

**Critical Ecosystem Partnership Fund  
42<sup>nd</sup> Meeting of the CEPF Donor Council  
Virtual Meeting  
Thursday 15 February 2024  
8:00 a.m. – 11:00 a.m. Eastern Standard Time (EST)  
2:00 p.m. – 5:00 p.m. Brussels and Paris Time  
9:00 p.m. – 12:00 a.m. (+1 day) Tokyo Time**

**DC 42 Minutes**

**1. Welcome by the Chair and Introduction of Participants (CEPF/DC42/1)**

Representatives of the six CEPF Global Donors represented except for the World Bank.

**2. Adoption of Agenda (CEPF/DC42/2)**

The minutes of the 41<sup>st</sup> Donor Council meeting were approved with no objections.

**3. Presentation and Discussion of the Executive Director's Report  
(CEPF/DC42/3)**

a) Action Points Review (CEPF/DC42/3/a)

*Action Point to review: The Secretariat will report at the next Donor Council meeting on developing a task force to determine how to position CEPF as a key financing mechanism.*

This action point carried over from the 40<sup>th</sup> CEPF Donor Council meeting. This action point pertained to CEPF Secretariat creating a task force to explore the possibility for CEPF to become a financing mechanism. The task force has not been created yet; however, the Secretariat has focused on becoming a delivery mechanism for the Small Grant Program (SGP) of the GEF. This effort has resulted in the selection of Conservation International (CI) / CEPF as a delivery mechanism for the SGP.

b) Partnership Highlights (CEPF/DC42/3/b)

The Donor Council congratulated the CEPF Secretariat for its impressive fundraising results which were described as quite exceptional in terms of volume, diversity, and new donors. The recognition of CEPF as a key financial mechanism is extremely important as the goal of the Donor Council is for CEPF to establish itself as a unique, irreplaceable instrument to channel funds to grassroots organizations and on the ground. The Donor Council also recognized that such success highlighted the recognition of biodiversity and the importance of its conservation.

c) FY23: Q4 and FY24: Q1 & Q2 Approved Grants (CEPF/DC42/3/c)

The Donor Council requested to improve the presentation of the Approved Grants report; not increasing or changing the information, but rather to make it richer using color codes or symbols to share more concise information.

**Action Item: The Secretariat will produce, for future Donor Council meetings, an updated version of the Approved Grants report, addressing the comments received.**

d) Financial Narrative (CEPF/DC42/3/d)

e) Financial Report (CEPF/DC42/3/e)

Following the announcements of successful funding raising efforts, the Donor Council had several comments and questions:

- CEPF has always been cost effective but with the increased commitments that it is receiving, would it be useful to revisit whether the Secretariat is adequately resourced to scale up its activities? The CEPF Secretariat reflected that such conversations have taken place internally and that the thought is that the current model should remain. However, should the potential funding from Canada become a reality, additional resources would be needed to ensure that the Secretariat team does not become too stretched.
- For the CEPF Secretariat to obtain more resources as needed, it would be useful to:
  - Look at the at the size of the Secretariat and methods to increase its capacity in proportion to the increase of the volume of activities.
  - Use precise metrics on the performances and ratios of grants to calculate the cost efficiency of the Secretariat.
  - Be well-informed on how the new volume and activities of CEPF would require new capacities so that informed decisions could be made about whether the capacity of the Secretariat should be increased.
  - Ensure that granting is more evenly distributed throughout the year.

The Secretariat commented that one of the selling points of CEPF is its frugal operation costs, which should remain a core objective. However, with the increase of funding, it might become necessary to extend internal resources to keep a good balance between staying frugal and having the right resources to implement good projects. Over time, Conservation International's funding has been crucial as it is unrestricted and has allowed CEPF to operate smoothly and effectively under such a model, especially when new public funding is not prepared to pay the real cost of the Secretariat.

**Action Item: The CEPF Secretariat will do an analysis of its operation to ensure that CEPF is adequately staffed for its current program.**

#### **4. Strategic Use of the \$15.1 Million Catalyzed from the Fondation Hans Wilsdorf and Possible Role of the Foundation in the Governance of CEPF (CEPF/DC42/4)**

The Secretariat described the new investment of the Fondation Hans Wilsdorf (FWW) which includes support for the Mediterranean Basin and Guinean Forests of West Africa hotspots, and explained a third component on Organizational Development, which aims

to support CEPF grantees, including the Regional Implementation Teams (RITs), to ensure that CEPF provides the means for them to develop strong foundations and become resilient organizations.

The Secretariat sought views on the role that FHW might have on the Donor Council, as per its responsibility to "Review and approve the conditions under which new donors may be invited to take part in the Fund and approve additional members of the Donor Council". The Secretariat reminded the Donor Council that all terms of reference are described in the CEPF Operational Manual, and that no new donors are given an automatic seat on the Donor Council as all decisions are made by consensus.

The Secretariat described the different roles that FHW could have, including being a full member, or being a guest, as per section 5.4 of the Operational Manual (CEPF Donors: Membership and Rules of Engagement). There was some ambiguity about what the role of guest actually was, and a suggestion that more clarity was needed.

