



CEPF Operational Manual

Approved by the CEPF Donor Council

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1. CEPF Program

CRITICAL ECOSYSTEM PARTNERSHIP FUND OPERATIONAL MANUAL

The Critical Ecosystem Partnership Fund (CEPF) Operational Manual contains the operating policies and procedures of the program for all new investment regions beginning in fiscal year 2008. It includes grant application, information related to safeguard policies, the decision-making process, grant agreement, reporting forms, and provisions to avoid conflict of interest, among other procedures.

CEPF Program Overview

The Critical Ecosystem Partnership Fund (CEPF) empowers people in developing and transitional countries to protect the world's biodiversity hotspots—some of the most biologically richest yet threatened ecosystems that are vital to humanity.

By providing grants to civil society—nongovernmental, private sector and academic organizations—CEPF implements conservation strategies that are developed with local stakeholders. These investments are especially important because the hotspots are home to millions of people who are impoverished and highly dependent on nature for survival.

The fund is a joint program of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank.

As one of the founding partners, Conservation International administers the global program through a CEPF Secretariat.

Grants

CEPF grants:

- Are guided by ecosystem profiles—analyses of the biodiversity and socio-economic conditions in hotspots—that are produced through consultation with local stakeholders and result in regional conservation strategies.
- Go directly to civil society groups in the biodiversity hotspots to build this vital constituency for conservation alongside governmental partners.
- Are awarded on a competitive basis.

- Contribute to governments' efforts to meet targets related to the UN Convention on Biological Diversity (the Aichi Targets), the UN Framework Convention on Climate Change, and Sustainable Development Goals (SDGs).
- Create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts.
- Achieve results through an ever-expanding network of partners working together toward shared goals.

Openness and Transparency

CEPF will operate using the principles of openness, transparency, and partnerships as part of its commitment to strengthen and empower civil society. These steps are also designed to avoid potential conflict of interest. All groups seeking funding from CEPF and implementing projects with CEPF support will be required to fulfill the defined protocols and methodologies established for the program.

Amendments to the CEPF Operational Manual

The Operational Manual may only be amended with approval by the CEPF Donor Council. Any donor member of CEPF may request new policies for inclusion in the Operational Manual or revision to existing policies at any time. All amendments to the Operational Manual will be presented by the Secretariat to the Working Group for discussion. The Working Group will consider the proposed amendments and recommend to the Donor Council the amendments deemed appropriate for approval. Those new or revised policies approved by the Donor Council will become globally applicable across CEPF.

Where we work

The world's 36 biodiversity hotspots hold especially high numbers of endemic and threatened species, yet their combined area of remaining habitat covers only 2.3 percent of the Earth's land surface. Each hotspot faces extreme threats and has already lost at least 70 percent of its original natural vegetation.

The hotspots approach to the conservation of critical ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for local and global benefits.

CEPF focuses on supporting civil society in developing and transitional countries within the biodiversity hotspots. As a result, not all biodiversity hotspots are eligible for CEPF funding.

List of Global Biodiversity Hotspots

1. Atlantic Forest
2. California Floristic Province*
3. Cape Floristic Region
4. Caribbean Islands*
5. Caucasus
6. Cerrado
7. Chilean Winter Rainfall-Valdivian Forests
8. Coastal Forests of Eastern Africa
9. Eastern Afromontane
10. East Melanesian Islands
11. Forests of East Australia*
12. Guinean Forests of West Africa
13. Himalaya
14. Horn of Africa
15. Indo-Burma
16. Irano-Anatolian
17. Japan*
18. Madagascar and Indian Ocean Islands*
19. Madrean Pine-Oak Woodlands*
20. Maputaland-Pondoland-Albany
21. Mediterranean Basin*
22. Mesoamerica
23. Mountains of Central Asia
24. Mountains of Southwest China
25. New Caledonia*
26. New Zealand*
27. North American Coastal Plain*
28. Philippines
29. Polynesia-Micronesia*
30. Southwest Australia*
31. Succulent Karoo
32. Sundaland*
33. Tropical Andes
34. Tumbes-Chocó-Magdalena
35. Wallacea
36. Western Ghats and Sri Lanka

Sources:

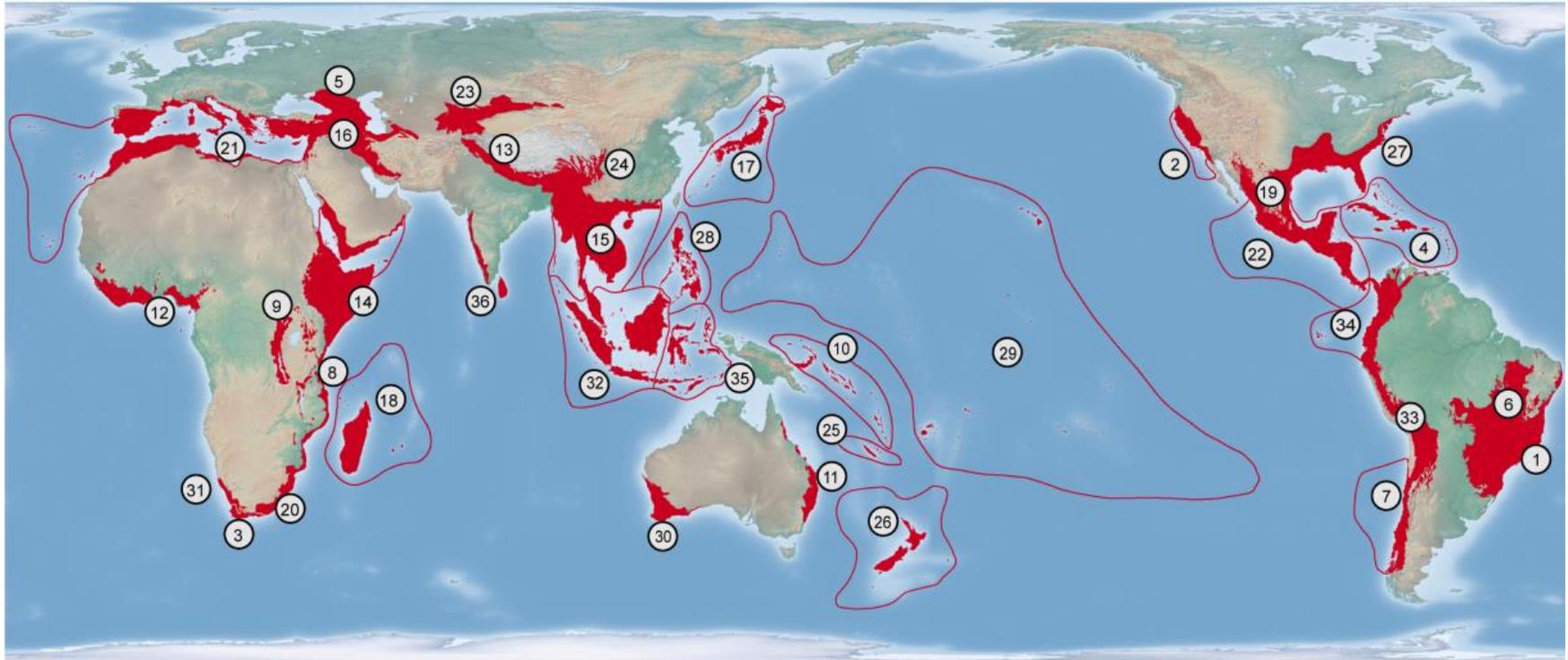
Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

Noss, R. F., Platt, W. J., Sorrie, B. A., Weakley, A. S., Means, D. B., Costanza, J. and Peet, R. K. (2015), How global biodiversity hotspots may go unrecognized: lessons from the North American Coastal Plain. *Diversity Distrib.*, 21: 236–244. doi:10.1111/ddi.12278

Mittermeier RA, Turner WR, Larsen FW, Brooks TM, Gascon C (2011) Global biodiversity conservation: the critical role of hotspots. In: Zachos FE, Habel JC (eds) *Biodiversity hotspots*. Springer, Berlin, Heidelberg, pp 295-310.

To be eligible for CEPF funding, countries must be signatories to the Convention on Biological diversity and be client members of the World Bank.

* Not all countries in this hotspot would be eligible for funding under the CEPF investment criteria. However, the CEPF Donor Council may choose to establish funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Donor Council may also choose to include marine ecosystems within targeted hotspots.



2. Financial Management

Overview of Financial Management

Conservation International (CI) oversees internal control and financial management of CEPF in accordance with CI's financial policies and procedures. The Finance Department at CI's headquarters manages CI's global financial operations. The Finance Department oversees the budget, daily accounting activities, government compliance, and field office accounting.

Each CI division has one or more financial staff that works closely with the headquarters office Finance Department. The Senior Director of Finance for the Conservation Funding Division oversees the financial and information management function for the division, which includes financial planning and modeling, preparation of financial statements and other donor reports, managing the annual external audit, budget/spending plan and revenue and cash management, and financial performance reporting for CEPF. In addition, this position is the liaison between CEPF and CI Finance and between CEPF and the financial staff of the donor partners.

Financial Systems. CI uses Unit4 Business World as its accounting and human resources software for both its headquarters and field offices. Unit4 Business World's financial management package is an industry leading integrated set of financial management and accounting applications. CI field offices maintain their financial records in Unit4 Business, submitting files monthly for review and consolidation, and allowing users with the appropriate authorities to access financial information globally. CI's Chart of Accounts includes the ability to segregate projects by funding source, cost center, activity, sub-activity, and contract number. CI has established a coding structure within its general ledger to track CEPF funds. CI's budgeting system, named Clarity, is also linked to Unit4 Business.

CI uses a customized web-based system for its grants management, named Conservation Grants, built on a Salesforce platform. The system is used by CEPF staff to manage portfolios of grants and contracts. The system enables CEPF to track the full lifecycle of a grant including all letters of inquiry and rejections, proposal review, project implementation and progress tracking, and project closeout. In addition to storing data and documents, the system has built-in validations to ensure the appropriate review thresholds are applied and sends alerts and reminders to users when action is required.

Audit. Records associated with financial transactions are kept at CI headquarters and in the field offices according to CI's Record Maintenance Policy, which requires complete documentation to be maintained for no less than three full years after the transaction for which the document supports. Each fiscal year, CI has an external audit by independent auditors of its records, accounts, and financial statements (statements of financial position, statement of activities, statement of cash-flow and related statements), including those for CEPF, in accordance with appropriate auditing principles consistently applied.

A separate audit of CEPF records, accounts, and financial statements is also undertaken annually. The purpose of the external audit is to provide assurance on the financial statements of CEPF. In addition, the audit will test CEPF's compliance with certain provisions of the CEPF Financing Agreement and CEPF Operational Manual and consideration of its related internal control. This external CEPF audit will be conducted by independent auditors in accordance with terms of reference approved by the CEPF Donor Council (OM 2.1.1).

CI will provide certified copies of its financial statements for the year audited; and the report of the auditors as well as a separate opinion on CEPF to the CEPF Donor Council no later than five months after the close of each fiscal year.

CI has an internal audit function which reports to the Audit Committee of CI's Board of Directors. The Audit Committee approved the internal audit function and internal audit plan at its meeting in March 2007. Internal auditors, or consultants acceptable to the Donor Council, may also conduct a specific CEPF program audit. Relevant observations from the internal audit will be communicated to the CEPF Donor Council.

Bank Account. CI maintains CEPF funds in a segregated USD-denominated bank account and all interest earned on this bank account is used solely for CEPF. The bank account is tracked by a ledger account in CI's accounting system. All donor partner contributions are sent directly to this account. The timing and amount of each donor contribution may vary according to the individual bilateral agreements.

Funds to external grantees are disbursed directly from this account. Funds for the CEPF Secretariat will be advanced monthly in accordance with projected budget needs and based on the approved Annual Spending Plan. The projections and actual expenses are reconciled each month. Reimbursement for expenses on approved CI grants will occur monthly, based on actual expenses for the prior month.

Finance reconciles both the CEPF bank account and the general CI operating bank account monthly.

Funds from the segregated bank account may be invested subject to Donor Council approval.

Donor Reporting. Financial statements will be prepared on a quarterly and annual basis and provided to the CEPF Donor Council. In addition, supplemental reporting will be provided to the donors, where additional requirements are specified in their individual funding agreements. The standard financial reports include the Quarterly Financial Report, the Annual External Audit, and the Annual Spending Plan, and Annual Report.

The annual budget (“Annual Spending Plan”) is due no later than April 30 of each year, for review and approval by the Donor Council, describing the funding levels of the proposed spending categories for the Fund during the next fiscal year.

Grant-level Financial Management

This section is a summary of grant-level financial management; more detailed procedures for financial management of individual grants are further explained in Section 4.

Large grants. The due diligence procedures for external grant awards includes conducting anti-terrorist screenings of grant applicants, performing financial risk assessment of grantees, and providing training and site visits to grantees as needed.

The financial risk assessment process determines the monitoring and reporting requirements for all grantees, including Regional Implementation Teams (RITs). These procedures determine the frequency of reporting plus any audit requirements (OM 4.4.6). In addition, the complete set of CEPF standard provisions is flown down to all CEPF grantees through each grant agreement (OM 4.4.7 and OM 4.4.8).

Grantee payments are made based on approved quarterly financial reports and projected cash needs. This minimizes currency fluctuation and cash outstanding in grantee bank accounts.

CEPF’s Grants Managers conduct a selected sample of grantee financial site visits each year. These grantees are selected based on grant dollar value, risk and location. Site visits to assess both financial and programmatic performance of grantees, including the Regional Implementation Teams, are also an integral part of CEPF monitoring. Supervision plans for grantees are flexible and reflect the number of regions and grants active at a given time.

Small grants. RITs directly award small grants up to a threshold amount (between \$20,000 and \$50,000) that is set for each hotspot based on a joint decision of the RIT and CEPF Secretariat. Each RIT is directly responsible for evaluating the financial risk of its grant awards and may use CI’s risk assessment model as a tool to guide its assessments. All grants awarded and activities supported with CEPF funding must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all financial protocols. All RITs must receive training in the Manual’s policies and provisions within 90 days of appointment.

CEPF External Audit Terms of Reference

Background

The Critical Ecosystem Partnership Fund (CEPF) is a global program that provides grants to nongovernmental organizations and other private sector partners to protect critical ecosystems. CEPF is a joint program of L'Agence Française de Développement, Conservation International Foundation, the European Union, the Global Environment Facility (GEF), the Government of Japan, the John D. and Catherine T. MacArthur Foundation (the MacArthur Foundation), and the World Bank. CI administers the program. The partners commit funds to CEPF to support the overall program and are not region-specific. The partners have representation on the Donor Council. In addition to the funding provided under the joint program from the partners on the Donor Council, CEPF will from time to time receive and administer funding from organizations focused on region-specific investments.

Purpose of the Audit

The purpose of the external audit is to express an opinion on the fair presentation of the special purpose financial statements of CEPF. In addition, the audit will test CEPF's compliance with certain provisions of the CEPF Financing Agreement and consideration of its related internal control. If that report discloses deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreement, or abuse, the auditor will obtain and report the views of responsible officials concerning the findings, conclusions and recommendations, as well as planned corrective actions.

Objectives

The overall objectives of the audit are: (i) to enable the auditor to express an opinion on the fair presentation of the CEPF fund accountability statement. The audit will be conducted in accordance with auditing standards generally accepted in the United States, (ii) to enable the auditor to express an opinion on compliance and report on the internal control over compliance in accordance with certain provisions of the CEPF Financing Agreement(s) and CEPF Operational Manual that have a direct and material financial effect on the CEPF special purpose financial reports (or Fund Accountability Statement).

Scope

The auditor will conduct the audit based on the standards of OMB circular A-133. The opinion on the special purpose financial statements will cover the funding of all CEPF donor partners. The opinion on compliance will cover funding received for the second phase of CEPF and will

include CEPF monitoring of sub-grantees in accordance with the CEPF Financing Agreement. The audit will be carried out in accordance with the AICPA Auditing Standards and will include such tests as the auditor considers necessary.

Planning and conducting the audit will be in accordance with a risk-based framework with a detailed audit work program. The audit coverage will consider the risk of material misstatement as a result of fraud or error. The audit program should include procedures that are designed to provide reasonable assurance that material misstatements are detected. Specific areas of coverage of the audit will include the following:

CEPF Financing Agreement Articles¹:

- The Fund Account
- Annual Spending Plan
- Regional Implementation Team (RIT) Subprojects and Subprojects within Approved Ecosystem Profiles
- Withdrawals from the Fund Account; Refunds; Events of Default
- Financial Covenants (includes testing of IFR/PMR as applicable)
- Schedule III: Withdrawal and Use of the Funds

Project Financial Statements

Project Financial Statements prepared by CI would be based on information from the accounting records and related documentation as reflected in the accounting system. The required financial statements are the 1) CEPF Fund Accountability Statement which reports revenue and expenditures, fund balance, cash held, pledges receivable and grants payable for the fiscal year and 2) a schedule of CEPF grant awards for the period covered by the financial statements.

Audit Report

The audit report shall contain the auditor's opinion on whether the project financial statements listed in detail above presents fairly in accordance with the terms and conditions of the CEPF Financing Agreement. The report will also include an opinion on CEPFs compliance with selected provisions of the CEPF Financing Agreement(s) and a separate opinion on internal control over compliance with those selected provisions.

The auditor will present the report to Conservation International's Audit Committee and CI's Board of Directors. Once approved by CI's Board of Directors, CI will promptly forward a copy of the audited accounts and report to the CEPF Donor Council. It shall be sent no later than five months after the end of the fiscal year.

¹ Article numbers differ by financing agreement, but the titles remain the same. The article referring to RIT Subprojects only applies to the GEF Financing Agreement.

Management Letter

In addition to the auditor's report, the auditor will prepare a "management letter," in accordance with SAAS 112.

Exit Conference

Upon completion of the fieldwork, the auditor shall hold a closing or exit conference with senior officials of Conservation International. Conservation International will document the exit conference for inclusion in the audit workpapers.

General

The auditor shall be given access to all legal documents, correspondence, and any other information associated with the fund and deemed necessary by the auditor.

Conflict of Interest and CEPF Funding

Conservation International (CI) is committed to ensuring that its transactions, engagements, and relationships are transparent and do not inappropriately benefit interested persons and organizations.

As the administrator of the Critical Ecosystem Partnership Fund (CEPF), CI aims to ensure the same high standards are applied to all CEPF operations and funding decisions. CI's Conflict of Interest policy, relative to CI employees, states:

“All CI employees are required to complete and sign annual conflicts of interest disclosure forms. These forms are provided to employees at the start of each fiscal year by the General Counsel's Office (GCO).

In addition to these annual disclosures, if a proposed transaction arises in which an employee has, or believes s/he may have, a conflict of interest, the employee is required to make an immediate disclosure to the GCO and his/her immediate supervisor, using the conflicts of interest disclosure form available on CI's Intranet. This disclosure must be done prior to any consideration or execution of the proposed transaction by CI.

The employee shall not participate in the deliberations on the matter but shall disclose any material facts related to the proposed transaction. Upon a determination by the GCO that a conflict of interest exists, the GCO, working with the supervisor or division head, may request that that appropriate actions be taken to resolve the matter. The GCO shall maintain a record of the existence and resolution of the conflict of interest. In some cases these conflicts may be reported in public filings. If the matter cannot be resolved in a satisfactory manner, but the employee, his/her supervisor and/or the respective division head are of the opinion that the transaction is nonetheless beneficial to the overall interests of CI, the respective division head and the GCO shall bring the matter to the attention of the Chief Executive Officer who shall make the final determination whether to pursue the transaction; provided, however, that if the employee is also an officer, director, or in a position to exert substantial influence over the affairs of the organization, then the procedures outlined in Section II below apply.”

Proposed mitigation measures for any conflict of interest that pertains to CEPF's Executive Director will be submitted to the Working Group for consideration, and decision-making for the conflicted transaction will be elevated outside of the Executive Director's chain of command.

CEPF has transparent and globally consistent eligibility criteria and decision-making processes that are approved by the CEPF Donor Council and widely publicized. An ecosystem profile for each region is also approved by the Donor Council and clearly sets out the parameters for investment. These investments adhere to environmental and social policies of the Global Environment Facility and the World Bank, as detailed in the CEPF Operational Manual.

All grant recipients also agree to adhere to specific ethical standards pertaining to the use of CEPF funds, as detailed in the grant agreements (OM 4.4.7 and 4.4.8).

Additional measures to be put in place for CEPF operations and decision-making that may present an actual or apparent conflict of interest are detailed below.

A Regional Implementation Team will provide strategic leadership in each hotspot selected for funding beginning in 2007. The objective of these teams will be to convert the plan in the CEPF ecosystem profiles into powerful portfolios of grants. The teams will provide local knowledge and insights and represent CEPF in each hotspot. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving the shared conservation goals described in the profile.

Each Regional Implementation Team will be selected by the CEPF Donor Council through an approved transparent, competitive process (OM 4.3). Consideration of applications from CI will require recusal by the CI members of the CEPF Working Group and Donor Council from any aspect related to the review and approval by the Donor Council.

To avoid conflict of interest at the hotspot level, the organizations that comprise the Regional Implementation Team (whether international or local civil society groups) will receive separate grants for administrative and programmatic function of the RIT (per OM4.3) but will not be eligible for additional grants in that hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

Decision-making for Project Applications

All applications for funding will be reviewed by the Regional Implementation Team, which will also manage the process for review of proposals with external reviewers and advisory committees, where relevant.

The Regional Implementation Teams will award small grants, which are typically up to \$20,000. The threshold amount for small grants may be increased, up to \$50,000, based on a joint decision of the RIT and the CEPF Secretariat. Grants above the threshold amount (referred to as 'large grants') will be awarded by CEPF, based on a joint decision by the RIT and the CEPF Secretariat. Peer reviewers, local advisory committees or other similar structures will also be involved in decision-making within each hotspot, as appropriate.

Additional external review will be required for all proposals requesting more than \$250,000. All proposed grant awards to CI will require approval on a time-bound no objection basis by the CEPF Working Group. Consideration of applications from CI will require recusal by the CI member of the CEPF Working Group. CI is not eligible to receive small grants from an RIT nor sub-grants under large grants awarded by CEPF to other organizations; CI is eligible to receive grants (small or large) awarded directly by CEPF.

Complaint Mechanisms

CEPF provides a written explanation to all applicants whose proposals are unsuccessful as part of its focus on building civil society capacity. Applicants are encouraged to contact the relevant Regional Implementation Team or CEPF grant director if they have additional questions about the decision. If the applicant is not satisfied with the response, a grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to the following address:

Critical Ecosystem Partnership Fund
Conservation International
Attn: Executive Director
2011 Crystal Drive
Suite 500
Arlington, VA 22202, U.S.A.

CEPF has also established specific procedures to enable local communities and other stakeholders to raise a grievance at all times to applicants, grantees, Regional Implementation Teams, and the CEPF Secretariat related to the implementation of safeguards. These are detailed in sections 3.6.1 and 3.6.3 of the CEPF Operational Manual.

In addition, the World Bank has several mechanisms available to the public. These mechanisms include the Inspection Panel and the Department of Institutional Integrity (www.worldbank.org/integrity), which investigates allegations of fraud and corruption related to World Bank Group-financed projects.

CEPF Procurement

CEPF complies with Conservation International's procurement policy and any additional donor requirements as agreed to with donors.

CEPF Ethics

CEPF complies with Conservation International's Ethics Policy as described below. The Ethics Policy applies to the CEPF Secretariat, RITs, and CEPF grantees and is included as an annex to the Grant Agreement.

Introduction and Purpose

Conservation International's reputation derives from our commitment to our core values: Integrity, Respect, Courage, Optimism, and Passion and Teamwork. CI's Code of Ethics (the "Code") provides guidance to CI employees, consultants, experts, interns, and volunteers in living CI's core values, and outlines minimum standards for ethical conduct which all staff must adhere to.

CI relies on the personal integrity, good judgment and common sense of the individuals acting on behalf of the organization to deal with issues not expressly addressed by the Code. Failure of a staff member to adhere to the Code may result in disciplinary action up to and, including discharge from employment and filing of criminal charges.

CI employees, consultants, experts, interns and volunteers shall:

Integrity

- Act in good faith, responsibly, with due care, competence and diligence and maintain the highest professional standards at all times.
- Comply with CI policies as well as all applicable laws, rules and regulations, domestic and international, in every country where CI works.
- Reflect actual expenses or work performed in expense reports, timesheets, and other records.
- Never engage in any of the following acts: falsification of business documents, theft, embezzlement, diversion of funds, bribery, or fraud.

Transparency

- Perform duties, exercise authority and use CI resources and assets in the interest of the organization and never for personal benefit.
- Avoid conflicts of interest and not allow independent judgment to be compromised.
- Not accept gifts or favors in excess of \$150 from vendors, consultants or grantees.

Accountability

- Disclose to a supervisor and the General Counsel's Office, at the earliest opportunity, any information they have or become aware of, that may result in a real or perceived conflict of interest or impropriety.
- Exercise responsible stewardship over CI's assets and resources; spend funds wisely, in the best interests of CI and in furtherance of its mission. Adhere to and respect the wishes of its donors.
- Manage programs, activities, staff and operations in a professionally sound manner, with knowledge and wisdom, and with a goal of increasing overall organizational performance.

Confidentiality

- Not disclose confidential information obtained during the course of their work at CI.
- Protect confidential relationships between CI and its grantees, donors, and vendors.

Mutual Respect and Collaboration

- Assist its partners in building the necessary capacity to carry out conservation programs efficiently and effectively and to manage funds in a fiscally and operationally prudent manner.
- Create constructive relationships with grant-seekers and other partners based on mutual respect and shared goals by communicating clearly and timely, and respecting our partners' expertise in their field of knowledge.
- Engage with indigenous peoples and local communities in which CI works in a positive and constructive manner that respects the culture, laws, and practices of those communities, with due regard for the right of free, prior and informed consent.

3. Project Cycle Management (PCM)

CEPF Project Cycle Management Plan

The Critical Ecosystem Partnership Fund (CEPF) approaches project cycle management in a slightly different way than the more traditional approach. CEPF strives to turn what is often a series of monitoring and evaluation reports and requirements into an active and effective management tool for grantees. The goal is to create a powerful, adaptive approach that becomes a learning system for all involved. While reports are important for CEPF as a whole to monitor the project and to manage its overall portfolio, the process enables each grant recipient to manage its project implementation and to track intended results in a more cohesive way. It also assists both the grantee and CEPF in determining when adaptive management may be necessary.

Project cycle management for CEPF

Project cycle management (PCM) is a term often used to cover the different tools and methods used to manage a project throughout its full “cycle” of **design, implementation, and evaluation**. There are several tools and methods that might be used during each of these phases. An organized set of these that are linked through the different phases of the cycle leads to an effective project cycle management approach.

The CEPF project cycle management approach is based on projects establishing logical hypotheses, clearly defining objectives, identifying targeted, measurable indicators, highlighting important assumptions, compiling baseline information and establishing practical monitoring and evaluation systems. This is required from a programmatic, as well as an individual project point of view. Therefore, the approach begins with a clear definition of the overall CEPF global program. This includes defining the main objectives for the program, what the intended impacts are, who the intended beneficiaries are, and what the operational structures of the program will be. Key targets are summarized in a Global Results Framework² to which each ecosystem will be linked. The Global Results Framework is a simplified Logical Framework that will form the basis for monitoring and evaluation of the global program.

The Logical Framework assists in:

- Defining clear, causally linked objectives
- Defining clear indicators of project impact or success
- Defining the project implementers’ deliverables (terms of reference)
- Identifying activity clusters for implementation
- Defining critical external assumptions that may impact the project’s success
- Setting up the monitoring & evaluation system of the project
- Defining the necessary inputs required (human, financial,

Note: The Logical Framework is a project design matrix used to summarize and communicate a complex project. It outlines the cause & effect model (hypothesis) of a project's objectives and highlights the direct impact the project deliverables are expected to have. It also defines clear performance indicators for all objectives, elaborates the monitoring and evaluation requirements, and details important external factors surrounding the internal project design

CEPF grantees may be requested to use the Logical Framework to summarize their project designs in an effort to help track their performance throughout implementation, to provide a clear guide to evaluating each project upon completion, and to allow the projects to learn from previous experiences. By applying this tool, CEPF expects projects to:

- have effective and efficient project implementation, particularly as conservation interventions become more complex and multi-sectoral;
- identify unexpected problems before they turn into larger crises;
- assess new, innovative components;
- track progress toward the achievement of objectives;
- derive lessons learned from past experiences;
- test conservation and development hypotheses; and
- measure conservation impact, particularly in areas where there are urgent threats.

This approach demands the participation of project leadership, project teams, partners, host organizations, and donors such that it allows for open collaboration, learning, and change. If there is broad participation in the monitoring and evaluation process, CEPF expects there will be greater acceptance of its benefit and a commitment to it on the part of project teams, partners, and beneficiaries.

Ecosystem profiles: Based on the CEPF strategy, as described in Section 1, detailed ecosystem profiles will be developed for selected ecosystems. These profiles are meant to elaborate a strategic approach toward a particular hotspot region that follows the objectives set out under CEPF. The ecosystem profiles will be developed in a manner consistent with the section OM 4.1 of the Operational Manual, which includes *Information Requirements for Ecosystem Profiles* as defined in the Financing Agreement between the CEPF donor partners.

The section *CEPF Investment Strategy and Programmatic Focus* will describe the set of strategic outputs that must be delivered to achieve the desired impacts for the region. For each ecosystem profile, this will include strategic directions and investment priorities that form the basis for specific projects to be supported. The CEPF investment strategy will include a logical framework that incorporates CEPF's global indicators and relevant indicators specific to the hotspot in relation to the strategic directions and investment priorities.

Long-term visions: CEPF should not be a permanent presence in each hotspot but define and work towards an end point at which local civil society transitions from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Experience to date shows that, in most hotspots, reaching a point at which civil society transitions from CEPF support will take more than the five-year time period of a typical ecosystem profile. To this end, long-term visions will be developed and implemented, facilitating the development of credible, effective and well-resourced civil societies, and delivering improved biodiversity conservation, enhanced provision from healthy ecosystems of services important to human wellbeing, and greater alignment of conservation goals with public policy and private sector business practices. The long-term visions will be developed in a manner consistent with the section OM 3.7 of the Operational Manual.

Global and portfolio logical frameworks: A statement of impact and a programmatic set of objectives for CEPF as a global program will be expressed in the form of a Global Results Framework. Within this program will be several ecosystem strategies that will also be expressed in the form of Logical Frameworks. This will form the basis of a strategic portfolio in which the impacts or projects in each ecosystem will contribute to a higher-level impact outlined in the CEPF Global Results Framework. At the same time, each ecosystem profile may be viewed as a program portfolio in which each funded project contributes to the stated impacts and objectives of that particular profile. This results in the creation of a cascading set of logically linked objectives and hypotheses that allows even the smallest CEPF project to recognize its place and importance in a much larger strategic portfolio. By following such an approach, CEPF anticipates having a very active, constructive project cycle management system that invites collaboration, innovation, and integration while maintaining effectiveness, efficiency, and structure in the process.

CEPF Process for Design

The process begins by placing the approved ecosystem profiles on the CEPF Web site, www.cepf.net and sharing it widely within the region. Critical to the overall CEPF investment approach is the way in which each profile includes specific strategic directions and investment priorities designed to guide both civil society groups in applying for grants and CEPF in awarding funding to meet the stated objectives. As applicants select a strategic direction to which they wish to submit a project proposal, they will be required to submit a *Letter of Inquiry*³. The letter of inquiry is used to provide CEPF with an overview of the project concept and includes the following:

- A clear explanation of how the proposal relates to a specific strategic direction as outlined in the ecosystem profile.
- The geographic area of the proposed work
- A brief project description (approach, objectives, expected results and project deliverables)
- Key organizational qualifications (how the organization is best qualified to carry out the project)
- A description of any potential partners to be involved in the project.

For all large grants (any grant requests over \$20,000, or in selected hotspots over \$50,000, the letter of inquiry must be submitted electronically via CEPF's electronic grant management system, *Conservation Grants*. For all small grants, the letter or inquiry may be submitted by e-mail directly to the Regional Implementation Team located in the relevant hotspot.

Letters of inquiry for large grants that look promising to CEPF are passed on to a second part of the application, *CEPF Project Proposal*⁴. This form is set up to elicit a clear description of the basic elements of the project (*design*). Required elements of the proposal include:

- Size of the grant
- Statement about background and experience
- Clear link to the CEPF ecosystem profile
- Clear statement of the expected impacts
- Description of the main project deliverables
- Assessment of the Safeguard Policies
- Description of stakeholder participation and consultation
- Explanation of external risks and sustainability issues

³ The Letter of Inquiry form may be found in Section 4.4.1 of the Operational Manual.

⁴ The CEPF Project Proposal Application may be found in Section 4.4.2 of the Operational Manual.

The elements listed above provide the core information required of a Logical Framework, and thus the beginnings of the project cycle management approach. Prior to final approval of a grant, a completed Logical Framework and timeframe that highlights key deliverables to be met over time, and a project budget are required⁵. These elements combine to cover much of what is typically included in the design phase of the project cycle.

Letters of inquiry for small grants are evaluated by the relevant Regional Implementation Team. Procedures for further project design may vary across hotspots.

⁵ These elements are laid out in the CEPF Project Proposal Template in Section 4 of the Operational Manual.

Consultation and Participation

Engaging a rich mix of civil society, governmental partners, and other stakeholders in the various levels of CEPF operations, from design to monitoring and evaluation, has proven to be a critical foundation for the unique CEPF approach to biodiversity conservation and for its effectiveness.

The impact of individual projects, ecosystem portfolios, and the overall global program are improved through the shared accountability, collaboration, and sensitivity to social, economic, and cultural needs that result from sustained engagement of key stakeholders.

The CEPF approach to stakeholder participation includes a commitment to:

Consultation – The broad involvement of many regional actors in the preparation of every ecosystem profile informs and shapes CEPF’s strategic plans. Subsequent, frequent information exchange among the CEPF Secretariat, Regional Implementation Teams, project applicants and implementers, and stakeholders affected by CEPF-supported projects with regard to critical decisions, including investment strategies, project design, implementation, and evaluation amplifies the impact of CEPF grants.

Participation – Collaborative engagement among the CEPF Secretariat, Regional Implementation Teams (RITs), project implementers, and stakeholders in project design, implementation, and evaluation activities makes grants more likely to succeed. Varied stakeholders will also participate in mid-term and final assessments of the ecosystem portfolios.

Information Dissemination – Accessibility and sharing of information relevant to CEPF investment strategies, projects, results, and lessons learned is a cornerstone of the CEPF approach to help avoid duplication of effort as well as to foster transparency, learning, and replication within and across ecosystems and at the global level.

These three components of the CEPF approach to stakeholder involvement are fundamental to achieving CEPF objectives and enhancing the benefits to critical ecosystems and the local communities and others they support.

The following are principles by which these components are implemented:

- Responsibility for ensuring stakeholder involvement rests with the CEPF Secretariat and RITs. The RITs will support effective involvement at the ecosystem and project level through information exchange and facilitating discussion among stakeholders. Where necessary, CEPF grant resources can be used to ensure adequate consultation in the design of major CEPF-supported initiatives. CEPF has a Best Practice in Stakeholder Engagement (OM 3.7) that provides guidance on this topic.

- The extent and quality of stakeholder consultation in developing a project, maintaining stakeholder participation over time, and the degree to which stakeholder involvement enhances sustainability are criteria against which all project proposals are evaluated. These factors are also considered during implementation.
- Differences in requirements for public involvement will exist across project types, and appropriate stakeholder engagement will vary among projects depending on specific circumstances. For example, a project that affects Indigenous communities and the management of Indigenous lands or impacts the livelihoods of local communities will require a more extensive approach to consultation and participation than one that provides technical assistance to a government agency for improving its ability to implement its commitments under an international convention.
- Non-proprietary information associated with projects and activities supported by CEPF, including the ecosystem profiles and assessments, are made available to the public. In particular, information such as awarded grants, results, best practices, and lessons learned are posted on the CEPF Web site, www.cepf.net.

Process of Monitoring and Evaluation

Section 3.3 of this manual emphasized the importance of participation and this holds true in the monitoring and evaluation phases. Monitoring and evaluation is a collaborative process of learning and demands responsibility on the part of all team members.

CEPF maintains a set of broad principles when addressing monitoring and evaluation.

1. **Participation:** *opening up the design process to include those most directly affected, and gaining agreement to carry out monitoring and evaluation together.*
2. **Negotiation:** *reach agreement on what will be monitored and evaluated, how data will be collected, who will do the collection and analysis, how frequently this will be done and in what format, how findings will be disseminated among those involved, and finally, what actions will be taken as a result.*
3. **Learning:** *this becomes the basis for subsequent improvements and corrective action.*
4. **Flexibility:** *this is critical given the variety of stakeholders involved, the changing external environment, and the need to make performance improvements along the way*

Monitoring and evaluation has conventionally been a variety of *ad-hoc* processes often done by external groups. These have tended to be mainly quantitative and rarely have included the various stakeholders involved. CEPF monitoring and evaluation emphasizes a participatory approach, which also contributes to an active learning system.

CEPF Participatory Monitoring and Evaluation

Methods for planning process	<ul style="list-style-type: none"> • Logical Framework • Environmental, economic, institutional analysis • Baselines
What is the role of the “primary stakeholders”	<ul style="list-style-type: none"> • Design and adapt methodology • Collect and analyze data • Share findings and link them to actions
How is success measured	<ul style="list-style-type: none"> • Internally defined • Includes qualitative indicators • Makes judgments
Approach	<ul style="list-style-type: none"> • Adaptive / Flexible

Project preparation: At this stage, a project should include performance indicators and milestones that are important to future monitoring and evaluation efforts. These are elaborated in a Logical Framework design, as described earlier. In addition to this, performance measures are broken down over time in the monitoring and evaluation plan to allow for easier supervision during implementation. At this level, the introduction of monitoring and evaluation principles is considered formative, since it creates the condition for future evaluation. CEPF will use the *Letter of Inquiry* and *Project Proposal Application*⁶ for this stage.

Project Implementation: The monitoring and evaluation process takes the form of ongoing monitoring at implementation and includes performance tracking, performance improvement planning, risk assessments, and the updating of original designs. Monitoring and evaluation during project implementation is still considered formative, as its purpose is to support ongoing project improvement. CEPF will use the *Project Progress Report*⁷ during implementation, which will be required on at least a semi-annual basis from all grantees. This report revisits the original design, checks planned versus actual project performance via the monitoring and evaluation plan, and reviews the implementation schedule to confirm project duration.

Project completion: The evaluation process after project completion re-visits the original design and reports on the impact the project has had on its intended beneficiaries. It looks at planned versus actual performance to evaluate the results of the project; delivery of outputs, achievement of impact, and any valuable lessons to be learned for future projects. At this stage, evaluation is considered summative. CEPF will require all grantees to submit a *Final Project Completion Report*⁸ at the end of their project and these will be posted on www.cepf.net.

The following table summarizes how monitoring and evaluation are incorporated into the CEPF PCM Approach:

⁶ The application templates are found in sections 4.4.1 and 4.4.2 of the Operational Manual.

⁷ The project progress report template is found in Section 4.5.1 of the Operational Manual.

⁸ The final project completion report template is found in Section 4.5.3 of the Operational Manual.

Monitoring and Evaluation through the Project Cycle

Type of Monitoring and Evaluation	Phase of Project Cycle	Monitoring and Evaluation Tools	Monitoring and Evaluation Products	
			Documents	Process Results
Formative Learning “During”	<i>Project Preparation</i>	<ul style="list-style-type: none"> • Economic, financial, institutional analysis • Baselines • Logical Framework • Monitoring and evaluation plans 	<ul style="list-style-type: none"> • Logical Framework • Project proposal application (1 & 2) • Civil Society Tracking Tool (CSTT) • Gender Tracking Tool (GTT) • Management Effectiveness Tracking Tool (METT (if applicable)) 	Improved: <ul style="list-style-type: none"> • Design • Transparency • Participation
	<i>Project Implementation</i>	<ul style="list-style-type: none"> • Supervision events • Performance reviews • Implementation plans • Monitoring and evaluation plans 	<ul style="list-style-type: none"> • Monitoring and evaluation reports • Implementation schedules • Financial progress report 	Improved: <ul style="list-style-type: none"> • Execution • Performance • Transparency • Participation
Summative Learning “After”	<i>Project Completion</i>	<ul style="list-style-type: none"> • Ex-post evaluation • Impact assessment 	<ul style="list-style-type: none"> • Final project completion report • Final CSTT • Final GTT • Final METT (if applicable) 	Improved learning: <ul style="list-style-type: none"> • Project designs • Policies • Strategies • Portfolio

Much of the information required during the project cycle will come through the various templates to be used by grantees throughout implementation of their project. During implementation, emphasis is on key questions around the issues of project rationale and project effectiveness. Our aim in requiring periodic reporting on project performance throughout implementation is to continually check these as outlined below:

Continued Project Rationale:

Does the project:

- Continue to reflect development priorities?
- Continue to be linked to the overall portfolio and strategy?
- Contribute to the Goal?
- Remain relevant given the Objectives?

Project Efficiency:

- Is implementation managed properly?
- Are inputs managed appropriately and cost-effectively?
- Is implementation on time and at cost?
- Are the outputs being delivered?
- Is there a better way?
- Can it be improved?

The final stage of the cycle allows for evaluating project impact as well as drawing any lessons learned from the project experience. During this stage, we again pose a series of questions:

Project Effectiveness (Impact):

- Have the outputs been produced?
- What has happened as a result?
- What are the impacts on stated priorities?
- Are there any unplanned impacts?
- Why were planned impacts not achieved?
- What are the long-term effects on program/strategy?

Lessons Learned:

- What lessons can be learned in terms of project relevance?
- What performance lessons can be learned in terms of achieving objectives?
- What resource use lessons can be learned?
- What elements might be replicated in future projects?

CEPF will track project information during the design, implementation, and evaluation stages for all projects supported and, as expressed earlier, will do so using the online grant-making mechanism. One tremendous advantage of this system is that it will continually expand the database of information for the CEPF program as a whole. It will be possible to view information on each individual project, but perhaps more importantly, it will allow for the creation of programmatic summaries and evaluations based on the individual project information that is active within the system.

The system, therefore, enables CEPF to maintain a constant understanding of how the program as a whole and at the ecosystem portfolio level is functioning: what overall impacts are being achieved, what strategic directions need adjustment, and what further support may be needed. The result will be continued programmatic direction, efficiency, effectiveness, overall impact, and the dissemination of results and important lessons being learned in the field.

CEPF Monitoring Framework

The existing and continually evolving CEPF management tools include the ecosystem profiling process, and the grants management procedures and monitoring systems. These are useful in identifying and promoting the strategies for profiles, managing a large and dynamic pool of grants, and tracking progress on the assumptions the fund uses in grant making and achieving its goals. These provide the management framework and enable the fund to focus on achieving conservation impacts on the ground.

The CEPF Strategic Framework outlines overarching “key indicators of success”:

- At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.
- 20 million hectares of key biodiversity areas with strengthened protection and management, including at least 8 million hectares of new protected areas.
- 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.

The framework seeks to **complement** the broad goals, **underpin** these goals with more sensitive data, **support** management at the fund and profile levels, and better **communicate** the stories of CEPF’s work.

- 1. Purpose of the monitoring framework:** i) to efficiently and adaptively manage the CEPF portfolio both globally and at the profile levels; ii) to capture information on impacts of CEPF investments in a systematic manner to enable more effective communication of results; and iii) to identify emerging conservation needs or those that are cross cutting/critical to the conservation success of a given investment region.
- 2. Elements of the monitoring framework:** This framework is split into two main components: program impact and portfolio management. Program impact focuses on the impacts CEPF will have as a fund and is split into four broad categories as described below. Portfolio management focuses on CEPF internal processes and the ability of CEPF to efficiently and effectively operate.
- 3. Program impact:** A 2010 assessment performed by Conservation International’s Science and Knowledge Division emphasized the need to improve the monitoring system of CEPF to ensure that the program could report not only on its achievements pertaining to process and management, but also on its contribution to achievement of conservation outcomes. To this end, four main categories of impact have been identified. These are:

Table 1: Impact categories and associated statements of success

<p>Biodiversity Improve the status of globally significant biodiversity in critical ecosystems within hotspots</p>	<p>Human well-being Improve the well-being of people living in and dependent on critical ecosystems within hotspots</p>
<p>Civil society Strengthen the capacity of civil society to be stewards and effective advocates for the conservation of globally significant biodiversity</p>	<p>Enabling environment Establish the conditions needed for the conservation of globally significant biodiversity</p>

These four impact categories are interwoven and interactive. CEPF’s first two categories, to conserve biodiversity and to build civil society capacity to achieve conservation, are closely linked. Strong civil society capacity is essential for a sustainable foundation for biodiversity conservation. Underpinning both these goals are two additional pillars. The first, human well-being, is directly linked to the success of biodiversity conservation efforts because healthy ecosystems are essential for human well-being, while ecosystems that are unhealthy or devoid of biodiversity cannot deliver the benefits that people need, such as freshwater. The fourth category, enabling conditions, is a critical factor for successful conservation, but can be altered and improved by civil society, in particular a civil society that is empowered and informed. CEPF will measure progress in all four of these interlinked categories to gain a holistic understanding of impact of the fund. Each impact category is presented below.

Impact category 1: Biodiversity

Statement of success: Improve the status of globally significant biodiversity in critical ecosystems within hotspots

Description: Measuring the status and trends in biodiversity can take many forms. CEPF has chosen three focal areas to describe progress toward this impact category: species, sites and corridors.

Species: represent the smallest recognizable and (in most cases) replicable unit of biodiversity and also underpin CEPF’s ecosystem profiling framework. Strategic directions are built ‘from the species up’; threatened species inform the selection of important sites (KBAs⁹) and guide conservation investments within a hotspot.

CEPF will use two methods to monitor the status and trends of threatened species populations. These are: 1) The Red List Index (RLI) which will allow CEPF to monitor the status of threatened species as a whole, and 2) expert assessments to document changes in threats that affect individual populations of species where CEPF projects are being conducted.

⁹ KBAs, or Key Biodiversity Areas, are sites selected using standardized, globally applicable, threshold-based criteria, driven by the distribution and population of species that require site-level conservation. The criteria address the two key issues for setting site conservation priorities: vulnerability and irreplaceability. (Eken et al, 2004, Key Biodiversity Areas as Site Conservation Targets, *BioScience* 54(12):1110-1118)

Sites: represent manageable spatial units where management activities are occurring for the primary purpose of biodiversity conservation. These include key biodiversity areas that are either protected areas, or productive landscapes. Examples of management activities may include protected area management and community conservation agreements among others.

Corridors: represent larger spatial units, or landscapes, where management activities are occurring for the primary purpose of ensuring connectivity and promoting sustainable management practices. Corridors are defined as areas where connectivity between two or more key biodiversity areas is necessary to meet the long-term conservation needs of the biodiversity found there. Included in this definition are areas where it is necessary to increase the actual or potential natural habitat in order to maintain evolutionary and ecological processes. Examples of management activities may include conservation enterprises, sustainable agriculture, and environmentally friendly ecotourism.

Both sites and corridors incorporate conservation/sustainable management of spatially explicit areas through promoting conservation health and minimizing threats. CEPF may use several methods to monitor changes to sites and corridors: 1) habitat change (using remote sensing and associated methods for assessing the change in habitat extent and connectivity); and 2) documenting the change in land area under different types of management (new formal protection, improved management or under better practices). In addition, for sites CEPF will conduct an expert assessment of bio-physical health / threat mitigation.

Impact category 2: Human well-being

Statement of success: Improve the well-being of people living in and dependent on critical ecosystems within hotspots

Description: Conservation and human well-being have a complex, bi-directional relationship. Conservation success depends on the willing participation of human societies – from the local to the global level. Conversely, human communities need nature to thrive; depending on the valuable services such as fresh water and disaster mitigation that natural ecosystems provide. CEPF embraces this complex relationship and invests to ensure compatibility between and improvement in ecosystems and the communities that depend on them. There are many metrics that can be used to assess changes in human well-being over time that range in data resolution, intensity and cost. CEPF identifies two types of beneficiaries that have relevance across the varied investment profiles and that can be assessed at the Fund level: 1) direct beneficiaries; and 2) indirect beneficiaries (through the provision of ecosystem services).

Direct beneficiaries: comprise those people and communities that receive socio-economic benefits from activities undertaken through CEPF investments. To gauge impact in this category, CEPF monitors a selection of benefits. These include but are not limited to:

- Increased income from direct employment (long-term, green);
- More secure sources of energy
- Improved land tenure
- Households with improved, sustainable living conditions (via improved cookstoves; resilient agricultural practices; secure and sustainable access to wild plants for food and medicine, etc.)

- Training for conservation management.

CEPF monitors direct beneficiaries through organized self-reporting from grantees at the beginning, middle and end of the investment period with verification by the RITs.

Indirect benefits: comprise those benefits resulting from the impacts of CEPF investments on the status of biodiversity. These include the provision of services through the conservation of natural systems in the main areas of climate, water, food, and health security. Because quantification of the number of people benefiting from indirect impacts is very challenging, CEPF will use indicators related to the nature of benefits – or ecosystem services – that will be maintained. Specifically, for projects that aim to deliver ecosystem services, CEPF monitors two factors: cubic meters of fresh water flows from natural systems to downstream need, and tons of carbon stored, because of CEPF actions).

Impact category 3: Enabling environment

Statement of success: Establish the conditions needed for the conservation of globally significant biodiversity

Description: CEPF, and indeed conservation in general, operates under the premise that conservation actions in isolation are far less likely to succeed without the presence of several enabling conditions. Three broad areas are outlined here that lay the foundation for reflecting on success for this impact category. They are: ensuring that policies are in place that promote / don't inhibit conservation action; ensuring sufficient capital and flow of financial resources for conservation; and establishing and using conservation best practices.

Regulatory environment

Statement of success: Ensure that public policies, the capacity to implement these, and the systems of governance in each individual country are supportive of the conservation of global biodiversity.

Description: In order for conservation interventions to proceed and be successful, the underlying legal and policy frameworks must be in place. This includes the general legislation and regulatory framework for civil society to participate in conservation management, as well as the inclusion of conservation management and sustainable best practices within political development frameworks. CEPF has directed funding toward both aspects of the conservation policy space, but the common need across most profiles is with the latter (because most countries / regions have regulations in place that allow for a free and operational civil society sector). Grants that promote the inclusion of conservation principles within development strategies will be identified at the onset and monitored based on the final written version of these strategies. Clearly, simply being included in a strategy is different from being implemented and promoting conservation impact on the ground, but it is a first step that is assumed could lead to impact and a clear metric for result of a specific policy-oriented investment.

Long term financing

Statement of success: Ensure that sustained, sufficient and timely financing is available to conduct conservation management activities.

Description: One of the greatest barriers to effective conservation is the lack of financial resources to implement management that will lead to conservation success. CEPF targets a portion of investments to ensure financial sustainability of civil society and conservation activities in the long term. This not only entails establishing long-term financing vehicles (e.g., conservation trust funds), but it also includes supporting them to ensure that they function well and deliver financially. This indicator will be measured in five ways: 1) tracking the number of and 2) the amount invested within long term financing mechanisms; 3) tracking the financial management and governance of these mechanisms using a Long-term Financial Tracking Tool (see Appendix 1); 4) return on investment / financial performance of the financing mechanism; and 5) timely delivery of resources to targeted conservation actions.

Conservation best practices

Statement of success: Ensure that management continually improves such that conservation effectiveness can be reasonably assured.

Description: This section includes two important facets of conservation implementation: determining priorities for targeting action/investment; and promoting best management practices for implementation itself. The first of these takes place during the profiling process (establishing the conservation targets using threatened species and KBAs) and sets the stage for the entire investment strategy of a portfolio. This component will be addressed through the portfolio management portion of the monitoring framework (see section 5 below). The second focuses on management and will be assessed using the Management Effectiveness Tracking Tools (METT 1) and the adoption of better practices for sustainability in the production landscape.

Impact category 4: Civil society

Statement of success: Strengthen the capacity of civil society to be operationally effective as stewards and effective advocates for the conservation of globally significant biodiversity.

Description: CEPF is premised on the assumption that a capable and functioning civil society is necessary for sustained conservation progress. CEPF takes a wide perspective of civil society that encompasses more than traditional definitions. CEPF includes all nongovernmental actors in seeking to improve the organizational capacity of institutions to deliver conservation success. CEPF views civil society and assesses this impact category on two levels. The first is the strength of individual civil society organizations to undertake conservation actions, including ensuring their ability to raise funds to conduct their activities. The second is the collective group of civil society organizations working on conservation issues in a particular investment region. Additional factors that CEPF will monitor to gauge impact on the collective group are the partnerships and networks created to build a strengthened and resilient civil society and the availability of information, because access to information is essential to identify and respond to conservation threats and opportunities.

The monitoring framework incorporates relevant impact indicators from the Global Results Framework. It is presented in Annex A.

5. Portfolio management: In addition to program impact indicators, CEPF monitors its ability to function as an effective and efficient grant-making facility. This section focuses on three management categories: conservation strategies; compliance monitoring and communication; and grants management.

Capturing CEPF qualitative impact

There is a great need for CEPF to properly capture and communicate the numerous qualitative results that CEPF grantees are producing. As a complement to the collection of data on the indicators above, CEPF's communication team will continue to capture stories from CEPF grantees and develop more consistent products that effectively share the impact of CEPF's investment conserving the biodiversity of the hotspots for nature and people. These efforts include, but will not be limited to, enhancing our lessons learned white papers, promoting thematic short documents and sharing these materials and stories at various forums around the world.

6. Synergy with the Global Results Framework: The Global Results Framework, located within CEPF's Strategic Framework for FY2008-2012, contains indicators that address both impact and management performance. This monitoring framework should be viewed as **supplementary** to the Global Results Framework, as CEPF will continue to monitor the indicators nested within CEPF's governing documents (e.g. the PAD – Project Appraisal Document). Further, the Global Results Framework contains intermediate targets, for which CEPF will continue to strive to reach. The upgraded monitoring framework will differ in that it will measure progress on the appropriate scale (project, site, corridor, hotspot, global), and will record these differences at varying times throughout implementation of the portfolio and the overall program.

As an example, the Global Results Framework contains the intermediate target “*At least 10 sustainable finance mechanisms established or strengthened with initial capital secured*”, whereas the monitoring framework contains the indicator “*change in the # of sustainable finance mechanisms with improved management*”, which will be monitored at the portfolio global levels, at the start and end of investment.

In addition, the portfolio management indicators make up a large portion of the global results framework. These will be maintained with few modifications, and if there are any modifications, these will be in addition to the information already required in the Global Results Framework.

As the monitoring framework is refined, more work will go into ensuring that it complements the Global Results Framework and that its implementation is smooth and well-integrated with existing efforts and procedures.

Safeguard Policies

CEPF appraises projects not only on their technical merit, but also on their environmental and social ramifications. Therefore, procedures for addressing environmental and social issues are included in the project cycle management process. A driving principle of CEPF is to prevent and mitigate any harm to people and thus to incorporate environmental and social concerns as an intrinsic part of project cycle management.

This section explains the CEPF environmental and social assessment processes. It also includes an Indigenous Peoples Planning Framework, Pest Management Plan guidelines, and a Process Framework to further elaborate safeguards specific to Indigenous Peoples, the use of pesticides, and when a project may result in restriction of access to natural resources.

Environmental and social safeguards will be tracked during all stages of the project cycle with the main objective of ensuring that supported activities comply with the policies and guidelines laid out in the Operational Manual and with the World Bank's environmental and social safeguard policies. This includes confirming that measures are incorporated into the project design to prevent, minimize, and mitigate potential adverse environmental and social effects of individual projects.

The CEPF Project Cycle Management Approach, as laid out in the preceding pages, describes a project cycle of design, implementation, and evaluation. CEPF addresses environmental and social issues within this cycle as follows:

- | | |
|----------------|--|
| Design | <ul style="list-style-type: none"> - Inquire on, and assess, environmental, and social guidelines - Discuss with project designers and study any reports as requested - Prepare comments and requests for additional information - Advise on any specific requirements for compliance - Review and assess for approval and/or any special measures required |
| Implementation | <ul style="list-style-type: none"> - Continue to inquire and review environmental and social safeguard issues - Prepare any comments and requests for new information - Review and advise on implementation of any special measures required |

- Evaluation
- Ensure inclusion and review environmental and social safeguard issues in final project reporting as well as any lessons learned
 - Post all related information and documents on www.cepf.net for global learning

Environmental and Social Safeguard Assessment Process

The CEPF project proposal forms seek out several elements of the basic project design including objectives, performance indicators, and sustainability issues. Within these applications are a series of safeguard questions that must be answered based on the World Bank's standard Environmental Assessment. For each, grantees are asked to provide a supporting statement to justify their answer.

CEPF will assess these during the initial proposal review. This review may be deemed satisfactory, or may involve further discussion with the potential grantee. In some cases, additional information may be required for further review and discussion. Throughout the review process, CEPF will maintain contact with the potential grantee to obtain clarification on information provided and request any additional information and documentation needed. In conducting the preliminary evaluation, CEPF will focus on analyzing the materials provided by the potential grantee to determine the following aspects related to the environmental and social effects of the project:

- Compliance with CEPF and World Bank environmental and social safeguard policies
- Potential for the project to cause adverse environmental impacts
- Potential for the project to cause adverse social impacts
- Capacity of the applicant to implement any required safeguard-related measures during the preparation and implementation of the project.

At the conclusion of the initial screening, CEPF will identify any environmental and social effects of the project and define any safeguard requirements necessary. For projects above \$20,000, a more detailed Project Proposal Application is required, and safeguard requirements may be further elaborated and defined. The grantee is responsible for implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies.

This process is then tracked throughout project implementation similar to the tracking of performance toward project objectives. At each performance reporting stage, grantees will revisit the safeguard policy issues to reconfirm their status, adjust any that may have changed during implementation, and make necessary mitigation steps as needed. In cases where grantees are implementing mitigation actions, they will report on the progress of such implementation similar to that which they are doing for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues are continually monitored and mitigated throughout project implementation.

The final step is to evaluate the environmental and social issues at project completion. Any related documents and lessons learned will be shared via www.cepf.net to help in the design and mitigation of negative environmental and social impacts in future projects.

Safeguard Policy and Project Cycle Framework

PCM Phase	Process Steps	Responsibility	Safeguards	Decisions(s)
Design	<ul style="list-style-type: none"> • CEPF application • Review process & discussion 	<ul style="list-style-type: none"> • Applicant • CEPF 	<ul style="list-style-type: none"> • Environmental & social screening, assessments, frameworks • Free, prior and informed consultations for Indigenous Peoples 	<ul style="list-style-type: none"> • Approve • Develop mitigation steps • Decline
Implementation	<ul style="list-style-type: none"> • CEPF project performance monitoring report • Review process & discussion 	<ul style="list-style-type: none"> • Applicant / Grantee • CEPF 	Environmental & social safeguard measures	Monitor and re-assess safeguards
End of Project Evaluation	Final project completion report	<ul style="list-style-type: none"> • Grantee • CEPF 	Environmental & social measures	Evaluate, document lessons learned

Should the grant applicant or grantee be required to develop an assessment, Indigenous Peoples Framework, Process Framework, Pest Management Plan or action plan with regard to one of the safeguard policies, World Bank disclosure policies will be followed. These require that all such reports and/or plans be provided in a timely manner prior to consultation and in a form and language understandable and accessible to the groups being consulted. In addition, these documents will be provided to CEPF and made available at www.cepf.net.

Further information on these Safeguard Policies can also be found on the World Bank Web site at <http://go.worldbank.org/WTA1ODE7T0>.

Environmental and Social Management Framework

GENERAL IMPLEMENTATION ARRANGEMENTS

Background

1. The Critical Ecosystem Partnership Fund (CEPF) is a long-term global program with multiple donors. Its Project Development Objective is to strengthen the involvement and effectiveness of civil society in contributing to the conservation and management of globally important biodiversity. The Global Environment Objective is to achieve sustainable conservation and integrated ecosystem management in areas of globally important biodiversity, through consolidating conservation outcomes in existing CEPF regions and expanding funding to new critical ecosystems.
2. These objectives are being achieved by providing strategic assistance to locally-based NGOs, community groups, Indigenous Peoples, the private sector and other civil society partners to support: a) strengthened protection and management of biodiversity within selected hotspots and critical ecosystems, b) increased local and national capacity to integrate biodiversity conservation into development and landscape planning, and c) expanded and improved monitoring and learning to demonstrate biodiversity impact and enable adaptive management and replication. The CEPF program provides a field-tested mechanism for achieving these objectives, demonstrated by successful experience since its inception in 2000.
3. The proposed project builds upon the experiences and lessons learned in phase 1 and recommendations from the independent evaluation to expand the CEPF global program, including expansion into new ecosystems and hotspots. The CEPF-2 project focuses on critical ecosystems within at least 14 biodiversity hotspots in World Bank client countries that have ratified the CBD. Investment strategies for three new hotspots have already been developed and were the first to be implemented: Polynesia-Micronesia, Indo-Burma (Indochina region); and the Western Ghats and Sri Lanka (Western Ghats region). Other ecosystems for investment are chosen based on biodiversity status and threats, conservation needs, social and political environment, and current or planned investment by other donors. The donor partners review eligibility criteria to enable CEPF investment in marine ecosystems within, and adjoining, hotspots.
4. *Component 1: Strengthening protection and management of globally significant biodiversity.* CEPF-2 focuses on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses, including protected areas, biological corridors and high value conservation sites in production landscapes, including indigenous reserves, community and private lands managed for a conservation objective. Support to civil society groups contributes to the strengthened protection and management of more than 29 million hectares of key biodiversity areas within hotspots, including at least 1.5 million hectares of new protected areas. Specific activities are selected on a competitive basis at the ecosystem level, as outlined in the operational manual, but could include activities under the following themes: a) strengthening management of protected areas and other key biodiversity areas; b) community and Indigenous Peoples' initiatives; c) innovative financial mechanisms for sustainability; and d) multi-regional priorities.
5. This component finances civil society participation in improving management and expansion of protected areas, conservation planning, and support to communities, including indigenous groups and

other partners, in management and stewardship of biologically-rich lands that buffer key biodiversity and protected areas. Activities to strengthen or pilot innovative financial mechanisms are also supported.

6. *Component 2: Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning.* Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development community. Mobilizing civil society to play a more effective role in this process is the CEPF niche. Grantees range from individuals, farming cooperatives and community organizations to research institutions, private sector organizations, and national and international NGOs. Many of these groups also act as vital multipliers, further building local and national capacity for conservation. A key CEPF-2 goal is empowerment of civil society actors to take part in, and influence, decisions that affect local lives and livelihoods and, ultimately, the global environment.

7. CEPF supports activities to integrate biodiversity conservation in production landscapes and sectors, including enabling civil society groups to plan, implement, and influence biodiversity outcomes as effective partners in sustainable development. Examples could include development of community, municipal or regional land use plans, plans for local economic development, “territorial development” plans, certification for more sustainable management and private agreements. Such participation builds on local knowledge and technical expertise, and leverage social capital to bring innovative ideas to solving local problems. The focal approach strengthens protection of critical biological corridors that link key biodiversity areas within a multiple use landscape, including trans-boundary collaboration to protect key areas that straddle national boundaries.

8. This component builds upon Component 1 through strategic and effective alliances to increase impact and sustainability, especially in production landscapes. Activities to be financed include catalyzing diverse partnerships and integrated approaches, assisting in improved land-use planning and activities that mainstream conservation into management of production landscapes, including collaboration with the private sector and informing policy and legislative frameworks.

9. *Component 3: Monitoring and knowledge sharing.* This component supports monitoring and evaluation of individual projects and programs and deriving and sharing lessons learned within the hotspot. Monitoring and evaluation of individual projects is led by Regional Implementation Teams (RITs) and includes: a) systematic analysis and documentation of grantees’ performance against individual project and ecosystem targets; b) assisting civil society groups, including local communities and Indigenous Peoples, to engage in participatory monitoring; and c) expanding and formalizing information sharing and learning opportunities across the hotspot. Additionally this component supports specific activities to strengthen outcomes monitoring and to document, disseminate and replicate lessons learned and good practice. Previous CEPF experience with monitoring and knowledge-sharing are being scaled up under CEPF-2 to further strengthen capacity for adaptive management by CEPF partners and the broader conservation community.

10. This component finances technical assistance and consultant services, training for participatory monitoring, hotspot review meetings, documentation of lessons learned, and cross-site visits for targeted training and exchange programs to promote uptake of good practice.

11. *Component 4: Ecosystem profile development and project execution.* This component supports three subcomponents a) the development of ecosystem profiles; b) the role of the Regional Implementation Teams as an extension service and in grant-making; and c) overall execution and administration of the global program by CI, through the CEPF Secretariat.

12. Subcomponent 4a finances the ecosystem profiles which provide the basis for grant making and overall implementation within selected hotspots. Profile development is led by civil society partners, selected through a competitive process. For each ecosystem profile, the investment strategy is based on a stakeholder-driven prioritizing process to identify conservation targets, major threats, socioeconomic factors, and current conservation investment.

