



**INSTITUTIONAL ASSESSMENT
TO INFORM THE DESIGN OF A
WORLD BANK PROJECT IN
SUPPORT OF THE OBJECTIVES
OF THE CRITICAL ECOSYSTEM
PARTNERSHIP FUND**

Assessment Report

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Contents

1. Introduction	1
1.1. Background	1
1.2. Assessment Objectives and Scope.....	2
1.3. Methods.....	2
1.4. Roadmap for the Assessment.....	3
2. Effectiveness and Sustainability of Results	3
2.1. Mediterranean Basin Hotspot	3
2.1.1. Introduction	3
2.1.2. Investment strategy and implementation effectiveness	5
2.1.3. Outcomes and impact	8
2.1.4. Sustainability	14
2.2. Madagascar and Indian Ocean Islands Hotspot	15
2.2.1. Introduction	15
2.2.2. Investment strategy and implementation effectiveness	16
2.2.3. Program results	21
2.2.4. Outcomes and impact of Phase I (2001–2006)	24
2.2.5. Sustainability	25
2.3. Atlantic Forest Hotspot.....	26
2.3.1. Introduction.....	26
2.3.2. Investment strategy and implementation effectiveness	26
2.3.3. Outcomes and impacts.....	27
2.3.4. Sustainability	28
3. Institutional Effectiveness.....	30
3.1. Technical and Administrative Performance	31
3.1.1. CEPF Secretariat.....	31
3.1.2. Regional Implementation Teams.....	38
3.2. Strengthening Civil Society in the Hotspots	43
4. Efficiency	47
4.1. Secretariat Costs.....	48
4.2. RIT Costs	51
4.3. Comparison with Other Similar Partnerships/Programs	53
5. Conclusions and Recommendations for the World Bank	56
5.1. Conclusions.....	56
5.2. Recommendations to the World Bank for Final Investment to the CEPF	61

1. Introduction

1.1. Background

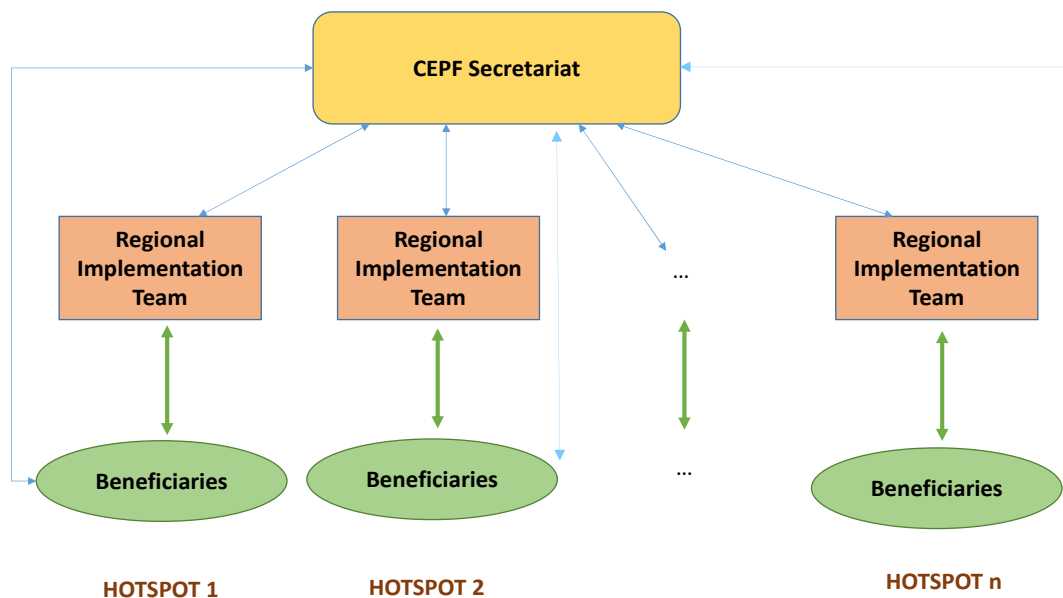
Founded in 2000, the Critical Ecosystem Partnership Fund (CEPF) is a joint initiative of l'Agence Française de Développement (AfD), Conservation International (CI), the European Union (EU), the Global Environment Facility (GEF), the Government of Japan (GoJ), the MacArthur Foundation, and the World Bank.

The CEPF's main objective is to strengthen the involvement and effectiveness of civil society in contributing to the conservation and management of globally important biodiversity and to achieve sustainable conservation and integrated ecosystem management outcomes. CEPF investments are made in developing and transitional countries, where millions of people are highly dependent on the natural resources and ecosystem services hotspots provide. The Fund invests in biodiversity hotspots, a conservation prioritization concept based on high levels of endemism and threat.

Over the past 16 years, the CEPF has invested in 24 ecosystem hotspots globally, providing financial support to about 2000 grantees, mostly civil society organizations. They are the implementing partners and ultimate beneficiaries. The duration of hotspot investments ranges between three and eight years, with most hotspots receiving five-year investments. Investments in 15 hotspots have been concluded; nine are still active.

The CEPF has a three-tiered institutional structure that guides decision making and the flow of funds, as shown in Figure 1 below.

Figure 1: Institutional Structure of the CEPF



Source: Adapted from the Terms of Reference for this assessment; see Appendix A.

The Secretariat of the CEPF provides strategic and financial management for the program, oversees Regional Implementation Teams (RITs), and administers grant resources on behalf of the partnership. RITs are located in hotspots and liaise with the CEPF Secretariat and serve the ultimate beneficiaries (referred to as grantees throughout the report) at the local hotspot level both administratively and technically.

Since 2001 a total of US\$270 million has been donated to the CEPF by donors such as the AfD, CI, the EU, the GEF, the GoJ, the McArthur Foundation, the World Bank, and regional donors. The World Bank served as the fiduciary agent for the GEF and currently serves as fiduciary agent for the EU and the GoJ.

Assessment Objectives and Scope

This assessment has been commissioned by the World Bank in its role as the fiduciary agent for some of the Fund's key donors. In particular, the World Bank has been requested to process an additional US\$15 million from the GoJ as financial support to the CEPF and decided to conduct this institutional assessment to inform the design of a World Bank project channeling this additional contribution from the GoJ in support of the objectives of the CEPF. The specific objectives of the institutional assessment are to:

- Provide an independent and impartial assessment of the effectiveness, efficiency, and equity of the use and flow of CEPF resources in support of the project/CEPF objective; and
- Identify opportunities for enhancing the delivery and sustainability of conservation outcomes supported by the CEPF over the next three years.

This assessment is not intended as a comprehensive, program-wide evaluation of CEPF but rather has been conducted to help inform the design of a new World Bank project. That said, it is hoped that this assessment provides insights and lessons that may be more broadly useful for the CEPF program moving forward.

1.2. Methods

This assessment drew on primary and secondary sources of information and used quantitative and qualitative analytical methods to respond to the key questions. Data collection included: (1) a thorough desk review; (2) interviews with CEPF Secretariat staff members of the Donor Council and Working Group; RITs and the World Bank task team; and (3) in-depth fieldwork in three hotspots: the Mediterranean Basin (closing in 2017 and selected for re-engagement); Madagascar and Indian Ocean Islands (ongoing investment); and the Atlantic Forest (closed investment).¹

¹ These hotspots were specified in the Terms of Reference for this assessment (provided in Appendix A).

Nearly 150 stakeholders were consulted to inform this assessment, the majority of whom were RIT staff and grantees; Appendix B provides a list of all stakeholders consulted. The assessment's Approach Paper (February 2017) gives more detailed information on data collection and analysis methods used in this assessment; Appendix C provides an extract of those methods, as well as the assessment matrix from the Approach Paper.

1.3. Roadmap for the Assessment

The remainder of this report is organized into four main sections:

- **Section 2** discusses CEPF's effectiveness in achieving outcomes and sustaining results, through the lens of three hotspots.
- **Section 3** presents findings related to the institutional effectiveness of CEPF, including the performance of the CEPF Secretariat and RITs in executing their technical and administrative functions, and the effectiveness of the institutional structure in promoting the strengthening of civil society for conservation benefits.
- **Section 4** addresses questions of efficiency, including findings on CEPF's costs and a comparison of those costs to other grant-making organizations.
- **Section 5** provides the overall conclusions and recommendations for the assessment.

The main body of the report is followed by appendices that provide the Terms of Reference (Appendix A); a list of all stakeholders consulted (Appendix B); more detailed information on data collection and analysis methods used in this assessment (Appendix C); and supporting information and evidence for the assessment (Appendix D).

2. Effectiveness and Sustainability of Results

This chapter addresses issues of how effectively hotspot investment strategies and grants have been implemented, how effectively conservation results have been achieved, and how sustainable the observed results from completed CEPF-funded activities are. These issues are considered through an in-depth review of three hotspots: the Mediterranean Basin, Madagascar and Indian Ocean Islands, and the Atlantic Forest.

2.1. Mediterranean Basin Hotspot

2.1.1. Introduction

The Mediterranean Basin hotspot is considered the second largest hotspot in the world (see Figure 2). It covers more than 2 million square kilometers. Priority areas reach from Cape Verde and North-Africa (Morocco to Libya) to the Balkans (along the Adriatic Coast) and the Middle-East (Lebanon/Jordan). Since 2013, CEPF has provided 106 grants to nongovernmental organizations (NGOs) working in 12 countries.

Figure 2: Mediterranean Basin Hotspot



CEPF investments in the Mediterranean Basin focus on conservation and development activities in five priority biodiversity conservation corridors² with 50 of the highest priority key biodiversity areas globally. A fundamental goal was to ensure civil society is engaged in biodiversity conservation. The CEPF Donor Council approved of BirdLife International (Cambridge, UK) as the RIT, in partnership with two of its sub-regional affiliates, the Ligue pour la Protection des Oiseaux (LPO/BirdLife in France) and DOPPS (BirdLife in Slovenia).

The first phase of CEPF support to the Mediterranean Basin hotspot is about to be completed (in June 2017) and about three-quarters of final grantee reports are available. The hotspot was approved for re-profiling and a subsequent additional investment by the CEPF Donor Council. This decision originated in the Donor Council approval of the draft strategic framework for phase II of CEPF³ in January 2014. Stakeholders felt that in order for CEPF to emerge as a transformational fund, CEPF had to move beyond the past model of one-off, five-year investments in hotspots. A new eco-system profile was commissioned for the Mediterranean (one of five hotspots identified for re-profiling at the time). The

² Originally six corridors were targeted: South-West Balkans, Cyrenaican peninsula (Libya), Wetlands Algeria and Tunisia, Atlas mountains (Morocco), Taurus mountains (Turkey) and Orontes valley (Lebanon). Programs in Turkey did not obtain the required approval of the GEF focal point.

³ Confronting the Biodiversity Conservation Challenge: CEPF Phase III (2014 – 2023). CEPF/DC24/5

profile was informed by evaluative lessons learned from the 2015 Mid-term Assessment⁴ and by a review on a Long-term Vision for the Balkans carried out in 2015.⁵ Both documents played a key role in the support of the Donor Working group in 2016 for reinvestment in the Mediterranean Basin.

The evaluation team visited two sites in the hotspot, the south-west Balkans (Montenegro and Albania) and Tunisia. These places have a high concentration of projects (close to 25 percent of total), offer diverse socio-economic and political settings, and have differing performances in the 2015 internal mid-term assessment (with overall good performance in the Balkans and relatively slow take-off in Tunisia).

2.1.2. Investment strategy and implementation effectiveness

2.1.2.1. Portfolio alignment, relevance, and equity

The grant portfolio is well aligned with the Mediterranean Basin Ecosystem Profile and relevant for a number of International Conventions signed by most governments in the regions⁶. Conformity with national governments was confirmed in multiple meetings and interactions by CEPF with representatives of national governments in the region. In general, the Ecosystem Profile is of high quality but is widely considered as highly ambitious in its scope and range of proposed interventions by stakeholders consulted during the assessment, such as government officials and major NGOs in Tunisia and the Balkans, as well as by members of the Mediterranean CEPF/RIT team. Investment grants in this hotspot were guided by three strategic directions (SDs):

1. Promote civil society involvement in Integrated Coastal Zone Management to minimize the negative effects of coastal development (SD1—36 percent of all grants);
2. Establish the sustainable management of water catchments and the wise use of water resources (SD2—24 percent); and
3. Improve the conservation and protection status of 44 priority key biodiversity areas (SD3—40 percent).

Allocations are in line with grant distribution targets. A larger proportion of the grants are targeted toward the Balkans (US\$3.9 million), compared with North Africa and Cape Verde (US\$3.5 million), and the Middle East (US\$1.1 million). While there are some areas of high concentration of grants, many grants are spread out. There are also a number of sub-regional projects, particularly in Northern Africa,

⁴ Mid-Term Assessment (June 2012 – May 2015) of CEPF Investment in the Mediterranean Basin Hotspot. Final Version. October 2015. CEPF. RIT Mediterranean Basin.

⁵ Long-Term Strategic Vision for Graduating Civil Society from CEPF Support in the Balkans, Mediterranean Basin Biodiversity Hotspot. Dec. 2015. Mojmir Mrak and Milan Ružić. CEPF. Ljubljana. Sloveni.

⁶ International Conventions include the Barcelona Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean, especially the Specially Protected Areas (SPA) and Biodiversity Protocol (1995), the Bern Convention on the Conservation of European Wildlife and Natural Habitats, and the Agreement on the Conservation of Cetaceans in the Black Sea, the Mediterranean Sea and Contiguous Atlantic Area (ACCOBAMS).

mostly managed by the larger international NGOs that often offer cross-country diagnostics and opportunities for regional and sub-regional networking.

The Mediterranean Basin hotspot has a relatively high number of small grants, and serves mostly national NGOs. As shown in Table 1, small grants are 57 out of 106 total, even though they cover only 10 percent of the grant volume— a small share. National NGOs receive the bulk of grant funding, and several of the grants to international NGOs include subgrants to national organizations or transfers to national beneficiaries. Two-thirds of international NGOs are based in the northern part of the Mediterranean, which helps strengthen regional cooperation, support, and mentoring.

Table 1: CEPF Mediterranean Grants (2013–2017): Number and Volume by Grant Size and NGO Status

	Number	Grant Total (US\$)	Percent of Total	Average Grant Size (US\$)
Large Grants	49	7,978,472	90.1	162,826
Small Grants	57	880,933	9.9	15,455
International NGOs	26	3,510,120	39.6	135,005
National NGOs	80	5,349,285	60.4	66,866
Total	106	8,859,405	100	83,579
RIT (BirdLife)	2	2,109,092		
Total (including RIT)	108	10,968,497		

Source: Data provided by the Mediterranean Basin RIT, BirdLife International.

2.1.2.2. Overall implementation performance (RIT and CEPF Secretariat)

Overall implementation performance in the Mediterranean RIT was found to be satisfactory. Based on the review of multiple internal and published performance reports, aggregate and grant specific, as well as interviews, opinions, and ad hoc data gathering during the field visit, this assessment can confirm the main statement from the latest RIT Annual Portfolio Overview of July 2016⁷ that “most of projects are on-track and reaching their objectives—even if a general trend has been over-optimism from grantees in terms of timing.” This was also the main conclusion from the program mid-term assessment (2015)⁸ that produced an informative and frank report analyzing reasons for different performance in sub-regions and grants. The review process was consultative and included a broad stakeholder survey and meetings of country teams.

Grants may not all be well-performing and produce planned results on time, but the RIT team and CEPF Secretariat’s Grant Director are aware of strengths and weaknesses in the portfolio and pro-

⁷ Annual Portfolio Overview. Fiscal Year 2016. Covering July 2015 to June 2016. CEPF Mediterranean RIT. 2016.

⁸ Mid-Term Assessment (June 2012 – May 2015) of CEPF Investment in the Mediterranean Basin Hotspot. Final Version. October 2015. CEPF. RIT Mediterranean Basin.

actively address problems as they occur. Some grants suffered from political problems (such as in Libya), others from incompetence or inexperience of implementing NGOs, which is not unexpected in a portfolio of this size. But in general, many grants are performing well, and even some of the early laggards in North Africa have recently been picking up on outputs and outcomes, as confirmed through this assessment.

The RIT and the CEPF Secretariat performed most of their technical functions well, including doing a reasonable job on monitoring and evaluation (M&E) within the constraints of the multiple grant types, outputs, and constituents, as well as non-automatic aggregation systems. RIT and CEPF support was found as regular and of satisfactory quality in terms of grant administration, regular supervision, administrative and programmatic support of grantees and communication; this assessment was based on interviews with grantees, internal CEPF/RIT document review, and stakeholder comments from the mid-term assessment comments. Between 2012 and 2015, the team went through eight calls for proposals, receiving close to 400 letters of interest.

In terms of M&E, many efforts are made by regional program officers and the RIT to keep track and report on progress and learning. Regional learning events were organized. Updated progress on conservation results and NGO institutional progress reports exist for most grants, although not in aggregate form, and there is no automatic system of monitoring progress and impact. Overall hotspot progress against RIT logframe targets is reported at least once a year in the Annual Portfolio Overview. Toward the end of the program, the RIT team started to work closely with grantees to ensure the consistency of data provided in final reports by defining a standardized approach and a practicable monitoring data management system in Microsoft Excel. This included assessment of impacts on biodiversity and protected areas (where a coherent table was produced), as well as some tracking of networks and partnerships and policies influenced (but only with about 10 grants reporting). An informative summary paper was produced on impact on biodiversity of the Mediterranean Portfolio in 2016⁹ (see below in the outcomes section).

The CEPF Secretariat/RIT team has done some good work in institution-building, networking, and support for small grantees and emerging NGOs. Where necessary, grant candidates are supported by the RIT to formulate the final grant proposals in line with specific requirements, once their expressions of interest have been accepted by CEPF. Cooperation between NGOs in a country or sub-region is encouraged. There are many contacts during regional seminars, workshops, trainings and study tours—a number of these events are financed through small grants. They are well documented and to some extent exemplified in the context of the mid-term assessment of this regional program in 2015 and elsewhere (e.g., internet, social media, detailed event reports). The mid-term assessment was highly participatory, with high response rates for stakeholder and grantee surveys. The preparation of the updated Ecosystem Profile also involved a participatory approach. The RIT has published informative

⁹ Special report: Update on Impact on Biodiversity of the Mediterranean Portfolio. CEPF. Mediterranean Basin Hotspot. December 2016.

and sometimes high-profile papers¹⁰ on grant activities and impact, and both the CEPF program director and the RIT maintain close contact with regional CEPF donors and other funders in the Mediterranean.

The RIT team is composed of four senior staff, plus two support staff. All CEPF and RIT staff consulted during the assessment offer strong technical expertise with backgrounds in biology and conservation. They are motivated and interested in the cause of conservation. The RIT team consists of a full-time team leader based in Cambridge, UK, supported by part-time administrative (for small grants), financial, and communication officers (also in Cambridge, UK; for part of the investment a communication officer has been based in Amman, Jordan), and three sub-regional program officers responsible for the Balkans, North Africa and Cape Verde, and the Middle-East respectively. All program officers are full-time except for the Middle-East program officer who works part-time on the program. They are well organized and responsive (e.g., providing available documentation readily); collaboration is cordial and without major conflicts. The team has had continuity since 2014, when the RIT team leader and CEPF Grant Director changed; all program officers have been supporting the RIT since the beginning.

Programme Officers carry out all the safeguard and procurement monitoring/grantee support for both large and small grants (and review at the application stages). Programme Officers contributions are double checked by the Team Leader and Administrative Assistant (for small grants) and the Team Leader, Grant Director and Grant Manager (for large grants). Regarding financial matters, a finance officer and legal team in Cambridge support the RIT on small grants supervision, as well as for the RIT grants (administrative and programme level budgets).

2.1.3. Outcomes and impact

2.1.3.1. Overall effectiveness

The biodiversity and conservation agenda is clearly advanced in regional, national, and local contexts, and a main program impact is in institutional support and networking. The RIT, and particularly the sub-regional program officers, play an important regular advisory role for NGOs and public officials (e.g., as observed in Montenegro), but also in bringing NGOs together around local conservation issues (e.g., pelicans, turtles, other endangered bird species, cross-border lake development, eco-tourism strategies, marine protection legislation and declaration in Tunisia). In several places visited by the Assessment Team, there was a strategic selection of grants for NGOs around complementarities, to generate concentration of efforts and synergies. Early grants in the hotspot program cycle were more geared toward getting the program going, focusing on larger grants, preferably with experienced NGOs; later

¹⁰ This includes a report that highlights lessons learned on innovative approaches from 7 CEPF-funded projects. Local solutions for nature conservation. Lessons from the Mediterranean; 11 newsletters produced as a tool for communicating results, fostering the networking and sharing experiences; several videos to communicate results with the broader conservation community; and a web-document with an interactive map and descriptions of all projects, an overall portfolio description, and lessons learned on a selection of projects from the three sub-regions. <http://www.spnl.org/cepf-mediterranean-basin-storymap-the-spice-of-life/>

there was more focus on impact on the ground and smaller NGOs. Quality of selection reportedly increased with experience gained over time; there was a steep learning curve.

The 2015 mid-term assessment¹¹ identified the following as main program assets: support to 26 protected areas at the time, specific grants to extend the knowledge base (ranging from species specific or on broader topics such as Integrated Coastal Zone Management), and some, but scattered socio-economic impacts. But the main program impact was seen on supporting stronger national NGOs and building a regional NGO network. This finding was reiterated by other partners interviewed (i.e., European Commission and World Bank officials in Tirana).

Specific conservation outcomes in the Mediterranean Basin hotspot were summarized in a report released in December 2016.¹² The report provides detailed summaries of program impacts of (i) scientific research on species biology or ethology (e.g., monk seals, wild grapes, Egyptian vultures), of (ii) species focused conservation projects, such as the Dalmatian pelican, barbary macaque or native Moroccan trout, and various plant species, and of (iii) the impact on creation and expansion of protected areas and improved management of key biodiversity areas.

Concrete impact and results and their multiple underlying factors are often best visible during visits in the field. Four brief examples from the Assessment Team’s Mediterranean field visits are presented in the textbox below: protection efforts in the cross-boundary Lake Skadar (between Montenegro and Albania); the attempt to analyze and strategize Integrated Coastal Zone Management in North-West Tunisia and to start community work on the ground; and the highly effective and publicized work by one of the oldest and by one of the youngest conservation NGOs in Tunisia, the Association des Amis des Oiseaux (AAO—Friends of Birds), founded by relatives of then President Bourguiba in 1975, and the association Notre Grand Bleu, founded by a group of divers in 2012.

In addition to site-based observations and data collection during the field visits, this assessment selected 22 grant programs from the Mediterranean hotspot at random, stratified by sub-region and grant size. The purpose was for more systematic assessment of planned and actual outputs and short-term outcomes of individual grants and their impact on the four key indicators of biodiversity, civil society, human well-being, and enabling environment. Reasons for program performance and grant provisions for sustainability were investigated with the help of the program officers and a review of individual grant progress and final reports. It is worth noting that the process of putting this information together was painstaking and difficult, and indicative, to some extent, of the significant efforts the RIT teams go through in aggregating and compiling monitoring information.

¹¹ Mid-Term Assessment (June 2012 – May 2015) of CEPF Investment in the Mediterranean Basin Hotspot. Final Version. October 2015. CEPF. RIT Mediterranean Basin.

¹² Special report: Update on Impact on Biodiversity of the Mediterranean Portfolio. CEPF. Mediterranean Basin Hotspot. December 2016.

This assessment of 22 grant programs yielded the following key findings. **First, often it is not clear how each of the grantees contributes to the larger CEPF impact areas**, due in part to a wide range of short-term outputs and outcomes, although calls for proposals to some extent try to set boundaries. **A related observation was that each grantee usually can only make a small contribution to a larger effort of conservation and protection, and has a limited time frame between several months and a maximum of two to three years, which significantly limits progress and impact to be made in a single program cycle.** Lastly, the grant rationale, results, and activities are generally well defined and regularly reported on; in other words, quality at entry is good.

The small grant program appears to offer most results for the money, although it is highly labor and cost intensive. Compared with the reliability and relative ease of managing many of the large grants, the RIT team and the mid-term assessment point to the relatively high value-added of small grants, partly due to their flexible utilization, and partly due to their institutional support capacity. Small grants are not just used to support small NGOs, but for a whole range of efforts, from specific research support, to funds for NGO networking to emergency grants. A number of the networking activities and regional meetings were financed through small grants to encourage exchanges of experience and foster regional cooperation on Integrated Coastal Zone Management. Small grants were also instrumental for funding of highly urgent or emergency activities, such as on monk seals in Lebanon and a thorough biological research analysis of an area with particularly high biodiversity in Montenegro that is slated for tourism development (Buljarica). In addition, small grants help foster young organizations (with possibly higher risk than more experienced ones).

Examples of Results from Assessment Field Visits

Lake Skadar (Albania and Montenegro)

“Formally conservation results are the numbers (of pelicans), decrease of disturbance; but what really is most important in CEPF: the community approach is different from earlier approaches. It takes a long time, to prove oneself; and the connections made are more important, particularly connections and cooperation between the NGOs. It is the ‘glue’ achieved that matters.” Bjanka

Millions have been spent on conservation efforts on Lake Skadar before, including multi-million dollar GEF and GIZ projects. There is a history of projects of moderate design and poor sustainability. CEPF started with studying what worked and what did not; international experts helped the various local NGOs involved in work on the lake in this assessment (through IUCN and Tour de Valat). One of the main challenges for Lake Skadar is cross-border cooperation. In Montenegro, CEPF promoted concerted efforts to protect the nesting grounds of the rare Dalmatian Pelicans and raise public awareness around biodiversity, ecology and ecotourism based on this emblematic bird. NGOs also helped generate more functional national institutions involvement in the lake (National Museum, National Park Service (patrols)), an enhanced database, and harmonized species monitoring methods and protocols among agencies. The main accomplishment on the Albanian side was to bring all principal actors together: the local fishermen association; Ministry of Environment officials; local authorities and NGOs. As a result, a lake zoning plan was developed that is currently under review by the authorities. Administrative changes in national and local administrations led to some unavoidable delays. The niche of NGOs in this effort is to know the people and their backgrounds and being able to engage them as an ‘honest broker’. There is a lot of momentum at the end of the project but much remains to be done, particularly in involving local authorities and communities and engaging schools and media.

