

Critical Ecosystem Partnership Fund

Eighteen Meeting of the Donor Council
Grand Court Hotel
Nagoya, Japan
26 October 2010
10:00 a.m. – 12:30 p.m. JST

Adoption of the Minutes of the Sixteenth Meeting of the Donor Council

Recommended Action Item:

The Donor Council is asked to adopt the minutes of the Seventeenth Meeting of the Donor Council, which took place 23 April 2010.

Critical Ecosystem Partnership Fund

Seventeenth Meeting of the Donor Council
Conservation International
2011 Crystal Drive, Arlington, VA
23 April 2010
8 a.m. - 11 a.m. EST

Draft Minutes

1. **Welcome and introductions**

The Chairman welcomed the participants.

2. **Adoption of agenda**

The agenda was adopted.

3. **Adoption of minutes of the Sixteenth Meeting of the Donor Council**

The Donor Council adopted the minutes of the Sixteenth Meeting of the Donor Council, which took place on 15 January 2010.

4. **Follow up to decisions taken at the Sixteenth Meeting of the CEPF Donor Council**

The Executive Director introduced a written update on actions taken in follow up to decisions from the Sixteenth Meeting of the Donor Council. This included an update on Haiti, for which the Council approved emergency support of \$400,000 after the Secretariat issued a proposal in response to the Council's directive issued at the 15 January 2010 meeting. BirdLife has been chosen to administer the funds. The update also included a report on 2010 outreach coordination efforts, noting the first meeting of a task force put together to coordinate partners' communications efforts related to CEPF's tenth anniversary, particularly events scheduled for Japan. The task force reviewed a preliminary media strategy and discussed event planning for the May 2010 GEF Assembly and the Conference of the Parties of the Convention on Biological Diversity set for October in Nagoya.

The Executive Director noted that further discussion related to follow up on decisions from the previous Council meeting would be included in her report.

5. **Report from the Executive Director (Doc. CEPF/DC17/5)**

The Executive Director gave a presentation highlighting recent activities detailed in her written report on progress since the last meeting of the Donor Council. She also briefed the Council on additional developments. Items discussed included:

- **Financial overview:** The Executive Director reviewed the summary fund statement, noting that most of the \$66,200,768 fund balance has been earmarked, leaving a balance left to allocate of \$3,390,547. In that light of that balance, a Council member asked where CEPF should go from that point. The Executive Director noted that the next area targeted for investment, the East Melanesia Islands, has not been budgeted yet, and that additional funds would be needed to move forward. The representative from Conservation International (CI) expressed concern over the size of the balance to allocate, and said the Council members need to discuss the funding strategy going forward.
- **Japan:** The Executive Director reported on activities related to the partnership with the Government of Japan and plans for raising awareness of CEPF and Japan's contributions to CEPF at the CBD meeting in October in Nagoya. She visited Japan April 1-2 to introduce herself to

government officials and to make sure they know CEPF supports them in their activities related to the CBD meeting. During her visit, the Executive Director met with officials from the Ministries of Finance, Environment and Foreign Affairs, as well as JICA and the World Bank. She also was interviewed for the newspaper Asahi Shimbun, and met with representatives of Kyodo News and Hakuhodo, Japan's second largest advertising agency. The Secretariat has also been aided by CI-Japan and CI's Government Relations team in reinforcing the partnership with Japan and developing strategies for media relations. A communications plan has been developed that includes launching the new CEPF book and a side event on CEPF and future biodiversity targets at the CBD meeting, visits to Japan and presentations on regions by grant directors, and journalist visits to CEPF project sites. A trip to the Philippines has also been arranged for a journalist with Asahi Shimbun.

The representative for CI congratulated the Secretariat on its efforts, and noted that actor Harrison Ford, who is a member of CI's Board of Directors, had agreed to participate in the Nagoya meeting and is willing to highlight CEPF in his communications at the event.