13. Subcomponent 4b finances the role of Regional Implementation Teams (RITs), recruited on a competitive basis (as outlined in the operational manual), to lead implementation of the ecosystem profiles, and assist other civil society groups in designing, implementing and replicating successful conservation activities. The RITs have full responsibility for awarding all grants below a \$20,000 threshold. RITs and local advisory groups also play a role in deciding other grant applications (>\$20,000) with the CEPF Secretariat. This subcomponent finances technical assistance provided by the RITs, including training in grant development and implementation for local groups, and evaluating grant applications.

14. Subcomponent 4c finances overall management and administration of the program by CI through the CEPF Secretariat. The Secretariat is responsible for strategic and financial management, oversight and reporting for the global program. This includes supervision of the ecosystem profiling process; training and management of the RITs; and overall ecosystem portfolio development, grant-making, compliance on safeguards issues, and monitoring and reporting under supervision of the regional Grant Directors. The Secretariat is also responsible for fundraising, donor coordination, and global information management and outreach, as well as development and implementation of a program-wide replication and dissemination strategy.

15. This subcomponent finances consultant services, technical assistance, and CEPF administration costs, including program management, financial management and annual audits, organizing independent evaluations, and communications and outreach, including website management, newsletter and publication production.

16. Conservation International (CI) is the executing agency and is responsible for project management and provide a CEPF Secretariat. They have developed a website to maximize the transparency and lessons learned (www.cepf.net).

Objectives

17. The sub-projects supported by the CEPF will have few, if any, adverse impacts on the environment and local communities. However, sub-projects with minor impacts may be approved provided that they include appropriate mitigation and compensation measures as appropriate and in accordance with World Bank principles.

18. The objective of this Environmental and Social Management Framework (ESMF) is to ensure that adverse environmental and social impacts are avoided or appropriately mitigated and compensated for. The ESMF is based on the World Bank's environmental and social safeguard policies as well as CI policies. A key principle is to prevent and mitigate any harm to the environment and to people by incorporating environmental and social concerns as an intrinsic part of project cycle management. Environmental and social issues will be tracked during all stages of the sub-project cycle to ensure that supported activities comply with the policies and guidelines laid out in the ESMF.

19. The ESMF provides an overview of relevant World Bank and CI policies and describes the planning process concerning environmental and social issues, including for screening, preparation, implementation, and monitoring of sub-projects. The ESMF specifically includes an Environmental

Management Framework to address environmental safeguard issue (OP 4.01), a Pest Management Plan to address issues related to the purchase, application and storage of pesticides (OP 4.09), an Indigenous Peoples Planning Framework to address the World Bank's policy concerning indigenous peoples (OP 4.10), and a Process Framework to address the World Bank's policy on involuntary resettlement (OP 4.12) concerning sub-projects that may result in restriction of access to natural resources.

20. When a sub-project-level plan (e.g. Environmental Management Plan, Indigenous Peoples Plan or Process Framework) is necessary, the first two of each such plans will be reviewed and approved by the World Bank prior to the initiation of that particular sub-project. Thereafter, CI will approve each plan prior to the initiation of any particular sub-project.¹⁰

Overview of Environmental and Social Issues

21. A number of World Bank safeguard policies and CI policies and resolutions are relevant to CEPF activities. These are briefly described in this section followed by a description of the institutional arrangements and planning procedures to ensure their application for CEPF sub-projects. More detailed description of measures to address particular issues pertaining to the respective World Bank safeguard policies is provided in four separate frameworks (sections B, C, D and E) of this ESMF. The World Bank safeguard policies are available at www.worldbank.org and the CI policies are available at www.conservation.org.

22. Environmental Assessment (OP 4.01):

23. CEPF addresses priority conservation objectives and is thus expected to have a highly positive environmental impact. Resources will be directed to important biodiversity issues while ensuring minimum adverse environmental effects. Minor infrastructure construction (e.g. boundary markers, checkpoints, guard-posts and trails) may be supported and may have minor environmental impacts.

24. Screening criteria and planning procedures will identify sub-projects with potential adverse impacts. These are described in the Environmental Management Framework in section B to address issues pertaining to OP 4.01 as well as the policies on natural habitats (OP 4.04), forests (OP 4.36), and physical cultural resources (OP 4.11).

25. **Natural Habitats (OP 4.04):** The CEPF approach is fully consistent with the World Bank's natural habitats policy. It does not cause, nor facilitate, any significant loss or degradation of natural habitats. By design, the project finances only those activities that promote protection of threatened species and their natural habitats. It is intended to prevent, or reduce, habitat loss or degradation in order to conserve threatened species that depend on these habitats. All activities are consistent with existing protected area management plans or other resource management strategies that are applicable to local situations. The selection criteria (section B) and review process of this ESMF for identifying and assessing sub-project activities aims to ensure that OP 4.04 provisions are followed.

26. **Forests (OP 4.36):** Activities will explicitly focus on conservation and more sustainable management of forests and other natural habitats. All activities are consistent with existing protected area management plans or other resource management strategies that are applicable to local situations. Similarly to the natural habitats policy, the selection criteria and review process of this ESMF for identifying and assessing sub-project activities aims to ensure that OP 4.36 provisions are followed. All activities in forests will be managed in participation with local communities.

¹⁰ At the time of issuance of this ESMF the project is fully in compliance with this requirement with the exception of pest management.

27. **Pest Management (OP 4.09):** The project may support investments related to agriculture extension services or invasive species management. These investments may include the procurement, handling, storage and use of pesticides. No pesticides that are unlawful under national or international law will be supported under the project. Special due diligence will be required to finance any activities that apply pesticides under Categories Ia, Ib or II as described in the WHO Recommended Classification of Pesticides by Hazard (2005).

28. CEPF will avoid the use of pesticide and herbicide intensive techniques and instead will support an approach that includes: (a) avoiding the use or promotion of pesticides with toxic categories I or II used for weed control or as insecticides except as a last resort; (b) promoting production practices such as rotational grazing and SPS that reduce the appearance of pests and increase natural enemies; (c) promoting the use of biological controls; (d) using animals more resistant to pests and applying products only when infestation level are critical; (e) avoiding the use of herbicides and pesticides near water sources and their contamination with pesticide residues when cleaning the equipment used; and (f) training producers, technicians, and farm workers to responsibly manage products, equipment, and containers to avoid their own contamination or that of cattle food or produce. This approach will abide by the FAO International Code of Conduct on the Distribution and Use of Pesticides. Any Class I or II pesticides procured must have prior no-objection of the Bank, and the use of pesticides may require a pest management plan (which will be determined by screening criteria). The Pest Management Plan for the project is presented in Annex C.

29. **Physical Cultural Resources (OP/BP 4.11):** CEPF will not fund any activity that involves the removal, alteration or disturbance of any physical cultural resources (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance). These may, however, be present in sub-project areas and measures should be put in place to ensure that they are identified and adverse effects to them are avoided. This is particularly relevant for projects that support development of management plans and other land and natural resource use planning, projects that support alternative livelihood activities, and projects that include small infrastructure construction. Section B of this ESMF includes procedures to ensure that OP 4.11 provisions are followed.

30. **Indigenous Peoples (OP/BP 4.10):** Many of the world's remaining areas of high biodiversity overlap with lands owned, occupied and utilized by indigenous peoples. Many CEPF-funded sub-project activities are thus likely to overlap with the areas inhabited by indigenous communities. OP 4.10 aims to ensure that affected indigenous peoples receive culturally appropriate benefits and that adverse impacts are avoided or adequately addressed through a participatory and consultative approach. Specific measures to achieve these objectives are described in the Indigenous Peoples Planning Framework of this ESMF (section D), including provisions for social analysis, consultations and the preparation of an Indigenous Peoples Plan.

31. **Involuntary Resettlement (OP/BP 4.12):** CEPF will not fund sub-projects involving resettlement or land acquisition. However, some sub-projects may include restrictions of access to natural resources. All project applications will thus be assessed for their potential to restrict access to natural resources. Such potential restrictions will be addressed through the preparation of a sub-project specific Process Framework that will describe the process and principles for determining restrictions, offsets, compensation and other mitigation measures with the full participation of potential and actual affected persons. Section E provides further details on addressing potential restrictions of access to natural resources.

Environmental and Social Safeguard Process and Responsibilities

32. The CEPF Secretariat has the overall responsibility for ensuring that environmental and social issues are adequately addressed within the sub-project cycle. The sub-project applicant/grantee is responsible for actual preparation and implementation of required safeguard procedures and measures. The World Bank will facilitate workshops on the safeguard policies for key CI staff and, if needed, selected grantees. The World Bank will be responsible for general supervision of CEPF safeguards implementation.

33. Throughout the sub-project review process, the CEPF Secretariat will maintain contact with the applicant to obtain clarification on information provided and the preparation process in general. It may request additional steps, information and documentation as needed to meet the objectives of the ESMF. There are two key decision points during the sub-project preparation process. A screening of sub-project proposals (Letter of Interest) will identify potential safeguard issues and ascribe preparation procedures to further assess potential impacts and design mitigation measures, as needed. A review of the final sub-project proposal will, besides reviewing the general proposal against the CEPF hotspot profile, objectives and procedures, assess the adequacy of the sub-project's preparation process and implementation measures vis-à-vis the safeguard issues, including:

- Compliance with this ESMF, CI policies and resolutions, and World Bank environmental and social safeguard policies
- Potential for the project to cause adverse environmental impacts
- Potential for the project to cause adverse social impacts
- Adequacy and feasibility of the proposed safeguard mitigation measures and monitoring plans, including any Pest Management Plan, Indigenous Peoples Plan or Process Framework for restrictions of access to resources
- Capacity of the applicant to implement any required safeguard-related measures during the preparation and implementation of the project

34. This review may find the safeguard process and measures satisfactory, or may find the need for further discussion with, and steps by, the applicant to achieve the objectives of this ESMF, including revising safeguard measures and documents as appropriate. If the risks or complexity of particular safeguard issues outweigh the benefits, the sub-project should not be approved as proposed. For sub-projects affecting indigenous peoples their free, prior and informed consent is required (see section D for more details).

35. The review will be undertaken by the CEPF Office at CI in collaboration with Regional Implementation Teams. They will also consult or include experts on the social safeguard issues as appropriate, including World Bank regional safeguard specialists if needed.

36. During sub-project implementation, safeguard issues are tracked along with performance toward sub-project objectives. At each performance reporting stage, the grantee will revisit the safeguard issues to assess their status and address any issues that may arise. In cases where the grantee is implementing a safeguard instrument or other mitigation measures, it will report on the progress of such implementation similar to that which they are doing for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues are continually monitored and mitigated throughout project implementation.

37. The CEPF Secretariat will monitor the implementation of safeguard issues during sub-project implementation. It will review and approve Plan of Actions that are required to be prepared during implementation of sub-projects restricting access to natural resources (see section D). The World Bank will include supervision of safeguard issues in its regular supervision of the CEPF Secretariat.

38. The key responsibilities of the CEPF Secretariat and applicant/grantee are described in further detail in table 1. Exact procedures depend on the specific sub-project activities and the local context, for instance, the number of safeguard policies that are triggered and the level of impacts (see sections B, C, D and E for more details).

Table A.1: Key responsibilities for ESMF implementation

Project Phase	CEPF Secretariat (and RITs)	Sub-project Applicant / Grantee
Screening	<p>Advise applicants and other stakeholders of environmental and social safeguard procedures</p> <p>Review Letter of Interest and screen for potential safeguard issues, and advise applicants regarding the nature and content of the safeguard documents and measures to be prepared</p>	<p>Assess any potential safeguard issues early in the preparation process, including screening for the presence of indigenous peoples</p> <p>Describe potential safeguard issues in the full proposal.</p>
Preparation	<p>Advise applicants on safeguard issues, as needed</p>	<p>Undertake safeguard required processes, such as consultations with local communities, environmental review, and social assessment</p> <p>Design safeguard measures and prepare documents, such as an Indigenous Peoples Plan (IPP) and a Process Framework (PF) with the participation of local communities. If applicable, disclose draft safeguard documents with the sub-project proposal to affected communities prior to final review of proposal by the CEPF Secretariat</p>
Review and approval	<p>Review sub-project proposal for safeguard impacts and social risks</p> <p>Assess the adequacy and feasibility of the safeguard assessment and consultation process. If needed, request further steps</p> <p>Assess the adequacy and feasibility of the safeguard measures and documents. If needed, request appropriate changes to these and re-assess prior to final approval</p> <p>If indigenous peoples are affected, ascertain that they have provided their free, prior and informed consent to sub-project activities affecting them. Sub-projects affecting indigenous peoples cannot be</p>	<p>Submit sub-project proposal with safeguard measures and documents (e.g. social assessment, environmental review, IPP, PF), if required</p> <p>If requested by the CEPF Secretariat or RIT, take additional steps to meet ESMF and safeguard policy provisions. Re-submit proposal with revised safeguard measures and documents, as needed. All national and local legislation and regulations will be complied with.</p>

	<p>approved without such agreement</p> <p>Assess the capacity of the applicant to implement safeguard measures</p> <p>If applicable, publicly disclose safeguard related information on the web after sub-project approval</p>	
Implementation	<p>Supervise and review safeguard documents and issues during sub-project implementation. If needed, request changes to safeguard measures and/or implementation of these</p> <p>Review and approve Plan of Actions that are required to be prepared during implementation of sub-projects restricting access to natural resources (as will be described in the PF for sub-projects with potential impacts from such restrictions)</p>	<p>Disclose final safeguard documents, if any, to affected communities</p> <p>Monitor and document the implementation of safeguard measures. When indigenous peoples are affected, include them in participatory monitoring and evaluation exercises</p> <p>Prepare Plan of Actions for sub-projects restricting access to natural resources (as per the PF prepared). Monitor and document implementation of these plans</p>
Evaluation	<p>Ensure inclusion and review of environmental and social safeguard issues and outcomes in mid-term and final sub-project evaluation and reporting, including concerning any lessons learned</p>	<p>Evaluate the implementation and outcomes of safeguard measures. When indigenous peoples are affected, include them in participatory evaluation exercises</p>

Selection criteria

39. To meet program objectives and objectives of World Bank and CI policies, the following types of sub-projects cannot be financed under the CEPF:

- Sub-projects that involve significant conversion or degradation of critical natural habitats and forest resources;
- Sub-projects that adversely affect physical cultural resources;
- Sub-projects requiring land acquisition or relocation of local communities; and
- Sub-projects affecting indigenous peoples without having obtained their free, prior and informed consent.

40. Application forms will include a description of environmental and social issues to assist applicants and the CEPF Secretariat to identify and assess potential adverse impacts. In the *Letter of Interest*, the applicant will identify and make a preliminary assessment of the potential issues. Based on this information, the RIT/CEPF Secretariat will determine eligibility and the scope and level of preparation activities concerning the safeguard issues.

41. In the *full proposal*, the applicant will describe potential environmental and social issues and how these have been assessed and the outcome of any consultations with local communities. For sub-project proposals with potential minor adverse impacts the applicant will describe appropriate mitigation measures and a monitoring system to avoid, minimize or mitigate adverse impacts (see sections B, C, D and E, particularly table 3 on environmental issue, for more guidance). Any required safeguard documents will be submitted with the proposal. The CEPF Secretariat will consider this information when reviewing sub-projects for eligibility and scope and level of safeguard measures, if any.

42. Table 2 provides an overview of potential impacts for various sub-project activities. The table does not replace subjective judgment on part of the applicant and the CEPF Secretariat/RIT in assessing sub-project impacts and mitigation measures. The scope and level of detail of the safeguard planning process and implementation measures shall be proportional to the complexity of the sub-project and its anticipated impacts. Most CEPF sub-projects are expected to have no or very few and minor impacts, and the safeguard procedures, if any, may thus be limited to an initial assessment of potential impacts, and in cases where indigenous peoples or other local communities are present in the sub-project areas, consultations with these communities.

43. For example, the presence of indigenous peoples in the sub-project area requires that the applicant consults with the indigenous peoples and assesses any potential impacts – both positive and negative – and how these can be addressed. If there are no impacts and if the indigenous peoples agree, no further measures may be necessary (e.g. surveys, assessments and mapping exercises of threatened species may not need additional measures if they do not affect the indigenous communities and if they are informed of the schedule for on the activities; if these are purely desk exercises consultations may not be needed). If there are potential impacts, a more detailed social assessment and consultation process is required to develop an Indigenous Peoples Plan describing measures to ensure that the indigenous peoples are not adversely affected and benefit from sub-project activities, as appropriate (see section D for more details).

Table A.2: Sub-projects with potential safeguard impacts

Actions	Env. Review	Indigenous Peoples (IP)¹¹	Restricted Access
<i>Conservation of selected species across their range</i>			
Implementing priority activities from an agreed Action Plan for selected species	Maybe	If IP present: yes	Maybe
Conducting surveys, assessments and monitoring of key species; and mapping vegetation/habitat	No	Maybe	No
Planning and lobbying for establishment/extension of PAs and corridors	Maybe; if construction: yes	If IP present: yes	Maybe
Strengthening PA management (training, PA management plan, habitat improvement - restoration or removal of IAS, boundary demarcation, fire management)	Maybe; if construction: yes	If IP present: yes	Maybe
Supporting local stakeholders (local communities and authorities) to help protect/manage biodiversity; e.g. wetland management, participatory monitoring	Maybe; if construction: yes	If IP present: yes	Maybe
Supporting specific conservation actions (reintroductions, ex-situ [turtle nursery])	Maybe	If IP present: yes	No
Supporting public awareness and education campaigns; ‘pride’ campaigns ; and establishing and supporting nature youth clubs	No	Maybe	No
Supporting nature and species-based ecotourism, nature trails, training	Maybe	If IP present: yes	No
Printing local language materials and supporting local scientific journals	No	No	No
Promoting good agricultural practices that promote species conservation	Yes	If IP present: yes	Maybe
Establishing new financing mechanisms for species conservation (e.g. links to PES and protecting habitats)	No	Maybe	No
Establishing sustainable use schemes, e.g. butterfly farming	Maybe	Maybe	No
Providing student research grants	No	Maybe	No
<i>Mitigation of specific threats to threatened species across their range</i>			

¹¹ If indigenous peoples are present in the sub-project area and may be affected –the applicant is required to consult these communities and assess potential impacts. This initial consultation and assessment process will determine the need for further steps, if any (see section C for further details).

Analyses to better understand the threats and drivers for species conservation (including socioeconomic studies)	No	Maybe	No
Purchasing and installing enforcement monitoring software and procedures (e.g. MIST)	No	Maybe	Maybe
Studying markets/supply chains in wildlife trade; training to enforce legislation	No	If IP present: yes	Maybe
Eradicating/controlling invasive species	Yes	If IP present: yes	No
Establishing community-based anti-poaching networks	No	If IP present: yes	Maybe
Addressing human-wildlife conflicts	Yes	If IP present: yes	Maybe
Hosting transboundary meetings and collaborations to address threats to species conservation	No	Maybe	No
<i>Emergency funds</i>			
Investigating sudden new threats to species in specific locations (diseases, pollution, stranding, oil spill)	No	Maybe	No
Supporting emergency actions aiming to preserve highly threatened species (targeted support for protected areas, meeting to agree 'last chance' emergency measures, purchase of crucial equipment to protect specific threatened species)	No	Maybe	No
Conducting urgent surveys and monitoring (e.g. for public enquiries or consultations); and providing specialist identification of species in need of urgent attention	No	Maybe	No

Disclosure

44. Key documents prepared to address safeguard issues need to be publicly disclosed according to the World Bank disclosure policy (available at www.worldbank.org). Should the grant applicant be required to develop a stand-alone environmental review or social assessment, a Pest Management Plan, an Indigenous Peoples Plan (IPP), or a Process Framework (PF), these documents will be disclosed to local communities in a form, manner and language appropriate for the local context. Disclosure will occur in two phases:

- Disclosure of assessment documents (e.g. social assessment and environmental review) and draft safeguard documents (e.g. IPP and PF) during project preparation and prior to final review and approval of the sub-project proposal. Disclosure during sub-project preparation aims to seek feedback and input from local communities, and as appropriate other stakeholders, on the sub-project proposal and safeguard measures and documents.
- Disclosure of final safeguard documents prior to sub-project implementation to inform local communities of implementation measures concerning safeguard issues.

45. The CEPF Secretariat will disclose information of approved sub-projects, including any safeguard issues, through its website. The website will list contact information where interested stakeholders can inquire further documentation and raise their concerns or recommendations to the CEPF Secretariat.

Grievance Mechanism

46. Local communities and other interested stakeholders may raise a grievance at all times to the applicant/grantee, the CEPF Secretariat, or the World Bank. Affected local communities should be informed about the ESMF provisions, including its grievance mechanism. Contact information of the applicant/grantee, the CEPF Secretariat and the World Bank should be made publicly available.

47. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 calendar days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the RIT who must in turn forward a copy to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Secretariat directly at: cepfexecutive@conservation.org. The CEPF Secretariat will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

48. If the claimant is not satisfied with the response from the CEPF Secretariat, the grievance may be submitted to the World Bank at the local World Bank office.

49. Sub-projects triggering an IPP or PF should also include local conflict resolution and grievance redress mechanisms in the respective safeguard documents. These will be developed in participation with the affected communities in culturally appropriate ways and will ensure adequate representation from vulnerable or marginalized groups and sub-groups (see sections D and E for more details).

Environmental and Social Management Framework

ENVIRONMENTAL MANAGEMENT FRAMEWORK

1. CEPF will support activities in various sites globally. The exact sites are not yet known, but will be chosen based on biodiversity status and threats, conservation needs, social and political environment, and current or planned investment by other donors. Investments are likely to target protected areas, biological corridors and other key landscapes that provide sufficient and safe habitats for targeted threatened species.
2. CEPF will address priority conservation objectives and is thus expected to have a highly positive environmental impact. Resources will be directed to important biodiversity issues while ensuring no or minimum adverse environmental effects. Sub-projects should not adversely affect natural habitats and forests resources. CEPF will not fund any activity that involves the removal, alteration or disturbance of any physical cultural resources (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance). These may, however, be present in sub-project areas and the screening criteria and review process of this ESMF aims to ensure that they are identified and adverse effects are avoided.
3. Minor environmental impacts of CEPF-financed activities may occur from small-scale infrastructure construction (e.g. boundary markers, guard posts, checkpoints), land and resource use changes, and tourism activities. The review process for identifying and assessing safeguard impacts of sub-project activities and assessing impact mitigation measures, as described in this ESMF, aims to ensure that the World Bank's safeguard policies on environmental assessment (OP 4.01), pest management (OP 4.09), natural habitats (OP 4.04), physical cultural resources (OP 4.11) and forests (OP 4.36) are followed.

Review of Environmental Issues

4. The applicant is required to include in the sub-project Letter of Interest a brief description of any activities that may involve environmental impacts, any known environmental sensitivities, and any sites with known or potential archeological, paleontological, historical, religious or unique natural values.
5. Sub-projects with significant and irreversible impacts on the environment that are not easily mitigated are not eligible. In the event of sub-projects with potential minor and manageable environmental impacts, an environmental review should be undertaken (see table B.1 for more guidance; see also the World Bank's Environmental Assessment Policy and Sourcebook for guidance on determining level of impacts). The review examines the sub-project's potential negative and positive environmental impacts and defines any measures needed to prevent, minimize or mitigate adverse impacts and improve environmental performance. This would in most cases be a simple review through reference to existing reports and studies (if available), and through discussions with local communities and other stakeholders, if needed. In some cases a more detailed review may be needed.

6. The findings and results of environmental review are described in the sub-project full proposal. Applications that do not provide adequate environmental data, should not be considered for financing until they meet the requirements. Sub-project proposals with minor and manageable environmental impacts should include the following basic elements in the application:

- A description of the possible adverse effects that specific sub-project activities may occur (see table 3 for some basic guidance on potential environmental impacts;
- A description of any planned measures to avoid or mitigate adverse impacts, and how and when they will be implemented;
- A system for monitoring the environmental effects of the project;
- A description of who will be responsible for implementing and monitoring the mitigation measures; and
- A cost estimate of the mitigation measures (the costs for environmental management will be included in the of sub-project proposal).

7. The scope of any environmental review and mitigation measures will be determined by the CEPF Secretariat in consultation with the applicant through the sub-project screening and approval process. If needed, the CEPF Secretariat may request further information or a more detailed environmental review prior to approving a project. Guidance may be sought from the World Bank, if needed.

Mitigation Measures

8. The main environmental impacts for eligible sub-projects would be minor impacts from construction of infrastructure (e.g. checkpoints, guard posts, trails), potential increase in recreational use of protected areas, and change in natural resource management/use.

9. The small-scale construction of infrastructure may have minor, short-term direct impacts on vegetation and local species-mainly due to soil excavation, dust, and noise. Increased recreational use of project sites may produce a direct impact because of under-management of tourist sites and facilities, possible overuse of campsites or trails, increased waste, harvesting of live wood for campfires, purposeful disturbance of wildlife, accidental fires, disturbance of flora and fauna, trespassing into fragile areas, and non-maintenance of trails leading to slope erosion.

10. Since only sub-projects with minor impacts are eligible, these are easily mitigated through the application of sensible site selection criteria, good construction practices and diligent management practices in the operational phase. This may include proper siting of infrastructure to avoid and minimize impacts, construction contract procedures for dealing with “chance finds,” control of dust generation and prevention, waste management and technology for toilet facilities like leaching fields, organic composting, and septic tanks (see Table B.1). Further guidance on Health and Safety issues is provided for in the World Bank Group Environmental Health and Safety Guidelines (2007) (found at: www.ifc.org).

11. There is a possibility that sub-project activities may result in damage to physical cultural property unless these are identified. Sub-project proposals with activities that may occur in areas with possible physical cultural resources will specify procedures for identifying physical cultural property and for avoiding impacts on these, including:

1. Consultations with the appropriate authorities and local inhabitants to identify known or possible sites during sub-project planning;
2. Siting of sub-project activities to avoid identified sites (including identifying such areas in protected and natural resource management planning and zonation);
3. “Chance finds” procedures will include cessation of work until the significance of a “find” has been determined by the appropriate authorities and local inhabitants, and until fitting treatment of the site has been determined and carried out;
4. Construction contract procedures will include the same procedures for dealing with “chance finds;”
5. Buffer zones or other management arrangements to avoid damage to cultural resources such as “sacred” forests and graveyards. Local communities to which these areas belong should decide access procedures and should not be excluded from accessing these areas.

12. The ESMF stresses community participation since local knowledge is important in identifying, designing and planning the implementation of practical mitigation measures. It is especially important where the success depends on community support and action, both in implementing mitigation measures and in monitoring their success.

Table B.1: Potential environmental impacts and standard mitigation measures

Sub-project activity	Potential impacts	Standard mitigation measures	Monitoring and indicators
Construction of basic infrastructure (e.g. shelters, trails)	Minor, short-term potential impacts on already disturbed and small areas of vegetation – mainly due to soil excavation, dust and noise	<p>Consult local communities to determine appropriate siting of infrastructure to minimize impacts</p> <p>Ensure trails are ‘fit-for-purpose,’ restricting width to the needs to foot patrols or tourists. In areas where trail bikes are used, the means of controlling access will be instituted.</p> <p>Obtain any permits required by national and local regulations prior to construction</p> <p>Choose most appropriate timing for construction to avoid or minimize impacts</p> <p>Infrastructure will be designed in accordance with local traditions, local architecture, and good environmental practices</p> <p>Appropriate management/disposal of waste+ debris</p>	<p>Incidental take of species is recorded (indicator species identified and monitored)</p> <p>Communities’ free, prior and informed consent is recorded</p> <p>Debris does not litter the site</p>
Change in natural resource use and management (e.g. restoration of gallery forest, re-engineering water flows in wetlands)	Environmental impacts would almost always be positive; however, in a few cases unintended impacts may accidentally occur, such as introduction of invasive species, and human/wildlife conflicts (e.g. resulting in crop loss)	<p>Consult with local communities to determine appropriate land and resource management regimes</p> <p>Use only native species for restoration</p> <p>Consider compensation and/or avoidance mechanisms to minimize crop loss and conflict</p>	<p>Indicator species are monitored</p> <p>Communities free, prior and informed consent is recorded</p>
Reintroduction of captive-bred threatened species	Introduction of disease into the wild	Undertake health checks prior to release	Monitor introductions and disease outbreaks

		System for avoiding and mitigating disease outbreaks	
Increase in recreational use of protected areas	Impact on habitat and wildlife through increased noise and disturbance, waste, accidental fires, harvesting of rare species or natural resources Lack of maintenance of trails leading to erosion on slopes Social impacts on local communities	Support training and TA to develop skills for effective tourism management Promulgate rules and guidelines for visitors Provide waste and toilet facilities	Monitoring number of tourists Monitor habitat disturbance Communities free, prior and informed consent is recorded
Fire suppression	Impact on fire-dependent ecosystems	Perform prescribed burns to nurture fire-dependent species	Monitor fire-dependent indicator species response
IAS removal (by mechanical or chemical means)	Native species accidentally removed	Provide training on IAS and native species differentiation Isolate native species through demarcation	Monitor native indicator species for ecosystem response

Environmental and Social Management Framework

PEST MANAGEMENT PLAN

1. Any CEPF sub-project that proposes to use chemical pesticides must prepare a pest management plan as described in the over-arching CEPF Pest Management Plan:
2. The pest management plan (PMP) will describe CEPF requirements to ensure the use of best practice in the control and removal of alien and invasive plants, insects, and animals in compliance with World Bank Safeguards. This is included in the CEPF Operational Manual.
3. The objective of these guidelines is to avoid, minimize, or mitigate potentially adverse effects of the application of pesticides, insecticides, and herbicides (herewith referred to in the unitary as “pesticides”) in efforts to restore natural habitats.
4. This document describes the requirements and planning procedures for applicants/grantees in the preparation and implementation of alien and invasive species (AIS) control projects funded by CEPF, as well as the role of CEPF in ensuring compliance with these guidelines.
5. The spread of alien and invasive plants and animals is the second greatest cause of biodiversity loss after habitat destruction. In the context of CEPF, many of the KBAs and corridors targeted for investment suffer from, in particular, non-native plants which have opportunistically taken over natural landscapes, and from non-native animals that upset island ecosystems. Many Ecosystem Profiles specifically include the control and removal of such alien and invasive species as an investment priority. The control of alien and invasive species in KBAs and corridors is not an exception, but a standard part of CEPF operations in some hotspots, and as such, applicable guidelines must be followed.
6. Situations where these guidelines apply include grants which:
 - Pay for the direct purchase or expenses related to the manufacture, acquisition, transport, application, storage, or disposal of pesticides, including the costs of materials, equipment, and labor.
 - Pay for the direct purchase or expenses related to the control or removal of animals by chemical means.
 - Pay for the planning, management, or supervision of work which involves the general use of pesticides or animal control as described in the two points above.
7. Examples of the types of grants to which these guidelines apply include, but are not limited to:
 - A grant that involves the employ of labor and application of herbicide to restore a degraded landscape and allow endemic vegetation and animals to return.
 - A grant that involves the supervision of teams conducting AIS control by chemical means, where those teams are operating with funding from a host country government or other donor.
 - A grant that involves the eradication by chemical means of non-native rats, cats, reptiles (e.g., Brown Tree Snake), birds (e.g., Common Myna), and invertebrates (e.g., Golden Apple Snail) from an island or isolated natural habitat.
8. These guidelines do **not** apply to the physical removal of alien and invasive plant and animals through physical means as part of the restoration of degraded habitat or the maintenance of KBAs and corridors.

9. A single set of guidelines cannot anticipate every scenario under which a grantee will propose to remove alien and invasive species. The conditions of the habitat, the type of species, the method of control, the capacity of the organization, the latest knowledge of environmental impacts, and even the definitions of “best practice” will change over time. Thus, these guidelines establish a process that grantees must follow, rather than a specific set of AIS control measures.

Components of the PMP

10. Any CEPF project that proposes to use a pesticide must prepare a pest management plan with six sections, outlined below. These projects should benefit from the accumulated knowledge on the use of pesticides in invasive eradication, including those that are available at:

- The IUCN Invasive Species Specialist Group (<http://www.issg.org>), which provides dozens of resources, including the Global Invasive Species Information Network List of Invasive Alien Species Online Information Systems (www.gisin.org).
- For Polynesia-Micronesia Hotspot, the Pacific Invasives Initiative Resource Kit for Rodent and Cat Eradication (<http://www.pacificinvasivesinitiative.org/rk/index.html>), which contains multiple templates and guidelines on animal control in the region.
- For Maputaland-Pondoland-Albany Hotspot, in particular in South Africa, the Expanded Public Works Programme Working for Water, managed by the Department of Water Affairs (<http://www.dwaf.gov.za/wfw/>), including the Position Paper on Biocontrol (<http://www.dwaf.gov.za/wfw/Control/docs/article1.2.pdf>), the Project Operating Standards (<http://www.dwaf.gov.za/wfw/Control/docs/ProjectOperatingStandards%28May%202007%29Version3.pdf>), and the treatment tables for aquatic and terrestrial invasives, available at the same website.
- The World Health Organization’s Recommended Classification of Pesticides by Hazard, updated every two years (http://www.who.int/ipcs/publications/pesticides_hazard/en/).

11. The pest management plan consists of six sections comprising 34 questions.

Grant Summary

1. Grantee organization.
2. Grant title.
3. GEM number (*to be completed by CEPF*).
4. Grant amount (US dollars).
5. Proposed dates of grant.
6. Countries or territories where pesticides will be applied.
7. Full name, title, telephone numbers, and electronic mail address of Grantee personnel responsible for the pest management plan.
8. Summary of the project.
9. Date of preparation of the pest management plan.

Pest Management Approach: This section should describe the applicant’s understanding of the problem, their experience with pest management issues, and their proposed actions during the project. Specifically, what do you intend to do and how will you do it? The information presented should include methods of application, e.g. by hand or via aerial spraying.

10. Current and anticipated pest problems relevant to the project.
11. Current and proposed pest management practices.
12. Relevant integrated pest management experience within the project area, country or region.
13. Assessment of proposed or current pest management approach and recommendations for adjustment where necessary.

Pesticide Selection and Use: This section aims to get a comprehensive understanding of the pesticide that will be selected, why it was selected and what efforts were made to assess risk. Note that in this section the applicant will also be required to present information on the potential risk that the selected pesticide will have on non-target species.

14. Description of present, proposed and/or envisaged pesticide use and assessment of whether such use is in line with best management practices.
15. Indication of type and quantity of pesticides envisaged to be financed by the project (in volume and dollar value) and/or assessment of increase in pesticide use resulting from the project.
16. Chemical, trade, and common name of pesticide to be used.
17. Form in which pesticide will be used (e.g., pellet, spray).
18. Specific geographic description of where the pesticide will be applied: name of province, district, municipality, land owners, or map coordinates (if available); and the total area (hectares) to which the pesticide will be applied.
19. Assessment of environmental, occupational and public health risks associated with the transport, storage, handling and use of the proposed products under local circumstances, and the disposal of empty containers.
20. Description of plans and results for tracking of damage to and/or deaths of non-target species prior to pesticide application and subsequent to pesticide application.
21. Pre-requisites and/or measures required to reduce specific risks associated with envisaged pesticide use under the project (e.g., protective gear, training, upgrading of storage facilities, etc.).
22. Basis of selection of pesticides authorized for procurement under the project, taking into consideration WHO and World Bank standards, the above hazards and risks, and availability of newer and less hazardous products and techniques (e.g. bio-pesticides, traps).
23. Name and address of source of selected pesticides.
24. Name and address of vendor of selected pesticides.
25. Name and address of facility where pesticides will be stored.

Policy, Regulatory Framework, and Institutional Capacity: This section aims to understand the institutional and legal framework under which the

pesticide will be applied, with reference to the documentation and standards required under local and national law and international good practice. Where the particular pesticide is not regulated at the target site, the proponent must identify similar pesticides and the applicable regulation, international laws in neighboring countries that could apply, and international good practice. The proponent must also explain why this particular pesticide is necessary even in the absence of national laws.

26. Policies on plant/animal protection, integrated pest management, and humane treatment of animals.
27. Description and assessment of national capacity to develop and implement ecologically-based AIS control.
28. Description and assessment of the country's regulatory framework and institutional capacity for control of the distribution and use of pesticides.
29. Proposed project activities to train personnel and strengthen capacity (list # of people and what they are being trained in).
30. Confirmation that the appropriate authorities were approached (who and when) and that the appropriate licenses and permissions were obtained by the project.

Consultation: This section aims to outline the range of informed consultations that the grantee has had both with experts to optimize the potential for success, and with stakeholders, particularly local communities, who are potentially affected (by proximity, by the use of certain areas for free-ranging livestock or non-timber forest product collection, etc.) by the use of pesticides.

31. Plans for, dates, and results of expert consultations, if necessary.
32. Plans for, dates, and results of consultations with local communities.

Monitoring and Evaluation: This section aims to outline what steps the proponent will take to monitor and evaluate the purchase, storage, application and effects of the pesticide in the target area.

33. Description of activities related to pest management that require monitoring during implementation.
34. Monitoring and supervision plan, implementation responsibilities, required expertise and cost coverage.

Implementation Strategy

Proposal Stage

12. The following steps will take place during the proposal preparation phase:

- The Letter of Inquiry and Grant Writer proposal should indicate that the Pest Management Safeguard has been triggered.
- The proponent should prepare a Pest Management Plan, to be submitted to CEPF at the same time as their full proposal.
- The proposal should include, in its section entitled Project Rationale, relevant information justifying the inclusion of pest management activities in the project.
- The proposal should include, in its section entitled Project Approach, a summary of relevant information from the pest management plan.
- The Logical Framework should include, as a clear and separate Component, implementation of a pest management plan, with associated Products/Deliverables.
- If the proponent requires funding for any of the following, the Budget should clearly show the costs of purchase of AIS control equipment and chemicals, labor for their application, and the cost of expert consultation to ensure proper selection of method, among others.

Implementation Stage

13. The Grantee shall implement a Pest Management Plan adhering to the sections described above, Components of the PMP. During implementation:

- The Grantee shall follow the prescriptions of its Pest Management Plan and make regular reports to the Regional Implementation Team (RIT, the CEPF Secretariat's proxy in a hotspot). These reports will constitute Products/Deliverables in the project's Logical Framework.
- CEPF requires that concerns raised through consultations with communities and management authorities be documented and addressed in the Pest Management Plan. Where applicable, letters of endorsement from appropriate management authorities are required.
- The Grantee will allow regular reviews by the RIT, CEPF Secretariat, or their outside experts to review implementation of the Pest Management Plan and adherence with World Bank standards, international best practice, and local law.

Roles and Responsibilities

During preparation

14. Proponents are responsible for:

- Writing plans, following plans and updating them when necessary, reporting against plans and informing potentially affected communities.

15. The CEPF Secretariat is responsible for:

- Training Regional Implementation Teams in the use and application of these guidelines.

- Screening projects to determine if they trigger applicable safeguards and require a pest management plan prior to formal approval.
- Informing proponents of these guidelines.
- Assessing the pest management plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to invasive species removal. If environmental or social impacts outweigh the potential benefits, cannot support the project.
- Providing clearance on every PMP that proposes to use a class 3 or lower pesticide.

16. The World Bank is responsible for:

- Providing training to the CEPF Secretariat and proponents on the preparation of PMPs.
- Reviewing and providing clearance on every PMP that proposes to use a class 1 or 2 pesticide.

During implementation

17. Proponents are responsible for:

- Reporting to affected communities, local authorities, and CEPF on project progress and on any unexpected and unintended events affecting local communities.
- The costs of clean-up or mitigation measures due to unintended negative impacts of pesticide use.

18. The CEPF Secretariat is responsible for:

- Review of project-specific PMPs during implementation. If CEPF finds that a proponent is not following a pest management plan or local requirements, then CEPF's responsibility is to withhold payment, or suspend or cancel the grant as appropriate.

19. The World Bank is responsible for:

- Reviewing the implementation of the PMP in the field.

Grievance mechanism

20. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in official project files.

Disclosure

21. The Pest Management Plan and/or the documents required in countries where adequate policies exist are public documents. The Grantee should share them with local authorities and with potentially affected communities. Once the final documents have been approved, the Grantee will be required to disclose them, again, locally, and CEPF will place them on its website, www.cepf.net.

Monitoring and Evaluation

22. The CEPF Secretariat, using information from each grantee and appropriate RIT, will provide an update on pest management activities in its quarterly reporting.

Budget

23. The budget for M&E is included in the overall CEPF Secretariat budget for overall supervision. Each RIT will similarly supervise pest management as part of its regular supervision budgets. The grantee must include the full costs associated with the preparation, implementation and monitoring of their PMP in their application (either as a cost to be charged to CEPF or as co-financing).

Environmental and Social Management Framework

INDIGENOUS PEOPLES PLANNING FRAMEWORK

1. This Indigenous Peoples Planning Framework (IPPF) has been prepared to ensure that the World Bank’s Indigenous Peoples policy is applied to CEPF-supported projects. The objectives of the policy are to avoid adverse impacts on Indigenous Peoples and to provide them with culturally appropriate benefits. A parallel Process Framework describes requirements to address social impacts from restrictions of access to natural resources as per the Involuntary Resettlement Policy (OP 4.12).
2. The Indigenous Peoples policy recognizes the distinct circumstances that expose Indigenous Peoples to different types of risks and impacts from development projects. As social groups with identities that are often distinct from dominant groups in their national societies, Indigenous Peoples are frequently among the most marginalized and vulnerable segments of the population.¹² As a result, their economic, social, and legal status often limit their capacity to defend their rights to lands, territories, and other productive resources, and restricts their ability to participate in and benefit from development. At the same time, the policy, together with the Involuntary Resettlement policy, recognizes that Indigenous Peoples play a vital role in sustainable development and emphasizes that the need for conservation should be combined with the need to benefit Indigenous Peoples in order to ensure long-term sustainable management of critical ecosystems.
3. The IPPF describes the policy requirements and planning procedures that applicants for CEPF grants and subsequently grantees will follow during the preparation and implementation of CEPF projects. It also describes the role of CEPF.

CEPF and Indigenous Peoples

4. Many of the biodiversity hotspots where CEPF will invest overlap with lands or territories traditionally owned, customarily used, or occupied by Indigenous Peoples. The convergence of critical areas for conservation with millions of people who are highly dependent on healthy ecosystems for their survival is also most evident in the hotspots. In this way CEPF

¹² OP 4.10 uses the term Indigenous Peoples to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, social, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the country or region. Other terms used in different countries to refer to these groups include “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “minority nationalities,” “scheduled tribes,” and “tribal groups” (OP 4.10, para 4).

projects can provide valuable long-term opportunities for sustainable development for Indigenous Peoples and other local communities. However, a number of particular risks are relevant for the type of projects supported by CEPF:

- Customary and Indigenous Peoples' rights. Particular rights of Indigenous Peoples are recognized in international agreements, and for World Bank-supported projects by the Bank's own policy. Such rights may also be recognized in national legislation. CEPF projects would always need to identify and recognize these rights to ensure that activities are not adversely affecting such rights. This is particularly the case for projects that support the development of management plans and other forms of land and natural resource use planning. Projects that support policy development may also affect Indigenous Peoples' rights.
- Loss of culture and social cohesion. Given Indigenous Peoples' distinct cultures and identities and their frequent marginalization from the surrounding society, interventions may run the risk of imposing changes to or disruption of their culture and social organization, whether inadvertently or not. While indigenous communities may welcome and seek change, they can be vulnerable when such change is imposed from external forces and when such change is rushed. Moreover, since many indigenous communities' culture and social organization are intertwined with their land and natural resource use practices, changes to these practices may result in unintended and unexpected changes in culture and social organization which may lead to social disruption and conflicts within and between communities and other stakeholders. This is relevant for all types of projects, but particularly for projects that aim to change livelihood and natural resource use practices and projects that create new institutional structures at the local level. Similarly, ecotourism activities may bring adverse impacts to indigenous communities, particularly communities with little previous contact with people from the outside (this may be the case even for projects that aim at valuing local culture).
- Dependency on external support. Interventions supporting alternative livelihoods and new institutional structures may lead to indigenous communities' dependency on continued support. Indigenous Peoples, for instance, may experience difficulties engaging with the market economy through alternative livelihood activities that they may be unable to sustain, at least on a equitable basis, while foregoing traditional practices. They may also become dependent on new livelihoods that are not sustainable environmentally as well as socially, perhaps because they were developed without due consideration of their social and cultural context. New institutional structures may displace existing structures with both positive and negative impacts typically depending on the level of participation in and control over the process.
- Inequitable participation. The costs (e.g. in time and resources) of participating in project activities such as protected area management activities, monitoring and enforcement, even in cases of co-management, may outweigh the benefits to local communities. Participation design may not include appropriate capacity building (when needed) or take into consideration local decision-making structures and processes with the risk of leading to alienation of local communities or even conflicts with and/or between local communities. Participation design may not include appropriate representation of Indigenous Peoples in decision-making bodies.
- Poorly planned changes in natural resource use. Traditional resource use practices of Indigenous Peoples are often marked by suspicion and stereotypes of both positive and negative character. One particular controversial aspect of many indigenous communities' land use practices is shifting cultivation (it takes many forms and is also referred to as swidden farming, rotational agriculture and slash and burn). Many consider this practice environmentally unsustainable, while

others consider it to be sustainable and the best land use form under certain geographic, environmental, and social circumstances. Shifting cultivation is in many places under transition, often through government controlled processes and in many places in relation to biodiversity conservation. This commonly translates into reduction of areas under shifting cultivation if not outright restrictions, and sometimes with adverse social (e.g. decreased food security) as well as environmental consequences (e.g. over-exploitation of remaining land use areas). CEPF projects should address changes in natural resource use (and restrictions to this, if contemplated) based on a thorough understanding of both biological and social evidence, and consultation with local communities. Preferences in land use, including shifting cultivation, should be taken into account and loss of fallow areas should be included when assessing social impacts.

5. Projects affecting Indigenous Peoples, whether adversely or positively, therefore, need to be prepared with care and with the participation of affected communities. The requirements include social analysis to improve the understanding of the local context and affected communities; a process of free, prior, and informed consultation with the affected Indigenous Peoples' communities in order to fully identify their views and to obtain their broad community support to the project; and development of project-specific measures to avoid adverse impacts and enhance culturally appropriate benefits. These requirements are described below and should be read together with the Process Framework detailed in the next section. The full World Bank policies on Indigenous Peoples and Involuntary Resettlement are also available on the World Bank Web site at <http://go.worldbank.org/WTA1ODE7T0>.

Policy Requirements

6. The level of detail necessary to meet the requirements is proportional to the complexity of the proposed project and commensurate with the nature and scale of the proposed project's potential effects on the Indigenous Peoples, whether adverse or positive. This needs to be determined based on a assessment of project activities, circumstances of local communities, and project impacts. Minimum requirements for projects working in areas with Indigenous Peoples are identification of Indigenous Peoples and assessment of project impacts, consultations with affected communities, and development of measures to avoid adverse impacts and provide culturally appropriate benefits. Further detail may also be required by CEPF as part of the proposal review process.

A. Screening for Indigenous Peoples. Many, if not most, CEPF grant applicants will know if Indigenous Peoples are present in project areas and can proceed to the social assessment and consultations (see next section). However, if this is not the case CEPF applicants are required to screen for the presence of Indigenous Peoples early on in project preparation. This could be done when preparing the Letter of Inquiry. The characteristics of Indigenous Peoples mentioned in OP 4.10 will be used as included in the footnote on the first page of this section. If it is uncertain whether local communities can be considered as Indigenous Peoples, applicants should consult with the communities, local NGOs, knowledgeable experts,

and government representatives as appropriate. In situations of disagreements or controversy they may seek guidance from CEPF, who may seek guidance from the World Bank as needed.

B. Social assessment. Once it has been determined that Indigenous Peoples are present in the project area, the applicant assesses the particular circumstances of affected indigenous communities and assesses the project's positive and adverse impacts on them. Again, the level of detail of the assessment depends on project activities and their impacts on local communities. If the project is small and has no or few adverse impacts, this assessment is done as part of early project preparation by the applicant, mainly based on secondary sources and the applicants own experience working in the area. In larger and more complex projects, the assessment may be a separate exercise done by the applicant or contracted experts as appropriate and may include primary research. In all cases the assessment will be based on consultations with the affected communities.

The main purpose of the social assessment is to evaluate the project's potential positive and adverse impacts on the affected Indigenous Peoples. It is also used to inform project preparation to ensure that project activities are culturally appropriate, will enhance benefits to target groups, and is likely to succeed in the given socioeconomic and cultural context. In this way the assessment informs the preparation of the design of the project as well as any particular measures and instruments needed to address issues and concerns related to Indigenous Peoples affected by the project.

The findings of the social assessment is described in a separate report and reflected in the project proposal application. For small scale projects with no direct impacts on indigenous communities, the report is short and includes a brief overview of the indigenous communities affected by the project, project activities as they relate to the local communities, how project implementation will address the particular circumstances of Indigenous Peoples, and how they will participate and be consulted during implementation. For more complex projects a more elaborate report is required and should include the following elements, as needed:

- A description, on a scale appropriate to the project, of the legal and institutional framework applicable to Indigenous Peoples;
- Baseline information on the demographic, social, cultural and political characteristics of the affected indigenous communities, and the land and territories which they traditionally owned, or customarily used or occupied and the natural resources in which they depend;
- Description of key project stakeholders and the elaboration of a culturally appropriate process for consultation and participation during implementation;
- Assessment, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is an analysis of the relative vulnerability of, and risks to, the affected indigenous communities given their distinct circumstances, close ties to land, and dependence on natural resources, as well as their lack of opportunities relative to other social groups in the communities, regions, or national societies they live in;
- Identification and evaluation, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of measures to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project and measures necessary to avoid adverse effects, or if such measures are not feasible, identification of measures to minimize, mitigate, or compensate for such effects.

C. Free, prior and informed consultation. The Applicant undertakes a process of free, prior and informed consultation with the affected Indigenous Peoples' communities during project preparation to inform them about the project, to fully identify their views, to obtain their broad community support to the project, and to develop project design and safeguard instruments. In most cases, this process is best done as part of the social assessment although consultations are likely to continue after its completion.

The extent of consultations depends on the project activities, their impacts on local communities and the circumstances of affected Indigenous Peoples. At a minimum (for projects with no impacts or direct interventions with the indigenous communities), local communities are informed about the project, asked for their views on the project, and assured that they will not be affected during project implementation. For projects affecting indigenous communities, whether positively or adversely, a more elaborate consultation process is required. This may include, as appropriate:

- Inform affected indigenous communities about project objectives and activities
- Discuss and assess possible adverse impacts and ways to avoid or mitigate them
- Discuss and assess potential project benefits and how these can be enhanced
- Discuss and assess land and natural resource use and how management of these resources may be enhanced
- Identify customary rights to land and natural resource use and possible ways of enhancing these
- Identify and discuss (potential) conflicts with other communities and how these might be avoided
- Discuss and assess food security and how it might be enhanced through project interventions
- Elicit and incorporate indigenous knowledge into project design
- Facilitate and ascertain the affected communities' broad support to the project
- Develop a strategy for indigenous participation and consultation during project implementation, including monitoring and evaluation.

All project information provided to indigenous peoples should be in a form appropriate to local needs. Local languages must always be used and efforts should be made to include all community members, including women and members of different generations and social groups (e.g. clans and socioeconomic background).

The applicant is responsible for the consultation process. If the indigenous communities are organized in community associations or umbrella organizations, these should always be consulted. In some cases, it may be appropriate or even necessary to include or use in the process independent entities that have the affected communities' trust. The experience of (other) locally active NGOs and Indigenous Peoples experts may also be useful.

When seeking affected indigenous communities' support to project activities, two aspects should be considered: Who and what is the "community," and how is "broad support" obtained. Communities are complex social institutions and may be made up of several fractions; it may be difficult finding persons who are seen as representatives of the community. Interest in the project may vary among different groups (and individuals) in the community, and they may be affected differently. It is important to keep

this in mind during the consultation process, and in some cases it may be more appropriate to consider the needs and priorities of sub-communities rather than those of a whole village.¹³

When seeking “broad community support” for the project, it should be ensured that all relevant social groups of the community have been adequately consulted. When this is the case and the “broad” majority is overall positive about the project, it would be appropriate to conclude that broad community support has been achieved. Consensus building approaches are often the norm, but “broad community support” does not mean that everyone has to agree to a given project. The agreements or special design features providing the basis for broad community support should be described in the Indigenous Peoples Plan; any disagreements should also be documented.

D. Indigenous Peoples Plan. Based on the consultation and social assessment processes, project design is refined and particular measures and instruments are prepared to address issues pertaining to Indigenous Peoples. This may be done in combination with instruments addressing involuntary restrictions on access to natural resources (a Process Framework) as described in the separate CEPF Process Framework section. The documents are prepared with the participation of affected indigenous communities during the consultation process.

The instrument to address the concerns and needs of Indigenous Peoples is always an Indigenous Peoples Plan (IPP). CEPF will review and approves sub-project specific IPPs and other measures addressing Indigenous Peoples issues. In cases where Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, the elements of an IPP should be included in the overall project design, and a separate IPP is not required. In this case the project application provides more details as to how Indigenous Peoples’ issues are addressed during implementation.

The contents of the IPP depend on the project activities and impacts on Indigenous Peoples. A suggested outline is provided in Annex 1, but few CEPF projects are likely to need such an elaborate plan. It may be appropriate to include a process of further social analysis and consultations during project implementation to determine specific activities (this is particularly so given the limited funds for preparing CEPF projects). At minimum the IPP should include a description of the Indigenous Peoples affected by the project; summary of the proposed project; detailed description of the participation and consultation process during implementation; description of how the project will ensure culturally appropriate benefits and avoid or mitigate adverse impacts; a budget (this could be an explanation of how the overall budget incorporates costs related to Indigenous Peoples); mechanism for complaints and conflict resolution; and the monitoring and evaluation system that includes monitoring of particular issues and measures concerning indigenous communities.

¹³ There may also be non-indigenous neighborhoods or communities affected by the project. In such cases, all vulnerable people may be included in the consultation process and development of project design based on the requirements of OP 4.10 and the interests of the various social groups affected. It is important, though, to ensure that any customary rights or other entitlements or claims of particular social groups such as Indigenous Peoples are identified.

The following elements and principles may be included in the IPP, as appropriate:

- Specific measures for implementation, along with clear timetables of action, and financing sources. These should be incorporated into the general project design as appropriate. Emphasis should be on enhancing participation and culturally appropriate benefits. Adverse impacts should only be contemplated when absolutely necessary.
- Formal agreements reached during the free, prior, and informed consultation during project preparation.
- Clear output and outcome indicators developed with affected Indigenous Peoples.
- Project design should draw upon the strengths of Indigenous Peoples Organizations and the affected communities and take into account their languages, cultural and livelihood practices, social organization and religious beliefs. It should avoid introducing changes that are considered undesirable or unacceptable to the Indigenous Peoples themselves.
- Efforts should be made wherever possible and appropriate to make use of, and incorporate, Indigenous knowledge and local resource management arrangements into project design.
- Special measures for the recognition and support of customary rights to land and natural resources may be necessary.
- Special measures concerning women and marginalized generational groups may be necessary to ensure inclusive development activities.
- If the grantee does not possess the necessary technical capacities, or if their relationship with Indigenous Peoples is weak, the involvement of experienced local community organizations and NGOs may be appropriate; they should be acceptable to all parties involved.
- Capacity building of other implementing agencies should be considered.
- Capacity building activities for the indigenous communities to enhance their participation in project activities may be useful or necessary; this may also include general literacy courses.
- Grievance mechanism taking into account local dispute resolution practices.
- Participatory monitoring and evaluation exercises adapted to the local context, indicators, and capacity.

Disclosure

7. Before finalizing an IPP (or IPPF) a draft should be disclosed together with the social assessment report (or its key findings) in a culturally appropriate manner to the Indigenous Peoples affected by the project. Language is critical and the IPP should be disseminated in the local language or in other forms easily understandable to affected communities – oral communication methods are often needed to communicate the proposed plans to affected communities.

8. After CEPF has reviewed and approved the IPP as part of the overall proposed project for funding, the grantee shares the final IPP (or IPPF) again with affected communities. The final IPP (or IPPF) is also disclosed at the CEPF Web site.

Roles and Responsibilities

9. Applicants, and subsequently grantees, are responsible for following the requirements of this Framework. They will ensure that Indigenous Peoples are consulted and benefit in culturally appropriate ways. They will avoid adverse impacts on indigenous communities, or where this is not possible develop with the participation of affected communities measures to mitigate and compensate for such impacts. Finally, they are responsible for reporting to both affected indigenous communities and CEPF on project progress and any unexpected and unintended events affecting Indigenous Peoples.

10. CEPF is responsible for the implementation of this Framework, and will ensure that the participation of Indigenous Peoples in project activities in culturally appropriate ways is encouraged. CEPF responsibilities include:

- Inform applicants and other stakeholders, including local communities, of this Framework and policy requirements;
- Assist applicants, and subsequently grantees, in the implementation of the Framework and policy requirements;
- Screen for projects affecting Indigenous Peoples;
- Review and approve project proposals, ensuring that they adequately apply the World Bank's Indigenous Peoples Policy;
- Assess the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to affected indigenous communities. When doing so project activities, impacts and social risks, circumstances of the affected indigenous communities, and the capacity of the applicant to implement the measures should be assessed. If the risks or complexity of particular issues concerning affected communities outweigh the project benefits, the project should not be approved as proposed;
- Assess the adequacy of the consultation process and the affected indigenous communities' broad support to the project—and not provide funding until such broad support has been ascertained; and
- Monitor project implementation, and include constraints and lessons learned concerning Indigenous Peoples and the application of this IPPF in its progress and monitoring reports; it should be assured that affected indigenous communities are included in monitoring and evaluation exercises.

Grievance Mechanism

11. Indigenous Peoples and other local communities and stakeholders may raise a grievance at all times to applicants, grantees, and CEPF about any issues covered in this Framework and the application of the Framework. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available. These arrangements should be described in the project-specific frameworks and action plans along with the more project-specific grievance and conflict resolution mechanism.

12. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

Annex 1: Standard Outline for an Indigenous Peoples Plan¹⁴

1. The Indigenous Peoples Plan (IPP) is prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed.
2. The IPP includes the following elements:
 - a) A summary of the legal and institutional framework applicable to Indigenous Peoples in the area and a brief description of the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.
 - b) A summary of the social assessment.
 - c) A summary of results of the free, prior, and informed consultation with the affected Indigenous Peoples' communities that was carried out during project preparation and that led to broad community support for the project.
 - d) A framework for ensuring free, prior, and informed consultation with the affected Indigenous Peoples' communities during project implementation.
 - e) An action plan of measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, including, if necessary, measures to enhance the capacity of the project implementing agencies.
 - f) When potential adverse effects on Indigenous Peoples are identified, an appropriate action plan of measures to avoid, minimize, mitigate, or compensate for these adverse effects.
 - g) The cost estimates and financing plan for the IPP.
 - h) Accessible procedures appropriate to the project to address grievances by the affected Indigenous Peoples' communities arising from project implementation. When designing the grievance procedures, the Applicant takes into account the availability of judicial recourse and customary dispute settlement mechanisms among the Indigenous Peoples.
 - i) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the IPP. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation with the affected Indigenous Peoples' communities.

¹⁴ Based on OP 4.10, Annex B

Environmental and Social Management Framework

PREPARING A PROCESS FRAMEWORK FOR INVOLUNTARY RESTRICTIONS

Process Framework for Involuntary Restrictions

1. This Process Framework describes CEPF requirements to address social impacts from restrictions of access to natural resources as per the World Bank’s Involuntary Resettlement Policy (OP 4.12). A parallel Indigenous Peoples Planning Framework describes CEPF requirements related to Indigenous Peoples consistent with the World Bank’s Policy on Indigenous Peoples (OP 4.10)¹⁵.

2. The objectives of this Framework are to avoid, minimize, or mitigate potentially adverse effects of restrictions of access to natural resources, and ensure that affected communities are consulted with and participate in meaningful ways in project activities affecting them.

3. The Framework describes the requirements and planning procedures for grant applicants and subsequently grantees in the preparation and implementation of related projects, as well as the role of CEPF in ensuring compliance with this Framework.

CEPF and Access Restrictions

4. CEPF projects triggering the World Bank’s policy on Involuntary Resettlement include projects that introduce involuntary restrictions of access to legally designated parks and protected areas or support efforts to improve enforcement of existing restrictions. This typically includes projects that support the development and implementation of management plans for protected areas and may also involve resources such as wildlife, non-timber forest products, and production areas.

5. In all such cases it is necessary to follow the planning process described in this Framework, including the development of a Process Framework during project preparation and a Plan of Action during implementation. In any case, adverse social impacts on local communities should be avoided or appropriately mitigated.

6. The Framework does *not* apply to projects that provide incentives to change livelihood and natural resource use practices on a voluntary basis.

¹⁵ Additional information can be found in the sourcebook for each policy at www.worldbank.org.

Policy Requirements

7. Projects affecting local communities in terms of their access to local resources need to be prepared with care and with the participation of affected communities. The requirements of the World Bank's policy include:

1. The development of a project-specific Process Framework during project preparation that describes the project and implementation process, including: (a) how specific components of the project were prepared and will be implemented; (b) how the criteria for eligibility of affected persons will be determined; (c) how measures to assist the affected persons in their efforts to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area will be identified; and (d) how potential conflicts involving affected persons will be resolved. It also provides a description of the arrangements for implementing and monitoring the process.
2. The development of a Plan of Action during project implementation that describes the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. This could be in the form of a natural resources or protected areas management plan.

Preparation of a Process Framework

8. Participation of affected communities is the key element of the Process Framework. Affected communities have the right to participate in deciding the nature and scope of restrictions and the mitigation measures.

9. Affected communities should also participate in the drafting of the Process Framework. Typically, the Applicant will prepare a draft Framework that will then be shared and discussed with local communities and other relevant stakeholders. Based on the consultations, a final Framework will be prepared. CEPF may provide guidance on development of the Framework and will review and approve the final Framework prior to approving the final project proposal application.

10. The level of details of the Framework may vary depending on project activities, characteristics of restrictions and their impacts, and the number of persons affected. In some cases, the Applicant may prepare a simple Framework with input from local communities, leaving more detailed analysis for implementation. In more complex or larger projects, the preparation of the Framework may be supported by social analysis or surveys during preparation to assess the local context, particularly the circumstances of local communities and their land and natural resource use and management systems.

Content of the Process Framework

11. The Process Framework will describe the project and how restrictions of access to natural resources and measures to assist affected communities will be determined with the participation of affected communities. The Process Framework should include the following elements:

A. Project background. The Framework will briefly describe the project and local context, how the project was prepared, including the consultations with local communities and other stakeholders, and the findings of any social analysis or surveys that informed design. It will describe project activities and potential impacts from these.

B. Participatory implementation. This section will detail the participatory planning process for determining restrictions, management arrangements, and measures to address impacts on local communities. The roles and responsibilities of various stakeholders and the methods of participation and decision-making should be described; decision-making may include the establishment of representative local structures, the use of open meetings, and involvement of existing local institutions. Methods of consultation and participation should be in a form appropriate to local needs.

Decisions should be based on well-founded understandings of the biological and socioeconomic contexts. It is thus common to include some form of participatory social assessment to inform the decision-making process. Such an assessment could develop a more in-depth understanding of: (a) the cultural, social, economic, and geographic setting of the communities in the project areas; (b) the types and extent of community use of natural resources, and the existing rules and institutions for the use and management of natural resources; (c) identification of village territories and customary use rights; (d) local and indigenous knowledge of biodiversity and natural resource use; (e) the threats to and impacts on the biodiversity from various activities in the area, including those of local communities; (f) the potential livelihood impacts of new or more strictly enforced restrictions on use of resources in the area; (g) communities' suggestions and/or views on possible mitigation measures; (h) potential conflicts over the use of natural resources, and methods for solving such conflicts; and (i) strategies for local participation and consultation during project implementation, including monitoring and evaluation.

Similarly, biological and ecological assessments are commonly undertaken to develop a well-founded understanding of existing biodiversity and natural resources and threats to these. Threats analysis is a useful tool to ascertain that restrictions will be informed by real threats rather than assumptions about the impacts from local communities' natural resource use practices, which sometimes can be viewed in stereotypical ways.

It is important to also pay particular attention to land tenure issues, including traditional land rights and obligations and use of natural resources by different local communities. For instance, areas used to collect non-timber forest products and for shifting cultivation, including fallow areas, under traditional farming systems should not be exposed to restrictions unless this is necessary for the conservation of important biodiversity and appropriate agreements with local communities can be made.

C. Criteria for eligibility of affected persons. The Framework describes how the local communities will participate in establishing criteria for eligibility for assistance to mitigate adverse impacts or otherwise improve livelihoods. In cases with significant consultations and social analysis during preparation, these

criteria may be included in the Framework. However, in most cases they will be developed, or at least refined, during implementation. This would typically be done as part of a participatory social assessment process described above.

The eligibility criteria would determine which groups and persons are *eligible for assistance* and mitigation measures, not groups affected by the project. That is, the criteria may exclude certain persons or groups from assistance because their activities are clearly illegal, unsustainable, and destructive (e.g. wildlife poachers, dynamite fishers). The criteria may also distinguish between persons utilizing resources opportunistically and persons using resources for their livelihoods, and between groups with customary rights and non-residents or immigrants.

The Framework should identify vulnerable groups and describe what special procedures and measures will be taken to ensure that these groups will be able to participate in, and benefit from, project activities. Vulnerable groups are groups that may be at risk of being marginalized from relevant project activities and decision-making processes, such as groups highly dependent on natural resources, forest dwellers, Indigenous Peoples,¹⁶ groups or households without security of tenure, mentally and physically handicapped people or people in poor physical health, and the very poor.