Subject to the Foundation accepting, the Donor Council considered two options:

- Invite FHW to join the partnership as a global donor.
- Invite representatives of the Foundation to participate in Donor Council meetings as guests.

The Donor Council members appreciated what FHW brings to CEPF, including:

- A new, important actor in the field of biodiversity finance.
- An innovative perspective on investing in organizational development (which is particularly relevant to past Donor Council discussions on strengthening the capacities of grassroots organizations and the Regional Implementation Teams while keeping operational costs low).
- Additional diversity of voices and experiences: A foundation would bring an interesting and constructive new perspective to the Donor Council.

*Following discussion, the Donor Council approved inviting the Hans Wilsdorf Foundation to join the partnership as a full global donor.*

**Action Item: The CEPF Secretariat will provide suggestions of revision for the Operational Manual section OM5.4 to define the role of a guest on the Donor Council more clearly.**

## **5. Implications of the Selection of Conservation International as an Implementing Agency for the GEF Small Grant Program on the Structure and Functioning of CEPF (CEPF/DC42/5)**

The Secretariat presented the opportunity pertaining to the Small Grants Program (SGP). The Donor Council was asked to approve that CEPF Secretariat be a delivery mechanism for the SGP, for countries where CI is selected as an Implementing Agency and consider that this work may take place outside of the biodiversity hotspots (e.g. Angola, Guyana, Serbia).

The Donor Council had several comments and questions:

- At the time of creation of CEPF, it made sense to only focus on countries within biodiversity hotspots versus wilderness areas. Today, it is less true as wilderness areas are facing severe threats and therefore there is a role for CEPF. Guyana is a good example to this situation.
- Is there any understanding of how cost effective CEPF will be compared to FAO and UNDP?
- Diversification among the implementing agencies of the GEF is good news; a monopoly on implementing agencies can lead to lack of competition and/or efficiency.
- Such good news might encourage the channeling of more resources directly to civil society.
- Who will be the implementing agency, CEPF or Conservation International (CI)?

The GEF Donor Council representative and the CEPF Secretariat replied that:

- Recently the GEF looked at the ratio of grants to administration and determined that a change was needed. Information on cost effectiveness is available for all accredited agencies as the GEF would like to level the playing field and offer the best possibilities to the countries so that civil society can be included in this new model. That information is available to the Secretariat and Donor Council for consultation.
- CI has been invited to be the implementing agency as CEPF is not a legal entity. CEPF would be the delivery mechanism by which CI performs as the implementing agency.
- Regarding cost effectiveness:
  - If countries would like funds they must step forward and decide which implementing agency they would like to work with (CI, FAO or UNDP). Following selection of countries, CEPF will have to develop a PIF (Project Identification Form), which must be presented to the Donor Council. At that time, the Secretariat will be able to estimate costs.
- Through the Small Grants Program, CEPF would work in areas outside of the biodiversity hotspots.

*Following discussions, the Donor Council approved:*

- *The CEPF Secretariat to act as a delivery mechanism for the GEF SGP in countries for which CI is selected as an Implementation Agency.*
- *For the purposes of this initiative, CEPF operates in countries that are priorities for the SGP but are not located in biodiversity hotspots.*

## **6. Potential Partnership Among CEPF, BirdLife International, the Asian Development Bank and the GEF for the East Asian-Australian Flyway: Challenges and Opportunities (CEPF/DC42/6)**

*As the action item from this agenda item implies accessing the GEF financing, the GEF recused itself from the discussion and decision-making.*

The Donor Council discussed the proposed partnership to work in the flyway sites, located in 10 countries in four biodiversity hotspots (Indo-Burma, Philippines,

Sundaland and Wallacea), for five years. The Donor Council was asked to review and approve the proposed partnership, and if approved, the possibility to operate in Mongolia.

Several comments were made by the Donor Council:

- Requests were made that, for Mongolia, decisions be made on a case-by-case basis.
- Some Donor Council members mentioned that, based on their experience working with the Asian Development Bank (ADB), they had very limited modalities with which to provide resources to nongovernmental organizations. As such, it is important to get a good understanding of the modality with which the ADB would pass resources to CEPF to ensure feasibility without undue burden on the Secretariat.
- Overall, Donor Council members expressed support for the initiative.

*The Donor Council approved that the CEPF Secretariat:*

- *Explore a partnership with BirdLife International to develop an application to the GEF through ADB as implementing agency, as a contribution to the development of a Regional Flyaway Initiative (RFI).*
- *Operate in Mongolia for the purposes of this initiative. Mongolia is a key country of the RFI but not located in a hotspot.*

## **7. Any Other Business and Conclusion (CEPF/DC42/7)**

The 43<sup>rd</sup> Donor Council meeting will take place online. The 44<sup>th</sup> Donor Council meeting will be an in-person meeting that will take place in the Dominican Republic. The CEPF Secretariat will send a Doodle poll to ascertain availability for the months of January and February 2025.

The Donor Council member Gilles Kleitz announced that he will be leaving his seat as Donor Council member representative for l'Agence Française de Développement. He thanked all the Donor Council members, the Chairperson and the CEPF team. Both the Executive Director and the Chairperson thanked Mr. Kleitz for his constant support for CEPF's work and commitment to biodiversity conservation.