A representative from the Government of Japan thanked the Executive Director for her visit, and said efforts to secure Japan's replenishment to CEPF would be further aided by efforts to bring in additional sovereign donors, which would make Japan's government more comfortable with making an additional contribution. The Executive Director said efforts were underway seeking the participation of other governments as part of the fundraising strategy.

Caribbean Islands investment: Council members asked for more details on the Caribbean Natural Resources Institute (CANARI), the Secretariat's recommended regional implementation team for the Caribbean Islands investment. The Executive Director said the Secretariat carefully reviewed the budget for CANARI to make sure its team would be fully capable of monitoring CEPF's investment. The travel budget was increased to ensure they would be able to adequately monitor the investment. She said CANARI will have staff in the Dominican Republic and Trinidad working on the investment portfolio. The representative from the MacArthur Foundation noted that MacArthur has had a long association with CANARI, has been pleased with its work, and believes it has the capacity and proper institutional philosophy to be effective as the regional implementation team. The Working Group reviewed the Secretariat's recommendation of CANARI during its 9 April 2010 meeting, and the recommendation was set to be sent to the Donor Council for no-objection electronic approval the week of 26 April 2010.

The MacArthur Foundation representative also expressed concern about the budget allocations for regional implementation teams possibly being too small, and suggested the Secretariat review the responsibilities and challenges faced by regional implementation teams and whether the budget is too limiting. He noted that MacArthur is awarding CANARI a companion grant that should provide \$500,000 to \$600,000, giving the organization more flexibility in its activities as the regional implementation team. The Executive Director said the Secretariat had been discussing this issue and whether more funds were necessary to allow the regional implementation teams to build the strategy as set forth in the profiles. Council members inquired as to whether the Secretariat was coordinating with donors already working in the investment regions to make sure the CEPF investment complements what is already being done, and emphasized the need to bring the donor organizations together in the field. The Executive Director said the profiles include analysis of existing conservation investment in the region, although sometimes information is difficult to obtain.

- **Haiti:** The Executive Director updated the Council on the status of emergency assistance for Haiti, noting that \$400,000 has been earmarked to go to Haiti to aid civil society organizations

there. BirdLife will administer the funds, and Société Audubon Haïti is reaching out to potential grantees. A representative of the World Bank expressed concern over encroachment in Haiti's few remaining forests. He requested a one-page document outlining CEPF's plans for emergency assistance that could be forwarded on to the World Bank office in Haiti so they could coordinate efforts. The Council Chairman added that efforts are under way, led by former U.S. President Bill Clinton, to develop a coordinating mechanism for earthquake relief, and the World Bank said his institution has been working to coordinate with Clinton. The representative from MacArthur said his organization has been in discussions with one of their grantees in Haiti, Partners in Health, and it was suggested that donors might want to direct funds at issues such as water security.

- **Mediterranean Basin profile:** The Donor Council representative from l'Agence Française de Développement noted that with the Mediterranean profiling process underway, it is currently a good time to work on raising awareness about CEPF in France, and he offered assistance with such an effort. The Executive Director said the Secretariat is very interested in working to raise awareness in France and with others in the EU through the launch of the Mediterranean ecosystem profile. A final regional stakeholders meeting was held 30 March 2010, with more than 80 partners participating. The process has been led by Turkish NGO Doğa Derneği, and the strategy outlined in the profile is also being used by the MAVA Foundation for its investments in the region. The profile was under review at the time of the Donor Council meeting and was expected to go to the Donor Council for consideration in May.

6. **Presentation of findings from the evaluation of CEPF impact** (Doc. CEPF/DC17/6)

David Olson of Conservation Earth Consulting gave a PowerPoint presentation on the results of his recent evaluation of 10 years of CEPF. The presentation, based on his 100-page report, outlined his assessment of CEPF's impact on biodiversity and civil society in 18 regions where CEPF has invested. (The full report and a summary are available online at http://www.cepf.net/resources/publications/Pages/monitoring_and_evaluation.aspx.)

Council members' discussion on the presentation focused on the following areas:

- How CEPF works with other donor organizations: Council members asked Mr. Olson to elaborate on his view of how CEPF works with other donor organizations operating in the investment areas, and said specific examples should be included in the evaluation.