D. Measures to assist the affected persons. The Framework should describe how groups or communities will be involved in determining measures that will assist affected persons in managing and coping with impacts from agreed restrictions. The common objective is to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area. However, in some circumstances affected communities may agree to restrictions without identifying one-for-one mitigation measures as they may see the long-term benefits of improved natural resource management. They may also forego practices in place of obtaining more secure land tenure and resource use rights. Possible measures to offset losses may include:

- Special measures for the recognition and support of customary rights to land and natural resources.
- Transparent, equitable, and fair ways of more sustainable sharing of the resources;
- Access to alternative resources or functional substitutes;
- Alternative livelihood activities;
- Health and education benefits;
- Obtaining employment, for example as park rangers or eco-tourist guides; and
- Technical assistance to improve land and natural resource use.

These measures should be in place before restrictions are enforced, although they may be implemented as restrictions are being enforced. The Plan of Action should be approved by CEPF before implementation.

E. Conflict resolution and complaint mechanism. The Framework should describe how conflicts involving affected persons will be resolved, and the processes for addressing grievances raised by affected communities, households or individual regarding the agreed restrictions, criteria for eligibility, mitigation measures and the implementation of these elements of the Process Framework.

¹⁶ If Indigenous Peoples are affected, the applicant will also prepare an Indigenous Peoples Plan (or similar instrument) as described in the separate CEPF Indigenous Peoples Planning Framework.

The roles and responsibilities concerning conflict resolution and grievances of different stakeholders, including the Grantee, affected communities and relevant government agencies, will be described. The roles of mediation entities or institutions will be described. The procedures should take into account local dispute resolution practices.

F. Implementation Arrangements. The Framework should describe the implementation arrangements. The roles and responsibilities concerning project implementation of different stakeholders, including the grantee, affected communities, and relevant government agencies, will be described. This includes agencies involved in the implementation of mitigation measures, delivery of services and land tenure, as appropriate and to the extent that these are known at the time of project preparation.

Monitoring and evaluation arrangements will also be described in the Framework, with more specific details for the Plan of Action designed during implementation. The Framework should include a budget for its implementation.

Plan of Action

12. During implementation, a Plan of Action is developed together with affected communities to describe the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. The action plan can take many forms. It can simply describe the restrictions agreed to, persons affected, measures to mitigate impacts from these restrictions, and monitoring and evaluation arrangements. It may also take the form of a broader natural resources or protected areas management plan.

13. The following elements and principles may be included in the plan, as appropriate:

- Project background and how the plan was prepared, including consultations with local communities and other stakeholders;
- The socio-economic circumstances of local communities;
- The nature and scope of restrictions, their timing as well as administrative and legal procedures to protect affected communities' interests if agreements are superseded or rendered ineffective;
- The anticipated social and economic impacts of the restrictions;
- The communities or persons eligible for assistance;
- Specific measures to assist these people, along with clear timetables of action, and financing sources;
- Protected area boundaries and use zones;
- Implementation arrangements, roles and responsibilities of various stakeholders, including government and non-government entities providing services or assistance to affected communities;
- Arrangements for monitoring and enforcement of restrictions and natural resource management agreements;
- Clear output and outcome indicators developed in participation with affected communities;
- Special measures concerning women and vulnerable groups;
- Capacity building of the grantee or other implementing agencies;
- Capacity building activities for the affected communities to enhance their participation in project activities;

- Grievance mechanism and conflict resolution taking into account local dispute resolution practices and norms; and
- Participatory monitoring and evaluation exercises adapted to the local context, indicators and capacity. Monitoring will include the extent and significance of adverse impacts as well as the outcome of mitigation measures.

Disclosure

14. A draft Process Framework is shared with (potential) affected communities to inform them about the project and get their input to project design and the Framework. Once the project, with the Process Framework, has been approved, the final Framework is again disclosed locally as well as at the CEPF Web site, www.cepf.net.

15. The Plan of Action is prepared with the participation of affected communities. A draft should be disclosed together with the findings of any social analysis that may inform the plan in a culturally appropriate manner to the persons affected by the project. Language is critical and the Framework should be disseminated in the local language or in other forms easily understandable to affected communities – oral communication methods may be needed to communicate the proposed plans to affected communities.

16. After CEPF has reviewed and approved the Plan of Action, the Grantee discloses the final plan to affected communities and other stakeholders. The final Plan of Action is also disclosed at the CEPF Web site.

Roles and Responsibilities

17. Applicants, and subsequently Grantees, with projects that restrict access to natural resources are responsible for complying with this Framework. Such applicant will prepare a Process Framework during preparation with the participation of affected communities. If the project is approved, during implementation the Grantee will prepare a Plan of Action with the informed and meaningful participation of affected communities. Applicants and Grantees will ensure that local communities are consulted and participate in culturally appropriate ways during preparation and implementation. They will avoid adverse impacts on affected communities or, where this is not possible, develop with the informed participation of affected communities measures to mitigate such impacts. Finally, they are responsible for reporting to both affected communities and CEPF on project progress and any unexpected and unintended events affecting local communities.

18. CEPF is responsible for the implementation of this overall Framework. CEPF responsibilities include:

- Inform applicants and other stakeholders, including local communities and organizations, of the Process Framework and policy requirements;
- Assist applicants, and subsequently grantees, in the implementation of the Process Framework and policy requirements;
- Screen for projects which may affect local communities through restrictions of access to natural resources;
- Assess the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to restrictions of access to natural resources. When doing so, project activities,

impacts and social risks, circumstances of the affected communities, and the capacity of the applicant to implement the measures will be assessed. If the risks or complexity of issues concerning affected communities outweigh the project benefits, the project should not be approved as proposed;

- Assess the adequacy of the consultation process during preparation and implementation; and
- Review and approve project-specific action plans prepared during implementation.

Grievance Mechanism

19. Local communities and other stakeholders may raise a grievance at all times to applicants, grantees, and CEPF about any issues covered in this Framework and the application of the Framework. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available. These arrangements should be described in the project-specific frameworks and action plans along with the more project-specific grievance and conflict resolution mechanism.

20. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

CEPF Best Practice on Stakeholder Engagement

CEPF has adopted a **best practice on stakeholder engagement** which is based on the CI-GEF Project Agency's Environmental and Social Management Framework, which is, in turn, based on the International Finance Corporation's Good Practice Handbook for Companies Doing Business in Emerging Markets. It is applicable to all CEPF-funded projects.

Stakeholder engagement is a fundamental principle of good project design, and best practice consists of involving all stakeholders, including indigenous and local communities and other project-affected people, as well as government, private sector and civil society partners, as early as possible in the preparation process and ensuring that their views and concerns are made known and taken into account.

The CEPF Secretariat will ensure that all CEPF-funded projects comply with this best practice. In the case of large grants, this will mean working directly with applicants and grantees. In the case of small grants, this will mean providing training and oversight to Regional Implementation Teams (RITs), to ensure that they are providing appropriate guidance to applicants and grantees.

Organizations applying for CEPF grants are expected to identify the range of stakeholders that may be interested in their actions and consider how external communications might facilitate a dialogue with all stakeholders during design and, later, implementation of the project. Stakeholders, in particular local and indigenous communities, should be informed and provided with information regarding project activities.

Applicants will be required to submit a Letter of Inquiry (LoI), describing the proposed project in outline. In the LoI, applicants will be explicitly requested to identify project partners and stakeholders, and to summarize the involvement of each in the project.

Applicants for large grants that pass the LoI stage will be required to submit a full proposal, describing their proposed project in detail. In the full proposal, applicants will be asked to describe, for each identified stakeholder, any relevant consultations they have had or partnership agreements have made with regard to the project.

These consultations are expected to take place during the project design phase, either before or after submission of the LoI, or both. In cases where applicants are unable to consult with all stakeholders during the project design phase (for instance, due to remoteness), these consultations may be incorporated into project design, as an activity during the first year of implementation.

Where no adverse social or environmental impacts to local or indigenous communities can reasonably be expected, no further documentation is required. The approved project proposal will function as the Stakeholder Engagement Plan, and the grantee will be expected to continue to communicate with stakeholders for the duration of the project.

Where projects involve activities that are likely to generate adverse social or environmental impacts to local or indigenous communities, the applicant will identify the Affected Communities in the full proposal, and develop and implement a Stakeholder Engagement Plan (see template below).

The Stakeholder Engagement Plan should be scaled to the project risks and impacts, and be tailored to the characteristics and interests of the Affected Communities. The plan must also incorporate the key principles of CEPF's Gender Mainstreaming Policy.

Where applicable, the Stakeholder Engagement Plan will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. When the stakeholder engagement process depends substantially on community representatives (e.g., village leaders, local elected representatives, etc.), the applicant will make every reasonable effort to verify that such persons do in fact represent the views of Affected Communities and that they can be relied upon to faithfully communicate the results of consultations to their constituents.

In cases where the exact location of the project is not known at the design stage, but the project can reasonably be expected to have significant impacts on local or indigenous communities, the applicant will incorporate development of a Stakeholder Engagement Plan as a project activity. The Stakeholder Engagement Plan should be prepared and approved prior to any other activities that could impact the Affected Communities.

Where the project also triggers a safeguard policy (e.g., Indigenous People, Involuntary Resettlement, Pest Management, etc.), it may not be necessary to develop a stand-alone Stakeholder Engagement Plan. Rather, the Stakeholder Engagement Plan can be incorporated into the safeguard documentation required by that policy (i.e., Social Assessment, Indigenous Peoples Plan, Process Framework, Pest Management Plan, etc.), to ensure integration and avoid duplication.

In the case of small grants, a stand-alone Stakeholder Engagement Plan is only required in cases where there is considered to be an elevated risk of significant adverse impacts on the Affected Communities. In all other cases, the necessary measures can be incorporated into project design and the proposal itself will function as the Stakeholder Engagement Plan.

The CEPF Secretariat will review and approve all Stakeholder Engagement Plans for large grants, prior to disclosure on the CEPF website. The relevant RIT will perform this function for small grants.

Once a Stakeholder Engagement Plan has been approved, it is recommended that stakeholder engagement continue throughout the life of the project. The nature, frequency and level of effort of stakeholder engagement may vary considerably and will be commensurate with the project's risks and adverse impacts, and the project's phase of implementation.

Stakeholder Engagement Plan Template

1. The CEPF Secretariat will ensure that all CEPF-funded projects comply with the Best Practice on Stakeholder Engagement, by involving all stakeholders, including project-affected groups, indigenous peoples, and local civil society organizations, as early as possible in the design process and ensuring that their views and concerns are made known and taken into account. The CEPF Secretariat will also ensure that grantees will continue to hold consultations with stakeholders throughout project implementation, as deemed necessary to address social and environmental issues that affect them.
2. Grantees are responsible for drafting and executing the Stakeholder Engagement Plan. The CEPF Secretariat and its RITs will review the plan and oversee its execution.
3. Benefits of stakeholder engagement include:
 - a) Letting interested and affected parties participate in decision-making to give them more control and security;
 - b) Sharing information and facilitating understanding;
 - c) Building legitimacy and support for decisions;
 - d) Fostering constructive working relationships among stakeholders;
 - e) Building consensus and generating support for the project;
 - f) Reducing conflict;
 - g) Tapping into the local, specialist knowledge of stakeholders to inform assessment and design; and
 - h) Improving the end decision and aiding sustainability.
4. A Stakeholder Engagement Plan should:
 - a) Describe CEPF requirements for consultation and disclosure;
 - b) Identify and prioritize key stakeholder groups;
 - c) Provide a strategy and timetable for sharing information and consulting with each of these groups;
 - d) Describe resources and responsibilities for implementing stakeholder engagement activities;
 - e) Describe how stakeholder engagement will be incorporated into project design; and
 - f) Have of a scope and level of detail that is scaled to fit the needs of the project.

5. A Stakeholder Engagement Plan should contain the following sections:

a) *Introduction*: Briefly describe the project including design elements and potential social and environmental issues. Where possible, include maps of the project site and surrounding area.

b) *Summary of Previous Stakeholder Engagement Activities*: If the grantee has undertaken any activities to date, including information disclosure and/or consultation, provide the following details:

- Type of information disclosed, in what form (e.g., oral, brochure, reports, posters, radio, etc.), and how it was disseminated;
- The locations and dates of any meetings undertaken to date;
- Individuals, groups, and/or organizations that have been consulted;
- Key issues discussed and key concerns raised;
- Grantee response to issues raised, including any commitments or follow-up actions; and
- Process undertaken for documenting these activities and reporting back to stakeholders.

c) *Project Stakeholders*: List the key stakeholder groups who will be informed and consulted about the project. These should include persons or groups who:

- Are directly and/or indirectly affected by the project or have “interests” in the project that determine them as stakeholders; and
- Have the potential to influence project outcomes (examples of potential stakeholders are affected communities, local organizations, non-governmental organizations (NGOs) and government authorities. Stakeholders can also include politicians, companies, labor unions, academics, religious groups, national social and environmental public sector agencies, and the media).

d) *Stakeholder Engagement Program*: Summarize the purpose and goals of the program. Briefly describe what information will be disclosed, in what formats, and the types of methods that will be used to communicate this information to each of the identified groups of stakeholders. Methods used may vary according to target audience, for example:

- Newspapers, posters, radio, television;
- Information centers and exhibitions or other visual displays; and
- Brochures, leaflets, posters, non-technical summary documents and reports.

e) *Consultation methods*: Description of the methods that will be used to consult with each of the stakeholder groups identified in previous sections. Methods used may vary according to target audience, for example:

- Interviews with stakeholder representatives and key informants;
- Surveys, polls, and questionnaires;
- Public meetings, workshops, and/or focus groups with a specific group;
- Participatory methods; and
- Other traditional mechanisms for consultation and decision-making.

f) *Other Engagement Activities*: Description of any other engagement activities that will be undertaken, including participatory processes, joint decision-making, and/or partnerships undertaken with local communities, NGOs, or other project stakeholders. Examples include benefit-sharing programs,

community development initiatives, resettlement and development programs, and/or training and microfinance programs.

g) *Timetable*: Provide a schedule outlining dates and locations when various stakeholder engagement activities, including consultation, disclosure, and partnerships will take place and the date by which such activities will be incorporated into project design.

h) *Resources and Responsibilities*: Indicate what staff and resources will be devoted to managing and implementing the Stakeholder Engagement Plan. Who within the project team will be responsible for carrying out these activities? What budget has been allocated toward these activities?

i) *Grievance Mechanism*: Describe the process by which people affected by the project can bring their grievances to the grantee for consideration and redress. Who will receive public grievances? How and by whom will they be resolved? How will the response be communicated back to the complainant? Please note that all grievance mechanisms must make available the contact details of the RIT and/or CEPF Secretariat, in case people affected by the project have concerns that they do not wish to raise directly with the grantee. They must also specify that any grievances raised should be communicated to the RIT and the CEPF Grant Director within 15 days, together with a proposed response. If the claimant is still not satisfied following the response, the grievance may be submitted directly to the CEPF Executive Director via the dedicated email account (cepfexecutive@conservation.org) or by mail. If the claimant is still not satisfied, the grievance may be submitted to the World Bank at the local World Bank office

j) *Monitoring and Reporting*: Describe any plans to involve project stakeholders (including affected communities) or third-party monitors in the monitoring of project impacts and mitigation programs. Describe how and when the results of stakeholder engagement activities will be reported back to affected stakeholders as well as broader stakeholder groups.

CEPF Gender Policy

CEPF's mission is to engage civil society to protect biodiversity hotspots, the world's most biologically diverse yet threatened ecosystems. The purpose of this policy is to ensure CEPF carries out its mission through a gender awareness lens. This means that staff of the CEPF Secretariat, Regional Implementation Teams and grantees will understand and take into account the different roles of men and women in CEPF-related activities at all scales (e.g., Regional Implementation Team training, proposal design, project implementation and reporting). Gender issues and considerations will be actively incorporated throughout the grant-making process and progress on gender-related outcomes will be monitored.

CEPF recognizes that:

- In all of our conservation work, gender plays an important role in achieving long-term goals and objectives.
- Gender equity is a critical component of our overall strategy to ensure empowered civil society, equitable participation and decision-making by stakeholders at all scales, and the sustainability of conservation impacts.
- Both men and women encounter constraints based on gender. If not addressed, these constraints can cause delays or impediments to achieving CEPF's conservation objectives.

CEPF staff will strive to:

- Provide and encourage training and professional development on gender among staff of the CEPF Secretariat, Regional Implementation Teams and grantees as part of CEPF's learning efforts.
- Work with grantees to ensure gender analysis and recommendations are included in the project design, implementation and monitoring processes.
- Develop indicators and report on gender equity as part of CEPF's Monitoring Framework.
- Promote best practices for incorporating gender in conservation strategies throughout the CEPF network.

Definitions

Gender refers to the economic, social, political, and cultural attributes and opportunities associated with being women and men. The social definitions of what it means to be a woman or a man vary among cultures and change over time. Gender is a sociocultural expression of particular characteristics and roles that are associated with certain groups of people with reference to their sex and sexuality.

Gender analysis is the process of collecting and interpreting information on the respective roles and responsibilities among men and women in six domains of activity, including: practices and participation; access to resources; knowledge and beliefs; laws, policies and regulatory institutions.

Gender aware refers to explicit recognition of local gender differences, norms, and relations and their importance to outcomes in program/policy design, implementation and evaluation. This recognition derives from analysis or assessment of gender differences, norms, and relations in order to address gender equity in outcomes.

Gender equity is the process of being fair to women and men. To ensure fairness, measures must be taken to compensate for historical and social disadvantages that prevent women and men from operating on a level playing field.

Gender equality is the state or condition that affords women and men equal enjoyment of human rights, socially valued goods, opportunities, and resources.

Gender integration refers to strategies applied in program assessment, design, implementation, and evaluation to take gender norms into account and to compensate for gender-based inequalities.

Gender mainstreaming is the process of incorporating a gender perspective into policies, strategies, programs, project activities, and administrative functions, as well as into the institutional culture of an organization.

Sex refers to the biological differences between males and females. Sex differences are concerned with males' and females' physiology.

Long-term Strategic Visions for Transitioning Civil Society From CEPF Support in the Biodiversity Hotspots

Purpose of long-term visions

CEPF should not be a permanent presence in each hotspot but define and work towards an end point at which local civil society transitions from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Experience to date shows that, in most hotspots, reaching a point at which civil society transitions from CEPF support will take more than five years. The long-term strategic visions will set clear transition targets, which individual investment phases (typically of five years) will work towards, guided by detailed strategies set out in the ecosystem profiles, which will be renewed on a periodic basis (typically every five years). They will also include financing plans describing the funding requirements for implementation of the long-term visions (i.e. the best estimate of the funding needed to achieve the transition targets).

Content of long-term visions

Establishing scale

One of the unique features of CEPF is that its investments target biogeographic units (i.e. biodiversity hotspots), which span political boundaries, and create opportunities for collaboration and response to trans-national threats (even in regions with a history of political conflict). The long-term visions, therefore, will be developed at the hotspot scale wherever practical. In a few cases, the hotspot boundaries encompass parts of a large number of countries and contain such a wide diversity of political, economic and societal contexts that it is not possible to adopt a uniform strategy for supporting the development of civil society towards transition. In these cases, it may be more appropriate to develop separate long-term visions for major sub-regions, for example the Balkans, the Levant and North Africa in the case of the Mediterranean Basin.

Setting transition targets

The long-term visions will set clear targets for transition, i.e. the conditions under which CEPF can withdraw from a hotspot with confidence that effective biodiversity conservation programs will continue in a self-sustaining manner. This does not necessarily mean that biodiversity is no longer threatened but only that the conservation movement, collectively, is able to respond to all present threats and any future threats that could reasonably be expected to arise. A framework for setting transition targets was developed by the Secretariat in 2011, and has since been used as an evaluation tool in several hotspots (e.g., Eastern Himalayas, Indo-Burma, Mesoamerica and Western Ghats), which has provided an opportunity to test its robustness and relevance to different contexts. The framework also draws on the independent evaluation of CEPF's global conservation impact conducted in 2010 by David Olson, which used five criteria for assessing the effectiveness of the conservation community¹⁷.

¹⁷ These criteria were: groups and skills; versatility; sustained funding; conservation tools; and enabling conditions.

According to this framework, the five conditions that need to be met in order for a hotspot to transition from CEPF support comprise:

- 1) Conservation priorities and best practices for their management are documented, disseminated and used by public and private sector, civil society and donor agencies to guide their support for conservation in the region.
- 2) Local civil society¹⁸ groups dedicated to conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
- 3) Adequate and continual financial resources are available to address conservation of global priorities.
- 4) Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.
- 5) Mechanisms exist to identify and respond to emerging conservation challenges.

For each hotspot (or sub-region), the first step will be to take the five transition conditions and make them locally relevant by setting specific criteria and targets. According to the current framework, five criteria are suggested for each condition, making 25 criteria in total (Annex D). The number of criteria under each condition can be adjusted, according to the relative emphasis that needs to be placed on meeting it. At least one SMART (i.e., Specific, Measurable, Achievable, Relevant and Time-bound) target will be set for each criterion (see Annex I for examples). A baseline will be established for each target, describing the situation at the beginning of the most recent phase of CEPF investment in the hotspot. Then, milestones will be set for each target, to enable monitoring of progress during each investment phase and guide course correction if needed (see Annex II for examples).

Provided that each target is time-bound, it will be possible to construct a timeline, showing when each of the transition conditions is expected to be met, and, by extension, how many investment phases will be required to achieve transition. In large, multi-country hotspots, timelines may be different for each sub-region, with some being expected to transition from CEPF support earlier than others. Some of the transition targets may have very long timelines, implying that CEPF investment would be required indefinitely. Consequently, it may be necessary to make a pragmatic decision about how many targets need to be met before the transition conditions can be considered to be in place. In this regard, it may be helpful to distinguish between ‘essential’ targets and ‘desirable’ ones, or to establish numerical thresholds for the number of targets that need to be met before a hotspot is considered to have transitioned from CEPF support. Moreover, it will be important that the targets are not used to drive decision making but only to inform it, complemented by expert opinion about what CEPF’s impacts have been and what remains to be done to achieve transition, in order to make the most informed decisions. In any event, it will be necessary to revisit the long-term vision regularly, at least once per investment phase, in order to evaluate progress and revise transition targets and milestones in response to changing external conditions.

¹⁸ For the purposes of this document, the term local civil society includes national, sub-national and grassroots groups; it is used to distinguish civil society local to the hotspot from international civil society.

Identifying actions

CEPF is a grant-making fund, and its principal means of effecting change in the hotspots where it invests is by awarding grants to civil society organizations to implement projects that contribute towards conservation outcomes directly (e.g., by mitigating threats or restoring habitats and populations) or indirectly (e.g., by addressing social, economic and political drivers of biodiversity loss or strengthening the capacity of civil society to engage in conservation). However, CEPF's interventions are not limited to grant-making but also include convening and training of civil society organizations, supporting Regional Implementation Teams (RITs) to integrate the results of pilot projects into public policy and private sector business practices, and developing shared strategies that align investments by multiple donors.

Once the transition targets have been set, the next step will be to evaluate each one to determine whether: (i) CEPF can directly effect the changes required for it to be met (e.g., by making grants to implement the necessary changes); (ii) CEPF can indirectly effect the required changes (e.g., by strengthening civil society capacity to advocate for them); or (iii) the required changes are dependent on external factors beyond CEPF's ability to influence. This step will result in a list of actions that CEPF can take to directly or indirectly influence the required changes (and monitor changes outside of its sphere of influence). The next step will be to order these actions into phases, with actions that are preconditions for other actions being scheduled first. Examples of the types of actions that could be set and how they could be scheduled by investment phase are presented in Annex III.

Setting financial targets

Once the actions that need to be taken to influence the changes required for the transition targets to be met have been identified, the next step will be to set financial targets for each action. These targets should be broken down by investment phase, and also by cost category (e.g., grants, RIT grants, trainings, meetings and special events, etc.). They will form the basis for financing plans for the implementation of the long-term visions, which will be defined in consultation with other donors and informed by an assessment of sustainable financing mechanisms. These plans will help establish an overall cost estimate for meeting the transition targets, broken down into investment phase, and thereby assist CEPF with its financial planning and fundraising. The trend in funding level over time will vary among regions, with cost estimates declining from phase-to-phase in some but ramping up before exit in others, according to the sequence of planned actions. To ensure they do not become unrealistic, these cost estimates will be informed by projections of available funding, for which it might be necessary to consider different scenarios for expansion of the Fund (e.g., high, medium and low).

The financing plans will form the basis for regional fundraising strategies, to be developed by the Secretariat after the completion of the long-term visions as a guide to fundraising efforts for each hotspot. These strategies will be used to leverage funding from regional donors, as well as non-traditional sources, such as private companies. They will also determine the current capacity level of the RIT and the need (if any) to enhance this to support fundraising efforts at the hotspot level. In this way, the strategies will contribute to strengthening existing RITs.

Creating a theory of change

A theory of change defines all the steps required to bring about the desired result, in this case transition from CEPF support, beginning with the actions taken by CEPF and including intermediate steps along a causal pathway, which CEPF may not necessarily be directly involved in. A theory of change can be expounded in narrative form or as a flow diagram or other visual form. A key element of any theory of change is its assumptions, which explain how the proposed actions are expected to bring about the desired outcomes. It is important to test these assumptions, in order to ensure that the theory of change is robust. This is especially true for CEPF, because assumptions that are reasonable for one hotspot may not necessarily hold true for another hotspot.

CEPF's global theory of change rests on eight key assumptions. These provide a starting point for the long-term vision, although individual visions may reject some of these assumptions or find it necessary to make additional ones:

- 1) The main drivers of biodiversity loss operate at local, national and regional scales and can be influenced by conservation interventions at these different scales.
- 2) Civil society organizations are present and willing to engage in biodiversity conservation, to partner with unfamiliar actors from other sectors, and to adopt innovative approaches.
- 3) The capacity of civil society organizations can be augmented and translated into more effective local conservation movements.
- 4) Short-term grant funding can make significant contributions to overcoming the resource constraints facing civil society organizations.
- 5) Increasing the capacity and credibility of local civil society organizations is likely to open political space for these organizations as they become recognized as trusted advisors (rather than causing them to be viewed as threats to vested interests).
- 6) Some government and private sector/corporate actors are receptive to innovative conservation models demonstrated by CEPF projects and have incentives to adopt these for wider replication.
- 7) National academic institutions produce graduates with the skills and perspective to respond to local conservation challenges by working with or within civil society organizations.
- 8) Raised local public awareness that results from the participation of these organizations in conservation issues has the potential to change attitudes and, ultimately, behavior towards the consumption of energy and natural resources.

In particular, it may be necessary to make additional assumptions dealing with contingencies (e.g., political instability or restrictions on the activities of civil society organizations) that would represent significant reversals for CEPF's efforts at achieving transition. These may include some 'critical assumptions' that would be triggers for reconsidering CEPF's continued engagement in a region if they were found to no longer be met.

Development of long-term visions

A critical element in the development of long-term visions will be local knowledge, to ensure that they are relevant to the local context in each hotspot. Related to this, it is also important that

civil society in each hotspot feels ownership of the vision, and does not feel that it has been imposed on them or developed by outsiders. At the same time, this emphasis on local relevance and local ownership needs to be tempered by some level of consistency across hotspots, to ensure the utility of the visions for informing strategic decisions at the global level. To this end, based on experience from three pilot exercises (for the Balkans sub-region of the Mediterranean Basin Hotspot, the Albertine Rift and Eastern Arc Mountains sub-region of the Eastern Afromontane Hotspot, and the Indo-Burma Hotspot), each long-term vision will be developed by the relevant RIT. Therefore, leading the development of the long-term vision has been added to the RIT terms of reference as a dedicated component (see OM 4.3).

It is important that the long-term vision is owned by leading civil society organizations active in the conservation sector in each of the countries in the hotspot. There should also be explicit engagement with selected government and private sector stakeholders, in order to understand opportunities for and barriers to civil society mainstreaming biodiversity conservation into public policy and business practices, and to ensure alignment with National Biodiversity Strategies and Action Plans. This engagement should not be limited to stakeholders from the environment sector but also include ones from development sectors with a major footprint on biodiversity, such as agriculture, fisheries and mining. These stakeholders should be engaged but not allowed to drive the process, because they do not necessarily have shared goals for the long-term development of a strong civil society conservation movement.

Limitations of time and resources preclude consultation processes on a similar scale to those undertaken during ecosystem profiling, which can involve several hundred participants. The critical ingredient for success will be engaging thinkers who are able to look beyond their own immediate interests and adopt a detached, long-term perspective on the future direction of the conservation movement in their region. At the same time, it will be important to avoid technocratic prescriptions or narrow definitions of civil society that exclude the diversity of actors that currently or potentially contribute to conservation efforts. To this end, it will be important to ensure representation of women's groups and indigenous peoples' groups, among others.

Endorsement of long-term visions

The long-term visions will set out goals for CEPF investment at the hotspot scale over timeframes longer than individual ecosystem profiles, for which they will provide an overarching framework, with the visions setting out broad, long-term goals and the ecosystem profiles presenting detailed implementation strategies. Consequently, the long-term visions should be endorsed by the Donor Council. Because the long-term visions do not replace ecosystems profiles as the means by which CEPF establishes its grant making priorities within a hotspot, there is no need for them to be endorsed by the GEF Operational Focal Points or any other government institution. Indeed, as the long-term interests of civil society and government are rarely wholly convergent, it would be undesirable to constrain their contents in this way.

Once endorsed by the Donor Council, the long-term visions will be made available through the CEPF website. They may also form the basis for communication products, such as brochures or

PowerPoint presentations, to make them more accessible to external audiences, including other donors actively supporting civil society in the same hotspots or considering doing so.

Transition condition	Suggested criteria	Example targets
<p>1. Conservation priorities and best practices Conservation priorities (e.g., globally threatened species, Key Biodiversity Areas (KBAs), reservoirs of natural capital, etc.) and best practices for their management are identified, documented, disseminated and used by public sector, private sector, civil society and donor agencies to guide their support for conservation in the hotspot.</p>	<p>Globally threatened species. Comprehensive global threat assessments conducted for all terrestrial vertebrates, vascular plants and at least selected freshwater taxa.</p>	<p>Global threat assessments are completed for at least 90% of all recorded species of terrestrial vertebrate, vascular plant and at least three major freshwater taxa in the hotspot, and with results incorporated onto the IUCN Red List.</p>
	<p>Key Biodiversity Areas. KBAs identified in all countries and territories in the hotspot, covering, at minimum, terrestrial, freshwater and coastal ecosystems.</p>	<p>KBAs are identified in all countries and territories in the hotspot, covering terrestrial, freshwater and coastal ecosystems, with broad-based support for these priorities among government and civil society.</p>
	<p>Reservoirs of natural capital. Reservoirs of natural capital identified in all countries and territories in the hotspot, covering ecosystem services particularly critical to human survival.</p>	<p>Reservoirs of natural capital are identified in all countries and territories in the hotspot for at least three ecosystem services essential to healthy, sustainable societies (e.g. climate resilience, freshwater, provisioning etc.) and incorporated into national economic accounts.</p>
	<p>Conservation plans. Conservation priorities incorporated into national or regional conservation plans or strategies developed with the participation of multiple stakeholders.</p>	<p>Globally threatened species, KBAs and/or reservoirs of natural capital are incorporated into at least one national conservation plan or strategy in each hotspot country or at least one regional conservation plan or strategy developed with the participation of multiple stakeholders.</p>
	<p>Management best practices. Best practices for managing conservation priorities (e.g., sustainable livelihoods projects, participatory approaches to park management, invasive species control, etc.) are introduced, institutionalized, and sustained at CEPF priority KBAs and corridors.</p>	<p>Conservation management practices are adopted and institutionalized by at least 90% of CEPF priority KBAs, as a basis for their sustainable management over the next 10 years.</p>

Transition condition	Suggested criteria	Example targets
<p>2. Civil society capacity Local civil society groups dedicated to conserving conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development for at least the next 10 years.</p>	<p>Conservation community. The community of civil society organizations is sufficiently broad and deep-rooted to respond to key conservation issues and collectively possess the technical competencies of critical importance to conservation.</p>	<p>At least 20 local civil society organizations (including ones with a development-focused mission) are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each hotspot country.</p>
	<p>Institutional capacity. Local civil society groups collectively possess sufficient institutional and operational capacity and structures to raise funds for conservation and to ensure the efficient management of conservation projects and strategies.</p>	<p>At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.</p>
	<p>Partnerships. Effective mechanisms (e.g., discussion forums, round-tables, mutual support networks, alliances, etc.) exist for conservation-focused civil society groups to work in partnership with one another, and through networks with local communities, governments, the private sector, donors, and other important stakeholders, in pursuit of common conservation and development objectives.</p>	<p>At least 20 partnerships, alliances, networks or similar mechanisms exist that enable civil society groups to leverage their complementary capacities and maximize impact.</p>
	<p>Financial resources. Local civil society organizations have access to long-term funding sources to maintain the conservation results achieved via CEPF grants and/or other initiatives, through access to new donor funds, conservation enterprises, memberships, endowments, and/or other funding mechanisms.</p>	<p>At least five local civil society organizations in each country have access to stable and diversified long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.</p>
	<p>Transformational impact. Local civil society groups are able, individually or collectively, to influence public policies and private sector practices in sectors with a large footprint on biodiversity.</p>	<p>Biodiversity conservation models demonstrated or promoted by local civil society are incorporated into at least one national or sub-national policy and the business practices of at least two influential private sector companies per year.</p>

Transition condition	Suggested criteria	Example targets
<p>3. Sustainable financing Adequate and continual financial resources are available to address conservation of global priorities for at least the next 10 years.</p>	<p>Conservation agency funding. Government agencies responsible for conservation in the hotspot have a continued public fund allocation or revenue-generating ability to operate effectively.</p>	<p>The three largest public sector agencies responsible for conservation in each hotspot country have sufficient financial resources to effectively deliver their missions.</p>
	<p>Mainstreaming of conservation goals. Ministries of finance and line ministries responsible for development have adopted key conservation goals and use them as criteria for allocating resources.</p>	<p>The ministry of finance and at least two line ministries in each hotspot country have incorporated conservation priorities into their plans and policies and use them as criteria for allocating significant financial resources in key development sectors (e.g. agriculture, fisheries, energy, etc.).</p>
	<p>Civil society funding. Civil society organizations engaged in conservation in the hotspot have access to sufficient funding to continue their work at current levels.</p>	<p>At least 9 of the 10 largest civil society organizations engaged in conservation in the hotspot have access to sufficient secured funding to continue their work, at least at current levels, for at least the next five years.</p>
	<p>Donor funding. Donors other than CEPF have committed to providing sufficient funds to address global conservation priorities in the hotspot.</p>	<p>Donors other than CEPF are committed to providing funding for conservation in the hotspot that, in combination with public sector and civil society funding, is sufficient to address global conservation priorities for at least the next 10 years.</p>
	<p>Long-term mechanisms. Financing mechanisms (e.g., trust funds, revenue from the sale of carbon credits, etc.) exist and are of sufficient size to yield continuous long-term returns for at least the next 10 years.</p>	<p>Sustainable financing mechanisms (e.g., endowment funds, green taxes, payments for environmental services, etc.) supporting the conservation of CEPF priority KBAs operate and yield funding such that financial constraints are no longer identified as a barrier to effective conservation management for at least 90% of CEPF priority KBAs.</p>

Transition condition	Suggested criteria	Example targets
<p>4. Enabling policy and institutional environment Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.</p>	<p>Legal environment for conservation. Laws exist that provide incentives for desirable conservation behavior and disincentives against undesirable behavior.</p>	<p>Each hotspot country's commitments under multilateral environmental agreements are reflected in its national laws (not only environment-related laws but also those for key development sectors), and these laws are elucidated through regulations that provide for sufficient incentives and disincentives to encourage behavior consistent with them.</p>
	<p>Legal environment for civil society. Laws exist that allow for civil society to engage in the public policy-making and implementation process.</p>	<p>Local civil society organizations in all hotspot countries legally allowed to convene, organize, register, receive funds, and engage in conservation activities and these laws taken advantage of by local civil society organizations working in any sector (e.g., environment, public health, education, etc).</p>
	<p>Education and training. Domestic programs exist that produce trained environmental managers at secondary, undergraduate, and advanced academic levels.</p>	<p>At least 90% of all senior leadership positions in government conservation agencies and leading conservation NGOs are staffed by local country nationals.</p>
	<p>Enforcement. Designated authorities are clearly mandated to manage the protected area system(s) in the hotspot and conserve biodiversity outside of them, and are empowered to implement the enforcement continuum of education, prevention, interdiction, arrest, and prosecution.</p>	<p>At least 70% of protected areas in each hotspot country have their boundaries demarcated on the ground and are patrolled regularly (at least two weeks out of every month), and if at least 50% of arrests for conservation offenses lead to a penalty being imposed (fine, confiscation, imprisonment, etc.).</p>
	<p>Business practices. Private sector business practices in sectors with a (potentially) large biodiversity footprint are supportive of the conservation of natural habitats and species populations.</p>	<p>At least two key change agents (i.e., market-leading and influential companies) in each business sector in the hotspot with a large biodiversity footprint (actual or potential) have introduced business practices supportive of the conservation of natural habitats and species populations across their operations.</p>

Transition condition	Suggested criteria	Example targets
<p>5. Responsiveness to emerging issues Mechanisms exist to identify and respond to emerging conservation issues.</p>	<p><i>Biodiversity monitoring.</i> Nationwide or region-wide systems are in place to monitor status and trends of the components of biodiversity.</p>	<p>Systems are in place to monitor status and trends in selected habitats, species and populations across at least 90% of the hotspot by area, and data from these systems are being used to guide the allocation of conservation resources.</p>
	<p><i>Natural capital monitoring.</i> Nationwide or region-wide systems are in place to value and monitor status and trends of natural capital.</p>	<p>Systems are in place to value and monitor status and trends in at least three ecosystem services essential to healthy, sustainable societies (e.g., freshwater provision, carbon sequestration, crop pollination, etc.) across at least 90% of the hotspot by area, and results are being used to guide the allocation of conservation and development resources.</p>
	<p><i>Threats monitoring.</i> Nationwide or region-wide systems are in place to monitor status and trends of threats to biodiversity and natural capital.</p>	<p>Systems are in place to monitor status and trends in threats to biodiversity and natural capital (e.g., forest fire, wildlife trade, invasive species, etc.) across at least 90% of the hotspot by area, and results are being used to guide the allocation of conservation and development resources.</p>
	<p><i>Adaptive management.</i> Conservation organizations and protected area management authorities demonstrate the ability to respond promptly to emerging issues.</p>	<p>The major conservation organizations in all countries in the hotspot can demonstrate that they have adapted their missions, strategies or workplans to respond to an emerging conservation issue at least once during the past three years.</p>
	<p><i>Public sphere.</i> Conservation issues are regularly discussed in the public sphere, and these discussions influence public policy.</p>	<p>Conservation issues are regularly (i.e. at least monthly) discussed in the public sphere (e.g., in national and local media, internet-based forums, public forums, etc.) in all countries in the hotspot, and these discussions are seen to periodically influence relevant public policy (i.e. at least annually in each country).</p>

Annex II: Example milestones for selected transition targets

Transition condition 2. Civil society capacity			
Local civil society groups dedicated to conserving conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development for at least the next 10 years.			
Transition target	Milestone for first investment phase (2016-2020)	Milestone for second investment phase (2021-2025)	Milestone for third investment phase (2026-2030)
2.1 At least 20 local civil society groups (including ones with a development-focused mission) are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each hotspot country.	At least 10 local civil society organizations are engaged in biodiversity conservation in each country.	At least 15 local civil society organizations are engaged in biodiversity conservation, with at least one of them playing a leadership role, in each country.	At least 20 local civil society organizations are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each country.
2.2 At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	At least 10 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	Target expected to be met in previous phase.
2.3 At least 20 partnerships, alliances, networks or similar mechanisms exist that enable civil society groups to leverage their complementary capacities and maximize impact.	At least 10 partnerships, alliances, or networks enable civil society groups to leverage their complementary capacities and maximize impact.	At least 20 partnerships, alliances, or networks enable civil society groups to leverage their complementary capacities and maximize impact.	Target expected to be met in previous phase.
2.4 At least five local civil society organizations in each country have access to stable and diversified long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.	No progress towards target expected in this phase.	At least one local civil society organization in each country has access to long-term funding sources sufficient to maintain its current program indefinitely without relying on international donors.	At least five local civil society organizations in each country have access to long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.
2.5 Biodiversity conservation models demonstrated by local civil society are incorporated into at least one national/sub-national policy and the business practices of at least two influential companies per year.	No progress towards target expected in this phase.	At least three conservation models demonstrated by local civil society are incorporated into public policy or private sector business practices over five years.	Biodiversity conservation models demonstrated by local civil society are incorporated into at least one national/sub-national policy and the business practices of at least two influential companies per year.

Annex III: Example actions for meeting selected transition targets

Transition condition 4. Enabling policy and institutional environment			
Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.			
Transition target	Actions for first investment phase (2016-2020)	Actions for second investment phase (2021-2025)	Actions for third investment phase (2026-2030)
4.1 Each hotspot country's commitments under multilateral environmental agreements are reflected in its national laws (not only environment-related laws but also those for key development sectors), and these laws are elucidated through regulations that provide for sufficient incentives and disincentives to encourage behavior consistent with them.	<ul style="list-style-type: none"> • Support pilot projects that demonstrate conservation incentives and disincentives relevant to national laws. • Strengthen the capacity of local civil society organizations to influence public policy. 	<ul style="list-style-type: none"> • Support pilot projects that demonstrate conservation incentives and disincentives relevant to national laws. • Support grantees to document results of pilot projects and use to influence relevant laws and regulations. 	<ul style="list-style-type: none"> • Support grantees to document results of pilot projects and use to influence relevant laws and regulations.
4.2 Local civil society organizations in all hotspot countries legally allowed to convene, organize, register, receive funds, and engage in conservation activities and these laws taken advantage of by local civil society organizations working in any sector (e.g., environment, public health, education, etc).	The required changes are dependent on external factors beyond CEPF's ability to influence.	The required changes are dependent on external factors beyond CEPF's ability to influence.	The required changes are dependent on external factors beyond CEPF's ability to influence.
4.3 At least 90% of all senior leadership positions in government conservation agencies and leading conservation NGOs are staffed by local country nationals.	<ul style="list-style-type: none"> • Support local academic organizations to deliver training in conservation leadership. 	<ul style="list-style-type: none"> • Support local academic organizations to deliver training in conservation leadership. 	Target expected to be met in previous phase.

Transition target	Actions for first investment phase (2016-2020)	Actions for second investment phase (2021-2025)	Actions for third investment phase (2026-2030)
<p>4.4 At least 70% of protected areas in each hotspot country have their boundaries demarcated on the ground and are patrolled regularly (at least two weeks out of every month), and if at least 50% of arrests for conservation offenses lead to a penalty being imposed (fine, confiscation, imprisonment, etc.).</p>	<ul style="list-style-type: none"> • Support protected area demarcation at CEPF priority KBAs. • Strengthen capacity of civil society organizations in protected area management and thereby strengthen their credibility with government. 	<ul style="list-style-type: none"> • Support grantees to document results of protected area demarcation at CEPF priority KBAs and promote amplification by national conservation agencies. • Support pilot projects to enhance enforcement of protected area and wildlife protection legislation at CEPF priority KBAs. 	<ul style="list-style-type: none"> • Support grantees to document results of pilot projects and promote amplification by national conservation agencies.
<p>4.5 At least two key change agents (i.e., market-leading and influential companies) in each business sector in the hotspot with a large biodiversity footprint (actual or potential) have introduced business practices supportive of the conservation of natural habitats and species populations across their operations.</p>	<ul style="list-style-type: none"> • Support pilot projects that demonstrate models for sustainable production that is supportive of the conservation (or restoration) of natural habitats and species populations. • Strengthen capacity of civil society organizations in sustainable production and thereby strengthen their credibility with the private sector. 	<ul style="list-style-type: none"> • Support grantees to document results of pilot projects and promote amplification at other conservation areas through adoption into private sector practices. • Support strategic partnerships between civil society organizations and key change agents in the private sector. 	<ul style="list-style-type: none"> • Support grantees to promote adoption of biodiversity-friendly business practices by key change agents in the agriculture, mining and tourism sectors.

4. Procedures for Grant Management

Ecosystem Profiles

The Critical Ecosystem Partnership Fund (CEPF) uses a process of developing “ecosystem profiles” to identify and articulate an investment strategy for each hotspot to be funded. Each profile reflects a rapid assessment of biological priorities and the underlying causes of biodiversity loss within particular ecosystems. The profile couples these two elements with an inventory of conservation-related investment taking place within the hotspot and other key information to identify how CEPF funding can provide the greatest incremental value.

The process of drafting an ecosystem profile begins after the CEPF Donor Council approves a hotspot for investment. Each profile follows a standard format that includes:

- Introduction
- Background
- Biological Importance of the Hotspot
- Conservation Outcomes Defined for the Hotspot
- Socioeconomic Context of the Hotspot
- Policy Context of the Hotspot
- Civil Society Context of the Hotspot
- Threats to Biodiversity in the Hotspot
- Climate Change Assessment
- Assessment of Current Conservation Investment
- CEPF Niche for Investment
- CEPF Investment Strategy and Programmatic Focus
- Sustainability
- Logical Framework

A more detailed description of the requirements for the ecosystem profile is provided below.

Each ecosystem profile is based on a comprehensive research and consultation process that includes input from diverse stakeholders to create a shared strategy from the outset. The CEPF Working Group and regional representatives from CEPF donor partner institutions also have opportunities to provide input before the profiles are submitted to the Donor Council for endorsement.

Prioritization of Hotspots for Investment

The CEPF Secretariat recommends specific biodiversity hotspots to become priorities for CEPF investment based upon a set of criteria approved by the Working Group. These criteria take account of: magnitude of threat to biodiversity; shortfall between conservation needs and available funding from non-CEPF sources; opportunity to integrate biodiversity conservation into landscape and development planning; opportunity to increase conservation capacity of domestic civil society; value for money; practicality of effective CEPF implementation; opportunity for ecosystem profiles to act as shared strategies; and potential to deliver human wellbeing benefits. A list of priorities is presented to the CEPF Donor Council for discussion and approval based on resources available.

Selection of Profiling Teams

The CEPF Secretariat is responsible for selecting, orienting and supervising the teams that lead preparation of ecosystem profiles. Teams are selected through a competitive process. Qualified organizations or consortia are invited to submit proposals that respond to the scope of work set out in a Request for Proposals (RfP) posted on the CEPF website. Any organization or organizational member of a consortium that prepares an ecosystem profile will not be precluded from bidding on grants during the subsequent implementation period.

Profiling Process and Methodology

The profiling begins with desk research and a participatory priority-setting process that seeks to include all key players in a hotspot's biodiversity conservation activities. The purpose is to secure broad-based scientific agreement on the biological priorities for conservation and then to define the investment niche for CEPF, as well as specific conservation targets and actions for the program's investments with diverse stakeholders.

Definition of biological priorities (known as "conservation outcomes") is based upon global standards. At the species level, conservation outcomes are based upon the IUCN Red List of Threatened Species. At the site level, conservation outcomes are based upon Key Biodiversity Areas (KBAs), defined following the Global Standard for the Identification of Key Biodiversity Areas prepared by the IUCN Species Survival Commission and IUCN World Commission on Protected Areas in association with the IUCN Global Species Programme. At the landscape level, conservation outcomes are defined as conservation corridors: large-scale ecological units necessary to maintain the ecological and evolutionary processes upon which species and sites depend.

This approach includes engaging experts from numerous disciplines, as well as government agencies, nongovernmental organizations, local and indigenous communities, donor organizations, and other stakeholders, in agreeing the subset of conservation outcomes for which CEPF funding could have the greatest impact.

The profiling process may also capitalize on priority-setting processes that have already taken place in a hotspot.

The profiling team will also secure and analyze up-to-date information on current activities and threats affecting biodiversity conservation in a hotspot, as well as current levels of investment and other data to inform identification of the CEPF niche and investment strategy. This includes assessing current support by donors and other actors in climate change mitigation and adaptation and the opportunity for civil society organizations to contribute to climate change mitigation and adaptation efforts. The data-gathering process also includes consultations with many stakeholders.

The profile is drafted from this analysis and the results of the participatory process. The final draft includes a logical framework, which outlines CEPF's portfolio-level objectives (known as "strategic directions" and nested "investment priorities"), as well as quantitative targets and indicators for measuring impact.

Reviews

The CEPF Secretariat undertakes an internal review process and may also solicit reviews from other qualified experts, to assess the technical and programmatic merits of each ecosystem profile.

In addition to the above review processes, each ecosystem profile is shared with the CEPF Working Group for review and with other technical counterparts of these donor institutions, as relevant.

Once the draft document is finalized, each profile is then submitted to the CEPF Donor Council for approval. Each profile must be submitted 45 days prior to the Donor Council meeting at which it will be considered for approval, or 45 days prior to the no-objection deadline, if electronic approval is being requested. Comments from the review are discussed and responded to, and any necessary changes are made. Each profile must also be endorsed by the relevant GEF focal point before disbursement of funds in a given hotspot country can begin (see OM 5.3).

Implementation of the Ecosystem Profile

Funding for each hotspot is approved by the Donor Council in the form of an increase to the spending authority. The ecosystem profile is then made public on the CEPF website, www.cepf.net, and implementation can begin.

Information Requirements for Ecosystem Profiles

Each ecosystem profile shall include the following information, in such an order and with such emphasis as may be necessary within each hotspot:

Chapter 1. Introduction. This chapter describes the conservation imperative for the hotspot, introduces CEPF as a global program and gives a general overview of the hotspot. It describes the approach, conservation outcomes tool, and strategy development.

Map: This chapter will include a map of the hotspot.

Chapter 2. Background. This chapter describes the process behind the development of the profile, the stakeholder meetings, the donor consultations, and the partners involved.

Table: Dates and participant lists for all stakeholder workshops.

Chapter 3. Biological Importance of the Hotspot. This chapter describes the geography, climate, and biological history of the hotspot. The chapter provides a summary of species diversity, levels of endemism, and global threat status among major taxonomic groups in the hotspot. The focus is on those taxonomic groups for which data on global threat status are available. This chapter also describes major ecosystem services, including freshwater flows, support to food production, support to cultural services, carbon sequestration, and disaster mitigation, among others.

Table: Species diversity, endemism and threat status, by taxonomic group.

Table: Principal ecosystem services.

Chapter 4. Conservation Outcomes Defined for the Hotspot. This chapter describes and summarizes the conservation outcomes for the hotspot. Conservation outcomes represent the quantifiable set of species (i.e., globally threatened species), sites (i.e., KBAs), and higher-scale spatial units (i.e., conservation corridors) that are indispensable to conserving the global biodiversity values of the hotspot.

1. Species outcomes will be based on a comprehensive list of globally threatened species occurring in the hotspot, corresponding to categories critical (CR), endangered (EN), and vulnerable (VU) on the current IUCN Red List.
2. Site outcomes will be based on a comprehensive list, with accompanying maps, of KBAs for the hotspot, comprising all sites that meet the criteria defined in the Global Standard for the Identification of KBAs that can be identified based upon available information.
3. Corridor outcomes will be based on a comprehensive list, with accompanying maps, of conservation corridors: higher-scale spatial units necessary to maintain ecological and evolutionary processes at the landscape scale. Within this context, the chapter summarizes the ecosystem services provided by the natural ecosystems of the hotspot and describes their social and economic value. The text relates the importance of conservation corridors to the provision of specific ecosystem services.

The chapter will prioritize species, site, and corridor outcomes based upon explicit criteria agreed upon in advance by CEPF and the ecosystem profiling team. This analysis will, with the other chapters in the document, form the basis for defining the CEPF niche (Chapter 11). In general: species outcomes should be prioritized on the basis of criteria including global threat status, relative importance of the hotspot for the global conservation of the species, and need for species-focused conservation action; site outcomes (i.e. KBAs) should be prioritized following the methodology in the IUCN Guidelines on Identification and Gap Analysis of KBAs (Langhammer *et al.* 2007); and corridor outcomes should be prioritized on the basis of criteria including importance for wide-ranging (landscape) species, importance for the delivery of ecosystem services, and relative degree of habitat fragmentation.

This chapter should be specific about the relevance of improved human well-being as a determinant and result of positive conservation outcomes.

This chapter should also make specific links between conservation outcomes and relevant indicators in the CEPF Global Monitoring Framework.

Map: Site outcomes in the hotspot.

Map: Corridor outcomes in the hotspot.

Table: Summary of globally threatened species (species outcomes) in the hotspot.

Table: Summary of KBAs (site outcomes) in the hotspot.

Table: Summary of conservation corridors (corridor outcomes) in the hotspot.

Suitable data sources: IUCN Red List, World Database of Protected Areas; Alliance for Zero Extinction; World Database of KBAs.

Data collected by the team for this chapter will be used to prepare a *Conservation Outcomes* wall map. The team must submit the following as appendices to this chapter.

1. GIS layer of KBA polygons with attributes.
2. GIS layer of conservation corridors with attributes.
3. Species-site matrix (in Excel) listing species, ecosystems and biological processes that trigger the KBA criteria for each site.

Chapter 5. Socioeconomic Context of the Hotspot. This chapter provides an overview of the socioeconomic situation of the hotspot, an analysis of how this affects conservation outcomes, and how it could influence the strategic directions for CEPF actions. The chapter should provide information and analysis on human populations, including demographics, migration and

distribution trends (e.g., urban versus rural), and ethnic and indigenous distinctions, if relevant. The chapter should also discuss relevant social and economic facts, including poverty and welfare distribution, economic activities as they relate to natural resource use (e.g., agriculture, energy, fisheries, mining, forestry, etc.), and linguistic/social/religious distinctions that have relevance to civil society engagement and/or conservation. As relevant, there should be discussion of youth and underprivileged people, as either relate to conservation. There must be a distinct section on gender.

This chapter should not only include a general discussion of the private and agro-industrial sectors, but should be specific about the major actors and what they represent as either threats or partners in conservation.

This chapter should also make specific links between the socioeconomic context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework.

Tables: Multiple tables as relevant, including on key human and development statistics, demographic trends, active population share in main economic sectors, ecological footprint, rates of land use change, and/or relevant information on economic sectors that affect natural resources.

Chapter 6. Policy Context of the Hotspot. This chapter reviews and analyzes policies related to the environment with special emphasis on natural resources management and biodiversity conservation. The text reviews the political situation in each of the countries (or appropriate sub-regions), details economic development policies and strategies, and assesses how the policy context affects biodiversity conservation and could influence the strategic directions and modalities for CEPF investment. The chapter should provide:

1. A description of the legal status of sites and corridors: who owns them or which public agency is responsible for their management.
2. An overview of governance structures, level of decentralization, political conflicts, and security issues.
3. An overview of national, provincial, or other policies in relation to natural resources management (e.g., policies on protected areas, forestry, agriculture, fisheries, mining, wildlife management, road construction, housing, urban development).
4. An overview of the institutional policy framework for conservation, including description of the mandates and capacity of the principal agencies and authorities, biodiversity action plans, major national laws, and international conventions.
5. An overview of other policies and regulations related to the financing of conservation, including taxes, protected area revenue streams, licensing for resource use, and the creation of trust funds.
6. An overview of national, sub-national or other economic development policies in terms of their effect on biodiversity conservation, including an overview of local governance arrangements, as they relate to the control of natural resources.
7. Overview of political conditions and trends at national, sub-national, or local scales as they relate to conservation (e.g., political parties, leadership, popular movements) as well as geopolitical issues with significant implications for conservation.

8. An overview of the National Biodiversity Strategy and Action Plan (NBSAP) of each country.

This chapter should also make specific links between the policy context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework and/or establish some form of baseline data against which to measure future progress in relation to policy.

Chapter 7. Civil Society Context of the Hotspot. Civil society is the recipient of CEPF grants and as such, is CEPF's implementing agent. A central tenet of CEPF is that effective and sustainable conservation is better achieved with the engagement of civil society. This chapter must provide an extensive examination of primary and potential civil society actors and their potential direct or indirect role in conservation.

For the purposes of this chapter, CEPF defines civil society as all the national and international non-government actors that are relevant to the achievement of the conservation outcomes and strategic directions. This includes, at least, local and international conservation NGOs; economic and community development NGOs; scientific/research/academic institutions (including local universities); professional organizations; producer and sales associations; religious organizations; media; advocacy groups; outreach/education/awareness groups; formal and informal schools; social welfare agencies; indigenous groups and indigenous rights groups; land reform groups; and the parts of the private sector concerned with the sustainable use of natural resources.

The chapter should:

1. Describe the efforts of major conservation and development organizations, by name.
2. Summarize the efforts of smaller groups by appropriate classifications or geographic locales.
3. Describe formal and informal networks of civil society actors and their work.
4. Analyze the capacity (human resources, technical, financial) of different types of groups as this varies by location (e.g., by country), or focus area (e.g., community development, terrestrial management, water resources).
5. Analyze the operating environment for civil society in terms of legal framework, political space, funding availability, ability to register or convene a group, receive funding, report on income, or manage KBAs; and describe variations of these within sub-regions of the hotspot.
6. Describe gaps in the civil society framework (e.g., by location or issue) to inform whether the CEPF strategy will directly address these gaps or purposefully work around them.

This chapter should also make specific links between the civil society context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework.

Chapter 8. Threats to Biodiversity in the Hotspot. This chapter is a study on threats to biodiversity and their drivers in the hotspot. This chapter should include, at minimum, the following:

1. Assessment of the threats and root causes of threats that directly affect the conservation outcomes and the ecosystem's integrity, as well as a brief historic overview thereof.
2. Description of the possible solutions to overcome or at least mitigate the root causes of these threats.
3. Discussion of specific threats confronting specific species, sites, and corridors listed in the conservation outcomes chapter, to assist in the development of the CEPF strategy.
4. Description the principal actors involved and how these should change to support biodiversity conservation in the area (both threat actors and opportunity actors.)
5. Appropriate quantification or qualification of threats in order to establish some form of baseline data against which to measure future progress in relation to threat reduction.

This chapter should make specific links to the CEPF Global Monitoring Framework.

Chapter 9. Climate Change Assessment. This chapter should include, at minimum, the following:

1. Overview of the hotspot's climatic history and how this has shaped its biota.
2. Overview of projected impacts of climate change on human populations and biodiversity.
3. Description of the potential climate mitigation and adaption opportunities in the hotspot, including adequacy of the protected area systems to promote resiliency.
4. Review of policy responses, including major climate change initiatives, the extent to which climate change analyses and policies are in place for adaption and mitigation, and their efficacy in integrating biodiversity considerations and potential future needs.
5. Overview of the role of civil society in advancing climate change adaption and mitigation to date and key bottlenecks to their constructive engagement and potential responses.
6. Recommendations for strengthening policies and approaches for adaptation and mitigation for conservation and ecosystem service resiliency, with emphasis on fostering civil society engagement.
7. Potential impacts of the human response to climate change on protected areas, natural areas and biodiversity (e.g., displaced populations due to sea level rise or droughts, increased dependency on natural resources).

Chapter 10. Assessment of Current Conservation Investment. This chapter considers “conservation investment” to be both investment directly in such elements as creation of protected areas and restoration of natural ecosystems, as well as investment in economic development activities and local governance that effect proposed conservation outcomes. As

such, the chapter needs to discuss the work of traditional economic development funders and actors, or lack thereof, as it influences CEPF's niche for investment.

Further, the chapter needs to describe the work of the GEF Small Grants Program in each country, as well as the work of other funders that have or are planning investments in the hotspot.

This chapter should also:

1. Detail major efforts that have been or are being undertaken for biodiversity conservation in the hotspot by national, international, bilateral, public, and private sector actors.
2. Quantify levels of funding already provided by those actors.
3. Qualify where and why existing activities and investments are deemed to be insufficient or ineffective.
4. Distinguish between funding for formal public sector agencies as opposed to civil society.
5. Provide specific detail on funding provided by CEPF's donors in relation to conservation.
6. Discuss the relevance/role of donor funds for other sectors as it relates to biodiversity conservation (e.g., infrastructure projects that include environmental impacts; public sector reform projects that strengthen the capacity or change the role of environmental management authorities; decentralization programs that change the role of local authorities in relation to natural resource management; education or health programs that affect local behavior).
7. Map relationships between donors.
8. Identify function and incipient sustainable financing mechanisms (e.g., trust funds, debt swaps).
9. Identify gaps in conservation funding with respect to the conservation outcomes.

This chapter should make specific links to CEPF Global Monitoring Framework.

Chapter 11. CEPF Niche for Investment. Based on the preceding description of the conservation outcomes and investment context, this chapter identifies how CEPF investment will complement (and build upon) investments by other funders discussed in Chapter 10 and in relation to the needs and opportunities described in Chapters 4-9. The niche presages the investment strategy (Chapter 12) by implying the types of activities for which grant funding will be provided, the types of organizations to receive this funding, and the geographic focus of this work.

Chapter 12. CEPF Investment Strategy and Programmatic Focus. Based on the niche for CEPF investment, this chapter recommends specific investment priorities grouped into broad strategic directions. These are areas where CEPF can add most value or complement existing investments in biodiversity conservation, justified in terms of the current context for

conservation, past experience with conservation initiatives, and opportunities to complement and build upon current conservation investment.

The CEPF investment strategy will include a logical framework that incorporates CEPF's global indicators and relevant indicators specific to the hotspot in relation to the strategic directions and investment priorities. It is a distillation of CEPF's objectives for its grants in the hotspot and is used throughout the five year investment period as a portfolio monitoring tool. The logical framework sets out a negotiated and realistic set of targets commensurate with the spending authority approved by the Donor Council and, ideally, supplemented by additional funding leveraged from regional donors.

Targets in the logical framework should be framed by the Aichi Targets of the Strategic Plan on Biodiversity 2011-2020 and the targets of the United Nations Sustainable Development Goals.

Table: CEPF strategic directions and investment priorities for the hotspot.

Table: Priority KBAs and corridors in the hotspot.

Map: Priority KBAs and corridors in the hotspot.

Table: Logical framework with top-level objectives, targets, means of verification, and important assumptions and lower-level intermediate outcomes, intermediate indicators, means of verification, and important assumptions.

Chapter 13. Sustainability. This chapter describes how the proposed strategic directions will result in sustainable conservation outcomes.

References. This section includes complete citations for all references in the profile.

Appendices. Suggested appendices include but are not limited to:

1. Globally threatened species in the hotspot (i.e. Critically Endangered, Endangered and Vulnerable).
2. KBAs in the hotspot, with areas (in hectares) and protection status.
3. Conservation corridors in the hotspot, with areas (in hectares).
4. Biological prioritization (i.e., scoring or ranking) of species, sites, and corridors.
5. Ecosystem services and their contribution to economic development in the hotspot.
6. List of relevant civil society groups in the hotspot.
7. Major current external and internal investments in conservation in the hotspot.

Engaging the Private Sector

CEPF provides support to nongovernmental organizations and other civil society partners to conserve critical ecosystems. From its inception in 2000, CEPF has defined “civil society” broadly to include the private sector. The CEPF Financing Agreement explicitly states that CEPF shall provide strategic assistance to nongovernmental and private sector organizations for the protection of vital ecosystems.

CEPF has directly awarded grants to private sector partners to help implement its region-specific investment strategies. In the Cape Floristic Region of South Africa, for example, CEPF support to the South African Wine & Brandy Company enabled the company to lead implementation of a unique initiative that resulted in biodiversity guidelines being incorporated into the industry-wide system for South African wine production. In addition to following the guidelines for the sustainable production of wine, more than 80 participating cooperative cellars and winegrowers have set aside biodiversity-rich areas of their land for conservation. In other biodiversity hotspots, such as the Atlantic Forest, the Tropical Andes, the Succulent Karoo, and the Philippines, CEPF funding has facilitated the engagement of the private sector in diverse partnerships and approaches, from co-financing to direct implementation, contributing to biodiversity conservation.

CEPF will continue to recognize the important role that the private sector can play in biodiversity conservation and seek to further scale up its engagement of this sector together with other civil society actors.

As a first critical step, CEPF will further scale up its analysis and understanding of the private sector as a core part of the ecosystem profiling process for each new investment region. This will be undertaken as part of the CEPF commitment to include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats and opportunities.

The highly participatory profiling process identifies the conservation needs, gaps, opportunities, and the specific niche and investment strategy for CEPF to provide the greatest incremental value in each investment region. The process enables diverse stakeholders to develop a shared strategy from the outset based on the individual region’s needs and opportunities. The profiling process will enable identification, wherever possible, of specific niches for engagement with the private sector through various mechanisms including: dialogue to change policies and practices; development and dissemination of good practice guidelines; synergies and opportunities for private sector cofinancing; and incremental investments to small-scale business initiatives to enhance and monitor biodiversity impact.

