

Critical Ecosystem Partnership Fund

Twelfth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
20 November 2007
9 a.m. – 12 p.m.

CEPF Fund-raising Strategy (FY 2008-2012)

Recommended Action Item:

The Donor Council is asked to **review and approve** the CEPF Fund-raising Strategy for fiscal years 2008-2012. The strategy sets out the overarching approach for the partnership to secure a total of \$150 million for implementation of the new CEPF 5-year Strategic Framework approved by the Donor Council in July 2007. The strategy sets a first benchmark of \$18 million and a second of an additional \$50 million to meet the total goal of \$150 million for implementation.

Background:

In July 2007, the CEPF Donor Council approved a new 5-year Strategic Framework that sets the vision for the global program during fiscal years 2008-2012. The Strategic Framework sets a total funding goal for implementation of \$150 million. Development of a fund-raising strategy is therefore necessary for the partnership to secure the necessary funds. Reviewing and approving the fund-raising strategy for the Fund is part of the powers and duties of the Donor Council.

This fund-raising strategy lays out the overarching approach for the partnership to seek additional funding critical for implementation of the full Strategic Framework. The initial goal is \$100 million for implementation, \$82 million of which is secured based on new commitments from l'Agence Française de Développement, Conservation International (CI), the Global Environment Facility, and the John D. and Catherine T. MacArthur Foundation

The fund-raising goal is therefore twofold, with \$18 million as a first target and an additional \$50 million as a second target.

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The Critical Ecosystem Partnership Fund (CEPF) is a global grant-making program that provides strategic assistance to nongovernmental and private sector organizations for the protection of vital ecosystems. In July 2007, the CEPF Donor Council approved a new Strategic Framework that sets the vision for the global program during fiscal years 2008-2012.

During this 5-year period, CEPF will build on a rich mix of experience and lessons learned to expand and replicate successful civil society implementation models more broadly within at least 14 biodiversity hotspots. The overall goal will be to strengthen the involvement and effectiveness of civil society in conservation and management of globally important biodiversity.

This fund-raising strategy lays out the overarching approach for the partnership to seek additional funding critical for implementation of the full Strategic Framework. The initial goal is \$100 million for implementation, \$82 million of which is secured based on new commitments from l'Agence Française de Développement (AFD), Conservation International (CI), the Global Environment Facility, and the John D. and Catherine T. MacArthur Foundation. In total, the partnership aims to secure \$150 million to ensure success in meeting the outcomes defined.

The fund-raising goal is therefore twofold, with \$18 million as a first target and an additional \$50 million as a second target.

The strategic approach will focus on three areas:

- Expanding and diversifying the CEPF donor base to increase fund-raising opportunities.
- Working together with the government of Japan and the World Bank to identify and implement potential opportunities for these donor partners to commit additional funds.
- Coordinating strategic fund-raising and marketing opportunities among the CEPF donor partners to capitalize on existing strengths, relationships, and networks.

The primary fund-raising approach will seek to expand the partnership by securing additional donor partners contributing \$25 million for allocation across the full range of CEPF priorities and thereby matching the minimum commitment by each of the current donor partners. A partner with this type of commitment would be represented on the Donor Council and Working Group, both of which represent important opportunities for members to further harmonize funding and programmatic approaches. The ideal composition of the Donor Council will continue to reflect the global priority of biodiversity conservation and therefore partners whose commitment can be allocated across the full CEPF global portfolio, rather than for selected priorities.

To further expand and diversify the donor base, CEPF will also pursue opportunities to secure support for implementation of the Strategic Framework on a more targeted or limited basis, in line with the Donor Council's approval of regional and associate donor partner levels at the Sixth Meeting of the Donor Council in March 2004. This will include joint efforts to attract new partners who would commit \$25

million for CEPF implementation in specific geographic areas that fall within their bilateral interest or regional mandate, as well as partners who would contribute less than \$25 million. In regard to the latter, a minimum contribution of \$10 million or the full cost of an ecosystem profile would be required. Such contributors would enjoy *ex officio* status on the Donor Council and Working Group.

The Strategic Framework itself represents an important first step in this fund-raising strategy by articulating a common vision and performance indicators for the Fund and by providing a tangible tool to share this vision. The development of region-specific ecosystem profiles is also a unique strength of the Fund, with wide participation at the local level designed to create a shared, stakeholder-driven investment strategy from the ground up at the outset.

CEPF will seek new partners who represent diverse geography and strengths – tapping into the strong relationships and networks of the CEPF Secretariat and CEPF donor partners to inspire and work together with others to join the partnership. Effort will focus on equally diverse potential partners, including national governments, bilateral aid agencies, and the corporate sector. For all of these potential partners, the health of our global environment is paramount. The abundance of species and landscapes that make up our global environment helps to provide more than \$33 trillion in natural services from clean air to fresh water that keep the planet's systems in balance and are essential to our survival. Furthermore, the loss of ecosystem diversity and habitat destruction has strong implications for other global issues such as poverty, climate change, and human health, which ultimately have consequences and continue to add considerable risk to financial investments and therefore both development and business objectives.