- Areas for improvement: Meeting participants asked for Mr. Olson's perspective on the key aspects of the program that CEPF should work to improve. Mr. Olson said CEPF could benefit from discussion of what the definition of effective conservation is in different scenarios, and what the goals should be for the conservation community as a whole.

- Sustainability: Council members noted that while sustainability is rightly emphasized in the evaluation, but the connection between biodiversity and local human welfare – in terms of poverty reduction, livelihoods and economic growth – is not emphasized as much as it could be. Mr. Olson said it was difficult in the time allotted for the report to assess these aspects of the program, since reporting for these is not standardized. Council members noted that it may not have emphasized enough how CEPF is embedding conservation interest in the communities of the investment areas.

- Investment strategy: Council members questioned Mr. Olson's assertion that investing as many hotspots and other areas of high biodiversity as possible is the best strategy, even if that results in relatively low amounts of investment in each area, because the biodiversity crisis is extreme and even small CEPF investment may pave the way for other donors to come in. Council members expressed skepticism about expanding the program beyond the biodiversity hotspots due to the amount of funding currently available. Mr. Olson said, however, that since there are few vehicles for funding

conservation at the scale in which CEPF operates and focusing on civil society, and because of the high rate of biodiversity, it is better for CEPF to spread its investment as far as it can rather than wait to act until it has more funds.

- Use of the report: One of the most important outcomes of the report, Council members said, is that it can help illuminate which civil society models are most effective. The report shows that the CEPF partnership is particularly effective, and emphasizes its niche in biodiversity protection, Council members said, and CEPF needs to get it in front of major decision-making bodies to make a different scale of funding available to address the biodiversity crisis. The Executive Director noted that a summary of the report would be developed into a booklet that would be available in time for the GEF Assembly meeting in May. Council members said the report should be used to look at where CEPF goes from here, sharpen its focus and reach its goals in the coming years. The Executive Director said the CBD meeting in Nagoya presents an opportunity to demonstrate CEPF's successes over the past 10 years and position it as a mechanism for achieving the post-2010 biodiversity targets to be discussed at the meeting. CEPF is also presenting itself as a mechanism that supports Japan's Satoyama initiative that focuses on production landscapes and biodiversity. Council members noted that a strategy for bringing in new donors and funding needs to be developed as soon as possible. The Executive Director said one key tactic will be to get CEPF mentioned at Convention of the Parties to the CBD. Council members said it might be time-consuming and difficult to get a specific resolution made at the meeting about CEPF, but targeting the interest groups participants like to establish might be a better strategy. If countries that contain biodiversity hotspots came together to advocate for their needs, it would likely benefit CEPF.

7. Budget allocation for Maputaland-Pondoland-Albany Hotspot (Doc. CEPF/DC17/7)

The Donor Council was asked to consider a proposal by the MacArthur Foundation to revise the \$5.5 million budget presented to the Council as part of the no-objection approval request for this Maputaland-Pondoland-Albany ecosystem profile. The profile was approved by the Council via electronic no-objection approval on 12 April 2010; however, MacArthur proposed to increase the total budget allocation for this hotspot to \$6.85 million. The representative from the MacArthur Foundation apologized for bringing this issue up late in the process, but explained that in reviewing the funding strategies for recent and upcoming investments, MacArthur became concerned that funding decisions were being based not on what was needed, but according to currently available resources. It did not seem as though enough resources were being committed to the Maputaland-Pondoland-Albany Hotspot to make the difference CEPF hopes to make. The newest regions CEPF is planning to invest in are huge, the MacArthur representative said, and have many biodiversity priorities. He noted that in addition to the additional funding requested for Maputaland-Pondoland-Albany, MacArthur feels the \$7 million set aside for the Afrotropical region will be insufficient, and the \$10 million funding for the Mediterranean is also going to be a big issue, as all parties involved know it is not enough to achieve the apparent needs.