Multiple ecosystem profiles developed to date have identified specific opportunities and strategies for engagement with the private sector. The Cape Floristic Region project example highlighted above is a direct result of the strategic need identified in the profile to promote innovative private sector involvement in critical landscapes. In the Atlantic Forest, where much of the land is privately held, CEPF also identified a strategic direction to increase the number of private protected areas. CEPF investments subsequently enabled a targeted program to assist more than 50 landowners in creating and improving

management of reserves on their private land. Recognized as official protected areas under Brazilian law, these private reserves complement the country's public protected areas system by connecting small and fragmented forest blocks and bringing additional priority land into the network of protected areas. Guided by the strategic directions and investment priorities identified in the profiles to date, CEPF funding has also helped create important contributions to biodiversity conservation from mining, logging, tourism, and other corporate interests in the hotspots. The East Melanesian Islands ecosystem profile, for example, specifically targets partnerships with private companies to promote sustainable development through better environmental and social practices in key natural resource sectors.

The profiling process is thus the first and most critical step in planning private sector engagement in a manner appropriate for any particular region. Information requirements for future profiling will more explicitly emphasize the need to identify private sector engagement opportunities. This emphasis will also build on the CEPF components identified in the Strategic Framework (FY 2008-2012) to (i) strengthen protection and management of globally significant biodiversity and (ii) increase local and national capacity to integrate biodiversity conservation into development and landscape planning, which is particularly targeted to biological corridors and more sustainable management in production landscapes.

As part of the first component, CEPF will focus on Key Biodiversity Areas and address threats to biodiversity across broad landscapes that include a matrix of land uses. Target areas will not be limited to formally designated protected areas and legal entities but will also include community and private lands that are managed for a conservation objective. This component also includes a subcomponent to support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation that will engage the private sector in implementation. As a core part of the mainstreaming component, CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling private sector actors to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. CEPF will build upon successful models from earlier years to promote collaboration with governmental partners and sectors such as agriculture, tourism, logging and mining, by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development.

As the profiles guide implementation at the regional level, the identified needs and opportunities to engage the private sector will become a key part of implementation. As the lead in implementing the ecosystem profiles, Regional Implementation Teams will play an important role by acting as an extension service to assist local actors in designing, implementing, and replicating successful conservation activities, including those initiatives proposed for direct implementation by or in partnership with the private sector.

Through its diverse donor partnership, CEPF also provides exciting opportunities for working with the private sector. For example, Conservation International facilitated a partnership between a CEPF grantee in the Western Ghats and Daikin Industries Ltd. Similarly, there are opportunities for collaboration with World Bank Group operations, including those of the International Finance Corporation.

Monitoring and evaluation of individual projects by the Regional Implementation Teams, and deriving and sharing lessons learned within, and across, hotspots will also help to identify increased opportunities for engagement with the private sector. The CEPF Secretariat will develop a global replication and dissemination strategy to expand and formalize information sharing and learning opportunities for analysis and documentation of lessons learned and best practices, including engagement with the private sector. New opportunities to engage the private sector and other key stakeholders may also be identified and incorporated during implementation.

DELETED

Regional Implementation Team Terms of Reference and Selection Process

Nongovernmental organizations selected to function as Regional Implementation Teams for the Critical Ecosystem Partnership Fund (CEPF) beginning in 2007 will provide strategic leadership for the program in each of the biodiversity hotspots approved for investment.

Each Regional Implementation Team (RIT) will consist of one or more civil society organizations active in conservation in the region. For example, 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 complementing its structure overseeing implementation, such as through an inclusive advisory committee.

The objective of the Regional Implementation Teams will be to convert the plans in the ecosystem profile into cohesive portfolios of grants, noting that these will contribute to CEPF's long-term goals for each hotspot (or sub-region). The ecosystem profiles will support the implementation of the long-term vision of the hotspot and the RIT and associated organizations will play a key role in becoming the stewards over the long-run of these long-term visions..

The teams will provide local knowledge and insights and will represent CEPF in each hotspot. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and political boundaries toward achieving the objectives described in the ecosystem profiles and any regionally appropriate long-term conservation and development visions.

The teams will operate in a transparent and open manner, consistent with the CEPF mission and all provisions of the CEPF Operational Manual.

Organizations that are members of the Regional Implementation Team will not be eligible to apply for other CEPF grants within the same hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, and subject to additional external review.

STAFFING

Staffing configurations may vary considerably depending on the size and number of countries in each hotspot. At a minimum, it is expected that each RIT have two full time staff to perform the roles of Team Leader and Small Grants Manager.

TERMS OF REFERENCE

Component 1. Coordinate CEPF investment in the hotspot

Functions

1. Serve as the field-based technical representative for CEPF in relation to civil society groups, grantees, international donors, host country governments and agencies, and other potential partners within the hotspot.
2. Ensure coordination and collaboration with CEPF's donors, in coordination with the CEPF Secretariat and as appropriate in the hotspot.
3. Promote collaboration and coordination, and opportunities to leverage CEPF funds with local and international donors and governments investing in the region, via donor roundtables, experiential opportunities or other activities.
4. Engage conservation and development stakeholders to ensure collaboration and coordination.
5. Attend relevant conferences/events in the hotspot to promote synergy and coordination with other initiatives.
6. Build partnerships/networks among grantees in order to achieve the objectives of the ecosystem profile.

Component 2. Support the mainstreaming of biodiversity into public policies and private sector business practices

Functions

1. Support civil society to engage with government and the private sector and share their results, recommendations, and best practice models.
2. Engage directly with private sector partners and government officials and ensure their participation in implementation of key strategies.

Component 3. Communicate the CEPF investment throughout the hotspot

Functions

1. Communicate regularly with CEPF and partners about the portfolio through face-to-face meetings, phone calls, the internet (website and electronic newsletter) and reports to forums and structures.
2. Prepare a range of communications products to ensure that ecosystem profiles are accessible to grant applicants and other stakeholders.
3. Disseminate results via multiple and appropriate media.
4. Provide lessons learned and other information to the Secretariat to be communicated via the CEPF website.
5. Conduct exchange visits with other RITs to share lessons learnt and best practices.

6. In coordination with the CEPF Secretariat, ensure communication with local representatives of CEPF's donors.

Component 4. Build the capacity of local civil society

Functions

1. Undertake a capacity needs assessment for local civil society.
2. Support implementation of a long-term strategic vision for the hotspot geared toward enabling civil society to “graduate” from CEPF support.
3. Assist civil society groups in designing projects that contribute to the achievement of objectives specified in the ecosystem profile and a coherent portfolio of mutually supportive grants.
4. Build institutional capacity of grantees to ensure efficient and effective project implementation.
5. Build capacity of civil society to engage with and influence government agencies.
6. Build capacity of civil society to engage with and influence the private sector.

Component 5. Establish and coordinate a process for large grant proposal solicitation and review

Functions

1. Establish and coordinate a process for solicitation of applications.
2. Announce the availability of CEPF grants.
3. Publicize the contents of the ecosystem profile and information about the application process.
4. With the CEPF Secretariat, establish schedules for the consideration of proposals at pre-determined intervals, including decision dates.
5. Establish and coordinate a process for evaluation of applications.
6. Evaluate all Letters of Inquiry.
7. Facilitate technical review of applications (including, where appropriate, convening a panel of experts).
8. Obtain external reviews of all applications over \$250,000.
9. Decide jointly with the CEPF Secretariat on the award of all grant applications.
10. Communicate with applicants throughout the application process to ensure applicants are informed and fully understand the process.

Component 6. Manage a program of small grants of ≤\$20,000 (\$50,000 or less in select approved regions)

Functions

1. Establish and coordinate a process for solicitation of small grant applications.
2. Announce the availability of CEPF small grants.
3. Conduct due diligence to ensure sub-grantee applicant eligibility and capacity to comply with CEPF funding terms.
4. Convene a panel of experts to evaluate proposals.
5. Decide on the award of all grant applications of \$20,000 or less (\$50,000 or less in select approved regions).
6. Manage the contracting of these awards.
7. Manage disbursement of funds to grantees.
8. Ensure small grant compliance with CEPF funding terms.
9. Monitor, track, and document small grant technical and financial performance.
10. Assist the Secretariat in maintaining the accuracy of the CEPF grants management database.
11. Open a dedicated bank account in which the funding allocated by CEPF for small grants will be deposited, and report on the status of the account throughout the project.
12. Ensure that grantees complete regular (based on length of the project) technical and financial progress reports.
13. Prepare semi-annual summary report to the CEPF Secretariat with detailed information of the Small Grants Program, including names and contact information for all grantees, grant title or summary of grant, time period of grants, award amounts, disbursed amounts, and disbursement schedules.

Component 7. Monitor and evaluate the impact of CEPF's large and small grants

Functions

1. Collect and report on data for portfolio-level indicators (from large and small grantees) annually as these relate to the logical framework in the ecosystem profile.
2. Collect and report on relevant data in relation to CEPF graduation criteria for the hotspot.
3. Collect and report on relevant data for CEPF's global monitoring indicators.
4. Ensure quality of performance data submitted by large and small grantees.
5. Verify completion of products, deliverables, and short-term impacts by grantees, as described in their proposals.
6. Support grantees to comply with requirements for completion of tracking tools, including the Management Effectiveness Tracking Tool.
7. In coordination with CEPF Secretariat, conduct a mid-term assessment and a final assessment of portfolio progress (covering large and small grants).
8. Conduct regular site visits to large and small grantees to monitor their progress and ensure outreach, verify compliance and support capacity building.
9. Provide guidance to grantees for the effective design and implementation of safeguard policies to ensure that these activities comply with the guidelines detailed in the CEPF

Operations Manual and with the World Bank’s environmental and social safeguard policies. Provide additional support and guidance during the implementation and evaluation cycles at regular field visits to projects.

10. In coordination with CEPF Secretariat, conduct a final assessment of portfolio progress and assist with preparation of report documentation.

Component 8. Lead the process to develop, over a three-month period, a long-term strategic vision for CEPF investment

Functions

1. Mobilize expertise and establish an advisory group to ensure that the long-term vision engages with appropriate stakeholders.
2. Undertake a review of relevant literature to ensure alignment of the long-term vision with other initiatives and avoid duplication of effort.
3. Consult with key stakeholders to solicit their input into the development of the long-term vision.
4. Synthesize the results of the literature review and stakeholder consultations into a long-term strategic vision document.
5. Present the draft long-term vision to key stakeholders and revise the document according to their comments.
6. Prepare a progress report for presentation to the CEPF donors’ Working Group.

Component 9. Reporting

Functions

1. Participate in initial week of RIT training.
2. Participate in two “supervision missions” per year; each to include at least two days in the office and a visit to grantees in the field (approximately two weeks).
3. Prepare quarterly financial reports and six-monthly technical reports.
4. Respond to CEPF Secretariat requests for information, travel, hosting of donors and attendance at a range of events to promote CEPF.

SELECTION PROCESS

The teams will be chosen on a transparent and competitive basis.

A request for proposals will be distributed widely by the CEPF Secretariat. This will include direct distribution to all stakeholders who participated in the ecosystem profiling process for the region, publicizing the request for proposals on the CEPF global Web site and in the CEPF e-newsletter, and encouraging CEPF donor partners and well-known organizations both internationally and within the region to distribute the announcement through their regional networks.

The call for proposals will detail the opportunity presented to lead implementation in the relevant hotspot, and will include the Terms of Reference, criteria for evaluation, and a closing date for the receipt of proposals by the CEPF Secretariat. It will also include the maximum budget amount allocated for the Regional Implementation Team in the region and a link to the approved ecosystem profile on the CEPF Web site, www.cepf.net.

Applicants will be required to submit a proposal in the approved CEPF application template, including detailed project objectives (goal, purpose, outputs), the organization's comparative advantage in carrying out the role as a Regional Implementation Team, and clear performance indicators. In addition, the proposal must include a detailed budget, logical framework and five-year work plan and identify a single regional coordinator who will be principally responsible for carrying out these plans.

The Secretariat will analyze and rank the applications using the criteria described below. To maintain an open and objective selection process, any potential advantage gained as a result of involvement in creating the CEPF ecosystem profile for the region will not be considered as part of the assessment.

The Secretariat will present the applications and its analysis to the CEPF Working Group, which will develop a recommendation for the CEPF Donor Council. The final selection will be approved by the Donor Council.

Criteria for Evaluating Applications

In assessing applications, the following capabilities will be considered:

1. Programmatic Capacity/Experience: Successful applicants will be nongovernmental organizations presenting substantial experience in biodiversity conservation in the region. Applicants should present a clear and compelling justification for their application. This should include how their institutional strategy would be advanced by the organization's stewardship of the CEPF strategy and would help to ensure sustainability of results beyond the CEPF implementation period. Other important indicators will include:

- A mission statement that is congruent with the objectives and priorities identified for the region in the ecosystem profile.
- Proposed key personnel, including their qualifications and proposed roles.
- An acknowledged position of leadership within the region's civil society sector.
- Demonstrated experience in working with partners (such as NGOs, community organizations, and the private sector) to improve the effectiveness of conservation programs.
- Demonstrated commitment to strengthening other less developed civil society organizations.
- Well-established professional relationships with national and local government agencies and other sectors in the region.
- Ability to represent and widely communicate the CEPF mission, objectives, and opportunities, as well as experiences, lessons learned, and results.
- A strong commitment to monitoring and evaluation as indicated by functioning systems to monitor and evaluate the applicant's own programs.
- An existing sustainable conservation program in the region, demonstrated by its duration and record of support by other donors.

2. Administrative Capacity/Experience: A sound and tested financial and administrative system will be a key area for assessment in each application. Applicants should describe in detail their existing administrative and financial structures and how these structures would support effective and efficient implementation work. Among the financial and administrative factors for consideration are:

- Demonstrated ability to track, record, and account for funds received and disbursed.
- Segregation of duties. (For example, the person who makes the grant cannot be the same person who approves the payments or authorizes disbursement).
- Defined administrative/financial roles and a chart indicating the leadership and employee structure of the organization.
- Regular completion of reconciliations of money received and disbursed, in comparison with bank statements.
- Internal controls and objective criteria that guide the review of payment requests and other invoices.

- Systematic record keeping.
- Fraud and embezzlement safeguards.
- Ability to carry out the CEPF mission using locally appropriate languages in work with applicants and government officials, and to use English for all evaluations of proposals and reporting on grantee performance.
- Certified audits conducted on an annual basis with no material findings. Two most recent audits should be provided as part of the proposal.

Applicants should detail how they would adapt or expand their own administrative systems to enable effective award, management, and monitoring of individual grants of \$20,000 or less (\$50,000 or less in select approved regions).

Grant-Making Process

CEPF has a comprehensive grant application and management system that enables online access to the suite of CEPF application and reporting templates as well as key proposal and project reporting information.

Ecosystem Profiles developed together with stakeholders will guide applicants in applying for grants as well as the award of grants¹⁹ by the CEPF Secretariat and Regional Implementation Teams²⁰. The investment strategies of each profile will be organized into the various elements of work for which CEPF is seeking proposals.

All profiles will be placed on the CEPF Web site, where applicants may access instructions about submitting a *CEPF Letter of Inquiry*²¹ for a large grant or a small grant. Applicants select a strategic direction from the profile for which they wish to apply and describe their proposed project. Submission of the Letter of Inquiry begins the *Grant Decision-Making Process*²².

If the Letter of Inquiry is satisfactory, and the applicant requests a small grant, additional forms are not required other than an anti-terrorism screening form that successful applicants will submit to their RIT who will in turn send the form to CEPF for processing. If the Letter of Inquiry is satisfactory and the applicant requests a large grant²³, the applicant will be invited to complete the *CEPF Project Proposal*²⁴ as well as a *Financial Questionnaire*²⁵ (including the documents referenced within) and an *Anti-Terrorism Screening Form*²⁶. A *Risk Assessment*²⁷ will be carried out based on the submitted financial questionnaire to determine the level of monitoring and reporting required.

If the project is approved, a *Grant Agreement*²⁸ will be generated and signed by both parties. Procedures for managing approved grants are summarized in Section 4.5.

¹⁹ The Ecosystem Profiles and information requirements are described in 4.1

²⁰ The Regional Implementation Team Terms of Reference and Selection Process are found in Section 4.3

²¹ The Letter of Inquiry template is found in Section 4.4.1

²² A detailed description of the decision-making process is found in Section 4.4.3

²³ The terms small grant and large grant are defined in Section 2.1

²⁴ The Project Proposal is found in Section 4.4.2

²⁵ The Financial Questionnaire is found in Section 4.4.4

²⁶ The Anti-Terrorism Screening Form is found in section 4.4.5

²⁷ The Risk Assessment model is found in Section 4.4.6

²⁸ The Grant Agreement is found in Section 4.4.7 and 4.4.8

Letter of Inquiry

The below is copied from CEPF's online system, Conservation Grants.

LOI Instructions

Welcome to the CEPF Grantee Portal!

CEPF requires that all applicants submit a Letter of Inquiry (LOI) using this online form. Applicants that successfully pass the LOI stage will be invited to submit a full proposal.

A few important notes regarding this portal:

- You can navigate through the gray tabs at the top of the screen in any order.
- You must click Save before exiting a tab. Click Save & Next if you are done with one tab and ready to move to the next.
- Avoid using your browser navigation buttons as you may lose your work.
- You may save your work before formal submission and resume editing at a later time.
- Once the LOI has been submitted, you cannot make changes.
- If you have not already, take the eligibility quiz to ensure your proposed project meets CEPF criteria. Note that CEPF does not fund the capitalization of trust funds, the purchase of land, the involuntary resettlement of people, or the removal or alteration of any physical cultural property.
- In responding to the questions, follow the guidance in the call for proposals to which you are applying. Provide supporting documents—such as maps or letters of community support—as uploads, where relevant. Note that CEPF does not fund the capitalization of trust funds, the purchase of land, the involuntary resettlement of people, or the removal or alteration of any physical cultural property.
- If you would like others within your organization to work on parts of the LOI, add those people via the Collaborators tab.

Once all of the tabs of the LOI have been completed, submit the LOI by clicking Review/Submit near the top right corner of the screen. You will receive an automated email once your LOI has been successfully submitted.

Be sure to submit your LOI before the deadline indicated in the call for proposals. Once the deadline has passed, your application will be locked for editing and considered withdrawn.

For more information, refer to the call for proposals.

To start completing your LOI, click Save & Next below.

Collaborators

Use the +Invite New Members button to invite people within your organization to register on the CEPF portal and allow them to view and edit the LOI.

Use the +Search/Add Members button to search for people within your organization with existing CEPF portal accounts to allow them to view and edit this LOI.

About Organization

Complete the following information about your organization. Note that the organization name defaults from your grantee and application portal account. Please contact grants@cepf.net if the organization's name is incorrect.

Applicant Organization Name from Registration:

Organization Legal Name (Long)

Enter your organization's legal name if it is longer than 80 characters.

Short Name/Acronym:

Total Permanent Staff:

Organization Type:

CEPF defines a "local organization" to be one that is legally registered in a country within the hotspot where the project will be implemented and that has an independent board of directors or other similar type of independent governing structure. Organizations not fulfilling these two criteria are considered international organizations.

Organization Status:

Select the most accurate description of the organization.

Year Organization Established:

Website:

Official Email:

Mailing Address:

Official Mailing Address:

Physical Address: if different from mailing address above.

Chief Executive Officer (CEO):

Title:

Given Name:

Family Name:

Country:

CEO Telephone Number:

CEO Country Code:

CEO Email:

History and Mission Statement:

Provide a brief description of your organization's history and mission.

Ineligible Recipients of Funds

Government agencies, and organizations controlled by government agencies, are not eligible to receive CEPF funding. Answer the following questions and upload the relevant documentation to support your answers (if applicable) by clicking Choose File at the bottom of this page.

Do you represent, or is your organization controlled by, a government agency?

Government-owned enterprises or institutions are eligible only if they can answer yes to the following questions. (Submit the relevant documents, if applicable, to support your answers)

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution has a legal personality independent of any government agency or actor?

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution has the authority to apply for and receive private funds?

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution may not assert a claim of sovereign immunity?

Upload any documents about your organization here.

You may add one or multiple files. To add a file,

Step 1: Click Choose File.

Step 2: Select the file you want to upload

Step 3: Click Upload

Basic Project Information

Hotspot:

Project Title:

Suggest a project title in English using 10 words or fewer.

Countries:

Select only countries eligible under the current call for proposals.

Does the project take place in a protected area?

If you answered yes, add the protected area information in the Protected Areas tab.

Strategic Direction:

Enter the single strategic direction this proposal aims to address. Use the exact number (Strategic Direction 1, Strategic Direction 2, etc.) and wording from the ecosystem profile for this region found at www.cepf.net.

Corridor(s):

If the project addresses the conservation of one or more conservation corridors listed in the ecosystem profile, give the name(s) of the corridor(s).

Conservation corridors are interconnected landscapes of sites, important for the persistence or biodiversity at scales higher than that of the individual site. CEPF projects do not have to address the conservation of one or more corridors, unless this is an explicit condition of the call for proposals. Refer to the call for proposals for further details, and the relevant ecosystem profile for a full list and map of corridors in the hotspot.

Key Biodiversity Area(s):

If the project addresses the conservation of one or more Key Biodiversity Areas (KBAs) listed in the ecosystem profile, give the name(s) of the KBA(s).

Key Biodiversity Areas (KBAs) are internationally important sites for the persistence of biodiversity. CEPF projects do not have to address the conservation of one or more KBAs, unless this is an explicit condition of the call for proposals. Refer to the call for proposals for further details, and the relevant ecosystem profile for a full list and map of KBAs in the hotspot.

Protected Areas

List any protected areas that the project activities will work in.

To do so, Click +New and follow the instructions in the new window.

If the protected area does not exist in the database, Click Next and add it in the Additional Locations tab.

Additional Locations

If the project will work anywhere that is not a CEPF priority corridor, priority KBA or an Official Protected Area, use this tab to explain where it will take place.

Note you can add one or more locations in this tab by pressing the +New button for each location. For each location you may enter the following information:

1. Location Name
2. Description of your project location. Include a link to an appropriate Google Earth map (if possible)
3. Latitude
4. Longitude

After adding all locations, click Next. If you need to edit an existing entry, click on the Edit link in the Action Column next to the record you want to edit. To remove a location, click on the Delete link in the Action Column next to the record you want to delete.

Project Concept

Duration (Months):

Project Rationale:

Describe the conservation need addressed by the project (i.e., key threats and/or important opportunities). Explain what would happen if the project were not implemented.

Project Approach:

How will the project address the problem identified above? Describe the activities the project will implement.

Project Impacts:

List the impacts your project will seek to achieve in terms of biodiversity, human well-being, civil society capacity and/or enabling conditions for conservation. Be as specific and quantitative as possible.

Link to CEPF Investment Strategy:

Describe how the project advances the goals of the ecosystem profile. Reference the strategic directions, investment priorities, and the logical framework.

Project's Long-term Sustainability:

Describe how the results of the project will continue or be replicated after CEPF funding ends.

Organizational Strengths:

Provide a brief statement describing why your organization is best suited to undertake this project. (For example, your organization may have long-standing efforts in the area or have been invited by local stakeholders.)

Upload any additional support documents related to the project concept.

You may add one or multiple files. To add a file,

Step 1: Click Choose File button.

Step 2: Select the file you want to upload

Step 3: Click Upload.

Safeguard Questions

The following questions help CEPF determine if the project triggers any social or environmental safeguards. CEPF is required to assess all applications to determine if safeguards are triggered, and if so, whether or not appropriate mitigation measures need to be included in project design and implementation. Selecting “yes” to any of the questions below will not necessarily prevent the project from being funded. For further information regarding CEPF's application of safeguards please refer to this link. If you answer Yes to one or more of the following questions, provide detailed information in the Safeguard Mitigation Comments field at the bottom of the tab.

Will the proposed project support any physical construction or building of trails?

Construction may include dredging, excavating or grading of land or shoreline using machinery; activity associated with the building or rehabilitation of structures (e.g., patrol stations, walls and shoreline structures); or major interior renovations within existing structures requiring building permits under local law.

Will the proposed project support any forestry activities?

Will the proposed project support activities in an area used or inhabited by Indigenous Peoples?

Will the proposed project involve activities that are likely to have adverse impacts on the local community?

Will the proposed project result in the strengthened management of a protected area?

Will the proposed project result in reduced or restricted access to the resources in a protected area?

Will the proposed project result in removal or eviction of anyone from a protected area?

Will the proposed project involve use of herbicides, pesticides, insecticides or any other poison?

Will the proposed project include any activities that might impact the health or safety of project staff or other people associated with the project?

Will the proposed project involve the removal or alteration of any physical cultural resources (defined as movable or immovable objects, sites, structures and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance)?

If you have answered "yes" to any of the above questions, give details below.

Partners and Stakeholders

Tell us who, outside of the application organization, will be responsible for the success of the project. This includes both individual-named people or positions as well as organizations, agencies or community bodies.

CEPF defines Partners to be organizations responsible for implementation of project activities while Stakeholders are other actors that benefit from or influence project outcomes.

Click + New to add a new partner or stakeholder. After you have added all partner and stakeholders, click Next. If you need to edit an existing entry, click on the Edit link in the Action Column next to the record. To remove a Partner or Stakeholder, click on the Delete link in the Action column next to the record you want deleted.

Budget

Provide a budget of planned project expenses. If you are invited to submit a full proposal, CEPF will provide you with further guidance on budget line items, budget justification, allowable costs, and limits on certain costs.

Note the following:

Amounts should be entered in US dollars

Salaries and Benefits: If an amount is requested, provide information on staff involved in this project (to the extent possible)

Consultancies and Professional Services: If an amount is requested, provide information on consultants or service providers involved in this project (to the extent possible)

Furniture and Equipment: If an amount is requested, provide information on furniture items, construction materials and vehicles that will be purchased for this project (to the extent possible)

Management Support Costs: Cover those organizational expenses that are necessary to implement the project but have not been included as a direct cost. Management Support Costs may be used to pay administrative costs of up to 13% of total direct costs, less any subgrants.

Should your application be approved, you will need to demonstrate how those costs are calculated and what functions they cover.

Subgrants: If an amount is requested, provide information on subgrants planned for this project (to the extent possible)

Salaries and Benefits Subtotal in US\$:

Salaries and Benefits Comments:

If an amount is requested, provide information on staff involved in this project (to the extent possible).

Consultancies and Professional Services Subtotal in US\$:

Consultancies and Professional Services Comments:

If an amount is requested, provide information on consultants or service providers involved in this project (to the extent possible).

Office Rent and Utilities Subtotal in US\$:

Office Rent and Utilities Comments:

Telecommunications Subtotal in US\$:

Telecommunications Comments:

Postage and Delivery Subtotal in US\$:

Postage and Delivery Comments:

Supplies Subtotal in US\$:

Supplies Comments:

Furniture and Equipment Subtotal in US\$:

Furniture and Equipment Comments:

If an amount is requested, provide information on furniture items, construction materials, and vehicles that will be purchased for this project (to the extent possible).

Maintenance Subtotal in US\$:

Maintenance Comments:

Travel Subtotal in US\$:

Travel Comments:

Meetings and Special Events Subtotal in US\$:

Meetings and Special Events Comments:

Bank Fees and Insurance Subtotal in US\$:

Bank Fees and Insurance Comments:

Management Support Costs Subtotal in US\$:

Management Support Costs Comments:

Management Support Costs cover those organizational expenses that are necessary to implement the project but have not been included as a direct cost. Management Support Costs may be used to pay administrative costs of up to 13% of total direct costs, less any subgrants. Should your application be approved, you will need to demonstrate how those costs are calculated and what functions they cover.

Subgrants Subtotal in US\$:

Subgrants Comments:

If an amount is requested, provide information on subgrants planned for this project (to the extent possible).

Total LOI Budget Amount in US\$:

This is the sum of the above budget lines. It is updated whenever the LOI is saved.

\$0.00

Other Attachments

You may add one or multiple files. To add a file:

Step 1: Click Choose File

Step 2: Select the file you want to upload

Step 3: Click Upload

Project Proposal

The below is copied from CEPF's online system, Conservation Grants.

Proposal Instructions

Congratulations on being invited to submit a full Proposal to CEPF!

You can navigate through the gray tabs at the top of the screen in any order. Once you begin to populate your Proposal form, be sure to click Save regularly or click Save and Next if you are done with one tab and ready to move to the next tab. You may save your work on the proposal before formal submission and resume editing at a later time. Note that, once the proposal has been submitted, you will no longer be able to edit it.

In responding to the questions, please follow the guidance provided by CEPF team in order to facilitate the evaluation of your proposal. Provide supporting documents, such as maps or letters of community support, as uploads, where relevant.

If you want others within your organization to work on parts of the proposal, add those people via the Collaborators tab.

Once all of the tabs of the proposal have been completed, you may formally submit it by clicking Review/Submit near the top right corner of the screen. You will receive an email notification from the system once your proposal has been successfully submitted.

For more information, please contact the CEPF Team.

To start filling in your proposal, click Save & Next below.

Collaborators

Use the +Invite New Members button to invite people within your organization to register on the CEPF portal and allow them to view and edit the Proposal.

Use the +Search/Add Members button to search for people within your organization with existing CEPF portal accounts to allow them to view and edit this Proposal.

About Organization

Complete the following information about your organization. Note that the organization name defaults from your grantee and application portal account. Please contact grants@cepf.net if the organization's name is incorrect.

Applicant Organization Name from Registration:

Organization Legal Name (Long)

Enter the legal name of your organization if it exceeds more than 80 characters

Short Name/Acronym:

Total Permanent Staff:

Organization Type:

CEPF defines a "local organization" to be one that is legally registered in a country within the hotspot where the project will be implemented and that has an independent board of directors or other similar type of independent governing structure. Organizations not fulfilling these two criteria are considered international organizations.

Organization Status:

Select the most accurate description of the organization.

Year Organization Established:

Website:

Official Email:

Mailing Address:

Official Mailing Address:

Physical Address: if different from mailing address above.

Chief Executive Officer (CEO)

Title:

Given Name:

Family Name:

Country:

CEO Telephone Number:

CEO Country Code:

CEO Email:

History and Mission Statement:

Provide a brief description of your organization's history and mission.

Ineligible Recipients of Funds

Government agencies, and organizations controlled by government agencies, are not eligible to receive CEPF funding. Answer the following questions and upload the relevant documentation to support your answers (if applicable) by clicking Choose File at the bottom of this page.

Do you represent, or is your organization controlled by, a government agency?

Government-owned enterprises or institutions are eligible only if they can answer yes to the following questions. (Submit the relevant documents, if applicable, to support your answers)

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution has a legal personality independent of any government agency or actor?

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution has the authority to apply for and receive private funds?

If your organization is a government-owned enterprise or institution, can it clearly establish that the enterprise or institution may not assert a claim of sovereign immunity?

Upload any documents about your organization here.

You may add one or multiple files. To add a file,

Step 1: Click Choose File.

Step 2: Select the file you want to upload

Step 3: Click Upload

Basic Project Information

Hotspot:

Project Title:

Suggest a project title in English using 10 words or fewer.

Countries:

Select only countries eligible under the current call for proposals.

Does the project take place in a protected area?

If you answered yes, add the protected area information in the Protected Areas tab.

Strategic Direction:

Enter the single strategic direction this proposal aims to address. Use the exact number (i.e., Strategic Direction 1, Strategic Direction 2, etc.) and wording from the region's ecosystem profile for this region found here www.cepf.net.*

Corridor(s):

If your project addresses the conservation of one or more conservation corridors listed in the ecosystem profile, give the name(s) of the corridor(s) here:

Key Biodiversity Area(s):

If your project addresses the conservation of one or more Key Biodiversity Areas (KBAs) listed in the ecosystem profile, give the name(s) of the KBA(s):

Select taxonomic group(s)

Select any taxonomic groups that are a major focus of the project.

Select a habitat.

Select the main habitat where the project takes place. To view a list of the habitat types with definitions, examples of alternative habitat terms especially those used in different parts of the world, and guidance notes on using the classification, kindly refer to IUCN Habitat Classification Scheme [here](#)

Protected Areas

If the project activities are in one or more protected areas, enter them one by one in this tab.

To do so, press on the +New and enter your protected area Official Name and press Save.

If the protected area does not exist in our database, click next below and add it in the Additional Locations tab.

Additional Locations

If the project will work anywhere that is not a CEPF priority corridor, priority KBA or a Protected Area, use this tab to explain where it will take place.

Note you can add one or more locations in this tab by pressing the +New button for each location. For each location you may enter the following information:

1. Location Name
2. Description of your project location. Include a link to an appropriate Google Earth map (if possible)
3. Latitude
4. Longitude
5. Precision

After adding all locations, click Next. If you need to edit an existing entry, click on the Edit link in the Action Column next to the record you want to edit. To remove a location, click on the Delete link in the Action Column next to the record you want to delete.

Project Concept

Duration (Months)

Project Start Date - Date has to be the first day of the month. (Format date: MM/DD/YYYY)

Project Rationale:

Describe the conservation need addressed by the project (i.e., key threats and/or important opportunities). Explain what would happen if the project were not implemented.

Project Approach:

How will the project address the problem identified above? Describe the activities the project will implement.

Project Impacts:

List the impacts the project will seek to achieve in terms of biodiversity, human well-being, civil society capacity and/or enabling conditions for conservation. Be as specific and quantitative as possible.

Link to CEPF Investment Strategy:

Describe how the project advances the goals of the ecosystem profile. Make reference to the strategic directions and investment priorities in the CEPF investment strategy for the hotspot.

Project Long-term Sustainability:

Describe how the results of the project will continue or be replicated after CEPF funding ends.

Organizational Strengths:

Describe why your organization is best suited to undertake this project (e.g. if it has long-standing efforts in the area).

Stakeholder Engagement:

Describe any relevant consultations you have had or partnership agreements you have made with external stakeholders regarding the project.

Project Assumptions and Risks:

Describe the proposed strategy and actions of the project in response to the conservation need stated above, including a summary of project objectives, components, and key activities (if available at this stage).

Social Context:

Describe the broad socio-economic context of the project area. Describe how the project will work in this context and with local communities, if relevant.

Upload any additional support documents related to the project concept

You may add one or multiple files. To add a file:

Step 1: Click Choose File

Step 2: Select the file you want to upload

Step 3: Click Upload

Components, Deliverables and Activities

Components

Use the "New Component" button to create one or more components that will be used to structure the project.

Deliverables

Use the "Add Deliverable" button to create specific project deliverables under each component. Deliverables should be tangible outputs that demonstrate that an expected result has been achieved (e.g. reports, maps, government decisions, etc.).

Activities

Use the "Add Activity" button to create time-based activities under each component. Specify the start and end date of each activity. These dates should be within the project term. Activities are actions that your team will take to achieve a deliverable. For example, if your deliverable is a "report," then your activity might be research, consultations, or other work to write the report.

Review Components

Review components that will be used to structure the project.

Review Deliverables

Use this tab to review specific project deliverables organized by your components.

Activities

Review time-based activities that link to your deliverables and components.

Impacts

Impacts should include quantitative measures in the statement when possible.

In order to aggregate the results of CEPF grants at portfolio and global levels, CEPF uses a set of Key Indicators. The proposed project is being considered for support because it contributes to specific Key Indicators. When defining the expected impacts of the project, refer to the list available on the &Key Indicators tab, and ensure that each Key Indicator listed is addressed by at least one project impact.

To add an impact, press +New.

Key Indicators (KI)

In order to aggregate the results of CEPF grants at portfolio and global levels, CEPF uses a set of Key Indicators. The proposed project is being considered for support because it contributes to the following Key Indicators.

When defining the expected impacts of your project in the Impact tab, refer to this list, and ensure that each Key Indicator below is addressed by at least one project impact.

Red List Species

If the project activities are working to protect one or more globally threatened species, add the species from the IUCN Red List Database on this tab.

To do so, click +New and follow the directions on that page to select the red list species.

Project Actors

Indicate who will be responsible for the success of your project. This includes both individual named people or positions as well as organizations, agencies, or community groups.

Note that Partners and Stakeholders that were entered on the LOI are displayed below. Click the Edit link to provide additional information as required.

Budget

1. Refer to our budget guidance accessible [here](#) for details on how to complete each of the budget line items below.
 2. Press [here](#) to download the detailed budget template. Upload the completed template to the “Other Attachments” tab of the proposal (at the top right of the screen). This is a required form.
 3. Please do not click the Generate Budget button, until directed by CEPF. You will be directed to do this once the budget is close to being finalized.
- Once directed to do so by CEPF, ensure your start and end date are populated automatically below. If correct dates are not displayed, please enter this information in the "Project Concept" tab first and return to this tab.
 - Once directed to do so by CEPF, press on the blue Generate Budget button. This will generate a column for each calendar year of your project.
 - Enter amounts of planned project expenses, in US Dollars (US\$), in each line item as appropriate, using the data from your completed detailed budget upload. If any budget lines are not needed, leave the “0” in the cell. Include in this budget only those items for which CEPF funding will be used. Any co-funding/in-kind may be entered on the “Leveraged Funding” tab of the proposal.
 - Enter any comments in the “Comment” box for the relevant budget line item.

<u>Grantee Budget Category</u>	<u>Amount per year</u>	<u>Comments</u>
Salaries and Benefits		
Consultancies and Professional Services		
Furniture and Equipment		
Supplies		
Travel and Special Events		
Occupancy (Office Rent and Utilities)		
Telecommunications		
Postage and Delivery		
Maintenance		
Bank and Insurance Fees		
Management Support Costs		
Subgrants		

Additional Funding

Provide details of any additional funding that supported this project.

Total Amount of Additional Funding (\$USD)

Provide a breakdown of additional funding:

Provide a breakdown of additional funding (counterpart funding and in-kind) by source.

Other Attachments

Upload the detailed budget that is referenced on the Budget tab of the proposal

Step 1: Click Choose File

Step 2: Select the file you want to upload

Step 3: Click Upload

Grant Decision-Making Process

The Critical Ecosystem Partnership Fund (CEPF) grant decision-making process is based on the evaluation of proposals in accordance with the objectives and strategies of the Fund and the relevant ecosystem profile. Proposals that target direct global environmental benefits and meet the following eligibility criteria are welcome:

- Project is located in an approved hotspot
- Project is located in a country that is not excluded by U.S. law
- Project supports a strategic direction outlined in the relevant CEPF ecosystem profile and investment strategy
- Grant applicant is authorized under relevant national laws to receive charitable contributions
- Government-owned enterprises or institutions are eligible only if they can establish i) that the enterprise or institution has a legal personality independent of any government agency or actor, ii) that the enterprise or institution has the authority to apply for and receive private funds, and iii) that the enterprise or institution may not assert a claim of sovereign immunity.
- Grant will not be used for the purchase of land, involuntary resettlement of people, or activities that negatively affect physical cultural resources, including those important to local communities
- Grant will not be used for activities adversely affecting Indigenous Peoples or where these communities have not provided their broad support to the project activities
- Grant will not be used to remove or alter any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values)
- Proposed activities observe all other relevant safeguard and social policies.
- CEPF will not award grants for \$2 million and above, without special approval from the Donor Council (OM 5.1 j).

In addition, CEPF encourages proposals that demonstrate the following characteristics:

- Existence of co-financing or the ability to leverage additional funds
- Demonstration of coordination with other organizations to reduce duplication of efforts
- Existence of partnerships or alliances with one or more other organizations
- Endorsements from other recognized agencies or authorities
- Transnational or regional projects
- Clear plans for continuation and/or replication after initial CEPF funding

- Support to Indigenous and local communities in community-based or co-management activities for biodiversity conservation and actions that enhance local communities' tenure and resource use rights.

The evaluation of proposals that meet the eligibility requirements starts with a review of the Letter of Inquiry (see OM 4.4.1), in which applicants are given the opportunity to justify their proposal in terms of project rationale, project approach, link to CEPF investment strategy, long-term sustainability, and organizational strengths.

Small Grants

Each Regional Implementation Team (RIT) has the authority to award small grants from a dedicated mechanism. The threshold amount for small grants is set for each hotspot, based on a joint decision of the RIT and CEPF Secretariat, but must not exceed \$50,000 per grant. Small grant award decisions are made by the RIT, based on internal financial and programmatic reviews, and, where required, external reviews. The RIT may meet with applicants to provide guidance on project design and proposal development, including the formation of partnerships.

Completed Letters of Inquiry are sufficient as proposals for all small grants, although the RIT may request additional information at its discretion, such as detailed budgets and workplans. The RIT awards small grants on a regular schedule, informs applicants about its decisions, and documents the awards as part of its regular reporting to the CEPF Secretariat. Small grants cannot be awarded from a RIT to Conservation International; the CEPF Secretariat must make the award of any small grants to Conservation International.

Large grants

Grants larger than the threshold amount for small grants set for the hotspot in question are awarded by the CEPF Secretariat. For grants in this category, a two-stage application process is typically used. The CEPF Secretariat (in the person of the Grant Director responsible for the hotspot) and the RIT review the Letters of Inquiry, taking into account the opinion of external reviewers, where relevant. The RIT coordinates the Letter of Inquiry review process, which may include consulting with other knowledgeable sources, such as international and local NGOs, appropriate government officials, CEPF donor partners in the hotspot, other donors, academics, and other experts.

After a thorough, coordinated review of the project merits, the CEPF Grant Director and the RIT jointly decide which applicants will be invited to submit a full proposal. Applicants invited to submit a full Project Proposal (see OM 4.4.2) are also be asked to respond to a Financial Questionnaire (see OM 4.4.4).

Following is a step-by-step summary of the large grant decision-making process:

1. Letters of Inquiry submitted.
2. CEPF Secretariat conducts an initial eligibility screening of Letters of Inquiry, and rejects ineligible applications.
3. RIT circulates Letters of Inquiry for internal review by its team, and external review by conservationists from government, civil society and or donor agencies with knowledge of the applicant and/or relevant subject matter expertise. At minimum, external reviews must be conducted for all large grants of \$250,000 and for all applications from Conservation International or formal affiliates of organizations serving as the RIT in the same hotspot.
4. In parallel, the CEPF Grant Director reviews Letters of Inquiry.
5. The RIT and the CEPF Grant Director make a joint decision about which Letters of Inquiry should be further developed as full proposals.
6. The CEPF Grant Director writes to the applicants, notifying them of the decision in regard to their application. If the Letter of Inquiry is approved, the relevant CEPF Grant Manager then contacts the applicant to initiate preparation of the Project Proposal and necessary supporting documents (Financial Questionnaire, safeguard instruments, letters of support, etc.).
7. After an applicant submits the Project Proposal, Financial Questionnaire, and other supporting documents, the CEPF Grant Director reviews them; seeking input from the RIT and/or external reviewers where required.
8. The CEPF Grant Director communicates the results of the review to applicant, and requests modifications to the proposal and/or supporting documents, if necessary.
9. When the CEPF Grant Director is satisfied that an application is ready for approval, he or she submits it to the CEPF Managing Director and the relevant CEPF Grants Manager, for their review. If the Managing Director and Grants Manager concurs with approval, the proposal moves to the contracting stage.
10. Conservation International's Grants Policy and Management staff conducts a Financial Risk Assessment (see OM 4.4.5) to determine the proper level of monitoring and reporting required for the applicant, and conducts the Anti-Terrorism Screenings required by U.S. law.
11. The Grants Management Team prepares a Grant Agreement (see OM 4.4.6) for legal review to ensure compliance with Conservation International requirements, as well as CEPF restrictions, policies, and procedures.

12. If a grant is proposed for award to Conservation International, the CEPF Secretariat submits proposal and justification to the CEPF Working Group for approval on a time-bound, no-objection basis.

13. The Grant Agreement and finalized justification are submitted to the CEPF Executive Director for approval and signature of contract.

14. If the Project Proposal is declined at any stage, the Grant Director writes to the applicant explaining the reasons.

Grants by Invitation

Criteria

A grant by invitation is defined as a grant that is awarded without going through an open, competitive call for proposals.

Grants by invitation are the exception, rather than the norm. It may be appropriate to request a grant by invitation when an open call for proposals has not generated suitable proposals but there are also other instances where it may be permissible and advantageous to request a grant by invitation. A grant by invitation may be requested when one or more of the following criteria are met:

- a) To provide follow-up funding for an existing initiative, such as a second phase of a project.
- b) To scale up activities of a small grant or a sub-grant into a large grant, when waiting for a scheduled call for proposals could negatively impact activities on the ground, e.g. by causing a loss of momentum with stakeholders.
- c) To create a team of several CEPF grantees to build a larger, cooperative project.
- d) To address persistent gaps in the portfolio that repeated calls for proposals have not been able to fill.
- e) To build partnerships and test innovative approaches, e.g. to plan clusters of linked grants to address a particular issue or test a particular approach, especially where CEPF can help to stimulate coordination between partners.
- f) For emergency situations, e.g. those of emerging threat or opportunity.
- g) To address specific actions identified in the ecosystem profile when the mechanism of grants by invitation is mentioned in the investment strategy.

h) To support an actor known to possess a unique capability to implement a critical piece of the investment strategy.

i) To support a multi-hotspot grant, where actors with unique capabilities or needs are essential to meet project objectives.

Procedures

Grants by invitation are funded from spending authorities approved for individual hotspots or, in the case of grants awarded under criterion (i), from an allocation specifically dedicated to multi-hotspot grants. Approval to request a grant by invitation is a joint decision by the Managing Director and the Director of the Grants Management Team. The Managing Director only approves requests where he/she determines that an open call for proposals has not or will not result in a suitable application in terms of quality, timeliness and appropriateness of the applicant.

A grant by invitation may be accepted as:

- A Letter of Inquiry, followed by a full proposal, or
- A full proposal, omitting the Letter of Inquiry stage

Proposals submitted in response to the invitation are subject to all standard Secretariat, RIT, and external review procedures. These procedures include proposal review by the Grant Director, appropriate members of the RIT, and the Managing Director, budget and compliance review by the Grants Management Team, and additional budget and compliance review by Conservation International's Grants Policy and Management staff. All grant requests over \$250,000 are subject to external review, and all grants to Conservation International are subject to no-objection approval by the CEPF Working Group.

Documentation justifying the request and the selection of the grantee is prepared by the Secretariat in each case. On an annual basis, this documentation is used to prepare a report to the Working Group, summarizing the grants by invitation awarded during the year.

Multi-hotspot Grants

Criteria

A multi-hotspot grant is defined as a grant that takes place in more than one hotspot.

Multi-hotspot grants are important to the delivery of CEPF's mission, especially in terms of replicating and scaling up best practices. In order to facilitate these activities, exchange of information, experience and lessons learned need to be promoted across the hotspots. Multi-

hotspot grants can also be used to address issues that span hotspots, such as wildlife trade, or threats from extractive industries. Projects addressing multi-hotspot issues have the potential to pursue a common approach that can provide economies of scale and pooling of expertise, leading to the “whole being greater than the sum of the parts”.

Multi-hotspot grants that meet the following criteria can be considered for award:

- a) Projects that promote exchange of experiences and lessons across hotspots.
- b) Projects that promote learning about best practices, e.g. visits to demonstration projects located in other hotspots.
- c) Projects that promote experiential learning, e.g project-to-project exchanges, and face-to-face learning opportunities, on topics of regional or global relevance.
- d) Projects that address themes that span hotspots, where activities in multiple hotspots are needed to address the threat, e.g. addressing both supply and demand issues associated with wildlife trade, or opportunity, e.g. collaborating to understand and implement approaches to working with the private sector.

Procedures

Multi-hotspot grants can be funded in two ways. First, one or more active hotspots can provide funds to pay for the project, splitting the costs of the project between them. Second, multi-hotspot grants could be paid for by an allocation specifically dedicated to multi-hotspot grants.

Multi-hotspot grants may be solicited through an open call for proposals, or if appropriate and in accordance with the criteria, as a grant by invitation.

Management of the multi-hotspot grant could be undertaken by a Grant Director, or other Secretariat staff member, as appropriate and determined by the Managing Director.

Multi-hotspot grant proposals are subject to all standard Secretariat, RIT, and external review procedures. These procedures include proposal review by the Grant Director, appropriate members of the RIT, and the Managing Director, budget and compliance review by the Grants Management Team, and additional budget and compliance review by Conservation International’s Grants Policy and Management staff. All grant requests over \$250,000 are subject to external review, and all grants to Conservation International are subject to no-objection approval by the CEPF Working Group.

Conservation International Financial Questionnaire for Recipients

The purpose of this questionnaire is to provide CI with information needed to assess the adequacy of your organization's accounting policies and procedures and grants management practices.

Prior to any grant award, CI must be assured that the proposed grantee has sound financial controls and reporting systems to ensure that all CI funds are expended prudently and accounted for appropriately. CI must also be assured that the proposed grantee institution is able and willing to comply, and (as applicable) is able and willing to ensure compliance by any sub-grantees, with CI policies, applicable donor terms and conditions, and local laws and regulations. CI may condition funding on the implementation of certain practices or improvements.

Each question should be answered as completely as possible. There is a glossary at the end of this form if you need help with some of the financial terms. It is very important that the questionnaire is signed by the organization's head and most senior financial manager (see section G). If you are submitting this questionnaire electronically, please include a scanned copy of the signature page or fax the signature page.

All information submitted to CI in this form and through the requested attachments will be treated as confidential and will not be disclosed to any third parties, unless required by law.

CONTACT INFORMATION

Organization Name: _____

(legal name of organization that will sign the agreement and accept responsibility for CI's funds, if awarded)

Web Address: _____

Address: _____

Telephone: _____

E-mail: _____

Director/President: _____

Project Manager: _____

Financial Officer: _____

(will be responsible for authorizing financial transactions and reports for this project)

Project Accountant: _____

(will account for project expenses)

Does any employee, director, or trustee of the organization, or any of their family members have a financial or familial relationship with any CI employee, CI director, or a family member of a CI employee or CI director? Yes No

If yes, please explain:

Proposed Grant Amount: _____ Start Date: _____ End Date: _____

SECTION A: General Background Information

1. Number of Paid Employees: _____ Full Time: _____ Part Time: _____

2. Please specify the legal status/classification of your organization:

- NGO/Not-for-profit organization Government Organization Parastatal Agency
- For-profit/commercial enterprise State-owned University Private University
- Individual Other _____

3. Please specify the tax status of your organization:

- Non-US, Tax-exempt Non-US, Taxable US, Tax-exempt, 501 (c) (3)
- US, Tax-exempt, 509 (a) () US, Taxable Other _____

4. Please indicate your Tax Identification Number (for non-US organizations) or your Employer Identification Number (for

US organizations): _____

5. Beginning and ending dates of your organization's fiscal (financial) year: _____

6. Total Budget for most recent fiscal year:

Revenues (including grants): USD _____ Expenses: USD _____

7. What are the sources of the organization's revenue? Please select all that apply:

- US Government Domestic Government Other Governments
- Foundations/Corporations/Individuals Sale of Goods/Services Membership Fees

8. Does your organization currently have outstanding debts to government or other parties? Yes No

9. Is your organization, its key staff, officers or directors involved in any investigation, litigation, or adjudication or have any of these people been adjudicated in the past for any civil, administrative, criminal or tax matters? Yes No

If yes, please explain:

11. Is the project manager, accountant, or any other staff involved in other CI funded projects?

12. Yes No

If yes, please provide the person's name and project title.

11. Has the organization received grants from other organizations? If so, please provide details of the 3 most recent awards including name of grantor, source of funds, amount, period covered, and project manager and financial officer.

Grantor/Donor	Project Title	USD Grant Amount
1.		
2.		
3.		

Grant Period	US Gov't funds?	Project Manager
Financial Officer		
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No	

12. Does the organization expect to receive other grants during the proposal period of this project? If so, list the organizations that have your proposals under review and the titles of the projects submitted for their review:

Project Title	USD Amount	Project Manager
Financial Officer		
1.		
2.		
3.		

SECTION B: Internal Controls

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and follow laws, regulations and the organization's policies, 2) assets are kept safely, and 3) accounting records are complete, accurate and kept on a regular basis. Please complete the following questions concerning your organization's internal controls:

1. Indicate which of the internal controls listed below are in place at your institution:

- a. Documented competitive system of procurement for major purchases (e.g., if your organization plans to acquire new equipment, it requests written bids from at least three (3) vendors):

Who approves procurement in your organization?

Name: _____ Title: _____

- b. Maintenance of an inventory system for fixed assets (for example, serial numbers and locations of all computers/equipment are listed and maintained in a file)

Yes No

- c. Physical Control over assets

Cash kept in safe Yes No

Office locked up at night/Guards Yes No

Limits on cash withdrawals Yes No

Insurance Yes No

Other (*specify*) Yes No

2. If a grant were awarded for this project, who would be responsible for:

a. requesting payments?(Name)_____ (Title) _____

b. approving requests for payments?(Name)_____ (Title) _____

c. issuing payments?(Name)_____ (Title) _____

d. reconciling accounts?(Name)_____ (Title) _____

e. preparing project financial reports?(Name)_____ (Title) _____

f. approving project financial reports?(Name)_____ (Title) _____

3. Is there any familial relationship between any of the employees listed above? Yes No

4. How frequently does management at your organization's Headquarters review and reconcile cash reports, cash balances (including petty cash) and bank statements from all operations?

once a week once a month once a quarter once a year

Who reviews these reports?(Name)_____ (Title) _____

5. Does your organization maintain an employment letter or contract which includes the terms of reference and salary information for each employee? Yes No

6. Are individual time and effort records kept which reflect employee actual hours worked on a particular project? Yes No

In case of a grant award, the project employees will be required to document time spent on the project activities on a daily basis.

SECTION C: Accounting System

The purpose of an accounting system is to: 1) accurately record all financial transactions, and 2) ensure that all financial transactions are supported by invoices, timesheets and other documentation. The type of accounting system often depends on the size of the organization. Some organizations may have computerized accounting systems, while others use a manual system to record each transaction in a ledger. In either case, CI grant funds must be properly authorized, used for the intended purpose and recorded in an organized and regular manner.

1. Does your organization have a written accounting policies and procedures manual? Yes No

2. Is your accounting system an automated double-entry system? Yes No

If yes, please name accounting software package

3.a. Is your accounting system able to identify the receipt and expenditures of funds separately for each contract/grant? Yes No

b. If you answered “Yes” to question 3.a., explain how your accounting system is able to identify and segregate expenditures by contract/grant.

In case of a grant award, your organization will be required to track the grant receipts and expenditures separately from other organizational funds and other grants/contracts.

4. Does your accounting/financial procedures include budgetary controls to prevent incurring obligations greater than:

- a. total funds available for a grant? Yes No
- b. funds approved for a particular budget line (personnel, travel, etc.)? Yes No

5. For how long does your organization maintain support documentation (receipts, invoices, purchase orders, etc.) for all transactions? _____

6. Does your organization backup its accounting data on a regular basis? Yes No

7. Does your organization utilize the accrual or cash method of accounting? _____

SECTION D: Funds Control

CI grantees that receive advances of grant funds may deposit them in a bank account kept in local currency or U.S. dollars. CI normally pays grantees periodically by wire transfer of U.S. dollars to the grantee bank account. Access to the bank account must be limited to authorized individuals. Bank balances should be compared each month with your accounting records. If cash cannot be kept in a bank, it is very important to keep the cash in a strong safe and have strict controls over cash custody and disbursement.

1. Does your organization have a bank account in the name of your organization to which grant payments could be made by wire transfer in the event of a grant award? *If yes, attach details of account.* Yes No

2. Are all bank accounts and check signers authorized by the organization's Board of Directors or Trustees? Yes No

3. Are the majority of payments to vendors/suppliers made in cash? Yes No

SECTION E: Independent Audit

CI may require an audit of your organization's accounting records. An audit is a review of your accounting records by an independent accountant who works for an accounting firm. An audit report contains your financial statements as well as an opinion by the accountant that your financial statements are correct. Please provide the following information on prior audits of your organization.

1. Does your organization have regular external audits which you contract and pay for? Yes No

If yes, who performs the audit? _____

2. How frequently are audits performed? Quarterly Yearly Every 2 years Other

Indicate when last audit was performed _____

3. What type of audit is performed? Financial A-133 Program Other
-

SECTION F: Sub-grantee Policy

A sub-grant represents financial assistance in form of money, or property in lieu of money, made under the main award to another organization in order to achieve a defined scope of work.

1. Will your organization be providing funds from the proposed grant to any other organization(s) through sub-agreements? Yes No

If yes, please answer the following questions. Otherwise, proceed to the next section.

2. Provide the number and size of the sub-agreements you plan to administer under the proposed grant.

Sub-grantee Name	USD Amount
1.	
2.	
3.	

3. Does your organization have a history of managing sub-grantees?Yes No

4. Does your organization have written sub-grantee monitoring policies and procedures?

.....Yes No

5. Does your organization have a standard agreement template?Yes No



SECTION G: CERTIFICATION

The Accounting Questionnaire **must** be signed and dated by authorized personnel who have either completed or reviewed the form.

I certify to the best of my knowledge and belief that the information provided in this questionnaire and the supporting data are correct.

Director of Organization:

Print Name

Title

Signature

Date

Financial Officer:

Print Name

Title

Signature

Date

ATTACHMENTS

Please attach all of the following documents (where available) and any other information you deem relevant on the subjects listed above:

- Materials that describe your organization, its mission and history
 - Incorporation or registration certificate
 - List of all the current members of the Board of Directors
 - IRS determination letter (for US organization)
 - Most recent financial statements (balance sheet and income statement)
 - Most recent independent auditor's report and Management Letter (if available)
 - Completed U.S. Internal Revenue Service form: W9 form for US entities and individuals; W8 form for international non-US entities and individuals (W8BEN for individuals; W8BEN-E for entities; W8BEN-EXP for 501(c)(3) corporations that have letter from IRS granting an exception)
 - If answered "Yes" to Question #6 in Section A, please provide the following:
 - Explanation of the nature of occurrence (originating and current date, most recent statement: why incurred, methods on prospects of repayment, if any; any additional relevant information.)
-

CI GLOSSARY OF TERMS

Accrual based accounting system: An accounting system where your financial report shows payments which have been made as well as invoices which have been received but not yet paid.

Actual cost: Any type of expense which has been paid for.

Allowable costs: Expenses which are for grant activities and which are reasonable and legal.

Balance sheet: A report which lists your assets (income to be received, cash, equipment) and your liabilities (payments to be made).

Cash based accounting system: An accounting system where your financial report only shows payments which have been made.

Expenses/Expenditures: Costs charged to the grant.

Financial statement: A report containing your balance sheet, and revenue and expense statement.

Financial report: A report which shows the money which an organization has spent on the grant for the period, usually three months. CI requires a financial report for each three-month period (quarter).

Fiscal year: The financial year of your organization. Most fiscal years are from January 1 to December 31. Other fiscal years end on March 31, June 30, or September 30.

Funds: Money.

Grant: An award given to an organization to complete a project. CI grants are usually for one year.

Grantee: An organization which receives a grant.

Incurred cost: Any type of expense which has been made but not yet paid.

Internal controls: A system set up by an organization to make sure that money is received and spent in the correct manner.

Manual ledgers: Accounting records which are maintained by hand (without a computer) and which record similar transactions such as cash receipts, cash payments, salaries, inventory, etc.

Petty cash: Small amounts of cash used to pay small expenses (taxi, bus, office supplies).

Primary grantee: An organization which receives a grant and which in turn gives part of those funds to another organization to help complete the grant. Primary grantees are responsible for monitoring their subrecipients.

Income statement/statement of activities: A report which shows the money which your organization received (revenue) and how the money was spent (expense).

Subrecipient/Subgrantee/Subawardee: An organization which receives part of a grant given to another organization.

Subrecipient monitoring: What the primary grantee does to make sure that the subgrantee is correctly implementing the grant.

Separate bank account: A bank account in the name of your organization set up for your CI grant. Only CI funds are deposited into the account and only CI program expenses are paid from the account.

Unallowable costs: Unallowable costs are costs prohibited by CI policy, donor policy, CI's grant agreement with grantee recipient, and all applicable laws. Such costs may not be budgeted to and paid for by the grant if awarded.

**Conservation International
Security Screening Request Form for External Grants**

To reduce risk and ensure compliance with heightened screening requirements of various anti-money laundering (“AML”) and counter-terrorist financing (“CTF”) legislation and AML/CTF related donor obligations, CI is required to conduct due diligence for all CI grantees and service providers (“CI funding recipients”), which includes screening against international sanctions lists. All potential CI funding recipients are therefore asked to complete the Security Screening Request Form (“Form”) before CI can enter into contractual agreements with CI funding recipients.

If a match between a screened name provided in the Form and one of the sanctions lists is identified, CI will request additional information (e.g., address or DOB) on a confidential basis to clear the match and verify funding eligibility.

1. Legal Name of Organization:			
2. Other names/acronyms of the organization:			
4. Members of the Board of Directors: <i>Provide full names in given name(s)/family name(s) format. Do not include titles or positions. Insert additional rows as necessary. Example: <u>Juan Alberto Sanchez Perez</u></i>			
5. Staff members responsible for organizational management, project oversight, accounting and banking: <i>Provide full names, in given name(s)/family name(s) format. If the organization does not have a person filling a position listed, leave it blank. List a person once only.</i>			
President		Chief Financial Officer	
CEO		Accountant	
Secretary-General		Bookkeeper	

Executive Director		Checks signed by:	
Project Manager		(Other)	
(Other)		(Other)	

By signing this Form, the authorized representative of the Grantee certifies that the information provided herein is true and accurate as of the date of execution. The authorized representative of the Grantee understands that intentional inclusion of false, deceptive or fraudulent information on this Form or any omission of material information with an intent to deceive, constitutes fraud, and that CI considers such action on the part of Grantee to constitute good cause to immediately terminate this contract unilaterally without notice or penalty, notwithstanding any provisions to the contrary in the interpretation of the proposed Grant Agreement by and between CI and the Grantee.

Signature: _____

Name of Authorized Signatory: _____

Title: _____

Date: _____

Critical Ecosystem Partnership Fund Guidelines for Completing Project Risk Assessments

Introduction

This risk assessment model has been developed to assess whether a proposed recipient of a large grant is low, medium, or high risk so that appropriate monitoring and audit procedures can be applied.

The standard financial risk assessment worksheet is not required for small grants (i.e. grants below an agreed threshold amount set for each hotspot of between \$20,000 and \$50,000), which are directly awarded and managed by Regional Implementation Teams (RITs). Each RIT will be responsible for evaluating the financial risk of their grant awards and may use a system of their choice, subject to prior approval by the CEPF Secretariat. All grants awarded with CEPF funding (whether awarded directly by CEPF or by the RIT) must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all social and environmental safeguard policies.

The financial risk assessment for large grants is conducted by a Conservation International (CI) finance staff member, based upon a financial questionnaire and supporting documents submitted by the applicant.

The worksheet poses a series of questions targeting the quality of the project design, the environment in which the organization works, the organization's internal financial control structures, and prior reporting capabilities (if the organization has had a prior CI grant).

A series of items are addressed to which the reviewer assigns a numerical value based on a determined points scale. These values are summed for the risk assessment to determine an overall risk ranking to be used by CEPF in determining what monitoring steps will be required to mitigate financial risk.

The assessment concludes with a Risk Ranking Summary Worksheet that shows the total risk rating for the assessment. This will classify a given project as low, medium, or high risk on a financial basis.

Depending upon the organization's overall risk ranking total, the reviewers will require specific reporting requirements as detailed in the table below to adequately monitor the organization during project implementation. The specific reporting requirements are contractual obligations integrated into the Grant Agreement for each grantee.

The following section provides additional detail on the risk worksheet and how it is to be completed.

Conservation International Financial Risk Assessment Worksheet

SECTION I: Purpose of the Worksheet

This Worksheet develops a ranking for an organization's financial risk. It is meant to evaluate an organization's accounting policies and procedures and grants management experience based upon the organization's responses to the Financial Questionnaire for Conservation International Grant Recipients.

A CI staff member is to complete this worksheet (which staff person will complete the form is determined by the amount and business unit awarding the grant, per the External Grants Manual). For each question select the appropriate answer from the options provided by typing a "1" in the box to the left of the answer. After all questions are answered a Risk Ranking of Low, Medium or High will be determined.

There are certain factors / features of an organization that would immediately provide a Risk Ranking of High. These are described in Section III to simplify the review process. If an organization does not meet any of these initial criteria, then proceed to the regular assessment.

Upon completion of the Worksheet and once the initial Risk Ranking has been determined, the staff person completing the worksheet should briefly describe the risk mitigation plan for working with the organization (if CI chooses to offer a grant to the organization in question). In Section VII, several tools and suggestions for risk mitigation strategies are proposed which can serve as a guide.

SECTION II: Basic Information

Name of Organization:

Worksite for proposed Grant:

Cognizant CI Business Unit:

Primary Donor and Grant Number:

Proposed Award Amount, Start Date and End Date:

Type of Organization:

Organization's Fiscal Year:

Name of Person Completing Worksheet:

SECTION III: Organizations with Automatic High Risk Rankings

If any question in this section can be answered "Yes" for the organization being assessed, then the organization will automatically be considered high risk. The reviewer may proceed immediately to the risk mitigation section and describe a plan.

	<u>Grantee</u>	<u>Score</u>
	<u>Score</u>	<u>Scale</u>
Is the grantee a foreign government entity, such as a ministry, agency or parastatal organization, or an individual?	0	61
Has the organization been in business for less than one year at the time of the assessment?	0	61
Would the value of the grant compose 76% or more of the organization's annual budget?	0	61
Are the majority of the payments by the organization to vendors or supplies made in cash?	0	61
Does the organization use a system other than an automated, double-entry accounting software package to record and process financial transactions?	0	61

SECTION IV: Assessment Questions

1. Will the grantee's headquarters office provide financial oversight of this project?

No	0	3
Yes	0	0

2. How long has the organization been in business?

Less than one year (Automatic High Risk, per above)	0	61
More than one year, but less than three	0	5
More than three years, but less than 10	0	3
More than 10 years	0	1

3. What is the total dollar value of the proposed grant?

\$500,000 or more	0	5
\$300,000 to \$499,999	0	4
\$100,000 to \$299,999	0	3
\$20,001 to \$99,999	0	2
\$20,000 or less	0	1

4. How many paid employees does the organization have?

10 or less	0	5
11 to 50	0	3
51 or more	0	1

5. In any given year, what proportion of the organization's budget would this grant represent?

76% or more (Automatic High Risk, per above)	0	61
51% to 75%	0	10
26% to 50%	0	5
25% or less	0	1

6. Does the organization demonstrate the capacity to manage multiple sources of restricted funding?

No	0	5
Yes	0	0

7. Does the organization have an established and documented procedure for securing prior approval of financial transactions (sometimes referred to as the delegation of responsibility)?

