

**Critical Ecosystem Partnership Fund
Twenty-fourth Meeting of the Donor Council
Paris, France
28 January 2014
2:30pm Paris time (CET)**

Approved Minutes

1. Welcome and introductions (Doc. CEPF/DC24/1)

Donor Council Chairperson Jean-Michel Severino welcomed Donor Council members and representatives participating in the meeting.

The Executive Director also extended a welcome and thanked L'Agence Française de Développement (AFD) for hosting the meeting.

2. Adoption of agenda (Doc. CEPF/DC24/2)

The Donor Council approved the agenda.

3. Adoption of Minutes of the Twenty-third Meeting of the Donor Council (Doc. CEPF/DC24/3)

The Donor Council adopted the minutes of the Twenty-third Meeting of the Donor Council, which took place on 25 June 2013.

4. Report from the Executive Director (Doc. CEPF/DC24/4)

-Includes follow-up to the decisions taken at Twenty-third Meeting of the Donor Council

The Executive Director reviewed highlights from her written report on activities since the Twenty-third Meeting of the Donor Council on 25 June 2013.

The partnership highlights included:

- *Terre Sauvage*: The French Ministry of Foreign Affairs hosted a reception on January 28 celebrating the "34 Wonders of the World" photo exhibit. Pascal Canfin, the Deputy Minister for Development under the Minister of Foreign Affairs, welcomed members of CEPF's Donor Council and other attendees to the event in Paris.

The exhibition celebrates French nature magazine *Terre Sauvage*'s 300th issue, which is devoted to the world's biodiversity hotspots. Working with CEPF and the Nature Photo Library (NPL), the magazine and exhibit portray the diverse beauty of the hotspots and their vital importance to human well-being.

The Executive Director noted that the magazine and exhibit are a fabulous presentation of how important CEPF is. There is also a digital app that serves as a catalog for the exhibit, available in French or English from the iTunes Store. She will bring copies of the magazine to DC and will send some to the Government of Japan.

The Secretariat is working on displaying the exhibit at international venues, such as the European Parliament, the Convention on Biological Diversity COP in South Korea in October, the Eye on Earth Summit in Abu Dhabi in November and the World Parks Congress in Sydney in November.

The Secretariat will also look into displaying the “34 Wonders of the World” photo exhibit in Brussels during Green Week in May.

- *Regional Implementation Team (RIT) Exchange*: The Secretariat gathered a group of RIT members – 28 people from 13 hotspots – in September to discuss CEPF and theorize about the ideal RIT design. The group met for two days and discussed capacity building, communications and fundraising.

RIT members brainstormed on how to build the regional presence by building-up the RIT capacity, thinking about how to become shepherds for civil society in the long-term. Conversations also focused on fundraising and how the RIT members can participate in raising funds at the local level. The RIT members also had a half day to themselves, during which they brainstormed on how the RITs and the Secretariat can better work together.

The experience generated innovative ideas and proposals that the Secretariat captured for improving CEPF processes, with some being incorporated into the draft strategic framework for CEPF Phase III.

The Executive Director also thanked the Global Environment Facility (GEF) for hosting the brownbag for RIT members and Secretariat staff on September 19.

- *AFD Evaluation*: The evaluation is expected to be completed by May 2014. The consultants just returned from the field, having visited the Caribbean Islands, Madagascar, the Guinean Forests of West Africa and Indo-Burma hotspots. They will be reaching out to the Donor Council members and representatives to gather views about CEPF.

- *Profiling Update:* By the conclusion of the eight stakeholder workshops throughout Wallacea, Burung Indonesia had met with more than 260 different individuals, including the European Commission and AFD. The final stakeholder workshop is taking place at this time, and the draft of the profile is expected to be sent to the Working Group in the spring. The profile will integrate a marine component in the strategy and also include community management, strong policy outcomes, private sector engagement and an entire strategic direction on mainstreaming biodiversity into decision-making.

The Madagascar and Indian Ocean Islands profiling workshops led by Conservation International Madagascar had about 220 participants, including more than 90 organizations. In collaboration with Conservation International's Moore Center for Science and Oceans, which is part of the profiling team, CEPF is piloting a new methodology, KBA+, mapping out the ecosystem services that KBAs provide. This will ensure that CEPF funds projects that help ensure the provision of ecosystem services in the hotspot.

The Donor Council had a brief discussion about this new methodology, with the Secretariat noting that the KBAs in Madagascar cover all of the remaining forests, where information on water protection, climate resilience, tourism use and cultural value were analyzed.

The draft profile, written in French, will be ready next month. This will be translated into English and distributed in both languages to the Donor Council.

