

**Critical Ecosystem Partnership Fund**

**Twenty-first Meeting of the Donor Council  
Conservation International, Arlington, VA**

**11 June 2012**

**8 a.m. – 11 a.m. EST**

**Adoption of the Minutes of the Twentieth Meeting of the Donor Council**

**Recommended Action Item**

The Donor Council is asked to adopt the Minutes of the Twentieth Meeting of the Donor Council, which took place on 6 February 2012.

**Critical Ecosystem Partnership Fund**  
Twentieth Meeting of the Donor Council  
The World Bank, Washington, D.C.

6 February 2012

8 a.m. – 11:00 a.m. EST

**Draft Minutes**

**1. Welcome and introductions (Doc. CEPF/DC20/1)**

Donor Council Chairperson James Wolfensohn welcomed Donor Council members and representatives participating in the meeting.

**2. Adoption of agenda (Doc. CEPF/DC20/2)**

The agenda was approved.

**3. Adoption of Minutes of the Nineteenth Meeting of the Donor Council (Doc. CEPF/DC20/3)**

The Donor Council adopted the minutes of the Nineteenth Meeting of the Donor Council, which took place on 18 March 2011, with a correction in the text from the Government of Japan<sup>1</sup>.

**4. Report from the Executive Director (Doc. CEPF/DC20/4)**

The Executive Director reviewed highlights from her written report on activities since the last meeting of the Donor Council. She provided a financial overview, noting that the format has changed to be simpler and more informative. This format will be used for the quarterly report, which will be provided on February 15. She encouraged Donor Council members with additional suggestions on improvements to the format to follow up with her. The financial overview highlights included:

- The summary of available resources as of December 31 is \$223.4 million in revenue, \$174.1 million in expenses, leaving a fund balance of \$49.3 million.
- The Mediterranean Basin Hotspot and Eastern Afromontane Hotspot have approved spending authorities from the Donor Council, but no money has been spent in these regions yet.
- The Grant Summary shows both grants awarded and payments for grants awarded in previous years and the current fiscal year. The Executive Director noted the goal of increasing the number of grants awarded to local organizations.

The Executive Director provided an update on the new priorities: Mediterranean Basin Hotspot, Eastern Afromontane Hotspot, and East Melanesia Islands Ecosystem Profile.

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<sup>1</sup> Correction on page 6 of the minutes of the Nineteenth Meeting of the Donor Council - A representative of the Government of Japan added that while its financing agreement is not completed, they will decide annually how much of their \$25 million to disburse each year.

The Mediterranean Basin Hotspot Ecosystem Profile was launched in Paris in September 2010, and the regional implementation team (RIT) terms of reference was approved in March 2011, but finalization of the contract for the RIT has been delayed pending endorsement of the ecosystem profile by Turkey's GEF focal point, because the lead organization in the RIT is a Turkish organization, Doğa Derneği. The first call for proposals for the Mediterranean Basin was launched in December 2011 and nearly 50 letters of interest were received before the deadline of 31 January 2012. The Donor Council agreed that the Secretariat will send a letter to the Turkish ministry requesting a response for endorsement within 14 days. The World Bank will also try contacting the Turkish ministry and will report back to the Secretariat and Donor Council. If endorsement is not received, a contingency plan may include identifying another RIT or having one of the other organizations included in the current proposal—LPO or BirdLife—take the lead, although neither is based in the portion of the hotspot where CEPF will invest.

The Executive Director next updated the Council on the Eastern Afromontane Hotspot Ecosystem Profile. It was presented to the Working Group in November 2011 and the Donor Council approved the profile via the electronic no-objection process on 20 January 2012. In late December the Secretariat launched an initial call for expressions of interest for the RIT role. More than 19 organizations, including World Vision & CARE, applied and the Secretariat then hosted a bidders' call on February 2 to answer any questions from applicants. The Executive Director will send the Donor Council copies of the letters that went out requesting focal point endorsement of the profile, and the Chairperson directed the Secretariat to make this standard procedure for all investment regions.

