

Critical Ecosystem Partnership Fund

Approved Minutes

Third Meeting of the Donor Council
World Bank Headquarters, Washington, DC
12 June 2002

1. CI Senior Vice President and CEPF Executive Director gave a presentation updating the Donor Council on progress since December 2001. This presentation provided a brief overview of progress towards achieving four specific objectives:
Adapting measurable conservation outcomes to the Ecosystem Profiles;
Achieving the target outcomes per CEPF region;
Monitoring impact and results; and
Leveraging resources.
2. A discussion ensued regarding the status of CEPF's success to date. CI's Donor Council Representative stated that it was his impression that CEPF had been successful in building alliances, breaking down walls and finding a common agenda to direct shared resources towards agreed outcomes. It was suggested that in order to save the Hotspots, it is important that each CEPF Donor Partner make an effort to work collaboratively to achieve the outcomes per corridor.
3. The Chair of the CEPF Donor Council then opened the meeting and formally welcomed the Government of Japan to the Council Meeting as a full donor partner.
4. The minutes from the 2nd Donor Council Meeting (December 11, 2001) were adopted and it was agreed that the revised format was acceptable. It was suggested and agreed that draft minutes from the 3rd Donor Council Meeting and all subsequent Council Meetings would be circulated for review within two weeks of a Council Meeting.
5. The agenda was approved, with a recommendation to discuss regional priorities before the discussion on the 3rd CEPF Spending Plan. This recommendation was made because the discussion on priorities would have implications on the decisions required for the Spending Plan. This recommendation was accepted.
6. The Chair of the Meeting then called to adopt the resolution welcoming the Government of Japan to the Council Meeting. This recommendation was adopted by unanimous vote of the Council Members.
7. The CEPF Executive Director gave an update on decisions taken since the last Council Meeting. He reported that the CEPF Working Group met twice since December. He reported that the working group members have improved their participation in this forum and is adding significant technical value to the initiative. He was pleased to share that this group is fulfilling the mandate and TOR's agreed by the Donor Council in December. He reported that the CEPF Working Group discussed a revised methodology for producing the Ecosystem Profiles and input on the proposed regional priorities for the next cycles of CEPF funding. He reported that the operational changes agreed during the December Council meeting have been operationalized into CEPF business practices. These operational changes remain to be formalized.

8. The CEPF Executive Director then gave a brief overview of the CEPF annual financial summary and summary of 2001 Grants. He informed the Council that the original intention was to produce a public version in time for this council meeting. However, after consultation with the Working Group, it was agreed that the annual report be converted into an 18 month report, incorporating 2001 and also the six month period covering January – June, 2002. The production of the 18-month report will be more cost-effective and would capture more interesting results from the CEPF. He also encouraged the Donor Council Members to think about what kind of format or information might be interesting and will arrange bilateral discussions with each donor partner to solicit additional input on the Annual Report. A question was raised about how funding for projects to CI would be reflected in the Annual Report. The response was that the CI portfolio of CEPF funded projects would be clearly articulated and presented in a transparent manner. The Donor Council received the Financial Summary for 2002. They requested that this report include a Balance Sheet. The Financial Summary will be revised to include a balance sheet as requested by the Donor Council and resubmitted by late July.
9. The Ecosystem Profile and Investment Strategy for the Mountains of South-Central China was approved. Disbursement of project funding for this region is contingent on securing GEF Focal Point Endorsement for the Profile. It was further elaborated that the niche articulated by this Profile to focus on developing conservation leadership and capacity is being proposed against the backdrop of several opportunities in China, including the 10-year logging ban and several multi-billion governmental initiatives to convert farmland into forest and reforest previously logged areas.
10. In light of time constraints it was suggested that the Council Members peruse the enclosed summary of progress towards preparation and profile work in the Succulent Karoo Hotspot rather than having the CEPF Executive Director go into great detail during the Meeting. He informed the Council Members that the Succulent Karoo Profile would be put forward for consideration during the December Council Meeting.
11. The Chair of the Meeting then moved to agenda item #10 that called for discussion on Regional Priorities. The CEPF Executive Director opened the discussion by acknowledging that the recommendation put forward included the collective options discussed by the Working Group but that the CEPF did not feel that there was yet consensus on this particular point. In light of that, the Chair called for a debate and position from each donor partner. The MacArthur Foundation representative stated that he could support recommendation #3, but that for the record, his position was that CEPF should focus on providing more resources within fewer Hotspots, but that he would support the majority opinion for recommendation #3. The GEF representative supported recommendation #3, with a suggestion that the amount of funding per region not be pre-determined but rather that the profiling and preparation process identify the suggested investment amount. He also cautioned against concluding on a small-grants program or specific funding amount prior to the profiling process. It was suggested that in order to do justice and have an impact on all of these regions, that the CEPF exceed the original target fund raising goal from \$150 Million. This suggestion was discussed and approved. In light of the approval to exceed the initial fund raising goal, the Donor Council Members had a final approval for recommendation #3 on the Present and Future Priorities Document. This agreement was reached with the caveat that funding envelopes and modalities per new CEPF region would not be predetermined but rather identified during the CEPF preparation and profiling stage. At this point, the GEF Representative