No	0	5
Yes	0	0

8. Has the organization established and documented an adequate segregation of duties? Are different staff responsible for requesting, approving, and processing financial transactions?

No	0	5
Yes	0	0

9. Does the organization use an automated, double-entry accounting software to record and process financial transactions?

No (Automatic High Risk, per above)	0	61
Yes	0	0

10. Is the organization capable of and have a documented policy for the maintenance of invoices, vouchers, timesheets, etc., for all financial transactions?

No	0	5
Yes, but circumstances may preclude the safe storage of such documentation	0	3
Yes	0	1

11. Are the majority of the payments by the organization to vendors or supplies made in cash?

Yes (Automatic High Risk, per above)	0	61
No	0	0

12. Has the organization been audited in the last three years by an external agency?

No, the organization has not been audited in the last three years, or has not provided evidence of any audit that has been reported

0	10
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Yes, the organization has completed a project audit by an external evaluator but has not completed audits of its financial statements

0	8
---	---

Yes, the organization has completed one or more audits of its financial statements using international auditing standards by an independent auditor

0	6
---	---

Yes, the organization has completed annual audits of its financial statements using international auditing standards by an independent auditor

0	4
---	---

Yes, the organization has completed an A-133 audit conducted by an independent auditor and has completed annual audits of its financial statements by an independent auditor	0	2
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12-A. If the organization has been audited, were any material findings reported?

Yes (please describe the findings in Section V)	0	5
No	0	0

13. Has the organization ever received a grant from CI and been subject to review of its financial management by CI staff through a desk review or site visit?

Yes, and the risk ranking was increased based on the outcomes of the review	0	5
---	---	---

Yes, and the risk ranking was confirmed by the outcomes of the review	0	3
---	---	---

Yes, and the risk ranking was reduced based on the outcome of the review	0	0
--	---	---

No, the organization has never been subject to a review	0	0
---	---	---

14. What percentage of the award is expected to be sub-granted to other organizations?

51% or more	0	10
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26% to 50%	0	5
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1% to 25%	0	3
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0%	0	0
----	---	---

14-A. If the organization will be issuing sub-grants from the award, does the organization have experience managing sub-grants and a documented sub-grants policy?

No	0	10
Yes	0	0

SECTION V: Additional Considerations

This section is used to describe any information or issues not covered in the questions above that may affect the grantee's Risk Ranking. This section may also be used to expand upon any of the questions or responses from previous sections. Any findings from previous monitoring actions are to be described here along with any mitigation steps taken by the grantee in response to those findings. Based upon the circumstances described, please assign a number to represent the general level of concern that these considerations raise in you. The greater your concern, the larger the number should be.

15. Are there any additional considerations to be incorporated into the assessment?

Yes, and these considerations are described in the space below (please assign a numerical value to your level of concern in the space to the right)

No	0	0
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COMMENTS:

SECTION VI: Financial Risk Summary

16. Total Risk Value, as calculated from the above questions 0

Value is 61 or greater: Organization is considered HIGH risk

Value is 31 to 60: Organization is considered MEDIUM risk

Value is 30 or less: Organization is considered LOW risk

SECTION VII: Financial Risk Mitigation Measures to be Included in Grant Agreement

Being classified as HIGH or MEDIUM risk would not preclude an organization from receiving funding from CI, however, such a ranking would require CI to take a more active role monitoring the financial performance of the organization under the award. CI has several tools at its disposal to monitor grantees and the cost of utilizing such tools should be considered as part of the award. Some of the tools are:

Financial Reporting Frequency: The frequency of financial reporting will be determined by the risk ranking. Accordingly, the grantee will submit financial reports showing the expenditures on the award against the approved budget. This report allows CI to monitor the "burn rate" of the award and compare the amount of expenditures to the achievement of programmatic goals as reported in a technical report. Summary reports can also identify if certain budget lines are likely to be over or under expended.

Separate Bank Account: CI could require the grantee to open a separate bank account for the CI funded project. The grantee would submit bank reconciliations for the separate account along with the financial reports. Bank Reconciliations are simple reports that an organization would use to determine which checks and wire transfers have cleared in the bank statement and which are still pending. Items that are pending for a long period of time may be subject to follow-up. These reports are most useful for smaller organizations with less sophisticated reporting mechanisms as a check against their Summary and Detail Reports. Bank Reconciliations should be performed upon receipt of the monthly bank statements.

General Ledger Detail Reports: To accompany the Financial Report, a grantee may be asked to submit a detailed General Ledger transaction report from its accounting system. This allows CI to review the nature of the expenses within a budget category and request additional documentation from the grantee as deemed necessary.

External Audits: CI can request / require an audit of the expenditures under the grant. Such a requirement would mean that CI would likely have to cover the costs of the audit. Audits, and specifically the management letters provided by the auditing firm, document the internal controls of an organization and provide suggestions for improvements. CI can use such recommendations as part of an overall organizational development plan for a grantee.

Capacity Building: If the grantee does not demonstrate the capacity to effectively and efficiently manage a CI grant, the program should consider revising the budget to fund in part or in whole the implementation of sound financial management policies and procedures. This financial capacity building could include funding through the grant expenses such as a qualified bookkeeper/accountant, an simple accounting software, and training. Subsequent disbursements would depend on the satisfactory implementation of these capacity building measures in the initial phase of the grant.

17. Please describe any and all financial risk mitigation measures that are proposed for this grantee based upon the results of this assessment.

REQUIRED RISK MITIGATION MEASURES

Language to be included in the grant agreement:

Monitoring to be performed by the program managing the grant:

GRANT AGREEMENT**Project Title:****Conservation Grants Number:****Business World Contract Master File:****Business World Vendor Master File:**

This Grant Agreement ('Grant' or 'Agreement') is made between Conservation International Foundation ('CI'), a nonprofit public benefit corporation organized and existing under the laws of the State of California, USA, with a principal place of business at 2011 Crystal Drive, Suite 500, Arlington, VA 22202, and _____, ('Grantee'), [**TYPE OF ENTITY**] located at _____.

Funding in support of this Agreement is made available from the Helmsley Trust ("Trust") [**DELETE IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT**] and the Margaret A. Cargill Foundation [**DELETE IF NO CARGILL (WALLACEA REGION – STRATEGIC DIRECTION 4) FUNDS ARE BEING USED FOR THIS GRANT, NOTE THAT CARGILL FUNDS CANNOT BE ALLOCATED UNTIL JANUARY 1, 2016**] and the Critical Ecosystem Partnership Fund ("CEPF"), a joint initiative of Conservation International ("CI"), International Bank for Reconstruction and Development ("IBRD"), the Global Environment Facility through the IBRD as implementing agency and through CI as implementing agency [**THE TEXT "and through CI as implementing agency" IS FOR EASTERN AFROMONTANE, CERRADO, AND INDO-BURMA ONLY**] ("GEF"), the Government of Japan through IBRD as trustee of grant funds provided by the Ministry of Finance ("Japan"), the John D. and Catherine T. MacArthur Foundation ("MacArthur Foundation"), l'Agence Française de Développement ("AFD"), and the European Union ("EU") -- hereafter together referred to as "the Funding Sources".

1. **PURPOSE OF THE GRANT.** Grant funds are provided to support the project described in Grantee's grant proposal and budget set forth in Attachment 1, (the "Project"). Funds shall be used solely for the purposes and activities described therein, shall in no case be used for activities in contravention of the IBRD Safeguard Policies described in paragraph 7 (b) of this Agreement, and shall in all cases conform to the restrictions and limitations described in this Agreement (including all attachments thereto), jointly referred to as the "Funding Terms and Conditions". Grantee shall be solely responsible for ensuring Grantee's as well as any sub-recipient's and sub-contractor's compliance with the Funding Terms and Conditions.
2. **GRANT TERM.** The effective date of this Grant is _____. The termination date is _____, unless otherwise modified, or terminated in accordance with this Agreement. All expenses must be incurred within the Grant Term.
3. **GRANT AMOUNT.** CI, as administrator of the CEPF, agrees to make available to the Grantee, grant funds from the CEPF, in a total amount not to exceed _____ United States Dollars (US\$ _____) (the "Grant") for the purpose and on the terms and conditions set forth in this Agreement. In all cases the use of the funds shall conform to the restrictions and limitations described in this Agreement and in the Procurement Policies and Procedures (Attachment 2).
4. **PAYMENT.** Subject to the Funding Terms and Conditions, CI shall make to the Grantee payments as follows:
 - a. An initial payment of [**USE CASH FLOW PROJECTION SUBMITTED BY GRANTEE**] upon signature, provided that (1) the Grant Term has commenced, and (2) Grantee has submitted

to CI a U.S. Internal Revenue Service W-9 form for U.S. entities, or a U.S. Internal Revenue Service W-8 form for non-U.S. entities.

- b. Quarterly payments thereafter on the basis of an acceptable cash flow projection indicating cash on hand and anticipated expenses for the upcoming quarter. Cash flow projections shall be submitted along with acceptable progress reports and financial reports as specified in Section 6.
- c. CI reserves the right to withhold up to 10% of the Grant Amount until the Final Project Report and the Final Financial Report (as defined in Section 6, below) have been received and approved by CI. CI reserves the right to refuse final payment if Grantee fails to comply with the reporting terms outlined in Section 6 below.

The payments described above shall be made to the following account:

Name of Account Holder:

Name of Bank:

Bank Address:

ABA:

SWIFT code:

Bank Account:

No other funds shall be provided under this Grant.

- 5. PROJECT DIRECTORS. CI's Project Director for this project is _____ (the "CEPF Director"). Grantee's Project Director is _____ [STATE NAME AND TITLE]. All administrative notices, program requests, and deliverables relating to this Grant shall be addressed to these individuals.
- 6. REPORTING.
 - a. Project Reports. The Grantee shall submit the following project reports.
 - (1) Progress Reports. Grantee shall submit Progress Reports within thirty (30) days following the end of each **SIX MONTH PERIOD**. These reports shall include an update on progress made against objectives, and shall be submitted in the format specified by CEPF.
 - (2) Final Report. The Grantee shall submit a final report ('Final Project Report') within **60** days following the expiration of this Grant. This document shall include a comprehensive, detailed report of activities undertaken and an evaluation of accomplishments/successes under this Grant. This report shall be submitted in the format specified by CEPF.
 - b. Financial Reports.
 - (1) Financial Progress Report. The Grantee shall submit financial progress reports within thirty (30) days following the end of each calendar quarter. These reports shall be submitted in the format specified by CEPF.
 - (a) Copies of procurement records shall be maintained for all purchases of goods and services in accordance with Attachment 2 and provided to CI or any of the funding sources upon request.
 - (2) Final Financial Report. The Grantee shall file a final financial report ('Final Financial Report') within sixty (60) days following the expiration of this Grant. This report shall be submitted in the format specified by CEPF.
 - c. Annual Project Audit. [IF REQUIRED IN ACCORDANCE WITH RISK ASSESSMENT OR PER DONOR REQUIREMENT; DELETE IF NOT APPLICABLE]

- (1) Grantee shall engage independent auditors approved by CI to audit on an annual basis expenses incurred and activities carried out in the performance of this Grant. These audits shall be conducted at the place or places where the accounts of Grantee are normally kept and in accordance with the Project Audit Scope set out in Attachment 6 hereto. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by Grantee, and necessary to facilitate the audit, shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of Grantee.
- (2) Should the audit disclose any instances of noncompliance or indication of fraud, abuse or illegal acts, such information shall be included in an audit report ('Audit Report') along with appropriate recommendations and a corrective action plan. The Audit Report for each such independent audit shall be provided to CI. Grantee hereby binds itself to respond to all questions raised by the auditors in the course of the above-described audit in a timely and satisfactory manner and to reimburse CI for all disallowed expenditures.
- (3) Grantee shall submit a Project Audit within ninety (90) days following the end of the _____ year of the Agreement Term.
- (4) Grantee is responsible for ensuring the compliance of its sub-grantees and sub-contractors with the audit provisions of this Grant.

d. Other Financial Deliverables. [ADD HERE FROM RISK ASSESSMENT OR DELETE IF NOT APPLICABLE]

- (1) (IF DETAILED TRANSACTION REPORTS ARE REQUIRED) Grantee shall provide a quarterly detailed printout of project expenses that tie to the submitted Financial Progress Reports within thirty (30) days following the close of each calendar quarter during the course of this Grant Agreement.
- (2) (IF ORGANIZATIONAL AUDIT & MANAGEMENT LETTER ARE REQUIRED) Grantee shall submit to CI/Washington copies of its audited annual financial statements and management letter, within one hundred twenty (120) days following the close of grantee's fiscal year.

7. USE OF FUNDS AND RESOURCES.

- a. This is a Cost Reimbursement Grant under which CI agrees to reimburse the Grantee for actual costs incurred in the performance of approved Project activities up to the total amount specified in the Grant. Accountability is based on technical progress, financial accounting and fiscal reporting. All funds (including any interest thereon), equipment, property and/or any other thing of value provided under this Grant, any credits or refunds received from sub-recipients, sub-contractors, vendors/suppliers under the Project shall be used solely for Project activities. Only expenditures for reasonable, approved, and documented costs as identified in Attachment 1 (Project Proposal and Project Budget) are allowable. All expenses, including salary costs, funded by the Project must be supported by adequate documentation. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement. The Grantee is responsible for the implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies, as described at <http://go.worldbank.org/WTA1ODE7T0>. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- b. Grantee may allocate up to 15% of the total Grant between direct cost line items, not to exceed the approved total. Grantee shall request and receive written approval from CI prior to making any changes to the indirect costs line item, other changes to the budget or to the objectives, target areas, methodology, or timeline of the Project. Grantee hereby expressly binds itself to include

language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

- c. Any funds (including any interest thereon) remaining with Grantee at the termination or expiration of the Grant term shall be returned to CI and Grantee shall reimburse CI for any disallowed expenditures. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- d. All funds provided under this Grant in U.S. Dollars that are exchanged to local currency must be exchanged at the best available rate through the channels authorized by applicable laws and regulations. Transactions must be verified through bank receipts or other documents or publications sufficient to demonstrate the legality of such transactions. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- e. Grant funds (including any interest thereon) shall not be expended to carry on propaganda or otherwise attempt to influence legislation or any public election. Funds may only be used to engage in activities that are for charitable, scientific, literary or educational purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- f. Grant funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- g. Grant funds shall not be expended (i) in the territories of any country which is not a member of IBRD or for goods procured in, or services supplied from such territories, or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, or (iii) for penalties on late payments imposed by suppliers except if such penalties were incurred in connection with a disputed payment which was under arbitration or (iv) self insurance and premium. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- h. Grant funds (including any interest thereon) shall not be expended for payments that are, or give the appearance of, a conflict of interest. A conflict of interest is defined as a transaction in which an employee's personal or financial interests conflict or appear to conflict with his official responsibility. Examples include, but are not limited to, such transactions as payments to the business partner(s) of the project director, co-project director, or members of their immediate families for salaries, expense reimbursement, or any other type of compensation, or payments to organizations in which the project director, co-project director, or member(s) of their immediate families have a financial interest. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- i. Grantee hereby certifies that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any U.S. law (including the U.S. Foreign Corrupt Practices Act) or other applicable law or regulation in the jurisdiction of Grantee's incorporation or the jurisdiction of any country where Project activities are carried out; (2) without the express consent of the government for which the employee or official works; and (3) that is not reasonable, bona fide, and directly related to the activities funded under this Grant. It is Grantee's responsibility to ensure compliance with this clause, and to maintain, and provide at CI's request, documentation demonstrating such compliance. Grantee hereby certifies that no payments or other form of assistance shall be accepted by or made to any government employee or official, including Grantee, (a) to influence any official government act or decision, (b) to induce any government employee or official to do or omit to do any act in violation of his or her lawful duty, or (c) to obtain or retain business for, or direct business to any individual or entity. If Grantee is a government official or employee, Grantee shall recuse himself or herself from any governmental act or decision affecting CI, and shall not influence any governmental act or decision affecting CI.

Under no circumstances shall any payments or anything of value be made, promised, or offered to any U.S. Federal, State or local employee or official. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

- j. Grantee shall reject a proposal for award if it determines that (i) the bidder recommended for award has engaged in offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution ("Corrupt Practices") or (ii) the bidder has given a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Grantee or CI, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Grantee or CI of the benefits of free and open competition fraudulent practices in competing for the contract in question ("Fraudulent Practices"). Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- k. Grantee shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Grantee is eligible to apply for refunds on taxes paid, Grantee shall do so. All such reimbursements received by Grantee for taxes paid under this Grant shall be used for Project purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- l. Grant funds cannot be used to engage in, support or promote violence, terrorist activity or related training. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement. **[DELETE AND RE-NUMBER OTHER ITEMS IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT.]**
- m. Grantee agrees not to use any portion of the Grant for the purpose of making a grant to any individual for travel, study or similar purposes. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement. **[DELETE AND RE-NUMBER OTHER ITEMS IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT.]**

8. PROJECT MONITORING.

- a. Record Keeping and Required Documentation. Grantee shall segregate funds received and expenses incurred under this Grant from other sources of funding, including other CI grants. Grantee shall keep all pertinent records, both financial and technical, relating to this Grant for a period of three years following the termination or expiration of this Grant. CI, its representatives, assignees, and representatives from each of the Funding Sources reserve the right to inspect, review or audit any and all records relating to this Grant.

All reported expenditures and financial transactions must reflect actual costs incurred. Accounting records shall trace back to and be documented by source documentation (e.g., canceled checks, paid bills, canceled invoices, packing slips, payroll documents, time and attendance records, and sub-grants/sub-contract agreements). Documentation shall demonstrate that costs are (i) reasonable, allocable, and allowable, (ii) incurred in accordance with all Funding Terms and Conditions, (iii) treated consistently, (iv) and determined in accordance with International Accounting Standards (IAS).
- b. Desk Reviews and Site Visits. CI regards monitoring of project activities as essential to effective grant making. CI, its representatives and assignees, and representatives from each of the Funding Sources, may conduct desk reviews and/or site visits to review project progress and results. Grantee will provide proof of asset acquisition as requested by CI. To the extent possible, CI shall advise Grantee of any site visit in reasonable advance.

- c. AUDIT. CI reserves the right to require a project or organizational audit of expenses incurred under this Grant. Grantee agrees to reimburse CI, at Grantee's sole expense, the amount of any expenditure disallowed by auditors, through an audit exception or other appropriate means, based upon a finding that such expenditures failed to comply with a provision of this Grant. **[DELETE IF AUDIT IS REQUIRED UNDER SECTION 6 C]**
- d. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

9. FRAUD AND CORRUPTION.

- a. For the purposes of this paragraph, the terms set forth below are defined as follows:
 - (1) A "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
 - (2) A "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
 - (3) A "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
 - (4) A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
 - (5) An "obstructive practice" is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank or other Funding Source investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the World Bank's or other Funding Source's rights of audit or access to information described in Section 10.

The above practices, as so defined, are referred to collectively as "fraud and corruption".

- b. Grantee shall comply with paragraph 10 of the Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, a copy of which is attached hereto as Attachment 3 and incorporated by reference.
 - c. If CI determines that Grantee has engaged in corrupt, fraudulent, collusive, or obstructive practices in competing for or in executing this Agreement, then CI may suspend payments and terminate this Agreement for cause in accordance with Section 16.
 - d. Further, if CI determines that Grantee has engaged in corrupt, fraudulent, collusive, or obstructive practices in competing for or in executing this Agreement, the Grantee shall reimburse CI for the amount of the Grant with respect to which fraud and corruption has occurred.
 - e. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement and shall incorporate Attachment 3 into all such sub-contracts and sub-awards.
10. INSTRUCTIONS, INSPECTIONS AND AUDITS. The Grantee shall permit each of the Funding Sources to inspect the site and/or the accounts and records of the Grantee relating to the performance of the Grant, and to have such accounts and records audited by auditors appointed by the World Bank or any of the other Funding Sources, if requested by the World Bank or any other Funding Source. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
11. PROCUREMENT OF GOODS AND SERVICES.

- a. Grantee shall comply with the **CEPF Procurement Policies and Procedures**, attached as Attachment 2 (the “**Procurement Guidelines**”). Procurement records shall be made available to CI, its representatives and assignees, upon request. Grantee is authorized to purchase goods and services with a total cost equal to or in excess of US\$5000 only with the specific, prior, written approval of CI. This approval shall be deemed to be given if the goods or services are clearly identified in Attachment 1. For all purchases of goods and services in excess of US\$5000 not set forth in Attachment 1 Grantee must submit a written request to the CEPF Director, describing the proposed item, its cost, and the programmatic justification for such purchase. No purchases with total cost in excess of US\$5000 are authorized without written approval from the CEPF Director.
- b. Title to any equipment and other property purchased with Grant funds (including any interest thereon) shall be in the name of Grantee until CI provides permanent disposition instructions at the expiration or other termination of this Grant. Grantee agrees to provide adequate insurance for motorized vehicles and for all equipment with a unit cost equal to or greater than five thousand U.S. Dollars (US\$5,000) purchased with Grant funds. Grantee shall notify CI prior to purchasing any such vehicles or equipment if adequate insurance cannot be procured. In addition, Grantee agrees to properly maintain all equipment and other property purchased with Grant funds.
- c. Unless otherwise agreed in writing by CI, goods and services shall be dedicated solely to achieve the objectives contemplated by the parties hereunder.
- d. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

12. USE OF GRANT FUNDS AND OTHER VALUABLES BY THIRD PARTY GRANT FUNDS RECIPIENTS; SUB-AWARDS AND SUB-CONTRACTS.

- a. The Grantee is responsible for ensuring that the Project is administered in accordance with the Funding Terms and Conditions and that no Grant funds, interest, equipment, property and/or any other thing of value are disbursed or transferred to any organization or entity (‘Third Party Grant Funds Recipients’), whether or not formed by the Grantee, other than as specifically set forth in this Grant or unless specific, prior, written approval has been provided to Grantee by CI.
- b. The Grantee shall enter into legally binding, written agreements (‘sub-awards’ or ‘sub-contracts’) with Third Party Grant Funds Recipients, reflecting all Funding Terms and Conditions that Grantee is obliged to include in sub-contracts and sub-awards, including, but not limited to Sections 7, 8, 9, 10, 11 and 14.
- c. Records related to sub-contracts and sub-awards shall be made available to CI, its representatives and assignees, and representatives from each of the Funding Sources upon request.

13. OWNERSHIP OF INTELLECTUAL PROPERTY.

- a. The Parties agree that any non-proprietary information developed under this Grant will be made publicly available by each of the Funding Sources.
- b. Any information gathered by Grantee, and creative work developed by Grantee under this Grant, including without limitation any data, datasets, research, knowledge and all written, graphic, audio, visual and any other materials, contributions, applicable work product and production elements contained therein, whether on paper, disk, tape, digital file or any other media (the ‘Work’), shall remain the intellectual property of Grantee, provided however that Grantee hereby irrevocably grants to CI, and each of the Funding Sources and all members of the World Bank

Group, if applicable, a perpetual, royalty free, non-exclusive right to copy, distribute, publish, use, and prepare derivative works from the Work for any purpose, in any media, and in any territory for non-commercial use.

14. COMPLIANCE.

- a. Grantee represents and warrants compliance today and throughout the Grant Term, with all U.S. economic sanctions, anti-terrorism laws, and anti-money laundering laws, including but not limited to the USA PATRIOT Act, the laws administered by the United States Treasury Department's Office of Foreign Asset Control, Executive Order 13224 as if such aforementioned laws and regulations directly reached the activities of the Grantee.
- b. Grantee represents and warrants compliance today and throughout the Grant Term with any laws that apply in the jurisdiction in which Grantee is operating or carrying out Project related activities, including, but not limited to, anti-bribery laws, employment laws and tax laws.
- c. Grantee represents and warrants that it is legally registered, authorized to do business and/or has procured any necessary permits or licenses required to carry out Project related activities in the jurisdiction of Project implementation and to grant CI the rights described in Section 13.
- d. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.

15. ACKNOWLEDGEMENTS/PUBLICATIONS AND LOGO.

- a. Publications. Grantee agrees to provide CI with at least 5 copies of any article, report, media interview or other publication or broadcast relating to activities covered under this Grant. An electronic copy shall be provided, where available, and can be substituted for the 5 hard copies.
- b. Acknowledgements and Logos. Grantee agrees to acknowledge CEPF as detailed in the full Credit and Logo Policy incorporated herein as Attachment 4, in all publications, reports and publicity arising from activities carried out under a CEPF grant. In text credits the full name Critical Ecosystem Partnership Fund shall be used. Use of the CEPF logo must be approved in advance in writing by CEPF. Any use of CEPF donor logos is expressly prohibited.

16. TERMINATION AND SUSPENSION.

- a. Termination for Cause. In the event of CI's determination of (i) Grantee's failure to comply with any Funding Terms and Conditions, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud and corruption as defined in Section 9, abuse, embezzlement and/or theft, CI may terminate the Grant, in whole or in part, by giving written notice to Grantee. Such notice shall become effective upon receipt.
- b. Termination for Convenience. Either party may terminate this Grant for convenience, by providing written notice to the other party. Such notice shall become effective thirty (30) days after its receipt.
- c. Upon the effective date of termination, Grantee shall stop work, immediately terminate any sub-grants or other obligations that it may have entered into involving Grant funds provided under this Grant, and shall settle all outstanding liabilities and all claims resulting from such termination.
- d. Expenses after Termination for Convenience. Following termination for convenience, Grant funds may be used only for payment of non-cancelable obligations for expenditures identified in Attachment 1 or for which CI's written approval has been obtained by Grantee prior to incurrence. In such event, Grantee shall submit written proof to CI that such obligations could not be canceled. All other expenditures incurred subsequent to the effective date of termination are unallowable.
- e. Expenses after Termination for Cause. Following termination for cause, Grant funds may be used only for payment of expenditures for which CI's written approval has been obtained by Grantee prior to incurrence. All other expenditures incurred subsequent to the effective date of termination and all expenditures with respect to which fraud and corruption has occurred are unallowable.

- f. Within thirty (30) days of any termination under this Section, the Grantee shall (i) return to CI the Final Project Report and the Final Financial Report, as defined in Section 6 of this Agreement, as well as any unexpended Grant funds that are not obligated by a legally binding transaction, and (ii) reimburse CI for any disallowed expenditures. CI may take all actions necessary to recover such Grant funds and disallowed expenditures, at Grantee's expense.
- g. Suspension. In the event of CI's determination of (i) Grantee's failure to comply with any Funding Terms and Conditions, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud and corruption as defined in Section 9, abuse, embezzlement and/or theft, CI may suspend payments to the Grantee in whole or in part.
17. AMENDMENTS AND MODIFICATIONS. This Agreement may not be amended, supplemented, or modified in any respect except by written agreement of each of CI and the Grantee, duly signed by their respective authorized representatives. CI reserves the right to refuse any requests for extensions of the Grant Term that are received less than a month in advance of the Grant Agreement termination date.
18. INDEMNIFICATION. To the extent permitted by law, Grantee agrees to indemnify and hold harmless CI, any Funding Source identified in this grant agreement, and their respective trustees, officers, directors, agents, and employees, including the cost of defense, for any claim made against them arising out of Grantee's performance under this Grant. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
19. NO LIABILITY. CI shall not be liable for losses, damages, claims, or other liabilities arising out of Grantee's activities. It is expressly understood that CI, by making this Grant, has no obligation to provide other or additional support to Grantee for the purposes of this project or any other purposes.
20. RELATIONSHIP OF THE PARTIES. Nothing in this Grant shall be construed to create a relationship between the parties of agency, partnership, or joint ventures, or to render either party liable for any debts or obligations incurred by the other. Neither party is authorized to make representations on behalf of the other, or to bind the other in any manner whatsoever.
21. GOVERNING LAW. This Grant shall be governed by and interpreted in accordance with the laws of the District of Columbia, United States of America
22. COUNTERPARTS AND FACSIMILE SIGNATURES.
- a. It is the intention of each of the parties that the other party may rely on a facsimile copy of the signature of a duly authorized signatory and that upon the exchange of such facsimile signatures, electronically or otherwise, this Grant shall be binding between the Parties whether or not hard copies of this Grant are ever exchanged between them.
- b. This document may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument even though all the parties are not signatories to the original or the same counterpart
23. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Grant, but this Grant shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.
24. NO THIRD-PARTY BENEFICIARIES. Except as expressly set forth herein, neither party intends that this Grant shall benefit or create any right or cause of action in or on behalf of any person or entity other than the Grantee and CI.
25. NON-ASSIGNMENT. This Grant shall not be transferred or assigned by Grantee without CI's prior written consent.

26. COMPLAINT MECHANISM. CI, as administrator of CEPF, provides written feedback to all Grantees during the Grant Term on the Project's implementation progress as part of its focus on building civil society capacity. Grantees are encouraged to contact the relevant Regional Implementation Team or CEPF Grant Director if they have additional questions about CEPF decisions made about this Grant. If the Grantee is not satisfied with the response, a grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to the address in Section 31.
27. ARBITRATION. It is the Grantor's policy to make every reasonable effort to resolve all issues or disputes that may arise under this Grant fairly by negotiation, if practicable. Any dispute arising out of or relating to this Grant, which is not settled by agreement of the parties, shall be settled by binding arbitration, in accordance with the UNCITRAL Arbitration Rules in force at the time of commencement of the arbitration, before a sole arbitrator. The arbitration shall take place in Washington, DC, and the results thereof shall be final, non-appealable and binding on each party, and enforceable in any court of competent jurisdiction.
28. WAIVER. Either party may specifically waive any breach of this Grant by the other party, but no such waiver shall be deemed effective unless in writing, signed by the waiving party, and specifically designating the breach waived. No waiver shall constitute a continuing waiver of similar or other breaches. One party's consent or approval of any act by the other shall not be deemed to render unnecessary the consent to or approval of any subsequent act by the other party.
29. ENTIRE AGREEMENT. This Grant, including Attachments 1, 2, 3, 4, 5, and 6 (**DELETE "AND 6" IF IT IS NOT TO BE INCLUDED**) constitutes the entire understanding between the parties with respect to its subject matter hereunder, is intended as a complete and exclusive statement of the terms of their agreement, and supersedes any prior or contemporaneous agreements or understandings relating to the subject matter hereunder.
30. ORDER OF PRECEDENCE. Any inconsistency between this Grant and any Attachments hereto shall be resolved in the following order: a) Grant Agreement; b) Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, c) Code of Ethics, d) CEPF Procurement Policies and Procedures; e) Project and Budget; f) CEPF Credit and Logo Usage Policy; and f) any other Attachments.
31. NOTICES. Notice under this Grant shall be deemed to have been sufficiently given either when served personally, sent by U.S. First-Class Registered or Certified Mail or by expedited delivery service with return receipt requested, addressed to the parties at the addresses set forth below.

If to Conservation International Foundation
 Attn: Olivier Langrand
 Address: Conservation International Foundation
 2011 Crystal Drive, Suite 500 Arlington, VA,
 22202, USA
 Email: olangrand@cepf.net
 Phone: +1 703 341 24 00
 Fax: +1 703 553 07 21

If to Grantee:
 Attn:
 Address:
 Email:
 Phone:
 Fax:

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Grant as of the date indicated below:

Conservation International Foundation

[GRANTEE FULL ORGANIZATION NAME]

By: Olivier Langrand
Title: Executive Director, Critical Ecosystem
Partnership Fund

By: _____
Title: _____

Date: _____
Month Day Year

Date: _____
Month Day Year

Attachment 1: Project Proposal and Budget

Attachment 2: CEPF Procurement Policies and Procedures

Attachment 3: Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants

Attachment 4: Critical Ecosystem Partnership Fund Credit and Logo Usage Policy

Attachment 5: Code of Ethics

Attachment 6: Project Audit Scope **[DELETE IF NOT APPLICABLE]**

ATTACHMENT 1
PROJECT PROPOSAL AND PROJECT BUDGET

ATTACHMENT 2

CEPF PROCUREMENT POLICIES AND PROCEDURES

Prior to undertaking any purchases of goods or services with CEPF funds, Recipient is required to have institutional procurement policies in effect that are substantially the same as those listed below.

The specific procurement procedures listed in section II are applicable to all purchases of goods/services with Grant funds, and must be followed in all cases.

I. POLICIES

- A. All purchases of goods and services must be made with complete impartiality based solely on the merits of supplier proposals, including criteria such as efficiency, quality, reliability, reputation, cost, delivery and payment terms. **No employee, officer, or agent of Recipient may participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved.** Such a conflict exists when an employee, any member of his immediate family, his or her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the firm selected for the award. Employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods/services or parties to sub-agreements.
- B. Recipient is responsible for ensuring that all equipment is received in good condition. Recipient must examine and test goods upon receipt to ensure that the vendor has met all terms and conditions of the purchase agreement.
- C. All purchases of services, from individuals or organizations, must be made via a written contract. This contract must describe the proposed scope of work and relevant terms with specificity, including contractual provisions that allow for contractual or legal remedies, in the event of a breach of contract terms.
- D. Procurement contracts may be made only with responsible suppliers who are reputable, well established and are suppliers of the goods and services being purchased in the normal course of business. No award shall be made to a supplier who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

II. PROCUREMENT PROCEDURES

- A. Purchases of goods and services with a total cost of less than US\$5,000 may be made 'off the shelf.' No specific number of bids is required.

Procurement records must reflect at a minimum:

- Purchase/consulting/services agreements (and title documents, as applicable); and
- delivery receipts.

Such procurement records must be made available upon request by any of the funding sources.

- B. Purchases of goods with a total cost equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written quotations received from at least three potential suppliers. Quotations must respond to all requirements in the request for bids and include the description and quantity of the goods, as well as the delivery time and place.
 - i. Recipients are advised to initially request more than three quotations.
 - ii. The request for bids shall provide for a clear and accurate description of the technical requirements for the goods to be procured, including a description of the functions to be performed or performance required (e.g., acceptable characteristics, minimum acceptable standards).
 - iii. If there are at least three sources for the goods, at competitive prices, in Recipient's country, Recipient may purchase locally without requesting quotations from foreign entities.
 - iv. If this is not the case, then Recipient must request quotations from suppliers in at least two different countries, including the country where Recipient's main office is located. Quotations for foreign goods offered by a firm located in Recipient's country, are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, for example, to items such as computers, vehicles that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.

- v. Procurement records must reflect at a minimum:
 - the product specifications;
 - the list of firms invited to bid;
 - all quotations received;
 - the rationale for the selection of the firm by means of bid comparison on the basis of criteria such as fitness for purpose, efficiency, reliability, quality, delivery time, price, and maintenance;
 - purchase agreements (and title documents, as applicable); and
 - delivery receipts
 - CEPF approvals, where applicable.

Such procurement records must be made available upon request by any of the funding sources.

- vi. Prior approval: Recipient must obtain written approval from CEPF prior to purchasing a vehicle. Recipient will request approval after bids have been requested and reviewed. Recipient's rationale for selection shall be submitted in the format specified by CEPF.

- 1. Failure to obtain written approval prior to the purchase of a vehicle will result in a declaration of disallowance.

- C. Purchases of Services equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written statements of interest and CVs received from at least three potential firms or individuals. Statements of interest must respond to all requirements in the terms of reference.

- i. Terms of reference shall be well defined, specifying in detail the necessary subject area qualifications and expected outputs. They shall further include requirements, which the firm or individual must meet and other factors used to evaluate the Statement of Interest.
 - ii. All purchases of services must be memorialized in writing, with fixed outputs and specific payment terms.
 - iii. Fees may be paid on an hourly/daily rate, or on a fixed fee basis. All fees paid to individuals must be consistent with previous salary/fee history, as documented in the procurement records.
 - iv. Procurement records must reflect at a minimum:
 - the list of individuals or firms invited to bid
 - the statements of interest and CVs;
 - salary/fee history;
 - rationale for selection of the firms/individual by means of bid comparison on the basis of criteria such as qualifications, reputation, efficiency, reliability, time of completion, and fees; and
 - consulting/services agreements.
 - CEPF approvals, where applicable.

Such procurement records must be made available upon request by any of the funding sources.

- D. Purchases of goods and services with a total cost equaling, or in excess of, US\$50,000 are subject to special competitive bidding procedures.

- i. Such purchases are not allowed without separate written authorization from CI.
 - ii. In the event that purchases equaling, or in excess of, US\$50,000 are authorized, CI shall provide Recipient with detailed instructions on bidding requirements that Recipient shall comply with.
 - iii. Procurement records must be made available upon request by any of the funding sources.

- E. Purchases of goods and services on the basis of sole source selection: All purchases of goods and services equaling, or in excess of, US\$5,000 must be approved in writing by CEPF prior to the purchase. Recipient shall submit a justification to CEPF for the sole source selection in the format specified by CEPF.
 - i. Failure to obtain written approval prior to purchasing a good or service on the basis of sole source selection will result in a declaration of disallowance.

- F. In extremely urgent cases, quotations for civil works may be requested in the form of unit rate prices (if needed quantities are available with a reasonable degree of reliability), "cost plus fee" arrangements (when quantities cannot be reasonably determined in advance), or in the form of a lump sum based on cost estimates developed by the Recipient, or, if not possible, by the contractors.

ATTACHMENT 3

GUIDELINES

On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants

Dated October 15, 2006 and Revised in January, 2011

Purpose and General Principles

1. These Guidelines are designed to prevent and combat fraud and corruption that may occur in connection with the use of proceeds of financing from the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA) during the preparation and/or implementation of IBRD/IDA-financed investment projects. They set out the general principles, requirements and sanctions applicable to persons and entities which receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of, such proceeds.

2. All persons and entities referred to in paragraph 1 above must observe the highest standard of ethics. Specifically, all such persons and entities must take all appropriate measures to prevent and combat fraud and corruption, and refrain from engaging in, fraud and corruption in connection with the use of the proceeds of IBRD or IDA financing.

Legal Considerations

3. The Loan Agreement²⁹ providing for a Loan³⁰ governs the legal relationships between the Borrower³¹ and the Bank³² with respect to the particular project for which the Loan is made. The responsibility for the implementation of the project³³ under the Loan

²⁹ References in these Guidelines to “Loan Agreement” include any Guarantee Agreement providing for a guarantee by the Member Country of an IBRD Loan, Financing Agreement providing for an IDA Credit or IDA Grant, agreement providing for a project preparation advance or Institutional Development Fund (IDF) Grant, Trust Fund Grant or Loan Agreement providing for a recipient-executed trust fund grant or loan in cases where these Guidelines are made applicable to such agreement, and the Project Agreement with a Project Implementing Entity related to any of the above.

³⁰ References to “Loan” or “Loans” include IBRD loans as well as IDA credits and grants, project preparation advances, IDF grants and recipient-executed trust fund grants or loans for projects to which these Guidelines are made applicable under the agreement providing for such grant and/or loan, but excludes development policy lending, unless the Bank agrees with the Borrower on specified purposes for which loan proceeds may be used.

³¹ References in these Guidelines to the “Borrower” include the recipient of an IDA credit or grant or of a trust fund grant or loan. In some cases, an IBRD Loan may be made to an entity other than the Member Country. In such cases, references in these Guidelines to “Borrower” include the Member Country as Guarantor of the Loan, unless the context requires otherwise. In some cases, the project, or a part of the project, is carried out by a Project Implementing Entity with which the Bank has entered into a Project Agreement. In such cases, references in these Guidelines to the “Borrower” include the Project Implementing Entity, as defined in the Loan Agreement.

³² References in these Guidelines to the “Bank” include both IBRD and IDA.

³³ References in these Guidelines to the “project” means the Project as defined in the Loan Agreement.

Agreement, including the use of Loan proceeds, rests with the Borrower. The Bank, for its part, has a fiduciary duty under its Articles of Agreement to “make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.”³⁴ These Guidelines constitute an important element of those arrangements and are made applicable to the preparation and implementation of the project as provided in the Loan Agreement.

Scope of Application

4. The following provisions of these Guidelines cover fraud and corruption that may occur in connection with the use of Loan proceeds during the preparation and implementation of a project financed, in whole or in part, by the Bank. These Guidelines cover fraud and corruption in the direct diversion of Loan proceeds for ineligible expenditures, as well as fraud and corruption engaged in for the purpose of influencing any decision as to the use of Loan proceeds. All such fraud and corruption is deemed, for purposes of these Guidelines, to occur “in connection with the use of Loan proceeds”.

5. These Guidelines apply to the Borrower and all other persons or entities which either receive Loan proceeds for their own use (e.g., “end users”), persons or entities such as fiscal agents which are responsible for the deposit or transfer of Loan proceeds (whether or not they are beneficiaries of such proceeds), and persons or entities which take or influence decisions regarding the use of Loan proceeds. All such persons and entities are referred to in these Guidelines as “recipients of Loan proceeds”, whether or not they are in physical possession of such proceeds.³⁵

6. The Bank’s specific policy requirements on fraud and corruption in connection with the procurement or execution of contracts for goods, works or services financed out of the proceeds of a Loan from the Bank, are covered in the Procurement Guidelines³⁶ and the Consultant Guidelines³⁷, as each such Procurement Guidelines and Consultants Guidelines are applicable to a particular Loan.

³⁴ IBRD’s Articles of Agreement, Article III, Section 5(b); IDA’s Articles of Agreement, Article V, Section 1(g).

³⁵ Certain persons or entities may fall under more than one category identified in paragraph 5. A financial intermediary, for example, may receive payment for its services, will transfer funds to end users and will make or influence decisions regarding the use of loan proceeds.

³⁶ *Guidelines: Procurement under IBRD Loans and IDA Credits*, May 2004, as revised October 2006 and May 2010, and *Guidelines: Procurement of Goods, Works and Non-Consulting Services Under IBRD Loans And IDA Credits & Grants By World Bank Borrowers* dated January 2011, as such Procurement Guidelines may be amended from time to time.

³⁷ *Guidelines: the Selection and Employment of Consultants by World Bank Borrowers*, May 2004, as revised October 2006 and May 2010, and *Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers* dated January 2011, as such Consultant Guidelines may be amended from time to time.

Definitions of Practices Constituting Fraud and Corruption

7. These Guidelines address the following defined practices when engaged in by recipients of Loan proceeds in connection with the use of such proceeds:³⁸

- a) A “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.³⁹
- b) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly⁴⁰ misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- c) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- d) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- e) An “obstructive practice” is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the Bank’s contractual rights of audit or access to information.⁴¹

8. The above practices, as so defined, are sometimes referred to collectively in these Guidelines as “fraud and corruption”.

³⁸ Unless otherwise specified in the Loan Agreement, whenever these terms are used in the Loan Agreement, including in the applicable General Conditions, they have the meanings set out in paragraph 7 of these Guidelines.

³⁹ Typical examples of corrupt practice include bribery and “kickbacks”.

⁴⁰ To act “knowingly or recklessly”, the fraudulent actor must either know that the information or impression being conveyed is false, or be recklessly indifferent as to whether it is true or false. Mere inaccuracy in such information or impression, committed through simple negligence, is not enough to constitute fraudulent practice.

⁴¹ Such rights include those provided for, inter alia, in paragraph 9(d) below.

Borrower Actions to Prevent and Combat Fraud and Corruption in connection with the Use of Loan Proceeds

9. In furtherance of the above-stated purpose and general principles, the Borrower will:

- a) take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of Loan proceeds, including (but not limited to) (i) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the Loan are used only for the purposes for which the Loan was granted, and (ii) ensuring that all of its representatives⁴² involved with the project, and all recipients of Loan proceeds with which it enters into an agreement related to the Project, receive a copy of these Guidelines and are made aware of its contents;
- b) immediately report to the Bank any allegations of fraud and corruption in connection with the use of Loan proceeds that come to its attention;
- c) if the Bank determines that any person or entity referred to in (a) above has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of Loan proceeds, take timely and appropriate action, satisfactory to the Bank, to address such practices when they occur;
- d) include such provisions in its agreements with each recipient of Loan proceeds as the Bank may require to give full effect to these Guidelines, including (but not limited to) provisions (i) requiring such recipient to abide by paragraph 10 of these Guidelines, (ii) requiring such recipient to permit the Bank to inspect all of their accounts and records and other documents relating to the project required to be maintained pursuant to the Loan Agreement and to have them audited by, or on behalf of, the Bank, (iii) providing for the early termination or suspension by the Borrower of the agreement if such recipient is declared ineligible by the Bank under paragraph 11 below; and (iv) requiring restitution by such recipient of any amount of the loan with respect to which fraud and corruption has occurred;
- e) cooperate fully with representatives of the Bank in any investigation into allegations of fraud and corruption in connection with the use of loan proceeds; and
- f) in the event that the Bank declares any recipient of Loan proceeds ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, (i) exercising the Borrower's right to terminate early or suspend the agreement between the Borrower and such recipient and/or (ii) seeking restitution.

⁴² References in these Guidelines to "representatives" of an entity also include its officials, officers, employees and agents

Other Recipients of Loan Proceeds

10. In furtherance of the above-stated purpose and general principles, each recipient of Loan proceeds which enters into an agreement with the Borrower (or with another recipient of Loan proceeds) relating to the Project will:

- a) carry out its project-related activities in accordance with the above-stated general principles and the provisions of its agreement with the Borrower referred to in paragraph 9 (d) above; and include similar provisions in any agreements related to the Project into which it may enter with other recipients of Loan proceeds;
- b) immediately report to the Bank any allegations of fraud and corruption in connection with the use of loan proceeds that come to its attention;
- c) cooperate fully with representatives of the Bank in any investigation into allegations of fraud and corruption in connection with the use of loan proceeds;
- d) take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices by its representatives (if any) in connection with the use of loan proceeds, including (but not limited to): (i) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted, and (ii) ensuring that all its representatives receive a copy of these Guidelines and are made aware of its contents;
- e) in the event that any representative of such recipient is declared ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, either removing such representative from all duties and responsibilities in connection with the project or, when requested by the Bank or otherwise appropriate, terminating its contractual relationship with such representative; and
- f) in the event that it has entered into a project-related agreement with another person or entity which is declared ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, (i) exercising its right to terminate early or suspend such agreement and/or (ii) seeking restitution.

Sanctions and Related Actions by the Bank in Cases of Fraud and Corruption

11. In furtherance of the above-stated purpose and general principles, the Bank will have the right to sanction in accordance with prevailing Bank's sanctions policies and procedures, any individual or entity⁴³ other than the Member Country⁴⁴, including (but not limited to) declaring such individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank,

- a) (a) if at any time the Bank determines⁴⁵ that such individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of Loan proceeds;⁴⁶
- b) (b) if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such individual or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier; or
- c) if the Bank's General Services Department has found the individual or entity to be non-responsible on the basis of fraud and corruption in connection with World Bank Group corporate procurement.

⁴³ As in the case for bidders in the procurement context, the Bank may also sanction individuals and entities which engage in fraud or corruption in the course of applying to become a recipient of Loan proceeds (e.g., a bank which provides false documentation so as to qualify as a financial intermediary in a Bank-financed project) irrespective of whether they are successful.

⁴⁴ For purposes of these Guidelines, "Member Country" includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to: (i) bid under paragraph 1.8(b) of the Guidelines: Procurement under IBRD Loans and IDA Credits, May 2004, as revised October 2006 and May 2010, and paragraph 1.10(b) of the Guidelines: Procurement of Goods, Works and Non-Consulting Services Under IBRD Loans And IDA Credits & Grants By World Bank Borrowers dated January 2011; or (ii) participate under paragraph 1.11(b) of the Guidelines: the Selection and Employment of Consultants by World Bank Borrowers, May 2004, as revised October 2006 and May 2010, and paragraph 1.13(b) of the Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers dated January 2011.

⁴⁵ The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank.

⁴⁶ The sanction may, without limitation, also include restitution of any amount of the loan with respect to which sanctionable conduct has occurred. The Bank may publish the identity of any individual or entity declared ineligible under paragraph 11.

Miscellaneous

12. The provisions of these Guidelines do not limit any other rights, remedies⁴⁷ or obligations of the Bank or the Borrower under the Loan Agreement or any other document to which the Bank and the Borrower are both parties.

⁴⁷ The Loan Agreement provides the Bank with certain rights and remedies which it may exercise with respect to the Loan in the event of fraud and corruption in connection with the use of Loan proceeds, in the circumstances described therein.

ATTACHMENT 4

CRITICAL ECOSYSTEM PARTNERSHIP FUND CREDIT AND LOGO USAGE POLICY

All publications, reports and publicity materials arising from a Critical Ecosystem Partnership Fund (CEPF) grant shall acknowledge the Critical Ecosystem Partnership Fund.

All Web sites created with CEPF support or publicizing lists of Grantee's donors (including CEPF funding sources) or materials arising from a CEPF grant shall also include a link to the CEPF Web site, www.cepf.net.

In text credits and references, the full name shall be used, rather than the acronym.

When the name Critical Ecosystem Partnership Fund is translated, it shall be translated as follows:

Bahasa: *Dana Kemitraan Ekosistem Kritis*

Chinese: 关键生态系统合作基金

French: *Fonds de partenariat pour les écosystèmes critiques*

Portuguese: *Fundo de Parceria para Ecosistemas Críticos*

Russian: Фонд сотрудничества для сохранения важнейших экосистем, находящихся в уязвимом состоянии

Spanish: *Fondo de Alianzas para los Ecosistemas Críticos*

The following description shall also be used:

"The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation."

When the description is translated, it shall be translated as follows:

- French: "Le Fonds de partenariat pour les écosystèmes critiques est une initiative conjointe de l'Agence Française de Développement, Conservation International, l' Union européenne, du Fonds pour l'Environnement Mondial, du gouvernement du Japon, de la MacArthur Foundation et de la Banque Mondiale. Un objectif fondamental est de garantir que la société civile est engagée dans la conservation de la biodiversité."
- Portuguese : "O Fundo de Parceria para Ecossistemas Críticos é uma iniciativa conjunta da Agência Francesa de Desenvolvimento, da Conservação Internacional, União Europeia, da Gestão Ambiental Global, do Governo do Japão, da Fundação MacArthur e do Banco Mundial. Uma meta fundamental é garantir que a sociedade civil esteja envolvida com a conservação da biodiversidade".
- Spanish: "El Fondo de Alianzas para los Ecosistemas Críticos es una iniciativa conjunta de La Agencia Francesa de Desarrollo, la Conservación Internacional, la Unión Europea, el Fondo para el Medio Ambiente Mundial, el Gobierno de Japón, la Fundación MacArthur y el Banco Mundial. La meta fundamental es asegurar que la sociedad civil se dedique a conservar la diversidad biológica."

In addition, use of the CEPF logo is encouraged on reports, maps or other products that CEPF funding helps produce.

The CEPF logo is available in multiple electronic formats. To request the CEPF logo, please send a request with details of the proposed usage to cepf@conservation.org.

The logos of CEPF's individual donor partners may not be used under any circumstances by grantees.

Copies of articles, reports, media interviews, or other publications or broadcasts shall be provided to CEPF. In the case of professionally printed publications for distribution, at least 5 copies shall be provided to CEPF. Electronic copies of all materials shall also be provided where available so that they may be posted on the CEPF Web site, www.cepf.net; electronic copies also can be substituted for the requested 5 hard copies.

ATTACHMENT 5

CODE OF ETHICS

1. Scope of Applicability

The following ethics standards apply to all persons and entities which receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of Grant Funds received from CI (jointly referred to as 'Grant Fund Recipients'). Grant Funds Recipients include employees, agents, sub-contractors and sub-recipients of the aforementioned persons and entities.

2. Ethics Standards

Grant Funds Recipients are expected to observe the highest standards of professional and personal ethics in the implementation of projects funded by the CI.

Any violations of the Code of Ethics should be reported to CI via its Ethics Hotline at www.ci.ethicspoint.com.

Grant Funds Recipients are required to implement, monitor and enforce compliance with a Code of Ethics that substantially reflects the following ethics standards:

Integrity:

- Act in good faith, responsibly, with due care, competence and diligence and maintain the highest professional standards at all times.
- Comply with Funding Terms and Conditions, internal policies of the Grantee as well as all applicable laws, rules and regulations, domestic and international, in every country where the Grantee does business and where Project related activities are carried out.
- Reflect actual expenses or work performed in expense reports, time sheets, and other records.
- Never engage in any of the following acts: falsification of business documents, theft, embezzlement, diversion of funds, bribery, or fraud.

Transparency:

- Perform duties, exercise authority and use Grant Funds and assets procured with Grant Funds for Project purposes and never for personal benefit.
- Avoid conflicts of interest and not allow independent judgment to be compromised.
- Not accept gifts or favors from Project vendors/suppliers, sub-recipients or sub-contractors in excess of token gifts.

Accountability:

- Disclose to CI, at the earliest opportunity, any information they have or become aware of, that may result in a real or perceived conflict of interest or impropriety.
- Exercise responsible stewardship over Grant Funds and assets procured with Grant Funds; spend Funds wisely, in furtherance of the Project.
- Manage programs, activities, staff and operations in a professionally sound manner, with knowledge and wisdom, and with the goal of a successful Project outcome.

Confidentiality:

- Not disclose confidential or sensitive information obtained during the course of the Project

Mutual Respect and Collaboration:

- Assist CI, Project partners and beneficiaries in building the necessary capacity to carry out the Project efficiently and effectively and to manage Funds in a fiscally and operationally prudent manner.

I hereby acknowledge receipt of CI's Code of Ethics and certify agreement and compliance therewith.

FOR GRANTEE:

By: _____

Title: _____

Date: _____

ATTACHMENT 6

Terms of Reference: Project Audit

Objective

The objective of the audit of the audit is to enable the auditor to express an opinion on the financial position of the project based on funds received and expenditures reported.

The audit shall be conducted annually (“Audit Period”).

Scope

The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to either ISA 800 (Auditor’s Report on Special Purpose Audit Engagements) or ISRS 4410 and will include such tests and controls as the auditor considers necessary. The auditor must bear in mind, that for the establishment of the audit opinion, s/he has to carry out a compliance audit and not a normal statutory audit.

The preparation of the financial reports is the responsibility of the Grantee. The financial information has to be established in accordance with consistently applied Accounting Standards and the underlying grant agreement.

The auditor’s opinion, established in the audit opinion report, will explicitly state whether:

- a) The payments out of the project funds have been made in accordance with the conditions of the agreement. Where ineligible expenditures are identified, these should be noted separately.
- b) The funds have been maintained in accordance with the provisions of the agreement. This also comprises interest earned from balances.
- c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditures submitted as the basis for cash requests have been made available.
- d) The audited financial reports can be relied upon to support the related cash requests. Clear linkage should exist between the financial reports, the cash requests presented to CI and the accounting records.

- e) Goods and services financed have been procured in accordance with the agreement and the {funding source/donor's rules and regulations}.

Reports

The **audit report(s)** should be received by CI no later than three months after the end of the period covered. The audit reports must be provided to CI in English. The audit report(s) will include all aspects specified in the preceding paragraph ("Scope"). In this/these report(s) the auditor shall also provide a schedule showing receipts and disbursements during the Audit Period and the balance of the separate account(s) and all sub-accounts (if any) at the beginning and the end of the Audit Period. In addition, the auditor shall appraise and quantify the consequences of specific deficiencies, if any.

The auditor will in addition prepare a "management letter," in which the auditor will:

- a) give comments and observations on the accounting records, systems and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports);
- b) identify specific deficiencies and areas of weakness in systems and controls of the Grantee that have come to the auditor's attention, especially with regard to procurement and payments, and make recommendations for their improvement;
- c) report on actions taken by the management of the Grantee to make improvements with respect to deficiencies and areas of weakness reported in the past;
- d) bring to the Grantee's attention any other matter that the auditor considers pertinent.

INTERNAL GRANT AGREEMENT

Project Title:

Conservation Grants Number:

Business World Contract Master File:

Business World Vendor Master File:

This Internal Grant Agreement (“Agreement”) provides the terms and conditions under which funding shall be made available to the [CI PROGRAM NAME] (“Grantee”) for the project: “[PROJECT TITLE]”.

Funding in support of this Agreement is made available from the Helmsley Trust (“Trust”) [DELETE IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT] and the Margaret A. Cargill Foundation [DELETE IF NO CARGILL (WALLACEA REGION – STRATEGIC DIRECTION 4) FUNDS ARE BEING USED FOR THIS GRANT, NOTE THAT CARGILL FUNDS CANNOT BE ALLOCATED UNTIL JANUARY 1, 2016] and the Critical Ecosystem Partnership Fund (“CEPF”), a joint initiative of Conservation International (“CI”), International Bank for Reconstruction and Development (“IBRD”), the Global Environment Facility through the IBRD as implementing agency and through CI as implementing agency [THE TEXT “and through CI as implementing agency” IS FOR EASTERN AFROMONTANE, CERRADO, AND INDO-BURMA ONLY] (“GEF”), the Government of Japan through IBRD as trustee of grant funds provided by the Ministry of Finance (“Japan”), the John D. and Catherine T. MacArthur Foundation (“MacArthur Foundation”), l’Agence Française de Développement (“AFD”), and the European Union (“EU”) -- hereafter together referred to as "the Funding Sources".

1. **PURPOSE OF THE GRANT.** Grant funds are provided to support the project described in Grantee’s grant proposal and budget set forth in Attachment 1, (the “Project” and “Project Budget”). Funds shall be used solely for the purposes and activities described therein, shall in no case be used for activities in contravention of the IBRD Safeguard Policies described in paragraph 7 (b) of this Agreement, and shall in all cases conform to the restrictions and limitations described in this Agreement (including all attachments thereto), jointly referred to as the “Funding Terms and Conditions”. Grantee shall be solely responsible for ensuring Grantee’s as well as any sub-recipient’s and sub-contractor’s compliance with the Funding Terms and Conditions.
2. **PERIOD OF PERFORMANCE.** The Performance Start Date is _____. The End Date is _____, unless otherwise modified, or terminated in accordance with this Agreement. All expenses must be incurred within the Period of Performance.
3. **GRANT AMOUNT.** CI, as administrator of the CEPF agrees to make available to the Grantee, grant funds from the CEPF, in a total amount not to exceed _____ United States Dollars (US\$_____) (the "Grant") for the purpose and on the terms and conditions set forth in this Agreement. In all cases the use of the funds shall conform to the restrictions and limitations described in this Agreement and in the Procurement Policies and Procedures (Attachment 2). Only expenses for actual, reasonable and documented costs as authorized in the Project Budget (Attachment 1) are allowable. Salary cost must be supported by adequate documentation per CI time keeping requirements. All expenses incurred outside the Period of Performance, outside the scope of the Project or in excess of the Project Budget will be disallowed.
4. **PAYMENT.** Upon execution of this Agreement, the CEPF Secretariat shall set up a new Project Master File within Grantee’s budget, against which all eligible expenses under this Grant shall be charged. No other funds will be provided without written modification of this Agreement. Advances for operating expenses shall be requested through CI’s standard monthly cash request process. CEPF reserves the right to refuse payment, by barring Program’s ability to charge the Project Master File, if Grantee fails to comply with the reporting as outlined in Section 6 below.

5. PROJECT DIRECTORS. CEPF's Project Director for this project is _____ (the "CEPF Director"). Grantee's Project Director is _____ [STATE NAME AND TITLE]. All administrative notices, program requests, and deliverables relating to this Grant shall be addressed to these individuals.
6. REPORTING.
- a. Project Reports. The Grantee shall submit the following project reports.
- (1) Progress Reports. Grantee shall submit Progress Reports within thirty (30) days following the end of each six month period. These reports shall include an update on progress made against objectives, and shall be submitted in the format specified by CEPF.
- (2) Final Report. The Grantee shall submit a final report ('Final Project Report') within 60 days following the expiration of this Grant. This document shall include a comprehensive, detailed report of activities undertaken and an evaluation of accomplishments/successes under this Grant. This report shall be submitted in the format specified by CEPF.
- b. Financial Reports.
- (1) Financial Progress Report. The Grantee shall submit financial progress reports within thirty (30) days following the end of each calendar quarter. These reports shall be submitted in the format specified by CEPF.
- (a) Copies of procurement records shall be maintained for all purchases of goods and services in accordance with Attachment 2 and provided to CI or any of the funding sources upon request.
- (2) Final Financial Report. The Grantee shall file a final financial report ('Final Financial Report') within sixty (60) days following the expiration of this Grant. This report shall be submitted in the format specified by CEPF.
7. USE OF FUNDS AND RESOURCES.
- a. All funds (including any interest thereon), equipment, property and/or any other thing of value provided under this Grant shall be used only for approved purposes, and for expenses authorized in Attachment 1, Project Proposal and Project Budget. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- b. The Grantee is responsible for the implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies, as described at <http://go.worldbank.org/WTA1ODE7T0>. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- c. Grantee may allocate up to 15% of the total Grant between direct cost line items, not to exceed the approved total. Grantee shall request and receive written approval from CI prior to making any changes to the indirect costs line item, other changes to the budget or to the objectives, target areas, methodology, or timeline of the Project. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- d. Any funds (including any interest thereon) remaining with Grantee at the termination or expiration of the Period of Performance shall be returned to CI and Grantee shall reimburse CI for any disallowed expenditures. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- e. All funds provided under this Grant in U.S. Dollars that are exchanged to local currency must be exchanged at the best available rate through the channels authorized by applicable laws and regulations. Transactions must be verified through bank receipts or other documents or publications sufficient to demonstrate the legality of such transactions. Grantee hereby expressly

binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

- f. Grant funds (including any interest thereon) shall not be expended to carry on propaganda or otherwise attempt to influence legislation or any public election. Funds may only be used to engage in activities that are for charitable, scientific, literary or educational purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- g. Grant funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- h. Grant funds shall not be expended (i) in the territories of any country which is not a member of IBRD or for goods procured in, or services supplied from such territories, or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, or (iii) for penalties on late payments imposed by suppliers except if such penalties were incurred in connection with a disputed payment which was under arbitration or (iv) self insurance and premium. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- i. Grant Funds (including any interest thereon) shall not be expended for payments that are, or give the appearance of, a conflict of interest. A conflict of interest is defined as a transaction in which an employee's personal or financial interests conflict or appear to conflict with his official responsibility. Examples include, but are not limited to, such transactions as payments to the business partner(s) of the Project director, co-Project director, or members of their immediate families for salaries, expense reimbursement, or any other type of compensation, or payments to organizations in which the Project director, co-Project director, or member(s) of their immediate families have an interest. Grantee is responsible for the identification and disclosure of any actual or potential conflicts of interest to CI, and shall suggest mitigation measures in accordance with Grantee's own conflict of interest policy. Such mitigation measures are subject to approval by CI, and Grantee is required to follow any mitigation instructions provided by CI. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- j. Grantee hereby certifies that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any U.S. law (including the U.S. Foreign Corrupt Practices Act) or other applicable law or regulation in the jurisdiction of Grantee's incorporation or the jurisdiction of any country where Project activities are carried out; (2) without the express consent of the government for which the employee or official works; and (3) that is not reasonable, bona fide, and directly related to the activities funded under this Grant. It is Grantee's responsibility to ensure compliance with this clause, and to maintain, and provide at CI's request, documentation demonstrating such compliance. Grantee hereby certifies that no payments or other form of assistance shall be accepted by or made to any government employee or official, including Grantee, (a) to influence any official government act or decision, (b) to induce any government employee or official to do or omit to do any act in violation of his or her lawful duty, or (c) to obtain or retain business for, or direct business to any individual or entity. If Grantee is a government official or employee, Grantee shall recuse himself or herself from any governmental act or decision affecting CI, and shall not influence any governmental act or decision affecting CI. Under no circumstances shall any payments or anything of value be made, promised, or offered to any U.S. Federal, State or local employee or official. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- k. Grantee shall reject a proposal for award if it determines that (i) the bidder recommended for award has engaged in offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution ("Corrupt

Practices") or (ii) the bidder has given a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Grantee or CI, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Grantee or CI of the benefits of free and open competition fraudulent practices in competing for the contract in question ("Fraudulent Practices"). Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

- l. Grantee shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Grantee is eligible to apply for refunds on taxes paid, Grantee shall do so. All such reimbursements received by Grantee for taxes paid under this Grant shall be used for Project purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- m. Grant funds shall not be used to engage in, support or promote violence, terrorist activity or related training. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement. **[DELETE AND RE-NUMBER OTHER ITEMS IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT.]**
- n. Grantee agrees not to use any portion of the Grant for the purpose of making a grant to any individual for travel, study or similar purposes. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement. **[DELETE AND RE-NUMBER OTHER ITEMS IF NO HELMSLEY TRUST (MADAGASCAR REGION) FUNDS ARE BEING USED FOR THIS GRANT.]**

8. PROJECT MONITORING.

- a. Record Keeping. Grantee shall segregate funds received and expenses incurred under this Grant from other sources of funding, including other CI grants. Grantee shall keep all pertinent records, both financial and technical, relating to this Grant for a period of three years following the termination or expiration of this Grant. CI, its representatives, and assignees, reserve the right to inspect, review or audit any and all records relating to this Grant.
- b. Desk Reviews and Site Visits. CI regards monitoring of project activities as essential to effective grant making. CI, its representatives and assignees, and representatives from each of the Funding Sources, may conduct desk reviews and/or site visits to review project progress and results. To the extent possible, CI shall advise Grantee of any site visit in reasonable advance.
- c. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

9. FRAUD AND CORRUPTION.

- a. For the purposes of this paragraph, the terms set forth below are defined as follows:
 - (1) A "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
 - (2) A "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
 - (3) A "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
 - (4) A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

- (5) An “obstructive practice” is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a World Bank or other Funding Source investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the World Bank’s or other Funding Source’s rights of audit or access to information described in Section 10.