The Executive Director reviewed the priority corridors and the investment priorities the Eastern Afromontane, which are in areas of high biodiversity and low donor presence. The strategy is to mainstream biodiversity into agriculture policy, manage and protect KBAs, improve capacity and ecosystem services for water and carbon, and build support for civil society organizations. The MacArthur Foundation is developing a complementary strategy in the hope of building synergies. The AFD, World Bank and the GEF suggested that the Secretariat find ways to enhance engagement with the donor partners and regional donors in development of strategic directions and at key stages of implementation. All donor partners and regional donors are invited to participate in the consultation meetings in order to help build the profile and relationships. The Executive Director will send summaries of the key conclusions from these meetings to the donors, since not all are able to be present. In order to engage more donors and keep them abreast of the key priorities, conservation needs and potential synergies, donor roundtables will take place every 18 months. At the Chairperson's request, the Executive Director will report back to the Council at its next meeting regarding communications with donors about and during each ecosystem profiling process.

The Secretariat began profiling the East Melanesia Islands in July 2011 and a workshop was held last December in Papua New Guinea to bring experts together to define conservation outcomes. A second workshop is planned at the provincial level in late March and a third regional workshop will take place in April/May. The Executive Director reviewed the East Melanesia Islands Ecosystem Profile timeline and noted that the Secretariat expects to send a draft of the profile to the Donor Council by June 30.

The Executive Director highlighted follow-up actions from the previous Donor Council meeting, including:

- The Secretariat provided a preliminary draft of the ecosystem profile for the Eastern Afromontane Hotspot to members of the Working Group at its 27 July 2011 meeting. The final draft was submitted to the Working Group for discussion at its meeting 15 November 2011. Following Working Group recommendation, the Donor Council approved the profile on a no-objection basis on 20 January 2012. Additional comments from Japan will be incorporated and the final version will be published on the website. Donor Council members will be notified once the final version is posted online.
- The Executive Director provided an update on fundraising efforts focused on the European Commission (EC), the Government of India and the U.K.'s Department for International Development (DfID). The Secretariat's efforts with the European Commission began in March 2011 and an allocation of €18 million is in the EC 2012 budget, with CEPF included as part of the 2012 Action Plan. The Project Identification Document (formal proposal) will be submitted on February 7, a review of the Quality Support Group should take place in March, and if all goes well, negotiations could be finalized during the summer. The Executive Director thanked AFD and the World Bank for their support and noted that after an agreement is in place, the Secretariat expects to hold a special event launching the partnership.

Secretariat and grantee representatives met with Indian government officials in late 2011 to discuss how the government might work with CEPF to benefit the Indian people. As a result, the Minister of the Environment invited a \$25 million proposal from the Secretariat for India to join the global partnership. The proposal was submitted in December and the Secretariat is awaiting a response from the Ministry. A special event will be held at the October Conference of the Parties to the Convention of Biological Diversity in Hyderabad, India, if the partnership is secured.

The Secretariat also presented a concept note to DfID in December. This discussion is still in its initial stage but the hope is that the United Kingdom will join the global partnership.

The Executive Director also noted that updates on fundraising activities are included in the quarterly reports to the partnership; that donor roundtables that will offer CEPF donor partner participation are being established in investment regions via the regional implementation teams; and that the Secretariat will continue to consult with the Donor Council for support as new donor opportunities arise.

The Executive Director reviewed the partnership highlights, which included:

- The World Bank issued its mid-term assessment of the second phase of CEPF in August 2011 and concluded that CEPF II has been very effective at supporting conservation efforts in multiple regions. These results have been shared with the Working Group and the Donor Council. The evaluation team noted that CEPF should be triggering the Pest Management Safeguard so the Secretariat is developing a Pest Management Plan with the World Bank, which is pending approval by the World Bank safeguard specialists. Once the documents are approved, the Secretariat will modify the CEPF Operational Manual and submit this to the Donor Council. To disperse all the World Bank-administered GEF funding, a 24-month extension for CEPF Phase II funding may continue through December 2014. The Chairperson thanked Valerie Hickey, Team Task Manager for the World Bank, for her work on the Pest Management Plan and asked for a summary of the assessment's findings during the next Council meeting.