The financial overview highlights included:

- CEPF is now back in the black, with the grant agreement between the World Bank and CEPF signed that secured the funds from the European Commission.
- CEPF has now secured \$268.5 million since inception, of which \$17.9 million are pledged. Expenses have totaled \$208 million, with 80 percent going directly to grants and 14.4 percent covering the operational cost of the Secretariat.
- CEPF has one regional donor, the Margaret A. Cargill Foundation, which has provided \$1.8 million in funding for the Indo-Burma Hotspot. The Secretariat is close to securing funding from the MAVA Foundation for the Mediterranean Basin Hotspot, and is also looking into other regional donor opportunities.
- CEPF has spent 86 percent of its spending authority and has been able to move money quickly, with 90 percent of the awarded grants already disbursed.

The Donor Council members discussed how regional donor funding is internalized in CEPF. The Executive Director noted that the funding goes into a pool for a specific geography, and supports the Secretariat and a strategic director for the hotspot. This funding is meant to expand the impact of CEPF, as it does not affect the amount the Donor Council has approved for investment in a hotspot. Instead, it increases the investment in the region.

The Executive Director reviewed progress to follow-up decisions taken at the Twenty-third Meeting of the Donor Council on 25 June 2013, including:

- The Secretariat provided a report on the RIT Exchange to the Working Group at its meeting on 17 December 2013, the first Working Group meeting held after the Twenty-third Meeting of the Donor Council.
- The Secretariat put the IDC/management cost meeting on hold pending receipt of the requested names and contact details, as it had only received two names. The Secretariat will provide additional information upon request.

The Executive Director noted that CEPF has invested in 22 hotspots, but the fund will be at 25 hotspots as of 2015. She also noted the difference in the leveraging amount, which was previously miscounted and now at \$331 million. And she highlighted the revised Executive Director and Quarterly Reports, which are now more colorful and more reader-friendly.

The Executive Director noted that the Secretariat reported against the monitoring framework for the first time since its approval in 2012. The monitoring framework includes 23 indicators in four categories: biodiversity, human well-being, enabling environment and civil society. Methods for data collection have been determined for most of the indicators, but are still in design phase for several others. The Secretariat is working with third parties such as BirdLife International to help collect the data that weren't reported on in this first Monitoring Report. This information will help CEPF report against the Aichi Targets at the CBD COP meeting in October.

The Secretariat has been using the civil society tracking tool, a self-reporting tool that allows CEPF to determine its impact on capacity-building during the granting period, but has not looked into organizations after CEPF has left the region. The Monitoring Report also looks into how grantee organizations are working together and how networking is making a difference in each of the hotspots.

A few of the Donor Council members noted the importance of determining CEPF's long-term success in the region by analyzing how many of the 1,800 organizations that have received CEPF grants are still operating. The Executive Director noted that although we cannot report that all 1,800 of these NGOs are still operating, we can discuss trends, such as the creation of organizations in the Mountains of Southwest China that no longer exist because of the lack of additional funding after CEPF left the region.

This is one of the goals of the strategy for Phase III of CEPF, building the long-term vision for the hotspots, making sure civil society capacity is built so organizations become self-sustaining, and taking hotspots to graduation. The Donor Council members discussed the importance of drawing lessons learned about what period of time is needed for investment in the hotspots, which will depend on the strength of civil society at the start of investment. They also noted the need to engage local organizations.

The Executive Director confirmed that communications is included in each investment, albeit in a limited way, but not as its own strategic direction. She also noted that including a specific strategic direction about policy and governance depends on what threats are identified in the ecosystem profile. For example, the Indo-Burma investment has a policy element about dams and concessions, while Wallacea will be the first profile with a more general strategic direction on policy reform. The additional hotspots being profiled—Cerrado, Guinean Forests of West Africa, Tropical Andes—will also have a baseline and targets for policy reform so that we can better understand and measure improved governance.

The Secretariat will review the monitoring indicators, making adjustments where necessary to analyze where the investment has gone in hotspots where CEPF has ended support. The indicators will also be adjusted to better align with the Aichi Biodiversity Targets.

5. Draft Strategic Framework for CEPF Phase III (Doc. CEPF/DC24/5)

The Donor Council was asked to approve the draft strategic framework for Phase III of CEPF.

The Executive Director reviewed the background information that led to the development of the draft strategic framework, noting that it describes specific measures that address key points raised by the Donor Council members, and proposes to take advantage of the opportunity to empower CEPF to deliver the support civil society needs to save the world's high-biodiversity ecosystems that support more than 2 billion people.

The theory of change for the draft strategic framework revolves around three key target actors: government agencies, private sector and civil society organizations (CSOs). CEPF will continue to support CSOs, aiming to strengthen their capacity to innovate and help influence other decision-makers to protect biodiversity. In its 13 years, CEPF has seen extraordinary results with less than 0.5 percent of the annual global overseas development assistance (ODA) and now is the time to take the fund to the next level.

