

Critical Ecosystem Partnership Fund

Sixth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
31 March 2004

CEPF Management Team Response to the External Review of CEPF

Recommended Action Item:

The Donor Council is asked to take **note** of the Management Team's response to the external review of CEPF and **advise** the Management Team on any further action required to address issues highlighted by the review.

Background:

At the fifth meeting of the Donor Council, the CEPF Management Team presented an external review conducted by Mr. Walter Arensberg in response to a request from the World Bank. As follow-up to this important review, the CEPF Management Team has prepared a response to the specific actions recommended by the external reviewer.

CEPF Management Team Response to the External Review of CEPF

At the fifth meeting of the Donor Council, the CEPF Management Team presented an [external review](#) conducted by Mr. Walter Arensberg in response to a request from the World Bank.

This Mid-Term Review, which did not include field visits, was designed to assess the performance of the Critical Ecosystem Partnership Fund (CEPF) during the period from January 2001 to May 2003. The review was required by the World Bank under the terms of its five-year commitment to the Fund in order to secure a third year of funding support from the Bank's Development Grant Facility (DGF). The review sought to evaluate how effectively CEPF has met the objectives set forth in the Financing Agreement signed by the World Bank, the Global Environment Facility and Conservation International when the partnership was first established.

The review concluded that the partners' underlying rationale for creating CEPF is "sound and well-founded" and that CEPF has "shown that it is an effective model for meeting the objectives of the Fund's partners."

Key findings included:

- The management and oversight of the Fund has demonstrated that the partners can work well together to keep the Fund focused and operationally effective. It has demonstrated that a well-designed alliance can work effectively with civil society in the field of conservation.
- CEPF has learned from its experiences in each cycle of ecosystem profiling and the process has made an innovative contribution to mobilizing and strengthening civil society action for conservation.
- CEPF has carried out grantmaking in a way that has reached a wide variety of recipients in a timely and agile manner.

However, the review also included seven recommendations, all underpinned by the central strategic question of how best to capitalize on the CEPF model in the future. The CEPF Management Team responds to each of the specific recommendations below and proposes further action points for the team to address:

1. The CEPF Management Team should carefully assess the grantmaking and supervision process to clarify the roles of Grant Directors and Coordinating Units in CEPF eco-regions in order to strengthen the capacity of the Coordinating Units to support the Grant Directors in grantee orientation and training, proposal development, and supervision while maintaining the Grant Directors ultimate authority for grant review and approval. A greater degree of decentralization would be desirable to relieve the workload of Grant Directors and focus Coordinating Units on the coherence and strategic impact of the grant portfolios in country.

Proposed Action Points for the CEPF Management Team

- Undertake an analysis of the operational structure, efficiencies, advantages and disadvantages of existing coordination mechanisms and provide recommendations on how each mechanism can ensure programmatic and operational value.
- Coordinate additional discussions with Grant Directors and existing coordination mechanisms to define or clarify roles and responsibilities and expand those for the mechanisms, where necessary.
- Continue implementing and exploring new ways to ensure best coordination.
- Consider bringing together CEPF Grant Directors and coordination teams to share lessons learned and best practices.
- Create additional informational tools to help our partners and grantees understand CEPF coordination mechanisms and how they complement the larger initiative.

CEPF Management Response

The CEPF Management Team agrees that decentralizing more responsibility to field-based coordination mechanisms will relieve the workload of the Grant Directors and at the same time increase the coherence and strategic impact of the grant portfolios. Decentralization will also help ensure maximum economy of scale and reduce the overall cost of grant-making efforts as well as help deepen relationships with local partners.

In many regions, CEPF coordination mechanisms already spend extensive time in orienting and training potential grantees—a hands-on approach that aims to build capacity and ultimately better project proposals as part of the process. For example:

Conservation International's Southern Mesoamerica Program hosted special seminars in Panama during July and August 2003 to help indigenous civil society groups strengthen their skills in proposal preparation and financial management for conservation projects. The seminars were part of regular training and technical support that the program provides to potential grantees as the hub of the CEPF coordination team in the Mesoamerica hotspot.

The Haribon Foundation, which coordinates the CEPF Threatened Species Program in the Philippines, held a 5-day workshop in August 2003 to guide local organizations in the islands of Cebu, Negros and Panay through a step-by-step process of project planning and development as well as proposal writing. The workshop brought together 50 participants from 11 organizations.