Tunisia

Several CEPF supported grants serve Tunisia’s Northwest Region, including to national NGOs but also grants that work across the sub-region. For instance, the WWF SeaMed project supports Integrated Coastal Zone Management (ICZM), Marine Protected Area planning and community development work in Cape Serrat in Tunisia, helped by a national NGO (Living Planet). Intersectoral diagnostics were done: opportunities and constraints were assessed, legal and regulatory issues were reviewed, and civil associations of the area were mapped. Some of the experience goes back to studies in Morocco and Algeria in similar areas. In addition, another grantee, the Cabinet Sami el Hadj in Bizerte, carried out a good and thorough review of experience with ICZM in North-Africa and developed methodological guides on how to approach it locally. But the program so far has found it difficult to establish actions on the ground, due to many local problems and resistance, as well as weaknesses of national and local counterparts. This has led to some criticism during the assessment mission that there may be too little concrete work from the WWF and other NGOs programs in the Northwest Region, which is in general true. This is certainly a challenge for CEPF.

Another grant, to the NGO Notre Grand Bleu (founded by a group of divers in 2012) has the primary goal to protect the last stable site for sea turtle nesting in the South-Western Mediterranean (about 30 nests) on Kuriat Island on Tunisia’s Eastern coast. At the same time, the NGO works toward the generation of the first Marine Protected Area in Tunisia through advocacy work and political networking. The organization’s work is a prime example of NGO cooperation with national, sub-regional and municipality institutions. During mission visits in the Governor’s and the Mayor’s office in Monastir the two officials confirmed their strong support for the NGO and asserted that NGOs have a main role to play in conservation, not only as advocates or in surveillance and control, but also as moderators to help develop participative strategies and to bring ‘passion’ to a cause.

As part of its program Notre Grand Bleu carried out rat eradication programs on the island* and it supports a center of turtle care in Monastir where in 2016 35 turtles were saved. It also helps students in biological studies at a local university (Sfax). NGB is working with fishermen, tour operators, and scientists to apply turtle friendly fishing hooks and eco-touristic products. Results are measured scientifically and anecdotally, and Notre Grand Bleu’s impact already reaches beyond the sub-region.

* These programs triggered safeguards on pest management (OP 4.09).

How Small Grants Have Supported Biodiversity Conservation in the Mediterranean Basin

Small grants have been used to cover a range of activities with varying outputs. Small grant activities have given the opportunity for local NGOs to directly engage with local communities, associations and municipalities to raise awareness and gather feedback (e.g., in Morocco working with local farmers to identify forest areas for the conservation of the barbary macaque).

Small grantees have also been able to mobilize volunteers and staff relatively quickly and for labor intensive tasks, often to be carried out imminently and in short time-frames. This includes site-level monitoring (e.g. water-bird monitoring in Libya, Libyan Society for Birds), and data gathering (e.g. economic and ecological assessment of ecosystem services for a lagoon KBA in Albania). A small grant also supports pilot activities, such as a green fodder project in Jordan to prevent grazing of plants in the KBA and to support local community.

Small grants have responded to specific needs and gaps in the portfolio. Some have allowed a former small grantee to implement a second phase of an initial CEPF project so build upon results or expand on pilot activities, for instance a small grant to the Society for Cave Biology that allowed to expand their scientific investigation of an endangered species of cave salamander to other countries in the Balkans and to enhance their understanding of the complex nature of the underground karst systems.

Small grants were also used to facilitate exchanges between organizations, to share best practices, expand networks and build capacity, such as in Libya where it is difficult to implement on-the-ground work. Small grants have also been used to foster collaboration. In Montenegro, a small grant was issued by the RIT to gather CSOs to discuss a key issue of Skadar Lake, and as a result large grants were awarded to address the needs identified in the workshop.

Emerging issues are a key area where the speed of the small granting mechanism is clearly of advantage. For instance, the Montenegrin Ecologists Society started a small grant project to avert emerging threats on the Buljarica KBA as there was an imminent development plan being drawn up for the site. A report was created that contained a detailed analysis of the flora and fauna on the site, including many rare amphibians. This was presented to the municipality in time for the plans to be approved and ultimately led to the protection of the site for 5 more years.

2.1.3.2. Enabling and constraining factors for results

The detailed review of factors that enabled and constrained results and positive conservation and institutional outcomes in the 22 sample grants produced several recurring themes. Devoted and reliable grantees and project managers are widely seen as the most relevant factor for successful performance, including the presence of voluntary work. Positive relationship and cooperation with other NGOs, civil society organizations (CSOs), academia, and local government invariably led to positive results. Linking experience from other countries with local NGOs and CSOs was also found to be useful, often through longer-term institutional links and joint work programs between international and national NGOs (with several examples in the Balkans and Tunisia involving the International Union for Conservation of Nature (IUCN), Tour de Valat and the Association Tunisienne des Ingénieurs Agronomes). And lastly, the flexibility of grants and the RIT to adjust to changing circumstances and make necessary amendments to the grants was seen as essential, particularly given the variability and rapidly shifting political landscapes uncertainty in many countries in the region.

Various factors limited the achievement of planned results, most prominently among them overly ambitious agendas, NGOs trying to cover too many topics or execution sites, insufficient grantee

experience, and a weak enabling environment, with sometimes highly deficient park services, public authorities and governments, local support and non-cooperative communities. A particular reason for slowness in producing results was the inherent or location-specific lengthiness of processes related to Integrated Coastal Zone Management. The mid-term assessment also pointed out that it takes time to build capacity of local civil society organizations to play an effective role in complex land-use planning exercises and that work at the local level is a prerequisite for such organizations to gain legitimacy and experience.

Where NGOs work closely with local and national authorities and other political forces, activities tend to move ahead with better results. The turtle island project in Tunisia (Kuriat) involved many local parties, including the Mayor and the Governor's office. Success in maintaining 350 hectares of ecosystem in the Ulcinj Salina in Montenegro hinged critically on broad political coalition building, including lobbying for international efforts with the European Parliament.

Critical ecosystem protection commonly faces strong pressures from commercial area development, private investors and companies, and encroachment from certain elements in local communities—and government support is often diffused. Transitional environments, such as in the Balkans and Northern Africa, commonly do not bode well for prioritization of nature conservation objectives viz-à-viz large vested interests, including hunting and, particularly, investments in real estate and property development. Respect of law, law enforcement, and application of best practices are not widespread. CEPF in Montenegro supports among others an anti-corruption NGO (Mans—associated with Transparency International) with a targeted grant for enhancing public regulatory frameworks, controls and inspections, and particularly for better follow-up by police and courts on environmental violations.

Conflicting viewpoints among government ministries, and poorly defined or overlapping jurisdictions and administrative responsibilities of various public entities are also common challenges. For instance, in Tunisia the Agency for Coastal Protection (APAL) is in charge of marine areas and the Forest Department has jurisdiction of coastal forests, which often are part of Marine Protected Areas and biotopes.

Conflicts of interest within communities can slow down or block the best efforts by NGOs to sensitize and mobilize communities. In a number of cases, conflicts were encountered in CEPF projects between local community interests in development versus conservation—often related to vested local commerce or power structures. In Northern Tunisia World Wildlife Fund (WWF) and other associated NGOs have been working to de-escalate community conflicts, including the recruitment of specialized local NGOs for conflict resolution (Cape Negro), with some success.

Eco-tourism development has been a major feature of many grants in the Mediterranean. Eco-tourism and valorization of critical ecosystems is clearly an integral part of ecosystem management, and many CEPF-supported grants in the Mediterranean have made strong and often innovative efforts in initiating the process of strategy development and awareness building around eco-tourism, defining specific products and rallying key actors. Yet eco-tourism development is a long and complex process, often involving formidable legal, administrative, and business hurdles. It is not yet well established in the regions covered by the RIT, and some grantees may not have sufficient technical background (although

occasionally external technical expertise was built into the grant). In this context, some stakeholders interviewed by the Assessment Team felt that CEPF's attention should remain strongly focused on building institutional networks around strategic biodiversity priority areas rather than around general and often complex environmental and eco-economic aspects. The latter may be better addressed through strategic partnerships with more development-oriented agencies and complementary technical grants.

2.1.4. Sustainability

The time horizon of four years of effective grant implementation in the Mediterranean Basin has been short for achieving major lasting impact and institutional sustainability. Many grants operate in even shorter periods. A similar point was already raised in the 2010 CEPF evaluation. Many grants are incomplete in their work, particularly those related to long-term community involvement and development, such as eco-tourism. Or they may need to be carried forward to not lose gained benefits, as in the case of critical species protection that require long-term surveillance. Often there is also little prospect to graduation from initial NGO involvement to more infrastructure and service provision programs without major continued presence, work and advocacy (e.g., in Lake Skadar). Many grants would clearly benefit from complementary or follow-up activities that depend on future funding and interest by sponsors.

The updated ecosystems profile for the Mediterranean Basin has taken into consideration the need for consolidating certain activities. Specifically, consolidation is planned for activities on Integrated River Basin Management and protection of rivers and freshwater biodiversity; as well as for Integrated Coastal Zone Management (ICZM), in particular through strengthening partnerships between civil society and local governments. Continued support for expanded protected area networks will emphasize innovative protection schemes, such as micro-reserves, locally managed protected areas and private reserves.

Visited NGOs have strengthened their conservation capacity and capacity to collaborate with other partners as a result of the CEPF program but funding remains a problem. Self-financing and cost-recovery mechanisms—if they do exist—rarely can substitute for public support to a public good. A number of CEPF grantees encountered during this assessment have multiple sponsors and are likely to carry forward their activities with or without future CEPF assistance. But the reality in the Mediterranean Basin is also that for various reasons sources of public conservation funding are getting scarcer, and many NGOs are not yet well equipped to embark on major fundraising initiatives. For instance, the European Commission and MAVA (Fondation pour la Nature) are reducing support in the Balkans, and national public or private funding is only slowly forthcoming. A 2015 study on graduation of CEPF in the Balkans¹³ came to the logical conclusion that due to major funding constraints—even for capable NGOs—and mounting development challenges CEPF, should apply a gradual withdrawal model

¹³ Long-Term Strategic Vision for Graduating Civil Society from CEPF Support in the Balkans, Mediterranean Basin Biodiversity Hotspot. December 2015. Mojmir Mrak and Milan Ružič. Ljubljana, Slovenia.

from the region, with two consecutive phases, a “strengthening phase” from 2016–2020, followed by a five-year consolidation phase “toward phasing-out.”

The 2015 grantee and stakeholder survey was informative on sustainability; grantees focused on a need for continued institutional support for NGOs in the region. As one stakeholder is quoted in the report: “The conservation of critical ecosystems is not a question of a program that starts and ends in a given period. CEPF must register in the long term if we want a real impact on the world of natural heritage. CEPF must remain, in my view, a permanent international institution.” The reality is that many grantees still feel too isolated and left alone, particularly in effectively dealing with governments and with fundraising from donors that they regard as often too specific in their requests, too complicated in their formalities and too short-term oriented. Social networks help, but may not be sufficiently reliable and institutionalized. A more regular regional coordination Secretariat for NGO conservation and biodiversity activities was called for (i.e., “feedback highlighted the lack of regional platforms which would cater for the overwhelming willingness of organizations to collaborate and share experiences”).

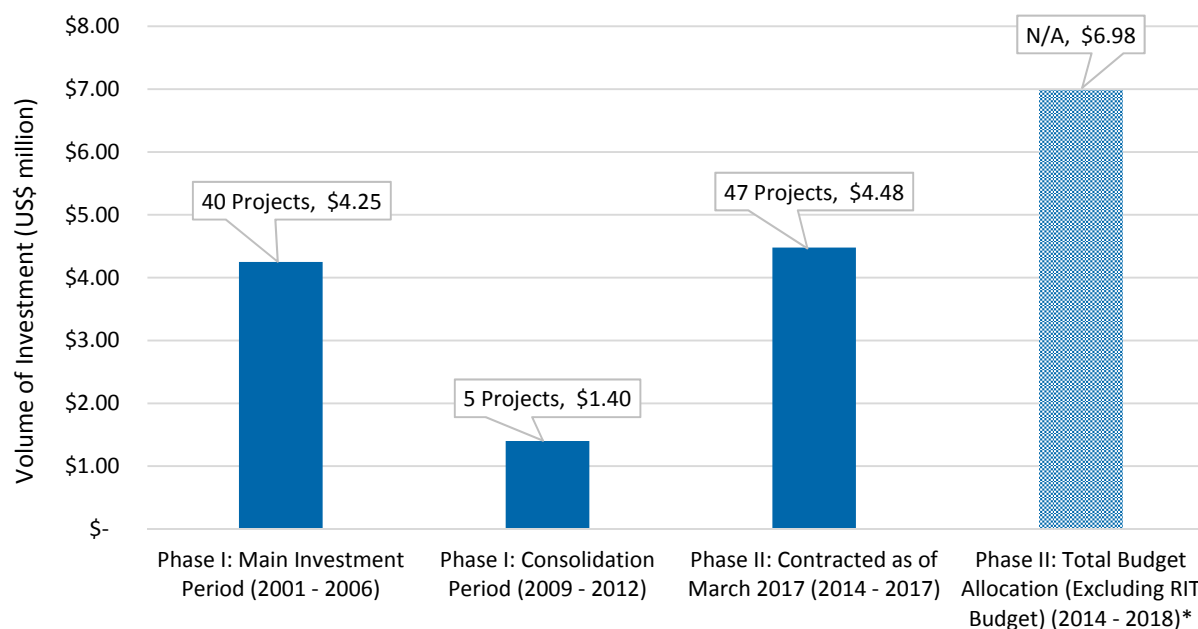
CEPF has often been catalytic in embarking on specific activities that NGOs may or may not be capable or interested in pursuing further themselves. In some cases, CEPF may stay interested in supporting certain activities, particularly as they relate to concerted and synergistic efforts of high conservation and sometimes symbolic value. It appears fortunate that under these circumstances CEPF has decided to carry forward and consolidate many of its successful programs in the Mediterranean in a multi-cycle approach, while at the same time embarking on new directions, by better defining the key biodiversity areas and expanding into other landscapes and a wider range of species, plants, invertebrates and mammals.

2.2. Madagascar and Indian Ocean Islands Hotspot

2.2.1. Introduction

The Madagascar and Indian Ocean Islands (MADIO) hotspot has often been considered a priority among hotspots, because of its extreme diversity and of the distinct evolutionary mechanisms related to the isolation of the hotspot. The area also qualifies as a hotspot due to a high level of degraded natural ecosystems which are threatened. From 2001 to 2006 CEPF invested a total of \$4.25 million for 40 grants in the Madagascar portion of the MADIO biodiversity hotspot, the first CEPF hotspot ever supported (Figure 3). This was followed by a consolidation phase between 2009 and 2012 of about \$1.4 million after being delayed due to political events in Madagascar. The consolidation phase covered 5 projects, including the NODE small grants program. CEPF phase II started in 2014, after a new Ecosystem Profile was completed in January 2014. Since 2014 CEPF has so far provided another 47 grants to NGO work in four countries, Madagascar, Mauritius, Comoros and Seychelles, with a total investment of close to \$4.5 million.

Figure 3: CEPF Madagascar Grants: Number and Volume by Phase



Source: Data provided by the Madagascar and Indian Oceans RIT, Tany Meva.

The MADIO hotspot offers the opportunity to look at the evolution of CEPF’s work and investment strategies, as well as some longer-term outcomes and impact. The hotspot offers some of the latest CEPF philosophy and strategy as a learning institution. Phase II is characterized by a relatively small but diverse program, the strategic identification of the CEPF niche, and strong support for local NGOs, including the choice of Tany Meva, a national NGO, for the RIT.

This assessment focused on interviews in Antananarivo with NGO participants working in Phase I and II and visited field sites in Northern Madagascar selected for their concentration of activities, intended synergy and partnerships, representing two larger and one small grant, and being well accessible. For this reason the findings are somewhat limited to CEPF investments in Madagascar.

2.2.2. Investment strategy and implementation effectiveness

2.2.2.1. Ecosystem Profile and strategy

The new MADIO Ecosystem Profile¹⁴ of 2014 comprises 10 investment priorities, grouped under four strategic directions:

1. Empower local communities to protect and manage biodiversity in priority key biodiversity areas.

¹⁴ Ecosystem Profile. Madagascar and Indian Ocean Islands. Final Version. December 2014. Prepared by Conservation International. CEPF. Arlington, Va. USA.

2. Enable civil society to mainstream biodiversity and conservation into policy making and business practices.
3. Strengthen civil society capacity at national and regional levels through training, exchanges and regional cooperation.
4. Provide strategic leadership and effective coordination through the regional implementation team.

Specifically, investments are supposed to foster national organizations and their management and fundraising skills, as well as the emergence of a conservation community beyond institutional and political boundaries; the dissemination of research and biodiversity information to influence political and economic decision-makers; and partnerships with private sector stakeholders to promote sustainable practices. Compared with the broad six strategic directions¹⁵ that guided grant-making in the hotspot in Phase I—and that were not necessarily that different at first sight—the phase two report is clearly more focused and strategic.

This assessment found the ecosystem report widely praised by national and international partners in Antananarivo and elsewhere for its extensive technical background, investment analysis and innovative approach proposed for CEPF in Phase II (the full report comprises 200 pages + 70 pages of annexes). The profile was developed in a highly participative manner by CI. According to these interviews CEPF is now going where few other donors go: focusing on ecosystems that have extraordinary biodiversity but so far have been underfunded: the wetlands and freshwater bodies, the dry forests, and coastal and near marine areas, mostly located in the North, North-West Madagascar, totaling 38 priority key biodiversity areas (KBAs) in Madagascar, and on 40 priority KBAs for the islands (see Figure 4). For Madagascar this is different from Phase I investments that often focused on the more popular places and national parks along the Central mountain range and in the East. In this way, CEPF is also supportive of the Madagascar Government’s declared intention at the 2003 World Parks Congress in Durban, carried through to Sydney in 2014, promising to triple the number of newly protected areas, beyond the national parks, and including marine protected areas.

The evolution in strategy toward national organization as one of the trademarks of Phase II is clearly visible in a comparison of grantees (Table 2). The percentage of national grantees increased from about 28 to 42 percent, and a significantly higher number of independent small grantees is served in Phase II (increasing from 10 in Phase I to 20, until now). In Phase I the larger international NGOs such as CI, World Conservation Society (WCS), WWF and BirdLife International had received a large part of available funds.

¹⁵ Phase I strategic directions were (i) integrating local groups and individuals into the management of protected areas and reserves, (ii) private sector conservation initiatives, (iii) biodiversity conservation and management training programs, (iv) public awareness and advocacy, (v) small grants program (Biodiversity Action Fund), and (vi) creation of a participatory monitoring and coordination network.

Figure 4: General Map of the Madagascar and Indian Ocean Islands Hotspot and Madagascar Priority Sites in Phase II (bold borders)

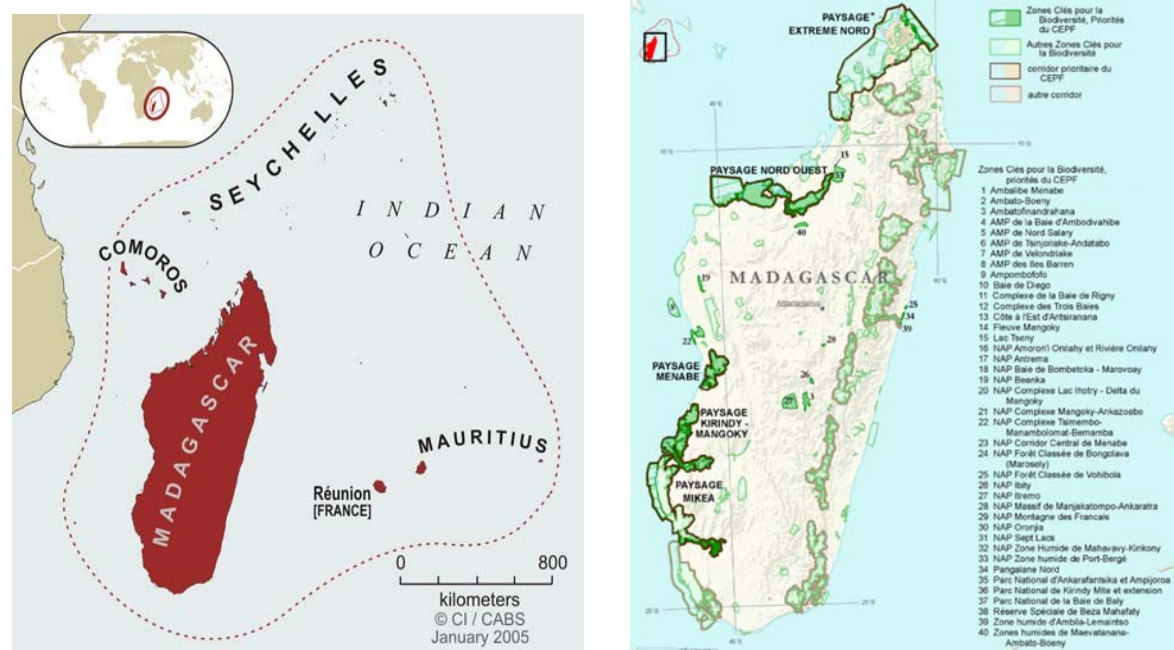


Table 2: CEPF Madagascar Grants: Number and Volume by Phase, Grant Size, and NGO Status

	Number	Grant Total (US\$)	Percent of Total	Average Grant Size (US\$)
MADAGASCAR PHASE I				
Large Grants	34	5,683,646	98.7	167,166
Small Grants	10	77,105	1.3	7,711
International NGOs	30	4,173,246	72.4	139,108
National NGOs	14	1,587,505	27.6	113,393
Total Phase I	44	5,760,751	100	130,926
MADAGASCAR PHASE II (as of March 2017)				
Large Grants	27	4,091,742	91.4	151,546
Small Grants	20	385,642	8.6	19,282
International NGOs	19	2,591,616	57.9	136,401
National NGOs	28	1,885,768	42.1	67,349
Total Phase II	47	4,477,384	100	95,263

2.2.2.2. Overall implementation performance (RIT and CEPF Secretariat)

Overall implementation performance so far in Phase II was found satisfactory. The MADIO RIT and the CEPF Secretariat had a strong start, marred only by some problems in soliciting small grants. Since 2014 there were four calls for proposals and the portfolio is building up fast, with 72 percent of all budgeted funds contracted (including the RIT) and financial targets for FY 2016 were achieved. Small grants are struggling in Phase II in terms of approvals, due partly to the large number of proposals (229) and partly to Tany Meva’s internal procedures that were rather cumbersome and required many review and approval steps. Some changes to the procedures have been proposed and are apparently on the way. Other ways of how to deal with small NGOs and related grants more effectively, and possibly more collectively rather than on a one-on-one basis around grant proposals, are currently being explored.

Table 3: Grant-making Status by Strategic Direction, March 2017

Strategic Direction	Budget Allocation	Contracted Grants			Budget Balance	Percent Contracted
		Total	No. of Large Grants	No. of Small Grants		
SD1 Empower local communities to protect biodiversity	\$3,200,000	\$1,657,372	8	12	\$1,542,628	52%
SD2 Mainstream conservation into political and economic decision making	\$2,275,000	\$2,390,422	17	8	\$-115,422	105%
SD3 Strengthen civil society at local and regional level	\$1,500,000	\$626,800	4	0	\$873,200	42%
SD4 Regional Implementation Team	\$1,500,000	\$1,425,000	1	0	\$75,000	95%
TOTAL	\$8,475,000	\$6,099,594	29	20	\$2,375,406	72%

Source: Data provided by the Madagascar and Indian Ocean Islands RIT, Tany Meva. Dollar values are U.S. dollars.

Notably, most grants so far have gone for strategic direction 2 (SD2) of mainstreaming conservation in public and private sector, such as grants to the university-associated local Vahatra organization, IUCN and several private sector partnerships in Seychelles and Mauritius. SD1 and SD3 are much slower moving, partly due to the way the calls were formulated, but also as it proved to be more difficult to identify capable partners with satisfactory proposals for these activities that are either more oriented toward work with communities on the ground (SD1) or to support strategic civil society capacity building and networking (SD3). For SD1, prioritization of areas of low coverage so far has been somewhat of an obstacle. Regarding civil society support, the team has only recently been starting to prioritize this SD and delays were also due to the problems encountered with the small-grants funding process. While the grant portfolio is not yet fully aligned with the profile’s intentions, work is on the way to balance the

portfolio better. Among others, a dashboard with regularly updated information on grant development is being used by the RIT and the Secretariat to follow up on the portfolio in real time.

In terms of geographical distribution 67 percent of grants (in terms of finance) have gone to Madagascar, 11 percent to Mauritius and Comoros each, and 7 percent to Seychelles. The remaining 5 percent were used for hotspot-wide investments.

The assessment found effective coverage of technical grant supervision and M&E in this early phase of the program by the CEPF Secretariat, including five two-week supervision missions in slightly more than two years of operations. This included a visit to the region by the Grant Manager in early 2016. Supervisions were jointly carried out with the RIT, which also does supervisions of small grants on its own. A review of supervision reports showed a number of common project launching issues and problems that were well followed up. But it is also noted that in spite of a relatively high supervision budgets, resources are barely sufficient due to dispersed projects across the hotspot and high travel costs. Updated progress reports exist for most active grants but they mostly report financial information, activities, outputs and achievements against targets for the previous 6 month period (or 3 months for financial information). There is little in terms of cumulative reporting on performance or results, except on the financial side. This certainly is a short-coming for tracking performance and results from a monitoring or supervision perspective. Nevertheless, some basic portfolio related aggregate information is available. As in the Mediterranean, overall hotspot progress against RIT logframe targets is reported in Annual Portfolio Overviews (the latest one was prepared in July 2016). There has been no serious effort in other areas of M&E, particularly aggregate results reporting, partly as the portfolio is still young, partly due to changes in the team.

The RIT, supported by the Secretariat, has developed a Communication Strategy, which already created a dedicated CEPF website at the regional level, managed by Tany Meva. It also included a bilingual map of the key biodiversity areas of the MADIO hotspot and the production of three quarterly newsletters. Networking in the region received a boost with the first workshop of all grantees organized in February 2017 in Antananarivo. This regional seminar was well attended and a number of presentations on the program and its procedures were shared with all attendants on USB sticks. The diversity of the program team is visible from the group photo. The RIT team has also started to develop close working relationships with other donors and partners, in particular the World Bank in Madagascar, the European Commission in Comoros, GEF focal points, and other major NGOs.

The RIT team is currently composed of four senior full-time staff: the RIT team leader (who joined the team in February 2017 replacing the departed former one¹⁶), two program officers, one of whom has been with Tany Meva for eight months only, and one administrative officer. They are joined by several part-time Tany Meva staff with responsibilities for M&E, finance and accounting, and communication.