The Executive Director presented the proposal for CEPF III (2014-2023), which has four components:

- *Long-term visions for the hotspots:* Biodiversity is a long-term commitment, and CEPF needs to take hotspots to graduation. This will require investing in a hotspot for a longer time period, possibly 10-15+ years instead of five.

The goal will be to look at each hotspot and determine what it needs in terms of years of investment, then build up a strategy to get greater results, with the ecosystem profile updated every five years. This will require defining graduation and determining how to meet that goal.

The Secretariat suggested doing this for the ecosystem profiles that are currently being developed and building long-term visions for CEPF's active portfolios, excluding the Caribbean Islands and Maputaland-Pondoland-Albany since they only have one year of granting remaining.

- *Stewards of the long-term visions:* RITs, or similar organizations, will become the long-term custodians of the vision and support the hotspot beyond graduation. This would expand the role of the RITs, enabling them to learn more about fundraising and connecting with the private sector and government.

This will require looking at the current RITs to determine strengths and weaknesses. It will also require redefining the RIT terms of reference.

- *Stronger communications, monitoring and operations:* Stronger communication products that strengthen branding, monitoring that supports government decisions and systems that enable greater efficiencies.

The communications goal is to establish CEPF's brand, making it more visible so that we can better reach the decision-makers. The monitoring will require an update to include the Aichi Targets, and a new grant system will allow the Secretariat to be more proficient in grant-making and better gather reporting data.

- *A new, scaled-up, revamped CEPF:* A stronger, broader partnership that supports resource mobilization at the level required for reversing the trend of biodiversity loss. The goal is to double funding to CEPF so that it is a creative, transformational financial mechanism.

This will require a business plan that resolves key questions for the new, broadened partnership model of CEPF, which could launch in 2016. The key pillars that CEPF would maintain are its focus on hotspots, empowering civil society, linking biodiversity to human well-being and a lean and adaptive management structure.

The business plan would outline implications of an expanded donor base, the potential of a greater membership, and the scope, size and impact to CEPF operations. Questions to consider include how the Donor Council could continue to guide CEPF and be agile and quick if there are 10 additional donors; should we have the private sector or development organizations participate as members; how big do we want CEPF to be; do we tackle all of the hotspots or only a selection; do we invest in the entire hotspot or only by region; and what are the implications for the Secretariat staff?

The Executive Director proposed that the Secretariat continue to implement the building of the long-term vision, the strengthening of the RITs and the stronger communications, monitoring and grant systems while the business plan for a new CEPF is developed.

The Donor Council discussed the draft strategic framework for Phase III of CEPF, noting:

- *Realistic donor goals:* The business plan needs to be realistic about how large CEPF can become, with a strategy for achieving the expanded donor base. The plan should also include alternatives if CEPF fails to receive additional funding or if current donors reduce support to CEPF, noting how this would affect the other three components of the strategy. The plan should also quantify how much additional money is needed to achieve the graduation goal.
- *Governance:* The business plan needs to address the impact of providing alternatives for private foundations to participate as donors and in governance.
- *Timing:* The business plan timing is designed for 10 years, which would put Phase III ending in 2023. To better align with the Aichi Targets, Phase III should instead end in 2020. It should also launch in 2015 in order to fit into the plan for the post-2015 Sustainable Development Goals.
- *Results:* It would be useful to qualify CEPF's great results by analyzing how things may have proceeded if CEPF had not invested in a hotspot. CEPF is a success story and the plan should report on what has made it that way. It should also consider how CEPF can add impact for donors by showing that the actions of CEPF lead to the success of donors. The Monitoring Report should also detail how CEPF's impact is measured in terms of biodiversity.
- *Focus:* The biodiversity targets for every country may change after 2015, which could change the landscape of how CEPF invests in biodiversity protection. The business plan

should consider medium and long-term goals for CEPF, analyzing why CEPF was successful and how to remain successful even if it scales up.

The business plan should include an analysis on which private sector organizations are investing in hotspots and what policies exist in relation to biodiversity. This could help CEPF determine where to mobilize.

The Donor Council discussed the key geographies that CEPF focuses on, and whether this should continue to be hotspots only. The three external reviews of CEPF have reported that it is the most effective program for ecosystem health, with the local actions of CEPF resulting in a global impact. Communicating this and showing the importance of biodiversity protection will be critical to scaling up CEPF.

The Executive Director noted that the goal is to continue doing the great work that CEPF has been doing, just at a greater scale so that CEPF has a transformative effect, allowing civil society to grow, linking communities and developing solutions to engage government and private sector in biodiversity protection. The goal is to synergize CEPF with funding, the private sector and governments so that we can become much more active and influential in strategy development. The major shift is in producing results that allow hotspots to get to graduation.