- The FY11 Auditor's Report was distributed to the Donor Council. If the Secretariat receives a letter from the auditors about significant findings, improvements needed or internal control issues, the Secretariat will share this with the Donor Council. No such letter has been received to date.
- Working Group meetings were held on monitoring, the Mediterranean Basin and the Eastern Afromontane.
- The Secretariat, the MacArthur Foundation, and the McKnight and Margaret A. Cargill foundations worked together to update the Indo-Burma ecosystem profile. A desk study supplemented by extensive stakeholder consultations was used to update the profile, with a view to guiding future investments in civil society-led biodiversity conservation by other funders, and, in the longer term, potential future additional investment by CEPF. In this way, the process is helping to ensure that the considerable impacts of the CEPF investment program between 2008 and 2013 are sustained and amplified at the portfolio scale.

##### **5. Addition of a Suite of Global Grants to CEPF's Portfolio (Doc. CEPF/DC20/6)**

The Secretariat asked the Donor Council to provide CEPF with spending authority of \$4 million to implement a suite of global grants for at least five multi-regional projects as called for in the strategic framework, and to fund the global monitoring framework as a global grant.

The proposal would give CEPF the ability to fund multi-region grants. The monitoring framework would be the first approved, with a budget of about \$150,000 annually for five years. Examples of other projects that could be funded via global grants include an initiative to strengthen the exchanges between RITs and grantees, as well as between hotspots; and an assessment of selected hotspots to ascertain socioeconomic impact.

The Executive Director reviewed the background, proposal and potential criteria for the suite of global grants and the upgrade to CEPF's global monitoring framework. The Strategic Framework was defined in 2008 and should go through 2012, but CEPF II may extend to 2014. The five-year investment in the monitoring framework will allow better collection of information for reporting on socioeconomic impacts at the global level. An enhanced monitoring program was one of the conditions of the reinvestment by the Government of Japan, and the Secretariat has worked closely with the Working Group on the monitoring framework. The framework addresses the need for enhanced monitoring of CEPF's impact on civil society organizations, socioeconomic factors and green economies.

The Secretariat suggested working with the Working Group to define specific criteria for the global grants.

The Donor Council members discussed the request and noted the following:

- The GEF will not approve the spending authority with the inclusion of funds for the global monitoring framework because this should be in the administrative costs of CEPF. The GEF representative said global grants are best suited to emerging issues like illegal trade in species and payment for ecosystem services. The GEF is open to discussing further options for financing monitoring, she said.
- The World Bank acknowledged the amount of work CEPF already does in collecting data for indicators showing improvements in protected area hectares, production landscapes, biodiversity and more. The Bank would like to see CEPF build on this data collection for comparisons across

regions but the cost should be considered part of the Secretariat's operational costs. The World Bank representative suggested using partnerships on the ground to gather monitoring data.

- The Government of Japan representative expressed uncertainty as to what the proposed \$4 million in global grants would go for, and suggested this be examined by the Working Group.

The Executive Director noted that the enhanced monitoring program is vital to obtaining sufficient data to aggregate CEPF's impact at a global level. She confirmed that funding is not available or currently budgeted for five years of implementation of the CEPF monitoring framework, and said the Secretariat is looking for a solid, transparent way to fund the program. Donor Council members further discussed where the budget for the global monitoring framework could come from, with the following suggestions:

- The framework could be budgeted into the baseline fund for biodiversity in the profiles of each ecosystem.
- The framework could be budgeted into administrative costs of the CEPF.

