

Critical Ecosystem Partnership Fund

Eleventh Meeting of the Donor Council
World Bank Headquarters, Washington, DC
18 July 2007

Adoption of the Minutes of the Ninth and Tenth Meetings of the Donor Council

Recommended Action Item:

The Donor Council is asked to **adopt** the minutes of the Ninth Meeting of the Donor Council, which took place on 29 November 2005. A first draft of the minutes was distributed for CEPF Working Group input on 15 December 2005. A subsequent draft incorporating all comments received was distributed to the donor partners on 12 January 2006.

The Donor Council is asked to **adopt** the minutes of the Tenth Meeting of the Donor Council, which took place on 31 May 2007. A draft of the minutes was distributed to the donor partners on 13 June 2007.

Critical Ecosystem Partnership Fund

Ninth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
29 November 2005

Draft Minutes

1. Welcome and introductions (Doc.CEPP/DC9/1)
The Chair opened the meeting by welcoming all of the participants. As the first meeting he would chair since being appointed as President of the World Bank, he noted how the World Bank wants to demonstrate how good management of the environment is good development policy. He said he is familiar with key developments within CEPF. The Conservation International representative said CEPF has had five years of great learning, and the time is opportune to fact check all its efforts. All participants introduced themselves.
2. Adoption of the agenda (Doc.CEPP/DC9/2)
Adoption of the agenda was proposed, seconded and approved.
3. Adoption of the minutes of the Eighth Meeting of the Donor Council (26 March 2005) (Doc.CEPP/DC9/3)
Adoption of the minutes from the Eighth Meeting was proposed, seconded and approved.
4. Follow up to decisions taken at the Eighth Meeting of the Donor Council (Doc.CEPP/DC9/4)*
The Chair asked the Executive Director to elaborate on any relevant points in the document "Follow Up to Decisions from the Eighth Meeting of the Donor Council." The Executive Director noted how he had recently visited Paris at the invitation of the French Development Agency (AFD) to begin laying out a framework for AFD to join the partnership. He pointed out how two senior AFD representatives were present at the Donor Council meeting, and that there is a clear indication of interest from the agency. He also said that The Nature Conservancy recently expressed interest in the partnership and, assuming positive results from the external evaluation, could become a significant nongovernmental partner over time.
5. Report on progress by the Executive Director (Doc.CEPP/DC9/5)*
The Executive Director reported that CEPF committed \$11.5 million in new grants and helped secure 132,000 hectares of new protected areas in Madagascar and Central America since the Donor Council's last meeting in March 2005. He said important results also included how the Armenian government accepted an alternative route for a highway originally slated to cut across the nation's Shikahogh Reserve. The alternative came from a coalition of local and international groups who banded together with CEPF support and successfully advocated a change in governmental policy, a first for this Caucasian nation and a promising sign of a growing civil society capacity there. The Chair asked how this type of change came about. The Executive Director said that the ecosystem profile for the hotspot includes a comprehensive assessment of the priority areas for conservation and a plan for action. He said WWF Caucasus, as the local CEPF implementing partner, monitors activities and helped bring the groups together and craft a viable, alternative plan. As a result, the action and outcome were both quick, and the total cost was less than \$50,000.

The Executive Director also highlighted how CI and CEPF will be developing a forest stewardship plan for Liberia over the next few months with the support of new Liberian

President Ellen Johnson-Sirleaf. CEPF also leveraged significant funding in Colombia and from Australia, continued collaborating with the World Bank's Global Programs and Partnerships Group to strengthen operational synergies, and initiated the external evaluation at the request of the Council during the period since the last Donor Council meeting.

