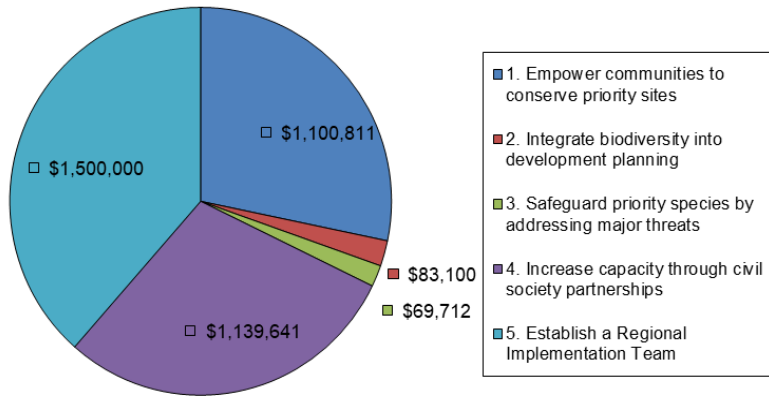


Chart 2. Approved Grants by Country and Strategic Direction

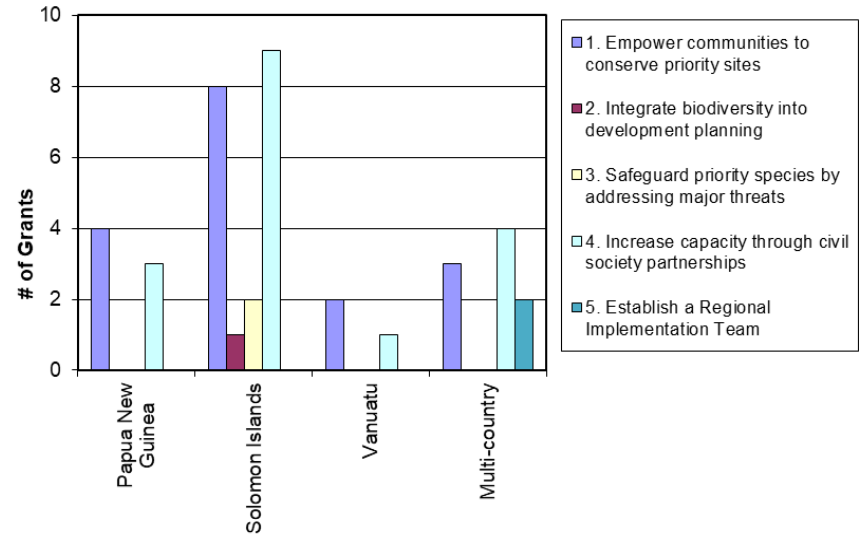


Chart 3. Portfolio Status by Strategic Direction

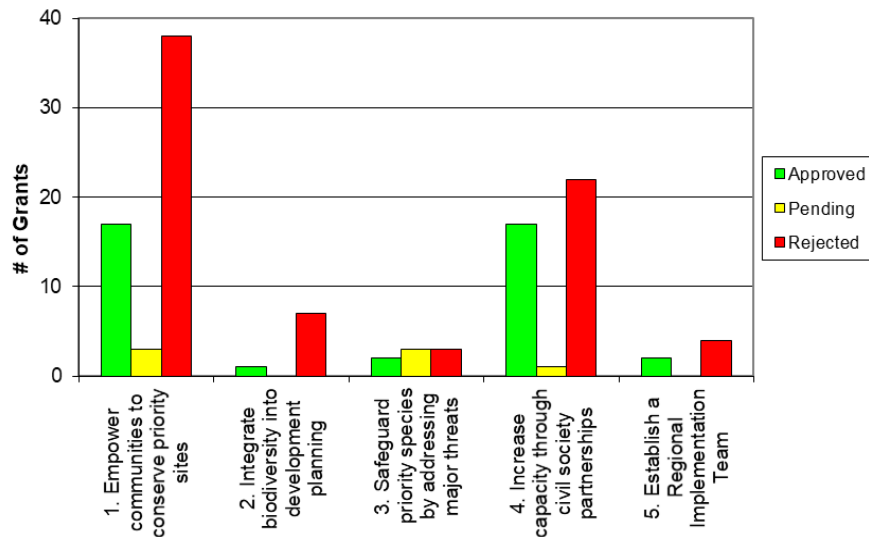
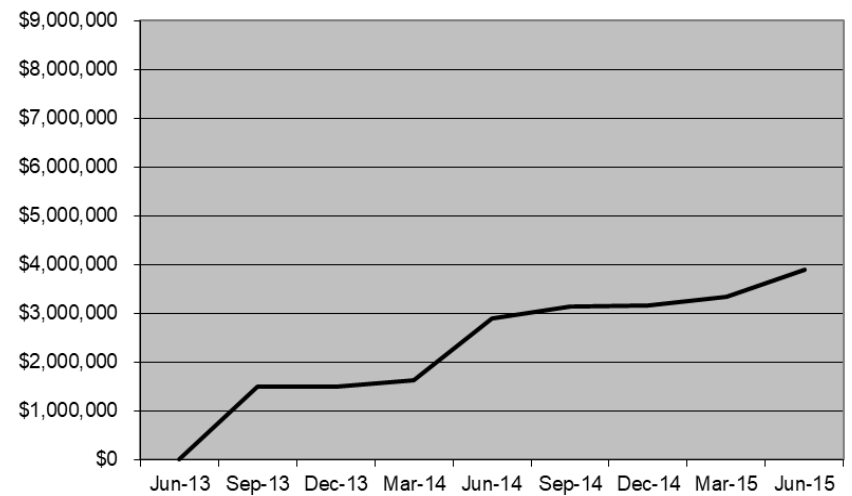


Chart 4. Combined Value of Grants Awarded



Annex 1 – Update of the Logical Framework for CEPF Investment in the East Melanesian Islands

Objective	Targets	Progress
<p>Engage civil society in the conservation of globally threatened biodiversity through targeted investments with maximum impact on the highest conservation priorities</p>	<p>20 key biodiversity areas covering 1,549,009 hectares have new or strengthened protection and management.</p> <p>At least 100,000 hectares within production landscapes are managed for biodiversity conservation or sustainable use.</p> <p>At least 5 local land-use or development plans influenced to accommodate biodiversity.</p> <p>48 globally threatened species have improved conservation status and/or available information on status and distribution.</p> <p>At least 10 partnerships and networks formed among civil society, government and communities to leverage complementary capacities and maximize impact in support of the ecosystem profile.</p> <p>At least 40 civil society organizations, including at least 30 domestic organizations, actively participate in conservation actions guided by the ecosystem profile.</p>	<p>Active and pipeline grants propose to strengthen protection and management of two KBAs, covering 37,979 hectares: Vanikoro and Nendo in the Solomon Islands.</p> <p>No progress to date.</p> <p>No progress to date.</p> <p>Active and pipeline grants propose to make information available on the status and distribution of 5 globally threatened species:</p> <ul style="list-style-type: none"> • Guadalcanal rat. • Emperor rat. • Vanikoro flying-fox. • Beck’s petrel • Makira moorhen. <p>Active and pipeline grants propose to form 6 partnerships and networks to leverage complementary capacities and implement collaborative initiatives: 5 in the Solomon Islands; and 1 in Vanuatu.</p> <p>34 civil society organizations, including 17 domestic organizations, have been awarded CEPF grants or have applications in the pipeline.</p>