¹⁶ The main reason for the former Team Leader's departure was a career move and promotion after working with Tany Meva for six years. She now works with WCS and was interviewed for the purposes of this Assessment.

This assessment noted that human resources are currently stretched in the RIT, a resource person still needs to be recruited, and RIT core team members find it often difficult to get part-time Tany Meva staff to focus consistently and with sustained efforts on the CEPF grants.

All Team members are qualified, with a balance of technical and administrative background and experience, including within Tana Meva. Several team members are on a steep learning curve. There is team spirit hope for positive future development. The overall situation of Tany Meva is right now in transition, too. The Board currently has only an acting Director after the Executive Director left for abroad. This leaves some pending uncertainties. Until now RIT performance appears to have dealt rather well with the multiple transitions, also with some re-enforcement and strong engagement from the Regional Grant Director. So far, the choice of Tany Meva as a capable National NGO for the RIT has proven the right one, in view of establishing a stronger national-based, regional implementation team. Its broad capacities in environment and community development have helped the Team.

2.2.3. Program results

Second phase grants in Madagascar started seriously only in FY2016, and, with an average duration of 31 months for large grants and 15 months for small grants, it is too early to expect many results or even impact from Phase II of CEPF's engagement. Only one emergency grant is currently closed. For this reason the following section focuses on enabling and constraining factors for results in Madagascar and the importance of well-coordinated and partnered community-oriented conservation approaches.

2.2.3.1. Enabling and constraining factors for results

In interviews with grantees, donors, and public officials the Assessment identified a number of enabling factors applied in the CEPF that are helping to produce results. This includes (i) the systematic mentoring and interaction by international and local experts and the introduction and use of international standardized methods; (ii) good involvement of local conservation monitoring and management committees; (iii) cooperation with private sector interests, such as fishing companies in Mauritius that have a stake in fish stocks; (iv) working with other NGOs and above all stakeholder involvement and consultation with everybody concerned, such as regional tourism boards or government agencies. Effective launching events and bringing technical experts together with actual protected area managers are key to successful operations. From a review of past interventions it is also clear that many CEPF grantees are experienced in working with protected areas, natural resource management, biodiversity and landscape management. This facilitates their work.

In contrast, work is frequently blocked when governments are not cooperative but either see the development of visions or management plans as their prerogative, as was the case with certain critical parts of the Mauritius Government for one grantee, or when public sector dialogue is slow, due to political elections (Comoros) or lack of public funds for missions to the region or the field (Madagascar). The goal of co-management is not always easy: sharing of data by KBA managers often requires lengthy protocols, and non-cooperative behavior by certain village heads and vested interests has to be tackled.

Local NGOs working with communities are often rather weak which requires a lot of attention by supervising NGOs.

2.2.3.2. CEPF's community-oriented conservation approach

NGOs in Madagascar are assigned the responsibility for certain protected areas through contracts with the state. For this reason many NGOs are involved with the same communities in the buffer zones of protected areas for many years. Their main task is to transfer the management of the areas sustainably over to the communities, which invariably takes some time. Two principle practical challenges of community work were mentioned during the Assessment Team's visit of Fanamby, a sizable national NGO that was already supported in CEPF's Phase I. These are how to reduce the costs of management of often remote and dispersed communities, and, particularly, how best to communicate with them. A combination of volunteers in those communities, with local facilitators supported with some allowances or in-kind contributions (radios, bicycles) has proven a satisfactory model. In one case a radio station was supported to facilitate communication.

Fanamby currently focuses on community strengthening and co-management of the area. Local conservation committees were set up (of up to 110 persons – volunteers in four communities) that are very remote and cut off. Facilitators and supervisors are in regular contact with these committees. A major goal is beneficiary revenue generation through conservation agriculture (which should not use slash-and-burn methods - and eco-tourism development – so that farmers are no longer solely dependent on scarce forest resources.

CEPF's community-oriented conservation approach in Madagascar is relevant and supported by the experience of other programs, but also faces significant challenges. NGOs on their own are often too weak to manage complex development efforts, such as water reservoirs or market chains; or to enforce locally agreed on violations of conservation regulations. The need for more coordination and more coherent technical back-up for NGOs—but also for complementary partners such as public agents—is increasingly recognized in Madagascar's conservation community. In the Northern Region of Diane, several NGOs, with the help of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and AfD, are developing a regional platforms for 19 protected areas, strongly supported by the Director General's office (the equivalent of a regional governor). This platform partly works to assist NGOs in the transfer of management in protected areas (such as the GIZ PAGE project) or to help the regional branch of the Ministry of Environment to enhance its data base and management and help with enforcement. Partnerships and synergies in adjacent protected areas (PAs) are an important aspect and the three NGOs visited by the Assessment Team were all part of the Complex Ramena the goal of which is concerted eco-touristic and other development in the region.

As mentioned above, weak public institutions are a main bottleneck in conservation in Madagascar.

This includes the Ministry of Environment and, particularly, its regional offices, that fulfill important planning, monitoring and sovereign functions in protected areas. The World Bank's experience in Madagascar in a long-running environmental support program illustrates the need to progressively re-integrate the government. But the program also proved that it is not easy to work with government

structures and procedures as they are often highly deficient; centers and regions do not communicate well with each other and structures and responsibilities frequently change among ministries. New and innovative ways have to be found to engage the public sector. But in general lessons learned from the World Bank's Environmental Programs¹⁷ confirm the direction of investments taken by CEPF particularly in terms of community focus (see box on next page). They clearly point to the need for strategic economic development in the pertinent regions.

Lessons Learned from World Bank Environmental Programs (III) in Madagascar

- Government ownership and public sector capacity is an essential element of project implementation.
- Community participation is instrumental in reducing pressures on natural resources.
- Since poverty and natural resource degradation are closely linked, economic development needs to be part of all conservation efforts, and local communities need to have economic incentives to engage in conservation activities.
- Bank support for biodiversity needs to be reconciled with the Bank's inability to use IDA funds for livelihood compensation.
- Efforts to promote conservation should be clearly embedded in a national development strategy.
- Reducing illegal exploitation of flora and fauna species requires a set of skills often found in international enforcement agencies.

This WB led project/program included (i) an IDA grant and credit in the amount of US\$ 40.0 million and US\$ 42.0 million respectively, (ii) a GEF grant in the amount of US\$ 19.0 million, and (iii) a Japan Social Development Fund grant of US\$ 1.9 million. The project became effective in August 2004 and lasted until 2015. Its project development objectives were to improve the protection and sustainable management of critical biodiversity resources at the field level, mainstream conservation into macroeconomic management and sector programs, and facilitate the establishment of sustainable financial mechanisms for the environment, thus contributing to the improvement of the quality of life of the population. It also aimed to enhance the protection and sustainable management of targeted protected areas.

¹⁷ World Bank. June 2016. Implementation Completion and Results Report (IDA-H0870 IDA-49650 TF-93177 TF-53226 TF-10466). On a grant and credit from the International Development Association. Environment and Natural Resources Global Practice. World Bank Madagascar AFCS2

Impressions from the Field Visit in Northern Madagascar

During the three days of the field visit, the Assessment Team visited three communities associated with three different protected areas that are close to each other and supported through CEPF grants. Each program is managed by a different NGO and covers between four to eight villages at the border of the protected areas. SAGE (a local NGO) manages a small grant, Missouri Botanical Gardens (MBG) and CI large grants. All NGOs have been working in the same villages for between four and eight years, and they are doing classical community development programs by promoting alternative income generation through agriculture and fisheries, value chain development, alternative energy projects, women's groups, and so on, with varying focus on conservation and eco-tourism; some are making headways in interesting the local population in patrolling the reserve, others are less focused on this. The NGOs have good staff in the region and have a strong presence in the villages. But the visits also confirmed the earlier observation that more support could help to move certain development agendas faster and more professionally.

Eco-tourism is not yet sustainably established in any of the places visited—although the Northern region has a fair potential, due to the 30 minute distance of the main Northern town of Diego-Suarez (aka Antsiranana). The MBG grant is most innovative in terms of eco-tourism development, as it started on the thesis that many eco-tourism programs in Madagascar over the past have not been well conceived and are not sustainable. The market and niche analysis conducted under the grant has already come up with specific proposals—summarized under the slogan of “handing back to nature”—for instance, for interested visitors to participate in surveillance of certain animal species, such as lemurs. Halfway through the grant this is still work in progress but with some good prospect and support from the local Ministry of Tourism.

2.2.4. Outcomes and impact of Phase I (2001–2006)

The Assessment Team was able to trace a number of the grants of the first phase, to interview several involved grantees, and to triangulate with others familiar with CEPF work during that time. But it was impossible within the available time and resources to validate longer-term effects on the ground. Use was also made of final project reports for Phase I for most of the grants that still can be found on the CEPF website. A final workshop with grantees was organized by CI in 2006 on behalf of the Secretariat, although some of the grants were not finalized until 2011. CEPF's final assessment report emphasizes program value-addition in terms of moving the conservation agenda forward and of national institution-building, not only of NGOs but also of research and surveillance capacity.¹⁸ One person involved in the early 2000s remarked that the earlier phase was far less formalized than Phase II; and that the end of the program was not too well defined.

Overall the Assessment Team heard a lot of praise for CEPF Phase I work, including from Government agencies, particularly for support of moving the local NGO capacity building forward, both for nationally operating NGOs (like Fanamby) and local ones, and for launching several critical long-time protection efforts (through the NODE mechanism). CEPF is also credited for contributing background information and rationale for the 2003 Government commitment in Durban to triple the newly protected areas outside of National Parks. WCS is still running a data, information, and exchange network that originated in one of the grants, the Réseau de la Biodiversité de Madagascar (REBIOMA).

¹⁸ CEPF. 2006. Assessing Five Years of CEPF Investment in the Madagascar and Indian Ocean Islands Biodiversity Hotspot. Available at: http://www.cepf.net/Documents/Final_Madagascar_assessment.Dec06.pdf

Some other programs were less successful, such as a Biological Research Station that could not be established as planned and for several communication media, films, audio, tapes or occasional websites.

Concerted CEPF-supported efforts from 2001 to 2004 successfully supported the well-known Zahamena National Park which involved CI, the National Park Service and Fanamby. Some follow-up finance was provided by the World Bank Programme Environnementale II and III. By now park management has been transferred to the NGO “Mateza.” But it is far from clear whether with reduced funding the principle of co-management is still effectively applied and reportedly there is still much pressure on the Park. For Zahamena, the Assessment Team attempted conservation impact mapping but geo-referenced or more detailed spatial information was not available for Phase I that would enable such mapping.

Another lasting legacy of CEPF Phase I is the Makira project in the North-Eastern part of the island—formerly managed by WCS—which ran up to 2012–13 and also received support from REDD+. It was later transferred to delegated management involving 60 communities. The protected area has by now gained permanent protection status and shows reduced hunting rates, based on the inventories and ecological baselines.

2.2.5. Sustainability

Despite the findings above and other success stories, the timeframe for viable CEPF exit strategies in Madagascar is not clear, and there is much need for upscaling conservation activities by NGOs and others in the MADIO hotspot. Sensitization of local populations has proven useful, but identifying and implementing alternative economic opportunities to sustain community-based management of protected areas is hard and a long-term task, particularly with NGO resources. Eco-tourism revenues are difficult to achieve. Some business models require local fees and taxes that are difficult to maintain. But there certainly are different stages of graduation with different levels of management transfer. Poverty remains one of the fundamental causes of environmental degradation and major donors (e.g., World Bank, GEF, AfD, GIZ) increasingly are taking a landscape approach involving the Ministries of Agriculture, Water and the Environment. Linking NGO support with such approaches—as in the new World Bank Projet Agriculture Durable par une Approche Paysage (PADAP) project that is under preparation—may be an option.

Several NGOs that were supported in CEPF Phase I such as Fanamby in Daraina or the Peregrine Fund in the South-West of Madagascar are also supported with grants in Phase II. They may have achieved some local results in the past, but continue to modify and innovate their approaches. They are upscaling, expanding the areas covered and refining their work. For this reason, their engagement is often long-term and evolving and innovative approaches deserve support. Most NGOs already use different funding sources for their activities. In the context of considering CEPF’s graduation from the hotspot, there is a continued need to enable NGOs to increase their capacity to obtain funds for their continued work from the number of international alternative donors, including bilateral agencies, the World Bank Carbon Fund, REDD+, the Green Climate Fund, or even finance institutions such as the European Investment Bank.

2.3. Atlantic Forest Hotspot

2.3.1. Introduction

The Atlantic Forest of South America once stretched more than 1.2 million square kilometers across Brazil, Argentina, and Paraguay, but retains only a small fraction of its origin extent, making it one of the most threatened biodiversity hotspots in the world. CEPF's initial investment in the Atlantic Forest awarded 46 grants for \$7.4 million from 2002 to 2007, coordinated by two organizations—Conservação Internacional do Brasil and Fundação SOS Mata Atlântica—which joined forces as the Alliance for the Conservation of the Atlantic Forest. Grants supported landscape-level initiatives in the Central and Serra do Mar Corridors, strengthening of public protected areas, creation of private protected areas, and small-scale efforts targeted at specific species and grassroots projects. A consolidation phase from 2008 to 2011 awarded another four grants to large NGOs for a total of \$2.4 million.¹⁹

Unlike the other hotspots that were visited by the Assessment Team, CEPF's investments in the Atlantic Forest have been closed for some time. In addition, the institutional structure of the RIT was not in place during the Atlantic Forest investment period. As a result, the assessment focused more on questions of outcomes and impact achievement, and importantly, on the evidence of the sustainability of those achievements. That is, the assessment of the Atlantic Forest did not focus as strongly on the management aspects because the approaches that were used in the Atlantic Forest are no longer applied across active CEPF hotspots.

2.3.2. Investment strategy and implementation effectiveness

CEPF investments in the Atlantic Forest closely followed the strategic directions set forth in the 2001 Ecosystem Profile. The hotspot investment strategy was executed along the four strategic directions in the Ecosystem Profile, with an additional fifth strategic direction related to the consolidation phase. Overall, the distribution of funds across strategic directions was driven by an internal prioritization exercise; additionally, the final allocation was also shaped by the content of the letters of inquiry and proposal submissions received. It is beyond the scope of this assessment to evaluate the effectiveness of the agreed-upon investment priorities for the Atlantic Forest. However, the assessment suggests that, overall, the funds were effectively allocated as per CEPF's original intentions for the hotspot.

The scope of the assessment did not allow for an exhaustive review of all projects funded in the Atlantic Forest. However, examination of a sample of projects and review of a larger sample of project final reports suggests that implementation of CEPF investments in the Atlantic Forest was generally effective. The CEPF management structure for the Atlantic Forest appears to have benefited from fluid relationships among institutions, as well as support from the Secretariat. Notably, the management

¹⁹ One to Conservation International and three to large Brazilian conservation NGOs. Source: CEPF Investment in the Brazilian Atlantic Forest from 2001-2011 and its Contribution to Long-Term Conservation of the Biodiversity Hotspot. Available at: http://www.cepf.net/SiteCollectionDocuments/atlantic_forest/AtlanticForest_10YearAssessment.pdf

structures and the business practices of the CEPF are currently different than those in operation during operation of the Atlantic Forest program. Nevertheless, this assessment found no indication that the management of CEPF investments in the Atlantic Forest deviated significantly from agreed-upon guidelines or that there were major inefficiencies associated with the management structures in place during the period of performance.

A review of grant final reports suggests that beneficiaries achieved an overwhelming majority of their goals, based on self-reporting. In some instances, goals were amended (e.g., removing goals when drastic changes in the dollar exchange rate lowered the full amount of the grants), and these changes were approved.

2.3.3. Outcomes and impacts

Five to 10 years after the CEPF investment period closed in the Atlantic Forest, evidence remains of the effects of those investments—most strongly linked to strengthening the involvement and effectiveness of civil society and contributing to the conservation and management of the forest’s remnants. A particularly strong contribution was in institutional strengthening, and in CEPF’s role in convening and coordinating conservation actors in the biome. This assessment confirmed CEPF’s impacts on some institutions including capacity development from individual and institutional perspectives, increased visibility, technical support, and fostering new partnerships. CEPF’s investments in the Atlantic Forest fostered conservation actions that extended beyond the initial scopes of the grants funded and the Fund’s period of performance.

A second area in which impacts are strongly apparent is in the protection of forested areas both in public and private lands. CEPF was a contributor to the creation, expansion, and improved management of protected areas in the hotspot, being instrumental in increasing the number, area, and visibility of private protected areas (Private Natural Heritage Reserves, *Reservas Particulares do Patrimônio Natural* [RPPNs]).

The issue of attribution is in some cases challenging, but this is the norm in conservation interventions affecting and involving many stakeholders such as the ones CEPF supported in the Atlantic Forest. For example, other factors also contributed to specific instances of establishment and expansion of protected areas (both private and public) in the Atlantic Forest and influences on public policies, behavior, or attitudes associated with CEPF interventions.

On the other hand, beneficiaries of institutional strengthening and individual private reserve owners did acknowledge the critical and unique contributions of CEPF investments to the achievement of their goals and objectives. In several cases, beneficiaries pointed to not only the access to financial support but to technical inputs, and access to professional and other stakeholder networks as key contributions from CEPF. These contributions were in some cases credited with helping shape the beneficiaries’ overall strategies following the period of performance. In the Atlantic Forest, CEPF’s focus on institutional strengthening was a timely and unique investment that functioned as a catalyst for further conservation action.

Evidence still remains of CEPF's grant outputs, as well. A review of a sample of project final reports and the field visit to Brazil allowed confirmation of the availability of outputs such as seminars, studies, and gray literature publications. A review of peer-reviewed literature databases produced a list of manuscripts about Atlantic Forest conservation acknowledging CEPF support. An additional example is the funding for the Federal University of Espírito Santo, which allowed the establishment of a conservation genetics research center (*Núcleo de Genética Aplicada à Conservação da Biodiversidade*), which is still in operation and credits CEPF support as key to its success.

2.3.4. Sustainability

Overall, the greatest sustainable impact apparent in this assessment of the Atlantic Forest was the effects on institutional strengthening.²⁰ Several grantees interviewed made explicit and forceful mentions of the benefits their organizations perceived from CEPF's support. In more than one occasion, local NGOs described their own histories as having a "before CEPF" and an "after CEPF," the latter being associated with greater reach and effectiveness.

²⁰ Given the scope of this assessment, a subsample of grantees were targeted for follow up and verification of the sustainability of their outcomes.

A lack of spatial data about CEPF's work limited the assessment's ability to verify the sustainability of some conservation impacts. The RPPN network in the Atlantic Forest includes the largest number of individual reserves in any biome in Brazil, and a significant fraction of these reserves were formally established or improved their management with CEPF support. These private reserves are conservation set asides in perpetuity and subject to legislation defining their management as such. Unfortunately, due to lack of available spatially explicit data about the CEPF-supported RPPNs in the Atlantic Forest it was impossible to verify that current forest cover is compatible with natural vegetation within their boundaries. However, assuming that most if not all of these reserves are still being managed as intended, then the investments in the RPPN system should be counted as a sustained impact.

In the absence of verifiable spatial data, the assessment relies on a 2016 analysis²¹ of the Brazilian RPPN system, which concludes that it has made important contributions to the

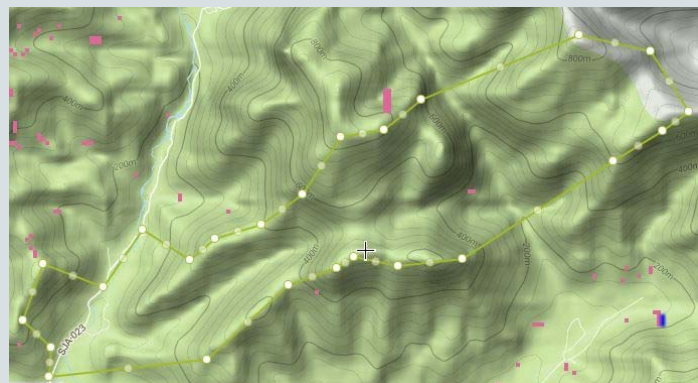
conservation of the Atlantic Forest. Notably, the 2016 analysis credits the Alliance for the Conservation of the Atlantic Forest and its partners as having had a key role in the RPPN system in the Atlantic Forest. The RPPN program in the Atlantic Forest was credited by interviewees with providing inspirations and lessons learned for the Pantanal RPPN network, which currently protects the largest area in any Brazilian biome in private reserves.

CEPF in the Atlantic Forest also invested resources in research and knowledge production. It is difficult to assess the sustainability of the impacts of all these outputs, although some examples of sustained impacts exist. For instance, educational materials produced by the *Associação Super Eco de Integração*

CEPF and Spatial Data

An important fraction of CEPF's investments in the hotspots included in this assessment are site-base interventions such as creating, expanding, and managing protected areas. However, spatially-explicit data about these investments were largely unavailable. Availability of Geographic Positioning Systems was limited even only a few years ago, and even when available, mapping the boundaries of specific sites can be challenging due to distance or the nature of the terrain.

However, it should be standard practice in investments of this kind to maintain a database documenting at a minimum areas and a central geo-referenced point. Availability of these data would have allowed, for example, for confirmation that RPPNs in the Atlantic Forest maintain their forest cover using publicly available remotely sensed data. The example below shows an approximate reconstruction of the boundaries of the *Fazenda Bom Retiro*, a RPPN supported by CEPF, based on non-geo-referenced information. The image uses data from Global Forest Watch and shows that forest cover loss (represented by the pink pixels) within the RPPN's boundaries has been minimal, supporting the assumption that the reserve is still a managed as a conservation area.



²¹ de Vasconcellos Pegas, F., and J. G. Castley. "Private reserves in Brazil: Distribution patterns, logistical challenges, and conservation contributions" *Journal for Nature Conservation* 29 (2016): 14-24.

Ambiental e Desenvolvimento da Criança with CEPF support have become mandatory reading in the State of Rio de Janeiro's contests for public officials; and the 2007 list of endangered plants in the State of Espírito Santo is still in use. Peer-reviewed studies on Atlantic Forest biodiversity and conservation acknowledging CEPF support are available up to and including 2016,²² meaning that the original investments in research and scientific capacity development continue to produce results following the end of the funding period.

It is, however, challenging to ascertain impacts or sustainability in other investments. For example, while the small grants programs appeared to increase capacity and visibility in the organizations managing them, evaluating the impacts of the small grants themselves was difficult within the scope of this assessment. This does not imply that these impacts did not exist but rather that more streamlined monitoring, evaluation, and learning protocols could have added value to the global CEPF program as well as implementation of future conservation interventions in the Atlantic Forest. The format of the final project reports includes a prompt to include lessons learned for the conservation community, but it is not a mandatory field and no evidence was found of a systematic assessment of such lessons.

3. Institutional Effectiveness

This chapter addresses the institutional arrangements of CEPF from the perspective of program operation and management effectiveness, including how well each part of the institutional structure has performed its administrative and technical functions, how well the structure has supported the strengthening of civil society and capacity of RITs, and how effectively the structure has worked overall to support the achievement of CEPF's program objectives.

As described earlier, the CEPF has a three-tiered institutional structure responsible for managing its grant portfolio. The CEPF Secretariat provides strategic and financial management for the overall program, oversees the RITs, and also has responsibility for the technical and financial management of large grants. The RITs manage the programs in the hotspots, including coordinating, monitoring, and reporting on CEPF's investment in the hotspot, building the capacity of civil society in the region, manage the small grants program, and coordinating large grant proposal solicitation and review. The grantees (ultimate beneficiaries) implement the small and large grants in the hotspots.

From 2012 through 2016, CEPF's grant portfolio was comprised of approximately 50 percent large grants and 50 percent small grants, with large grants representing nearly 90 percent of the total grant value awarded.²³ The average size of a large grant was approximately \$133,000; the average size of a small grant was about \$17,000. Grants were awarded to more than 500 organizations.

²² See, for example: Souza, M., and Ferreira, R. L. 2016. "Two new troglobiotic palpigrales (Palpigradi: Eukoeneriidae) from Brazil" *Zootaxa* 4171 (2):246-258; Silva, M. S., et al. 2015. "Cave conservation priority index to adopt a rapid protection strategy: a case study in Brazilian Atlantic rain forest" *Environmental Management* 55 (2):279-295.

²³ Based on data provided by the CEPF Secretariat. Includes grants with a start date of 2012 or later. Amounts are awarded amounts, not payments.

3.1. Technical and Administrative Performance

3.1.1. CEPF Secretariat

The CEPF Secretariat is managed by an Executive Director, responsible for overseeing the strategic and financial management of the entire program. Below the Executive Director are teams comprised of Grant Managers, Grant Directors, Communications staff, and Finance and Operations staff; each team is led by a Director. As of FY15, an additional Director oversees monitoring, evaluation, and learning. Between FY14 and FY17, the Secretariat had a total staff ranging from a low of 13.95 full-time equivalents (FTE) in FY14, to a high of 16.1 FTE in FY15.

Overall, the Secretariat's organizational structure is appropriate for executing its key technical and administrative functions, and the Secretariat has performed its responsibilities effectively. The structure aligns with the Secretariat's main responsibilities, as identified based on the assessment's review of CEPF's legal documents (e.g., the 2002 Administrative Agreement), the Operational Manual (March 2013 version), and other documents, as well as interviews. The Secretariat's performance in the following areas is assessed in the sections below:

- Strategic direction and fundraising.
- Grant-making and supervision of operations on the ground.
- Financial management and administration.
- Communications.
- Monitoring and learning.

3.1.1.1. Strategic direction and fundraising

The Secretariat provides appropriate strategic leadership for the CEPF—at the direction of the Donor Council and with the support of the Working Group—through, among others, the preparation of strategies for each phase of the CEPF, feasibility assessments and analysis to inform decision making about hotspots for new investment or re-investment, and oversight of the preparation of Ecosystem Profiles and new long-term visions for select hotspots.

The Secretariat has actively explored and pursued strategies for fundraising, both at the program level and in individual hotspots to augment CEPF funding and support a broader use of the Ecosystem Profiles. The Secretariat has sought to expand or reconfirm commitments from existing donors, strategically searched for new donors (including bilateral, private foundations, and private sector), and submitted successful funding applications to regional donors

CEPF and Conservation International

Evidence from interviews and desk analysis indicate that the relationship between CEPF and CI has changed significantly in the past five years; now, there is more distance between the organizations and much less funding has been awarded to CI. Procedures are in place for addressing conflict of interest, and RITs interviewed were aware of and reported following such procedures. In one hotspot visited (Madagascar), a national NGO was selected for RIT over CI.