The Chairperson requested that the Secretariat present the global monitoring framework in detail at the next available opportunity. The Executive Director will finalize the framework plan of action, timeframe and budget with the Working Group and then present this to the Donor Council electronically as a bridge to consideration at the next Donor Council meeting.

#### **6. Approval for Transfer of CEPF I Balance to CEPF II (Doc. CEPF/DC20/5)**

The Donor Council was asked to approve the recommendation of the Secretariat to transfer the remaining balance in CEPF I (\$1 million balance) to be available for investment in CEPF II. The members approved the transfer of the funds provided such a transfer was allowed under the GEF Financing Agreement. This will be checked and confirmed electronically to the Secretariat by the World Bank as trustee of the GEF funds.

#### **7. Revision of the Focal Point Endorsement Requirement (Doc. CEPF/DC20/7)**

The Donor Council was asked to request the GEF Secretariat to either exempt CEPF from the prerequisite of endorsement of ecosystem profiles by the GEF focal point of each country where CEPF will invest, or to have a time-bound, no-objection process due to the lengthy response time being experienced. The Executive Director explained that the average response time for focal point endorsement requests is 19 months, resulting in a significant slowdown in investment.

Donor Council members noted the need for government cooperation and ownership of the investment plan, and suggested that the GEF, the World Bank and others engage the focal points to help shorten the response time. The Executive Director confirmed that CEPF already engages with government at all levels and connects government with grantees. She noted that the Secretariat-proposed plan for additional government engagement further ensures that focal points and relevant government agencies are aware of and engaged in CEPF's investment.

Many focal points believe that CEPF funding will jeopardize national allocations from the GEF's STAR program. This misconception is explained in the CEPF letter requesting endorsement, but a similar letter from the GEF Secretariat would strengthen this message, the Executive Director said.

Donor Council members expressed support for the time-bound, no-objection process with a deadline of 60 days, with a requirement that the Secretariat demonstrate this is not a passive process, but rather a process that includes active pursuit of focal point awareness and understanding of CEPF and the profiles. The AFD representative suggested monitoring the impact of the time-bound, no-objection process for the Mediterranean, Eastern Afrotropical, and East Melanesia profiles.

The Chairperson asked the Executive Director to finalize the plan provided in CEPF/DC20/7 Annex A and present this during the next Donor Council meeting. Meanwhile the Executive Director will draft a letter for the Chairperson's signature that will be sent to all of the focal points explaining the need for the change. The Secretariat will send the draft of the letter to the GEF for review before distributing.

#### **8. Approval for revisiting the prioritization process for selecting regions for investment (Doc. CEPF/DC20/8)**

The Executive Director asked the Donor Council to approve the Secretariat's recommendation to revise the process for prioritization and selection of new areas for investment. The Chairperson confirmed that the Donor Council is not being asked to select two regions for investment at this meeting, but instead consider how best to maintain a balance between investing in new regions and those that have already received CEPF investment.

Currently, the Donor Council is tasked with choosing two new regions for investment from five qualifying hotspots, but investing in previously approved regions may be an important consideration as well. The CEPF niche is to support building the capacity of civil society in the hopes of pushing the conservation community to greater diversity and greater capacity, and building the capacity of civil society requires an investment of longer than five years in some regions.

The Executive Director further reviewed the proposed process document and the Donor Council members provided comments on the prioritization process, including:

- The Government of Japan commented on the significance of carefully analyzing the provision of funding based on a review of results achieved.
- The World Bank representative noted that if additional investment is provided to regions where CEPF is currently investing, the goal should be to have a greater impact on the ecosystems targeted. Moreover, the money should be used for investment rather than increased overhead for profile updates.
- The representative of the McArthur Foundation indicated the foundation endorses looking into reinvestment. He noted the value received from the experience of updating the Indo-Burma profile because the context had greatly changed in the region, and significant new investment was planned by donors.
- The AFD representative suggested that the Working Group design criteria for use in securing added value in reinvestment. These criteria could include the state of the conservation community, the key issues in the conservation agenda, and the need for better regional coordination. The Working Group could help decide on the appropriateness of having profiles updated for regions for reinvestment on a case-by-case basis.