The Executive Director said that the Secretariat reviewed the funding strategy for Maputaland-Pondoland-Albany and agrees that more funding is needed. The only portion of MacArthur's proposal the Secretariat did not agree with was funding for training. The Secretariat requested that the investment be increased instead to \$6.6 million to allow in particular for the building of networks. Regarding future profiles, the Executive Director said the Secretariat does not want to develop profiles for which there is not established funding. While she said she agrees that CEPF's future is bright, existing funds – which do not yet include the World Bank's confirmed contribution for the next fiscal year or commitment from the Japanese government – may not meet current commitments, such as the plan to invest in Melanesia.

Other Council members asked MacArthur what happened to change their view of the Maputaland-Pondoland-Albany investment, and asked the Secretariat what the consequences would be of increasing the investment as proposed. The Executive Director responded that under the \$5.5 million plan, activities in Mozambique were emphasized and some South African KBAs were withdrawn from the priorities. The additional funding proposed would provide more for the regional implementation team and provide for stewardship programs in South Africa. The MacArthur representative pointed out that already there is not sufficient funding for investment in Melanesia, so if funding set aside for that region were moved to add to the Maputaland-Pondoland-Albany investment, it would not adversely affect the funding for the Afromontane or Mediterranean regions. A representative of the World Bank said the Bank will provide \$3 million in its next funding round.

Council members discussed delaying a decision on the Maputaland-Pondoland-Albany budget until the next meeting, but the Secretariat pointed out that this would in turn delay implementation of the investment. A motion was then made, and seconded, to increase the Maputaland-Pondoland-Albany funding by \$1.1 million, and no objections were made. A representative from the GEF, however, asked that such changes not be proposed in this fashion – outside the normal profile and budget approval process – in the future.

8. Other business

The Executive Director noted that the next meeting of the Donor Council is tentatively set for October in Nagoya, scheduled close to the date of the launching of the new book on CEPF. The representative from Conservation International requested that at the next meeting the Secretariat make a recommendation as to whether the cap on funding for the regional implementation teams is too low at 10 percent of the investment, and whether it needs to be increased. The Executive Director said the issue would go before the Working Group at its July meeting.

List of Attendees

Donor Council Members

James Wolfensohn, Donor Council Chairman	The World Bank
Pierre Jacquet, Executive Director for Strategy	Agence Française de Développement
Peter Seligmann, CEO and Chairman	Conservation International
Gustavo Fonseca, Team Leader, Natural Resources on behalf of Monique Barbut, CEO	Global Environment Facility
Toshinori Doi, Director General, Development Policy Division, International Bureau, Ministry of Finance	Government of Japan
Jørgen Thomsen, Director, Conservation and Sustainable Development, on behalf of Robert Gallucci, President	MacArthur Foundation
Warren Evans, Sector Director, Environment on behalf of Katherine Sierra, Vice President, Sustainable Development	The World Bank

Staff

Agence Française de Développement

Gilles Kleitz, Project Manager, Environment – Biodiversity

CEPF

Patricia Zurita, Executive Director

Bobbie Jo Kelso, Senior Director for External Affairs

Julie Shaw, Writer/Editor, External Affairs

Conservation International

Jennifer Morris, Senior Vice President, Ecosystem Finance

Global Environment Facility

Yoko Watanabe, Program Manager, Biodiversity

Government of Japan

Yasuaki Yoneyama, Director, Co-ordination Office, Development Policy Division, International Bureau, Ministry of Finance

Keiichi Nakazawa, Deputy Director, Global Biodiversity Strategy Office, Nature Conservation Bureau, Ministry of the Environment

Daiji Kawaguchi, Assistant Director, Global Biodiversity Strategy Office, Nature Conservation Bureau, Ministry of the Environment

Masaru Abe, Section Chief, Development Policy Division, International Bureau, Ministry of

Finance

Motoo Kakihara, Advisor, Office of the Executive Director, Japan, The World Bank

World Bank

Claudia Sobrevila, Senior Biodiversity Specialist and CEPF Task Team Leader