Several coordination mechanisms put in place in the latter half of 2003 also illustrate how CEPF is working to multiply these types of efforts and, importantly, to expand the local coordination mechanisms' roles to help ensure the coherence and strategic impact of the portfolios. In the Succulent Karoo hotspot, for example, the new multi-organizational coordination mechanism's core function is to ensure that the design, implementation and evaluation of CEPF-supported projects are feasible and contribute to overall biodiversity conservation targets.

In recent months, CEPF has also invested time and effort into ramping up and more fully defining the terms of reference of the respective CEPF coordination mechanisms for each active hotspot. This effort has taken a multi-pronged approach by increasing internal and external awareness of the purpose of the coordination mechanisms, better defining the specific roles and functions that each should/could play, engaging the Grant Directors in a discussion of the scope of decentralization preferred and evaluating the progress of existing mechanisms.

The CEPF Management Team has also strategically launched a process to design new coordination mechanisms as an integral part of the preparation phase for a region. As a result, the logical underpinning and thinking on the coordination mechanisms for the current cycle (Cycle 4, includes Caucasus, Eastern Arc and Coastal Forests of Tanzania and Kenya, Indo-China, Eastern Himalayas, Polynesia/Micronesia, Western Ghats and Sri Lanka) began during the profile development phase. This will not only provide a smoother transition between the preparation and grant-making phases, but ultimately a more beneficial coordination approach and efficiency in grant-making turnaround as well as monitoring and evaluation at the local level.

At the same time, CEPF Grant Directors have a clear understanding of how gaps in the coordination function lead to misunderstandings among grantees, delays in the project approval process and how that in turn affects the efficient implementation of the portfolio of projects. CEPF is motivated to streamline the project approval process in order to bring projects online more quickly and understands that a clear definition of roles and responsibilities between Grant Directors and the coordination mechanisms is of great importance.

Further examples of evolving coordination mechanisms include:

- In Brazil and China, CEPF has developed consortiums of institutions, led by local CI offices, which are fulfilling the local coordination roles. Each of these examples is providing different strengths to the decision-making process. An advantage of this model is that a variety of organizations is engaged in a transparent and accessible way.
- In the Caucasus and Eastern Arc hotspots, new models of how external organizations can serve as the overarching coordination mechanism are being developed, with planning underway with the WWF Caucasus Programme in the Caucasus, and in the Eastern Arc with BirdLife, the International Centre of Insect Physiology and Ecology, the Tanzania Forest Conservation Group and World Wide Fund for Nature—all of which played lead roles in the preparation phase for these two hotspots. These new mechanisms will provide valuable lessons on economy of scale, efficiency and decisionmaking that can be achieved through decentralization.

- The Andean region provides us with two distinct though mutually reinforcing examples of increased decentralization of responsibilities. Based in part on preliminary findings generated by the portfolio review under way, the coordination mechanism in the Tropical Andes is being restructured to strengthen its relationship with local grantees and to take greater advantage of the potential complementarity with the new Andean Center for Biodiversity Conservation (CBC). Likewise, in Choco-Darién-Western Ecuador, local coordinators in both Ecuador and Colombia have placed a high priority on direct contact with grantees, while facilitating the involvement of Andean CBC directors in the final review process for full proposals.

2. As confusion still appears to exist in the minds of outsiders over the role of CI in the CEPF grant-making process, further efforts need to be made to define the role of the two entities clearly. It is important to adhere strictly to the requirement that CI not be given special consideration in the grant process or exercise inappropriate influence over the grantmaking and approval procedure.

Proposed Action Points for the CEPF Management Team

- Continue to communicate and define the role of CI and external organizations in the coordination process for grantmaking.
- Continue to document decision-making processes, as they relate to both CI and external organizations.
- Review the CEPF Operational Manual to determine whether publicly sharing further parts or the full manual would help address this issue.

CEPF Management Response

CEPF staff consistently and conscientiously focus effort on ensuring wide understanding of how CI is one of five CEPF partners; CI's special role as the administrator of the partnership; CEPF's operational procedures and protocols; and how and under what conditions CI programs are eligible for CEPF funds.

The CEPF Memorandum of Understanding, signed by all CEPF donor partners, defines CI's role in the partnership. Furthermore, in all instances, CEPF adheres to the regulations agreed in the financing agreements for CEPF and also strives to ensure that CI is not given special consideration (or the perception of special treatment) in the grant process and that it does not exercise inappropriate influence over the grant-making and approval procedure.