- CI's representative stated that the Working Group should also focus on two issues: (1) threats and criteria considered, and (2) sustainable finance and partnership with other sectors, including the private sector.

The Executive Director will send the Donor Council members a video demonstrating this process, which will entail analysis of the state of conservation in both new regions as well as those where CEPF has invested to date.

It was agreed that the Working Group would review the criteria for investment with the Secretariat, and the resulting criteria and prioritization will be presented for Donor Council approval.

## **9. Other business**

The Chairperson suggested an informal meeting of just the Donor Council to allow open conversation about the direction of CEPF. He said this has been a regular practice in other organizations he has worked with. He suggested he could host a dinner the night before the next Donor Council meeting. Gustavo Fonseca from GEF agreed to work on scheduling the dinner.

The Executive Director noted upcoming events, including:

- CEPF participation in Rio+20 may occur in the pavilion or as a side event, and will focus on CEPF as a mechanism for empowering civil societies in aspects that are important to green economies. Gustavo Fonseca suggested showcasing CEPF's work on biodiversity and ecosystem services in achieving green economy outcomes. The Executive Director will update the proposal and circulate it for additional comments from Donor Council members. She said getting World Bank support for the CEPF event would be particularly helpful.
- The World Conservation Congress will have an event co-led by IUCN and CEPF, which is already noted on the IUCN website, about CEPF and how supporting biodiversity and empowering civil society. The Executive Director will circulate additional information on this event to the Donor Council.
- For the COP11 in Hyderabad, India, CEPF will plan a showcase event like that held in Nagoya if a donor partnership with the Government of India is formed by that time. If not, a side event could focus on CEPF efforts towards the 2020 biodiversity targets.

The Executive Director will send a report to the Donor Council members on the events noted above and will include the schedule of the 2012 working group meetings.

The Chairperson adjourned the meeting.

## List of Attendees

### Donor Council Members

James Wolfensohn, Donor Council Chairman  
Peter Seligmann, CEO and Chairman Conservation International  
Monique Barbut, CEO and Chairperson Global Environment Facility  
Rachel Kyte, Vice President, Sustainable Development The World Bank

### Staff

#### **AFD**

Gilles Kleitz, Project Manager, Environment – Biodiversity

#### **CEPF**

Patricia Zurita, Executive Director  
Nina Marshall, Managing Director  
John De Wet, Vice President, Finance and Operations  
Deborah Rainey, Senior Director, Grant Management Unit  
Julie Shaw, Director, Communications  
Mandy Devine, Executive Assistant

#### **Conservation International**

Jennifer Morris, Executive Vice President, Ecosystem Finance and Markets  
Yasushi Hibi, Vice President, Asia Policy, CI Japan Managing Director

#### **Global Environment Facility**

Gustavo Fonseca, Team Leader – Natural Resources  
Yoko Watanabe, Sr. Biodiversity Specialist

#### **Government of Japan**

Momoko Nitta, Deputy Chief, Development Policy Division, International Bureau, Ministry of Finance  
Takehiro Toyama, Development Policy Division, International Bureau, Ministry of Finance  
Tomoya Endo, Development Policy Division, International Bureau, Ministry of Finance  
Yasuharu Ina, Assistant Director, Global Biodiversity Strategy Office, Nature Conservation Bureau,  
Ministry of the Environment  
Mori Yuki, Nature Conservation Bureau, Ministry of Environment

#### **McArthur Foundation**

Chris Holtz, Asia Program Officer, Conservation and Sustainable Development

#### **World Bank**

Mary Barton-Dock, Director, Environment Department  
Sari Söderström Feyzioglu, Sector Manager, Environment Department, Sustainable Development  
Network  
Valerie Hickey, Team Task Leader