raised the question of sequencing for the priorities and requested that CEPF circulate a brief document providing rationale for choosing one region over another.

12. The CEPF Donor Council reviewed and approved the 3rd Spending Plan, which articulates a fiscal year authority and authorization to make multi-year commitments. The CEPF Executive Director explained that the Spending Plan is consistent with the financial modeling approved during the 2nd Donor Council Meeting and is now aligned with IBRD, CI and GEF's fiscal cycles.
13. The Donor Council discussed and approved the updated CEPF Fundraising Strategy. Several potential CEPF partners have been approached and several more will be approached in the next few months. The Government of Japan expressed interest in seeing more bilateral funding organizations become CEPF Donor Partners.
14. The representative from the Government of Japan expressed his interest in exploring the feasibility of establishing a WSSD/Type 2 partnership for the Government of Japan's contribution to the CEPF partnership. He indicated that the CEPF Executive Director had a preliminary conversation to this effect in Bali, Indonesia.
15. A signing ceremony, welcoming the Government of Japan into the CEPF partnership, formalizing the legal agreement between the Government of Japan and the World Bank, was then held in the sitting room.

List of Follow up Actions:

1. The CEPF Donor Partners will visit with several potential CEPF partners over the next few months. The CEPF Management Team will prepare any required initial letters/concept papers for these meetings.
2. Finalize the letter inducting the Government of Japan into the CEPF Donor Council.
3. The draft minutes from the 12 June 2002 Donor Council Meeting will be circulated within two weeks of the Council Meeting for comment.
4. The CEPF Executive Director will brief the MacArthur Foundation on the status of developing outcomes for the current CEPF grant regions. The CEPF Management Team will provide a compilation of the outcomes during the next CEPF Working Group Meeting.
5. CEPF will schedule bilateral meetings with the Donor Partners to solicit additional feedback on the content of the Annual Report.
6. The CEPF Management Team will circulate a brief summary of the rationale for the regional prioritization for CEPF investment.
7. The CEPF Management Team will prepare supporting documentation to aid the Donor Council Members in implementing the Fund Raising Strategy.
8. The CEPF Management Team will consult with the other Donor Partners about the feasibility of becoming a WSSD/Type 2 partnership.

9. CEPF will continue negotiations to seek GEF Focal Point Endorsement for the Mountains of Southwest China Ecosystem Profile.

** These Minutes were approved at the Fourth Meeting of the Donor Council in February 2003.*

List of Attendees

Donor Council Members

James D. Wolfensohn, President	World Bank
Peter Seligmann, Chairman and CEO	Conservation International
Yuzo Harada, Executive Director –Japan	World Bank Board of Directors
Jonathan Fanton, President	John D. and Catherine T. MacArthur Foundation
Odin Knudsen, Acting Vice President, ESSD, (representing Ian Johnson)	World Bank
Ken King, Assistant CEO (representing Mohamed El-Ashry)	Global Environment Facility

Government of Japan

Yutaka Nakao, First Secretary of the Embassy of Japan in Washington, DC

Staff

World Bank

Michael Carroll, CEPF Task Team Leader and Senior Agriculturist
Marco Scuriatti, Assistant to the World Bank President
Kerstin Canby, Environmental Specialist, Rural Development Department
Jeannette Ramirez, CEPF Operations Analyst

MacArthur Foundation

Michael Wright, Conservation and Sustainable Development Program Area Director

Global Environment Facility

Gonzalo Castro, Team Leader, Biodiversity
Herbert Acquay, Senior Natural Resources Management Specialist

Conservation International

Jorgen Thomsen, Senior Vice President and CEPF Executive Director
Donnell Ocker, Director, Business Development and Program Management, CEPF