The above practices, as so defined, are referred to collectively as “fraud and corruption”.

- b. Grantee shall comply with paragraph 10 of the Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, a copy of which is attached hereto as Attachment 3 and incorporated by reference.
- c. If CI determines that Grantee has engaged in corrupt, fraudulent, collusive, or obstructive practices in competing for or in executing this Agreement, then CI may suspend payments and terminate this Agreement for cause in accordance with Section 16.
- d. Further, if CI determines that Grantee has engaged in corrupt, fraudulent, collusive, or obstructive practices in competing for or in executing this Agreement, the Grantee shall reimburse CI for the amount of the Grant with respect to which fraud and corruption has occurred.
- e. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement and shall incorporate Attachment 3 into all such sub-contracts and sub-awards.
10. INSTRUCTIONS, INSPECTIONS AND AUDITS. The Grantee shall permit each of the Funding Sources to inspect the site and/or the accounts and records of the Grantee relating to the performance of the Grant, and to have such accounts and records audited by auditors appointed by the World Bank or any of the other Funding Sources, if requested by the World Bank or any other Funding Source. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
11. PROCUREMENT OF GOODS AND SERVICES.
- a. Grantee shall comply with the **CEPF Procurement Policies and Procedures**, attached as Attachment 2 (the “**Procurement Guidelines**”). Procurement records shall be made available to CI, its representatives and assignees, upon request. Grantee is authorized to purchase goods and services with a total cost equal to or in excess of US\$5000 only with the specific, prior, written approval of CI. This approval shall be deemed to be given if the goods or services are clearly identified in Attachment 1. For all purchases of goods and services in excess of US\$5000 not set forth in Attachment 1 Grantee must submit a written request to the CEPF Director, describing the proposed item, its cost, and the programmatic justification for such purchase. No purchases with total cost in excess of US\$5000 are authorized without written approval from the CEPF Director.
- b. Title to any equipment and other property purchased with Grant funds (including any interest thereon) shall be in the name of Grantee until CI provides permanent disposition instructions at the expiration or other termination of this Grant. Grantee agrees to provide adequate insurance for motorized vehicles and for all equipment with a unit cost equal to or greater than five thousand U.S. Dollars (US\$5,000) purchased with Grant funds. Grantee shall notify CI prior to purchasing any such vehicles or equipment if adequate insurance cannot be procured. In addition, Grantee agrees to properly maintain all equipment and other property purchased with Grant funds.
- c. Unless otherwise agreed in writing by CI, goods and services shall be dedicated solely to achieve the objectives contemplated by the parties hereunder.

- d. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

12. USE OF GRANT FUNDS AND OTHER VALUABLES BY THIRD PARTY GRANT FUNDS RECIPIENTS; SUB-AWARDS AND SUB-CONTRACTS.

- a. The Grantee is responsible for ensuring that the Project is administered in accordance with the Funding Terms and Conditions and that no Grant funds, interest, equipment, property and/or any other thing of value are disbursed or transferred to any organization or entity ('Third Party Grant Funds Recipients'), whether or not formed by the Grantee, other than as specifically set forth in this Grant or unless specific, prior, written approval has been provided to Grantee by CI.
- b. The Grantee shall enter into legally binding, written agreements ('sub-awards' or 'sub-contracts') with Third Party Grant Funds Recipients, reflecting all Funding Terms and Conditions that Grantee is obliged to include in sub-contracts and sub-awards, including, but not limited to Sections 7, 8, 9, 10, 11 and 14.
- c. Records related to sub-contracts and sub-awards shall be made available to CI, its representatives and assignees, and representatives from each of the Funding Sources upon request.

13. COMPLIANCE.

- a. Grantee represents and warrants compliance today and throughout the Period of Performance, with all U.S. economic sanctions, anti-terrorism laws, and anti-money laundering laws, including but not limited to the USA PATRIOT Act, the laws administered by the United States Treasury Department's Office of Foreign Asset Control, Executive Order 13224 as if such aforementioned laws and regulations directly reached the activities of the Grantee.
- b. Grantee represents and warrants compliance today and throughout the Period of Performance with any laws that apply in the jurisdiction in which Grantee is operating or carrying out Project related activities, including, but not limited to, anti-bribery laws, employment laws and tax laws.
- c. Grantee represents and warrants that it is legally registered, authorized to do business and/or has procured any necessary permits or licenses required to carry out Project related activities in the jurisdiction of Project implementation and to grant CI the rights described in Section 13.
- d. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.

14. ACKNOWLEDGEMENTS/PUBLICATIONS AND LOGO.

- c. Publications. Grantee agrees to provide CI with at least 5 copies of any article, report, media interview or other publication or broadcast relating to activities covered under this Grant. An electronic copy shall be provided, where available, and can be substituted for the 5 hard copies.
- d. Acknowledgements and Logos. Grantee agrees to acknowledge CEPF as detailed in the full Credit and Logo Policy incorporated herein as Attachment 4, in all publications, reports and publicity arising from activities carried out under a CEPF grant. In text credits the full name Critical Ecosystem Partnership Fund shall be used. Use of the CEPF logo must be approved in advance in writing by CEPF. Any use of CEPF donor logos is expressly prohibited.

15. TERMINATION AND SUSPENSION.

- a. Termination for Cause. In the event of CI's determination of (i) Grantee's failure to comply with any Funding Terms and Conditions, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud and corruption as defined in Section 9, abuse, embezzlement and/or theft, CI may terminate the Grant, in whole or in part, by giving written notice to Grantee. Such notice shall become effective upon receipt.

- b. Termination for Convenience. Either party may terminate this Grant for convenience, by providing written notice to the other party. Such notice shall become effective thirty (30) days after its receipt.
 - c. Upon the effective date of termination, Grantee shall stop work, immediately terminate any sub-grants or other obligations that it may have entered into involving Grant funds provided under this Grant, and shall settle all outstanding liabilities and all claims resulting from such termination.
 - d. Expenses after Termination for Convenience. Following termination for convenience, Grant funds may be used only for payment of non-cancelable obligations for expenditures identified in Attachment 1 or for which CI's written approval has been obtained by Grantee prior to incurrence. In such event, Grantee shall submit written proof to CI that such obligations could not be canceled. All other expenditures incurred subsequent to the effective date of termination are unallowable.
 - e. Expenses after Termination for Cause. Following termination for cause, Grant funds may be used only for payment of expenditures for which CI's written approval has been obtained by Grantee prior to incurrence. All other expenditures incurred subsequent to the effective date of termination and all expenditures with respect to which fraud and corruption has occurred are unallowable.
 - f. Within thirty (30) days of any termination under this Section, the Grantee shall (i) return to CI the Final Project Report and the Final Financial Report, as defined in Section 6 of this Agreement, as well as any unexpended Grant funds that are not obligated by a legally binding transaction, and (ii) reimburse CI for any disallowed expenditures. CI may take all actions necessary to recover such Grant funds and disallowed expenditures, at Grantee's expense.
 - g. Suspension. In the event of CI's determination of (i) Grantee's failure to comply with any Funding Terms and Conditions, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud and corruption as defined in Section 9, abuse, embezzlement and/or theft, CI may suspend payments to the Grantee in whole or in part.
16. AMENDMENTS AND MODIFICATIONS. This Agreement may not be amended, supplemented, or modified in any respect except by written agreement of each of CI and the Grantee, duly signed by their respective authorized representatives. CI reserves the right to refuse any requests for extensions of the Period of Performance that are received less than a month in advance of the Grant Agreement termination date.
17. COUNTERPARTS AND FACSIMILE SIGNATURES.
- a. It is the intention of each of the parties that the other party may rely on a facsimile copy of the signature of a duly authorized signatory and that upon the exchange of such facsimile signatures, electronically or otherwise, this Grant shall be binding between the Parties whether or not hard copies of this Grant are ever exchanged between them.
 - b. This document may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument even though all the parties are not signatories to the original or the same counterpart
18. NO THIRD-PARTY BENEFICIARIES. Except as expressly set forth herein, neither party intends that this Grant shall benefit or create any right or cause of action in or on behalf of any person or entity other than the Grantee and CI.
19. NON-ASSIGNMENT. This Grant shall not be transferred or assigned by Grantee without CI's prior written consent.
20. COMPLAINT MECHANISM. CI, as administrator of CEPF, provides written feedback to all Grantees during the Period of Performance on the Project's implementation progress as part of its focus on building civil society capacity. Grantees are encouraged to contact the relevant Regional Implementation Team or CEPF Grant Director if they have additional questions about CEPF decisions made about this Grant. If the Grantee is not satisfied with the response, a grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to the address in Section 31.
21. ENTIRE AGREEMENT. This Grant, including Attachments 1, 2, 3, and 4 constitutes the entire understanding between the parties with respect to its subject matter hereunder, is intended as a complete and exclusive

statement of the terms of their agreement, and supersedes any prior or contemporaneous agreements or understandings relating to the subject matter hereunder.

22. ORDER OF PRECEDENCE. Any inconsistency between this Grant and any Attachments hereto shall be resolved in the following order: a) Grant Agreement; b) Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, c) CEPF Procurement Policies and Procedures; d) Project and Budget; e) CEPF Credit and Logo Usage Policy; and f) any other Attachments.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Grant as of the date indicated below:

**For Conservation International Foundation, as
administrator of CEPF**

For CI's [PROGRAM NAME], as the Grantee

By: Olivier Langrand
Title: Executive Director, Critical Ecosystem
Partnership Fund

By: _____
Title: _____

Date: _____
Month Day Year

Date: _____
Month Day Year

Attachment 1: Project Proposal and Budget

Attachment 2: CEPF Procurement Policies and Procedures

Attachment 3: Guidelines On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants

Attachment 4: Critical Ecosystem Partnership Fund Credit and Logo Usage Policy

ATTACHMENT 1
PROJECT PROPOSAL AND PROJECT BUDGET

ATTACHMENT 2

CEPF PROCUREMENT POLICIES AND PROCEDURES

Prior to undertaking any purchases of goods or services with CEPF funds, Recipient is required to have institutional procurement policies in effect that are substantially the same as those listed below.

The specific procurement procedures listed in section II are applicable to all purchases of goods/services with Grant funds, and must be followed in all cases.

III. POLICIES

- D. All purchases of goods and services must be made with complete impartiality based solely on the merits of supplier proposals, including criteria such as efficiency, quality, reliability, reputation, cost, delivery and payment terms. **No employee, officer, or agent of Recipient may participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved.** Such a conflict exists when an employee, any member of his immediate family, his or her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the firm selected for the award. Employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods/services or parties to sub-agreements.
- E. Recipient is responsible for ensuring that all equipment is received in good condition. Recipient must examine and test goods upon receipt to ensure that the vendor has met all terms and conditions of the purchase agreement.
- F. All purchases of services, from individuals or organizations, must be made via a written contract. This contract must describe the proposed scope of work and relevant terms with specificity, including contractual provisions that allow for contractual or legal remedies, in the event of a breach of contract terms.
- D. Procurement contracts may be made only with responsible suppliers who are reputable, well established and are suppliers of the goods and services being purchased in the normal course of business. No award shall be made to a supplier who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

IV. PROCUREMENT PROCEDURES

- A. Purchases of goods and services with a total cost of less than US\$5,000 may be made 'off the shelf.' No specific number of bids is required.

Procurement records must reflect at a minimum:

- Purchase/consulting/services agreements (and title documents, as applicable); and
- delivery receipts.

Such procurement records must be made available upon request by any of the funding sources.

- B. Purchases of goods with a total cost equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written quotations received from at least three potential suppliers. Quotations must respond to all requirements in the request for bids and include the description and quantity of the goods, as well as the delivery time and place.
 - vii. Recipients are advised to initially request more than three quotations.
 - viii. The request for bids shall provide for a clear and accurate description of the technical requirements for the goods to be procured, including a description of the functions to be performed or performance required (e.g., acceptable characteristics, minimum acceptable standards).
 - ix. If there are at least three sources for the goods, at competitive prices, in Recipient's country, Recipient may purchase locally without requesting quotations from foreign entities.
 - x. If this is not the case, then Recipient must request quotations from suppliers in at least two different countries, including the country where Recipient's main office is located. Quotations for foreign goods offered by a firm located in Recipient's country, are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, for example, to items such as computers, vehicles that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.

- xi. Procurement records must reflect at a minimum:
 - the product specifications;
 - the list of firms invited to bid;
 - all quotations received;
 - the rationale for the selection of the firm by means of bid comparison on the basis of criteria such as fitness for purpose, efficiency, reliability, quality, delivery time, price, and maintenance;
 - purchase agreements (and title documents, as applicable); and
 - delivery receipts
 - CEPF approvals, where applicable.

Such procurement records must be made available upon request by any of the funding sources.

- xii. Prior approval: Recipient must obtain written approval from CEPF prior to purchasing a vehicle. Recipient will request approval after bids have been requested and reviewed. Recipient's rationale for selection shall be submitted in the format specified by CEPF.
 - 1. Failure to obtain written approval prior to the purchase of a vehicle will result in a declaration of disallowance.

CI. Purchases of Services equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written statements of interest and CVs received from at least three potential firms or individuals. Statements of interest must respond to all requirements in the terms of reference.

- v. Terms of reference shall be well defined, specifying in detail the necessary subject area qualifications and expected outputs. They shall further include requirements, which the firm or individual must meet and other factors used to evaluate the Statement of Interest.
- vi. All purchases of services must be memorialized in writing, with fixed outputs and specific payment terms.
- vii. Fees may be paid on an hourly/daily rate, or on a fixed fee basis. All fees paid to individuals must be consistent with previous salary/fee history, as documented in the procurement records.
- viii. Procurement records must reflect at a minimum:
 - the list of individuals or firms invited to bid
 - the statements of interest and CVs;
 - salary/fee history;
 - rationale for selection of the firms/individual by means of bid comparison on the basis of criteria such as qualifications, reputation, efficiency, reliability, time of completion, and fees; and
 - consulting/services agreements.
 - CEPF approvals, where applicable.

Such procurement records must be made available upon request by any of the funding sources.

D. Purchases of goods and services with a total cost equaling, or in excess of, US\$50,000 are subject to special competitive bidding procedures.

- i. Such purchases are not allowed without separate written authorization from CI.
- ii. In the event that purchases equaling, or in excess of, US\$50,000 are authorized, CI shall provide Recipient with detailed instructions on bidding requirements that Recipient shall comply with.
- iii. Procurement records must be made available upon request by any of the funding sources.

- E. Purchases of goods and services on the basis of sole source selection: All purchases of goods and services equaling, or in excess of, US\$5,000 must be approved in writing by CEPF prior to the purchase. Recipient shall submit a justification to CEPF for the sole source selection in the format specified by CEPF.
 - i. Failure to obtain written approval prior to purchasing a good or service on the basis of sole source selection will result in a declaration of disallowance.

- F. In extremely urgent cases, quotations for civil works may be requested in the form of unit rate prices (if needed quantities are available with a reasonable degree of reliability), "cost plus fee" arrangements (when quantities cannot be reasonably determined in advance), or in the form of a lump sum based on cost estimates developed by the Recipient, or, if not possible, by the contractors.

ATTACHMENT 3

GUIDELINES

On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants

Dated October 15, 2006 and Revised in January, 2011

Purpose and General Principles

1. These Guidelines are designed to prevent and combat fraud and corruption that may occur in connection with the use of proceeds of financing from the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA) during the preparation and/or implementation of IBRD/IDA-financed investment projects. They set out the general principles, requirements and sanctions applicable to persons and entities which receive, are responsible for the deposit or transfer of, or take or influence decisions regarding the use of, such proceeds.

2. All persons and entities referred to in paragraph 1 above must observe the highest standard of ethics. Specifically, all such persons and entities must take all appropriate measures to prevent and combat fraud and corruption, and refrain from engaging in, fraud and corruption in connection with the use of the proceeds of IBRD or IDA financing.

Legal Considerations

3. The Loan Agreement⁴⁸ providing for a Loan⁴⁹ governs the legal relationships between the Borrower⁵⁰ and the Bank⁵¹ with respect to the particular project for which the Loan is made. The responsibility for the implementation of the project⁵² under the Loan

⁴⁸ References in these Guidelines to “Loan Agreement” include any Guarantee Agreement providing for a guarantee by the Member Country of an IBRD Loan, Financing Agreement providing for an IDA Credit or IDA Grant, agreement providing for a project preparation advance or Institutional Development Fund (IDF) Grant, Trust Fund Grant or Loan Agreement providing for a recipient-executed trust fund grant or loan in cases where these Guidelines are made applicable to such agreement, and the Project Agreement with a Project Implementing Entity related to any of the above.

⁴⁹ References to “Loan” or “Loans” include IBRD loans as well as IDA credits and grants, project preparation advances, IDF grants and recipient-executed trust fund grants or loans for projects to which these Guidelines are made applicable under the agreement providing for such grant and/or loan, but excludes development policy lending, unless the Bank agrees with the Borrower on specified purposes for which loan proceeds may be used.

⁵⁰ References in these Guidelines to the “Borrower” include the recipient of an IDA credit or grant or of a trust fund grant or loan. In some cases, an IBRD Loan may be made to an entity other than the Member Country. In such cases, references in these Guidelines to “Borrower” include the Member Country as Guarantor of the Loan, unless the context requires otherwise. In some cases, the project, or a part of the project, is carried out by a Project Implementing Entity with which the Bank has entered into a Project Agreement. In such cases, references in these Guidelines to the “Borrower” include the Project Implementing Entity, as defined in the Loan Agreement.

⁵¹ References in these Guidelines to the “Bank” include both IBRD and IDA.

⁵² References in these Guidelines to the “project” means the Project as defined in the Loan Agreement.

Agreement, including the use of Loan proceeds, rests with the Borrower. The Bank, for its part, has a fiduciary duty under its Articles of Agreement to “make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.”⁵³ These Guidelines constitute an important element of those arrangements and are made applicable to the preparation and implementation of the project as provided in the Loan Agreement.

Scope of Application

4. The following provisions of these Guidelines cover fraud and corruption that may occur in connection with the use of Loan proceeds during the preparation and implementation of a project financed, in whole or in part, by the Bank. These Guidelines cover fraud and corruption in the direct diversion of Loan proceeds for ineligible expenditures, as well as fraud and corruption engaged in for the purpose of influencing any decision as to the use of Loan proceeds. All such fraud and corruption is deemed, for purposes of these Guidelines, to occur “in connection with the use of Loan proceeds”.

5. These Guidelines apply to the Borrower and all other persons or entities which either receive Loan proceeds for their own use (e.g., “end users”), persons or entities such as fiscal agents which are responsible for the deposit or transfer of Loan proceeds (whether or not they are beneficiaries of such proceeds), and persons or entities which take or influence decisions regarding the use of Loan proceeds. All such persons and entities are referred to in these Guidelines as “recipients of Loan proceeds”, whether or not they are in physical possession of such proceeds.⁵⁴

6. The Bank’s specific policy requirements on fraud and corruption in connection with the procurement or execution of contracts for goods, works or services financed out of the proceeds of a Loan from the Bank, are covered in the Procurement Guidelines⁵⁵ and the Consultant Guidelines⁵⁶, as each such Procurement Guidelines and Consultants Guidelines are applicable to a particular Loan.

⁵³ IBRD’s Articles of Agreement, Article III, Section 5(b); IDA’s Articles of Agreement, Article V, Section 1(g).

⁵⁴ Certain persons or entities may fall under more than one category identified in paragraph 5. A financial intermediary, for example, may receive payment for its services, will transfer funds to end users and will make or influence decisions regarding the use of loan proceeds.

⁵⁵ *Guidelines: Procurement under IBRD Loans and IDA Credits*, May 2004, as revised October 2006 and May 2010, and *Guidelines: Procurement of Goods, Works and Non-Consulting Services Under IBRD Loans And IDA Credits & Grants By World Bank Borrowers* dated January 2011, as such Procurement Guidelines may be amended from time to time.

⁵⁶ *Guidelines: the Selection and Employment of Consultants by World Bank Borrowers*, May 2004, as revised October 2006 and May 2010, and *Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers* dated January 2011, as such Consultant Guidelines may be amended from time to time.

Definitions of Practices Constituting Fraud and Corruption

7. These Guidelines address the following defined practices when engaged in by recipients of Loan proceeds in connection with the use of such proceeds:⁵⁷

- f) A “corrupt practice” is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.⁵⁸
- g) A “fraudulent practice” is any act or omission, including a misrepresentation, that knowingly or recklessly⁵⁹ misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- h) A “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.
- i) A “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- j) An “obstructive practice” is (i) deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; and/or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or (ii) acts intended to materially impede the exercise of the Bank’s contractual rights of audit or access to information.⁶⁰

8. The above practices, as so defined, are sometimes referred to collectively in these Guidelines as “fraud and corruption”.

⁵⁷ Unless otherwise specified in the Loan Agreement, whenever these terms are used in the Loan Agreement, including in the applicable General Conditions, they have the meanings set out in paragraph 7 of these Guidelines.

⁵⁸ Typical examples of corrupt practice include bribery and “kickbacks”.

⁵⁹ To act “knowingly or recklessly”, the fraudulent actor must either know that the information or impression being conveyed is false, or be recklessly indifferent as to whether it is true or false. Mere inaccuracy in such information or impression, committed through simple negligence, is not enough to constitute fraudulent practice.

⁶⁰ Such rights include those provided for, inter alia, in paragraph 9(d) below.

Borrower Actions to Prevent and Combat Fraud and Corruption in connection with the Use of Loan Proceeds

9. In furtherance of the above-stated purpose and general principles, the Borrower will:

- g) take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of Loan proceeds, including (but not limited to) (i) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the Loan are used only for the purposes for which the Loan was granted, and (ii) ensuring that all of its representatives⁶¹ involved with the project, and all recipients of Loan proceeds with which it enters into an agreement related to the Project, receive a copy of these Guidelines and are made aware of its contents;
- h) immediately report to the Bank any allegations of fraud and corruption in connection with the use of Loan proceeds that come to its attention;
- i) if the Bank determines that any person or entity referred to in (a) above has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of Loan proceeds, take timely and appropriate action, satisfactory to the Bank, to address such practices when they occur;
- j) include such provisions in its agreements with each recipient of Loan proceeds as the Bank may require to give full effect to these Guidelines, including (but not limited to) provisions (i) requiring such recipient to abide by paragraph 10 of these Guidelines, (ii) requiring such recipient to permit the Bank to inspect all of their accounts and records and other documents relating to the project required to be maintained pursuant to the Loan Agreement and to have them audited by, or on behalf of, the Bank, (iii) providing for the early termination or suspension by the Borrower of the agreement if such recipient is declared ineligible by the Bank under paragraph 11 below; and (iv) requiring restitution by such recipient of any amount of the loan with respect to which fraud and corruption has occurred;
- k) cooperate fully with representatives of the Bank in any investigation into allegations of fraud and corruption in connection with the use of loan proceeds; and
- l) in the event that the Bank declares any recipient of Loan proceeds ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, (i) exercising the Borrower's right to terminate early or suspend the agreement between the Borrower and such recipient and/or (ii) seeking restitution.

⁶¹ References in these Guidelines to "representatives" of an entity also include its officials, officers, employees and agents

Other Recipients of Loan Proceeds

10. In furtherance of the above-stated purpose and general principles, each recipient of Loan proceeds which enters into an agreement with the Borrower (or with another recipient of Loan proceeds) relating to the Project will:

- g) carry out its project-related activities in accordance with the above-stated general principles and the provisions of its agreement with the Borrower referred to in paragraph 9 (d) above; and include similar provisions in any agreements related to the Project into which it may enter with other recipients of Loan proceeds;
- h) immediately report to the Bank any allegations of fraud and corruption in connection with the use of loan proceeds that come to its attention;
- i) cooperate fully with representatives of the Bank in any investigation into allegations of fraud and corruption in connection with the use of loan proceeds;
- j) take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices by its representatives (if any) in connection with the use of loan proceeds, including (but not limited to): (i) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the loan are used only for the purposes for which the loan was granted, and (ii) ensuring that all its representatives receive a copy of these Guidelines and are made aware of its contents;
- k) in the event that any representative of such recipient is declared ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, either removing such representative from all duties and responsibilities in connection with the project or, when requested by the Bank or otherwise appropriate, terminating its contractual relationship with such representative; and
- l) in the event that it has entered into a project-related agreement with another person or entity which is declared ineligible as described in paragraph 11 below, take all necessary and appropriate action to give full effect to such declaration by, among other things, (i) exercising its right to terminate early or suspend such agreement and/or (ii) seeking restitution.

Sanctions and Related Actions by the Bank in Cases of Fraud and Corruption

11. In furtherance of the above-stated purpose and general principles, the Bank will have the right to sanction in accordance with prevailing Bank's sanctions policies and procedures, any individual or entity⁶² other than the Member Country⁶³, including (but not limited to) declaring such individual or entity ineligible publicly, either indefinitely or for a stated period of time: (i) to be awarded a Bank-financed contract; (ii) to benefit from a Bank-financed contract, financially or otherwise, for example as a sub-contractor; and (iii) to otherwise participate in the preparation or implementation of the project or any other project financed, in whole or in part, by the Bank,

- d) (a) if at any time the Bank determines⁶⁴ that such individual or entity has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in connection with the use of Loan proceeds;⁶⁵
- e) (b) if another financier with which the Bank has entered into an agreement for the mutual enforcement of debarment decisions has declared such individual or entity ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the individual or entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier; or
- f) if the Bank's General Services Department has found the individual or entity to be non-responsible on the basis of fraud and corruption in connection with World Bank Group corporate procurement.

⁶² As in the case for bidders in the procurement context, the Bank may also sanction individuals and entities which engage in fraud or corruption in the course of applying to become a recipient of Loan proceeds (e.g., a bank which provides false documentation so as to qualify as a financial intermediary in a Bank-financed project) irrespective of whether they are successful.

⁶³ For purposes of these Guidelines, "Member Country" includes officials and employees of the national government or of any of its political or administrative subdivisions, and government owned enterprises and agencies that are not eligible to: (i) bid under paragraph 1.8(b) of the Guidelines: Procurement under IBRD Loans and IDA Credits, May 2004, as revised October 2006 and May 2010, and paragraph 1.10(b) of the Guidelines: Procurement of Goods, Works and Non-Consulting Services Under IBRD Loans And IDA Credits & Grants By World Bank Borrowers dated January 2011; or (ii) participate under paragraph 1.11(b) of the Guidelines: the Selection and Employment of Consultants by World Bank Borrowers, May 2004, as revised October 2006 and May 2010, and paragraph 1.13(b) of the Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits & Grants by World Bank Borrowers dated January 2011.

⁶⁴ The Bank has established a Sanctions Board, and related procedures, for the purpose of making such determinations. The procedures of the Sanctions Board sets forth the full set of sanctions available to the Bank.

⁶⁵ The sanction may, without limitation, also include restitution of any amount of the loan with respect to which sanctionable conduct has occurred. The Bank may publish the identity of any individual or entity declared ineligible under paragraph 11.

Miscellaneous

12. The provisions of these Guidelines do not limit any other rights, remedies⁶⁶ or obligations of the Bank or the Borrower under the Loan Agreement or any other document to which the Bank and the Borrower are both parties.

⁶⁶The Loan Agreement provides the Bank with certain rights and remedies which it may exercise with respect to the Loan in the event of fraud and corruption in connection with the use of Loan proceeds, in the circumstances described therein.

ATTACHMENT 4

CRITICAL ECOSYSTEM PARTNERSHIP FUND CREDIT AND LOGO USAGE POLICY

All publications, reports and publicity materials arising from a Critical Ecosystem Partnership Fund (CEPF) grant shall acknowledge the Critical Ecosystem Partnership Fund.

All Web sites created with CEPF support or publicizing lists of Grantee's donors (including CEPF funding sources) or materials arising from a CEPF grant shall also include a link to the CEPF Web site, www.cepf.net.

In text credits and references, the full name shall be used, rather than the acronym.

When the name Critical Ecosystem Partnership Fund is translated, it shall be translated as follows:

Bahasa: *Dana Kemitraan Ekosistem Kritis*

Chinese: 关键生态系统合作基金

French: *Fonds de partenariat pour les écosystèmes critiques*

Portuguese: *Fundo de Parceria para Ecosistemas Críticos*

Russian: Фонд Сотрудничества для Сохранения Экосистем, Находящихся в Критическом Состоянии

Spanish: *Fondo de Alianzas para los Ecosistemas Críticos*

The following description shall also be used:

"The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation."

When the description is translated, it shall be translated as follows:

- French: "Le Fonds de partenariat pour les écosystèmes critiques est une initiative conjointe de l'Agence Française de Développement, Conservation International, l' Union européenne, du Fonds pour l'Environnement Mondial, du gouvernement du Japon, de la MacArthur Foundation et de la Banque Mondiale. Un objectif fondamental est de garantir que la société civile est engagée dans la conservation de la biodiversité."
- Portuguese : "O Fundo de Parceria para Ecossistemas Críticos é uma iniciativa conjunta da Agência Francesa de Desenvolvimento, da Conservação Internacional, União Europeia, da Gestão Ambiental Global, do Governo do Japão, da Fundação MacArthur e do Banco Mundial. Uma meta fundamental é garantir que a sociedade civil esteja envolvida com a conservação da biodiversidade".
- Spanish: "El Fondo de Alianzas para los Ecosistemas Críticos es una iniciativa conjunta de La Agencia Francesa de Desarrollo, la Conservación Internacional, la Unión Europea, el Fondo para el Medio Ambiente Mundial, el Gobierno de Japón, la Fundación MacArthur y el Banco Mundial. La meta fundamental es asegurar que la sociedad civil se dedique a conservar la diversidad biológica."

In addition, use of the CEPF logo is encouraged on reports, maps or other products that CEPF funding helps produce.

The CEPF logo is available in multiple electronic formats. To request the CEPF logo, please send a request with details of the proposed usage to cepf@conservation.org.

The logos of CEPF's individual donor partners may not be used under any circumstances by grantees.

Copies of articles, reports, media interviews, or other publications or broadcasts shall be provided to CEPF. In the case of professionally printed publications for distribution, at least 5 copies shall be provided to CEPF. Electronic copies of all materials shall also be provided where available so that they may be posted on the CEPF Web site, www.cepf.net; electronic copies also can be substituted for the requested 5 hard copies.

Grant Management Process

When the grant agreement is fully executed (signed by both parties), the grant is considered approved and becomes active in Conservation Grants, CEPF's grants management system. The grant commitment will then be booked, the grantee may begin work, and payments can be made as outlined in the agreement.

CEPF grants are managed by monitoring the grantee's technical and financial performance, tracking progress and completion for deliverables, reviewing payment requests, discussing grant issues with the grantee and local partners, conducting site visits, and ensuring adequate follow up to any issues that arise. In addition, CEPF and Regional Implementation Team staff members are available to answer questions about reporting and project specifics as well as to discuss biodiversity conservation challenges.

Recording the Grant

Once the grant is approved, accounting staff will be notified via Unit 4 Business World that a commitment (the full amount of the grant) has been made. Cash disbursements to the grantee are then recorded as expenses in Unit 4 Business World as they are paid and are recognized under GL 55000.

The extent of financial and technical monitoring conducted by CEPF and the reporting required of a grantee is dependent on the risk ratings associated with the grantee (See Guidelines for Completing Risk Assessments, section 4.4.5). The grant agreement includes a schedule for financial and technical reporting and the terms for payments.

In the grants management system, CEPF will set up the reporting schedule(s) in order to help track whether a grantee is complying with the reporting requirements set forth in an agreement.

Reporting and Monitoring

Baseline monitoring data. New grantees are required to submit baseline monitoring information. The precise information required depends upon the purpose of the grant but the following tools are most commonly required:

- Gender mainstreaming tracking tool – required by all grantees (one per organization) – found in Section 4.5.4.
- Civil society organizational capacity tracking tool – required by all local grantees (one per organization) – found in Section 4.5.5.

- Protected area management effectiveness tracking tool – required by all grantees working to strengthen management of protected areas (one per protected area) – found in Section 4.5.6.

Performance Reports. All grantees are required to submit technical reports according to the reporting schedule defined in their grant agreement. All reports submitted by the grantee must be reviewed and acknowledged. Any performance issues that are identified should be discussed with appropriate CEPF staff and directly with the grantee. See section 4.5.2 for the CEPF Performance Report. Key questions that the reviewer should bear in mind include:

- Is the period of the report accurately indicated on the report?
- Does the report contain an adequate level of detail to describe activities accomplished during the period?
- If any planned activities were not accomplished, have they been rescheduled and explained?
- Do activities from this reporting period present sufficient changes or concerns that a discussion or site visit should be conducted?

Financial Reports. The grantee must submit financial reports no less frequently than as set forth in their grant agreement as determined by the Financial Reporting Grid in the Financial Risk Assessment (Section 4.4.5). If the start date of the grant falls in the middle of a reporting period the first financial report should include the remainder of that reporting period and the next full reporting period. For example, if an agreement requiring quarterly reports begins on 15 May, the first financial report would cover the period from 15 May through 30 September, and would be due 30 days later (or 30 October).

The grantee reports against the approved budget included in the grant agreement. Financial reports include prior period expenses, current period expenses, total expenses to date, budget balance, and projected cash needs for the next period. See section 4.5.3 for the CEPF Budget and Reporting Template. Program staff will analyze financial reports for accuracy and reasonableness in light of the project's progress to date.

The procurement procedures to be followed by the grantees, including the Regional Implementation Teams, are outlined in the CEPF Grant Agreement and follow commercial practices. The CEPF Secretariat shall carry out prior review and approval of procurement requests estimated to cost \$5,000 or more. The RITs will carry out this review and approval for the sub-grants they award. All other procurements may be awarded by the grantees without prior review, but are subject to post-review on a sample basis. Procedures for assessing procurement compliance include a thorough budget review during project design. Procurements are specifically reviewed as an integral part of the review of quarterly financial reports. For example, reviews include assessment of the relevant budget line items (furniture and equipment and

professional services) for over-expenditures. Procurement review is also part of the financial site visits, where relevant.

End of project reporting. At project completion, all grantees will be required to submit a Final Project Completion Report (Section 4.5.4) which includes quantitative reporting on impact. In addition, grantees that submitted baseline monitoring tools at the start of their grant will be required to submit final versions at the end, to allow changes over the duration of the grant to be monitored.

Independent Audits

When independent annual audits are required according to the Financial Risk Assessment, they are due to CEPF within 120 days following the close of the grantee's fiscal year. When audits are required, this requirement will be written into the grant agreement with the organization in question. All audit reports will be reviewed after receipt. If CEPF is funding the audit, and there are material audit findings wherein expenditures failed to comply with provisions of the sub agreement, the grantee shall be responsible for the audit costs and will reimburse CEPF for any expenditures(s) disallowed by the auditors.

Requesting and Making Payments

Conservation International's Unit 4 Business World system will facilitate making payment requests.

Initial Payment or Lump Sum Payment. The amount of the initial payment, or in rare cases, lump sum payment, is taken directly from the grant agreement. The initial payment is usually made as soon as the grant is signed and the commitment booked. To authorize payment, CEPF will submit a payment request via Unit 4 Business World.

Subsequent Payments. After the initial payment, subsequent payments are made following the receipt and approval of scheduled financial reports and are based on the grantee's projected cash flow. To request a payment, CEPF will review the financial report for the following:

Grantee's financial report totals are correctly calculated

- Grantee is reporting against the correct budget
- Variances from original budget that are greater than 15%
- Expenses appear reasonable given the progress of the corresponding work
- Cash request for following period is reasonable and does not exceed the total amount.

Upon approval of financial reports, CEPF requests payment via Unit 4 Business World. The Finance Department checks for CEPF approval and verifies the submission of grantee's required reports. All funds to CEPF external grantees are wired directly from the CEPF bank account.

Final Payment. The amount or percentage of the final payment is based on the terms of the grant agreement and successful completion of the deliverables. See the *Grant Close-out* section below for further details.

Site Visits

Programmatic Site Visits. Each year, CEPF conducts programmatic site visits to selected grants, with priority being given to those that represent elevated risk due to their grant size, their triggering of environmental or social safeguards, or other factors specific to the grants in question. In addition, CEPF and the RIT staff will often visit many additional grantees and projects beyond the required samples.

Site visits help CEPF to confirm progress with activities and impacts to date reported through technical reports, and compliance with safeguards. CEPF staff can assess the grantee's capacity to continue implementation as planned and review or identify any potential constraints to success. Formal site visits undertaken as part of the sampling discussed above result in a written summary of the visit containing recommendations, concerns, and follow-up steps, as appropriate.

Financial Site Visits. As part of the overall project review listed above, CEPF and Regional Implementation Team staff will review the financial progress of the grant and the related deliverables.

In addition, as part of CI's efforts to build and maintain strong relationships with partners and promote fiscal accountability, each year CI's Finance staff develop a site visit schedule identifying the grantees that will receive a formal financial site visit. CI Finance considers the risk rating, grant award value, cash received to date, and issues identified through prior site visits or in other ways when developing the list of grantees to receive a site visit. The purpose of this visit is to review the accounting and financial management practices of the grantee, to identify any capacity building needs, and to ensure that proper financial controls are in place. All visits are documented in detailed reports. Site visit results may trigger a re-evaluation of financial risk.

During the site visit issues may be identified that need follow-up and/or trigger a review of the financial risk rating. Issues and recommendations, where relevant, are documented in the site visit report. CI Finance will schedule a follow-up visit, if appropriate.

Grant Close-Out

At project completion, all grantees will be required to submit a Final Project Completion Report. CEPF grants will be closed upon verification that all deliverables have been completed, all progress, financial, and audit reports have been reviewed and approved and that the total grant amount has been reconciled. Reconciliation includes verification that all advances have been

accounted for, the final payment has been issued, and any unspent funds have been returned and credited back to the portfolio for future grants.

Grantees that submitted baseline monitoring tools at the start of their grant will be required to submit final versions at the end, to allow changes over the duration of the grant to be monitored.

After the grant is closed, CEPF will officially notify the grantee in a close-out letter that the grant is complete and all deliverables are approved. If applicable, a final payment or refund request will be processed at this time. Any unused funds received by the grantees should be refunded to the CEPF Bank Account, and subtracted from the reported eligible expenditures. These funds are then available for other grants.

Project Progress Report

Section 1: Basic Report Information

Report type:

Start Date:

End Date:

Due Date:

Submitted Date:

Submitted By:

Summary Questions

Describe your grant's performance during the reporting period, including significant results.

Was there anything that you planned for this period that did not happen? What were the reasons? What action did you take in response? Are any changes to the project needed as a result?

Please use this space to report on anything about the project that was not captured in this report

Activity Update

Activity Number	Activity	Status Update

Deliverable Update

Deliverable	Deliverable Description	Update

Short Term Impact Update

Short Term Impact	Status	Progress to Date

Quarterly Financial Report

Quarterly Financial Report							
Grant No:							
Title							
Period From:							
Period To:							
Submitted By:							
Submitted Date:							
Total Released Payments							
Grantee Budget Category Name	Current Period Expenses	Expenditures To Date	Total Expenditures	Approved Budget	Available Budget	Percentage Used	Comments
Management Support Costs							
Bank and Insurance Fees							
Travel and Special Events							
Maintenance							
Furniture and Equipment							
Supplies							
Postage and Delivery							
Telecommunications							
Occupancy (Office Rent and Utilities)							
Consultancies and Professional Services							
Subgrants							
Salaries and Benefits							
Totals							
Closing Balance							
Projected Expenditures							
Advance Requested							

CEPF Final Project Completion Report

Organization Legal Name:

Project Title:

Grant Number:

CEPF Region:

Strategic Direction:

Grant Amount:

Project Dates:

Date of Report:

Implementation Partners

List each partner and explain how they were involved in the project

Conservation Impacts

Summarize the overall impact of your project, describing how your project has contributed to the implementation of the CEPF ecosystem profile

Planned Long-term Impacts - 3+ years (as stated in the approved proposal)

Impact Description	Impact Summary

Planned Short-term Impacts - 1 to 3 years (as stated in the approved proposal)

Impact Description	Impact Summary

Describe the success or challenges of the project toward achieving its short-term and long-term impact objectives

Were there any unexpected impacts (positive or negative)?

Project Components and Products/Deliverables

Describe the results from each product/deliverable:

Component		Deliverable		
#	Description	#	Description	Results for Deliverable

Please describe and submit any tools, products, or methodologies that resulted from this project or contributed to the results.

Lessons Learned

Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building.

Consider lessons that would inform:

- Project Design Process (*aspects of the project design that contributed to its success/shortcomings*)
- Project Implementation (*aspects of the project execution that contributed to its success/shortcomings*)
- Describe any other lessons learned relevant to the conservation community

Sustainability / Replication

Summarize the success or challenges in ensuring the project will be sustained or replicated, including any unplanned activities that are likely to result in increased sustainability or replicability.

Safeguards

If not listed as a separate Project Component and described above, summarize the implementation of any required action related to social, environmental, or pest management safeguards

Additional Comments/Recommendations

Use this space to provide any further comments or recommendations in relation to your project or CEPF

Additional Funding

Provide details of any additional funding that supported this project and any funding secured for the project, organization, or the region, as a result of CEPF investment

Total additional funding (US\$)

Type of funding

Please provide a breakdown of additional funding (counterpart funding and in-kind) by source, categorizing each contribution into one of the following categories:

- A Project Co-Financing (other donors or your organization contribute to the direct costs of this project)*
- B Grantee and Partner Leveraging (other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project)*
- C Regional/Portfolio Leveraging (other donors make large investments in a region because of CEPF investment or successes related to this project)*

Information Sharing and CEPF Policy

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. Final project completion reports are made available on our Web site, www.cepf.net, and publicized in our newsletter and other communications.

1. Please include your full contact details (Name, Organization, Mailing address, Telephone number, E-mail address) below

Gender Mainstreaming Tracking Tool

Instructions

What is gender?

Gender refers to the social and cultural attributes of being a man or a woman. It is not the same as sex, which refers to the biological attributes of being a man or a woman. Gender differs across cultures, it is learned, and it changes over time. When we talk about gender, we are talking about both women and men, and not simply just about women.

Why is CEPF interested in gender issues?

Gender can influence natural resource use, needs, knowledge and priorities. It can also influence power, access, control and ownership over natural resources. Consideration of gender can affect the quality of stakeholder engagement and participation, the quality of social outcomes, and the delivery of benefits to project participants. Additionally, it can affect the sustainability of conservation outcomes. Gender can play an important role in achieving long-term conservation goals and objectives.

Why do we need a Gender Tracking Tool?

This tracking tool is a self-assessment tool that can be used by an organization to understand if and to what extent gender considerations have been integrated into its program and operations. It can be used by CEPF to determine interest in learning about gender issues.

How often should it be completed?

The Gender Tracking Tool should be completed twice, at the start of your project (within the first three months) and at the end of your project (together with your project's final completion report).

Who should complete the Tracking Tool?

All grantees should complete the Gender Tracking Tool. If you have a subgrantee, please also request that they complete the tool.

What does CEPF do with the information?

All information provided in the tracking tool is confidential and will not be shared. It contains scores so that an organization can more easily determine if there is a change in its understanding and integration of gender. CEPF will use the information to determine interest in learning about gender, and the topics that would be most useful to include in training sessions.

How do I complete the form?

The Gender Tracking Tool should be completed by a small group of people from your organization, selected to represent the variation in roles and responsibilities that exists within it and, to the extent possible, consisting of both women and men. The tool has eight questions (Column A). Column D contains 3-4 possible answers for each question. Please select the most accurate description of the situation in your organization. Column G will display the score. If you would like to add comments, please do so in Column H. The final question (#8) asks whether you would like to learn more about gender, and has three possible answers: Yes, No or Maybe. It is imperative that the group gives an answer for all questions.

Where do I send it?

When completed please send the tracking tool to your Regional Implementation Team.

General

Basic Information

Name of Organization:

Type of organization (NGO, CBO, academic, etc.) :

Number of years in operation:

Date of Assessment:

Name(s) of Assessment Group	Position within organization
_____	_____
_____	_____
_____	_____
_____	_____

If an external facilitator helped you with this assessment, please complete the table below

Name(s) of Facilitator(s) (if any)"	Organization	Position
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Questions

Question	Criteria	Please tick one answer per question	Score	Comments (if you would like to provide details please use this space)
1. Does your organization have a written policy that affirms a commitment to gender equality?	There is no policy			
	A statement about gender exists in official documents, but is not formalized into a policy			
	A policy exists but is not implemented			
	A policy exists and is being implemented			
2. Are there people in your organization responsible for gender issues?	No staff with appropriate training and expertise			
	One or more staff tasked with gender, but with limited training and expertise			
	One or more staff tasked with gender and with appropriate training and expertise			
3. Have any staff in your organization ever received training on gender issues?	Staff have not received any training on gender			
	Some staff have received introductory training on gender			

	Some staff have received introductory and follow-up training on gender			
	Most staff have received introductory training on gender and some staff have received follow-up training on gender			
4. Is gender analysis built into your program planning procedures?	Gender analysis is not done			
	We have tools to conduct gender analysis but have not used them yet			
	Gender analysis is undertaken during planning for some projects/programs			
	Gender analysis is undertaken during planning for all projects/programs			
5. Do you collect sex-disaggregated data about the people impacted by your projects?	Sex disaggregated data has never been collected			
	Sex disaggregated data are being collected for some projects			
	All projects are required to collect sex-disaggregated data			
	All projects are required to collect sex-disaggregated data and these data are regularly reported in external communications			
6. Does your organization monitor and evaluate how your projects and programs impact men and women differently?	We do not monitor our programs/projects to determine how they impact men and women differently			

	We plan to monitor our programs/projects to determine how they impact men and women differently, but have not started			
	We monitor some programs/projects to determine how they impact men and women differently			
	We monitor all programs/projects to determine how they impact men and women differently			
7. Does your organization allocate financial resources to incorporate gender into its work?	Financial resources are not allocated to incorporate gender into any programs or operations			
	Financial resources to incorporate gender are allocated in some, but not all, programs			
	Financial resources to incorporate gender are allocated in some, but not all, programs and operations			
	Financial resources are allocated to incorporate gender in all aspects of the organization's programs and operations			
8. Would your organization be interested in being contacted by the RIT to learn more or receive training about gender issues?	Yes / No / Maybe			

Total Score:

Civil Society Tracking Tool

INTRODUCTION

Why do we need to monitor CEPF's impact on civil society development?

The Critical Ecosystem Partnership Fund (CEPF) is making very significant investments in engaging civil society organisations (NGOs, community-based organisations, academic institutions, etc.) in biodiversity conservation in the global Hotspots. To date, while efforts have been made to monitor the impacts of CEPF investments on Conservation Outcomes (species, sites and corridors), there has been no systematic attempt to monitor impacts on civil society development. As building a civil society constituency for conservation is a specific goal of CEPF, there is, therefore, a need to develop specific tools to enable progress towards this goal to be monitored. Such tools will assist CEPF to better assess the impacts of its investments on civil society development, fine-tune its approach based on experience from the regions where it is working, and report on its achievements to its donor partners and the broader development community. This document briefly reviews the options for monitoring CEPF's impact on civil society development, and proposes a 'tracking tool' that can be used to monitor the capacity of individual civil society organisations to effectively plan, implement and evaluate actions for biodiversity conservation.

How can we monitor civil society development at the national level?

There already exist a number of tools for monitoring civil society development at the national level. One of the most widely known is the Civil Society Index (CSI), developed by CIVICUS, an international alliance of NGOs that works toward strengthening citizen action and civil society throughout the world. The CSI uses 74 indicators to assess the state of civil society development in a country, grouped into four dimensions: (i) structure; (ii) values; (iii) environment; and (iv) impact (Anheier 2000, Holloway 2001). The CSI was designed in 1999 by the Centre for Civil Society at the London School of Economics. In 2004, CIVICUS developed the CSI-Shortened Assessment Tool (CSI-SAT), which is a less extensive, less resource-intensive version of the tool.

The CSI was developed to enable civil society stakeholders to come together to generate a contextually valid assessment of the state of civil society in their country. Although the index can also be used to make cross-country comparisons and measure changes over time, it has a number of shortcomings in this regard, not least its reliance on subjective assessments by local informants.

An alternative national-level index is the Global Civil Society Index (GCSI), developed by the Johns Hopkins Center for Civil Society Studies. The GCSI measures the level of development of the civil society sector in a country along three basic dimensions: (i) capacity, or the level of effort the sector mobilises; (ii) sustainability, or the ability of civil society to survive over time; and (iii) impact, or the contribution that civil society makes to social, economic and political life. Several indicators are used to measure civil society development in each of these dimensions, and each country is assigned a composite GCSI score, based on the average of the scores for each dimension (Salamon 2004). Compared to the CSI, the GCSI appears to be a more robust tool, which can enable more reliable comparisons of civil society development among countries and over time within individual countries.

Adopting a national-level index as a tool for monitoring civil society development would have a number of advantages for CEPF. First, at least one suitable index (the GCSI) already exists, and has been field tested widely. Second, a national-level index provides a more comprehensive overview of the state of civil society development at the national level than an aggregation of measures of individual civil society organisations. Third, national-level indices are already being used to monitor civil society development in some of the countries where CEPF is working (albeit not necessarily at the frequency that CEPF would like to report on progress).

There would, however, be a number of shortcomings to relying solely on a national-level index, not least the fact that it would be very difficult to distinguish CEPF's impacts from changes due to factors outside CEPF's influence, such as major economic and socio-political changes. This would be particularly true if the index was based on a review of all civil society organisations, including those that are not actively involved in biodiversity conservation. Consequently, there is also a need to monitor the development of individual civil society organisations that are recipients of CEPF funding.

How can we measure development of individual civil society organisations?

Compared with national-level indices, for which only a few tools are in wide use, there is a proliferation of tools for measuring the organisational capacity of individual civil society organisations (USAID Center for Development Information and Evaluation 2000). One of the most widely used is the Participatory, Results-Oriented Self-Evaluation (PROSE) method, developed by the Education Development Center. PROSE is designed to measure and profile organisational capacities, and assess, over time, how strengthening activities affect organisational capacity. PROSE produces a capacity score, which indicates how an organisation perceives its strengths and weaknesses in each of a series of capacity areas, as well as a consensus score, which indicates the degree of consensus among the individual members of the assessment team. PROSE can be used to monitor change in capacity in one organisation over time. However, like many tools, PROSE is based on the perceptions of the staff of the organisation, not on externally verifiable indicators, and, as a result, there are limitations to using the tool for making comparisons among organisations.

Another tool is the Institutional Development Framework (IDF), developed by Management Systems International (Renzi 1996). The IDF was designed specifically to assist non-profit organisations to improve efficiency and become more effective. To this end, the tool measures capacity in five organisational capacity areas: (i) oversight/vision; (ii) management resources; (iii) human resources; (iv) financial resources; and (v) external resources. The tool was originally formulated for environmental NGOs, although it can be adapted for any organisation. Compared with other similar tools, the IDF is relatively good at tracking change within one organisation over time. However, it is not well suited for inter-organisational comparisons, because it allows for adjustments to fit the needs of each individual organisation.

A third tool is the NGO self-assessment tool developed by The Nature Conservancy (TNC) (Devine et al. 2001). This tool is designed to assist NGOs determine their current level of development based on eight core organisational areas, and, thereby, identify priority actions for strengthening their organisational capacity. However, the tool is also implicitly a monitoring tool, because it enables civil society organisations to measure their institutional development over time. The self-assessment tool was designed for use by TNC partner groups, which tend to be medium-sized, established NGOs, active in the field of

environmental conservation and sustainable development. Nevertheless, with minor modifications, many of the indicators that form the tool can be applied to other civil society organisations.

TRACKING TOOL

Why does CEPF need a bespoke tool?

This section presents a bespoke 'tracking tool', designed for the specific purpose of monitoring the capacity of individual organisations over time. This tool draws heavily on the PROSE, the IDF and TNC's NGO self-assessment tool, and is also informed by the scorecard approach for rating Asian Elephant conservation projects developed by Jepson and Canney (2003). The structure of the tracking tool is based on the protected area management effectiveness tracking tool developed by the World Bank/WWF Alliance (Stolton et al. 2003), which provides a good model for structuring a repeatable tracking tool based on objective indicators.

The proposed tracking tool differs from the existing tools reviewed in the previous section in a number of ways. Most significantly, the principal purpose of the existing tools is to generate insights that are useful to the civil society organisations themselves. As a result, they typically employ a large number of indicators, to provide a high level of resolution in the identification of strengths and weaknesses, and the criteria for each indicator are frequently subjective (e.g. "strongly agree", "agree", "neutral", "disagree", "strongly disagree") and do not enable consistent application or meaningful comparison among organisations. In addition, almost without exception, the existing tools focus on organisations' internal capacity, and do not explicitly address the impacts of their work.

These issues are addressed by the proposed tracking tool, which does not attempt to measure all variables relevant to the organisational capacity of civil society organisations but, rather, uses a shortened list of indicators, and employs unambiguous, externally verifiable criteria for each. As a result of these modifications, the resulting tool will enable CEPF to monitor the impacts of its investments on institutional development of civil society organisations in a consistent, comparable and cost-effective fashion, and generate information that is relevant to CEPF management, Regional Implementation Teams and donor partners.

What is the conceptual basis for the proposed tracking tool?

The tracking tool aims to monitor civil society organisations' capacity to effectively plan, implement and evaluate actions for biodiversity conservation. The tool assumes that an organisation's capacity to plan, implement and evaluate actions for biodiversity conservation is determined by five major factors: (i) the human resources that it has available; (ii) the financial resources that it has available; (iii) its management systems, which ensure that available resources are translated into effective actions; (iv) its strategic planning, which ensures that these actions target conservation priorities; and (v) its delivery, which ensures that these actions effect change.

What are the limitations to the proposed tracking tool?

The tracking tool is designed to provide a robust means of monitoring changes in the organisational capacity of individual civil society organisations over time. The tool can also provide some insight into differences among organisations, within and among countries and Hotspots. However, a caveat must be

placed on any inter-organisational comparisons made using the tool, because the scores for all indicators are given equal weight, while they are not necessarily of equivalent significance. A system could be used to weight certain indicators more heavily but there is no objective way to develop one. Another limitation to the tracking tool, already mentioned previously, is that it uses a relatively short list of indicators, selected because of the insights they provide to CEPF management, Regional Implementation Teams and donor partners. As a result, while using the tool can be expected to provide civil society organisations with insights into which broad areas of capacity should be prioritised for strengthening, it is not a substitute for the more detailed organisational capacity assessment tools developed by other organisations.

How should the tracking tool be used?

The tracking tool is intended to be applied on a regular basis (ideally at the beginning - baseline assessment - and the end - final assessment - of the grant) by organisations receiving CEPF funding (whether directly or via sub-grants). The tool is designed to enable use by all types of civil society organisation that CEPF makes grants to (NGOs, community-based organisations, academic institutions, etc.), both international and local. For international organisations with permanent representation (e.g. a programme office) in the country or countries where the CEPF grant is being implemented, the tracking tool should be applied to that entity, not the organisation as a whole. For international organisations where an entity in another country (e.g. the head office) is involved in implementing the CEPF grant, the tracking tool should be applied to the entity playing the leading role in implementation.

The tracking tool is designed to enable self-assessment by a small group of the organisation's staff and/or board members, selected to represent the variation in roles and responsibilities that exists within the organisation. In order to enhance standardisation among organisations using the tool, it may be advisable to use an external facilitator (perhaps one of the Regional Implementation Team) the first time that the tool is used by an organisation. In addition, it may be necessary to translate the tool into local languages in some countries.

The tracking tool consists of three sections: (i) a "general" datasheet which records basic information on the organisation and who performed the assessment; (ii) five datasheets which are the assessment form (sets of five indicators each scored from 0 to 4); and (iii) a "summary" datasheet which automatically records the results (scores) of the five indicators of the assessment (combined, each of these indicators gives a score between 0 and 20 and an overall score between 0 and 100 for the capacity of the organisation to effectively plan, implement and evaluate conservation actions).

It is imperative that the group gives a score for all indicators. For most indicators, the group conducting the assessment is asked to select, from five options, the statement that best describes the situation within the organisation in a particular regard (e.g. governance, diversity of funding sources, etc.). For statements with multiple conditions (e.g. "The organisation has a defined organisational structure with clear lines of authority and responsibility. Job descriptions exist for all staff positions"), the group should only select the statement if all of these conditions are met; otherwise, it should select a statement with a lower score. For two indicators, the group is asked to review a list of eight statements and to mark all of those that are true; half a point is given for each true statement, producing a score from 0 to 4. A note box is provided for each indicator, to give the group an opportunity to provide a justification for any qualitative assessments made, or to comment on any difficulties encountered in applying the indicators.

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Notes:

1. There are 7 active worksheets in this Civil Society Organisational Capacity Tracking Tool.
2. Your inputs are requested in all worksheets except for Summary.

General

Basic Information

Name of Organisation:

Type of organisation (NGO, CBO, academic, etc.) :

Number of years in operation:

Date of Assessment:

Name(s) of Facilitator(s)
(if any)

Organisation

Position

Name(s) of Assessment Group

(add more lines if needed)

Position within organisation

Part 1- Assessment Form (Human Resources)

Indicator		Criteria (tick the applicable ones)		Score	Notes
1. Human Resources					
1.1 Staff Numbers: Which statement best reflects the situation within the organisation?	0	There are no paid staff.			
	1	Staff numbers are so low that they are a serious impediment to the effective functioning of the organisation.			
	2	Staff numbers are below the level required for effective delivery of the organisation's mission but not so low that they are a serious impediment to the effective functioning of the organisation.			
	3	Staff numbers are sufficient for the effective delivery of the organisation's mission. At least 60% of staff are project staff or otherwise on short term contracts.			
	4	Staff numbers are sufficient for the effective delivery of the organisation's mission. Less than 60% of staff are project staff or otherwise on short term contracts.			
1.2 Staff Experience: How many years of combined experience relevant to their positions do the staff of the organisation have?	0	Less than 10 years			
	1	10 to 50 years			
	<u>2</u>	51 to 100 years			
	3	101 to 200 years			
	4	More than 200 years			

1.3 Staff Skills: Which of the following skills can be demonstrated (in terms of graduate-level qualifications or at least 2 years' practical experience by the organisation's staff)? Note: 0.5 point for each	0.5	Ability to manage the implementation of projects.			
	0.5	Ability to manage an organisation.			
	0.5	Ability to set priorities for conservation action.			
	0.5	Ability to conduct a participatory appraisal with local stakeholders.			
	0.5	Ability to conduct biological surveys/ research with conservation applications.			
	0.5	Ability to develop a Geographical Information System (GIS).			
	0.5	Ability to communicate conservation messages.			
	0.5	Ability to advocate changes to public policy.			
1.4 Human resources development: Which statement best reflects the situation within the organisation?	0	The organisation has no human resources development strategy, and provides no mentoring or training for staff.			
	1	The organisation has no human resources development strategy, a few staff are provided with some mentoring or training on an opportunistic basis.			
	2	A human development strategy is in place, the organisation provides occasional (at least annual) mentoring or training for most of its staff.			
	3	A human development strategy is in place, the organisation budgets resources for it, and most of its staff receive regular (at least semi-annual) mentoring or training in skill areas relevant to their positions.			

	4	A human development strategy is in place, the organisation budgets resources for it and actively fundraises for them, and all staff receive regular (at least semi-annual) mentoring or training in skill areas relevant to their positions in accordance with annual performance appraisals.			
1.5 Volunteers: Which statement best reflects the situation within the organisation?	0	The organisation does not currently have any volunteers.			
	1	The organisation has one or more volunteers but they do not have clearly defined terms of reference (TORs) or workplans.			
	2	The organisation has one to four volunteers, with clearly defined terms of reference (TORs) or workplans.			
	3	The organisation has at least five volunteers with clearly defined TORs and workplans.			
	4	The organisation has at least five volunteers with clearly defined TORs and workplans, and receiving structured training/ mentoring from other staff.			

**Total
Score:**

Part 2- Assessment Form (Financial Resources)

Indicator	Criteria (tick the applicable ones)		Score	Notes
2. Financial Resources				
2.1 Total financial resources: Which statement best describes the financial resources of the organisation?	The organisation has no secured financial resources.			
	Secured financial resources are so low that they are a serious impediment to the effective functioning of the organisation.			
	Secured financial resources are below the level required for the effective delivery of the organisation's mission but not so low that they become a serious impediment to the effective functioning of the organisation.			
	Secured financial resources are sufficient for the effective delivery of the organisation's mission in the short term (one to three years) but sufficient funding to meet medium-term (three to five years) costs has not been secured.			
	Secured financial resources are sufficient for the effective delivery of the organisation's mission in the short term to medium-term (one to five years).			
2.2 Diversity of funding sources: Which statement best reflects the situation within the organisation?	All of the organisation's funding comes from a single source.			
	The organisation's funding comes from at least two sources but a single source accounts for more than 80%.			

	The organisation's funding comes from at least three sources with no one source providing for more than 60%.			
	The organisation's funding comes from at least five sources with no one source providing for more than 40%.			
	The organisation's funding comes from at least ten sources with no one source providing for more than 20%.			
2.3 Fundraising Capacity: Which statement best describes the fundraising capacity of the organisation?	The organisation is unable to prepare projected proposals without significant external assistance.			
	The organisation is able to prepare projected proposals with realistic goals and objectives but requires significant external assistance to formulate measurable indicators and develop logical frameworks.			
	The organisation is able to prepare projected proposals with realistic goals, objectives and measurable indicators but requires significant external assistance to develop logical frameworks.			
	The organisation is able to prepare projected proposals with realistic goals and objectives, measurable indicators and well developed logical frameworks but has limited capacity to respond to tenders.			
	The organisation is able to prepare projected proposals with realistic goals and objectives, measurable indicators and well developed logical frameworks, and responded to and won many tenders.			

2.4 Sustainability strategy: Which statement best reflects the situation within the organisation?	The organisation has not begun to develop any sustainable financial strategy.			
	The organisation has developed or is in the process of developing a sustainable financial strategy but has not taken any steps to implement it.			
	The organisation has adopted a sustainable financial strategy and has begun to develop at least one long term financing mechanism (e.g. endowment fund, real estate, commercial enterprise, etc).			
	The organisation has adopted a sustainable financial strategy and has developed at least one long term financing mechanism but this mechanism currently accounts for less than 10% of the organisation's annual income.			
	The organisation has adopted a sustainable financial strategy and has developed at least one long term financing mechanism which accounts for at least 10% of the organisation's annual income.			
2.5 Organisational profile: Which statement best describes the profile of the organisation?	The organisation is little known beyond its direct partners.			
	The organisation is little known among civil society organisations in the country/ies where it operates but it has a low profile among the general public, government, donor agencies and the private sector.			
	The organisation has regular contact with decision makers in government, donor agencies and the private sector, and has implemented some activities to raise its profile among the general public.			

	<p>The organisation is well known among decision makers in government, donor organisations and the private sector, and is often approached by them to collaborate on conservation initiatives or develop proposals for conservation projects, and has a high profile among the general public.</p>			
	<p>The organisation is well known among decision makers in government donor organisations and the private sector, and is often approached by them to collaborate on conservation initiatives or develop proposals for conservation projects, and has a high profile among the general public, and has a membership base among private citizens, totalling at least 3,000 members.</p>			

**Total
Score:**

Part 3- Assessment Form
(Management Systems)

Indicator	Criteria (tick the applicable ones)		Score	Notes
3. Management Systems				
3.1 Organisational Structure: Which statement best reflects the situation within the organisation?	The organisation has no clearly defined organisational structure and lines of authority and responsibility are not clearly defined. No job descriptions exist for the staff.			
	The organisation has clearly defined organisational structure but lines of authority remain unclear and authority tends to be exercised by one or a few individuals. Job descriptions exist for some staff positions abut these are rarely developed prior to recruitment.			
	The organisation has a defined organisational structure with clear lines of authority and responsibility. Job descriptions exist for all staff positions.			
	The organisation has a defined organisational structure with clear lines of authority and responsibility. Job descriptions exist for all staff positions, and regularly reviewed and updated during staff appraisals and/or performance reviews. Staff are recruited according to job descriptions.			
	The organisation has a defined organisational structure with clear lines of authority and responsibility. Job descriptions exist for all staff positions, and regularly reviewed and updated during staff appraisals and/or performance reviews. Staff are recruited according to job descriptions and following a recruitment policy.			

