

**Critical Ecosystem Partnership Fund  
31<sup>st</sup> Meeting of the CEPF Donor Council  
Brussels, Belgium  
27 June 2017  
2:00 p.m. – 6:00 p.m. CEST**

**CEPF Donor Council Governance Arrangements**

**Recommended Action Item:**

The Donor Council is asked to revisit the proposed options for CEPF's governance arrangements, agree on criteria for membership and financial contributions, and approve these for inclusion as an update in the CEPF Operational Manual.

**Background:**

The CEPF Donor Council has considered options for revised governance arrangements at its 27<sup>th</sup> meeting in June 2015, its 28<sup>th</sup> meeting in January 2016, and at its 29<sup>th</sup> meeting in June 2016. The topic was also mentioned at the 30<sup>th</sup> meeting in January 2017. The status of deliberations at each of the meetings is summarized below.

**27<sup>th</sup> meeting:** Recommendations for governance arrangements for Phase III proposed by PADMA Consulting, and considered and revised by the Secretariat, were presented for discussion. These included Terms of Reference for the Donor Council and Working Group, matters relating to the Donor Council Chair, membership and composition of the Donor Council and Working Group, and the role of regional donors. At this meeting, the Donor Council approved the proposed governance arrangements for the Donor Council Chairperson, and the Donor Council Terms of Reference. All other matters required further work and discussion and were considered at subsequent meetings.

**28<sup>th</sup> meeting:** At this meeting, the Donor Council reconsidered and approved the governance arrangements for the Chairperson of the Donor Council. The Donor Council also approved the Working Group Terms of Reference, Working Group Membership and Composition, and the Regional Donors Role and Decision-Making Process. However, the Donor Council requested that further consideration be given to the financial contribution threshold for global donors over a single CEPF phase, and that governance powers reflect size of contribution.

**29<sup>th</sup> meeting:** At this meeting, the Donor Council reviewed governance arrangements pertaining to financial contributions and period of membership, and agreed that:

- For a \$1 million threshold, donors would have observer status in the Donor Council, but be able to fully participate in meetings in which decisions are made in hotspots that receive this funding.
- For a \$5 million threshold, donors would have full participation in the Donor Council. Membership of the Donor Council ends three years after the end of the financing agreement governing their contribution.

Note that this meeting was attended by six of CEPF's seven donors. Conservation International was not able to attend.

**30<sup>th</sup> meeting:** During the review and adoption of the Minutes of the 29<sup>th</sup> meeting, Conservation International requested that the governance arrangements be revisited, as CEPF is governed by consensus, and Conservation International was not present at the 29<sup>th</sup> meeting during the discussion of this topic. This request was supported by the Donor Council.

The documentation presented for consideration at the 31<sup>st</sup> meeting of the Donor Council is that which was agreed at the 30<sup>th</sup> meeting. Following consideration and approval by the Donor Council, the governance arrangements will be incorporated into the CEPF Operational Manual.

The governance arrangements are presented in the following sections:

- A. CEPF Donors: Membership and Rules of Engagement
- B. CEPF Donor Council Terms of Reference (including matters relating to the Chairperson)
- C. CEPF Working Group Terms of Reference

## **A. CEPF Donors: Membership and Rules of Engagement**

### **The criteria for membership and rules of engagement for CEPF Global Donors are:**

- A contribution is defined as an executed agreement committing funding to CEPF. In the case where a contribution to CEPF is made in a foreign currency, the amount of the contribution will be valued as of the date of agreement execution.
- Global donors must contribute at least USD \$5 million over a single CEPF phase.
- Donor Council membership starts with the first financial contribution to the global pool after such time that the minimum membership requirements are met.
- Donor Council membership ends 3 years after the end of commitment period.
- Global donors can send several representatives to meetings.
- Donor Council members attend as representatives of their institutions not in their personal capacity.
- Guests may participate in Donor Council meetings, on a no-objection basis.
- Decision making by the Donor Council will be on a consensus basis.

### **The criteria for membership and rules of engagement for CEPF Regional Donors are:**

- Regional donors must contribute at least USD \$1 million to one or more hotspots over a single CEPF phase.
- Regional donors will be invited to participate in Working Group meetings where issues concerning the hotspot(s) they are contributing to are being discussed.
- At Working Group meetings, regional donors are entitled to make recommendations, express opinions and share information. They may participate in decision-making only with respect to decisions concerning the implementation of CEPF's support in regions they support. In its recommendations to the Donor Council, the Working Group will include information on any differing views for regional donors not represented at the Donor Council.
- Regional donors may participate in Donor Council meetings, as observers.

### **The criteria for membership and rules of engagement for CEPF Working Group members are:**

- Global donors are automatically represented on the Working Group.
- Working Group membership starts with the first financial contribution to the global pool after such time that the minimum membership requirements are met.
- Working Group membership ends 3 years after the end of commitment period.
- Global donors can send several representatives to Working Group meetings.
- Guests may participate in Working Group meetings, on a no-objection basis.

## **B. 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. 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;
- m) Reviewing and approving strategic documents pertaining to implementation of the long-term visions, and
- n) Approving terms of reference for the CEPF Working Group and, whenever it deems necessary, delegating specific powers and duties to the CEPF Working Group.

### **Matters relating to the Chairperson of the Donor Council shall include:**

- i. Chairperson shall be elected by Donor Council from candidates proposed by Donor Council members
- ii. Chairperson should be independent of any global donor
- iii. Serve for a 3-year term, renewable once (i.e. max 6 years)

- iv. Role: chair Donor Council meetings; facilitate reaching consensus among Donor Council members; network and act as ambassador for CEPF; advise CEPF Executive Director on strategic issues
- v. Non-voting, as decision making should be limited to global donors.

**The Chairperson of the CEPF Donor Council will be identified and selected by the following steps.**

- 1) The CEPF Secretariat will seek input from the Donor Council and prepare a list of suitable candidates for the position of Donor Council Chair, ensuring that the list contains a balance of male and female candidates.
- 2) The CEPF Secretariat will provide a list of potential candidates to the Donor Council.
- 3) The CEPF Secretariat will select a shortlist of candidates.
- 4) The CEPF Secretariat will approach shortlisted candidates to ascertain their interest in performing the role of Donor Council Chair.
- 5) The CEPF Secretariat will present the shortlist to the Working Group.
- 6) The Working Group will review the shortlisted candidates, select one, and recommend this candidate to the Donor Council.
- 7) The Donor Council will review the recommendation and elect a Chair.

\* These Terms of Reference were approved by the CEPF Donor Council in **Month/Year**.

## C. 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.

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.

Advise Donor Council on approval of strategic documents pertaining to long-term visions.

Provide support to CEPF and Donor Council members in preparing for meetings of the Donor Council by reviewing documents and recommended actions, presenting options for consideration to Donor Council, 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. 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 **Month/Year**.