The Executive Director suggested that the FY13 Annual Report include a section showing where the CEPF is in terms of targets for each active hotspot. This will help donors see how far or how close the various regions are to graduation at this time. **The Secretariat will include a section in the 2013 annual report that shows where the hotspots of investment are in terms of meeting the targets set out in the ecosystem profiles.**

The Donor Council approved the draft strategic framework for Phase III of CEPF, with an adjusted timeframe of 2014-2020 in order to align with the Aichi Biodiversity Targets and the post 2015 Sustainable Development Goals.

The Secretariat suggested quarterly updates with the Donor Council members on strategy development. The Donor Council members noted that engaging and working with the Working Group members is important, as they can provide input and feedback when the Donor Council members are unavailable.

The Secretariat will begin development of the business plan for Phase III of CEPF, to be completed by 2015 so it can be presented at the UNFCCC COP 21.

The Secretariat will start building the long-term visions for the active portfolio of investment, including expanding the RITs role and strengthening the communications and monitoring components.

6. Date for next Donor Council Meeting

The Executive Director noted that the next Donor Council meeting will be in Washington, D.C., and proposed the week of June 23. **She will work to make sure the Donor Council members are available and get the date blocked next week.** She also noted that a dinner will be scheduled the evening before the meeting.

7. Other business

The Executive Director thanked the Donor Council members and representatives.

The Chairperson adjourned the meeting.

Summary of decisions and follow-up actions

1. Decisions Reached

The Donor Council reached the following decisions:

- The agenda of the Twenty-Fourth Meeting of the Donor Council was approved.
- The minutes of the Twenty-Third Donor Council Meeting were adopted.
- The draft strategic framework for Phase III of CEPF was approved, with an adjusted timeframe of 2014-2020 in order to align with the Aichi Biodiversity Targets and the post 2015 Sustainable Development Goals.

2. Follow-up actions

The Secretariat was asked to:

- Look into displaying the “34 Wonders of the World” photo exhibit in Brussels during Green Week in May.
- Develop the business plan for Phase III of CEPF, to be completed by 2015 so it can be presented at UNFCCC COP.
- Start building the long-term visions for the active portfolio of investment, including expanding the RITs role and strengthening the communications and monitoring components.
- Adjust the monitoring framework to better align with the Aichi Biodiversity Targets.
- Include a section in the 2013 annual report that shows where the hotspots of investment are in terms of meeting strategic direction targets set forth in the ecosystem profiles.
- Lock the date for the next Donor Council meeting, which is tentatively slated for the week of June 23.

List of Attendees

Donor Council Members

Jean-Michel Severino	CEPF Donor Council
Jean-Yves Grosclaude, Executive Director Strategy	L'Agence Française de Développement
Peter Seligmann, CEO and Chairman	Conservation International
Karl Falkenberg, Director General for Environment	European Commission
Klaus Rudischhauser, Deputy Director-General, Policy and Thematic Coordination (Dir A, B & C) Directorate General for Development and Cooperation - EuropeAid	European Commission
Kentaro Ogata*, Director of Development Issues International Bureau, Ministry of Finance of Japan	Government of Japan

Guests

Frederic Bontems, Director of Strategic Management, French Ministry of Foreign Affairs
Marcel Jouve, Head of the Bureau of Environmental Policies, Directorate of Global Public Goods, French Ministry of Foreign Affairs
Emmanuelle Swynghedauw, Policy Officer, Biodiversity and Development, French Ministry of Foreign Affairs

Staff

L'Agence Française de Développement

Guillaume Chiron, Project Manager Environment-Biodiversity, Département Développement Durable

CEPF

Patricia Zurita, Executive Director
John De Wet*, Vice President, Finance and Operations
Nina Marshall*, Managing Director
Jack Tordoff, Grant Director
Pierre Carret, Technical Advisor
Deborah Rainey*, Senior Director, Grant Management Unit
Julie Shaw, Communications Director
Mandy DeVine*, Communications Coordinator

European Commission

Thierry Dudermeil, Head of Sector – Climate Change, Environment, Natural Resources, Water
Directorate-General for Development and Cooperation
Cristiana Pasca Palmer, Head of Unit, Climate Change, Environment, Natural Resources, Water
Directorate-General for Development and Cooperation

Global Environment Facility

Gustavo Fonseca, Head – Natural Resources on behalf of Naoko Ishii, Chairperson and CEO
Yoko Watanabe, Program Manager, Biodiversity

Government of Japan

Rikiya Konishi*, Ministry of Environment, Japan
Aiko Iguchi*, Ministry of Finance, Japan
Masayoshi Chida*, Ministry of Finance, Japan

MacArthur Foundation

Christopher Holtz*, Asia Program Officer on behalf of Jørgen Thomsen, Director, Conservation and Sustainable Development Program

World Bank

Valerie Hickey*, Team Task Leader

* = by phone