(e.g., US\$2.8 million from Margaret A. Cargill Foundation). The Phase III strategy includes ambitious fundraising targets that will require a renewed emphasis in this area. In the hotspots visited by this assessment, RITs noted the important role of the Secretariat in coordinating donors (especially bilateral and multilateral donors) in the region and leading regional and sub-regional fundraising initiatives.

3.1.1.2. Grant-making and supervision of operations on the ground

In the hotspots visited for this assessment, the CEPF Secretariat has effectively executed its grant-making and technical supervision responsibilities. The CEPF Secretariat's Grant Directors, under the leadership of a Managing Director, oversee the full grant-making cycle, from the ecosystem profiling process, to the selection, training, and supervision of the RITs, to the identification, appraisal, selection, and supervision of large grants. A review of the Ecosystem Profiles for the three hotspots reviewed in-depth for this assessment found that they are high-quality documents produced through an inclusive stakeholder-driven process, with an important strategic value not only for the CEPF, but also for other donors and partners active in the hotspots. The RITs have been selected on a competitive basis, with approval by the CEPF Donor Council.

In terms of technical supervision, in the Mediterranean, either the Secretariat, RIT, or both had conducted supervision missions or grantee meetings with all large grantees,²⁴ and most large grantees had multiple interactions. Supervision reports include sections addressing safeguards. (For a discussion of financial supervision by the CEPF Secretariat, see Section 3.1.1.3). In Madagascar, the Secretariat has conducted five two-week supervision missions, jointly with the RIT, in two years of operation. To date, about 60 percent of projects have been visited by CEPF (either RIT alone or jointly with the Secretariat), which is substantial given the logistical difficulties in Madagascar and suggests that the objective to visit every grant at least once during its lifetime will be achievable.²⁵

The CEPF Secretariat plays a critical role vis-à-vis the RITs. After selection, the CEPF Secretariat's role begins with training the RITs. Bringing new RITs up to speed on CEPF's processes and requirements and building the capacity of those RITs to strategically manage the portfolio are significant tasks for the Secretariat. The Secretariat starts with week-long training workshops with the RITs, covering all facets of CEPF: its policies, grant-making cycle, environmental and social safeguards, procurement, strategies for reaching and building civil society capacity, communications and outreach, gender, monitoring and evaluation, and the roles and responsibilities of the RIT versus the Secretariat. Additional and refresher training has also been offered during some Secretariat supervision missions to the RIT.

²⁴ Based on supervision mission records provided by the RIT. One exception was one large grant in Lebanon for which security issues made it difficult to visit.

²⁵ The first two to three supervision missions focused on the RIT; grants were not active during the first year of hotspot implementation. CEPF/RIT supervision missions have covered eight active large grants plus one active small grants. The Secretariat and RIT also met with applicants prior to projects being approved for three large grants. A workshop was also organized in 2017 that included all but two of the individual grantees.

The Secretariat also provides important implementation support for the RITs throughout the hotspot investment period. The nature and extent of this support varies depending on the capacity and needs of the RIT, as well as the approach of individual Grant Directors. For example, some RITs have previously managed small grants programs (e.g., CANARI in the Caribbean, IUCN in IndoBurma) and may have lesser needs associated with learning the CEPF's approach and specific requirements; other RITs have more limited capacity or are in cultural settings where there is limited experience working with NGOs on conservation. The need for substantial support is not limited to national NGOs serving as RIT; for example, interviews indicated that the national NGO serving as RIT in Madagascar (Tany Meva) and the international NGO serving as RIT in Eastern Melanesia (IUCN) have both required significant assistance by the Secretariat, owing to the reasons stated above. In addition to initial training, the Secretariat builds the capacity of the RIT through a mentoring relationship, working hand-in-hand in the grant-making process (e.g., reviewing proposals together or project reports together to help RITs learn what to look for), with planned redundancies in the beginning of the hotspot's investment period, gradually shifting more responsibilities to the RIT in the later stages.

Several interviewees in the RITs, however, were concerned that there is little regional RIT capacity building done by the CEPF Secretariat, beyond the day-to-day support through the Grant Director. For instance, it was stated that more support in the form of more strategic seminars, workshops, or one-on-one trainings, would be useful. Such capacity training for promising regional NGOs and individuals within these NGOs could be useful, particularly in view of RITs' role in strengthening local networks and ownership.

Fieldwork and interviews showed close consultation and collaboration between the CEPF Secretariat's Grant Directors and the RITs to ensure strategic oversight of the hotspot portfolio and address issues as they arise. For example, many Grant Directors have weekly calls with RITs. In interviews, RITs appreciated the support from the Secretariat and pointed out advantages of the tiered structure, including that the RIT could invoke the Secretariat as a neutral, international authority to encourage grantees to deliver and comply with requirements, when needed, or to refer unsuccessful applicants (in some cases, organizations the RITs has worked closely with—and therefore sensitive) to the Secretariat for explanation of the rationale for the decision.

Legally, the CEPF Secretariat is responsible and accountable for large grant-making, whereas RITs are responsible small grant-making. **In practice, RITs maintain autonomous management of the small grants program, and together, the RITs and Secretariat share—in most cases, purposefully—some of the large grant responsibilities.** For example, both RITs and Grant Directors review large grantees' letters of interest and proposals; RITs can provide local knowledge about the grantee organization, as well as insights on the validity of the proposed approach in the local context, while Grant Directors can provide technical insights, help ensure alignment with the hotspot strategy, and make sure that CEPF procedures and donor requirements are followed for large grants. In most hotspots, RITs and Grant Directors also both review grantee reports and both visit and communicate with large grantees. Grant Directors typically conduct supervision missions to the hotspots twice a year (sometimes more often, as

needed) to review the overall portfolio with RITs, check RIT performance, and visit a portion of the large grants.

As noted above, some of these responsibilities have been purposively shared to build the understanding and capacity of RITs. Other shared responsibilities capitalize on the comparative advantages of each entity, such as the RITs' local knowledge and physical proximity to grantees, and the Secretariat's deeper understanding of CEPF's requirements and experience working in other hotspots with other RITs. Shared responsibilities also help avoid complete failure or delay. That said, some RITs felt that there was still room for better articulation and division of roles and responsibilities between the Secretariat and the RITs, particularly for large grants during the implementation and supervision stages. Because the RITs are on the ground, they are sometimes the first point of contact for large—as well as small—grantees, and the extent of support and oversight that they are expected to provide to large grantees is not always clear.

3.1.1.3. Financial and information management

The CEPF Secretariat is responsible for both program- and project-level financial management, as well as grant-level financial management for large grants.²⁶

Program- and project-level financial management

The CEPF Secretariat's Finance and Operations team regularly prepares Annual Spending Plans, quarterly budget reports, and Interim Financial Reports. Assessing the extent to which these reports and CEPF's overall financial management processes are compliant with the agreed provisions of CEPF's legal and grant agreements with donors is beyond the scope of this assessment. A separate *In-Depth Fiduciary Review* is being conducted in parallel by the World Bank to review the fiduciary compliance of the CEPF with World Bank policies and procedures.

Grant-level financial management

The CEPF Secretariat's Grant Management Unit is responsible for due diligence procedures for large grants²⁷ as well as the financial management and financial supervision of those grants. These responsibilities are handled by three Grant Managers, overseen by a Director of Grant Management. Each Grant Manager handles approximately 70-80 active grants, across several hotspots. Over 90 percent of all CEPF-granted funds (active grants) are financially managed directly by the CEPF Secretariat.²⁸

For large grants, Grant Managers are responsible for reviewing financial risk questionnaires and conducting anti-terrorist screenings of grant applicants pre-award, and then preparing and issuing the

²⁶ Financial management of sub-grantees or partners on large grants is devolved to the large grantee with whom the grant agreement with CEPF is signed.

²⁷ The threshold size for large grants in most hotspots is \$20,000 and above but this threshold can be up to \$50,000, which is currently only the case for the Guinean Forests of West Africa Hotspot.

²⁸ Based on grant-level data provided by the CEPF Secretariat on April 7, 2017.

grant agreements. Once grants are active, Grant Managers also provide some training of grantees through (non-mandatory) new grantee orientation quarterly conference calls and working individually with grantees to help them understand CEPF terms. All large grants are rated on financial risk (low, medium, high), which influence monitoring and reporting requirements. For example, high-risk grantees must submit detailed transaction reports, or sometimes are required to open separate bank accounts to hold their CEPF grant funds. Forty-eight percent of active large grants—representing 42 percent of awarded funds—are rated high-risk.²⁹

The CEPF Secretariat has been effective at awarding grant agreements and making payments on grants,³⁰ but financial supervision has been more limited. Beginning in FY2015, Grant Managers have conducted financial supervision missions to RITs in Eastern Afromontane, Indo-Burma, the Mediterranean (twice), Madagascar and the Indian Oceans, and Wallacea. However, significantly fewer of the large grants to organizations other than the RITs have been subject to financial site visits. About 14 percent of large grants to other organizations (both by number and grant value) have been visited by Grant Managers.³¹ This is partly a result of the size of the grant-load for each Grant Manager; with up to 40 active high-risk grants per Grant Manager, comprehensive annual visits would be logistically (and financially) difficult to accomplish. Financial supervision has also not been particularly strategic, with about 50 percent of site visits to grants with low-risk ratings (representing about 60 percent of large non-RIT grant value). In practice, visits have been conducted opportunistically, often in conjunction with technical supervision conducted by Grant Directors. While there are efficiencies in joint supervision, those grants most in need of technical and financial oversight may not be the same.

CEPF is in the midst of some changes to its grant management processes. These include hiring a fourth Grant Manager to reduce the portfolio size of each Manager and to increase monitoring capabilities; additionally, CI is moving toward a centralized grant management hub for all its grant-making programs, with the intention that these changes will enable more in-depth and efficient grants management.

Information management

CEPF's information management systems need improvement. Interviews and data requests by the Assessment Team made clear that CEPF's current information management system—GEM, the Grant Enterprise Management system—is inadequate for its purposes. Too much information is handled and exchanged outside of the information system, for example, manually mined from individual grantee reports or managed in separate, offline spreadsheets. How monitoring data has been compiled in the past illustrates this: grantees reported outcomes and impacts in individual grant reports, which were

²⁹ Based on data provided by the CEPF Secretariat on March 13, 2017. Does not include large grants to RITs for administrative, programmatic, and small grants mechanisms, or grants for ecosystem profile preparation. The financial risk determination is based on the results of a questionnaire administered to the grantee, also available in the CEPF Operational Manual.

³⁰ For example, in FY2016, grants awarded were 91 percent of plan and payments on grants exceeded 100 percent of plan. In FY2015, grants awarded were 94 percent of plan and payments on grants were 99 percent of plan.

³¹ Based on data provided by the CEPF Secretariat on April 5, 2017 on supervision missions carried out by Grant Managers since November 2014, compared to the number of grants active in November 2014 through October 2016; does not include initial RIT training visits nor any Final Assessment workshops that Grants Managers may have attended.

then extracted by RITs and manually entered into their own table (not standardized across hotspots), and then finally transferred into a Google Drive file to capture results across hotspots. As another example, GEM was unable to readily produce information on subgrants in large grants—while the information is purportedly within the system, it cannot be extracted in a simple way.

For a program of this size and maturity, grant-level data should be more centrally maintained.

Interviews indicated that the Secretariat is keenly aware of these deficiencies in its existing information management system, and a new system (based on Salesforce software) is being developed called Conservation Grants. Interviews with the Secretariat pointed out several key features of this new system: it should enable grantees to submit more project data directly, bypassing the current data entry and compilation process done by the RITs and Secretariat, and allowing the running of aggregate results reports; and it will move the grant proposal review and selection process online (and automatically populate grant agreements, letters of rejection, etc.). While it is still unknown how well Conservation Grants will perform, such improvements to the information management system are clearly needed.

3.1.1.4. Communications

Overall, the CEPF Secretariat is producing extensive communication materials, given the size of the team. The CEPF Secretariat is currently served by a dedicated two-person Communications team, who are guided by a communications strategy and focused on outreach to donors, partners, and grantees. This function is complimented by communications staff in some of the RITs. The Secretariat team’s main activities include: maintaining and updating the CEPF website; writing, producing, and sending a bimonthly e-newsletter; maintaining CEPF’s social media channels; writing, editing, and producing a number of publications (such as the CEPF annual report, quarterly reports, Executive Director Reports for Donor Council meetings, Ecosystem Profile summaries, and other reports and brochures); producing videos; some media relations activities; and additional services, such as providing communications training to RITs and grantees.

Several changes are underway with regard to the CEPF Secretariat’s communications approach, including completing a website re-design, emphasizing communications methods that have shown to be most effective (including email-based methods) and decreasing the frequency of use of less-effective methods (such as social media), and scaling back general publications to focus on those that are carefully honed for a target audience. Based on a review of the materials produced by the Secretariat’s communications team, this assessment is supportive of these directions, particularly in the context of the currently reduced staffing.

3.1.1.5. Monitoring and learning

Monitoring

Progress has been made to improve CEPF’s monitoring and reporting systems, but more work remains. In 2012, an enhanced framework was approved by CEPF’s donors in response to recommendations from the Donor Council and previous independent evaluations to ensure that CEPF could report on its contribution to achievement of conservation impacts. This framework included 23

indicators in four impact areas (biodiversity, human well-being, civil society, and enabling environment). CEPF reported against 10 of these 23 indicators in the recent Impact Report (2000–2016). As documented in the report, the Secretariat has experienced some challenges in implementing all of the indicators; some were worded confusingly, some were beyond the capacity of grantees to report, and others would require expensive data collection methods. CEPF has acknowledged that the monitoring framework deserves further attention, and some refinements are already underway, as discussed below.

CEPF monitors at multiple levels: grant, hotspot, and global program levels. Program results are aggregated at the hotspot level (against the conservation outcomes identified in each Ecosystem Profile) and at the global level (against the impact indicators in the CEPF monitoring framework). Most aggregated results are based on information generated by grantees (and reported through periodic and final grants reports), which is subsequently reviewed and compiled by the RITs and CEPF Secretariat. A limited number of indicators are monitored by the Secretariat at the global level—such as changes in the IUCN Red List of Threatened Species—and by the RITs at the hotspot level, such as the collective capacity of civil society. No mapping is done of CEPF’s results, and spatially explicit data are not readily available (see also Section 2.2.3).

Because so much of CEPF’s results are reported by individual grantees, the program faces certain challenges related to capacity, language, and common understanding. For example, many of the grantees may be civil society organizations with little experience monitoring and reporting against such indicators. Technical terminology such as “production landscape” may be understood differently in different contexts. The nuances of when hectares should be counted under “improved management” or when communities or individuals should be counted as direct or indirect beneficiaries can be hard to convey precisely. These challenges are not unique for a program working at such local scales, but they do require dedicate attention to ensure that the monitoring system is tailored and right-sized for its users.

Interviews and fieldwork indicate that the trajectory is toward a more streamlined, reliable, and efficient monitoring system. The CEPF Secretariat has been field-testing indicator definitions and guidance with RITs and grantees to ensure that they are commonly understood and that the level of effort required by grantees to collect and report such information is feasible. RITs have reported that more and better guidance has been provided on monitoring over the last year or so; in the past, RITs developed their own monitoring systems and tracking tools, and some RITs have been unclear on the frequency of reporting (for example, whether results should be updated in monitoring tools after each project performance report is submitted, or only annually). Reporting by grantees on impact indicators will now be done only at project completion; this is a welcome change that should reduce burden on both grantees and RITs to assess such information on a semi-annual basis. Planned improvements to the information management system (through Conservation Grants) are anticipated to address some of the offline processing issues that have plagued CEPF’s monitoring to date and are sorely needed.

Learning

While learning has been happening informally throughout CEPF for some time, a strategic learning program is a relatively new endeavor. The CEPF’s Learning Strategy was approved in 2016, and beginning in FY2015, the Secretariat’s staffing structure includes a dedicated position for monitoring and learning. The Learning Strategy focuses on increasing learning among CEPF’s grantees and RITs through experiential learning, training, the provision of tools and resources, and better dissemination of such learning.

To date, little aggregation of learning or formal synthesis of knowledge gained through the implementation of CEPF grants has been done at the program level.³² For example, the Secretariat gathers lessons learned from grant recipients and other partners, but these lessons are shared as individual stories on the CEPF website, social media, and e-newsletter, and typically reflect shining examples. Many grants within and across hotspots cover similar technical topics—such as eco-tourism—and there is a missed opportunity to provide thematic learning on such topics to improve the design and results of CEPF grants.

Little evidence was also found of systematic learning on best practices for administering and managing the small grants program across hotspots. In interviews, the assessment found evidence of knowledge sharing when the same international NGOs was serving as RIT in multiple hotspots—specifically, BirdLife International, serving as RIT for Eastern Afromontane, Guinean Forests of West Africa, and the Mediterranean Basin. But for other RITs, such cross-hotspot institutional learning appears to be more limited. One RIT exchange workshop was held in 2013 (and was seen as useful by RITs interviewed for this assessment), and another is planned for 2017. The Strategic Framework for Phase III also points to the production of several white papers capturing global lessons, although it is not clear whether the focus of these lessons would be institutional or technical.

Learning is also happening at the hotspot level. Mid-term and final assessment workshops are held that have identified important lessons through inclusive stakeholder processes. In hotspots that have undergone re-investment (e.g., the Mediterranean), the re-profiling process has supported learning. Individual grantees are asked to identify lessons learned in their project reports, although no evidence was found that such lessons are systematically mined to identify and share common strategies or pitfalls. Grantee exchanges within (and to a limited exchange, across) hotspots also promote learning.

3.1.2. Regional Implementation Teams

3.1.2.1. RIT roles and responsibilities

CEPF strategic vision

CEPF’s RIT model has evolved over the years, from teams being more of an administrative coordination unit to the vision of the CEPF 2014–23 Strategic Framework for RITs to become the “permanent

³² Apart from independent program evaluations, the most recent of which was completed in 2010.

stewards of the long-term strategic vision for the hotspot, able to coordinate and support civil society organizations and connect them with government and private sector partners.”³³ In 2011 the Donor Council approved a new TOR for RITs that emphasized programmatic functions in addition to administrative ones, particularly those of (i) coordinating and communicating CEPF investments, building partnerships, and promoting information exchange in the hotspot and (ii) building the capacity of grantees. Separate grants could be provided to the RITs for administrative and programmatic functions, going in total beyond the previous 10 percent cap on the RIT grant as a proportion of overall hotspot funding. Then in 2014, the new Strategic Framework for the third phase of CEPF (2014–23) called for further strengthening RITs to increase direct coordination with government agencies and the private sector, as well as fundraising.

2014 RIT terms of reference and tasks

New TOR for RITs were adopted by the Donor Council in 2014 that are still valid today. A number of existing RIT contracts were amended. The main functions and tasks of the RITs are shown in the textbox.

The new Strategic Framework acknowledged that expansion of the role of the RIT would have cost implications, varying across hotspots, depending on its size and number of countries. Enhancement of programmatic functions of the RIT meant that RIT budgets now exceeded \$1 million, the then maximum grant that could be provided (for a further discussion of RIT costs, see Section 4.2).

The expanded role of the RITs in terms of programmatic responsibilities is seen as fully compatible and complementary to the role of the Secretariat. Indeed, a key task of the Secretariat’s is to support and mentor RITs to a point where they can become long-term implementation structures where CEPF support to the hotspot is no longer needed.³⁴

RIT Core Functions (2014)

Of the following core functions, the first four are more programmatic functions, while the second four are more administrative, based on the distinction made by CEPF in the update to the RIT’s TOR in 2011. In the 2014 TOR approved by the Donor Council, however, this distinction between programmatic or administrative components was removed, with the justification that separate proposals by prospective RITs for each function had caused confusion and inhibited efficient evaluation of those proposals by the Working Group and CEPF Secretariat, as well as required additional time by the RIT for reporting against both categories.

- Coordinate CEPF investment in the hotspot
- Support the mainstreaming of biodiversity into public policies and private sector business practices
- Communicate the CEPF investment throughout the hotspot
- Build the capacity of local civil society
- Establish and coordinate a process of large grant proposal solicitation and review
- Manage a program of small grants (\$20,000)
- Monitor and evaluate the impact of CEPF’s large and small grants
- Reporting

Source: CEPF/DC25/5b.

³³ Confronting the Biodiversity Conservation Challenge: CEPF Phase III (2014–2023). CEPF Strategic Framework. 2013.

³⁴ CEPF/DC30/6. The Regional Implementation Team (RIT): Discussion on the RIT role and purpose. CEPF 30th Meeting of the CEPF Donor Council, Washington, DC. 12 January 2017.

Characteristics and diversity of RITs

In line with CEPF strategy, each RIT may consist of one or more civil society organizations active in conservation in the region. A team could be a partnership of civil society groups or could be a lead organization with a formal plan to engage others throughout the implementation process, as well as to complement its structure overseeing implementation, such as through an inclusive advisory committee. This Assessment came across the following RIT structures and NGO characteristics:

- **Mediterranean Basin:** an international NGO (BirdLife from its headquarters in Cambridge, UK) together with two close sub-regional BirdLife affiliates and program officers in each of three sub-regions, the Balkans, North Africa and the Middle East.
- **Madagascar and the Indian Ocean Islands:** a national NGO that is primarily active in Madagascar, with headquarters in Antananarivo; now covering a larger hotspot that includes four Indian Ocean Islands; with all staff currently based in Antananarivo.³⁵
- **Guinean Forests of West Africa:** an international NGO (BirdLife, through its regional office in Accra), with four sub-regional program officers (together covering 11 countries).
- **Caribbean:** a regional NGO (CANARI) based in Trinidad and Tobago, with three part-time country coordinators (CANARI associates and partners) in Jamaica, Dominican Republic, and Haiti.
- **Maputaland-Pondoland-Albany:** a national NGO (Wildlands Conservation Trust) from South Africa, covering a relatively small hotspot through parts of Mozambique, Swaziland, and South Africa.
- **Indo-Burma:** an international lead NGO, IUCN, covering five countries with a full-time RIT team leader based in Vietnam, backed up by the regional IUCN office in Bangkok, and affiliated with two national partner organizations in Myanmar (part-time program officer) and China (full-time program officer).

Thus, in practice, RITs are more often a single NGO (international, regional or national), sometimes with associated regional affiliates or the national counterparts for country program implementation. Several RIT lead agencies were found to include other NGOs in coordination and synergy during implementation, mostly through small grants and organizing workshops or research. A regional team structure may also emerge through associating with NGOs in advisory committees for large grants and from active participation in regional conferences and events.

The Assessment Team found no articulated strategy for anchoring and institutionalizing regional teams beyond the CEPF program duration. That said, as discussed in Chapter 2, evidence was found post-CEPF investment of the emergence of mostly informal strengthened local NGO networks (Atlantic Forest and Madagascar Phase I). And RITs interviewed in two of the closed investment hotspots (Caribbean and Maputaland) had secured follow-on contracts for complementary work from other

³⁵ Note that this staff location arrangement is currently under discussion and could change.

donors after the end of the CEPF investment. In the Caribbean, the RIT was able to continue to support CEPF grantees with follow-up grants through those subsequent contract vehicles.

3.1.2.2. RIT performance³⁶

RIT strategic leadership

RITs are to provide strategic leadership for the program in their respective biodiversity hotspots. But in practice they operate under the close supervision of Grant Directors and are co-managing with the CEPF Secretariat. This makes it hard to separate the contribution and leadership of the RITs—and their real efficacy in some other matters—from that of the Grant Directors who are experienced and directly engaged in almost all aspects of the program and are the crucial liaison to the Secretariat, the global program, and the other RITs.

The empowerment of the RITs is an evolving process, different for each hotspot depending on the particularities of that hotspot, the relative capacity of the RIT, and the operating preferences of the Grant Directors, among other factors (see also Section 3.1.1.2). But the Assessment found some examples in the Mediterranean Basin and Madagascar where RIT staff showed clear strategic leadership, be it at the hotspot level in networking or coordination, or in the sub-regions through concerted and synergetic efforts in the countries.

RIT coordination of CEPF investment in the hotspot

A number of specific performance aspects of RIT coordination have already been discussed in the three hotspot case studies and CEPF Secretariat performance section above. **More generally, performance of the RIT is clearly, and quite naturally, linked to the stage of the RIT in the contract cycle.** Proficiency in managing comes with experience and learning; the Mediterranean and Madagascar examples of hotspot interventions at different stages of implementation prove this point. Strong initial CEPF Secretariat support and institutional continuity are critical. RIT contracts are for the duration of investment in the Ecosystem Profile, usually a period of five years; in hotspots that have gone up for re-investment (e.g., Madagascar and the Mediterranean), the previous RITs must participate in the competitive procurement process if they are interested in supporting implementation beyond a single five-year cycle.

A recurrent issue is the co-management and division of labor by RIT and CEPF Secretariat for large grants and RIT performance capacity in this regard. Under the circumstances, the division of labor is welcomed by most RITs interviewed, partly as they realize that their current RIT resources are insufficient for fully taking on the large grants, partly as they may not be familiar or comfortable with detailed procedures required of such grants (e.g., larger grants are perceived as technically and financially riskier by some RITs). At the same time, some of the RITs are quite familiar with larger grant

³⁶ The assessment of performance in this section is indicative, but also limited, as it is based on a review of only two active RITs and some long-distance interviews with three other RITs.

management—such as IUCN in the Indo-Burma hotspot who have managed 15 grants for the Mangroves for the Future program in 11 countries over the past 11 years³⁷. Others are less interested in taking on the additional administrative burden and ultimate responsibility for large grants as long as they are actively involved as co-managers (Mediterranean Basin). Most RITs interviewed believe that they could take on the responsibility, provided they receive more resources and sufficient on-the-job back-up, beyond training. Such transfer of administrative know-how is currently not being actively nurtured by the Secretariat.

At the same time RITs have extensive monitoring and supervision responsibilities for large grants,

including participation in supervision missions and the mid-term assessment, data collection and reporting, and “verification on completion of products, deliverables and short-term impacts of grantees” (2014 TOR). The RITs are making an effort with respect to supervision, but they are ultimately not accountable for the grants, and as

such have limited ownership. In practice, this leads to two performance-related problems: first, the RIT has more contractual incentives to focus scarce program officer resources on small grants. And secondly, communication and interaction may bypass the RIT as larger grantees do not regard the RIT as their contractual counterpart, and often communicate directly with the CEPF Secretariat. A remotely organized large grant can become a problem for an RIT-owned and well-integrated program portfolio. At a minimum, Grant Directors and Managers have to keep the RITs informed, which does often happen.