Intermediate Outcomes	Intermediate Indicators	Progress
<p>Outcome 1: Local communities empowered to protect and manage globally significant biodiversity at priority Key Biodiversity Areas under served by current conservation efforts.</p> <p>\$3,200,000</p>	<p>Baseline surveys completed for at least 10 priority sites.</p> <p>Awareness of the values of biodiversity and the nature of threats and drivers raised among local communities within at least 10 priority sites.</p> <p>Threat levels to at least 15 priority sites reduced through locally relevant conservation actions implemented by local communities.</p> <p>Conservation incentives (ecotourism, payments for ecosystem services, conservation agreements, etc.) demonstrated for at least 5 priority sites.</p> <p>At least 75 percent of local communities targeted by site-based projects show tangible wellbeing benefits.</p>	<p>Active and pipeline grants propose to undertake biodiversity surveys of 16 priority sites.</p> <p>Active and pipeline grants propose to raise awareness among long communities at 18 priority sites.</p> <p>Active and pipeline grants propose to reduce threat levels at 2 priority sites: Vanikoro and Nendo in the Solomon Islands.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 2: Biodiversity conservation integrated into local land-use and development planning.</p> <p>\$1,000,000</p>	<p>Ownership and tenure rights within customary lands mapped for at least 5 priority sites.</p> <p>At least 10 communities affected by incompatible development projects provided with legal training and support.</p> <p>At least 3 partnerships catalyzed between civil society organizations and natural resource companies to promote sustainable development through better environmental and social practices.</p>	<p>Active and pipeline grants propose to map ownership and tenure rights at 1 priority site: Mount Maetambe - Kolombangara River in the Solomon Islands.</p> <p>No progress to date.</p> <p>No progress to date.</p>

	Biodiversity and ecosystem service values of at least 5 priority sites integrated into local land-use and/or development plans and policies.	No progress to date.
<p>Outcome 3: Priority globally threatened species safeguarded by addressing major threats and information gaps.</p> <p>\$1,200,000</p>	<p>Knowledge of the status and distribution of at least 5 priority species improved through research</p> <p>Species recovery plans developed, implemented and monitored for at least 20 priority species.</p> <p>Science-based harvest management introduced for at least 3 priority species important to local food security.</p>	<p>Active and pipeline grants propose to improve knowledge of the status and distribution of 5 priority species.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Outcome 4: Local and national capacity to conserve biodiversity increased through civil society partnerships.</p> <p>\$2,100,000</p>	<p>At least 5 civil society networks enable collective responses to priority and emerging threats.</p> <p>At least 20 domestic civil society organizations demonstrate improvements in organizational capacity.</p> <p>At least two civil society organizations emerge as national conservation leaders in each hotspot country.</p> <p>At least 30 conservationists demonstrate strengthened capacity in conservation management, science and leadership.</p>	<p>Active and pipeline grants propose to strengthen or establish 7 civil society networks.</p> <p>35 domestic civil society organizations supported through active and pipeline grants are expected to demonstrate improvements in organizational capacity.</p> <p>Active and pipeline grants propose to support 6 organizations to emerge as national conservation leaders:</p> <ul style="list-style-type: none"> • Partners With Melanesians (PNG). • PNG Institute of Biological Research. • Solomon Islands Community Conservation Partnership. • Solomon Islands Protected Areas Network. • Solomon Islands Environmental Lawyers Association. • Vanuatu Environment Advocacy Network. <p>Active and pipeline grants propose to strengthen the capacity of at least 104 conservationists in conservation management, science and leadership.</p>

<p>Outcome 5: A Regional Implementation Team provides strategic leadership and effectively coordinates CEPF investment in the East Melanesian Islands Hotspot.</p> <p>\$1,500,000</p>	<p>At least 40 civil society organizations, including at least 30 domestic organizations actively participate in conservation actions guided by the ecosystem profile.</p> <p>At least 80 percent of domestic civil society organizations receiving grants demonstrate more effective capacity to design and implement conservation actions.</p> <p>At least 20 civil society organizations supported by CEPF secure follow-up funding from conservation trust funds and/or the GEF Small Grants Programme.</p> <p>At least 2 participatory assessments are undertaken and lessons learned and best practices from the hotspot are documented.</p>	<p>34 civil society organizations, including 17 domestic organizations, have been awarded CEPF grants or have applications in the pipeline.</p> <p>Baseline civil society tracking tools have been completed by 7 domestic civil society organizations receiving grants or sub-grants.</p> <p>No progress to date.</p> <p>No progress to date.</p>
<p>Strategic Funding Summary</p>	<p>Amount</p>	
<p>Total Budget Amount</p>	<p>\$9,000,000</p>	