With this objective in mind, CI has laid substantial groundwork by expanding its relations with European governmental donors. During the past six months, for example, visits were made to the international aid agencies of Denmark, Finland, France, Germany, the Netherlands, Norway, Spain and Sweden. In addition, a new Memorandum of Understanding between CI and KfW Entwicklungsbank (KfW Development Bank) builds on the strong collaboration that already exists through the Caucasus Protected Areas Fund launched in 2006 with joint funding from KfW, CI's Global Conservation Fund, CEPF, and other partners. KfW works on behalf of the German government, represented by the Federal Ministry for Economic Cooperation and Development (BMZ). It is committed to the primary goal of German development cooperation, which is to sustainably improve the economic and social conditions of the people in developing countries. Through the MoU, CI and KfW agreed to jointly protect global biological diversity and through these efforts contribute to improving social and economic conditions in some of the world's most threatened ecological regions. Recent discussions on future initiatives under the MoU have focused on conservation finance and ecologically sustainable management of natural landscapes, representing an exciting opportunity to advance discussions about KfW joining the CEPF partnership. In addition, CI representatives have made several visits to the Kingdom of Saudi Arabia and met with high-ranking government officials about the opportunity for collaboration. Discussions include the CEPF opportunity as well as potential support for other funding mechanisms managed by CI. This partnership with Saudi Arabia is an important starting point in the development of a broader CI relationship with the Gulf countries.

CI intends to continue discussions with these governmental and bilateral leaders with a view to securing support for CEPF and other CI programs, which would bring vital, additional resources and new global and cultural perspectives to the CEPF partnership. Assistance from the CEPF donor partners may also be sought as these discussions progress, particularly potentially from AFD in inspiring other European bilateral agencies to join the partnership.

During the first six years of the program, CEPF and the many partners it supports secured significant co-financing for individual partners and projects from numerous private sector companies, including Avis, ExxonMobil, the South African Wine & Brandy Company, and Starbucks Coffee Company, as well as

mining companies such as De Beers Namaqualand Mines and Rio Tinto. CEPF and CI also helped create a pioneering new fund managed by the Development Bank of Southern Africa that is demonstrating how grassroots development and conservation can thrive together in the Succulent Karoo biodiversity hotspot. CEPF will build on these experiences and create new opportunities to seek out partners from the corporate sector at the donor partner level. As part of this approach, CEPF will further scale up collaboration with CI's Center for Environmental Leadership in Business (CELB) and the CEPF donor partners to identify thought leaders in the corporate sector who seek to reduce their environmental footprint and align business activities with the pursuit of environmental sustainability. As business acquires more influence worldwide and public support for conservation grows, companies are adopting new incentives to demonstrate environmental leadership. To catalyze this transformation, CI and Ford Motor Company established CELB to engage the private sector worldwide in creating solutions to critical global environmental problems in which industry plays a defining role. To date, CELB has formed strategic partnerships with more than 45 leading companies in key industry sectors that have the greatest environmental impact on critical ecosystems and the greatest potential to bring about positive environmental change. The CEPF Secretariat and CELB have already collaborated to begin exploring interest in CEPF with several of CELB's corporate partners.

Other potential partners may also be targeted during implementation of this strategy as opportunities are identified, including governmental partners not identified above as well as private foundations and other nongovernmental partners.

In addition, CEPF will work with the government of Japan and the World Bank to identify and implement potential opportunities for these donor partners to commit additional funds in support of the global program and thereby contribute to implementation of the new Strategic Framework together with the other current CEPF partners. The World Bank's financial commitment of \$25 million was paid in full during FY07. The World Bank has reported that it plans to propose additional Bank support internally for CEPF as part of an overall package of natural resource management partnerships toward the end of 2007. The government of Japan is now focusing on completing its original commitment to CEPF, \$15 million of which has been disbursed to date and all of which will continue to be directed toward the original CEPF priorities. CEPF will work with Japan and the World Bank as opportunities arise to discuss and design potential additional financial support for CEPF.

Finally, the CEPF Secretariat will coordinate strategic fund-raising and marketing opportunities among the CEPF donor partners to capitalize on existing strengths, relationships, and networks as an integral part of implementing this strategy.

CEPF was formed to advance a common conservation agenda in recognition that biodiversity conservation and economic prosperity are inextricably linked and to provide an opportunity for the partners to influence and coordinate plans and strategies around the globe. The partnership also provides an opportunity to both harmonize and leverage donor investment as well as to increase field-based coordination for greater impact. We are confident that together we can succeed in and possibly even surpass the partners' goal of raising an additional \$68 million in new resources in support of our common vision for CEPF over the next five years.