Mainstreaming of biodiversity with public and private sector

The RITs in the region are making some headway with public entities, the private sector, and private service providers, particularly in those hotspots that have been supported for a while. Collaboration with public entities and sub-regional or federal government authorities is prominently sought in both the Mediterranean Basin and in Madagascar, through providing essential background and intra-regional information for establishing Marine Protected Areas or for moving forward related laws through the grant to WCS in Madagascar. There are many eco-tourism initiatives that deliberately target private

Experience in the Guinean Forests with a \$50,000 Ceiling for the Small Grants Program

The Guinean Forests of West Africa offers a unique example in that a ceiling of \$50,000 was approved for management by the RIT through the small grants program. After an initial call for proposal, the RIT and Grant Director are discussing adjustments, however, including reducing the ceiling for subsequent calls to \$30,000 or \$35,000 (with the possibility for a second round of funding for small grantees), based on observations on the 60 letters of interest received from this first call.

Many of the applicants requested amounts close to the \$50,000 ceiling, but were perceived as lacking the capacity or structure to manage that amount of funding. A large volume of grants with these characteristics would create substantial (and thought to be too much) work by the RIT to build grantee capacities to ensure the projects are technically and financially successful. The RIT also voiced concerns about the quality of proposals, noting that some applicants had seemingly grouped several non-synergistic ideas together to reach the \$50,000 level, or put forward poorly conceived ideas, which was perceived as putting the “money before the idea.”

³⁷ Another example would be the RIT for the Cerrado, the Instituto Internacional de Educação do Brasil (IEB). IEB managed two small grant programs between 2004 and 2009. One program was supported by USAID and the other by the Gordon and Betty Moore Foundation. Each had a budget of approximately \$3.0 million which is far greater in size than the small grants facility that IEB manages on behalf of CEPF.

service providers, and there is a project with private sector fishing companies in Mauritius. But much remains to be done on private sector involvement, as is implied in the strategy for Phase III of the CEPF.

Establish and coordinate a process of large grant proposal solicitation and review

Fieldwork indicated that most grant-making is initiated through open calls for proposal with clear guidelines on eligible projects, and informed by the Ecosystem Profile and CEPF's requirements, although grant-by-invitation and "emergency" grant modalities have also been used by RITs, particularly for small grants. In most cases the large grant proposal process is actively advanced by RITs, particularly the formal eligibility review of letters of interest and their review through external expert reviewers, but all of this is done in close collaboration with CEPF Secretariat Grant Directors.³⁸

NGO capacity

Some other critical RIT functions are not as visible, most importantly progress on raising NGO capacity for fundraising although the topic was mentioned in some supervision reports in the Mediterranean. Other aspects of capacity building by RITs will be addressed in the following Section 3.2.

3.2. Strengthening Civil Society in the Hotspots

CEPF's institutional structure—and particularly the local presence of the RIT and the small grants envelope—supports the program's objective to strengthen the involvement and effectiveness of civil society, especially at the local level, in contributing to the conservation and management of globally important biodiversity. Fieldwork, interviews, and desk analysis showed strong results for CEPF in terms of strengthening civil society in the hotspots. As discussed in Section 2, a main program impact from the Mediterranean was supporting stronger national NGOs and building a regional NGO network, and institutional strengthening was the most observable sustainable impact in the Atlantic Forest hotspot. These results were achieved through several pathways:

- **Providing mentoring support to grantees and raising the profile of grantees**—As discussed in Sections 2 and 3.1.2 above, the RITs and the Secretariat together have played a significant role in building the technical, financial, and general institutional capacity of local and national civil society organizations. This is often accomplished through mentoring those grantees during proposal development and project implementation, through email and personal exchanges, relying heavily on the country and sub-regional programme officers in the RITs. Receiving CEPF funding can also raise the local profile of grantees, as such funding is often seen as a validation of the organization.
- **Developing local and regional networks**—CEPF tries to not only build capacity of individual NGOs, but also attempts to establish networks and promote exchange among NGOs within hotspots. Cooperation among NGOs and other actors working in the same geographical area and on the same

³⁸ An exception was the first round of large grants in Madagascar (Phase II) which was carried out before the hiring of the RIT was finalized to avoid delays in getting the program off the ground.

conservation issues is not always easy; competitive forces often rule. Institutional efforts are required to support cooperation. Building relationships among NGOs through the grant development process, grantee exchanges, and mid-term stakeholder assessment workshops are strategies that RITs have pursued to this end. Regional networks have also been nurtured through individual grants, as the example of Cape Bon, Tunisia, illustrates (see textbox below).

While this has been an area of success for CEPF, there is also room for better strategies on how to establish, institutionalize, and sustain such networks for biodiversity—especially in the face of currently fixed hotspot investment periods.

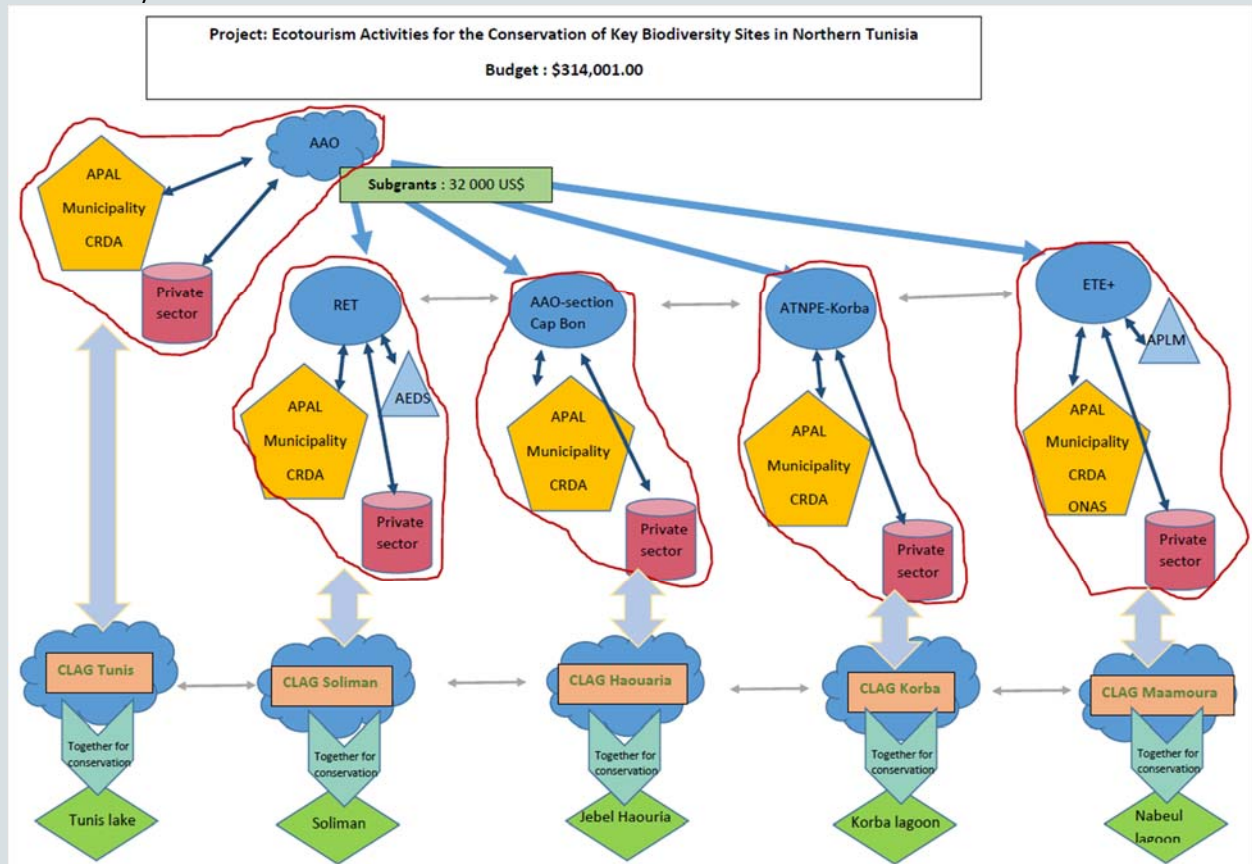
- **Adding capacity building components to individual grants**—In some cases, funds are added to individual grants to support specific capacity building needs, such as improving financial management systems or bringing in international technical expertise to transfer knowledge to local organizations. For example, in the Mediterranean, in the Mediterranean, the Albanian NGO Association for the Protection and Preservation of Natural Environment in Albania, implementing the project “Land of Castles and Eagles,” used a small portion of their grant funding, as a subgrant, to bring in regional experts from the Bulgarian Society of Birds (the BirdLife partner in Bulgaria), to train the NGO’s staff; the NGO reports that they are now able to do bird species conservation work independently.
- **Supporting grantee exchanges**—These have mostly occurred within hotspots (typically within sub-regions), but CEPF is now starting to pursue some cross-hotspot exchanges. For example, a GEF grant has recently been approved for an exchange visit between Cambodian and Indian grantees focused on the conservation of Asian bustards; while the Cambodian grant has been quite successful, the Indian grant has faced more challenges and is expected to benefit from the lessons learned in Cambodia.
- **Sustained support**—Regions with multiple CEPF programs show evidence of strong capacity building. For example, the RIT for Maputaland-Pondoland-Albany noted that three CEPF investments in South Africa (Succulent Karoo and Cape Floristic Region) have built lasting capacity among civil society organizations, as well as creating important networks.

A Network Approach in Cape Bon, Tunisia

In Cape Bon, Tunisia, the NGO Les Amis des Oiseaux (AAO) is involved in a CEPF funded eco-tourism project as well as in the establishment of a North Africa Regional Network with Tour du Valat. The AAO Executive Director had worked on the first CEPF Mediterranean Profile development, and, in her words, at that time “recognized the CEPF network potential.” More than 20 years ago AAO already generated the first network for nature preservation in Tunisia, with birds as prime indicators for eco-systems. The eco-tourism project in Cape Bon was proposed as AAO realized over the years that only reasonable site value-addition is the foundation of long-term protection of protected areas.

Through the CEPF funded grant a circuit of five sites was established in Cape Bon and the Tunis lagoon, with site specific activities for visitors. An environmental impact study was used in the Soliman site to establish a protection and utilization strategy for the site; monitoring protocols for biodiversity were developed for all sites. Eco-tourism product development and testing are ongoing, as is the training of ornithological guides and service providers (artisans, women food processors, farmers, tables d’hôte). Clean-up and installation of signs, trash cans etc. has started and first visitors, mostly school classes, are coming. The program has received a positive publicity in national media.

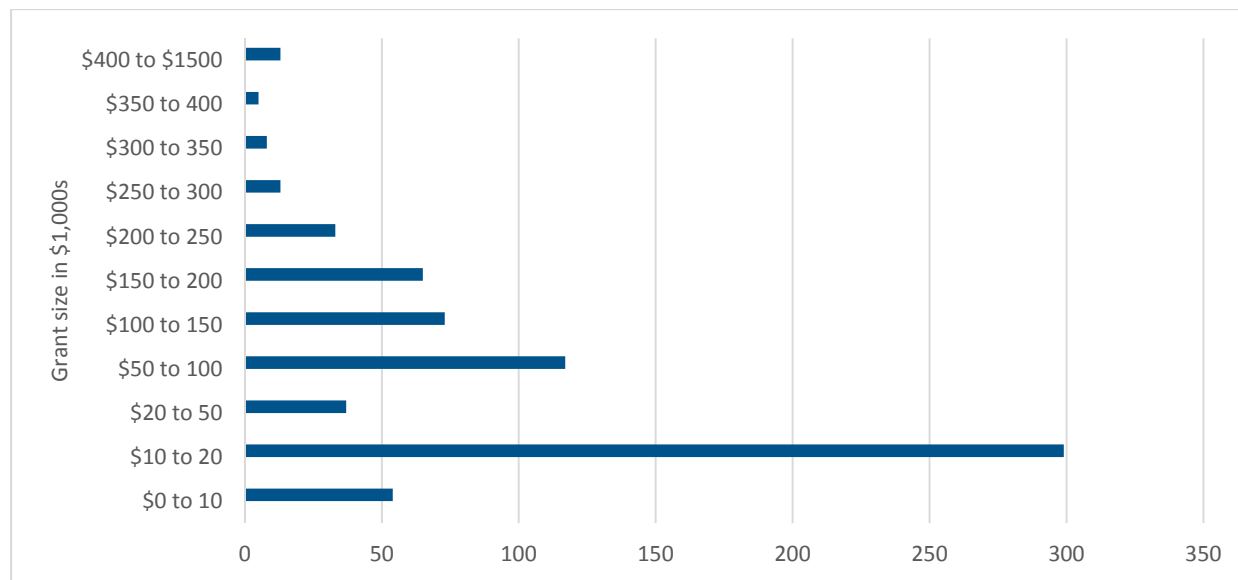
The program uses a multi-partner architecture, involving several smaller national and local NGOs (Réseau Enfants de la Terre; Association de l’Environnement et du Développement à Solimane) and is collaborating with local governments and regional tourism ministry officials. Local committees are being established (CLAG Comités locaux d’appui à la gestion). This partnership effort is designed primarily to ensure local relevance, acceptance and sustainability.



AAO: Association les Amis des Oiseaux; **RET:** Réseau Enfants de la Terre; **AAO-Section Cap-Bon:** AAO section indépendante de Cap Bon basée à Haouaria; **ATNPE-Korba:** Association Tunisienne de Protection de la Nature et de l’Environnement de Korba; **ETE+ Maamoura:** Eco-Tourisme et Environnement de Maamoura; **AEDS:** Association de l’Environnement et du Développement à Soliman; **APLM:** Association de Protection du Littoral à Maamoura; **CLAG:** Comité Local d’Appui à la Gestion; **APAL:** Agence de Protection et d’Aménagement de Littoral; **CRDA:** Commissariat Régional au Développement Agricole.

CEPF’s portfolio composition generally supports the goal of strengthened civil society impacts—with approximately 50 percent of grants awarded as small grants, and most of the small grants given to local or national NGOs. Figure 5 below shows the distribution of grants by size.

Figure 5: Distribution of Grants by Size (2012–2016)



Source: Based on data from GEM, as provided by the CEPF Secretariat. Includes grants to RITs for programmatic and administrative functions; all of these RIT grants are in the \$400,000 to \$1,500,000 category, with the exception of one grant valued at \$352,888.

Among the large grants,³⁹ approximately 53 percent by grant value has been awarded to international organizations, with 47 percent to national organizations.⁴⁰ Some of those international organizations have a strong and lasting presence in the region. Other organizations that are considered “international” are actually regional or have local staff. For example, in the Mediterranean, of the grant awards counted as going to “international” organizations, approximately 21 percent has gone to regional organizations or international organizations with a strong local presence.

Large grants also use other channels to support local civil society. One way that large grants build capacity in smaller civil society organizations is through subgranting. A review of all active large grants (not including those to RITs for their administrative and programmatic functions or for implementation of the small grants program) showed that about a quarter of these grants have subgrants, and of the large grants with subgrants, approximately, 20 percent of the total grant value is given to subgrantees. Few of those subgrantees are international NGOs; most appear to be local civil society organizations.⁴¹

³⁹ Not including those to RITs for their administrative and programmatic functions or for implementation of the small grants program.

⁴⁰ Includes grants in the Phase II grant portfolio as of September 30, 2016.

⁴¹ Based on review of the names of the subgrantees. Some subgrantee names were not specified in GEM or were provided only as an acronym.

The subgranting relationships encountered during fieldwork were understood as partnerships between international and national organizations, as ways of engaging local partners to build capacity or ownership.

4. Efficiency

This chapter looks at Secretariat and RIT costs in considering how efficiently CEPF has operated and whether those operating costs are appropriate given the objectives and results of CEPF. The Secretariat's costs are first assessed, followed by a discussion of the RITs' costs, and finally these combined costs are compared to other grant-making organizations.

As shown in Figure 6, Secretariat costs were 19 to 20 percent in FY2016 and FY2015,⁴² and RIT operating and monitoring costs were 13 percent,⁴³ as a percentage of total program expenses. When special project costs are included, Secretariat costs increase to 21 to 22 percent.⁴⁴ Combined, the Secretariat and RIT costs represent between 32 and 35 percent of total program expenses. These percentages are comparable with other small-grant-making organizations (see Section 4.3).

The lack of an agreed method for calculating operational or administrative costs as a proportion of total program expenses has caused some confusion around these values. In this assessment, the Secretariat's costs as a percentage of total program expenses are calculated as higher than the 15 percent reported in recent communications to the Donor Council (e.g., Review of CEPF Administrative Costs, CEPF/DC30/5). This difference is largely due to the difference in the metric used for grant expenses; this assessment uses grant payments (in accordance with the change in CEPF's accounting method starting in FY2015) whereas calculations by the CEPF Secretariat have used grant awards, which is a slightly higher value (and thus contributes to a larger denominator in the calculation). In CEPF's quarterly financial reports, the operational cost category includes the operating costs of the Secretariat and CI's management fee; operational costs for RITs are included in the totals for grants by hotspot.

Several reasons—discussed above in Chapters 2 and 3—help explain the scale of CEPF's operating costs. First, CEPF has a large portfolio of grantees, many of whom receive small grants over a short duration. Related to this is CEPF's willingness to grant to and invest its financial and human resources (primarily through the RITs) in NGOs that have low capacity, but may have good ideas and growth potential. Many of CEPF's grantees have never received international funding before; in Maputaland, for example, approximately 40 of 60 grantees were in this constituency. Managing a portfolio with a large proportion

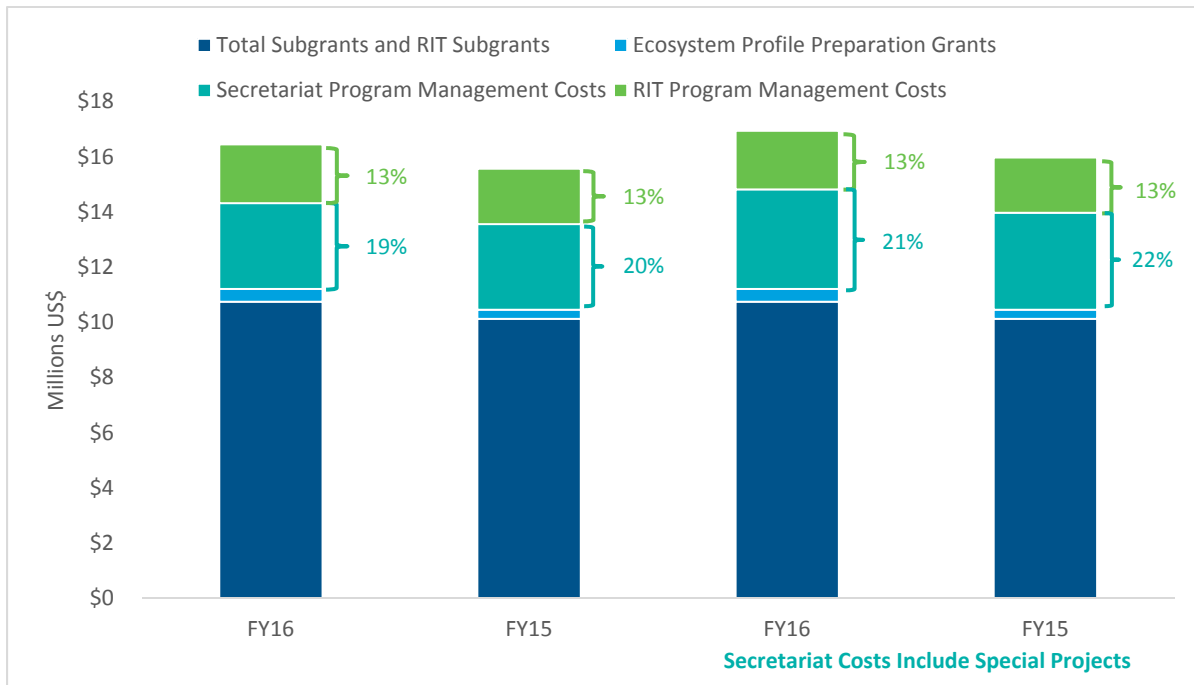
⁴² Includes Secretariat Operating Costs and Management Fee, as reported in category 2 in quarterly Interim Financial Reports. Does not include special projects or grants for preparing Ecosystem Profiles.

⁴³ Includes RIT Operating and Monitoring Costs, as reported in category 4 in quarterly Interim Financial Reports. Does not include grants to RIT for subprojects.

⁴⁴ Although these costs are not included in the line items for Secretariat operating costs in either the Interim Financial Reports or Quarterly Financial Reports, they represent operational costs for the Secretariat that, in other organizations, might be considered part of the management cost—i.e., program audit fee, program fundraising and special events (e.g., attendance at the meeting of the Convention for Biological Diversity in Korea and WPC in Australia), and development of the new CEPF grant system.

of low-capacity grantees and a high proportion of high-risk grants takes resources—but the reward was also clearly demonstrated in fieldwork: local organizations are being strengthened by CEPF’s interventions. Second, the RIT costs—and to a somewhat more limited extent the Secretariat—include multiple programmatic tasks and functions that directly and indirectly contribute to CEPF’s impact achievement. For example, in the Mediterranean, the sub-regional programme officer has helped to build partnerships among multiple NGOs working on the transboundary Lake Skadar. Programme officers also provide technical advice to grantees on designing and implementing their projects and have a strong sense of contribution to project results.

Figure 6: Program Costs by Category



Source: Compiled based on data in the Interim un-audited Finance Statements (IFRs) and the Quarterly Reports for FY2016 and FY2015. Total subgrants, RIT subgrants, and Ecosystem Profile Preparation Grants amounts represent payments. Note that starting July 2015, the accounting method for IFRs was changed from calculations on the basis of signed grant awards to payments. Thus, IFRs from earlier years are not comparable.

4.1. Secretariat Costs

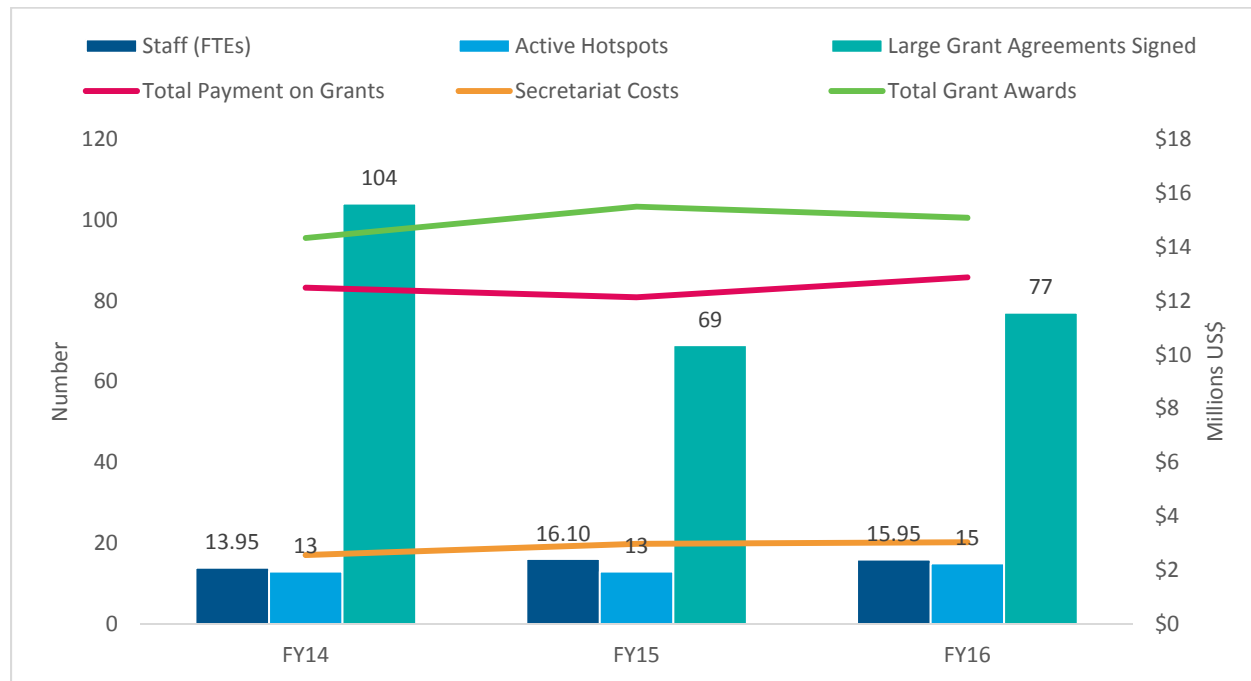
CEPF Secretariat costs grew by about 15 percent between FY2014 and FY2015, but held steady in FY2016, in line with some available activity metrics, including total payments on grants, total grant awards, the number of active hotspots, and the number of large grant agreements signed. Although the number of large grant agreements signed dipped in 2015, total payments and awards stayed relatively constant, suggesting a sustained need for technical and financial oversight of those grants.

At the same time, demands on the Secretariat have been increasing, particularly in terms of monitoring—with a 23-indicator monitoring framework approved in 2012 and a more recent policy to

begin monitoring gender-disaggregated indicators—and learning, beginning with the development of a new strategic learning program. In FY2015, a new position was created in the Secretariat to focus on monitoring and learning.

The staffing trend in the Secretariat has been toward consolidating in full-time staff. For example, in FY2012, there were seven full-time and 11 part-time staff. In FY2014, this had shifted to nine full-time and eight part-time staff. In FY2017, there are 14 full-time staff and three part-time staff (15.45 FTE).