He said CEPF program results to date include:

- More than 570 NGOs, community groups and other civil society partners engaged in conserving the hotspots
- Local strategy implementation teams lead implementation in hotspots – from capacity building to high-level policy work
- Civil society groups directly manage \$6.2 million of total portfolio for small grants targeting specific components of our regional strategies
- New or expanded protected areas in at least 11 hotspots
- Communities and landowners equipped with new skills to improve and benefit from sustainable use of resources in at least 10 hotspots
- Development and governmental policies influenced in favor of biodiversity conservation in at least 6 hotspots

The Executive Director also reported that CEPF recently shared the first results of its pilot project to assess CEPF linkages with poverty reduction in its latest quarterly report to the donor partners. He said the program would extend the assessment out to other regions and would continue to report on the findings. He also noted that with AFD interest, the program is close to meeting its original goal of \$150 million for conservation.

The Executive Director said that CEPF priorities for the next 3-5 months include negotiating and finalizing a Financing Agreement with AFD; convening the CEPF Working Group and Donor Council to discuss external evaluation findings; completing a management response to the evaluation findings and developing a new CEPF business plan; catalyzing replenishment discussions with GEF and the World Bank; and completing impact and results assessment for Tropical Andes, Guinean Forests and Madagascar as the first three regions where the program began investments.

6. Update on the External Evaluation (Doc.CEPF/DC9/6)*

Michael Wells, the leader of the independent, external evaluation team presented an update on the evaluation. He said the team began with “healthy skepticism” and expanded the number of hotspots to be included in the evaluation to 10 to ensure breadth of the evaluation.

While the evaluation is still underway (Mr. Wells will distribute a full draft report to the donor partners and CEPF management team on 2 January and the Working Group will discuss the findings in a meeting on 20 January), he said he was confident in providing a number of general findings to date. These included:

- CEPF has demonstrated clearly that its model is a very good one and has significant future potential.
- The ecosystem profiles are an excellent and improving tool.
- While many grant programs tend to scatter investments, the CEPF portfolios are very integrated with the investment strategies.
- CEPF local coordination units are one of the most successful aspects of the program. CEPF has experimented with an excellent range of models for the CUs, which have established effective, integrated portfolios and partnerships with NGOs and governments. The five most recent CUs are led by partner organizations, in some cases coalitions.

- The program has strong management, and impressive communications and outreach.

In regard to support for civil society, Mr. Wells said there is a significant variation in civil society requiring different approaches in the active CEPF regions. He said there is also excellent outreach by the CUs, evidence of strong capacity building, awareness raising, communications, confidence building and advocacy; and projects emphasizing livelihoods and poverty mitigation as part of the conservation approach. He noted how CEPF is often the only funding source for local NGOs.

Mr. Wells also highlighted key thematic areas where the evaluation team will recommend ways that CEPF could be further strengthened. The recommendations will include, for example, consolidating and expanding only gradually to not dilute the CEPF mission; adjusting the relationship with CI to set further limits and further increase transparency; updating and revising the current ecosystem profiles; further decentralizing; and strengthening performance monitoring, including introducing socioeconomic and civil society indicators. He concluded his update by saying that the overall message at this point in time is:

- The donors have launched a very promising and special program in CEPF.
- This innovative model fills a unique niche in international biodiversity conservation and is being implemented by a very professional global team plus partners who have made excellent early progress towards their long-term goals.
- The evaluators are unanimous in recommending that the CEPF donor partners continue funding the program.

The AFD representative said linking conservation with economic growth is a central issue and it would be good to see an increased emphasis on this in a next phase of the program. The Executive Director responded that these linkages could be addressed more fully when CEPF refines its ecosystem profiles, enabling some of these types of strategic activities to be highlighted from the outset and incorporated into the investment approach. The AFD representative also said that the CEPF management cost of 15 percent is remarkable. He said that working in the field and supporting field activities, particularly by civil society, traditionally costs far more. The Executive Director said that the program's cost effectiveness would be shown even better, if the full value added by CI were fully calculated. The Chair said that the full value of how the donors are leveraging CI should be understood. The CI representative said it should be emphasized how costly it would be to governments and national economies to lose healthy biodiversity.