Nonetheless, capitalizing on CI's expertise in the field and in Washington DC (finance, legal, communication, research, etc) to administer CEPF is one of the strongest assets of the partnership, helping to ensure economy of scale and financial and programmatic efficiency. Thus, it is a constant effort to leverage these efficiencies, while at the same time adhering to all agreed protocols. In addition to the financing agreement, CEPF also adheres to the operational procedures defined in the CEPF Operational Manual. Both of these documents are publicly available. Key pieces are posted on our Web site.

The primary rules of engagement define that although CI administers the Fund via a management unit of staff exclusively focused on CEPF, CI programs can apply for funding where they have a comparative advantage but CI projects can comprise no more than a maximum of 50 percent of CEPF's global grant resources. The 50 percent mark is a ceiling, rather than a target. In some regions CI is not likely to apply for any of the grant resources, e.g. the Caucasus, and in other regions such as South Africa, the percentage is significantly lower than the grants managed by external organizations.

Nonetheless, we are sensitive to possible misperceptions about the relationship between CEPF and CI within CI itself as well as publicly. In this regard, the Management Team has also taken a number of steps to further ensure clarity on this issue.

The disclosure policy for CI's intended projects, as originally requested by the CEPF Donor Council, requested that CI disclose, upon submission and approval of the first three ecosystem profiles, their intended projects and the amount of the budget this would require. In the first three instances, this equaled 50 percent of the available grant resources and resulted in a perception of entitlement by CI programs and an uneven distribution of grant resources. Likewise, this policy prevented CI programs from innovation, creativity and responsiveness to opportunities for better conservation action. After consulting with the Working Group and requesting approval from the Donor Council, the Management Team modified this policy to request that CI submit a description of their "intended role"

in the regions where a) CI operates and b) where CI intended to apply for grants. This new process has worked significantly better and has helped eliminate the perception of entitlement. At the same time, it has also required CI to undertake a much more rigorous project design process. Nonetheless, this disclosure policy, as mandated by the Donor Council, resulted in a perception that has taken many CEPF grant cycles to eliminate from popular misinterpretation.

Important communications tools, such as Frequently Asked Questions (FAQs), that include specific reference to CI's role in the initiative and related issues have been widely distributed to civil society partners in the hotspots eligible for CEPF funding and are posted on our Web site. During the first half of FY04 (July-December 2003), visitors to the Web site downloaded more than 2,500 copies of the Frequently Asked Questions in multiple languages and nearly 1,000 visitors viewed the FAQs specific to grant eligibility and application.

As CI regional programs play a vital coordination role in several hotspots, steps outlined in response to No. 1 above have also been taken related to CI coordination mechanisms, including increasing internal and external awareness of the purpose of the coordination mechanisms, better defining the specific roles and functions that each should/could play and communicating these to civil society partners. Interestingly, public misperception about the role of CI regional programs in coordinating CEPF implementation is no different than the challenges we now face in regions where external organizations, such as WWF, Birdlife, ICIPE and others are taking the lead role in coordination.

In addition, it is important to note that CEPF made a strategic decision to begin our work in areas where CI had a strong presence and we had existing relationships to build upon. This was pivotal to the early success of CEPF. However, our commitment to flexibility, building effective relationships with strategic partners and creating a diversified portfolio is evident. The sharp shift in balance has occurred in Cycle 4 where CI largely does not have a comparative advantage and thus has not taken a lead role in the preparation phase or the coordination mechanisms now being designed is a case in point. This shift has positively contributed to how CEPF is perceived by the conservation community. Nonetheless, it still leaves us with the overarching challenge to ensure transparency and clarity in defining and communicating the role of any organization or multiple organizations coordinating CEPF implementation on the ground.

3. The scope of future evaluations conducted by the Fund or other partners should focus particular attention on the linkages between CEPF Strategic Priorities and the cumulative effect of grants in working toward meeting those priorities. Is there coherence and synergy among the various recipients of grants and how can it be strengthened?

Proposed Action Points for CEPF Management Team

- Finalize portfolio reviews and develop strategic approaches to communicate the findings and lessons learned from them to relevant parties.
- Conduct occasional, timely analyses on subjects of importance to the strategic implementation of our project portfolio.
- Continue to explore how best to contribute to, and benefit from, evaluation efforts initiated by our partners.