Figure 7: Secretariat Costs and Activity Metrics



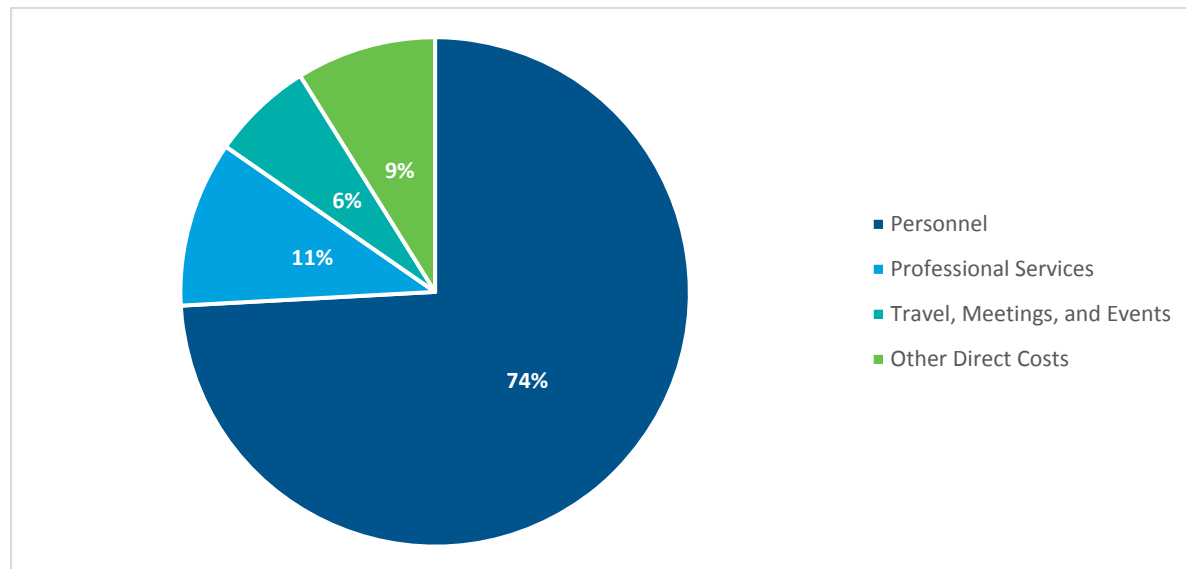
Source: Cost, payments, and awards data compiled from CEPF quarterly reports. These data were used for this figure to provide a three-year look at costs and activities. For FY15 and FY16, reported values for total payments on grants and Secretariat costs vary slightly between the quarterly reports and the IFRs. Variance for total payments on grants is less than 0.01 percent; reported Secretariat costs are between 2 and 4 percent higher in the IFR than in the quarterly reports. Neither report is audited. Reconciling these values is beyond the scope of this assessment.

Note: Active hotspots were defined as those with grant agreements either signed or payments made during each fiscal year.

CEPF Secretariat costs are largely driven by personnel expenses. As shown in Figure 8, personnel costs (salaries and benefits and staff contracts) are the majority of the Secretariat’s costs, followed by professional services. These actual expenses are relatively consistent with budgeted expenses (in the

annual spending plan), with the exception of travel costs,⁴⁵ and represent comparable ratios among expense categories to other Secretariats with oversight of a global portfolio.⁴⁶

Figure 8: Adjusted Secretariat Costs by Expense Category (Average FY15–16)



Source: Compiled based on transaction-level expense data provided by the CEPF Secretariat on October 14, 2016. Personnel costs include Secretariat salaries and fringe benefits, as well as payments for consulting agreements for two full-time members of the Secretariat who are not CI employees.

Given the dominance of personnel costs in the overall costs of the Secretariat, significant cost efficiencies are unlikely to be gained without reducing staff, and this assessment did not see much possibility for this within the current operating model nor within the strategy for CEPF Phase III. For example, Grant Directors currently oversee three hotspots each, including three RITs and over 100 large grants per Director; it is not feasible that they could take on additional hotspots without compromising the quality of their engagement and supervision. Similarly, Grant Managers are managing between 70-80 active grants per person and currently lack human resources to do adequate supervision. To help address this situation, the Secretariat has proposed hiring a fourth Grant Manager. The Secretariat’s communications team is currently operating with a vacancy in the full-time Web Manager position, despite recommendations from an external consultant that the team be upsized to be able to

⁴⁵ In FY2015 and 2016, actual costs for travel, meetings, and events were approximately half of anticipated expenses. Without knowing exactly what travel, meetings, and events were budgeted for, it’s not possible to assess whether such cost reductions were achieved through efficiencies in expenses (e.g., lower than anticipated plane fares) or through undertaking less travel than anticipated. Given the findings on supervisory travel undertaken by the CEPF Secretariat, this finding suggests that there may be room for additional travel by the Secretariat to visit RITs and large grantees.

⁴⁶ For example, the GEF Secretariat’s actual expenses in FY16 included 70 percent for salaries and benefits, 11 percent for travel, and 10 percent for operations costs (such as equipment and office supplies). See the GEF Business Plan and Corporate Budget for FY17; available online at: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.50.10_GEF_Business_Plan_and_Corporate_Budget_for_FY17_0_0.pdf.

sufficiently implement the program communications strategy. Monitoring, evaluation, and learning—a sizable and important function—has just 1.3 FTEs dedicated.

That said, there are clear opportunities to incrementally improve efficiency within the Secretariat.

Interviews and desk analysis suggested that offline and non-automated information processing has been a source of inefficiency in the Secretariat. For example, monitoring data is manually extracted from each grantee’s project report and re-entered into spreadsheets to inform aggregate analysis. As another example, grant acceptance and rejection letters are produced individually, rather than auto-generated from data available in an information management system. The CEPF Secretariat is well aware of these issues, and efforts are underway to overhaul CEPF’s information management system, as previously discussed in Section 3.1.1.3. In the Assessment Team’s view, this is an important endeavor given the size and maturity of the CEPF program.

4.2. RIT Costs

RITs costs vary significantly across hotspots, as a percentage of total spending authority and compared to the size of the small grants portfolio. Since 2012, RITs have been awarded between \$1.4 and \$2.1 million per hotspot to carry out their programmatic and administrative functions. For those four RITs⁴⁷ that were awarded separate grants for programmatic and administrative functions, 58 percent was dedicated for administrative functions and 42 percent for programmatic functions. As a percentage of total hotspot spending authority, RIT awards have varied significantly, from 9 to 22 percent, with an average of 16 percent. By number of grants, RITs are managing between 34 and 67 percent of all grants in each hotspot (i.e., number of small grants as a percentage of total grants).

The ratio between the size of the RIT award and the size of the small grants program has also ranged significantly, from 0.9:1 (meaning that the size of small grants program is slightly larger than the award to the RIT for its programmatic and administrative function) to 5.7:1 (meaning that the size of the award to the RIT is 5.7 times greater than the size of the small grants program). These values must be interpreted cautiously, in recognition of the important hotspot-wide role that RITs provide (see also section 3.1.2), the range of capacities among RITs, and the differing contexts among the hotspots (e.g., in terms of number of countries, ease of travel, cost of doing business, and other considerations).

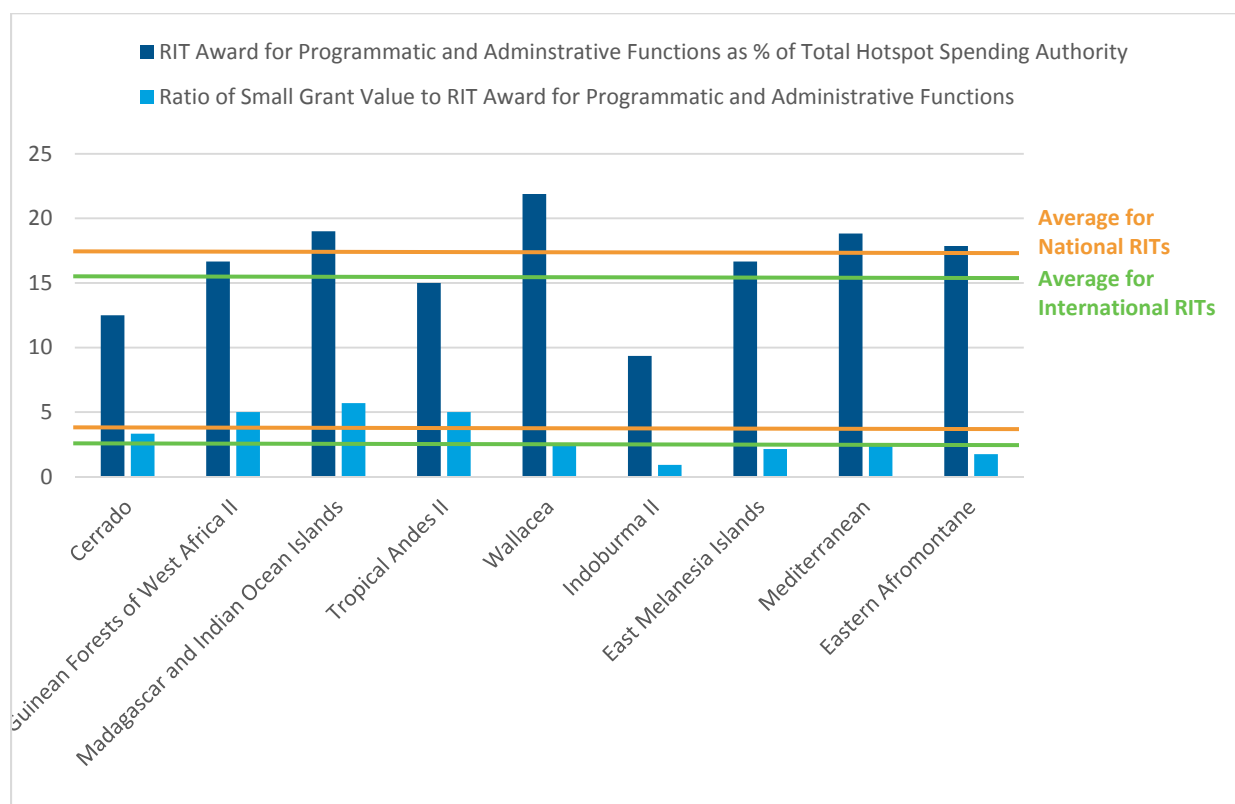
The average ratio between the size of the RIT award and the small grants program is slightly higher for national RITs (3.8:1) than for international RITs (2.9:1), suggesting that the international RITs are managing larger small grants programs at a lower relative cost. As a percentage of total hotspot spending authority, awards to national RITs have averaged 17.8 percent, compared to 15.7 percent for international RITs. Again, these values deserve cautious interpretation given the small number of hotspots and the likely need for more capacity building of national RITs (e.g., as observed for

⁴⁷ Eastern Afromontane, Indo-Burma II, East Melanesia Islands, and Mediterranean.

Madagascar and the Indian Ocean Islands), which may translate into both increased RIT and Secretariat costs (to provide heightened capacity building and supervision).

The data underlying the above analysis is summarized in Figure 3 below and provided in full detail in Appendix D.

Figure 3: RIT Efficiency Metrics



Like the CEPF Secretariat, RIT costs appear to be largely driven by personnel expenses. This assessment is based on a closer examination of actual RIT costs in the Mediterranean hotspot, which equate to approximately 80 percent for RIT staff (including RIT manager, program assistant, communications officer, and programme officers for the three sub-regions).

Among the RITs visited and interviewed, the staffing trend was strongly toward relying on locally based staff, even in those RITs that would be classed as international (e.g., BirdLife International and IUCN). For example, in the Mediterranean, the RIT Manager, program assistant, and communications officer are international staff located in BirdLife headquarters in Cambridge, UK; the three programme officers are local experts who were already living and working in their respective sub-regions. In the Guinean Forests of West Africa, the RIT team leader is based in BirdLife International’s Africa Regional Secretariat in Accra, Ghana, and formerly worked for an NGO that received a CEPF grant during the initial investment phase; this team similarly includes four project officers based in the sub-regions, with appropriate language skills and regional experience, who were locally recruited for those positions. The

two national/regional RITs interviewed by this Assessment Team (CANARI for the Caribbean; Tany Meva Foundation for Madagascar) were fully composed of local staff.

Among RITs, the trend has been toward increasing staffing to enable stronger communications functions and better coverage in sub-regions or countries. Interviews and fieldwork suggested that some RITs have been over-stretched. Some have full-time national country coordinators or regional program officers, while others have had part-time staff (with as low as 15 percent time dedicated to CEPF). One RIT reported not charging their time spent on CEPF activities to the program, due to restricted budgets, and indicated that more dedicated time would be beneficial. Part-time employees can be important to fulfill certain functions, but also tend to increase the likelihood for diversion of efforts or problems in delivery. Fieldwork and interviews demonstrated the important role of sub-regional and country-based team members, who understand the local networks of civil society organizations and cultural histories, as well as possess appropriate language skills.

4.3. Comparison with Other Similar Partnerships/Programs

Comparisons of program management costs are notoriously challenging. Differences in what types of costs are considered program management and administration, differences in reporting practices, and differences in the scope and design of programs—such as the program management structure, geographic coverage, grant sizes, characteristics of the grantees, intensity of monitoring practices, emphasis on capacity building, and relative maturity of the programs—all make any comparison of the management costs of programs imprecise. In addition, the uniqueness of the CEPF program and its operating model makes it difficult to identify many reasonable comparator organizations.

Acknowledging these limitations, this assessment reviewed the reported management costs of four other environmental and biodiversity-focused small grants programs and found that their costs were generally in the range of 28-31 percent. Given the imprecision in such comparative analysis, the CEPF's program management costs are considered comparable at 32-35 percent. The management costs and features of each program are summarized in Table below.

Given the features of each program and the relative emphases on capacity building and monitoring, the CEPF's costs are consistent with services other programs provide. One significant difference between CEPF and some of the other comparator programs is that CEPF uses local or locally rooted NGOs (i.e., the RITs), selected through a competitive procurement process, to manage its program at the hotspot level. This approach has associated costs to procure such entities as well as to transfer capacity to those entities to be ensure they can manage the CEPF program in a decentralized manner. CEPF also provides substantial attention to building the capacities of grantee institutions, particularly its small NGO grantees, which can be a time-intensive process.

Table 4: Program Management Features and Costs of Comparator Organizations

Program / organization	Host organization	Geographic scope	Program structure	Grant size profile	Emphasis on capacity building ^a	Intensity of M&E ^b	Management costs as percentage of total expenditure
CEPF	Conservation International	Global (11 active hotspots)	Centralized HQ; decentralized hotspot-level management through RITs (competitively procured NGOs)	Small grants average \$17,000; no set limit but in practice, largest grants around \$350,000	High	High	32-33%
GEF Small Grants Programme (SGP)	UNDP	Global (125 countries)	Centralized HQ; decentralized through UNDP country offices	\$50,000 for regular grants, but averaging \$25,000; some strategic grants of up to \$150,000	High	High	31% ^c
Save Our Species (SOS)	IUCN	Global (65 countries)	Centralized	Majority less than \$100,000; some large grants of \$200,000 - \$800,000 awarded in special cases	High	High	29% ^d
Forest and Farm Facility (FFF)	FAO	Global	Centralized HQ; decentralized programme facilitators in regional and country offices and partnership agreements with organizations at regional and national level (representing smallholders)	Average size \$25,000	Medium to High	High	30% ^e
Global Greengrants	--	Global (108 countries)	Centralized	Average size \$4,800	Medium	Low	28% ^f

^a Based on review of program documentation to assess the relative extent to which the grant-making organization emphasizes capacity building in the grants it makes.

^b Based on review of program documentation to assess the relative level of attention given by each grant-making organization to monitoring and evaluation at the project and program level.

^c The 2015 Joint GEF-UNDP Evaluation of the SGP found that the percentage of total expenditure on nongrant activities (management costs) had remained fairly flat as compared with the 2008 joint evaluation findings, which reported an adjusted management cost of 31 percent. For more information, see the Technical Paper on Management Costs of the SGP (2007). SGP management costs do not include the cost of fundraising. *Sources:* Small Grants Programme. The A to Z of the SGP: A Guide to the GEF Small Grants Programme; Independent Evaluation Office of the Global Environment Facility. 2015. Joint GEF-UNDP Evaluation of the Small Grants Programme; Independent Evaluation Office of the Global Environment Facility. 2007. Technical Paper on Management Costs of the Small Grants Programme.

^d Based on spending reported for FY2013. Includes Secretariat, communications, and fundraising costs as management costs, as a percentage of total costs, which also include grants and species action strategies. *Source:* Save Our Species Financial Report 2013, audited by Deloitte SA.

^e Based on budgeted expenses for the five-year program duration. Includes costs for the Facility Management Team (personnel, travel, M&E, database management, office expenditures and equipment), information materials and international events, indirect support costs for FAO, and consultancies as management costs. *Source:* FAO. Forest & Farm Facility. 2012–2017 Programme Document.

^f Based on reported expenses for FY2015. Includes program support and services, and administration and development costs, as management costs. Total expenditures also include grants. Management costs have not been adjusted to include grants that may focus on program management. *Source:* Global Greengrants Fund. 2015 Annual Update.

5. Conclusions and Recommendations for the World Bank

5.1. Conclusions

CEPF is a relatively mature program that has addressed a number of issues raised in previous evaluations and assessments commissioned by its Secretariat, donors, and fiduciary agents. CEPF has gone through various phases of adjusting to new realities and lessons learned, and new requests from donors and other stakeholders. Many other issues raised in this assessment have been considered before, at both global and hotspot levels, and changes are emerging as the CEPF moves into Phase III. The conclusions can be considered in this longitudinal context.

Effectiveness of implementation

Strategy and grant implementation was found to be broadly effective in the three CEPF hotspots visited by the Assessment Team. Based on high-quality ecosystem profiles, the RITs and the Secretariat together developed diverse, but synergistic grant portfolios with well-defined objectives and key outputs and allocations prioritized by strategic directions. Quality at entry was good, although individual grants and their outputs could have been linked more strongly with broad program or hotspot objectives and indicators. Increasingly, CEPF has provided grants to national NGOs, more so than in earlier program phases, but their share is still lower in Madagascar than in the Mediterranean (42 and 60 percent respectively). Implementation was on track with the exception for small grants in Madagascar, which have had a slow start.

Regularly updated progress reports exist for most grants, with bi-annual performance tracking of activities and outputs as well as quarterly financial reports. Safeguard issues are addressed by the RITs for small grants, and by the RITs and Secretariat jointly for large grants. Hotspot strategic progress has been reported annually against RIT logframe targets. Mid-term assessments have been routinely carried out. There have been regular supervisions, but they may not reach all grantees regularly due to their large numbers and geographic spread. Aggregation of information across grantees has not been automated and thus labor intensive.

RITs in the Mediterranean and Madagascar have consisted of qualified and motivated teams, slightly more so in terms of technical than administrative expertise. There has been more continuity of staff in the Mediterranean than in Madagascar. Work has been done in support of small grantees and emerging NGOs, institution-building, and networking; cooperation has been encouraged, and there has been effective internal and external communication, including with other donors and partners in the region.

Achievement of conservation outcomes

By all accounts the conservation agenda has been advanced in the hotspots through bringing NGOs together around species-focused ground work and research; informing, establishing, and maintaining protected and key biodiversity areas; and valorizing biodiversity through eco-tourism. Grants have contained a wide range of short-term outputs and outcomes, but contributions to long-term CEPF-wide

impact areas have sometimes been less clearly defined. Many beneficiaries have achieved a majority of their goals, based on self-reporting and RIT spot-checking. The Mediterranean Basin case study showed that small grants may offer most results for the money, but they are also quite labor intensive for the RITs. Their advantage is that funds can be flexibly utilized for institutional capacity and conservation support, not just for small NGOs, but also critical species research, NGO networking and emergency funding.

Most grants reviewed make only relatively small contributions to long-term sustainable conservation efforts, but they are often found to be catalytic. Smart integration and cooperation among grantees and with others have led to real conservation achievements. In the Mediterranean Basin, major outcome and impact areas have been scientific research on species biology and ethology; species focused conservation projects; and impact on creation and expansion of protected areas, such as the cross-boundary Lake Skadar (Albania and Montenegro) or marine protected areas with Integrated Coastal Zone Management in Tunisia. In Madagascar, outcomes in the latest phase have so far been limited as implementation has not yet been far advanced, but grantees have already started to empower local communities to protect and manage biodiversity; and to mainstream biodiversity into policy making and private business practices. In terms of long-term impact a number of projects from Madagascar's earlier phase (2001–2006) led to progress in community management of protected areas and to longer-term effects from investments in training, knowledge work and research. According to reserve owners in the Atlantic Forest biome CEPF's role in convening and coordinating conservation actors was critical in the early 2000s to help create, expand, and improve management of forest remnants through private protected areas (Private Natural Heritage Reserves) and to increase their visibility.

In all three hotspots and since CEPF program launch in 2001 long-term conservation effects have reportedly been most strongly linked to strengthened civil society, national NGOs, and regional cooperation. NGO activities have been underpinned through higher availability of conservation and research outputs such as seminars, studies and gray literature from early CEPF phases, a larger number of qualified local researchers, and related knowledge exchange networks.

Grant projects have worked best where there are reliable grantees and project managers and where there is a positive relationship and cooperation with other NGOs, academia, local government, and private sector interests. Exposure to experiences from other countries, mentoring, and close on-the-job interactions between international and local experts have also been important for results generation. Effective launch events, grant flexibility, and the ability of RITs to adjust to changing circumstances ensure relevant action.

Sometimes program results materialized more slowly than hoped for, due to overly ambitious agendas, grantee inexperience, lengthy and complex administrative and legal processes for achieving lasting protection status, weak enabling political environments and agencies, as well as non-cooperative communities. NGO-based community approaches and eco-tourism can be time-consuming or weak when they are not accompanied by coherent technical back-stopping, for instance through regional platforms, and complementary partners, such as public enforcement agencies and infrastructure

support. Outcomes have been endangered where there is strong pressure on land from commercial development investors, or desperate parts of communities that encroach on common grounds, and where appropriate enforcement mechanisms are lacking.

Long-term impact and sustainability

A single investment cycle of five years (or about two and a half years' duration for large grants and slightly more than one year for small grants) has been short for achieving lasting conservation impacts and institutional sustainability. Many biodiversity hotspots and individual grantees would likely benefit from complementary or follow-up support. This assessment noted the following as the preferred ways in the hotspots for ensuring sustainability and long-term impact: strong and well-resourced NGOs, preferably with national roots and local affiliates; community-based protection; regional and sub-regional NGO support networks and conservation platforms; alliance with private sector interest; and a local body of species research and surveillance capacity.

NGOs are seen to be strengthening their conservation capacity as a result of the CEPF program, as well as their capacity to collaborate with other partners. These institutions will continue to depend on reliable and institutionalized support, particularly for dealing with governments on complex protection and development efforts and for fundraising from multiple donors with often complex procedures. The timetable for viable exit strategies and graduation for a program like the CEPF is largely dependent on location-specific circumstances.

Institutional effectiveness

CEPF's three-tiered structure has been integral to its success in meeting its dual objectives of strengthening the involvement and effectiveness of civil society in contributing to the conservation and management of globally important biodiversity, as well as achieving sustainable conservation and integrated ecosystem management outcomes. Many of CEPF's features most-appreciated by grantees have been in some ways a function of this structure—for example, the program's sustained support for small grantees, its networking beyond national levels, and its flexibility. These features have been facilitated by the program's strong on-the-ground presence through the RITs, helping to ensure that CEPF's strategic direction is merged with locally relevant conservation needs and issues, and enhanced by strategic and technical advice from the Secretariat.

The CEPF Secretariat and the RITs have generally performed their functions well within this structure and operating model. Overall, the Secretariat has effectively executed its grant-making responsibilities in the hotspots assessed, although individual staff are managing a relatively high number of large grants, with some detrimental effects on supervision (particularly financial). Progress has been made in the past two years to improve CEPF's monitoring and reporting systems, but much work remains. CEPF lacks a centralized system for gathering and aggregating monitoring information from the grantee to the RIT to the global level; these approaches are developed by the RITs, with some guidance from the Secretariat. An inadequate information management system is a contributing factor, and non-automated handling of monitoring data has been a source of inefficiency. A new system—Conservation Grants—is being developed with the intent to better meet CEPF's information management needs, but has taken more

time and resources than expected. A new and important effort in the Secretariat has been a formal strategy for learning; to date, there have been very limited efforts to gather and synthesize learning across hotspots—from both technical and institutional perspectives—although there is plenty of scope to do so.

A persistent theme has been the co-management and division of labor by RITs and the CEPF Secretariat in the hotspots. This Assessment found that the RITs' and Secretariat's activities have been largely complementary, taking advantage of the unique skills and experience that each brings to the program, and reducing the risk of failure or delay. The Secretariat has played a critical role vis-à-vis the RITs, in terms of initial training and implementation support, although more could be done in terms of ongoing capacity building for the RITs, particularly in view of RITs' role in strengthening local networks and ownership. The RITs have autonomy to manage the small grants program. Roles and responsibilities have generally been well understood for the large grant solicitation and assessment process. Where the division of labor has been less clear is the implementation phase for large grants—capacity building for large grantees, supervision, and monitoring. This lack of clarity has the potential to create performance-related issues, if the RITs and Secretariat staff do not keep one another informed, as well as potential inefficiencies in execution.

Although most RITs interviewed welcomed the current division of labor between themselves and the Secretariat, most also believed they are capable of taking on additional responsibility (e.g., for a larger portion of the overall grants portfolio), provided they receive more resources, training, and sufficient back-up support from the Secretariat during implementation.⁴⁸ At the same time, there are limitations to the functions a single regional NGO or a group of NGOs can take on; for example, an NGO—no matter how experienced—may find it difficult to perform the function of large grant awards (or rejections) and supervision of peer NGOs, and an NGO is unlikely to be accepted by donors as a regional fundraiser, since it may also be serving as a grant recipient in other dealings with the same donor (as has already happened in the Mediterranean).

Looking forward, the CEPF Strategic Framework for 2014-2023 proposes to strengthen regional implementation organizations in view of long-term stewardship, enhanced interaction with governments and private sector, and improved fund raising capacity. Yet, three years later, the strategic vision for strengthened implementation organizations is still vague. There is no agreed-upon model for transferring more responsibilities to RITs and strengthening their capacities; and the long-term strategic visions developed thus far—for example, for the Mediterranean—describe consolidation and exit phases, but do not include any discussion on how the function of the RIT may need to change, or what structures and mechanisms for regional networking and support might be expected to persist after CEPF's exit. A \$10.9 million GEF bridging grant (implemented by CI and approved in 2016) looks to address some of these questions through demonstrating innovative tools, methodologies and investments, and building related capacities, through which civil society in three pilot biodiversity

⁴⁸ Some of the RITs (like IUCN in Indo-Burma and IEB in Brazil) have experience with larger grant management; for others (like CANARI or Tany Meva), the CEPF small grants portfolio may be the largest they have handled.

hotspots (Cerrado, Eastern Afromontane, and Indo-Burma), in partnership with public and private sector actors, can conserve biodiversity and progress towards long-term institutional sustainability.⁴⁹

Efficiency

This assessment found that CEPF's program management costs were comparable to other grant-making organizations and were consistent with the services that the Secretariat and the RIT delivered under this current operating model. These costs were largely driven by personnel expenses. CEPF's portfolio—with many low-capacity small grantees and many high-risk grants, which required significant implementation support and supervision—helps explain the scale of these costs. Yet, this focus of the CEPF portfolio on building the capacity of grantees to access and use funds appropriately was also seen by many stakeholders as one of the program's key impacts.