The MacArthur Foundation representative said he would like to see results aggregated in terms of how much of the job is actually getting done on the ground, as well as how CEPF investments have directly or indirectly influenced policies. The Chair agreed with this recommendation.

5. CEPF Financial Summary and Sixth Spending Plan (July 2005-June 2006)
(Doc.CEPF/DC9/7)

The CEPF Executive Director introduced the Sixth Spending Plan. He said the Plan was being presented to the Council belatedly as this was the first meeting of the Council since the March 2005 Donor Council meeting. He noted, however, that the operational budget is less than in previous years and reflects regular business with the exception of the costs for the External Evaluation, which had been discussed extensively with the CEPF Working Group and Donor Council. The Chair asked when the next Spending Plan would be presented. The Executive Director said he would ensure the next plan would be presented in advance of the

new fiscal year, regardless of the Council's formal meeting schedule. Adoption of the Sixth Spending Plan was proposed, seconded and approved.

At this point, the Government of Japan Representative said that the government is ready to react promptly if the CEPF Secretariat, through the World Bank, formally requests disbursement of the third installment of Japan's committed contribution to CEPF. He also said that since Japan's contribution comes from the trust fund to support the mission of the World Bank, if the World Bank does not continue to contribute its resources to CEPF, it would be very difficult for the government to continue its support. The Chairman and CEO of the Global Environment Facility said a strategy in which the donors would work together toward a continuation of the program would be helpful, however the GEF Council would need to consider a full proposal in its June 2005 Council, otherwise it will be difficult to finance it under the new GEF-4 rules. He said key points for the GEF Council would be good evaluation results, and an expansion of the relationship to incorporate other NGO partners.

The Chair said that key issues seem to include the relationship with CI; whether the partners should consider incremental or full-scale support in the future; and how to more closely integrate the program with economic and development agendas. He requested short option papers on these issues, as well as a report on CEPF successes, in advance of the 20 January Working Group meeting.

6. Time and place of the next meeting of the Donor Council.
The Donor Council members agreed to hold a conference call or meeting in early February 2005, following the 20 January Working Group meeting.

List of Follow-up Actions:

1. CEPF will present the Seventh Spending Plan to the Donor Council in advance of the new fiscal year.
2. CEPF will develop short option papers on the relationship with CI; incremental or full-scale support for a continuation of the program; and closer integration with economic and development agendas in advance of the 20 January Working Group meeting. It will also develop a paper on CEPF successes to date and an outline of replenishment decision cycles for each partner.

List of Attendees

Donor Council Members

Warren Evans, Environment Department (representing Ian Johnson)	The World Bank
Jonathan Fanton, President	John D. and Catherine T. MacArthur Foundation
Len Good, CEO	Global Environment Facility
Yoshio Okubo, Executive Director (representing Koichi Hasegawa)	Government of Japan
Peter Seligmann, CEO and Chairman	Conservation International
Paul Wolfowitz, President	The World Bank

Staff

CEPF

Jorgen Thomsen, Senior Vice-President and CEPF Executive Director
Bobbie Jo Kelso, Senior Director for External Affairs, CEPF
Dan Martin, Senior Managing Director, CEPF

Global Environment Facility

Gonzalo Castro, Team Leader, Biodiversity

Government of Japan

Naoaki Kamoshida, Advisor, Office of the Executive Director

MacArthur Foundation

Michael Wright, Conservation and Sustainable Development Program Area Director

World Bank

Robin Cleveland, Counselor to the President
Kathy MacKinnon, Lead Biodiversity Specialist, Environment Department

Guests

Pierre Jacquet, Executive Director for Strategy and Chief Economist, Agence Française de Développement
Denis Loyer, Head of the Environment and Natural Resources Division, Agence Française de Développement
Michael Wells, Michael Wells & Associates, CEPF External Evaluation Team Leader