<p>3.2 Administration procedures : Which of the following administration/ personnel management procedures are in place at the organisation and consistently observed by staff? Note: 0.5 point for each.</p>	<p>Mechanism to monitor/ control the use of supplies</p>			
	<p>Mechanism to monitor/ control the movement of vehicles</p>			
	<p>Equipment Inventory</p>			
	<p>Procurement Policy</p>			
	<p>Leave and public holidays policy</p>			
	<p>Travel expenses policy</p>			
	<p>Disciplinary and complaints procedures</p>			
	<p>Standard operating manual</p>			
<p>3.3 Financial Management: Which statement best reflects the situation within the organisation?</p>	<p>Records of expenditure are not kept for projects.</p>			
	<p>Records of expenditure are kept for projects but the expenses of all individual line items never remain within 20% of the agreed budget.</p>			
	<p>Records of expenditure are kept for projects but the expenses of all individual line items remain within 20% of the agreed budget less than half of the time.</p>			
	<p>Records of expenditure are kept for projects and the expenses of all individual line items remain within 20% of the agreed budget more than half of the time.</p>			

	Records of expenditure are kept for projects and the expenses of all individual line items always remain within 20% of the agreed budget.			
3.4 Monitoring and evaluation: Which statement best reflects the situation within the organisation?	The organisation makes no attempt to monitor or evaluate the impact of its projects.			
	External evaluations of the organisation's projects are undertaken occasionally, usually at the request of donors.			
	The organisation regularly monitors and evaluates the impact of its projects but the results are not systematically used to guide management or design of future projects.			
	The organisation systematically monitors and evaluates the impact of its projects and uses the results to guide management and design of future projects. The results of monitoring and evaluation are only disseminated to stakeholders inside the organisation and donors.			
	The organisation systematically monitors and evaluates the impact of its projects and uses the results to guide management and design of future projects. The results of monitoring and evaluation are widely disseminated to stakeholders inside and outside of the organisation.			
3.5 Financial Reporting: Which statement best reflects the situation within the organisation?	The organisation has no system for preparing financial reports and statements.			

	The organisation has a system of preparing financial reports and statements but these are produced sporadically, in response to donor demand. No external audits are conducted.			
	The organisation regularly produces financial reports and statements, which it makes available to the board and management, but these are often incomplete and delivered late. External audits are conducted on a periodic basis.			
	The organisation regularly produces financial reports and statements, which it makes available to the board and management, and which are always complete and delivered on time. External audits are conducted on an annual basis, and recommendations are implemented.			
	The organisation regularly produces financial reports and statements, which it makes available to the board and management, and which are always complete and delivered on time. External audits are conducted on an annual basis, and recommendations are implemented, and an annual financial report is published and made publicly available.			

**Total
Score:**

Part 4- Assessment Form (Strategic Planning)

Indicator	Criteria (tick the applicable ones)		Score	Notes
4. Strategic Planning				
4.1 Governance: Which statement best describes the governance of the organisation?	The organisation has no board or independent body to provide strategic direction and oversight.			
	The organisation has a board but there is no clear distinction between its oversight role and the role of management. Board members are selected without regard to the organisation's needs or representation of key sectors.			
	The organisation has a board that clearly differentiates between its oversight role and the role of management. The majority board members are drawn from a single sector (academia, NGOs, corporate sector, media, government, etc.).			
	The organisation has a board that clearly differentiates between its oversight role and the role of management. The majority board members are drawn from multiple sectors, and are capable of carrying out functions such as fundraising, public relations, financial oversight and advocacy.			

	The organisation has a board that clearly differentiates between its oversight role and the role of management. The board members are drawn from multiple sectors, and are capable of carrying out functions such as fundraising, public relations, financial oversight and advocacy. Committees have been formed to address specific issues such as campaigns, fundraising, financial sustainability, etc.			
4.2 Mission Statement: Which statement best describes the mission of the organisation?	The organisation has no mission statement.			
	The organisation has a mission statement but it is imprecise or too broad, and does not provide clear direction for the organisation.			
	The organisation has a mission statement that clearly expresses the central purpose of the organisation. However, most staff are unable to readily articulate the mission statement, and the outsiders do not readily identify it with the organisation.			
	The organisation has a mission statement that clearly expresses the central purpose of the organisation. Most staff are able to readily articulate the mission statement but the outsiders do not necessarily identify it with the organisation.			

	The organisation has a mission statement that clearly expresses the central purpose of the organisation. All staff are able to readily articulate the mission statement, which is widely identified with the organisation by outsiders.			
4.3 Strategic Plan: Which statement best describes the strategic plan of the organisation?	No strategic plan for the organisation exists.			
	The strategic plan for the organisation is out of date, being prepared or lacks of measurable indicators.			
	The organisation has a strategic plan with measurable indicators, covering a period of at least three years, but there is no monitoring of actions against it.			
	The organisation has a strategic plan with measurable indicators, covering a period of at least three years, and actions are monitored against it. The plan is updated on an ad hoc basis.			
	The organisation has a strategic plan with measurable indicators, covering a period of at least three years, and actions are monitored against it. The plan is updated periodically, through a participatory process involving staff, board members and external stakeholders.			
4.4 Relevance of projects: Which statement best reflects the situation within the organisation?	The organisation does not have a clearly defined mission statement and its portfolio of projects is totally lacking in coherence.			

	The organisation has a diverse portfolio of projects that are often inconsistent with its mission statement.			
	The organisation has a diverse portfolio of projects that are often but not always inconsistent with its mission statement. Funding opportunities are never screened against its organisation's mission and strategic plan.			
	The organisation has a coherent portfolio of projects that are usually but not always consistent with its mission statement. Screening of funding proposals against the organisation's mission and strategic plan takes place on an ad hoc basis.			
	The organisation has a coherent portfolio of projects that are always consistent with its mission statement. Funding opportunities are systematically screened against the organisation's mission and strategic plan, and only pursued if they are in line with them.			
4.5 Accountability to stakeholders: Which statement best reflects/ describes the role of the organisation's stakeholders (government, local communities, other civil society organisations, etc.)?	Stakeholders have no input into project design and implementation.			
	Stakeholders are sometimes consulted during project design and implementation but they have no involvement in the decision making.			

	Stakeholders are regularly consulted during project design and implementation, and contribute to some decisions on an ad hoc basis.			
	Stakeholders are systematically consulted during project design and implementation, and have a clearly defined role in decision making. The organisation's stakeholders are consulted during the development/ revision of its mission and strategic plan but have no involvement in the decision making.			
	Stakeholders are systematically consulted during project design and implementation, and have a clearly defined role in decision making. The organisation's stakeholders are consulted during the development/ revision of its mission and strategic plan, and have a clearly defined role in the decision making.			

**Total
Score:**

Part 5- Assessment Form (Delivery)

Indicator	Criteria (tick the applicable ones)		Score	Notes
5. Delivery				
5.1 Governance: What is the largest annual budget of any project that the organisation is currently implementing?	Less than US\$1,000 per year			
	US\$1,000 to US\$10,000 per year			
	> US\$10,000 to ≤ US\$100,000 per year			
	> US\$100,000 to ≤ US\$1 million per year			
	More than US\$1 million per year			
5.2 Relevance of projects to conservation objectives: Which statement best describes the projects currently implemented by the organisation?	No project defines clear biodiversity targets/ conservation outcomes.			
	Less than half of the project define clear biodiversity targets/ conservation outcomes.			
	More than half of the project define clear biodiversity targets/ conservation outcomes.			
	All projects define clear biodiversity targets/ conservation outcomes, and monitor progress towards them.			
	All projects define clear biodiversity targets/ conservation outcomes based on global conservation priorities (IUCN Red List, Key Biodiversity Areas, WWF Ecoregions, etc.), and monitor progress towards them.			

5.3 Delivery of project outputs: How frequently are project outputs delivered successfully and in the proposed quarter?	Never			
	Less than half of the time			
	More than half of the time			
	Always delivered successfully but not always in the proposed quarter.			
	Always delivered successfully and in the proposed quarter.			
5.4 Geographical reach: Which statement best describes the geographical reach of the organisation?	The organisation is based in an urban centre, and all of its activities are focused there.			
	The organisation has one or more field projects but they are directed from its base in an urban centre.			
	The organisation has one or more field projects directed from local field offices.			
	The organisation has one or more field projects directed from local field offices, and coordinates at least one network of local NGOs , community-based organisations or other civil society groups, which is active in one or more regions of the country.			
	The organisation has one or more field projects directed from local field offices, and coordinates at least one network of local NGOs , community-based organisations or other civil society groups, which is active nationwide.			

5.5 Collaboration: Which statement best describes the organisation's collaborations with other civil society organisations, local or international?	The organisation does not have experience working with other civil society organisations.			
	The organisation occasionally collaborates in joint initiatives with other civil society organisations on an ad hoc basis.			
	The organisation has working relations, and at least one on-going joint project with other civil society organisations.			
	The organisation has working relations, and at least one on-going joint project with other civil society organisations. The organisation also participates in and supports at least one civil society coalition/ network but does not play a leadership role.			
	The organisation has working relations, and at least one on-going joint project with other civil society organisations. The organisation also participates in and supports at least one civil society coalition/ network and play a leadership role in promoting coalitions/ networks.			

Total Score:

Summary (automatically generated)

Name of Organisation:

Category	Score
Human Resources	
Financial Resources	
Management Systems	
Strategic Planning	
Delivery	
Total (/100)	

Protected Area Management Effectiveness Tracking Tool

Tracking Tool for Biodiversity Projects in GEF-3, GEF-4, and GEF-5

Objective 1: Catalyzing Sustainability of Protected Area Systems

SECTION II: Management Effectiveness Tracking Tool for Protected Areas

Note: Please complete the management effectiveness tracking tool for EACH protected area that is the target of the GEF intervention.

Structure and content of the Tracking Tool - Objective 1. Section II:

The Tracking Tool has two main sections: datasheets and assessment form. Both sections should be completed.

1. Datasheets: the data sheet comprises of two separate sections:

- Data sheet 1: records details of the assessment and some basic information about the site, such as name, size and location etc.
- Data sheet 2: provides a generic list of threats which protected areas can face. On this data sheet the assessors are asked to identify threats and rank their impact on the protected area.

2. Assessment Form: the assessment is structured around 30 questions presented in table format which includes three columns for recording details of the assessment, all of which should be completed.

Important: Please read the Guidelines posted on the GEF website before entering your data

Data Sheet 1: Reporting Progress at Protected Area Sites	Please indicate your answer here	Notes
Name, affiliation and contact details for person responsible for completing the METT (email etc.)		
Date assessment carried out		Month DD, YYYY (e.g., May 12, 2010)
Name of protected area		See also:
WDPA site code (these codes can be found on www.protectedplanet.net)		
Designations(please choose 1-3)		1: National 2: IUCN Category 3: International (please complete lines 35-69 as necessary)
Country		
Location of protected area (province and if possible map reference)		
Date of establishment		
Ownership details (please choose 1-4)		1: State 2: Private 3: Community 4: Other

Management Authority		
Size of protected area (ha)		
Number of Permanent staff		
Number of Temporary staff		
Annual budget (US\$) for recurrent (operational) funds – excluding staff salary costs		
Annual budget (US\$) for project or other supplementary funds – excluding staff salary costs		
What are the main values for which the area is designated		
List the two primary protected area management objectives in below:		
Management objective 1		
Management objective 2		
No. of people involved in completing assessment		
Including: (please list all that apply)		1: PA manager 2: PA staff 3: Other PA agency staff 4: Donors 5: NGOs 6: External experts 7: Local community 8: Other

	Please indicate your answer here	
Information on International Designations		
UNESCO World Heritage site (see: whc.unesco.org/en/list)		
Date Listed		
Site name		
Site area		
Geographical co-ordinates		
Criteria for designation		(i.e. criteria i to x)
Statement of Outstanding Universal Value		
Ramsar site (see: http://ramsar.wetlands.org/)		
Date Listed		
Site name		
Site area		
Geographical number		
Reason for Designation (see Ramsar Information Sheet)		
UNESCO Man and Biosphere Reserves (see: www.unesco.org/mab/wnbrs.shtml)		http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/mab/
Date Listed		
Site name		
Site area		Total, Core, Buffer, and Transition

Geographical co-ordinates		
Criteria for designation		
Fulfilment of three functions of MAB		conservation, development and logistic support
Please list other designations (i.e. ASEAN Heritage, Natura 2000) and any supporting information below		
		Name
		Detail
		Name
		Detail
		Name
		Detail
Data Sheet 2: Protected Areas Threats		
Please choose all relevant existing threats as either of high, medium or low significance. Threats ranked as of high significance are those which are seriously degrading values; medium are those threats having some negative impact and those characterised as low are threats which are present but not seriously impacting values or N/A where the threat is not present or not applicable in the protected area.		
1. Residential and commercial development within a protected area		
Threats from human settlements or other non-agricultural land uses with a substantial footprint		

		0: N/A 1: Low 2: Medium 3: High
1.1 Housing and settlement		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
1.2 Commercial and industrial areas		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
1.3 Tourism and recreation infrastructure		0: N/A 1: Low 2: Medium 3: High
2. Agriculture and aquaculture within a protected area		
Threats from farming and grazing as a result of agricultural expansion and intensification, including silviculture, mariculture and aquaculture		
		0: N/A 1: Low 2: Medium 3: High
2.1 Annual and perennial non-timber crop cultivation		0: N/A 1: Low 2: Medium 3: High

2.1a Drug cultivation		0: N/A 1: Low 2: Medium 3: High
2.2 Wood and pulp plantations		0: N/A 1: Low 2: Medium 3: High
2.3 Livestock farming and grazing		0: N/A 1: Low 2: Medium 3: High
2.4 Marine and freshwater aquaculture		0: N/A 1: Low 2: Medium 3: High
3. Energy production and mining within a protected area		
Threats from production of non-biological resources		

		0: N/A 1: Low 2: Medium 3: High
3.1 Oil and gas drilling		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
3.2 Mining and quarrying		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
3.3 Energy generation, including from hydropower dams		0: N/A 1: Low 2: Medium 3: High
4. Transportation and service corridors within a protected area		
Threats from long narrow transport corridors and the vehicles that use them including associated wildlife mortality		
		0: N/A 1: Low 2: Medium 3: High
4.1 Roads and railroads (include road-killed animals)		0: N/A 1: Low 2: Medium 3: High

4.2 Utility and service lines (e.g. electricity cables, telephone lines,)		0: N/A 1: Low 2: Medium 3: High
4.3 Shipping lanes and canals		0: N/A 1: Low 2: Medium 3: High
4.4 Flight paths		0: N/A 1: Low 2: Medium 3: High
5. Biological resource use and harm within a protected area		
Threats from consumptive use of "wild" biological resources including both deliberate and unintentional harvesting effects; also persecution or control of specific species (note this includes hunting and killing of animals)		
5.1 Hunting, killing and collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)		0: N/A 1: Low 2: Medium

		3: High
5.2 Gathering terrestrial plants or plant products (non-timber)		0: N/A 1: Low 2: Medium 3: High
5.3 Logging and wood harvesting		0: N/A 1: Low 2: Medium 3: High
5.4 Fishing, killing and harvesting aquatic resources		0: N/A 1: Low 2: Medium 3: High
6. Human intrusions and disturbance within a protected area		
Threats from human activities that alter, destroy or disturb habitats and species associated with non-consumptive uses of biological resources		

		0: N/A 1: Low 2: Medium 3: High
6.1 Recreational activities and tourism		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
6.2 War, civil unrest and military exercises		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
6.3 Research, education and other work-related activities in protected areas		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
6.4 Activities of protected area managers (e.g. construction or vehicle use, artificial watering points and dams)		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium
6.5 Deliberate vandalism, destructive activities or threats to protected area staff and visitors		0: N/A 1: Low 2: Medium

		3: High
7. Natural system modifications		
Threats from other actions that convert or degrade habitat or change the way the ecosystem functions		
		0: N/A 1: Low 2: Medium 3: High
7.1 Fire and fire suppression (including arson)		0: N/A 1: Low 2: Medium 3: High
7.2 Dams, hydrological modification and water management/use		0: N/A 1: Low 2: Medium 3: High
		0: N/A 1: Low 2: Medium 3: High
7.3a Increased fragmentation within protected area		0: N/A 1: Low 2: Medium 3: High
7.3b Isolation from other natural habitat (e.g. deforestation, dams without effective aquatic wildlife passages)		0: N/A 1: Low

		2: Medium 3: High
7.3c Other 'edge effects' on park values		0: N/A 1: Low 2: Medium 3: High
7.3d Loss of keystone species (e.g. top predators, pollinators etc)		0: N/A 1: Low 2: Medium 3: High
8. Invasive and other problematic species and genes		
Threats from terrestrial and aquatic non-native and native plants, animals, pathogens/microbes or genetic materials that have or are predicted to have harmful effects on biodiversity following introduction, spread and/or increase		
8.1 Invasive non-native/alien plants (weeds)		0: N/A 1: Low 2: Medium 3: High

		0: N/A 1: Low 2: Medium 3: High
8.1a Invasive non-native/alien animals		0: N/A 1: Low 2: Medium 3: High
8.1b Pathogens (non-native or native but creating new/increased problems)		0: N/A 1: Low 2: Medium 3: High
8.2 Introduced genetic material (e.g. genetically modified organisms)		0: N/A 1: Low 2: Medium 3: High
9. Pollution entering or generated within protected area		
Threats from introduction of exotic and/or excess materials or energy from point and non-point sources		
9.1 Household sewage and urban waste water		0: N/A 1: Low 2: Medium 3: High

9.1a Sewage and waste water from protected area facilities (e.g. toilets, hotels etc)	0: N/A 1: Low 2: Medium 3: High
9.2 Industrial, mining and military effluents and discharges (e.g. poor water quality discharge from dams, e.g. unnatural temperatures, de-oxygenated, other pollution)	0: N/A 1: Low 2: Medium 3: High
9.3 Agricultural and forestry effluents (e.g. excess fertilizers or pesticides)	0: N/A 1: Low 2: Medium 3: High
9.4 Garbage and solid waste	0: N/A 1: Low 2: Medium 3: High
9.5 Air-borne pollutants	0: N/A 1: Low 2: Medium

		3: High
		0: N/A 1: Low 2: Medium 3: High
9.6 Excess energy (e.g. heat pollution, lights etc)		3: High
10. Geological events		
Geological events may be part of natural disturbance regimes in many ecosystems. But they can be a threat if a species or habitat is damaged and has lost its resilience and is vulnerable to disturbance. Management capacity to respond to some of these changes may be limited.		
		0: N/A 1: Low 2: Medium 3: High
10.1 Volcanoes		0: N/A 1: Low 2: Medium
10.2 Earthquakes/Tsunamis		0: N/A 1: Low 2: Medium

		3: High
10.3 Avalanches/ Landslides		0: N/A 1: Low 2: Medium 3: High
10.4 Erosion and siltation/ deposition (e.g. shoreline or riverbed changes)		0: N/A 1: Low 2: Medium 3: High
11. Climate change and severe weather		
Threats from long-term climatic changes which may be linked to global warming and other severe climatic/weather events outside of the natural range of variation		
11.1 Habitat shifting and alteration		0: N/A 1: Low 2: Medium 3: High

11.2 Droughts		0: N/A 1: Low 2: Medium 3: High
11.3 Temperature extremes		0: N/A 1: Low 2: Medium 3: High
11.4 Storms and flooding		0: N/A 1: Low 2: Medium 3: High
12. Specific cultural and social threats		
12.1 Loss of cultural links, traditional knowledge and/or management practices		0: N/A 1: Low 2: Medium 3: High

12.2 Natural deterioration of important cultural site values		0: N/A 1: Low 2: Medium 3: High
12.3 Destruction of cultural heritage buildings, gardens, sites etc		0: N/A 1: Low 2: Medium 3: High
Assessment Form		
1. Legal status: Does the protected area have legal status (or in the case of private reserves is covered by a covenant or similar)?		0: The protected area is not gazetted/covenanted 1: There is agreement that the protected area should be gazetted/covenanted but the process has not yet begun 2: The protected area is in the process of being gazetted/covenanted but the process is still incomplete (includes sites designated under international conventions, such as Ramsar, or local/traditional law such as community conserved areas, which do not yet have national legal status or covenant) 3: The protected area has been formally gazetted/covenanted
Comments and Next Steps		

<p>2. Protected area regulations: Are appropriate regulations in place to control land use and activities (e.g. hunting)?</p>		<p>0: There are no regulations for controlling land use and activities in the protected area</p> <p>1: Some regulations for controlling land use and activities in the protected area exist but these are major weaknesses</p> <p>2: Regulations for controlling land use and activities in the protected area exist but there are some weaknesses or gaps</p> <p>3: Regulations for controlling inappropriate land use and activities in the protected area exist and provide an excellent basis for management</p>
<p>Comments and Next Steps</p>		
<p>3. Law</p> <p>Enforcement: Can staff (i.e. those with responsibility for managing the site) enforce protected area rules well enough?</p>		<p>0: The staff have no effective capacity/resources to enforce protected area legislation and regulations</p> <p>1: There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget, lack of institutional support)</p> <p>2: The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain</p> <p>3: The staff have excellent capacity/resources to enforce protected area legislation and regulations</p>
<p>Comments and Next Steps</p>		

<p>4. Protected area objectives: Is management undertaken according to agreed objectives?</p>		<p>0: No firm objectives have been agreed for the protected area</p> <p>1: The protected area has agreed objectives, but is not managed according to these objectives</p> <p>2: The protected area has agreed objectives, but is only partially managed according to these objectives</p> <p>3: The protected area has agreed objectives and is managed to meet these objectives</p>
<p>Comments and Next Steps</p>		
<p>5. Protected area design: Is the protected area the right size and shape to protect species, habitats, ecological processes and water catchments of key conservation concern?</p>		<p>0: Inadequacies in protected area design mean achieving the major objectives of the protected area is very difficult</p> <p>1: Inadequacies in protected area design mean that achievement of major objectives is difficult but some mitigating actions are being taken (e.g. agreements with adjacent land owners for wildlife corridors or introduction of appropriate catchment management)</p> <p>2: Protected area design is not significantly constraining achievement of objectives, but could be improved (e.g. with respect to larger scale ecological processes)</p> <p>3: Protected area design helps achievement of objectives; it is appropriate for species and habitat conservation; and maintains ecological processes such as surface and groundwater flows at a catchment scale, natural disturbance patterns etc</p>
<p>Comments and Next Steps</p>		

<p>6. Protected area boundary demarcation: Is the boundary known and demarcated?</p>		<p>0: The boundary of the protected area is not known by the management authority or local residents/neighbouring land users</p> <p>1: The boundary of the protected area is known by the management authority but is not known by local residents/neighbouring land users</p> <p>2: The boundary of the protected area is known by both the management authority and local residents/neighbouring land users but is not appropriately demarcated</p> <p>3: The boundary of the protected area is known by the management authority and local residents/neighbouring land users and is appropriately demarcated</p>
<p>Comments and Next Steps</p>		
<p>7. Management plan: Is there a management plan and is it being implemented?</p>		<p>0: There is no management plan for the protected area</p> <p>1: A management plan is being prepared or has been prepared but is not being implemented</p> <p>2: A management plan exists but it is only being partially implemented because of funding constraints or other problems</p> <p>3: A management plan exists and is being implemented</p>
<p>Comments and Next Steps</p>		

7.a Planning process: The planning process allows adequate opportunity for key stakeholders to influence the management plan		0: No 1: Yes
Comments and Next Steps		
7.b Planning process: There is an established schedule and process for periodic review and updating of the management plan		0: No 1: Yes
Comments and Next Steps		
7.c Planning process: The results of monitoring, research and evaluation are routinely incorporated into planning		0: No 1: Yes
Comments and Next Steps		
8. Regular work plan: Is there a regular work plan and is it being implemented		0: No regular work plan exists 1: A regular work plan exists but few of the activities are implemented 2: A regular work plan exists and many activities are implemented 3: A regular work plan exists and all activities are implemented
Comments and Next Steps		

<p>9. Resource inventory: Do you have enough information to manage the area?</p>		<p>0: There is little or no information available on the critical habitats, species and cultural values of the protected area</p> <p>1: Information on the critical habitats, species, ecological processes and cultural values of the protected area is not sufficient to support planning and decision making</p> <p>2: Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient for most key areas of planning and decision making</p> <p>3: Information on the critical habitats, species, ecological processes and cultural values of the protected area is sufficient to support all areas of planning and decision making</p>
<p>Comments and Next Steps</p>		
<p>10. Protection systems:</p> <p>Are systems in place to control access/resource use in the protected area?</p>		<p>0: Protection systems (patrols, permits etc) do not exist or are not effective in controlling access/resource use</p> <p>1: Protection systems are only partially effective in controlling access/resource use</p> <p>2: Protection systems are moderately effective in controlling access/resource use</p> <p>3: Protection systems are largely or wholly effective in controlling access/ resource use</p>
<p>Comments and Next Steps</p>		

<p>11. Research: Is there a programme of management-orientated survey and research work?</p>		<p>0: There is no survey or research work taking place in the protected area</p> <p>1: There is a small amount of survey and research work but it is not directed towards the needs of protected area management</p> <p>2: There is considerable survey and research work but it is not directed towards the needs of protected area management</p> <p>3: There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs</p>
<p>Comments and Next Steps</p>		
<p>12. Resource management: Is active resource management being undertaken?</p>		<p>0: Active resource management is not being undertaken</p> <p>1: Very few of the requirements for active management of critical habitats, species, ecological processes and cultural values are being implemented</p> <p>2: Many of the requirements for active management of critical habitats, species, ecological processes and, cultural values are being implemented but some key issues are not being addressed</p> <p>3: Requirements for active management of critical habitats, species, ecological processes and, cultural values are being substantially or fully implemented</p>
<p>Comments and Next Steps</p>		

<p>13. Staff numbers: Are there enough people employed to manage the protected area?</p>		<p>0: There are no staff</p> <p>1: Staff numbers are inadequate for critical management activities</p> <p>2: Staff numbers are below optimum level for critical management activities</p> <p>3: Staff numbers are adequate for the management needs of the protected area</p>
<p>Comments and Next Steps</p>		
<p>14. Staff training: Are staff adequately trained to fulfill management objectives?</p>		<p>0: Staff lack the skills needed for protected area management</p> <p>1: Staff training and skills are low relative to the needs of the protected area</p> <p>2: Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management</p> <p>3: Staff training and skills are aligned with the management needs of the protected area</p>
<p>Comments and Next Steps</p>		

<p>15. Current budget: Is the current budget sufficient?</p>		<p>0: There is no budget for management of the protected area</p> <p>1: The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage</p> <p>2: The available budget is acceptable but could be further improved to fully achieve effective management</p> <p>3: The available budget is sufficient and meets the full management needs of the protected area</p>
<p>Comments and Next Steps</p>		
<p>16. Security of budget: Is the budget secure?</p>		<p>0: There is no secure budget for the protected area and management is wholly reliant on outside or highly variable funding</p> <p>1: There is very little secure budget and the protected area could not function adequately without outside funding</p> <p>2: There is a reasonably secure core budget for regular operation of the protected area but many innovations and initiatives are reliant on outside funding</p> <p>3: There is a secure budget for the protected area and its management needs</p>
<p>Comments and Next Steps</p>		

<p>17. Management of budget: Is the budget managed to meet critical management needs?</p>		<p>0: Budget management is very poor and significantly undermines effectiveness (e.g. late release of budget in financial year)</p> <p>1: Budget management is poor and constrains effectiveness</p> <p>2: Budget management is adequate but could be improved</p> <p>3: Budget management is excellent and meets management needs</p>
<p>Comments and Next Steps</p>		
<p>18. Equipment: Is equipment sufficient for management needs?</p>		<p>0: There are little or no equipment and facilities for management needs</p> <p>1: There are some equipment and facilities but these are inadequate for most management needs</p> <p>2: There are equipment and facilities, but still some gaps that constrain management</p> <p>3: There are adequate equipment and facilities</p>
<p>Comments and Next Steps</p>		
<p>19. Maintenance of equipment: Is equipment adequately maintained?</p>		<p>0: There is little or no maintenance of equipment and facilities</p> <p>1: There is some ad hoc maintenance of equipment and facilities</p> <p>2: There is basic maintenance of equipment and facilities</p>

		3: Equipment and facilities are well maintained
Comments and Next Steps		
20. Education and awareness: Is there a planned education programme linked to the objectives and needs?		<p>0: There is no education and awareness programme</p> <p>1: There is a limited and ad hoc education and awareness programme</p> <p>2: There is an education and awareness programme but it only partly meets needs and could be improved</p> <p>3: There is an appropriate and fully implemented education and awareness programme</p>
Comments and Next Steps		
21. Planning for land and water use: Does land and water use planning recognise the protected area and aid the achievement of objectives?		<p>0: Adjacent land and water use planning does not take into account the needs of the protected area and activities/policies are detrimental to the survival of the area</p> <p>1: Adjacent land and water use planning does not takes into account the long term needs of the protected area, but activities are not detrimental the area</p> <p>2: Adjacent land and water use planning partially takes into account the long term needs of the protected area</p>

		3: Adjacent land and water use planning fully takes into account the long term needs of the protected area
Comments and Next Steps		
21a. Land and water planning for habitat conservation: Planning and management in the catchment or landscape containing the protected area incorporates provision for adequate environmental conditions (e.g. volume, quality and timing of water flow, air pollution levels etc) to sustain relevant habitats.		0: No 1: Yes
Comments and Next Steps		
21b. Land and water planning for habitat conservation: Management of corridors linking the protected area provides for wildlife passage to key habitats outside the protected area (e.g. to allow migratory fish to travel between freshwater spawning sites and the sea, or to allow animal migration).		0: No 1: Yes
Comments and Next Steps		
21c. Land and water planning for habitat conservation: "Planning addresses ecosystem-specific needs and/or the needs of particular species of concern at an ecosystem scale (e.g. volume, quality and timing of freshwater flow to sustain particular species, fire management to maintain savannah		0: No 1: Yes

habitats etc.)"		
Comments and Next Steps		
22. State and commercial neighbours: Is there co-operation with adjacent land and water users?		<p>0: There is no contact between managers and neighbouring official or corporate land and water users</p> <p>1: There is contact between managers and neighbouring official or corporate land and water users but little or no cooperation</p> <p>2: There is contact between managers and neighbouring official or corporate land and water users, but only some co-operation</p> <p>3: There is regular contact between managers and neighbouring official or corporate land and water users, and substantial co-operation on management</p>
Comments and Next Steps		

<p>23. Indigenous people: Do indigenous and traditional peoples resident or regularly using the protected area have input to management decisions?</p>		<p>0: Indigenous and traditional peoples have no input into decisions relating to the management of the protected area</p> <p>1: Indigenous and traditional peoples have some input into discussions relating to management but no direct role in management</p> <p>2: Indigenous and traditional peoples directly contribute to some relevant decisions relating to management but their involvement could be improved</p> <p>3: Indigenous and traditional peoples directly participate in all relevant decisions relating to management, e.g. co-management</p>
<p>Comments and Next Steps</p>		
<p>24. Local communities: Do local communities resident or near the protected area have input to management decisions?</p>		<p>0: Local communities have no input into decisions relating to the management of the protected area</p> <p>1: Local communities have some input into discussions relating to management but no direct role in management</p> <p>2: Local communities directly contribute to some relevant decisions relating to management but their involvement could be improved</p> <p>3: Local communities directly participate in all relevant decisions relating to management, e.g. co-management</p>
<p>Comments and Next Steps</p>		

24 a. Impact on communities: There is open communication and trust between local and/or indigenous people, stakeholders and protected area managers		0: No 1: Yes
Comments and Next Steps		
24 b. Impact on communities: Programmes to enhance community welfare, while conserving protected area resources, are being implemented		0: No 1: Yes
Comments and Next Steps		
24 c. Impact on communities: Local and/or indigenous people actively support the protected area		0: No 1: Yes
Comments and Next Steps		
25. Economic benefit: Is the protected area providing economic benefits to local communities, e.g. income, employment, payment for environmental services?		0: The protected area does not deliver any economic benefits to local communities 1: Potential economic benefits are recognised and plans to realise these are being developed 2: There is some flow of economic benefits to local communities 3: There is a major flow of economic benefits to local communities from activities associated with the protected area
Comments and Next Steps		

<p>26. Monitoring and evaluation: Are management activities monitored against performance?</p>		<p>0: There is no monitoring and evaluation in the protected area</p> <p>1: There is some ad hoc monitoring and evaluation, but no overall strategy and/or no regular collection of results</p> <p>2: There is an agreed and implemented monitoring and evaluation system but results do not feed back into management</p> <p>3: A good monitoring and evaluation system exists, is well implemented and used in adaptive management</p>
<p>Comments and Next Steps</p>		
<p>27. Visitor facilities: Are visitor facilities adequate?</p>		<p>0: There are no visitor facilities and services despite an identified need</p> <p>1: Visitor facilities and services are inappropriate for current levels of visitation</p> <p>2: Visitor facilities and services are adequate for current levels of visitation but could be improved</p> <p>3: Visitor facilities and services are excellent for current levels of visitation</p>
<p>Comments and Next Steps</p>		

<p>28. Commercial tourism operators: Do commercial tour operators contribute to protected area management?</p>		<p>0: There is little or no contact between managers and tourism operators using the protected area</p> <p>1: There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters</p> <p>2: There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain protected area values</p> <p>3: There is good co-operation between managers and tourism operators to enhance visitor experiences, and maintain protected area values</p>
<p>Comments and Next Steps</p>		
<p>29. Fees: If fees (i.e. entry fees or fines) are applied, do they help protected area management?</p>		<p>0: Although fees are theoretically applied, they are not collected</p> <p>1: Fees are collected, but make no contribution to the protected area or its environs</p> <p>2: Fees are collected, and make some contribution to the protected area and its environs</p> <p>3: Fees are collected and make a substantial contribution to the protected area and its environs</p>
<p>Comments and Next Steps</p>		

<p>30. Condition of values: What is the condition of the important values of the protected area as compared to when it was first designated?</p>		<p>0: Many important biodiversity, ecological or cultural values are being severely degraded</p> <p>1: Some biodiversity, ecological or cultural values are being severely degraded</p> <p>2: Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted</p> <p>3: Biodiversity, ecological and cultural values are predominantly intact</p>
<p>Comments and Next Steps</p>		
<p>30a: Condition of values: The assessment of the condition of values is based on research and/or monitoring</p>		<p>0: No 1: Yes</p>
<p>Comments and Next Steps</p>		
<p>30b: Condition of values Specific management programmes are being implemented to address threats to biodiversity, ecological and cultural values</p>		<p>0: No 1: Yes</p>
<p>Comments and Next Steps</p>		
<p>30c: Condition of values: Activities to maintain key biodiversity, ecological and cultural values are a routine part of park management</p>		<p>0: No 1: Yes</p>
<p>Comments and Next Steps</p>		
<p>TOTAL SCORE</p>		

5. Donor Council, Working Group, and Focal Country Endorsements

CEPF Donor Council Terms of Reference

The powers and duties of the Donor Council shall include:

- a) Providing general guidance to Conservation International (CI) on the operations of the Fund;
- b) Reviewing and approving each Annual Spending Plan of the Fund;
- c) Reviewing and approving a priority list of Ecosystem Profiles to be prepared;
- d) Reviewing and approving each Ecosystem Profile;
- e) Reviewing and approving amendments to the Operational Manual;
- f) Reviewing and approving the procedures for procurement of goods and services, above the threshold amount set forth in the Operational Manual;
- g) Reviewing and approving the conditions under which new donors may be invited to take part in the Fund and approving additional members of the Donor Council;
- h) Reviewing and approving the fund-raising strategy for the Fund;
- i) Electing the chairperson of the Donor Council;
- j) Reviewing and approving the selection of each Regional Implementation Team in accordance with the procedure established in the Operational Manual. Whenever CI applies to become the Regional Implementation Team, the CI Donor Council member shall recuse him or her self from the selection process;
- k) Reviewing and approving proposed grants for award to CI, if and when such application exceeds a total cost of \$20,000. In such cases, the CI Donor Council member shall recuse him or her self from the review and approval process;
- l) Reviewing and approving the terms of reference for a midterm evaluation, the external audit, and a CEPF program audit conducted by internal auditors or consultants acceptable to the Donor Council, as well as any subsequent material changes to those terms of reference; and
- m) Approving terms of reference for the CEPF Working Group and, whenever it deems necessary, delegating specific powers and duties to the CEPF Working Group.

* These Terms of Reference were approved by the CEPF Donor Council in July 2007.

CEPF Working Group Terms of Reference

Term Duration: Permanent or as determined by the Donor Council

Reports to: CEPF Donor Council

Chaired by: CEPF Executive Director. The Working Group Chair reports to the Donor Council.

Members: One representative from each CEPF donor organization. Such representative may invite experts from their organizations as necessary. Guests affiliated with other nongovernmental organizations, multi-lateral and bi-lateral organizations and government agencies may participate as guests as determined by consensus of the CEPF Working Group members. The number of attendees at a Working Group meeting will be at the discretion of the CEPF Executive Director.

Purpose: To serve as a resource to CEPF for consultation on CEPF matters such as maximizing the potential to leverage donor organization resources and expertise, and development of ecosystem profiles, and to provide input and guidance on certain operational issues and addressing obstacles and challenges to biodiversity conservation success.

Frequency of meetings: Three times a year or as necessary.

Specific Tasks:

Support the mission and objectives of CEPF and leverage CEPF investment by identifying the technical and financial resources that member organizations can contribute in specific geographic regions.

Represent and communicate the CEPF mission, objectives, and investment strategy within respective donor organizations to help leverage and amplify CEPF investment.

Provide support to CEPF in the preparation of the ecosystem profiles by representing Donor Council members in reviewing the draft profile, discussing geographic priorities, providing additional information and constructive input, and assisting in identifying current investment, threats to biodiversity, leveraging opportunities, and gaps that CEPF funding might address.

Provide input and guidance on certain operational matters, such as modifications to the

Operational Manual, and monitor and assist in implementation of Council decisions, and other issues as necessary.

Provide support to CEPF and Donor Council members in preparing for meetings of the Donor Council by reviewing documents and recommended actions, resolving any issues, reflecting the position of respective organizations, and briefing Donor Council members.

Select CEPF Regional Implementation Teams, to be approved by the Donor Council, in accordance with the procedure established in the CEPF Operational Manual. In the event CI applies to become a Regional Implementation Team, the CI representative on the Working Group shall recuse his or her self from such selection process.

By authority granted by the Donor Council, review and approve proposed grants for award to CI under each approved Ecosystem Profile, if and when such application exceeds a total cost of \$20,000. In such cases, the CI Working Group member shall recuse him or her self from the review and approval process.

* These Terms of Reference were approved by the CEPF Donor Council in July 2007.

Focal Country Endorsements

CEPF will seek endorsement of each ecosystem profile by the relevant national GEF operational focal point(s) (OFP). CEPF shall request endorsement following approval of the ecosystem profile by the Donor Council. No funds shall be disbursed for any activities in a country until the GEF OFP for that country has endorsed the ecosystem profile.

CEPF will actively engage the relevant GEF OFP(s) throughout the process of developing the ecosystem profile. CEPF will request the GEF Secretariat to make an initial introduction of CEPF to the relevant focal point(s) in the hotspot. The CEPF Secretariat will arrange a teleconference or face-to-face meeting to introduce proposed CEPF activities in the hotspot, the profiling team and the goals of the ecosystem profiling process. Focal points will be invited to national stakeholder workshops organized throughout the profiling process. Invitations will be extended in advance of the scheduled workshop. If a focal point is unable to attend an ecosystem profiling workshop, the Secretariat or profiling team will provide them with a copy of the workshop proceedings and a list of attendees. Representatives of the CEPF Secretariat will arrange to meet with each relevant OFP if at all possible to discuss the profile during its development.

A formal request for the OFP's endorsement of the ecosystem profile will be submitted by the CEPF Secretariat in writing. This request will provide a sixty day absence-of-objection review period and will be accompanied by a complete draft of the final ecosystem profile. This letter will contain information on CEPF, the strategic priorities identified in the ecosystem profile, and a description of the implementation arrangements in the hotspot.

When the OFP's endorsement of the ecosystem profile is provided in writing, this must be in the form of a letter addressed to the World Bank task team leader, following the general guidelines and content outline of the sample letter included in this section.

The CEPF Secretariat will fully document this engagement process for each investment region, reflecting the schedule of meetings and teleconferences held with the OFP, the OFP's invitation to and attendance at profiling meetings, comments from the OFP on the profile, the Secretariat's response and the OFP's response to the request for endorsement.

Format for GEF Focal Point Endorsement Letters⁶⁷

[Date]

Ms. Andrea Kutter
Task Team Leader, Critical Ecosystem Partnership Fund
Senior Operations Officer, Environment & Natural Resources,
The World Bank
1818 H Street, NW
Washington, DC 20433, USA

Email: akutter@worldbank.org

Reference: *Critical Ecosystem Partnership Fund*

Dear Ms. Kutter:

As the GEF Focal Point for the Government of *[insert country]*, I endorse the investment strategy outlined in the Critical Ecosystem Partnership Fund (CEPF) *[insert official title of the ecosystem profile]*, and the provision of grants to nongovernmental and private sector organizations for projects and activities that fulfill the programmatic objectives outlined therein.

We understand that each of the CEPF donor partners (Conservation International, l'Agence Française de Développement, the European Union, the GEF, the Government of Japan, the MacArthur Foundation, and the World Bank) has committed funding to the CEPF initiative.

In providing this endorsement, we confirm that *[insert official title of the ecosystem profile]* has been shared with the officials responsible for the Convention on Biological Diversity, and has undergone review in our country. We note that provision of funding for activities outlined in the ecosystem profile will be contingent upon approval by the CEPF Donor Council. We understand that the ecosystem profile will be made publicly available.

Sincerely,

[Signature]

[Name] [Title] and GEF Focal Point

[Address][Tel and fax]

cc: CEPF Executive Director, email: olangrand@cepf.net

⁶⁷ Note: The text of letters of endorsement for the CEPF Ecosystem Profiles can vary from country to country. However, letters that provide for conditional endorsement are not acceptable, and each letter must cover the following points

- Addressed to Task Team Leader, World Bank (as per suggested format);
- State GEF Focal Point endorsement for the relevant ecosystem profile (include official name of document);
- State GEF Focal Point endorsement of strategy and programmatic objectives contained in the Ecosystem Profile;
- State that the GEF Focal Point understands that CI, l'Agence Française de Développement, the European Union, the GEF, the Government of Japan, the MacArthur Foundation, and the World Bank have provided funding for CEPF;
- State that the GEF Focal Point understands that the provision of funding for the activities outlined in the ecosystem profile is contingent upon CEPF Donor Council approval of the Profile and investment strategy
- State agreement that the ecosystem profile may be made publicly available.
- Signed by GEF Focal Point

6. World Bank Reporting Procedures

Interim un-audited Financial Statements (IFR)

REPORT 1-A1

Conservation International Foundation

Critical Ecosystem Partnership Fund
 GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500
 Quarterly Sources & Uses of Funds
 For the Quarter ending _____

In USD 000's

	Actual		Planned		Variance	
	Current Quarter	Cumulative To-Date (i)	Current Quarter	Cumulative To-Date	Current Quarter	Cumulative To-Date
Sources of Funds						
GEF Grant	-	-	-	-	-	-
IBRD - DGF	-	-	-	-	-	-
CI Grant	-	-	-	-	-	-
AFD Grant	-	-	-	-	-	-
MacArthur Grant	-	-	-	-	-	-
Government of Japan Grant	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Total	-	-	-	-	-	-
Less:						
Uses of Funds (ii)						
1. Ecosystem Profile Preparation	-	-	-	-	-	-
1.1 Consulting & Non-Consulting Services and Goods						
1.2 Incremental Operating Costs						
2. Secretariat Costs	-	-	-	-	-	-
2.1 Consulting & Non-Consulting Services and Goods						
2.2 Incremental Operating Costs						
Ecosystem Grants						
3. Subprojects and RIT Subprojects	-	-	-	-	-	-
4. RIT Operating & Monitoring Costs	-	-	-	-	-	-
Total	-	-	-	-	-	-
Sources less Uses	-	-	-	-	-	-

Conservation International Foundation

Critical Ecosystem Partnership Fund
 GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500
 Quarterly Sources and Uses of Funds
 For the Quarter ending _____

In USD 000's

Program Activities	Actuals									
	Current Quarter					Cumulative to Date				
	GEF	IBRD - DGF	Japan	Other Donors	Total	GEF	IBRD - DGF	Japan	Other Donors	Total
Expenditures										
1. Ecosystem Profile Preparation	0	0	0	0	0	0	0	0	0	0
1.1 Consulting & Non-Consulting Services and Goods										
1.2 Incremental Operating Costs										
2. Secretariat Costs	0	0	0	0	0	0	0	0	0	0
2.1 Consulting & Non-Consulting Services and Goods										
2.2 Incremental Operating Costs										
Ecosystem Grants										
3. Subprojects and RIT Subprojects	0	0	0	0	0	0	0	0	0	0
4. RIT Operating and Monitoring Costs	0	0	0	0	0	0	0	0	0	0
Total Program Expenditure	0	0	0	0	0	0	0	0	0	0
Funds Received	0	0	0	0	0	0	0	0	0	0
% of Funding	0%	0%	0%	0%		0%	0%	0%	0%	
						Balance	0	0	0	0

Percentage of Expense Funded by Donor		
Expense Type	GEF	Japan
1. Ecosystem Profile Preparation		
1.1 Consulting & Non-Consulting Services and Goods		35%
1.2 Incremental Operating Costs		50%
2. Secretariat Costs		
2.1 Consulting & Non-Consulting Services and Goods		35%
2.2 Incremental Operating Costs		50%
3. Subprojects and RIT Subprojects	26%	40%
4. RIT Operating and Monitoring Costs		40%

Conservation International Foundation

Critical Ecosystem Partnership Fund

GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500

Projected Expense Forecast
For the Quarter ending _____

in USD 000's

Disbursement Category		Requirement for quarter ending	Requirement for quarter ending	Total Requirement for six months ending	GEF eligible expenses for six months ending	Govt of Japan eligible expenses for six months ending
		30-Jun-12	30-Sep-12	30-Sep-12	30-Sep-12	30-Sep-12
		(a)	(b)	(a + b) = (c)	(c x d) = (e)	(c x f) = (g)
No.	Description					
1.	Ecosystem Profile Preparation	0	0	0	0	-
1.1	Consulting & Non-Consulting Services and Goods					
1.2	Incremental Operating Costs					
2.	Secretariat Costs	0	0	0	0	-
2.1	Consulting & Non-Consulting Services and Goods					
2.2	Incremental Operating Costs					
Ecosystem Grants						
3.	Subprojects and RIT Subprojects	0	0	0	0	-
4.	RIT Operating and Monitoring Costs	0	0	0	0	-
Total		0	0	0	0	0

Percentage of Expense Funded by Donor

Expense Type	GEF (d)	Japan (f)
1. Ecosystem Profile Preparation		
1.1 Consulting & Non-Consulting Services and Goods		35%
1.2 Incremental Operating Costs		50%
2. Secretariat Costs		
2.1 Consulting & Non-Consulting Services and Goods		35%
2.2 Incremental Operating Costs		50%
3. Subprojects and RIT Subprojects	26%	40%
4. RIT Operating and Monitoring Costs		40%

Conservation International Foundation

Critical Ecosystem Partnership Fund
 GEF Grant No. 091421/ DGF File: 102412
 Projected Expense Forecast (Part II)
 as of _____

in USD

GEF

Projected eligible expenditure for the six months ending _____ (i)	0
Share of Balance of Sources and Uses(ii)	0

Requested Amount	\$ -
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(i) Amount shown in column (e) of Report 1-B1

(ii) 26.32% of Ecosystem grants, less amount contributed by GEF to date

Conservation International Foundation

Critical Ecosystem Partnership Fund
 Government of Japan Grant TF050500
 Projected Expense Forecast (Part II)
 as of _____

in USD

Government of Japan

Projected eligible expenditure for the six months ending _____ (i)	0
Share of Balance of Sources and Uses(ii)	0

Requested Amount	\$ -
-------------------------	-------------

(i) Amount shown in column (g) of Report 1-B1

(ii) Government of Japan share of disbursement, less amount contributed to date

**CEPF Quarterly Report
Income Statement for [#] Months Ending [date]**

<i>Revenue - CEPF</i>	Current Year
Contributions	-
<i>Revenue source 1</i>	-
<i>Revenue source 2</i>	-
<i>Revenue source n</i>	-
Bank Interest Earned	-
Total Revenue	-

<i>Grants by hotspot</i>	Grants Awarded [date] - [date]			Payments on Grants [date] - [date]			
	Hotspot	Approved Spending Plan	Actual YTD	%	Approved Spending Plan	Actual YTD	%
Hotspot 1			0%			0%	
Hotspot 2			0%			0%	
Hotspot n			0%			0%	
Total Grants		-	-	0%	-	-	0%

<i>Operational Costs</i>	Spending plan	Actual YTD	%
Operating Costs			0%
Management Fee			0%
Total Operations	-	-	0%

<i>Preparation</i>	%
Total Preparation	0%

<i>Special Projects</i>	%
Special Project 1	0%
Special Project 2	0%
Special Project n	0%
Total Special Projects	0%

Total Expense	-	-	0%
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Fund Balance at [date]

Bank Balance	-
Investments	-
Accounts Receivable	-
A/R Source 1	-
A/R Source 3	-
A/R Source n	-
Grants Payable	-
Amount due (to)/from CI	-
Total Fund Balance	-

Summary of Available Resources as of [date]

Revenue to Date	-	
Expenses to Date	-	
Fund Balance		-
Allocated to:		
Reserved for Preparation	-	
Approved Hotspots	-	
Available for Future Operations Costs	-	
Available for Special Projects	-	
Available for Investment (Secured Funds)		-
Pledged Funds		
Operations Costs on Pledged Funds	-	
Preparation	-	
Balance for Investment (Pledged Funds)		-
Total Available for Investment - secured and pledged funds		-
Total Available Resources - secured and pledged funds		-

[Chart of Available Resources]

CEPF Phase II Grant Portfolio as of [date]

Number of Grantees:	-
Amount Granted (US \$000s):	\$ -

[Charts display split of grantmaking between Local vs International, Non CI vs CI, RIT vs Project Implementation]

CEPF Quarterly Report

Income Statement from Inception to [date] (US \$000s)

Revenue	CEPF I	CEPF II	Total	Pledged	
Revenue Source 1			0		0
Revenue Source 2			0		0
Revenue Source n			0		0
Total Revenue to Date	0	0	0		0

Expense	CEPF I	CEPF II	Total	Total	CEPF II
<i>Grants by hotspot</i>	<i>Awarded</i>	<i>Awarded</i>	<i>Awarded</i>	<i>Disbursed</i>	<i>Balance</i>
CEPF I only					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
CEPF I and CEPF II consolidation					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
CEPF II only					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
Total Grants to Date	0	0	0	0	0
Other Expenses to Date					
Preparation	0	0	0		
GEF-PPG	0	0	0		
Special Projects	0	0	0		
Operations Costs	0	0	0		
Total Other Expenses to Date	0	0	0		
Total Expense	0	0	0		
Fund Balance					0



Annex 1
Strategic Framework
FY 2008-2012

July 2007

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I. INTRODUCTION

Earth's biologically richest ecosystems are also the most threatened. Together, these biodiversity hotspots harbor half the diversity of life yet they have already lost 86 percent of their original habitat. The convergence of critical areas for conservation with millions of people who are impoverished and highly dependent on healthy ecosystems for their survival is also more evident in the hotspots than anywhere else.

Conservation International (CI), the Global Environment Facility, and the World Bank launched the Critical Ecosystem Partnership Fund (CEPF) in 2000 as an urgently needed new approach to enable nongovernmental organizations (NGOs), community groups, and other sectors of civil society to participate in conserving the hotspots. The program's unique focus on hotspots and civil society attracted the John D. and Catherine T. MacArthur Foundation as a partner in 2001 and the Government of Japan in 2002. L'Agence Française de Développement, the French Development Agency (AFD), also joined the partnership in 2007.

The hotspots approach to the conservation of ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for the benefit of the global environment.

During its first phase, CEPF had established active grant programs in 15 regions within 14 originally defined hotspots (Annex I). More than 600 civil society groups in 33 countries received grants and many of these groups also awarded funds to others, bringing the total number of groups supported by CEPF to more than 1,000.

Grant recipients ranged from small farming cooperatives and community associations to local and international NGOs. Every grant helped implement region-specific investment strategies developed with diverse stakeholders and approved by a council of high-level representatives from each CEPF donor partner institution.

CEPF investments have enabled hundreds of civil society groups to achieve significant, positive outcomes. Their efforts have influenced major governmental policies in dozens of countries and helped protect nearly 10 million hectares of globally important land since the program's creation in 2000.

An independent evaluation of the global program identified the following areas where CEPF grants appear to have been particularly effective or to show particular promise:

- Protected areas: Project portfolios in all hotspots have supported the expansion, consolidation, and improved planning and management of protected areas.
- Species conservation: CEPF grants have established research and educational projects at the local level and have supported community organizations in participatory monitoring activities to prevent species extinctions.
- Capacity building and training: Grants to the national offices of international NGOs have helped provide formal training as well as employment for promising local individuals who represent the next generation of national conservation leaders.
- Community development and poverty mitigation: A significant number of grants have provided the basis for improving incomes and economic well being of poor communities.
- Building conservation into development planning: Grants have equipped decisionmakers and planners with tools and knowledge to harmonize conservation with economic development.
- Private sector: Several hotspots have achieved significant conservation contributions from national and international companies in private sector industries due to CEPF-supported projects.
- Multinational hotspots: CEPF has demonstrated that conservation planning and implementation can take place on a regional, multi-country scale.
- Long-term conservation financing: CEPF grants have helped establish conservation trust funds and leverage partner support in several regions.

This 5-year Strategic Framework sets out the vision for FY 2008-2012, for which CEPF aims to secure at least \$100 million in new commitments from donor partners. The start of implementation has been made possible by new \$25 million commitments from both AFD and CI, which administers the global program. Ultimately, CEPF hopes to secure \$150 million to further increase the resources available for implementation.

The independent evaluation concluded overwhelmingly positive and recommended that the CEPF donor partners continue supporting the program and seeking further expansion opportunities. The evaluators found projects at the ecosystem level to be strategic and well selected to form integrated portfolios, with small grants complemented by targeted larger grants and a focus on influencing changes within institutions and governments. The evaluation report also included recommendations for strengthening the program that have been incorporated into this Framework.

CEPF will build on a rich repository of experience and lessons learned during the program's first years of operation, as well as recommendations from the evaluation that will expand the program's potential to act as a mechanism for the conservation community as a whole to align conservation investments for greater impact. The overarching goal will be to strengthen the involvement and effectiveness of NGOs and other sectors of civil society in contributing to conservation and management of globally significant biodiversity.

This will be achieved by providing strategic assistance to NGOs, community groups, and other civil

society partners, including the private sector, to support

- (i) strengthened protection and management of biodiversity within selected hotspots and critical ecosystems;
- (ii) increased local and national capacity to integrate biodiversity conservation into development and landscape planning; and
- (iii) expanded and improved monitoring and learning to demonstrate biodiversity impact and enable adaptive management and replication.

II. RATIONALE FOR INVESTMENT

The global biodiversity hotspots once covered 15.7 percent of the Earth's land surface. Today, however, 86 percent of the hotspots' natural vegetation has already been destroyed: The intact remnants of the hotspots now cover only 2.3 percent of the Earth's land surface.

As might be expected, very large proportions of threatened species occur within and are often unique to the hotspots. Between them, the hotspots hold at least 150,000 plant species found nowhere else on Earth, 50 percent of the world's total endemic species. In addition, 77 percent of threatened amphibian species are hotspot endemics, along with 73 percent of threatened bird species and 51 percent of threatened mammal species.

The status of species can be one of the most important indicators of ecosystem health. Their demise can endanger the vitality and ability of ecosystems to provide services important for human survival: air and water cleansing, flood and climate control, soil regeneration, crop pollination, food, medicines, and raw materials. Many people and many species share a common vulnerability.

By strategically focusing on the hotspots in developing countries, CEPF provides critically needed resources to assist civil society groups in helping preserve the diversity of life and healthy ecosystems as essential components of stable and thriving societies.

The hotspots concept complements other systems for assessing global conservation priorities. All hotspots contain at least one Global 200 Ecoregion identified by WWF for their species richness, endemism, taxonomic uniqueness, unusual ecological or evolutionary phenomena, and global rarity. All but three contain at least one Endemic Bird Area identified by BirdLife International for holding two or more endemic bird species. In addition, nearly 80 percent of the sites identified by the

Alliance for Zero Extinction⁶⁸ are located in the hotspots. These high-priority areas for conservation hold threatened species as endemics to a single site.

No matter how successful conservation activities are elsewhere, the state of the hotspots is the real measure of the conservation challenge. Unless the global community succeeds in conserving this small fraction of the planet's land area, more than half of Earth's diversity of life will be lost.

By March 2007, the award of new grants in nine of the original hotspots ceased after five years of implementation and funding will soon end for other critical ecosystems. Although the program has been shown to be highly effective, there are still significant conservation needs, both in the original 14 hotspots and in other critical ecosystems that have not yet benefited under the program. CEPF investments in a number of current hotspots targeted only selected areas, such as the Indonesian island of Sumatra in the Sundaland Hotspot and the Upper Guinean Forest in the Guinean Forests of West Africa Hotspot, while other areas in those hotspots are also of high value with major needs.

Based on new research by nearly 400 experts, CI also refined the original hotspot framework, aligned hotspot boundaries to match the WWF ecoregions wherever they overlap, and designated nine additional hotspots in early 2005. This refinement raised the number of hotspots globally from 25 to 34 (Annex II), up to 30 of which include countries eligible for support under the current CEPF eligibility criteria as they occur in a biodiversity hotspot, are World Bank clients, and have ratified the Convention on Biological Diversity (CBD). Twenty-five hotspots covering 77 countries are wholly eligible for CEPF support, while five others include 17 additional eligible countries.

This 5-year period of the global program will enable expansion and replication of successful civil society implementation models more broadly within at least 14 hotspots. CEPF will build on lessons learned to date as well as on recommendations from the independent evaluation to further strengthen the program in existing hotspots and to expand activities to new critical ecosystems and to marine and coastal habitats within and adjacent to the hotspots. Supporting conservation activities in marine and coastal habitats will provide a more holistic and integrated ecosystem approach to conservation

⁶⁸ Signatories to the Alliance for Zero Extinction include American Bird Conservancy; American Museum of Natural History; Asociación Armonía; Asociación de Conservación de los Ecosistemas Andinos; Association "Les Amis des Oiseaux"; Asociación Naymlap; BirdLife International; Charles Darwin Foundation; CIPAMEX; Conservation and Research for Endangered Species; Conservation International; Doga Dernegi – Turkey; Durrell Wildlife Conservation Trust; EcoSystems-India; Fairchild Tropical Botanical Garden; Fauna and Flora International; Forest Partners International; Fundación Jocotoco; Guyra Paraguay; Hawai'i Endangered Bird Conservation Program; Instituto Ecología Aplicada; International Iguana Foundation; Island Conservation and Ecology Group; Island Endemics; Loro Parque Fundación; Lube Bat Conservancy; Mindo Cloudforest Foundation; Missouri Botanical Garden; National Audubon Society; The Nature Conservancy; NatureServe; ProAves Colombia; Rare; Saint Louis Zoo's WildCare Institute; Société Audubon Haiti!; Vermont Institute of Natural Science; Wildlife Conservation and Environmental Development Association of Ethiopia; Wildlife Conservation Society; Wildlife Trust; World Parks; World Pheasant Association; and World Wildlife Fund.

needs. The CEPF Donor Council may also decide to establish new funding windows to accommodate the strategic interests of specific donors.

Expected global benefits will arise from the increased participation and capacity of national and local civil society groups to manage and deliver conservation initiatives in a strategic and effective manner and to integrate biodiversity conservation into development and landscape planning in regions of recognized global importance. These interventions will lead to generation, adoption, adaptation, and application of lessons for improved outcomes relevant both to CEPF and the broader conservation and development communities.

New CEPF programs and choice of hotspots will also complement activities likely to be supported under the new Global Environment Facility Resource Allocation Framework (RAF). Although CEPF has invested in some of the biodiversity-rich countries that are likely to receive substantial allocations under the framework, the 30 eligible hotspots together target 94 countries. CEPF has the potential to be able to complement conservation efforts in many of these countries by filling in gaps and focusing resources to civil society and private sector efforts that may not otherwise be supported.

As previously, all of the countries involved in the program will have ratified the CBD and all region-specific investment strategies will be endorsed by the relevant national Global Environment Facility focal points to ensure consistency with national Biodiversity Action Plans and country programmatic frameworks. CEPF is fully consistent with and explicitly supports the goals and agreed work programs of the CBD, including the protected areas work program and others that will contribute to the 2010 targets. By directing resources to the most critical irreplaceable ecosystems, CEPF directly supports the goal of “significantly reducing the rate of biodiversity loss.”

The program recognizes national needs to target conservation funding more efficiently and effectively. One of the differentiating elements of the CEPF approach is the highly participatory process used to prepare ecosystem profiles and identify the CEPF funding niche for each critical ecosystem. The process is led by civil society organizations tasked with ensuring wide participation and transparency at the local level to enable diverse stakeholders, including governmental partners, to reach consensus on the highest priorities for conservation and hence where CEPF investments will have the greatest incremental value.

The program is unique because of its focus on enabling civil society participation in conservation, as well as because of its global scale and potential to act as a mechanism for the conservation community as a whole to align investments for greater impact.

CEPF will further expand the efforts of its partners and national governments as a streamlined, agile fund designed to enable civil society groups, including the private sector, to act as essential partners in conserving the hotspots. It will directly benefit national and local groups that many donors have found difficult to reach. Implementation will emphasize partnerships and transparency at all levels of

the program to avoid duplication of effort and to maximize a multi-stakeholder approach to the challenge of biodiversity conservation.

The CEPF dual-pronged approach of focusing on the world's most critical ecosystems for conservation and civil society is also designed to inspire others to realign their own efforts to safeguard the irreplaceable and build the capacity of civil society. The first phase of CEPF leveraged an additional \$130 million of non-CEPF funds toward specific projects and civil society activities within the hotspots. CEPF support has also played an influential role in shaping national and municipal policies in favor of biodiversity conservation.

III. PROGRAM DESIGN

The program design has been informed by consultations with national and regional civil society groups, the CEPF donors, and other partners, including international NGOs and bilateral agencies. It also incorporates recommendations from the independent evaluators, who visited 10 of the 15 CEPF investment regions to date and consulted with a wide variety of grant recipients and other stakeholders, including government, donor, and implementing agency representatives, during August-December 2005.

The first hotspots for investment will be those for which ecosystem profiles have already been prepared and were approved by the CEPF Donor Council in April 2007. These are the Polynesia-Micronesia Hotspot; the Western Ghats region of the Western Ghats and Sri Lanka Hotspot; and the Indochina region of the Indo-Burma Hotspot. The CEPF Donor Council will choose other critical ecosystems for investment from among the biodiversity hotspots. Marine ecosystems may also be considered where they overlap with targeted terrestrial hotspots.

Supplemental information will be developed to inform the Donor Council's decisions regarding whether to re-invest in or exit hotspots supported by CEPF to date. This will include, for example, biological status, levels of threat, current or planned investment by the donor partners, and the results of participatory assessments of CEPF progress in those hotspots as they reach the end of their existing 5-year investment period. The assessments will feature workshops with stakeholders in each hotspot. CEPF has completed nine of these assessments to date.

The number of hotspots approved for new investment will be staggered to ensure adequate funding and implementation capacity, and the total investment level per hotspot will vary depending on local needs.

The global program will include four overarching and interlinked components:

1. Strengthening protection and management of globally significant biodiversity.
2. Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning.
3. Effective monitoring and knowledge sharing.
4. Ecosystem profile development and program execution.

Key indicators of success will include:

- At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.
- 20 million hectares of key biodiversity areas with strengthened protection and management, including at least 8 million hectares of new protected areas.
- 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.

Component 1: Strengthening protection and management of globally significant biodiversity

CEPF will focus on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses, including protected areas, biological corridors, and high-value conservation sites in production landscapes. Protected areas remain a critical foundation of biodiversity conservation worldwide, yet only 5 percent of globally significant biodiversity within most hotspots is currently protected. Target areas will not be limited to formal designated protected areas and legal entities but will also include indigenous reserves, and community and private lands that are managed for a conservation objective. Support to civil society groups will contribute to the strengthened protection and management of more than 20 million hectares of key biodiversity areas within hotspots. This will include at least 8 million hectares of new protected areas. CEPF will also support activities that contribute to improved conservation of biodiversity within biological corridors and production landscapes, as well as trans-boundary collaboration to protect key areas that straddle national borders. Specific activities are expected to include the following:

1a. Protected areas and other key biodiversity areas: These areas encompass the critical habitat required for the survival of globally threatened and geographically concentrated species and as such are integral components of an effective protected area network. CEPF will support civil society efforts to catalyze improved management and expansion of existing protected areas, as well as the creation of new protected areas. Activities will include building awareness and support for protected areas and systems, development and provision of technical expertise and tools for effective land-use planning, and enabling local community and indigenous groups to take part in the design, implementation, management, and monitoring of key biodiversity areas.

1b. Community – Indigenous Initiatives: CEPF-supported activities will assist communities, including indigenous groups, and other partners in managing biologically rich land as well as landscapes that buffer key biodiversity and protected areas. The independent evaluation found that all of the current CEPF portfolios support community stewardship of biodiversity and ecosystem services through improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity, and the development and adoption of a variety of alternative livelihood opportunities. This focus on the synergistic and direct linkages between biodiversity conservation and human welfare will continue and be emphasized, particularly in regard to scaling up and enabling best practices and replication.