This assessment explored some options that could reduce management costs. Incremental savings may be realized through more efficient information management—i.e., reducing offline and manual processing of data. Some NGO networking activities could be funded through separate grants rather than as the work of the RIT. Within the current operating model, as noted above, roles and responsibilities between the RIT and the Secretariat could be more clearly defined during implementation and supervision, to avoid some marginal redundancies. But these adjustments are unlikely to significantly reduce CEPF's perceived management costs.

Many of the options to significantly reduce management costs could also substantially change the nature—and reduce the unique value—of the CEPF program. For example, CEPF could reduce direct support to small or emerging NGOs for small grants and award more large grants to reduce the number of grants that must be administered and supervised, or could award grants only to low-risk, high-capacity grantees (such as international NGOs) to reduce the need for capacity building and supervision. Or, CEPF could request larger grantees to include capacity building of smaller NGOs or CSOs as part of their proposals, although this could be perceived as simply a shifting of costs. Fieldwork and interviews also suggested that lower-capacity, national NGOs serving as RITs require more time and more travel by the CEPF Secretariat to build those organizations' ability to fulfill their RIT functions; and data analysis showed that national NGOs receive slightly higher funding relative to the size of the portfolio they manage. Yet building capacity in those national NGOs as RITs is perceived as an increasing priority of donors.

Shifting more responsibility to RITs to manage a larger portion of the grant portfolio in each hotspot, as discussed above, is unlikely to be a net cost-saving measure. RITs would need to staff up to accommodate those additional responsibilities, including finance and administrative staff and likely additional technical staff to help select and supervise the increased number of grants and build capacity in more grantees.

⁴⁹ The project document is available here: <http://www.conservation.org/gef/Documents/CEPF/20160205-ProDoc-5735-CEPF.pdf>

5.2. Recommendations to the World Bank for Final Investment to the CEPF

Based on the conclusions presented above, and in consideration of the final investment by the World Bank channeling resources from the GoJ, the Assessment Team makes the following recommendations to the World Bank for improving the program’s overall objective and approach.

Recommendation 1: Pursue strategies to enhance the sustainability of outcomes and impacts from individual grants and grantees.

Various factors limited the achievement of planned results, as well as the sustainability of those results, including overly ambitious project plans, insufficient grantee experience, and a weak enabling environment (including issues related to political instability and lack of capacity and will in public authorities and government institutions). The following recommended actions could help mitigate some of these factors:

- **Provide more support for RITs to develop strategies for building the capacity of grantees and establishing support networks and partnerships.** Currently these strategies are somewhat re-invented by each RIT—informed in part by the experience of their associated CEPF Secretariat Grant Director—and there is scope to think more strategically about how to do this. Of high priority are capacities for dealing with governments and private sector in complex or co-managed conservation efforts, for developing partnerships, and for NGO fundraising to continue their work. Such support could take the form of more training or exchange opportunities for RITs.
- **Support longer-term CEPF engagement in hotspots and with individual grantees.** CEPF’s strategy for phase III emphasizes longer-term engagement, which is supported by the findings of this assessment. In a single investment cycle (under the typical five-year model), each grantee can usually only make a small contribution to a larger effort of conservation and protection in its grant-implementation timeframe of several months to a maximum of two to three years. Under a longer-term engagement model, support for successful grantees to modify and innovate their approach in consecutive cycles may particularly make sense—such as several current grantees in Madagascar that are upscaling and refining their work from the previous phase. Re-profiling efforts should consider such opportunities and other “unfinished” business.
- **Encourage synergistic grants that are clustered around issues or geographies.** Fieldwork in the hotspots showed the value of such clustering for building civil society partnerships and platforms, as well as establishing common approaches on challenging issues—these areas are value additions of CEPF. While certainly not all grants or conservation issues will lend themselves to such clustering, continuing to encourage such synergies could be beneficial for impact and sustainability. In addition, clustering can help reduce costs of supervision.
- **Fund grants that propose innovative schemes in feasible niches to focus conservation approaches on community alternative livelihood support.** CEPF should offer more technical guidance to

grantees on certain challenging topics related to socio-economic and community development work, building on the global experience of CEPF—for example, eco-tourism or other means of linking biodiversity conservation to livelihood opportunities, which may not be the core expertise of small conservation-oriented NGOs in developing countries (see also Recommendation 4 below). Alternatively CEPF could encourage partnering with more classical development agencies in these places.

Recommendation 2: Strategically review models for strengthening RITs and devolving some responsibilities from the CEPF Secretariat to the RITs to support sustainability and the envisioned scaling up of CEPF in Phase III.

This assessment found that CEPF’s three-tiered institutional structure—as currently applied—makes sense in terms of the division of labor and sharing of responsibilities under the current model. But the CEPF Secretariat is over-stretched with technical and financial accountability for large grants resting with the Secretariat and high grant-loads for each Grant Manager and Grant Director; with up to 40 active high-risk grants per Grant Manager, comprehensive financial supervision would be logistically (and financially) difficult to accomplish. At the same time, most RITs interviewed for this assessment believe they could take on additional responsibilities, provided they receive more resources and sufficient on-the-job back-up support. Taken together, these findings suggest the need for a strategic review of the role of the RITs, to consider how to transfer more responsibilities to the RITs and generate more sustainable structures at the regional level.

This is particularly critical in the context of CEPF’s Strategic Framework for Phase III, which calls for taking CEPF to scale through a broadened partnership and donor base, long-term strategic visions for hotspots, strengthened implementation structures for each hotspot with RITs as long-term stewards, and an improved delivery model. More strategic assessment is needed to support the successful implementation of that Strategic Framework, especially in regard to the changing functions for RITs or appropriate structures and mechanisms for regional networking and support structures that could come after the withdrawal of CEPF in a hotspot.

To address these issues, the World Bank should ask the CEPF Secretariat to carry out a strategic review on how to best transfer functions to RITs and thereby decentralize processes with the intent to improve sustainability. Such a study should be coordinated with ongoing and planned activities under the GEF bridging grant to avoid duplication and could cover:

- An assessment of current capacities and limitations of existing RITs to take on more responsibilities.
- The appropriateness of the current model to perform more tasks that are currently undertaken by the CEPF Secretariat, and an assessment of options for a model change.
- How to effectively and rapidly transfer responsibilities to current RITs while ensuring the efficacy of program implementation of both large and small grants.
- How to decentralize some fund raising and grant solicitation responsibilities without or with a minimum of conflict of interest that may be caused by the involvement of regional NGOs in the RIT.

- How to carry on important regional networking and backstopping of the RITs and how to finance them.
- What resources may be required for RITs to transition toward a long-term steward role.
- How to generate sustainable regional RIT structures beyond CEPF investments.
- How to continue to optimize the use of resources and experience of the CEPF Secretariat in the regions.

Recommendation 3: Make more transparent and improve certain management procedures and systems.

This assessment found that the CEPF Secretariat and RITs are largely effective in managing the CEPF program. Still, there are some areas for incremental improvement that may improve not only effectiveness, but also efficiency. More transparency is needed in several areas, including surrounding calculation of operating costs and the monitoring system. Recommended actions include:

- **Further clarify roles and responsibilities between the Secretariat and RITs for large grants.** The recommendation above calls for a more strategic look at the roles of the Secretariat and the RITs in implementing the CEPF program in the regions. In this context, carefully delineating the responsibilities and accountabilities of each party would be particularly important. In the short-term, however, the responsibilities of the Secretariat and the RITs during implementation and supervision of large grants should be further clarified.
- **Be more strategic in selecting grants for supervision and increase scope for financial supervision.** The Secretariat, and the RITs to a lesser extent, should be more strategic in selecting grants for technical and financial supervision (e.g., through ranking both technical and financial risk to prioritize joint supervision missions), and efforts for financial supervision should be increased. One option could be to contractually require an external (local) audit for large or higher risk grants.
- **Pursue improvements to the monitoring and information management systems.** Such improvements should ensure that aggregation of individual reports (e.g., of outcomes and impacts) by grantees and RITs is automated, to reduce burden on RITs and the Secretariat as well as to ensure a clear chain of custody of monitoring data. The system should also make clearer how individual grant results align with the strategic impact of CEPF in the hotspot, as well as at the global level; in other words, which grants contribute to which results areas should be made explicit in the system (e.g., with tagging or other methods). CEPF should also maintain spatially explicit data, documenting at a minimum a central geo-referenced point and area, so that future evaluations can more readily and accurately assess the impact and sustainability of CEPF activities.
- **Agree on how much to spend to manage the CEPF additional finance project.** The World Bank and the CEPF Secretariat should come to a common understanding of what program management costs are required to manage the CEPF project and what cost components are included and not included. Whether grants given to the RITs for their programmatic and administrative functions are considered operating costs is a notable decision-point. It is the opinion of the Assessment Team that

the RITs—in their current role—can be considered as both beneficiaries (in the sense that CEPF wishes to increase their capacity to gain experience to become regional hubs, knowledge and backstopping centers, and supporters for small grantees), as well as providing CEPF Secretariat-like services with regard to grant proposal appraisal, supervision, and monitoring and reporting.

Recommendation 4: Increase focus on learning and synergies across and within regions and hotspots.

At present, CEPF is not fully capitalizing on the learning that emerges from grantees' work within the hotspots. Synthesis at the global level has been modest, although more learning is happening within the regions or hotspots. Recommended actions include:

- **Aggregate learning on common project themes or approaches** to share with grantees. Lessons learned are currently highlighted in individual grant stories, but the global nature of the CEPF program offers rich material for identifying best practices, innovative approaches, or common pitfalls across hotspots and regions. Some of the common issues addressed in CEPF grants—such as eco-tourism and community development—are outside of the core purview of national and local conservation-oriented NGOs, and these grants could benefit from technical advisory services (e.g., targeted guidance or workshops, led by third parties with specialized expertise, where needed). CEPF may also want to consider whether slight adjustments to its organizational structure could support such thematic foci; for example, small task forces in the Secretariat could provide strategic and technical leadership on important (and frequently used) project approaches.
- **Promote cross-hotspot learning on programmatic and administrative issues for RITs.** CEPF should better capture and share lessons learned on the programmatic and administrative functions for RITs, including possibly through continued RIT exchanges, which have been positively received. Such efforts could also yield useful best practices for building the capacity of civil society organizations and establishing networks of partners and grantees, to support the development of CEPF-wide guidance and strategies on these issues (see also recommendation 3 below).
- **For re-investment hotspots, assess lessons learned.** Important lessons are learned through the stakeholder workshop process to develop the final hotspot assessment report, as well as through the ecosystem re-profiling process for hotspots to be re-invested. But more emphasis could and should be put on such lessons learning, including in regard to the programmatic and administrative performance of RITs. Concise lessons learned assessments should be prepared at the end of the investment cycle and prior to re-investment.

Appendix A. Terms of Reference

1. Background

The Critical Ecosystem Partnership Fund (CEPF) was conceived 16 years ago as a joint effort by the World Bank, Conservation International (CI), and the Global Environment Facility (GEF). CI agreed to host the Secretariat of the CEPF.

The objective of the CEPF to strengthen the involvement and effectiveness of civil society in contributing to the conservation and management of globally important biodiversity and to achieve sustainable conservation and integrated ecosystem management outcomes.

Over the past 16 years, the CEPF has invested in 24 hotspots. The duration of hotspot investments ranges between three to five years. Hence, for some hotspots, investments have already concluded while for more recently approved hotspots, investments are still ongoing. During the most recent Donor Council meeting, a decision was made to re-invest in hotspots which had already received funding at an earlier stage but met criteria for re-investment. The main reason for that decision is that there is potential to further enhance biodiversity conservation outcomes and that the sustainability of the achieved results from earlier investments may be at risk.

Hotspot investments range between US\$1.6–10.3 million. The development of a hotspot profile, including an investment strategy, costs up to about US\$300,000.

Financing

So far, a total of US\$270 million (over “Phase 1 and 2”⁵⁰) has been donated to the CEPF by donors such as the Agence Française de Développement (Afd), CI, the European Union (EU), the GEF, the Government of Japan (GoJ), the Mc Arthur Foundation, the World Bank and regional donors (investing in specific hotspots only).

The World Bank is the fiduciary agent for donors that have decided to use the systems of the World Bank in support of the objectives of the CEPF. These funds are processed and used in compliance with World Bank operational policies and procedures.

During the past 16 years, the World Bank has channeled substantial resources from other donors and its own programs to the CEPF:

- US\$45 million from the GEF;
- US\$25 million from the DGF;

⁵⁰ The CEPF Secretariat refers to “phases” but there are no distinct time frames and key milestones to separate one phase from another. In fact, financing to the CEPF has been a continuum.

- US\$20 million from the EU; and
- US\$34 million from the GoJ.

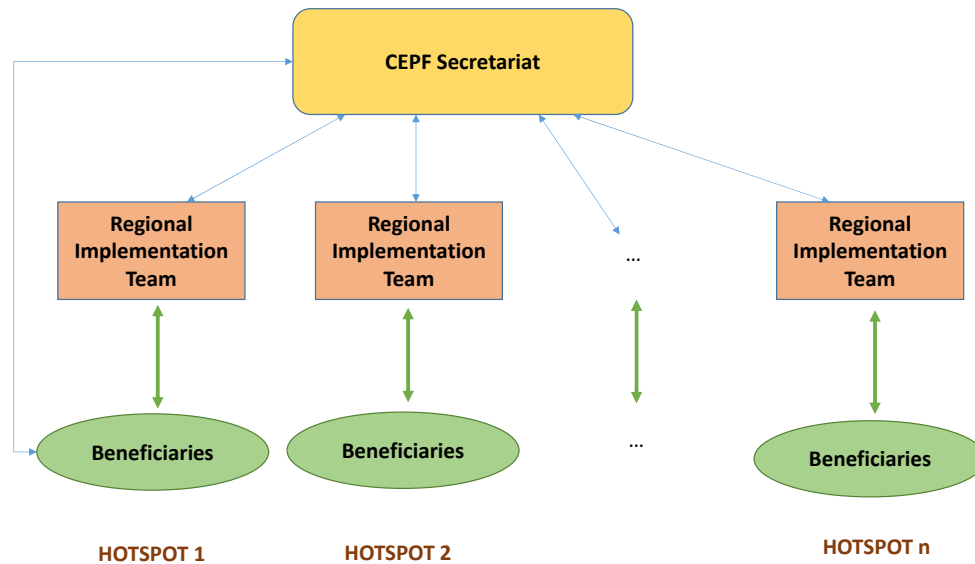
The World Bank has been requested to process additional US\$15 million from the GoJ as the last financial support to the CEPF on behalf of the World Bank. After 15 years of investments in the CEPF, the World Bank wishes to conduct a “value-for-money” assessment to inform the design of the final financial contribution to the CEPF. This is consistent with World Bank requirements to establish a clear rationale for processing the additional finance for the ongoing project.

Governance and Institutional Structure

The CEPF is governed by a Donor Council with each donor agencies represented by one member. The Chair is selected by the Donor Council. The Donor Council makes decisions (including decisions on the selection of hotspots and budgets) for the CEPF and provides policy and strategic guidance as necessary.

A Working Group supports the Donor Council by providing technical guidance for its decision-making process. The members of the Working Group are usually technical staff from the donor institutions.

The CEPF has a three-level institutional structure which provides the framework for decision making and fund flows:



The CEPF Secretariat (located in Arlington, VA, USA):

- communicates with CEPF donors;
- coordinates with the RITs and provides appropriate administrative and capacity development services; and
- manages the overall budget for the CEPF and administers grant resources to the ultimate beneficiaries (“grantees”) through the RITs.

Note:

(i) In cases where the RIT has been assessed with a low fiduciary and risk management capacity, the CEPF Secretariat continues channeling and supervising grants directly to the ultimate beneficiaries instead of developing the fiduciary and risk management capacity of the RIT.

(ii) Until now, the CEPF Secretariat has treated the RITs as “grantee.” During the last supervision, the World Bank clarified that the RITs are not considered grantees (or beneficiaries) but agencies which fulfill administrative and technical tasks in support of beneficiaries (“grantees”) in each hotspot. RITs do not implement grants but provide administrative and technical support services to grantees.

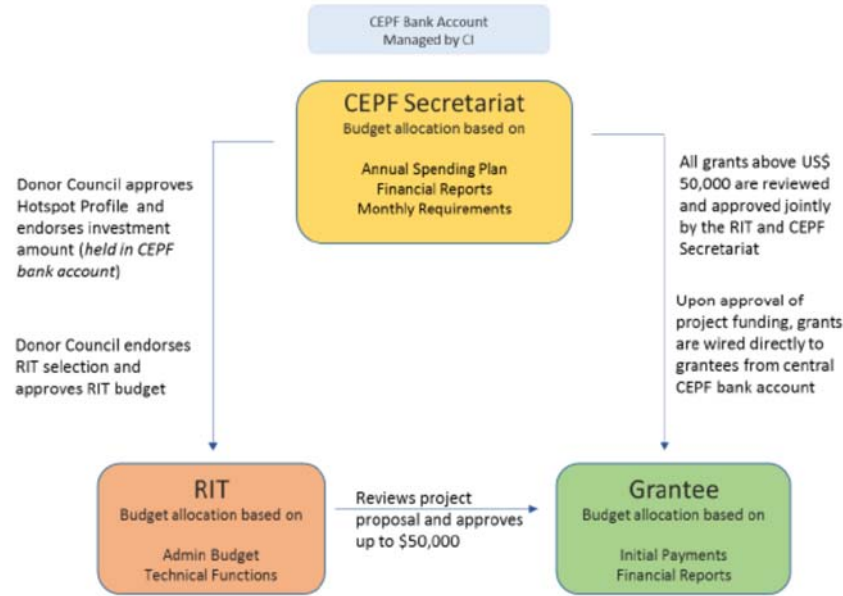
The RITs (located in hotspot):

- provide services to the grantees (i.e., ultimate beneficiaries) in the hotspot, including grant administration;
- provide capacity development opportunities to grantees consistent with the hotspot investment profile;
- supports grantees with the implementation of their project as needed;
- captures progress with achieving agreed results and reports back to the CEPF Secretariat on hotspot-level results; and
- liaises with the CEPF Secretariat on all issues relevant to the hotspot.

The grantees (or beneficiaries) (located at the local level in the hotspot):

- execute agreed activities through an approved grant agreement consistent with the hotspot investment profile;
- identify needs for capacity development necessary to further enhance the delivery of conservation outcomes; and
- provide, on a regular basis, monitoring reports to the RIT.

Funds are transferred through an agreed process from the CEPF Secretariat to the RITs and the ultimate beneficiaries. The figure below provides a simplified chart outlining the decisions and fund flows as described in the Operational Manual for the CEPF.



During the lifetime of the CEPF, 24 hotspots have been supported of which 9-11 are active at any given time. By the end of FY 16, more than 2000 ultimate beneficiaries have received grants from the CEPF. Since 2007, 37% of the grants were awarded to local and 73% to international entities³.

Budget

The recently submitted revised CEPF FY 17 Spending Plan suggests that the percentage of Secretariat administrative costs for FY 17 to the anticipated ecosystem grant disbursement in FY 17 (US\$11,570,000 – including RIT costs) is 25.11%.

The FY17 budget for the CEPF presents the following details:

(i) Hotspot profiling

- Preparation Grants (2 profiles): US\$ 659,000
- Secretariat Operating cost : \$180,000 (27% of Preparation Grant)
- Consultancy : \$ 103,000

(ii) CEPF Secretariat (Operating Cost for managing grants implemented by the beneficiaries)

- Secretariat Operating Cost: \$ 4,001,000 (6.91% of grants implemented by the beneficiaries)
- Consulting Services \$ 424,000

(iii) Grants implemented at hotspot level

- Grants to beneficiaries and RITs: \$ 57,917,000
- RIT Operating Cost: \$.4,743,000 (8.19% of grants)

2. Objective of the Consultancy

The CEPF has been in implementation for 16 years. Over the past years of implementation, the CEPF has adopted an adaptive approach, lately with an enhanced efforts on learning and knowledge management; as well as improved monitoring and reporting at aggregate levels.

The global scope and the 3-tier institutional setup of the CEPF provides for a complex structure which may jeopardize the efficient and effective delivery of grants to beneficiaries in support of biodiversity conservation outcomes. The World Bank as a development institution is keen to increase the capacity of local or regional institutions in terms of technical know-how, administrative responsibility and fiduciary duties, which include the ability of the institution to identify and manage risks. In this context, the CEPF Secretariat and the RIT functions as well as their roles and responsibilities need to be assessed.

CEPF investments in hotspots are limited to 2-4 years. So far, the CEPF has supported investments in 24 hotspots - as of to date, investments in 15 hotspots have been concluded and investments in 9 hotspots are active). To sustain the achieved results from investments in the hotspots, a long-term strategy, including a link to other conservation measures supported by the Government or other institutions is necessary. In this context, the sustainability of results, including the sustainability strategy at hotspot level needs to be assessed.

Given the above context, the World Bank wishes to conduct a “value-for-money” assessment of the CEPF to:

- (a) get an independent assessment of the economy, effectiveness, efficiency and equity of the use and flow of CEPF resources in support of the project/CEPF objective; and
- (b) identify opportunities for enhancing the delivery of conservation outcomes supported by the CEPF over the next 3 years.

3. Duties

A consultancy firm (“Firm” or “Consultant”) is required to undertake the “Value-for-Money” assessment of the CEPF in the context of the above stated objective (Section 2).

The assessment will cover the complete structure of the CEPF: CEPF Secretariat; RIT and beneficiaries. The following tasks are expected to be part of the assessment:

- A desk review of relevant materials to develop an approach paper in complement other findings;
- In-depth assessment of 3 hotspots (including field visits):
 - hotspot for which investments have been closed: Atlantic Forest (USD10,010,403.00)
 - hotspot with ongoing investments: Madagascar and Indian Ocean Islands (USD7,780,239.00)
 - hotspot considered for re-engagement: Mediterranean Basin (USD10,275,535.00)
- Interviews with
 - the CEPF Secretariat;
 - the relevant RIT;

- beneficiaries in the selected hotspots, and
- relevant World Banks staff.

(Note: The questions should also reflect on the roles and responsibilities of each actor; and their views on what should and could be changed to further enhance the effectiveness and efficiency of CEPF investments);

With operating costs beyond 25% of the grant (the WB benchmark for project of similar structure and focus is 10%), two additional questions need to be answered:

1. Are the services provided by the CEPF Secretariat and the RIT comprehensive, i.e. consistent with WB policies and procedures; including financial management, procurement, safeguards?
2. Are operating costs of that magnitude justified for this type of project?

4. Deliverables

The selected Firm will produce the following deliverables:

- a. Approach paper for the assessment, including cost proposal (First draft: 2 weeks after consultancy award; Final: to be discussed);
- b. Summary mission reports after each field visit (including photos from actual investments) and meetings with the CEPF Secretariat (based on schedule; no later than 1 week post mission);
- c. Assessment report (First Draft: 2 weeks after final mission; Final to be discussed);
- d. Recommendations to the World Bank on its final CEPF investment (in parallel with the finalization of the assessment report);
- e. At the end of the consultancy, the Firm will produce a final written report, in form and substance acceptable to the World Bank, and furnish the same to the World Bank.

5. Timeframe

This assignment is to be undertaken on an urgent basis. The Firm will be expected to commence the review and assessment immediately after the signing of the Engagement Letter.

The Firm shall also provide the World Bank with periodic written briefings and meet with World Bank officials, as requested by the World Bank.

The Firm shall also provide the World Bank with periodic written briefings and meet with World Bank officials, as requested by the World Bank.

It is anticipated that this assignment will conclude within the period of September–December 2016.