Critical Ecosystem Partnership Fund

Tenth Meeting of the Donor Council

31 May 2007

Teleconference

Draft Minutes

1. Adoption of agenda (Doc.CEPF/DC10/1)
The agenda was adopted.
2. Election of Interim Donor Council Chairperson
The Donor Council elected Kathy Sierra, Vice President for Sustainable Development, World Bank, as the acting chairperson. The Donor Council members also agreed to send a joint letter to the new World Bank President upon confirmation encouraging the President to retain leadership as the Chair of the Council and support for CEPF.
3. Agreement on date and venue for the Eleventh Meeting of the Donor Council
The Executive Director said that a number of important decisions are pending, with the agenda for the Eleventh Meeting expected to include at least the new 5-year Strategic Framework, an updated Operational Manual, and setting priorities for future investment. The Donor Council agreed scheduling of a formal meeting should move forward in July. The meeting will enable Council members to join by videoconference or telephone, if necessary.
4. Report on recent decisions (Doc.CEPF/DC10/2)
The Executive Director noted the recent Donor Council approval of the Eighth Spending Plan as of 15 May 2007, and three ecosystem profiles covering the Indo-Burma, Polynesia-Micronesia, and Western Ghats and Sri Lanka biodiversity hotspots and an overall increase to the CEPF spending authority from \$100.4 million to \$121.4 million for implementation of these profiles as of 26 April 2007. The latter approval also included the Terms of Reference and Selection Process for CEPF Regional Implementation Teams to be selected beginning this year.

At the request of the Council, the Executive Director also provided an update on CEPF replenishment and fund-raising efforts. He noted that:

- The GEF Council approved inclusion of a \$20 million replenishment for CEPF, to be implemented by the World Bank, in the GEF-3 Work Program in late 2006. The final proposal is expected to be submitted for endorsement by the GEF CEO in July 2007.
- Agence Française de Développement and CI signed a financing agreement in March, committing both partners to \$25 million for the global program.
- The Secretariat understands that the MacArthur Foundation will provide an additional \$12 million but this new commitment has not yet been confirmed in writing.
- The World Bank completed its original commitment; formal discussions about potential future support are expected to begin in FY 08.
- The Government of Japan is still meetings its original commitment; formal discussions about potential future support are expected to begin in FY 08.

Several Donor Council representatives said that their institution's own commitments were based on the premise that the World Bank would join them in supporting the global program into the future. They said that leadership of the program requires active engagement, commitment, and also financial support.

List of Follow-up Actions:

1. The CEPF Secretariat will work together with the Acting Chairperson to schedule and plan the Eleventh Meeting of the Donor Council.
2. The CEPF Secretariat will draft and circulate for review a letter for the Council to send the new World Bank President encouraging the President to retain leadership as the Chair of the Council and to continue supporting CEPF.

Critical Ecosystem Partnership Fund

Tenth Meeting of the Donor Council
31 May 2007
Teleconference

List of Attendees

Donor Council Members and Representatives

Monique Barbut, CEO	Global Environment Facility
Jonathan Fanton, President	John D. and Catherine T. MacArthur Foundation
Pierre Jacquet, Executive Director	Agence Française de Développement
Hideo Hashimoto, Deputy Director Ministry of Finance	Government of Japan
Peter Seligmann, CEO and Chairman	Conservation International
Kathy Sierra, Vice President, Sustainable Development	The World Bank

Staff

CEPF

Jorgen Thomsen, Senior Vice-President and CEPF Executive Director
Bobbie Jo Kelso, Senior Director for External Affairs, CEPF

Agence Française de Développement

Constance Corbier Barthaux, CEPF Task Manager, Agence Française de Développement

Global Environment Facility

Yoko Watanabe, Program Manager, Biodiversity, Global Environment Facility

Government of Japan

Toru Kajiwara, Advisor, Office of the Executive Director, Government of Japan

MacArthur Foundation

Michael Wright, Conservation and Sustainable Development Program Area Director, MacArthur Foundation

World Bank

Warren Evans, Sector Director, Environment, The World Bank