1c. Innovative financial mechanisms for sustainability: Achieving financial sustainability for biodiversity conservation is an ongoing challenge. CEPF will scale up efforts to create and support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation. CEPF will further strengthen joint efforts with governmental partners, the private sector, and other funding mechanisms, including two complementary funds managed by CI. The Global Conservation Fund's expertise is in creating and expanding protected areas as well as in developing long-term funding mechanisms, while Verde Ventures makes debt and equity investment in sustainable enterprises that are strategically important to biodiversity conservation.

1d. Multi-regional priorities: This subcomponent will support selected grants to civil society groups for strengthening protection and management of globally significant biodiversity in ways that efficiently benefit multiple hotspots. These will include, for example, activities to address common threats such as trade in Endangered species where demand and supply chains cross national borders, and global assessments to consolidate available information on the distribution, ecology, and conservation status of groups of species to indicate the status of ecosystem health. Multi-regional grants will also capitalize on significant co-financing opportunities and replication and scaling up of successful approaches across hotspots in a cost-effective way.

Component 2: Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning

Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development communities. Mobilizing civil society to play a more effective role in this process is the CEPF niche. Grantees include individuals, farming cooperatives and community organizations, national NGOs, research institutions and private sector organizations, and international NGOs. Many of these groups also act as vital multipliers, further building local and national capacity for conservation. A key CEPF goal is empowerment of civil society actors to take part in, and influence, decisions that affect local lives and livelihoods and, ultimately, the global environment. This component is particularly targeted to biological corridors and more sustainable management in production landscapes. It builds upon the activities supported under Component 1 through support for strategic and effective alliances to increase impact and sustainability. Grantmaking will foster alliances by identifying and linking potential partners; helping to design integrated and complementary approaches and supporting partnerships within civil society as well as with development institutions, government agencies, corporate partners, and others.

CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling civil society groups to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. Such participation will build on

local knowledge and technical expertise, and leverage social capital to bring innovative ideas to solving local problems. Examples could include development of communal, municipal, or regional land-use plans, plans for local economic development, certification for more sustainable management, and private agreements. The focal approach will be to strengthen protection of critical biological corridors that link key biodiversity areas within a multiple-use landscape.

Civil society activities to be supported will include assisting in improved land-use planning and activities that mainstream conservation into production landscapes, including collaboration with the private sector; promoting supportive policy and legislative frameworks; promoting more sustainable resource management linked to livelihoods; and implementing measures to control and manage invasive alien species in regions where these are a particular threat. Building upon successful models from earlier years, CEPF would promote collaboration with governmental partners and sectors such as mining, agriculture, logging and tourism by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development. The project would strengthen civil society capability for sustainable resource management and for advocacy and influence over development decisions and national strategies at local, regional, and trans-boundary scales.

Component 3: Effective monitoring and knowledge sharing

This component will support effective monitoring, learning, replication, and scaling up of promising models from components 1 and 2. Specific subcomponents will include:

3a. Strengthening monitoring and evaluation at the ecosystem level, including systematic analysis and documentation of CEPF results and experiences: CEPF priorities will include improved outcomes monitoring at the portfolio level in all hotspots receiving CEPF funding and sharing the results of monitoring widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community. Specific conservation targets and related indicators will be developed as an integral part of the ecosystem profiling process for each hotspot. In addition, selected indicators from a Global Results Framework (see page 16) will be monitored and evaluated within each hotspot at the midterm and end of investment. These will include indicators to monitor biodiversity status and outcomes, as well as civil society, policy, and socioeconomic indicators detailed in a logical framework for each portfolio. Monitoring and evaluation of individual projects will be led by a Regional Implementation Team selected for each hotspot. Data on the status of specific conservation targets and landscapes will be calibrated against data drawn from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science (CABS) and the global monitoring programs of other conservation organizations and partners to determine whether shifts may be needed in investment strategy during implementation.

3b: Expanding and formalizing information sharing and learning opportunities: This subcomponent will support conservation at the regional level by expanding and formalizing information sharing and learning opportunities as part of a participatory monitoring approach already tested and replicated by CEPF in multiple hotspots. Results will lead to adaptive management and also feed into analysis and documentation of lessons learned and best practices within and across hotspots. CEPF will also support specific activities to promote distillation, dissemination, and uptake of good practice, including (i) analyses of specific management practices to derive lessons learned (ii) cross site exchanges between grantees for learning and dissemination of best practice; and (iii) outreach activities targeting communities, local government, and NGOs to increase the uptake of good practice into other conservation initiatives within hotspots.

Component 4: Ecosystem profile development and program execution

This component will support development by civil society groups of the ecosystem profiles as strategic implementation documents for the partnership and wider conservation community, selected functions of Regional Implementation Teams, and overall execution and administration of the global program by CI through the CEPF Secretariat.

4a: Ecosystem profile development: In each hotspot, disbursement of grants will be guided by an ecosystem profile based on a stakeholder-driven prioritizing process to identify conservation targets, major threats, socioeconomic factors, and current conservation investments. The process will be led by locally based NGOs or other civil society organizations to develop a shared strategy by identifying conservation needs, gaps, opportunities, and the specific CEPF niche and investment strategy. In line with recommendations from the evaluation, future profiling will include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats, and opportunities. Future profiles will be developed with even greater inclusiveness by ensuring that key communities, including indigenous groups within the focal biodiversity areas, take part in determining priority actions.

4b. Regional Implementation Teams: Based on recommendations from the independent evaluation, CEPF will devolve more responsibility from the Secretariat to locally based Regional Implementation Teams for capacity building and grant management and monitoring at the local level. The Regional Implementation Teams were singled out for being particularly effective with the support of the CEPF grant directors in linking the key elements of comprehensive, vertically integrated portfolios such as large anchor projects, smaller grassroots activities, policy initiatives, governmental collaboration, and sustainable financing. The responsibilities of these teams, formerly known as Coordination Units, have been standardized and expanded to capture the most important aspects of their function. Responsibilities of new teams selected beginning in 2007 will include (i) acting as an extension service to assist local groups in designing, implementing and replicating successful conservation activities; (ii) reviewing all grant applications and managing external reviews; and (iii) direct decision-making authority for grants up to \$20,000 and deciding jointly with the CEPF Secretariat on other applications.

4c: CEPF Secretariat: CI will administer and execute the global program. This includes hosting the CEPF Secretariat, employing Secretariat staff, and ensuring that all funds are managed with due diligence and efficiency on behalf of the partnership. The CEPF Secretariat is responsible for strategic and financial management, oversight, and reporting for the global program. This includes supervision of the ecosystem profiling process, training and management of the Regional Implementation Teams, and overall ecosystem portfolio development, monitoring and reporting to ensure that all activities and financial management are carried out in compliance with CEPF Donor Council decisions and the CEPF Operational Manual, which contains the specific operating policies and procedures of the Fund and has been updated to reflect this new framework. The Secretariat also negotiates, manages, and monitors grants for multi-regional activities, which will be endorsed by the relevant Regional Implementation Teams and external review to ascertain strategic fit with the profiles. The Secretariat is also responsible for fundraising, financial management, donor coordination, and global information management and outreach, including management of the program's global Web site (www.cepf.net), newsletter and publication production, and development and implementation of a program-wide replication and dissemination strategy for lessons learned and good practice.

IV. IMPLEMENTATION

The CEPF implementation arrangements are designed to build on lessons learned during the first phase, to enable continued expeditious, efficient support to diverse civil society groups, and to establish a clear and effective chain of accountability for results. The approach allocates authority, responsibility, and accountability purposefully among different stakeholders, while ensuring important linkages between different levels of the program.

As recommended by the independent evaluation, CI will continue to administer the program through the CEPF Secretariat. The organization hosts the CEPF Secretariat and ensures that all funds are managed with due diligence, efficiency, and the same degree of care it uses in the administration of its own public funds. The CEPF Executive Director is a CI senior vice president, who reports to both the CEPF Donor Council and to a selected individual from CI's Executive Management Team.

CEPF will also retain its overall structure of a Donor Council and Working Group, as well as Regional Implementation Teams based in the hotspots.

The Donor Council, comprised of senior representatives from each CEPF donor institution, reviews and approves each annual spending plan; recommendations by CI for consideration of priority ecosystem profiles to be prepared; and each ecosystem profile. The Council approves any amendment to the CEPF Operational Manual. In addition, the Council creates and approves the conditions under which donors take part in the Council. The members also elect the chairperson.

The Working Group, comprised of representatives from each donor institution, provides guidance to the Secretariat on strategy development, monitoring, and other aspects of implementation. The members also act as advisers to their respective Donor Council representatives and as CEPF focal points for their broader institutions. Guests, including civil society groups that lead the ecosystem profiling processes, grant recipients, and other stakeholders, will be invited to inform relevant topics of discussions.

Regional Implementation Teams, comprising civil society groups, lead implementation within the hotspots. The Independent Evaluation characterized this function as “one of the most impressive aspects” of CEPF and the teams in existing investment regions as a “major strength of CEPF, demonstrating the viability of an innovative range of institutional arrangements and providing services that go well beyond grant program administration.” Formerly known as Coordination Units, these teams will now be known as Regional Implementation Teams to reflect their vital leadership in implementation.

New Regional Implementation Teams will be selected by the CEPF Donor Council based on terms of reference and a competitive selection process approved by the Council in April 2007.

Each Regional Implementation Team will be responsible for implementation of the relevant ecosystem profile and for establishment of a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving shared conservation goals. While strategic oversight will remain at the Secretariat level to maintain focus and the reporting and safeguard standards required by the CEPF donor partners, at a minimum each Regional Implementation Team will be responsible for:

- acting as an extension service to assist civil society groups in designing, implementing, and replicating successful conservation activities;
- reviewing all grant applications and managing external reviews with technical experts and advisory committees;
- awarding grants up to \$20,000 and jointly with the CEPF Secretariat deciding on all other applications;
- leading monitoring and evaluation of individual projects and assisting the CEPF Secretariat in portfolio-level monitoring and evaluation;
- communicating CEPF objectives, opportunities to apply for grants, lessons learned, and results;
- involving the existing regional programs of the RIT, CEPF donor and implementing agency representatives, government officials, and other sectors in implementation; and
- ensuring effective coordination with the CEPF Secretariat on all aspects of implementation.

In addition, CEPF will incorporate specific steps approved by the CEPF Donor Council to ensure further transparency and effective decisionmaking, particularly in regard to the award of CEPF grant funds to CI programs and other international organizations as well as to those organizations that lead implementation in the hotspots. The objective will be to ensure that international organizations are not implementing projects that could be successfully undertaken by local groups, emphasizing the CEPF commitment to further strengthen and empower local NGOs. These steps, which will be outlined in detail in the CEPF Operational Manual and approved by the Donor Council, are also designed to avoid potential conflict of interest.

CI will not be eligible to receive a set share of the funds but may apply for grants and have its application considered through the process defined in the CEPF Operational Manual. To avoid potential conflict of interest at the hotspot level, neither the individual groups that comprise the Regional Implementation Teams nor other offices and programs of those organizations will be eligible for additional grants in that particular hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

As recommended by the independent evaluation, strengthening operational collaboration with the CEPF donor partners will be an explicit priority during implementation as well. The aim will be to maximize the role and comparative advantage of each partner, increasing the benefits of the partnership to each partner and to the global environment.

Activities will include engaging regional and national representatives of the donor partners and implementing agencies at a much greater level in the planning process for each ecosystem and developing hotspot-level guidelines for regular sharing of information and collaboration opportunities. The guidelines will also draw from strategic opportunities identified during a series of regional meetings in 2005 to improve collaboration between CEPF and the World Bank at the country and hotspot level.

V. MONITORING AND EVALUATION

The CEPF monitoring approach focuses on monitoring and evaluating performance and impact of the overall program, as well at the ecosystem and individual project levels. The three levels will be carefully integrated to build linkages between the program's overall purpose, the strategic directions and investment priorities identified to achieve selected conservation targets in each hotspot, and the many projects that CEPF supports.

Data gathered will inform decisions and adaptive management of ecosystem portfolios, as well as feed into analysis and documentation of best practices, lessons, and results within and across critical ecosystems and at the global level.

A global Results Framework provides the conceptual underpinning for the CEPF monitoring approach. Specific conservation targets and related indicators will also be developed as an integral part of the ecosystem profiling process for each hotspot.

Priorities for strengthening the monitoring approach during implementation will include (i) ensuring that conservation targets are defined in all regions that receive CEPF funding; (ii) improved outcomes monitoring at the ecosystem level in all critical ecosystems receiving funding; and (iii) sharing the results widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community.

The Regional Implementation Teams will be responsible for monitoring all projects and will assist the CEPF Secretariat in portfolio-level monitoring. The approach will build upon and further strengthen the success of the first phase to conduct baseline assessments as part of developing the ecosystem profiles in partnership with local groups, and then to facilitate and support continuation of monitoring at the local level.

All grantees, including the Regional Implementation Teams, will submit regular financial and programmatic reports detailing progress toward specific deliverables. CEPF will also use the GEF tracking tools to monitor impact of protected area and other interventions. Monitoring at the ecosystem level will also draw data from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science at the midterm and the global monitoring programs of other conservation organizations to provide additional information and inform decisions on whether to adapt implementation.

CEPF will use global socioeconomic, policy, and civil society measures to better assess and monitor the impact of CEPF investments in improving people's welfare, particularly with regard to poverty reduction, as well as capacity and empowerment of civil society groups. Selected, related indicators will be drawn from the Global Results Framework for monitoring at the ecosystem level. In addition, CEPF will continue to track results against key socioeconomic indicators agreed to date by the donor partners. These types of indicators and measures may also be further developed at the ecosystem level.

Monitoring by the CEPF Secretariat will include monitoring the performance of the Regional Implementation Teams and lead responsibility for producing mid-term and final analytical overviews of each ecosystem portfolio. These overviews will draw from the participatory assessments led by the Regional Implementation Teams and include details of interim progress toward the targets, lessons learned, and, in the case of the mid-term report, recommendations for changes to the targets or overall strategy, where appropriate.

The Secretariat will also be responsible for monitoring performance of the overall program and ensuring that all activities and financial management are carried out in compliance with the guidance of the Donor Council and the CEPF Operational Manual.

Evaluation will be mainstreamed into all levels of the program. In addition, the program's overall performance will also be assessed through an independent evaluation under the direction of the Donor Council at the mid point of this Strategic Framework.

Global Results Framework

Objective	Targets	Use of Information
<p>Strengthening the involvement and effectiveness of civil society in conservation and management of globally important biodiversity.</p>	<ul style="list-style-type: none"> ▪ At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation. ▪ At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles. ▪ 20 million hectares of key biodiversity areas with strengthened protection and management⁶⁹ including at least 8 million hectares of new protected areas⁷⁰. ▪ 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use. 	<p>YR 1-4: Gauge CEPF's global performance in achieving coverage targets and key milestones against ecosystem profile targets.</p> <p>YR3: Contribute to independent mid-term assessment and adjust overall strategy and operations as recommended.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>Results feed into global outreach program, program evaluation.</p>
Intermediate Outcomes	Intermediate Targets	Use of Information
<p>Outcome 1:</p> <p>Globally significant biodiversity is under improved management and protection.</p>	<ul style="list-style-type: none"> • At least 70% of targeted key biodiversity areas with strengthened protection and management. • At least 30% of projects globally enable effective stewardship of biodiversity and ecosystem services by indigenous and local communities in focal areas. • At least 10 sustainable financing mechanisms established or strengthened with initial capital secured. • At least 5 multi-regional projects contribute to the conservation of globally significant biodiversity. 	<p>Profile Midterm: Gauge portfolio performance against targets and milestones identified in ecosystem profile. Refine Results Framework or profiles as needed. (Start-up in hotspots will be staggered.)</p> <p>Program Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tools for protected areas and mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p>

⁶⁹ Guided by a sustainable management plan

⁷⁰ Protected through a formal legal declaration or community agreement

		<p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD programs.</p>
<p>Outcome 2:</p> <p>Biodiversity conservation is integrated into landscape and development planning as a result of increased local and national civil society capacity.</p>	<ul style="list-style-type: none"> • 60% of projects outside protected areas integrate biodiversity conservation in management practices. • At least 10 public-private partnerships mainstream biodiversity in the forestry, agriculture, and tourism sectors. • At least 50% of global grant funds allocated to local civil society groups⁷¹. • At least 70% of targeted communities involved in sustainable use projects show socioeconomic benefits. 	<p>Profile Midterm: With each hotspot, gauge portfolio-level performance against targets and key milestones identified in ecosystem profile. Refine Results Framework or ecosystem profiles as needed. (Start-up in each hotspot will be staggered.)</p> <p>Framework Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tool for mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD work programs.</p>
<p>Outcome 3:</p> <p>Effective monitoring and knowledge sharing.</p>	<ul style="list-style-type: none"> • 100% of CEPF regions possess baseline data and indicators and monitor and report against approved logical frameworks. • Select targets from global Results Framework standardized for all hotspots and contribute to global reporting and assessment. 	<p>All years: Portfolio reviews feed into strategy decisions.</p> <p>Midterm and end of Framework: Calibrate against other biodiversity status reports produced for the hotspot e.g. forest status, Important</p>

⁷¹ CEPF defines a local civil society group as one that is legally registered in a country within the hotspot and has an independent board of directors or a similar type of independent governing structure.

	<ul style="list-style-type: none"> • At least 75% of civil society groups receiving grants effectively plan and manage conservation projects. • 2 learning exchanges and participatory assessments of portfolio-level results hosted and documented within each new hotspot for investment. 	<p>Bird Areas, etc.</p> <p>All years: Identifying best practice and lessons learned for dissemination and uptake.</p> <p>All years: Results feed into global outreach program.</p> <p>Midterm and end of Framework: Assess progress and examples of replication.</p>
<p>Outcome 4:</p> <p>Ecosystem profiles act as shared strategies, and effective program-wide implementation and outreach.</p>	<ul style="list-style-type: none"> ▪ Ecosystem profiles and investment strategies developed with stakeholders and financed for all new hotspots selected for investment. ▪ In at least five hotspots, ecosystem profiles influence other donors’ investment strategies. • Regional Implementation Teams build capacity of local civil society groups to design and implement projects. ▪ Overall program, including all activities and financial management, effectively monitored and in compliance with CEPF Operational Manual. • Program-wide replication strategy developed and implemented to disseminate best practice within and across hotspots. • 10 publications produced and disseminated on CEPF experiences, lessons learned, and specific themes. • 100% of final project reports compiled by grant recipients 	<p>All years: Results feed into profile planning, implementation and adaptation.</p> <p>All years: Profiles guide decisionmaking and assessments of progress and results.</p> <p>All years: Results feed into global reporting to CEPF donors and overall outreach program.</p> <p>Midterm and end of Framework: Results feed into evaluation.</p>

	<p>available online.</p> <ul style="list-style-type: none"> • Visitors to Web site and newsletter subscribers increase by 70%. • 5 annual reports and 20 quarterly reports produced. 	
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VI. SUSTAINABILITY

Ecological sustainability. The fundamental premise of CEPF is that large-scale actions taken by multi-lateral institutions and national government agencies to protect biodiversity (and, therefore, functioning ecosystems on which many economic systems depend) are more likely to succeed if they are both influenced and supported by civil society. This 5-year period of CEPF will contribute to ecological sustainability in at least 14 hotspots through directed and strategic civil society actions that will complement government and other donor conservation programs. The project’s components and specific elements are designed to interlink, with each complementing and building upon the activities in the other, to contribute to sustainability of project initiatives, influence larger policy and institutional framework, and ensure ecosystem conservation in the long term.

Social and institutional sustainability. The CEPF experience to date demonstrates that the program can strengthen positive roles for civil society in ensuring ecological sustainability, and in building long-term skills and strengthened environmental governance. When local communities are able to express their knowledge about the natural systems that form the basis of their livelihoods and can articulate their economic and cultural interests, better and more enduring decisions are likely to be made at national and international levels. A key part of the Regional Implementation Teams’ responsibilities will be to build the capacity of local actors to design and implement conservation activities. CEPF will empower civil society actors to directly assist in biodiversity conservation, acquire a positive stake in sustainable development programs, and become sources of improved design, support, and durability for those efforts, thereby also further contributing to ecological sustainability as well.

Financial sustainability. CEPF is a long-term, multi-donor program with different donors funding different time slices. To date, CEPF grantees have leveraged at least an additional \$130 million toward specific projects and civil society activities within the hotspots, thereby contributing to sustainability of these efforts beyond CEPF involvement. The capacity of CEPF and the many civil

society groups it has supported to attract other donors constitutes a significant market test of the initiative. It is highly unlikely that most of these funds would have been allocated by their donors to civil society-led conservation or the specific hotspots without the existence of the CEPF program.

In addition, CEPF will seek to further expand its formal donor base to ensure financial sustainability for the global program, as well as to again leverage significant funds at the hotspot level. Activities to be encouraged will also include piloting of specific innovative financial mechanisms, such as payments for ecosystem services and market transformation initiatives that would contribute to sustainability of results.

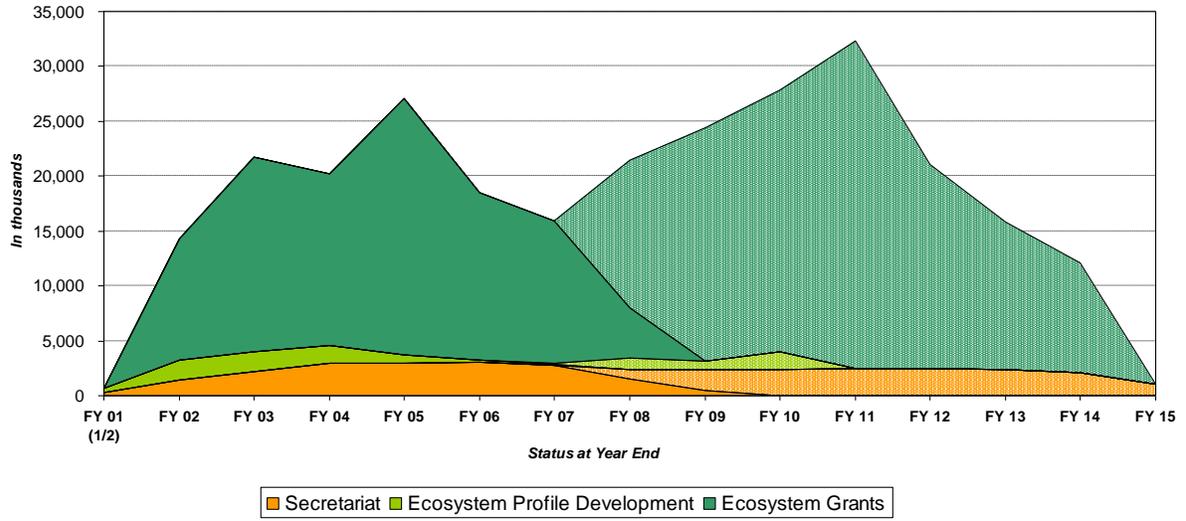
The funding model below illustrates the envisioned transition to this new Strategic Framework beginning in FY 08 based on the following assumptions:

- The total goal for direct donor commitments to CEPF for implementation will be \$150 million.
- Ecosystem profiles will continue to be developed for each new hotspot selected for investment.
- CEPF will manage the two phases of CEPF concurrently and present consolidated reporting that illustrates the full activity of the fund.

CEPF is planning for a seamless transition that will allow for continuity and solid investment management.

Per the original CEPF funding model, in FY 07 preparation (ecosystem profile development) funding for new regions ceased and grantmaking and Secretariat operations began to decline. In the new model below, the lighter shaded areas combined represent the total funding goal for this Framework and the start of new investments beginning in FY 08 based on the newly approved ecosystem profiles for the Polynesia-Micronesia Hotspot, the Western Ghats and Sri Lanka Hotspot, and the Indochina Region of the Indo-Burma Hotspot, as well as future consolidation and expansion. CEPF Secretariat operations will not exceed 13 percent of the total.

CEPF Phase I and Future Funding Goal



ANNEX I. HOTSPOTS WHERE CEPF SUPPORTED CIVIL SOCIETY DURING PHASE 1

1. Atlantic Forest (Brazil)
2. Cape Floristic Region
3. Caucasus
4. Chocó-Darién-Western Ecuador (Chocó-Manabi biodiversity conservation corridor)
5. Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya
6. Guinean Forests of West Africa (Upper Guinean Forest)
7. Indo-Burma (Eastern Himalayas region)
8. Madagascar and Indian Ocean Islands (Madagascar)
9. Mesoamerica (Northern Mesoamerica and Southern Mesoamerica)
10. Mountains of Southwest China
11. The Philippines
12. Succulent Karoo
13. Sundaland (the Indonesian island of Sumatra)
14. Tropical Andes (Vilcabamba-Amboró biodiversity conservation corridor)

ANNEX II. GLOBAL BIODIVERSITY HOTSPOTS AS DEFINED IN 2005

37. Atlantic Forest
38. California Floristic Province*
39. Cape Floristic Region
40. Caribbean Islands*
41. Caucasus
42. Cerrado
43. Chilean Winter Rainfall-Valdivian Forests
44. Coastal Forests of Eastern Africa
45. Eastern Afromontane
46. East Melanesian Islands
47. Guinean Forests of West Africa
48. Himalaya
49. Horn of Africa
50. Indo-Burma
51. Irano-Anatolian
52. Japan*
53. Madagascar and Indian Ocean Islands
54. Madrean Pine-Oak Woodlands*
55. Maputaland-Pondoland-Albany
56. Mediterranean Basin*
57. Mesoamerica
58. Mountains of Central Asia
59. Mountains of Southwest China
60. New Caledonia*
61. New Zealand*
62. Philippines
63. Polynesia-Micronesia*
64. Southwest Australia*
65. Succulent Karoo
66. Sundaland
67. Tropical Andes
68. Tumbes-Chocó-Magdalena
69. Wallacea
70. Western Ghats and Sri Lanka

Source: Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

* Not all countries in this hotspot would be eligible for funding under the current investment criteria. However, the CEPF Donor Council may choose to establish new funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Council may also choose to include marine ecosystems within targeted hotspots.

Annex 2

Confronting the Biodiversity Conservation Challenge: CEPF Phase III (2014 – 2023)

Introduction -- CEPF I and II

The Critical Ecosystem Partnership Fund (CEPF) was created in 2000 to support the conservation of biodiversity within the global hotspots by engaging and strengthening the capacity of civil society. A first phase, which lasted until 2007, saw the establishment of the Fund and the growth of the partnership from the three founding donors—Conservation International (CI), the World Bank and the Global Environment Facility (GEF)—to five, with the MacArthur Foundation and the Government of Japan joining in 2001 and 2002 respectively.

During its first phase, CEPF established itself as a small-grant-making facility for civil society working on biodiversity conservation in hotspots. CEPF granted close to \$100 million to 600 civil society groups in 15 hotspots covering 34 countries. Important outcomes were achieved on the ground and the independent evaluation that was completed in 2006 emphasized the following successful elements of CEPF:

- Ecosystem profiles established as a coherent planning process guiding grant making at the hotspot level.
- Grant portfolios well aligned with strategic priorities set out in the ecosystem profiles.
- Flexibility to identify and support a wide range of civil society organizations, including groups with limited access to funding, ensured.
- Capacity built among local and national conservation NGOs.
- Contributions made to extending and strengthening protected area networks.
- Contributions made to sustainable financing for biodiversity conservation.
- Contributions made to transboundary conservation of biodiversity, advancing regional conservation agendas.

The second phase of CEPF was launched in 2008, incorporating the key recommendations from the evaluation. One of the key changes was the development of the Regional Implementation Teams as a mechanism to allow for greater presence in the field, provide closer monitoring and strengthen the conduit for building local civil society capacity. Another involved the evolution of the ecosystem profiles from desk studies to consultative processes enabling greater participation in the development of the granting strategies in the

hotspots. The outcomes proposed by the strategic framework included investing in 14 hotspots, reaching out to 600 civil society organizations and improving the management of at least 20 million hectares of key biodiversity areas.

As of 2013, CEPF has granted more than \$163 million in 23 hotspots in more than 60 countries and territories reaching out to over 1800 grantees and influencing the management of over 30 million hectares of key biodiversity areas – thus exceeding the targets set for Phase II. The partnership has also grown to seven donors, with the French Development Agency and the European Union joining in 2007 and 2012 respectively. CEPF has become an established grant-making facility, positioning it as the only global fund targeting civil society to conserve biodiversity in hotspots around the world.

CEPF III – Stepping up to the biodiversity conservation challenge

In June 2013, the CEPF Donor Council held its 23rd meeting in Jackson Hole, Wyoming. The objective of this meeting was to launch the development of a new strategic framework for Phase III of the Fund. During the meeting, the donor members discussed areas of work on which CEPF could focus to better deliver its mission of engaging civil society in conserving the world's most critical ecosystems. The discussions generated specific recommendations to improve what was enthusiastically recognized as a tried-and-tested model that has already benefited from more than a decade of evaluation and refinement, and set the stage for further consultations for the development of CEPF's new strategic framework.

It became clear, however, during the preparation of the new strategy—involving consultations with donors, grantees and other stakeholders—that iterative improvements would not, by themselves, enable CEPF to have a truly transformational impact on the most biologically important yet critically threatened regions of the world. It was also apparent that CEPF has found a unique niche that allows it to empower local actors to address global conservation priorities cost effectively. Realizing CEPF's potential requires more than strategic improvements to performance. It means taking the Fund to a scale at which it can provide the resources and depth of engagement needed to shift the momentum in global efforts to conserve biodiversity: the fundamental underpinning of human well-being.

There is a clear and pressing need to escalate funding for biodiversity conservation. The rate of extinction is as much as 1,000 times higher than it would be without anthropogenic influence.

Meanwhile, a global consensus has emerged on the importance of critical ecosystems in delivering services essential to humanity, including climate change mitigation and adaptation, especially following the release of the Millennium Ecosystem Assessment in 2005. There is also a widely recognized global funding gap. While hard to quantify, biodiversity conservation expenditures have been estimated at roughly \$21 billion annually from 2001-2008¹. CEPF's donor partner, the GEF (the financial mechanism of the Convention on Biological Diversity), was the principal contributor, providing 22 percent of this amount. The vast majority of GEF funding goes directly to governments, although the GEF Small Grants Program has provided \$225 million in biodiversity funding to civil society organizations since 1992. Another CEPF donor partner, the European Union, has also emerged as a major supporter, providing around half of all biodiversity-related development aid during 2007-2009, almost entirely through support to governments.

There is no other funding mechanism for biodiversity conservation that globally supports civil society on a comparable scale to CEPF. Independent evaluations have concluded that CEPF is a key, and largely irreplaceable, source of global funding and other support to civil society organizations engaged in biodiversity conservation.

¹ e.g., Waldron *et al.* 2013. Targeting global conservation funding to limit immediate biodiversity declines. www.pnas.org/cgi/doi/10.1073/pnas.1221370110

Building on the recommendations made by the Donor Council in June 2013, the Secretariat proposes taking CEPF to a scale where it can more widely and effectively impact the biodiversity crisis. Four key outcomes are expected from the new phase:

- 1) A revamped, scaled-up and transformational CEPF, which builds on current success but is more effectively tailored to meet the challenge of the biodiversity crisis via a broadened partnership and donor base.
- 2) Long-term strategic visions developed and implemented for at least 12 hotspots, facilitating the development of credible, effective and well-resourced civil societies, and delivering improved biodiversity conservation, enhanced provision from healthy ecosystems of services important to human wellbeing, and greater alignment of conservation goals with public policy and private sector business practices.
- 3) Strengthened implementation structures for each investment hotspot, led by Regional Implementation Teams (RITs) or similar organizations, which become the permanent 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.
- 4) An improved delivery model with more efficient operations, stronger communication products and more effective impact reporting, which facilitates learning, adaptive management and amplification of demonstration models.

These four outcomes will be achieved throughout a 10-year investment phase – CEPF III – during which at least 12 biodiversity hotspots will be targeted. Progress in each hotspot will be measured against targets for “graduation”, i.e. the conditions under which CEPF can withdraw from a hotspot with confidence that effective biodiversity conservation programs will continue sustainably. The five conditions that need to be met for a hotspot to graduate from CEPF support comprise:

- 1) Global conservation priorities and best practices for their management are documented, disseminated and used by public and private sector, civil society and donor agencies to guide their support for conservation in the region.
- 2) Local and national civil society groups dedicated to global conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
- 3) Adequate and continual financial resources are available to address conservation of global priorities.

- 4) Public policies, the capacity to implement them, and systems of governance are supportive of the conservation of global biodiversity.
- 5) Mechanisms exist to identify and respond to emerging conservation challenges.

To deliver the four outcomes, the new phase will have four components: the pillars of CEPF III. These will be delivered in parallel and complement each other, establishing a fund that tackles the loss of global biodiversity by catalyzing civil society engagement, political will, private sector support and donor funding to demonstrate effective responses to the most pressing conservation issues in the short term, while facilitating the emergence of conservation movements able to respond effectively to emerging issues into the long term.

Component 1 – Designing and launching a transformational Fund for Biodiversity and Civil Society – the New CEPF

One recent study estimated the annual cost of reducing the extinction risk of all globally threatened species at \$3.4 to \$4.8 billion, while protecting and effectively managing all terrestrial sites of global conservation significance would cost more than \$76 billion per year².

The CBD has adopted a revised and updated Strategic Plan for Biodiversity for the 2011-2020 period. The Strategic Plan consists of 20 new biodiversity targets for 2020, termed the “Aichi Biodiversity Targets,” that are designed to achieve five strategic goals:

- Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.
- Reduce the direct pressures on biodiversity and promote sustainable use.
- Improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity.
- Enhance the benefits to all from biodiversity and ecosystem services.
- Enhance implementation through participatory planning, knowledge management and capacity building.

Subsequent CBD COP 11 talks in Hyderabad, India in 2012 reached consensus on the urgent need for more and better managed funds to reach the Aichi targets. While countries failed to agree on the exact amount needed, there now seems to be a general commitment to “double total biodiversity-related international financial resource flows to developing countries by 2015 and at least maintaining this level until 2020.”

Current assessments of the costs of effective conservation vary considerably. Not surprisingly, recent studies show the most severe underfunding in poorer countries, where even modest additional investments can generate major gains for conservation. Additional financing is clearly needed as a matter of priority. Global biodiversity funding – especially in

poorer countries – will need to increase by at least an order of magnitude in the near future if the Aichi targets are to be met.

The need for funding for biodiversity conservation is clear. Donors are already engaged with host-country government counterparts as the recipients of the majority of funds, while the private sector has its own ability to raise money to engage in conservation. On the other hand, civil society, despite its indispensable role in achieving conservation goals, is the least funded sector.

² McCarthy, D. et al. 2012. Financial Costs of Meeting Global Biodiversity Conservation Targets: Current Spending and Unmet Needs. *Science* 338 (6109): 946-949

CEPF's work with civil society has demonstrated that mentoring and organizational support can help civil society organizations become credible and trusted partners in sustainable development, impacting national-level conservation institutions and building local-regional-global networks where skills, funding and vision can be shared. This, in turn, lays the foundation for innovation and sustainability in both conservation and poverty alleviation. The convergence of these factors not only reinforces the rationale for CEPF itself, but strongly suggests a need to expand the reach and capacities the fund has developed in both time and scale.

CEPF's experience shows that short-term grant funding can make significant contributions to overcoming resource constraints facing civil society organizations, enabling them to play a variety of key roles, including:

- acting as delivery agents for conservation actions, especially where governments face serious capacity constraints,
- bringing experience and good practice to local contexts, and transferring skills and knowledge to government conservation agencies,
- counter-balancing the public sector where there is low accountability of government officials,
- catalyzing innovation, testing new approaches and responding to emerging challenges and opportunities,
- brokering partnerships among traditional and nontraditional conservation actors, including the private sector, and
- promoting wider societal changes in attitudes and behavior regarding consumption of natural resources and energy,
- ensuring that conservation programs are also beneficial to local people, such as by protecting vital ecosystem services and providing sustainable livelihood options.

After 13 years of achievement, CEPF is ready to elevate its ambitions and to take on a larger role, applying its tried-and-tested model across a broader front to build more resilient and sustainable civil society organizations and networks that can maintain conservation programs that transcend short-term funding uncertainties. Its long-term objective is to change the course of biodiversity decline by establishing sustainable local financial and institutional arrangements that achieve transformative impacts and secure long-term conservation goals. It may take a decade or longer in some hotspots, but CEPF has the approach needed to drive development of sustainable local financial and institutional arrangements that recognize the importance of processes outside the environment sector (e.g., policies and practices in the energy, agriculture, mining and transport). CEPF can strengthen civil society organizations to

be more credible and effective partners to government and the private sector, steering decision making to a more sustainable future. It is the time to get CEPF to the next level.

It is envisioned that a transformational CEPF will build on its proven approach, model and tools, mobilizing significantly increased financial resources to prioritize support to civil society organizations in high biodiversity areas to achieve the following long-term outcomes:

- Ensure the long-term sustainability of individual hotspot conservation programs by building the institutional capacity of RITs and civil society organizations to become independent of CEPF while ensuring that adequate financing arrangements are in place.
- Significantly impact relevant recipient country government policies affecting biodiversity conservation, both directly and indirectly, in sectors such as agriculture, mining, transport and energy.
- Achieve gains, such as reduced vulnerability and increased resilience, from the strengthening of conservation and development links in climate adaptation; expand efforts to identify and develop payment for ecosystem services arrangements.
- New and stronger partnerships with development NGOs, private sector and local governments

This component will deliver two distinct and sequential products:

- 1.1 A business plan that will outline the characteristics, scope, size and governance of the New CEPF
- 1.2 The implementation of the New CEPF after the Donor Council has approved the business plan for the new fund

1.1. Business Plan: Developing the Roadmap for a Transformational Fund (18 months)

During the next 18 months, CEPF will assess the feasibility of scaling up the scope, operations and impacts of the fund to a level more commensurate with the threats to conservation in the targeted hotspots. The result of this process will be a business plan defining CEPF's niche in the global scene as a key actor tackling the biodiversity crisis.

While the process will involve all current donor partners, it will also provide an opportunity to engage new donors and partners to help mobilize the necessary resources and political support. If CEPF is to become an agent of transformational change for civil society and biodiversity, there are a number of questions that need to be answered regarding feasibility, scope and shape of the future fund. These include:

- What should be the characteristics of the partnership that will allow for an effective and adaptive structure while making CEPF more widely and globally known and accepted?
- What are the implications of an expanded donor base for the governance of the fund? Should other (non-donor) stakeholders have a role in governance?
- How could a scaled up version of the Fund jeopardize the characteristics that have made of CEPF a unique mechanism (i.e. risk taking, flexibility to test and fail, pioneering approaches, etc.)
- What should be the relative balance between breadth (i.e. number and size of targeted geographies) over depth (i.e. size and duration of investment) in the fund's programs?
- What are the implications of a greatly expanded fund for the operations and institutional home of the Secretariat?

The Secretariat proposes to embark on the development of the business plan that would allow for launching CEPF at a greater scale. This 18-month effort would not only result in the development of a refined strategy resolving the questions listed above, but will also allow for attracting additional financial resources for the implementation of the strategy and broadening the CEPF donor base.

What We Will Continue to Do: Pillars of CEPF

The business plan will anchor the proposal for evolving to a transformational fund in the characteristics that have made CEPF's current model successful and unique. These include:

➤ **Investing in Biodiversity Hotspots**

Population growth, consumption and technological development impose increasing pressures on natural ecosystems and biodiversity. The impacts of these trends are exacerbated by social and political factors, including weak governance, low appreciation of the values of biodiversity, narrow measures of economic growth that do not factor in natural capital, and limited public participation in development decision making. Such pressures are leading to the decline and loss of species and populations, the fragmentation and degradation of habitats, and – of critical significance to humanity – the erosion of essential ecosystem services.

These negative forces are most pronounced within the biodiversity hotspots. Half of the world's plant species are found only within the hotspots, as are around half of the world's reptiles and amphibians, and one-third of the world's mammals and birds. Including species

also found outside the hotspots, 77 percent of the terrestrial vertebrates on our planet occur within one or more hotspot. The hotspots harbor more than half the diversity of life, but they have already lost more than 80 percent of their original habitat.

While hotspots are not the only method of prioritizing locations for conservation efforts, there is very high geographic overlap between the hotspots and other recognized classifications of ecologically vulnerable regions. For example, all hotspots contain at least one Global 200 Ecoregion, all but three contain at least one Endemic Bird Area and nearly 80 percent of Alliance for Zero Extinction sites are located in the hotspots. No matter how successful conservation activities are elsewhere, the state of the hotspots—which cover less than 3 percent of the Earth's land surface—remains the real measure of conservation progress.

Critically, the hotspots are also inhabited by more than 2 billion people, over one-third of humanity, many of whom have relatively low incomes and consequently rely to a large extent on local natural resource systems. Hotspots thus hold both concentrations of threatened biodiversity as well as large numbers of people who are dependent on healthy ecosystems for their survival. By focusing on hotspots in developing countries, CEPF helps preserve the diversity of life underpinning ecosystems that are essential to maintaining healthy and sustainable societies.

➤ **Enhancing the Capacity of Civil Society Organizations**

CEPF's rationale also rests on the unique and essential role of civil society organizations in conserving biodiversity. The critical importance of civil society organizations has long been evident from efforts to manage natural resources around the world, and this has been thoroughly confirmed by more than a decade of CEPF experience.

CEPF's support for civil society organizations goes well beyond grants to individual organizations. It includes mentoring and organizational support to promote recognition for local civil society organizations, impacting national-level conservation institutions, and building local- regional-global networks where skills, funding and vision can be shared.

The rationale for CEPF's investments in civil society organizations rests on some key assumptions, which vary by hotspot in terms of their importance and are considered carefully during the ecosystem profile development process. These are important to keep in view as CEPF enters its third phase and scopes scaling up:

- The main drivers of biodiversity loss operate at local, national and regional scales and can be influenced by conservation interventions at these different scales.

- Civil society organizations are present and willing to engage in biodiversity conservation, to partner with unfamiliar actors from other sectors, and to adopt innovative approaches.
- The capacity of civil society organizations can be augmented and translated into more effective local conservation movements.
- Short-term grant funding can make significant contributions to overcoming the resource constraints facing civil society organizations.
- Increasing the capacity and credibility of local civil society organizations is likely to open political space for these organizations as they become recognized as trusted advisors (rather than causing them to be viewed as threats to vested interests).
- Some government and private sector/corporate actors are receptive to innovative conservation models demonstrated by CEPF projects and have incentives to adopt these for wider replication.
- National academic institutions produce graduates with the skills and perspective to respond to local conservation challenges by working with or within civil society organizations.
- Raised local public awareness that results from the participation of these organizations in conservation issues has the potential to change attitudes and, ultimately, behavior towards the consumption of energy and natural resources.

➤ **Strongly Linking Biodiversity Conservation to Human Well-being**

The success of human development strategies depend on the health of ecosystems and the provision of services that make development possible. Efforts to address the challenges human societies face are unlikely to achieve lasting success unless the natural ecosystems they depend on are conserved and restored, and continue to provide goods and services that these societies depend on in the face of a changing climate.

From a relatively early stage CEPF has tried to highlight the tangible social and economic benefits that are attributable to the conservation programs it supports. CEPF has been able to demonstrate that many of the hotspots that it works in coincide with high levels of poverty and that people living in such areas tend to be directly dependent on natural ecosystems for their livelihood and survival. This has been particularly important to CEPF's donor partners, which prioritize improvements in human well-being and the mitigation of poverty

The conservation world has grappled with the challenge of making itself relevant to local social and economic development for several decades. Efforts to directly redeploy conservation resources into livelihood enhancements or similar enterprises through projects have had limited successes overall, especially through programs managed by national

governments. Civil society organizations have had considerably more success, precisely because their knowledge, perspectives and constituencies all combine to make them well placed to identify and then implement conservation measures that also respond to local needs and priorities.

Progress has been made in demonstrating the value of ecosystem services to humanity and there is clear scientific justification for arguing that these ecosystem services depend on biodiversity, certainly over extended time periods. Biodiversity has a key role to play in maintaining the resilience of natural, and possibly some man-made, systems in the face of changing climate – and nature can only help humanity adapt to a changing climate by drawing on its own diversity.

Making CEPF transformational will also require ensuring its strategies continue to address the most pressing threats and taking advantage of important opportunities to make the fund not only relevant but attractive to donors. Biodiversity and civil society will continue to be the key pillars of CEPF’s vision and mission, but it is important that the scaled-up version of the fund considers if and to what level other issues should continue to be prioritized. These include climate change mitigation, adaptation to climate change, building resilience in ecosystems, conservation of healthy ecosystems as a strategy for poverty eradication, the connection between biodiversity and health, and biodiversity and wealth—the opportunity to generate income out of conservation actions, etc.

The business plan will include the vision of the donors and other advisors in the proposal in regard to consideration of additional global issues. The strength of CEPF’s focus on biodiversity in the last 13 years will be compared to the changes that other similar financial mechanisms have gone through. Similarly, the map of financial mechanisms for biodiversity and other issues will be presented, describing in greater detail the niche for the Transformational CEPF and whether and how these other issues should be incorporated.

➤ **Maintaining a lean, adaptive and agile management structure**

CEPF's strengths and successes over the last 13 years stem largely from a structure that has allowed it to pay high levels of attention to individual grantees. CEPF is an open and adaptive mechanism that allows a tailored approach to building the capacity of individual organizations and collectives of organizations, and provides a flexible and simple process for granting.

Expanding the structure to respond to a greater and longer-term mandate should not compromise the characteristics that have made CEPF effective in the last 13 years.

What needs to be resolved: questions the business plan will answer

With the four pillars of CEPF clear, the business plan will resolve the following questions while proposing the model of the New CEPF.

1.1.1 Implications of an expanded donor base and the potential of a greater membership

CEPF's donor partnership has been central to the success of the Fund. While CEPF has long been committed to broadening its donor base and has been successful at evolving a donor partnership from three donors to seven, for a bigger and more transformational CEPF the donor base will have to be broadened potentially to include strategic alliances with non-donor organizations.

The business plan will analyze the opportunity and utility of developing strategic alliances with nontraditional CEPF partners such as development NGOs, private sector and/or government representatives, grantees and other conservation NGOs. Should the business plan conclude that there is value to bringing in additional voices to guide CEPF's work without making the governance too complex and jeopardizing the agility and adaptability that CEPF's current governance has demonstrated, the plan will present options for non-donors to participate in CEPF's decision making.

Broadening the donor base as well as the possible participation of non-donor partners will have implications in the governance of the Fund. The business plan will produce an assessment of the implications for governance and recommend to the Donor Council governance rules for the different types of donors. The plan will also propose roles and responsibilities for donors versus non-donor participants that allow non-donor partners to provide insight and advise to CEPF without jeopardizing effective and adaptive governance.

1.1.2 Defining the Scope of the Transformational CEPF

During the discussions with the donor partners, the balance between breadth and depth has been constantly brought up. During the Donor Council retreat in Jackson Hole, the donors agreed on the importance of taking regions to graduation. Identifying the number of regions that a scaled-up CEPF will support in the next 10 years will be the objective of this component of the business plan. Looking into the current portfolio and the opportunity for securing additional funding, and defining a balanced portfolio of regions that are very close to graduation with those that will require more long-term commitment, the business plan will present options for a combination of geographies and the depth of intervention that a transformational CEPF should take on.

This component will be heavily informed by the evolution of components 2 and 3 detailed below. Of particular relevance is the definition of long-term vision for the hotspots where graduation and funding targets will be identified, but also the inclusion of specific strategic directions aiming to more effectively mainstream biodiversity conservation into policy decisions and private sector investment.

1.1.3 The Size of a Scaled-Up CEPF

Considering the critical status of biodiversity and the documented need for additional financial resources, a new CEPF will have to increase the size of its funding and revisit the level and timing of its grant making to truly have a transformational impact on reversing biodiversity loss in the hotspots. CEPF has awarded \$165 million in grants to civil society organizations since 2000. Including ecosystem profiling, Secretariat and other management and financial costs, the total expenses are \$200 million over the 13 years of its existence, or equivalent to about \$175 million over a 10-year period. Of this funding, 80 percent was spent on granting, 5 percent on profiling and 15 percent on operational costs.

Based on experience from recent hotspots where CEPF has invested, both the level and duration of investment have been insufficient to ensure enduring, transformational impacts at a scale commensurate with that of the biodiversity crisis. The average level of investment - around \$1.6 million per hotspot per year - has been half or less what has been needed to achieve all of the targets set in the portfolio logframe. Increasing the level of investment to \$3.2 million per hotspot per year is the minimum requirement for a transformational impact. Similarly, given the scale of the challenges faced, the speed at which civil society can be engaged and strengthened, and the time required to refine pilot approaches, document successful models, and integrate them into public policy and

business practices, the duration of CEPF investment in each hotspot needs to extend to at least 10 years, to ensure enduring impacts.

Over the 10-years of CEPF Phase III, these *minimum* changes would argue for an investment of at least \$32 million per hotspot for granting, plus an additional \$2 million for profiling and \$6 million for operational costs. Twenty-five hotspots are eligible for CEPF funding. Operating in 12 of these over the next 10 years would require a tripling of CEPF from a \$175 million fund to a \$480 million fund. Whereas, fully realizing its potential, by operating in all 25 hotspots, would require an expansion of CEPF into a \$1 billion fund: almost six times its current size.

The business plan will determine the appropriate size and propose it to the Donor Council for approval using the previous experience of CEPF, the absorptive capacity of the hotspots and the financial appetite for a scaled-up CEPF.

1.1.4 Impact to CEPF operations

CEPF has developed systems and processes that have been tailored to the size of our granting and that for the most part have been effective. Scaling up the fund will require a careful analysis of the current structure and cost of the Secretariat, the size of the RITs as well as the adequateness of the systems and processes in place.

The business plan of a scaled-up fund will define the impact and needs in terms of operational structure, systems and institutional home to sustain effective granting at greater levels. The plan will present scenarios for the type of structures and systems that will be required depending on the level of funding and granting.

The Mechanics of Developing the Business Plan

A small but dedicated team will be established to produce the business plan. This team will include one or two people who will work directly with the Executive Director. The team will produce quarterly progress reports that the Executive Director will present to the Donor Council for review and approval. Decisions on the governance, membership, size, breath, depth and operational implications will be made by the Donor Council. The Executive Director will also draw on a group of key additional experts to gain outside perspective and political support for the scaling up of CEPF. The business plan will be produced in 18 months and will be presented for approval of the Donor Council in 2016.

1.2 Instituting the New CEPF

Upon approval of the business plan, CEPF would launch the new CEPF at multiple events during that year. At that point, the Secretariat would have began testing and implementing

elements of the new model through components 2 and 3 below. Early implementation of these components will inform the production of the business plan and the development of the subcomponents outlined above.

Component 2 - Long-Term Strategic Visions for All Active Hotspots: Defining Graduation, Funding Targets and Terms of Investment

CEPF should not be a permanent presence in each hotspot, but define and work toward an end point at which local civil society “graduates” from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Graduation criteria were detailed on page 3 of this document. The new ecosystem profiles will determine clearer graduation targets. In most hotspots, reaching a point at which civil society graduates from CEPF support will take more than five years. Spreading investment over longer periods (with periodic, adaptive ecosystem profile updates) would better enable CEPF to reach and secure sustained capacity improvements among local civil society. Developing long-term visions to achieve graduation targets for both civil society as well as necessary funding will be a key outcome of the implementation of the new portfolios.

It is envisioned that the new ecosystem profiles for Guinean Forest, Tropical Andes and Cerrado will determine more clearly graduation targets and terms for achieving them. The term of investment will likely follow the traditional five-year period, but will include projections on how many five-year periods are required to achieve graduation. This will enable CEPF to determine more clearly fundraising targets within these portfolios and project the full period of CEPF engagement for each of these regions.

To achieve the results of this component, a combination of upgrading the profiling process to more effectively include defining targets for civil society and funding, and the production of a long-term vision of the hotspot, will occur. For those hotspots where portfolios are well underway, such as the Mediterranean and Eastern Afrotropical, prioritization of the vision development will occur in 2014. Regions that just started or have been very recently profiled, such as East Melanesia, Indo-Burma, Madagascar and Wallacea, will produce long-term visions by 2015. The new hotspots that are under profiling will plan to produce long-term visions during the first 18 months of implementation.

The revision of the ecosystem profiling process in the Guinean Forest, Tropical Andes and Cerrado will provide opportunities for appropriate engagement by government and private sector, while still retaining ecosystem profiles as a shared strategy for civil society. The ecosystem profile is a uniquely branded CEPF product that has proven to be an effective means of stakeholder engagement that builds a common vision for biodiversity

conservation. By emphasizing both private and public actors into the profiling process, new strategies will emerge that better reflect the challenges and opportunities for mainstreaming conservation into public policy and economic sectors. Under this new optic, ecosystem profiles will also include explicit targets for strengthening the civil society's capacity to engage with both sectors. As a result, some grantees will be supported to become trusted advisors of government agencies and to pilot solutions for biodiversity loss that can be scaled up by governments, while others are empowered to engage with private companies to address the biodiversity impacts of their business practices, leverage resources for conservation and build support for the development of green economies.

2.1 Engage private sector partners in new ecosystem profiles – Two of the regions recently approved by the Donor Council for developing ecosystem profiles, Guinean Forest of West Africa and Cerrado, present unique opportunities to engage with private sector partners and include them as a key group informing the development of the ecosystem profile, but also as a target for implementation of key strategies. The Secretariat will work with the profiling teams during 2014 to ensure that private sector partners are closely engaged in the development of the ecosystem profiles and specific targets and strategies are outlined in the documents to work more closely and effectively with these stakeholders.

2.2 Define more clearly public policy outcomes in the new ecosystem profiles – The ecosystem profiles for Tropical Andes, Guinean Forest and Cerrado will include key policy and decision-making targets more explicitly than CEPF has done in the past, allowing for civil society groups to propose projects that will advance more effective mainstreaming of biodiversity conservation in decision making. It is envisioned that to accomplish these targets, we will include strong components for building the capacity of civil society to engage with and influence government agencies. Capacity building targets then will become more clearly spelled out in the ecosystem profiles, guiding the granting in at least these new three regions.

2.3. Produce long-term visions for each hotspot with clear graduation targets for civil society and funding needs – Defining targets for graduation and financial needs is not enough. The production of a long-term strategic vision should be the main product of this sub-component and will be a key outcome of the investment portfolios of all active hotspots. While this goal is easy to achieve in areas where profiling has not started or is at early stages (i.e. Cerrado, Guinean Forest or Tropical Andes), because it can be included as a strategic direction in the profile for the hotspot, CEPF should aim to develop long-term visions for all active regions in order to pursue transformational impact.

Active regions such as the Mediterranean, Eastern Afromontane, IndoBurma, East Melanesia Islands, as well as the recently profiled Wallacea and Madagascar, could benefit from developing long-term visions and revising the ecosystem profiles to include specific targets for civil society capacity and funding needs. The Secretariat will prioritize the production of these visions in the recently profiled portfolios and the hotspots that are under implementation.

2.4. Progress towards financial sustainability at the hotspot level – Extinction rates continue to rise, as do global challenges to align human development with conservation of natural resources. CEPF’s successes point to a clear conclusion: in a challenging financial climate, it is not only a question of mobilizing additional resources for conservation, but of using these as efficiently as possible.

This component will aim to build the foundations for financial sustainability in CEPF investment regions by improving understanding of donor opportunities that are locally available, potential gains in efficiency in existing programs, and an analysis of the economic potential of strategic interventions (for example, taxes, fees, offsets) to generate additional revenue for conservation programs. Based on these regional assessments, a strategy will be defined for each that will be used to inform and guide specific fundraising mechanisms and targets. CEPF will also continue to look for new sources of funding at a global scale, building relationships with a set of top-tier donors that share its values and mission.

2.4.1. Define financial targets to achieve graduation – Complementary to subcomponent 2.3, the Secretariat will support the inclusion of the definition of the financial goal to achieve the graduation targets (i.e. best estimate of the funding needed to achieve the targets) in the long-term vision of active hotspots. Defining a financial target would help identify the fundraising strategy for each region and thus the RIT needs to make progress towards achieving the fundraising needs.

2.4.2. Regional fundraising strategy – Following the definition of targets for graduation and financial needs, the long-term vision team will produce strategies that will guide the fundraising efforts for each active hotspot. The strategy will determine as well the capacity level of the RIT and the need to build that capacity to support the fundraising effort at the regional level.

The Secretariat envisions the following key outcomes out of the implementation of Component 2 of the Phase III strategy:

- 1) By 2016, a revised approach and term of investment for CEPF regions, including a more strategic role for civil society vis a vis government and private sector.
- 2) By 2016, a revised ecosystem profiling process that includes specific strategies that outline how civil society organizations should engage with and influence both government agencies and private sector actors.
- 3) By 2017, realistic terms of investment with long-term visions for all active hotspots.
- 4) By 2017, fundraising strategies for each and every active hotspot of the portfolio.
- 5) By 2019, at least four concrete examples of how civil society organizations have effectively engaged and influenced policies and private sector investments in four hotspots.
- 6) By 2019, a report on progress toward achieving graduation targets for both civil society capacity and funding for at least four hotspots.
- 7) By 2023, all active hotspots with long-term visions under implementation, and complementary donors to CEPF supporting the regional implementation.

Component 3 -- Strengthened Implementation Organizations That Become the Sustainable Stewards of the Long-Term Strategic Vision of the Hotspots

RITs are CEPF's local representatives. RITs or similar organizations should be empowered to become long-term custodians of the vision built for their hotspots in the ecosystem profile beyond the CEPF investment period. This will entail an expansion of the RIT role from a focus on networking and capacity building for CEPF grantees to also include increased emphasis on direct coordination with government agencies and the private sector, as well as fundraising.

Building the capacity of these organizations is therefore key in allowing CEPF to define and work toward an end point at which these regions can graduate from CEPF's support with sufficient civil society capacity, access to resources and credibility with government and the private sector to respond to future conservation challenges. This effort will essentially entail conducting an assessment of existing RITs to identify their capacity gaps, as well as defining the necessary governance structures, operational procedures, fundraising strategies and goals, skill sets and professionals that RITs need to have in place in order to operate independently from CEPF.

3.1 Assessment of RIT capacity gaps in regard to new role – Following the successful RIT Exchange that the Secretariat led in September 2013, the Secretariat will assess specifically the capacity needs of the current RITs in regard to playing a stronger role in connecting and coordinating with government agencies as well as with private sector actors. Additionally, their fundraising capacity will be evaluated. The assessment will be completed during the third quarter of FY2014 in preparation for the modification of the TORs to contract RITs for the five new regions that are currently under profiling: Madagascar and the Indian Ocean Islands, Wallacea, Guinean Forest of West Africa, Tropical Andes and Cerrado. Additionally the Secretariat will assess the opportunity of implementing these changes in the recently contracted RITs, namely East Melanesian Islands, Indo-Burma, Eastern AfromontaPne and Mediterranean to identify opportunities for recruiting additional staff or implementing specific capacity-building actions that would strengthen the role of the current RITs. Depending on the cost to fit the current RITs to their new roles, the Secretariat will propose specific changes and adjustments to the agreements with the existing RITs to strengthen their current capacity.

3.2 Modifying RIT Terms of Reference – The Secretariat will modify the terms of reference of the RITs to define in clearer terms the expansion of their so they can become a stronger link with government agencies and private sector actors. The modification of the terms of reference will be completed before the end of FY2014 and on time to allow incorporating the changes in the structures of the four new RITs that will be contracted following the profiling processes of FY2014 and FY2015. The modification on the RIT TORs will also imply modification in the budget allocations and the specific capacity-building actions directed to the RITs to ensure setting up the foundations. These will be discussed with the Working Group and Donor Council when the RIT proposals are reviewed for selection in each of the four new hotspots.

3.3 Strengthening existing RITs – Contingent upon the results of the capacity assessment of the current RITs (Mediterranean, Eastern Afromontane, Indo-Burma and East Melanesian Islands) and the budget implications and availability of funds, the Secretariat will recommend to the Donor Council modifications of the budgets and structures of the current RITs to reflect the new roles. Decisions on how many and which of the current RITs should go through the modification process would highly depend on the capacity assessment, but also on the opportunities to make cost-effective changes given the timing of the implementation of these four investment portfolios. The decision on how many and which RITs to modify will be presented to the Donor Council during the first half of FY2015.

The Secretariat envisions the following key outcomes will result from implementation of Component 3 of the Phase III strategy:

- 1) By 2015, modified terms of reference for regional implementation teams that incorporate the skills to coordinate more closely with government and private sector, and to fundraise.
- 2) By 2016, an assessment of the gaps in the capacity of at least four RITs to fulfill the new role of direct coordination with government and private sector, and plans to bridge the identified gaps.
- 3) By 2017, new RITs and current RITs have the staff and skills needed to improve coordination among grantees, government officials and private sector partners to secure the results of Component 2.

Component 4 – An Improved Model for Delivery

The donor partners recognized in Jackson Hole the power of CEPF's model and the significant results the Fund has accomplished with a relatively small amount of money, which amounts to around \$12 million in grants per year, equivalent to 0.5 percent of annual biodiversity-related aid to developing countries. Nevertheless, donor members noted opportunities to enhance CEPF's efficacy. Addressing the Donor Council recommendations, the fourth component of the strategy will focus on improving the delivery model of CEPF in 3 key areas: communications, monitoring and systems.

4.1 More targeted communication products complementing monitoring — The CEPF Secretariat has been implementing the new monitoring framework approved by the Donor Council in June 2012. This framework allows the Fund to track its impact and share lessons more effectively. However, the donors recommended that good impact tracking needs to be complemented by the development of communication products that more effectively showcase the Fund's extraordinary track record and disseminate the wealth of information produced. Stronger communication tools, materials and target audiences would allow CEPF to elevate the general awareness of its mission and results, and also enhance the understanding of the links between biodiversity conservation and socioeconomic development. The goal of this component is to make CEPF more visible and better understood as a mechanism that can effectively mobilize resources for biodiversity conservation, building capacity of local civil society and generating measurable gains against the global biodiversity crisis.

4.1.1. Enhancing CEPF's communication products – In 2014 and 2015 CEPF will produce a series of communication products to enhance CEPF's visibility and complement the reporting on the monitoring framework. These will include

but not be limited to exhibits that are globally presenting CEPF's work in international fora such as the CBD COP 12 in October 2014; story features in our website and other media that describe the work of CEPF partners and their outcomes around specific themes; and strengthening of the production of communication materials at the RIT level to better and more strategically reach out to local and regional audiences. The expected outcome is a greater recognition of CEPF's model, its partners' achievements and contributions to global biodiversity conservation and capacity building of civil society organizations. The results of a more aggressive communication strategy will allow for elevating the profile of CEPF's work and model complementing the empowerment of grantees and RITs to influence policy and economic development more effectively.

4.1.2 Production of a selected group of white papers capturing global lessons –

The Secretariat will engage with academic institutions through 2014 and 2015 to promote the production of white papers capturing specific lessons learned through multiple portfolios. Intern students and researchers will support the Secretariat in the compilation of data and the analysis to produce lesson learned documents that could be published and also distilled into shorter pieces to feed into the communication products described above. At least four white papers will be produced by the end of 2015. The findings of these lesson learned documents will serve to produce better training materials for RITs and grantees in the regions, and support the production of more targeted communication materials that can help strengthen the communication goals shared by the Donor Council.

4.2 Complementing CEPF's monitoring framework to report on Aichi Targets –

CEPF will complement the monitoring framework by also tracking results in relation to the Aichi Targets and report on them regularly to the CBD Secretariat, as well as to the governments that are parties to the convention, to support their national reporting. Also, CEPF will connect more closely with the resource mobilization stream of the CBD to promote greater engagement and thus more international recognition of CEPF's work. The Secretariat will continue to work on improving the reporting on the monitoring framework the Donor Council approved in 2012. In particular and for increasing CEPF's visibility at the global level, CEPF's Secretariat will produce a special report for CBD COP12 in Korea describing CEPF's contribution to the Aichi Targets.

4.3 Enhanced Program Management — A set of recommendations were made and are necessary to improve CEPF's management and raise the effectiveness of the Secretariat

in its coordination role. These include:

- a. Coordinate more closely with donors: The CEPF Secretariat and RITs will systematically assess opportunities for closer alignment, synergy and information exchange with CEPF donor partners.
- b. Improve operational systems: CEPF will upgrade its operating system to enhance transparency in grant making, thorough financial oversight, tracking of performance and impacts, and timely reporting and communicating of results. Updating and upgrading GEM, CEPF's granting system created in 2007, to a more modern, agile and easier to use system that can bring together financials, proposal writing, progress reporting and monitoring data is needed.

CONCLUSION

The Secretariat proposes to the Donor Council the implementation of a new phase of CEPF that will allow building on the extraordinary results of Phase I and II, taking it to a level where the fund can truly support the reversal of the biodiversity crisis. A 10-year phase scaling up the work of CEPF will consolidate a model that strengthens civil society to become trusted partners to decision makers to governments and private sector. The New CEPF will strategically catalyze funds, will and support to avoid further deterioration of critical ecosystems and secure human well being through the continued provision of vital services and permitting better adaptation to a changing climate. The time to scale up CEPF is now.

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