CEPF Management Response

The CEPF Management Team recognizes that the Fund is entering a period of its existence where closer attention to its impact is both necessary and desired. With three years of implementation experience, 13 active funding regions, and over 200 funded projects, the Fund is generating a significant amount of experience and is committed to learning from and sharing these results with all of its partners.

A fundamental objective of CEPF's monitoring and evaluation team is to assess how CEPF as an initiative is meeting its objectives and to provide feedback to all parties to facilitate adaptation in order to improve individual as well as collective performance. To this end, a major product of the team is a series of portfolio reviews to be conducted around the halfway point of funding in each region. Internally, review findings will examine the mechanisms and tools CEPF has put in place in an effort to increase efficiency in the grant-making process and assess how each project contributes to the broader conservation strategy as laid out in the ecosystem profiles. External audiences will also gain insight into how CEPF-funded activities relate to the goals and objectives of our strategic partners.

CEPF has responded in a timely and proactive manner to requests from our partners seeking to assess our performance and effectiveness. We understand these issues of mutual concern and are engaging our partners to find ways to collectively answer these questions where appropriate. The inclusion of an external evaluator on the CEPF portfolio reviews is one way of assuring greater objectivity in our assessment of strategic implementation.

As outlined in our response to recommendation number 1 above and 4 below, CEPF continues to strengthen the links between development of the investment strategy during profiling, implementation of the strategy during grantmaking and the assessment of the strategic relevance of funded projects through the monitoring and evaluation function.

4. Review the experience that each ecosystem profiling process has had with moving from strategic priority setting to program implementation in order to design a process that tightens the linkages between them and leads to more effective implementation of integrated programs. The process followed for the Succulent Karoo, among others, may offer useful lessons.

Proposed Action Points for CEPF Management Team

- Put a strategy in place with each of the coordination mechanisms for how to most strategically seize the grant-making opportunity. This could take a number of forms, including workshops for grantees, but will be designed in consultation with the coordination mechanism in order to accommodate the specific needs/cultural differences per region.
- Visualize coordination mechanisms prior to approval of the profiles, to ensure a smoother transition.
- Solicit concept papers for coordination mechanisms prior to profile approval to ensure that the roles and responsibilities are clearly understood.
- Undertake training sessions with the Grant Directors to ensure that the outcomes and other relevant tools are being used synergistically with the ecosystem profile to inform the grant-making process.

CEPF Management Response

CEPF agrees with this recommendation. We have been exploring options for strengthening the transition phase between profile development and grantmaking. We have also already taken a few major steps to tighten the linkage between the two phases, including integrating the grant director into the process at an earlier stage, transitioning the management of the network of relationships from the Senior Director for Program Management to the “grant team” at an interim phase in the process, designing the coordination mechanism during this interim phase. All of these management changes are being implemented during cycle 4 of CEPF (the current Ecosystem Profile cycle). At the same time, we also agree that there should be a more formalized process/methodology for “operationalizing” the grant phase in all these regions. By having the coordination mechanism agreed and in place at an earlier stage, we anticipate being able to improve the launch of the grantmaking better.

Responsibility for facilitating the transition from profile development to grantmaking is now shared more equally among the profile development and grant management teams. The grant team will design a strategic plan and a more proactive, concrete methodology for ramping up the grant-making phase in each new region. Additionally, staffing changes should help improve this phase of CEPF. To this end, a new VP level staff, Senior Managing Director of CEPF, has been identified and hired to supervise the grant team and CEPF’s Senior Director for Portfolio Management, a position created within the last year, is responsible for portfolio monitoring and evaluation. The importance of Grant Director input into the outcome definition and prioritization process is increasingly recognized, as they provide the critical link between the goals we want to achieve and the resources we use to achieve them. Likewise, CEPF will undertake training sessions with the Grant Directors to ensure that they are capitalizing and utilizing the outcome tools now present in the ecosystem profiles as strategically as possible.

5. Review the opportunities the CEPF might have in supporting public/private initiatives in keeping with the objectives and strategies of the Fund. This might involve increasing support to policy reform initiatives carried out by non-governmental organizations or the private sector.

Proposed Action Point for CEPF Management Team

- Continue to work with governments, within our partnership and with our conservation partners on the ground to develop and share ideas for innovative mechanisms to achieve lasting results through

public/private initiatives. Doing so is fundamental to the long term, sustainable preservation of biodiversity hotspots with mutual benefits for nature and people.