Appendix B. List of Stakeholders Consulted

Organization /Institution	Name
CEPF SECRETARIAT	
CEPF Secretariat / Conservation International	Olivier Langrand, Executive Director
CEPF Secretariat / Conservation International	Megan Oliver, Director, Grant Management Unit
CEPF Secretariat / Conservation International	Nina Marshall, Sr. Director, Monitoring, Evaluation, and Outreach
CEPF Secretariat / Conservation International	Jack Tordoff, Managing Director
CEPF Secretariat / Conservation International	Julie Shaw, Communications Director
CEPF Secretariat / Conservation International	Kevin McNulty, Sr. Director, Finance and Operations
CEPF Secretariat / Conservation International	Pierre Carret, Grant Director
CEPF Secretariat / Conservation International	Dan Rothberg, Grant Director
CEPF Secretariat / Conservation International	Michele Zador, Grant Director
CEPF Secretariat / Conservation International	Peggy Poncelet, Grant Director
CEPF DONOR COUNCIL AND WORKING GROUP MEMBERS	
European Commission DG for Development and Cooperation	Chantal Marijnissen
	Patrice Moussy
European Commission DG Environment	Anne Theo Seinen
World Bank	Andrea Kutter
	Sachin Shahria
Conservation International	
REGIONAL IMPLEMENTATION TEAMS	
BirdLife International (Mediterranean Basin)	Liz Smith, RIT Manager
	Borut Rubinic, Programme Officer for the Balkans
	Awatef Abiadh, Programme Officer for North Africa
	Sharif Jbour, Programme Officer for Middle East
Tany Meva (Madagascar and the Indian Ocean Islands)	Alain Randriamaherisoa, RIT Manager
	Miara Rajaobelina, Programme Officer
	Monique Rajaobelina, Programme Officer
	Patricia Otonia, Administrative and Logistics Officer
	Meetings with various part-time RIT team members from Tany Meva finance (Haingo and Njiva), audit, communications and M&E divisions (Rija and Thierry)

Organization /Institution	Name
BirdLife International (Guinean Forests of West Africa)	Tommy Garnett, RIT team leader
CANARI (Caribbean Islands)	Anna Cadiz-Hadeed, RIT Manager Nicole Brown, Jamaica Country Coordinator
IUCN (Indo-Burma)	James Tallant, RIT Manager Scott Perkin, Head, IUCN Natural Resources Group Angela Joehl Cadena, Deputy RIT Manager
Wildlands Conservation Trust (Maputaland-Pondoland-Albany)	Roelie Kloppers, RIT Manager
OTHER ORGANIZATIONS	
GEF Small Grants Programme	Pilar Barrera Rey, GEF, Coordinator of Partnerships Yoko Watanabe, UNDP
MEDITERRANEAN BASIN HOTSPOT VISIT	
Montenegro and Albania	
National Parks of Montenegro (NPCG), Podgorica, Montenegro	Azra Vuković, Director
Lake Shkodar, Montenegro Hum Hill lake site visit	Bjanka Praljačić, NOE Nela Dubak, NPCG Andrej Vizi, NHM
Ulcinj Salina site visit with CZIP	Aleksandar Perović, CZIP project leader Nebojša Banićević, CZIP team
Morača river and Buljarica hotspot	Dejan Milovac Mihailo Jovićević Vuk Iković
NGO Green Home, Montenegro Šasko lake visit, eco-tourism project	Milica Kandić, NGO team leader
Mans (anti-corruption NGO), Montenegro	Mihailo Jovićević Vuk Iković
Lake Shkodar site visit, Shkodar, Albania	Marinela Mitro, INCA lead, Tirana Nihat Drayoh, INCA project officer Tonin Macas, Agim Dardho Regional, Ministry of Environment, regional officers Arjan Cinari, fishermen organization

Organization /Institution	Name
Site visit of Kune Vain lagoon with ASPBM, organization to reduce illegal hunting	Klodian Aliu, team leader ASPBM Mikaela Mahilaj Genci Kadilli
Narta lagoon site visit with PPNEA	Mirjan Topi, PPNEA project leader Kujtim Mersini, PPNEA project officer and local guest-house providers
Marine Protected Area and eco-tourism project Karaburun/Sazan (INCA)	Meeting with Inca representatives, local service providers and sub-regional government representatives
World Bank, Country Office Tirana	Drida Dade, Senior Natural Resources Management Specialist
Delegation of the European Commission, Tirana	Antoine Avignon, EEAS Tirana
Tunisia	
Living Planet / WWF	Hammadi Gharbi, project officer ICZM Sami Dhouib, Cape Negro project officer
Site visit commune de Ghar el Melh	Jibriel Mustapha, Vice-President of council and other representatives of the community
Gouvernorat Bizerte	Mohamed Gouider, Governor Bechir Lazzem, Member of the National Assembly
Thetis/Cabinet Sami Ben Haj, Bizerte, grantee	Sami Ben Haj, President
Site visit Cape Negro MPA and eco-tourism project Khourgalia	Mastouri Ali, President, Société Sylvagri Monafak Ghoulem, President Association Locale de Développement Intégré et Durable à Cape Negro Yassine Skandrani, Association Club bleu Artisanal à Sidi Mechreg/Bizerte
Site visit Lac Ichkeul, Menzil Bourguiba	M. Badreddine, sub-regional project team, Association Tunisienne Santé Environnement (ATSE), sub-grantee of Tour de Valat
Agence de Protection et d'Aménagement du Littoral (APAL) ; Direction des éco-systèmes, Ministry of the Environment, Tunis	Saba Guellez, Directeur Anis Zarrouk, regional officer lac de Tunis
Ministry of Agriculture, Forestry Department (Direction Générale des Forêts), Tunis	Hela Guidara, Director of Parks and Protected Areas
Association des Amis des Oiseaux (AAO), Tunis. Site visit eco-tourism project Cape Bon, sites of Tunis (lac Sud de Tunis), Solimane, and Nabeul Lagoon	Hichem Azafzaf, President AAO Claudia Azafzaf, Executive Director AAO Moujib Guebous, Director CEPF eco-tourism project Daoud Dhane ETE+ (Solimane), Hiba Houchi, AEDS Solimane Abdelwaheb Chaouch, Zeineb Rhim, Bilel Gharsallah, CRT Nabeul, Kabira Bririch, Commercialization of 'produits du terroir'

Organization /Institution	Name
	Prof. Mohamed Salah Romdhane (INAT/University of Carthage)
	Meetings with local organizing committees: Comités local d'appui à la gestion (CLAG)
Site visit Notre Grand Bleu (NGB) turtle project, Kuriat Islands, Monastir	Ben Fnaj Wahid, Office du Tourism Nabeul Ahmed Ghedira, President and founder NGB Ahmed Souki, Co-founder NGB and other NGB associates Meeting with fishermen organization, tourism enterprises Meeting with Director of the l'Institut National des Sciences techniques marines (INSTM) and turtle rescue center Meetings with the mayor of Monastir and the first delegate at the Governor's office
MADAGASCAR AND THE INDIAN OCEAN ISLANDS HOTSPOT VISIT	
Meetings in Antananarivo	
Madagascar National Parks (MNP), Antananarivo	Emmanuel Andriamanantsalama Rakotomavo, Financial Director MNP Liliane Parany, CCO MNP Aro Rajaronarivo, CDO MNP
Fanamby (NGO)	Andry Mandimby Rasolonjanahary, CEPF Fanamby project team leader Carlo Andrianantoandro, Administration CEPF Fanamby project
Conservation International Madagascar, Ankorahotra office	Luciano Andriamaro, Director Science & Knowledge
Worldlife Conservation Society (WCS), Soavimbahoaka office	Alison Clausen, Regional Director Ravaka Ranaivoson, Marine Conservation Director WCS and former CEPF RIT team manager
The Peregrine Fund, Tsiadana office	Pr Lily Arison Rene de Roland, National Director
Association Vahatra and Science Faculty of University of Antananarivo	Steven M. Goodman PhD HdR, Conservation Biologist and co-founder of Vahatra Achille P. Raselimanane, President Vahatra Marie Jeanne Raherilalao Chercheur, Fondateur, Editeur, Encadreur Voahangy Soarimalala, Chercheur, encadreur, fondatrice, curateur de Vahatra
World Bank, Country Office Antananarivo	Benjamin Garnaud, Senior Natural Resources Management Specialist Indian Ocean Jérôme Bertrand-Hardy, Directeur

Organization /Institution	Name
Agence française de développement (Afd) Madagascar	Hélène Gobert, Chargée de projets Développement rural, Environnement et Pêche
Ministry of the Environment (MEEF)	N.N., Director General
Field visit, Antsiranana/Diego region—Northern Madagascar	
Direction Régionale, Ministry of the Environment (METT), Antsiranana	Ravo Raharinaivo, Chef de service régionale de contrôle service régionale des forêts, Diego
Regional Government, Diego region	M.Malaza, Secrétaire Général, Region Diana (equivalent to Governor) Mme. Todigoa Yasline, Chef de service de développement économique
GIZ Antsiranana Office	Eva Eliana Mund, Technical Assistant, Programme d’Apui à Gestion de l’Environnement (PAGE)
Field site SAGE (NGO) Antsiranana, Northern Madagascar	Haja Parfait, Coordonnateur Régional de Diego Tahiana Harilala Razafindralambo. Technical Director Ruksana Nadine Abdallah, Andavakuir, SAGE village Local surveillance committee
Field site Missouri Botanical Garden (MBG) Antsiranana	Gael Hariniaina Randriamahefa, Eco-tourism Project Manager and meetings with other members of the MBG team
Field site Conservation International (CI)	Meetings with CI implementation team, villagers and fishermen
ATLANTIC FOREST HOTSPOT VISIT	
Conservação Internacional do Brasil	Ivana Lamas
Conservação Internacional do Brasil, formerly Instituto de Estudos Socio-Ambientais do Sul da Bahia	Beto Mesquita
Conservação Internacional do Brasil, formerly Bocaina Mosaic	Adriano Melo
CEPF Secretariat	Dan Rothberg, Grant Director
Formerly Associação Mico-Leo-Dourado	Denise Rambaldi
Fundação SOS Mata Atlântica	Marcia Hirota Monica Fonseca
Associação Super Eco de Integração Ambiental e Desenvolvimento da Criança	Andree Ridder
Instituto Terra	Diogo Vannier Peralta Mauricio Ruiz
Private reserve owner	Luis Nelson Cardoso
University of Espírito Santo	Yuri Leite

Appendix C. Approach Paper: Methods and Assessment Matrix

Methods

The key assessment questions will be answered through a mixed methods approach using both quantitative and qualitative analytical methods and tools.

Program-level desk analysis

A comprehensive program-level desk review will inform our analyses of institutional effectiveness and efficiency. Documents to be reviewed include:

- Official documents on the governance and management of CEPF, including the original Memorandum of Understanding between the Bank, Conservation International and the Global Environment Facility; legal and other agreements on the financing and administration of the CEPF; the Operational Manual (and its revisions); the CEPF Strategic Framework; and the CEPF Monitoring Framework.
- Financial reports, including annual reports, spending plans, and interim financial reports from the CEPF Secretariat and the RITs. The Assessment Team will also rely on the parallel work of a separate World Bank team conducting an In-depth Fiduciary Review of CEPF to provide vetted financial and procurement data and information.
- For each hotspot being reviewed in-depth, ecosystem profiles, grant proposals and final project reports, five-year portfolio level mid-term evaluation reports, and reported results.
- Project supervision documents, including aide-memoires, project supervision reports, and implementation status and completion and results reports.
- Previous evaluations of CEPF and management responses, including the 2005 External Evaluation, the 2007 Global Program Review by World Bank IEG, the 2010 Evaluation, and evaluations at the hotspot level.

ICF will also analyze CEPF program-level financial data to assess trends in program management and administration costs over time and by category, as well as efficiency in grant delivery. This analysis will include benchmarking against comparator projects and organizations, including those that make biodiversity-oriented small grants.

Key informant interviews

Stakeholder input will be a critical source of evaluative evidence. For all consultations, ICF's Team Leader will ensure that ethical standards are upheld and that data collection is conducted with the free and informed consent of the key informants, and in a replicable manner.

We expect to interview:

- CEPF Secretariat (hosted by Conservation International).
- CEPF Working Group members.
- Selected CEPF Donor Council members
- RITs in the three selected hotspots (as discussed further below).
- Two additional RITs in hotspots where CEPF is active and two additional RITs where CEPF has previously invested.⁵¹
- Ultimate beneficiaries in the three selected hotspots (as discussed further below).

ICF will develop interview protocols that include questions for each type of stakeholder group, using a semi-structured interview (SSI) format. Although the protocols will be nuanced to reflect the different roles of each stakeholder group, we expect significant overlap in the interview questions in order to enable comparison of responses and triangulation during the analysis phase. Questions will cover the roles and responsibilities of and services provided by each actor, as well as their views on actions that could further enhance the effectiveness and efficiency of CEPF investments.

We anticipate that we will be able to conduct most interviews in-person, given our location in Washington, DC, and the anticipated fieldwork in three hotspots. When in-person interviews are not possible, we will conduct interviews via Skype or telephone.

In-depth assessment of three hotspots

ICF will conduct an in-depth assessment of three hotspots to inform a hotspot- and grant-level evaluation of the economy, effectiveness, efficiency, and equity of the use and flow of CEPF resources. The three hot-spots are:

- The Atlantic Forest (closed investment);
- Madagascar and Indian Ocean Islands (ongoing investment); and
- Mediterranean Basin (considered for re-engagement).

The in-depth assessment will consist of desk review and analysis, key informant interviews, and fieldwork. Because CEPF funding to each hotspot is comprised of as many as 60 individual small grants, and given the available funding for this assessment, it will not be possible to visit each ultimate beneficiary to verify results and sustainability of outcomes through field visits. Instead, our approach

⁵¹ Selection will be made purposively, to complement the three hotspot RITs by providing further representation across regions, single-country versus multi-country hotspots, and the range of RIT arrangements (such as international NGOs, local NGOs, and consortia of international and local NGOs).

employs desk review protocols and sampling procedures to ensure that robust and evidence-based findings can be made.

Grant-level desk analysis. ICF will design and implement a desk review protocol for gathering and assessing key information on the effectiveness and efficiency of administering and implementing CEPF grants; and the sustainability of results and equity in allocating grants. The protocol will be based on a review of project documents including safeguard documents, mid-term assessments, and final project reports prepared by ultimate beneficiaries, and, when appropriate, external data sources to confirm achievement and sustainability of project impacts. As an illustration, this protocol might compile information on planned to actual deliverables (outputs), reported project results (outcomes and impacts), grant size, grant-level co-financing, and other key project attributes. This exercise will allow ICF to have a single database synthesizing key information from CEPF projects in each selected hotspot to facilitate all subsequent steps of the analysis, including key informant interviews and selecting candidate project sites for field visits.

Based on the data compiled by this protocol, desk analyses will include a descriptive analysis of grant distribution across the hotspots, an assessment of the degree of achievement of grant objectives, and a review of evidence of outcomes/impacts. Where feasible, ICF will identify external sources of information to potentially confirm impacts and sustainability. ICF will also identify other ongoing or past efforts financed by other donors to assess the level of contribution of the CEPF to the conservation outcomes in the hotspot. For example, evidence of successful establishment of protected areas might be checked against the World Database of Protected Areas and national protected area system information; evidence of production and dissemination of knowledge could be checked for research-oriented grants.

Hotspot fieldwork. The ICF team will conduct fieldwork in the three selected hotspots to gather data, observe results, and conduct interviews with RITs, ultimate beneficiaries, and other involved stakeholders. These visits will focus particularly on impacts, sustainability, and the institutional effectiveness of the RITs. The guidelines for our fieldwork are shown in Exhibit C-1. A more detailed protocol for each hotspot will be developed in advance of the visit, likely in cooperation with the RIT.

Exhibit C-1: Guidelines for Hotspot Fieldwork

Hotspot Field Visit Element	Guidelines
Logistics	
Duration	Up to 5 working days per hotspot.

Hotspot Field Visit Element	Guidelines
Scope	<p>The field missions will visit:</p> <p>The RIT for each hotspot. These are:</p> <ul style="list-style-type: none"> • For Madagascar and the Indian Ocean, the RIT (Tany Meva) is located on the island of Madagascar. • For the Mediterranean Basin, the RIT Manager (BirdLife International) is located in the UK, and three regional offices are located in Jordan, Slovenia, and France. The Assessment Team will likely conduct those RIT interviews over Skype, unless travel to the regional offices can be combined with an ultimate beneficiary site visit. • For the Atlantic Forest, the two RITs are located in São Paulo and Belo Horizonte. One or both may be visited, depending on whether key staff involved in the CEPF program are still located in those offices. <p>At least one grant site per hotspot, to be purposively selected based on the results of the desk analysis (e.g., criteria such as size of the grant, the type of activity, types and magnitudes of outcomes and impacts), as well as logistical and budgetary considerations. Additional grant site visits may be added, budget and time permitting, or a small sample of additional ultimate beneficiaries may be interviewed by Skype or via questionnaires.</p>
Team composition	<p>Country visits will be conducted by one ICF team evaluator accompanied by a local consultant to provide facilitation and translation services, as needed. Dr. Andres Gomez, will conduct fieldwork in the Atlantic Forest, and Dr. Detlev Puetz will conduct fieldwork in the Mediterranean Basin and Madagascar hotspots.</p>
Pre-visit Preparation	
Coordination with CEPF	<p>ICF will rely on support from the CEPF Secretariat and the RITs to provide contact information for ultimate beneficiaries, and potentially support to encourage the participation of the ultimate beneficiaries.</p>
Setting meeting schedules, agendas, and venues	<p>An advance agenda for the country visit will be prepared, outlining each day’s scheduled meetings, venues, and expected participants, and shared with the World Bank at least one week prior to the visit. While advance planning is paramount for successful fieldwork, flexibility is also required to accommodate rescheduling and other changes that may arise while ICF team members are in-country.</p>
Post-visit Reporting	
Back-to-Office Reports	<p>After each country visit, the ICF evaluator will prepare a brief back-to-office report of up to 5 pages. These reports will be submitted to the World Bank within one week of return to office. An indicative outline for these reports is provided below:</p> <ol style="list-style-type: none"> 1. Context—overview of the hotspot, RIT, and grant portfolio. 2. Findings—preliminary findings and observations from interviews and desk review, organized by the key evaluation questions. 3. Appendices—detailed meeting schedules and lists of individuals consulted, as well as photographs from actual CEPF investments. <p>These reports will be adapted for inclusion in the final assessment report.</p>

Assessment Matrix

The assessment will be guided by the matrix provided in Table C-1 below. While this matrix serves as an initial guide for the assessment, it is not intended to limit the methods and sources for data and information collection. The matrix is flexible and has the ability to evolve as new information is gathered over the course of the assignment.

Table C-1. Assessment Matrix

Key Questions	Indicators/Basic Data/What to Look for	Sources of Information / Methods
DEVELOPMENT EFFECTIVENESS		
<p>How effectively have hotspot investment strategies and grants been implemented in the sample hotspots?</p> <p>How effectively have conservation outcomes been achieved?</p>	<ul style="list-style-type: none"> ▪ What is the evidence for outputs and outcomes achieved from the Program? How do these compare to the desired results (e.g., in the Ecosystem Profile, logframe, and CEPF global goals)? ▪ What have been the contributions of the RITs and CEPF Secretariat to these achievements? ▪ What evidence exists that CEPF has strengthened civil society (1) capacity and involvement; and (2) effectiveness in conservation action? ▪ Has CEPF successfully promoted sustainable conservation and integrated ecosystem management among its ultimate beneficiaries? ▪ What other donors and partners are active in the hotspot? Has CEPF’s interventions been coordinated with these other efforts? To what extent can observed results be ascribed to interventions of the CEPF? 	<ul style="list-style-type: none"> ▪ Grant-level desk analysis ▪ Grantee Final Project Reports ▪ Supervision Mission Reports ▪ Mid-term evaluation reports for each region ▪ Interviews with CEPF Secretariat, RITs, and ultimate beneficiaries ▪ Hotspot fieldwork
<p>How sustainable are the conservation outcomes and associated livelihood and capacity enhancement benefits arising from completed CEPF-funded activities? What sustainability strategy/approach is put in place or followed by the RIT?</p>	<ul style="list-style-type: none"> ▪ What strategies are in place at the hotspot-level to support sustainability of outputs and outcomes? ▪ What is the evidence for the sustainability of results? Have improvements in the capacity of civil society to contribute to biodiversity conservation been sustained? Why or why not? ▪ What factors enhance or serve as barriers to the sustainability of CEPF results? For example, are results linked to conservation measures by other institutions, including the Government? 	<ul style="list-style-type: none"> ▪ Grantee Final Project Reports ▪ Supervision Mission Reports ▪ Mid-term evaluation reports for each region ▪ Interviews with CEPF Secretariat, RITs, and ultimate beneficiaries ▪ Hotspot fieldwork
INSTITUTIONAL EFFECTIVENESS		

Key Questions	Indicators/Basic Data/What to Look for	Sources of Information / Methods
<p>How well has each part of the three-tiered institutional structure (CEPF Secretariat, RITs, and ultimate beneficiaries) performed its administrative and technical functions? How effectively has this structure worked overall?</p>	<ul style="list-style-type: none"> ▪ What are the roles and responsibilities of the CEPF Secretariat and the RIT (in theory, perceived and in practice) and how are these delineated? ▪ How well are the roles and responsibilities of the Secretariat and RITs understood by stakeholders? Are there differences among stakeholders in perceived roles and responsibilities? ▪ To what extent has each group (Secretariat and RITs) executed its roles and responsibilities as envisioned in the foundational documents of the CEPF? ▪ How effective is the CEPF’s grant-making process? Are applications processed and grants disbursed in a timely manner? ▪ How does CEPF’s institutional structure compare to other comparator organizations? 	<ul style="list-style-type: none"> ▪ Operational Manual (and its revisions) ▪ Administrative, Financing, and Grant Agreements ▪ Supervision Mission Reports ▪ Mid-term evaluation reports for each region ▪ Interviews with CEPF Secretariat, RITs, ultimate beneficiaries, and Working Group members ▪ Hotspot fieldwork
<p>Has this structure effectively supported the achievement of the CEPF objective to strengthen the involvement and effectiveness of civil society, especially at the local level, in contributing to the conservation and management of globally important biodiversity? To what extent has the structure enabled increased capacity in the RITs (including in monitoring, knowledge sharing, and grant management, including fiduciary capacity to manage larger grants)? How could capacity be further supported to enhance the delivery of conservation outcomes and associated co-benefits?</p>	<ul style="list-style-type: none"> ▪ Has the structure contributed to increasing the capacity of the RITs to undertake technical, administrative, and fiduciary tasks? What contributions has the CEPF Secretariat made in this regard? ▪ In hotspots where CEPF’s engagement has concluded, do RITs show evidence of retaining strengthened capacity? In what areas (e.g., knowledge sharing, monitoring, etc.)? Do RITs play a more prominent role in the conservation community in the region after their engagement with CEPF? ▪ Does the use of RITs significantly contribute to the results achieved (e.g., by offering an on-the-ground presence, or a deeper understanding of indigenous communities than could reasonably be expected from a grant manager at the Secretariat level)? ▪ What specific efforts have been made by the CEPF Secretariat and RITs to enhance capacity of the RIT and the ultimate beneficiaries? ▪ What has worked well and what did not? 	<ul style="list-style-type: none"> ▪ Interviews with CEPF Secretariat, RITs, ultimate beneficiaries, and World Bank staff ▪ Hotspot fieldwork ▪ Mid-term evaluation reports for each region

Key Questions	Indicators/Basic Data/What to Look for	Sources of Information / Methods
EFFICIENCY, ECONOMY, AND EQUITY		
<p>How efficiently has CEPF operated at the program-level? Are the operating costs justified and appropriate given the objectives and results of the program? How does the CEPF compare with other similar programs and partnerships in terms of operating costs?</p>	<ul style="list-style-type: none"> ▪ What is the Secretariat staffing plan? How has this changed over time and why? ▪ How have program operating costs (as defined in the Grant Agreement between the World Bank and CI)⁵² changed over the past five years? What categories of costs have driven those changes? ▪ How have staffing levels and operating costs compared to overall program disbursements? How do staffing levels and operating costs compare to comparator funds? ▪ What specific efforts has the CEPF Secretariat made to deliver value for money? ▪ What changes could be made to further enhance the efficiency of the CEPF institutional structure? ▪ What is the CEPFs Secretariat’s view on the role of the RIT in implementing the CEPF? 	<ul style="list-style-type: none"> ▪ CEPF financial reports and data ▪ World Bank financial management study ▪ Interviews with CEPF Secretariat, RITs, and World Bank staff ▪ Benchmarking with comparator funds
<p>Have CEPF resources been allocated in an efficient and equitable manner?</p>	<ul style="list-style-type: none"> ▪ How have CEPF resources been allocated? For example, what is the distribution between local/regional and international RITs, what proportion of funds have been granted to CI, are all Strategic Priorities at the hotspot level adequately granted? At the ultimate beneficiary-level, what is the distribution of resources among local communities or NGOs and other entities? ▪ How efficiently has CEPF’s grant-making process been implemented? 	<ul style="list-style-type: none"> ▪ CEPF financial and operational data ▪ Interviews with CEPF Secretariat, RITs, ultimate beneficiaries, and World Bank staff ▪ Mid-term evaluation reports for each region

⁵² The Financing Agreement between CI and IBRD refers to “Incremental Operating Costs,” which are defined as reasonable expenditures directly related to the administration of the Project, incurred by the Recipient (which expenditures would not have been incurred absent the activities), including salaries, management services support costs, consumable materials and supplies, communications, mass media and printing services, vehicle rental, operation and maintenance, charges for the opening and operation of bank accounts required for the Project, postage and handling, travel, lodging and per diems.”

Key Questions	Indicators/Basic Data/What to Look for	Sources of Information / Methods
How efficiently have RITs supported and supervised the activities in the hotspots?	<ul style="list-style-type: none"> ▪ What CEPF resources have flowed to RITs? How have those resources been used by the RITs (e.g., for technical or administrative work)? 	<ul style="list-style-type: none"> ▪ Financial data from CEPF Secretariat and RITs ▪ Supervision Mission Reports ▪ Mid-term evaluation reports for each region ▪ Interviews with CEPF Secretariat, RITs, ultimate beneficiaries, and World Bank staff ▪ Hotspot fieldwork
To what extent have ultimate beneficiaries executed their activities in line with approved grant agreements?	<ul style="list-style-type: none"> ▪ Are grant results reasonable given the approved and used budgets? ▪ How do expected results and targets compare to actual results? ▪ What extent of in-kind contributions are provided by ultimate beneficiaries? ▪ What other donors and actors are active in the hotspot and what is the relationship with these actors? 	<ul style="list-style-type: none"> ▪ Grant-level desk analysis ▪ Grant Financial Proposals and Final Financial Reports (or compiled data, if available) ▪ Interviews with ultimate beneficiaries

Appendix D.Supporting Evidence

Supporting Evidence for Efficiency Analysis

Table 5: RIT Grant Awards and Hotspot Characteristics

Hotspot	RIT	Years	RIT Award Value (\$US Millions)	Value of Small Grant Award to RIT (\$US Millions)	Actual Value of Small Grants Awarded to Grantees (\$US Millions)	Total Hotspot Spending Authority (\$US Millions)	RIT Award as % of Total Hotspot	Ratio of RIT Grant to Small Grant Value	Number of Large Grants Awarded	Number of Small Grants Awarded
Cerrado	Instituto Internacional de Educação do Brasil (IEB)	2016–2021	\$1.00	\$0.30	\$0.00	\$8.00	13%	3.3:1	0	0
Guinean Forests of West Africa II	BirdLife International (Africa Secretariat)	2016–2021	\$1.50	\$0.30	\$0.00	\$9.00	17%	5.0:1	0	0
Madagascar and Indian Ocean Islands	Tany Meva Foundation	2015–2020	\$1.43	\$0.25	\$0.23	\$7.50	19%	5.7:1	23	12
Tropical Andes II	BirdLife International	2015–2020	\$1.50	\$0.30	\$0.00	\$10.00	15%	5.0:1	14	0
Wallacea	Burung Indonesia	2014–2019	\$1.50	\$0.60	\$0.52	\$6.85	22%	2.5:1	14	28
Indo-Burma II	IUCN Asia Regional Office	2013–2018	\$1.40	\$1.54	\$1.14	\$14.98	9%	0.9:1	61	62

East Melanesia Islands	IUCN	2013–2021	\$1.50	\$0.70	\$0.51	\$9.00	17%	2.1:1	30	26
Mediterranean	BirdLife International	2012–2017	\$2.11	\$0.88	\$0.85	\$11.20	19%	2.4:1	51	53
Eastern Afromontane	BirdLife International (Africa Secretariat)	2012–2017	\$1.75	\$1.00	\$0.77	\$9.80	18%	1.8:1	52	48
Caribbean Islands	CANARI (Caribbean Natural Resources Institute)	2010–2015	\$1.02	\$0.48	\$0.48	\$6.90	15%	2.1:1	46	29
Maputaland-Pondoland-Albany	Wildlands Conservation Trust	2010–2015	\$0.70	\$0.81	\$0.81	\$6.65	11%	0.9:1	38	52
Western Ghats & Sri Lanka	Ashoka Trust for Research in Ecology and the Environment	2008–2013	\$0.65	\$0.87	\$0.84	\$6.00	11%	0.7:1	43	59