CEPF Management Response

Since this link did not come out clearly as part of the review, we welcome this recommendation as an opportunity to highlight how CEPF recognizes the importance of addressing public/private initiatives to benefit long-term success of biodiversity conservation through the strategies that are defined and the grants that are given.

In response to this recommendation, the CEPF Management Team undertook a review to explore the ways in which CEPF strategically identifies opportunities to support public/private initiatives and also opportunities for policy reform, the specific projects that have been funded to implement our strategic objectives as identified in the ecosystem profiles and results emerging from this support.

This review concluded that, public-private partnerships, like CEPF itself, present one of the most promising mechanisms to enable change and to leverage the local financial and political commitment essential to ensuring the sustainability of the investment being made by CEPF. At the same time, the review determined that often public/private partnerships require changes in policies. CEPF's strategic focus on civil society aims to enable community groups, NGOs and others in the private sector to engage in biodiversity conservation together with governments and other partners. In this way, CEPF support expands the stewardship of biodiversity with a multitude of actors focusing and combining effort for greater impact in ways that benefit both nature and people.

With total available resources at only a fraction needed for biodiversity conservation, CEPF funds can only begin to address the myriad challenges in these threatened areas. The nature of the partnership itself is intended to multiply our investment and its results through influence on and joint action with our partners, governments and other investors and donors. One organization or nation cannot achieve lasting impact in isolation; innovative partnerships must be created and nurtured to succeed. CEPF implements this tenet from concept to strategy to results.

Our analysis concludes that CEPF partnership is beginning to generate noteworthy results from the \$38 million committed grant resources to date. Many of these results have benefited from extensive policy work with governments. In many hotspots, there are emerging conservation achievements resulting from CEPF supported public/private partnerships. Such projects also contribute to the successful implementation of the overall CEPF strategy for that hotspot.

CEPF support to projects under strategic directions focusing on the collaborative identification and creation of protected areas have been particularly fruitful during the first three years of the partnership. Demonstrating just how powerful collaboration between civil society and governments can be, the partnership's financial and technical support has helped civil society groups working together with local governments to design, plan and create protected areas, including:

- The declaration of the 108,000-hectare Batang Gadis national park in northern Sumatra by local leaders, including the head of the local government and heads of local parliament, police, the Forestry Department and community leaders. The park is the first of its kind established under a new legal framework that allows declaration of a National Park by local, rather than national, officials.
- The expansion to 118,108 hectares of the Peñablanca Protected Landscape and Seascape, creating the largest contiguous block of forest under protection in the Philippines and providing critical habitat for the Philippine eagle and other threatened species.
- Three landmark laws in Liberia increasing protected areas by 60 percent and instituting significant reforms to the nation's natural resource conservation policies.

Also critical is management of these and other protected areas. CEPF's portfolio includes dozens of projects being implemented by local groups together with or in close cooperation with national and local authorities to ensure long-term sustainability of these areas as well as the governmental bodies responsible for their stewardship. These include:

As early as 2002, the benefits of CEPF support to collaborative efforts between NGOs and governments became clear in the Tropical Andes where a transnational agreement was signed between Bolivia and Peru for the joint management of Madidi National Park in Bolivia and Bahuaja-Sonene National Park and Tambopata National Reserve in Peru. With funding from CEPF, a Conservation International coordination team helped facilitate this agreement.

In Costa Rica, The Corcovado Foundation is working in partnership with the government ministries of environment and security to enable patrols of the Corcovado and Piedras Blanca national parks to reduce the incidence of illegal hunting, logging and fishing. In the first public/private partnership of its kind in the country, the foundation covers operating costs to conduct the park patrols, while the ministries provide personnel and equipment. The foundation also undertakes education and awareness-raising activities in local communities. The parks are now experiencing an unprecedented level of patrolling.

CEPF strategy and grantmaking has kept in mind the value of engaging government and private sector in its plans to further ensure sustainability of conservation goals. As discussed above, this has already begun to yield important results at the hotspot level; results that only confirm and strengthen the need to challenge our partners on the ground to continue to engage in partnerships that will lead to long-term benefits. CEPF will continue to encourage innovative links between local communities, governments and private sector partners as an element of addressing the strategy defined in our strategic funding directions for each hotspot. Now in our third year of funding, CEPF is placing greater focus on monitoring and evaluating both results and lessons. As we move forward it is critical to share results and lessons learned among other organizations and hotspots as a way to multiply the benefits of successes already achieved from public/private partnerships and encourage the incorporation of such partnerships into other strategies.

6. Develop a vigorous public outreach strategy designed to capitalize on lessons the CEPF has learned in the field and stimulate discussion among grantees in the field, governments and civil society, and among the CEPF partners and the broader donor and NGO community. The outcomes of on-going monitoring and evaluation work, as well as documented experiences and lessons learned by grantees in designated hotspots could all contribute to this strategy. All of the CEPF partners should help facilitate information sharing to this end, as well, so that in Washington, as well as in the critical regions, the CEPF can become a stimulus to innovative thinking about conservation.

Proposed Action Points for CEPF Management Team

- Continue implementing FY04-05 communications strategy.
- Undertake a review of the strategy at the close of year 1 (FY04) to assess progress and ensure that the strategy remains flexible and dynamic to meet CEPF needs.

CEPF Management Response

The time is indeed right for CEPF to be more vigorous in its efforts to draw out and share lessons. Much of CEPF's communications and outreach effort prior to 2003 focused on raising awareness about the initiative, our regional strategies and the availability of grants. This was in large part a strategic necessity due to the youth of the initiative, with results and lessons not yet available or not in any substantial volume. Beginning in 2003, however, CEPF began to proactively focus on raising awareness about the initiative's actual progress and preliminary lessons.

This included, for example:

- Launching a project to capitalize on the information we are capturing in final project completion reports by making the reports publicly available through www.cepf.net and marketing the reports through special features and full listings of the reports available to date in our newsletter. To date, visitors to the site have downloaded more than 10,250 of these reports. The Management Team is now reviewing the report format and how we communicate to grantees about the form to ensure their responses will accurately capture lessons learned and be of value to others.
- Embarking on a unique project together with the Rainforest Alliance to encourage and enable CEPF grantees, as well as other project managers, in four hotspots in Latin America to share lessons learned and other key information about their projects with the wider conservation community and the public. The ongoing project,

underpinned by CEPF grant support, includes the recent expansion of the Alliance's popular Eco-Index online encyclopedia of conservation projects to include CEPF projects in these hotspots and working together with the CEPF communications team to publicize the availability of this information. On March 16-17, the Eco-Index team will also host a "CEPF Project Fair" in which CEPF grantees and key partners from those hotspots will come together to foster synergy between projects and exchange knowledge.

Recognizing the need to strategically expand efforts like these, however, CEPF has developed a FY04-05 global communications strategy to reach out more widely and systematically to civil society organizations and existing and potential donors partners, which includes various governments. The strategy, to be implemented CEPF-wide, presents a number of approaches designed to capitalize on the success of our online communications but to also focus greater effort on interactive sharing of information. Key tactics in the strategy include:

- Support or create regional-level and international opportunities to bring grantees and partners together to share lessons learned and learn from others.
- Continue and develop new partnerships with external partners and other resources that incorporate and/or enable sharing of lessons learned – such as the Rainforest Alliance's Eco-Index.
- Stage special events such as presentations on specific grants or regional portfolio reviews and other monitoring and evaluation results to ensure wide sharing of this information.
- Strategically incorporate communications activities related to lessons learned into grantee project goals and activities in ways that ensure greater sharing of this information.

Importantly, the strategy also includes exploring and developing opportunities to expand relationship and information sharing with and among the CEPF partners—a strategic approach envisioned to include leveraging each of our communications resources to the benefit of all.

7. Management should begin to engage the Donor Council in a discussion about the future of the Fund. The road to conservation in the critical ecosystems of the world cannot be traveled in a mere five years, and the model CEPF is applying is proving to be of great worth. Both management and the Donor Council should take advantage of the evaluations and stock taking now underway to explore how best to extend the life of the Fund.

Proposed Action Points for CEPF Management Team

- Continue bilateral discussions with the first three partners
- Produce any required materials that will begin to support a rationale for the next phase of CEPF.

CEPF Management Response

The presentation of this external review to the CEPF Donor Council has helped to catalyze a dialogue on the future of the CEPF. At this moment, CEPF is undertaking informal bilateral discussions with the first three partners (CI, GEF, World Bank) to assess the conditions for possible re-engagement. However, we feel that it is premature to undertake these discussions with the second two partners (MacArthur Foundation and the Government of Japan).