PROTECTING BIODIVERSITY
BY EMPOWERING PEOPLE

CRITICAL ECOSYSTEM
PARTNERSHIP FUND

CEPF Operational Manual

Approved by the CEPF Donor Council 18 September 2007 Updated February 2009, January 2011, August 2012, March 2013, June 2017, September 2018, and May 2022.

Table of Contents

1. CEPF Program

1.1 Program Overview

The Critical Ecosystem Partnership Fund (CEPF) Operational Manual contains the operating policies and procedures of the program for all new investment regions beginning in fiscal year 2008. It includes grant application, information related to safeguard policies, the decision-making process, grant agreement, reporting forms, and provisions to avoid conflict of interest, among other procedures.

CEPF Program Overview

The Critical Ecosystem Partnership Fund (CEPF) empowers people in developing and transitional countries to protect the world's biodiversity hotspots—some of the most biologically richest yet threatened ecosystems that are vital to humanity.
By providing grants to civil society—nongovernmental, private sector and academic organizations—CEPF implements conservation strategies that are developed with local stakeholders. These investments are especially important because the hotspots are home to millions of people who are impoverished and highly dependent on nature for survival.

The fund is a joint program of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, and the World Bank.

As one of the founding partners, Conservation International administers the global program through a CEPF Secretariat.

Grants

CEPF grants:

- Are guided by ecosystem profiles—analyses of the biodiversity and socio-economic conditions in hotspots—that are produced through consultation with local stakeholders and result in regional conservation strategies.
- Go directly to civil society groups in the biodiversity hotspots to build this vital constituency for conservation alongside governmental partners.
- Are awarded on a competitive basis.
- Contribute to governments' efforts to meet targets related to the UN Convention on Biological Diversity (the Aichi Targets), the UN Framework Convention on Climate Change, and Sustainable Development Goals (SDGs).
- Create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts.
- Achieve results through an ever-expanding network of partners working together toward shared goals.

Openness and Transparency

CEPF will operate using the principles of openness, transparency, and partnerships as part of its commitment to strengthen and empower civil society. These steps are also designed to avoid potential conflict of interest. All groups seeking funding from CEPF and implementing projects with CEPF support will be required to fulfill the defined protocols and methodologies established for the program.

Amendments to the CEPF Operational Manual

The Operational Manual may only be amended with approval by the CEPF Donor Council. Any donor member of CEPF may request new policies for inclusion in the Operational Manual or revision to existing policies at any time. All amendments to the Operational Manual will be presented by the Secretariat to the Working Group for discussion. The Working Group will consider the proposed amendments and recommend to the Donor Council the amendments deemed appropriate for approval. Those new or revised policies approved by the Donor Council will become globally applicable across CEPF.

Where we work

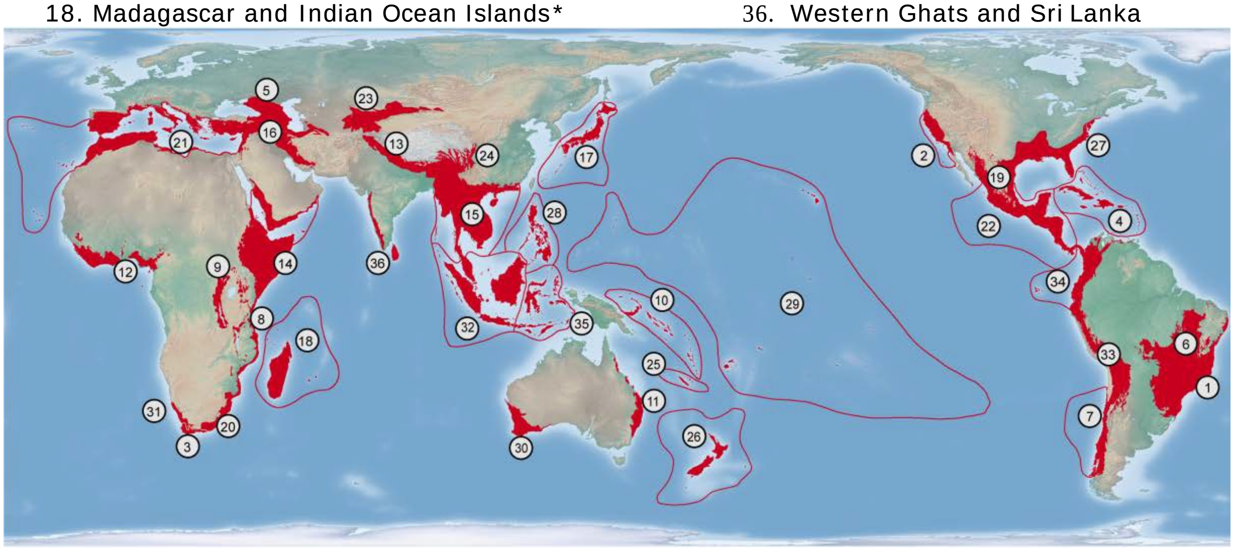
The world's 36 biodiversity hotspots hold especially high numbers of endemic and threatened species, yet their combined area of remaining habitat covers only 2.3 percent of the Earth's land surface. Each hotspot faces extreme threats and has already lost at least 70 percent of its original natural vegetation.

The hotspots approach to the conservation of critical ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for local and global benefits.

CEPF focuses on supporting civil society in developing and transitional countries within the biodiversity hotspots. As a result, not all biodiversity hotspots are eligible for CEPF funding.

List of Global Biodiversity Hotspots

1. Atlantic Forest
2. California Floristic Province*
3. Cape Floristic Region
4. Caribbean Islands*
5. Caucasus
6. Cerrado
7. Chilean Winter Rainfall-Valdivian Forests
8. Coastal Forests of Eastern Africa
9. Eastern Afromontane
10. East Melanesian Islands
11. Forests of East Australia*
12. Guinean Forests of West Africa
13. Himalaya
14. Horn of Africa
15. Indo-Burma
16. Irano-Anatolian
17. Japan*
18. Madagascar and Indian Ocean Islands*
19. Madrean Pine-Oak Woodlands*
20. Maputaland-Pondoland-Albany
21. Mediterranean Basin*
22. Mesoamerica
23. Mountains of Central Asia
24. Mountains of Southwest China
25. New Caledonia*
26. New Zealand*
27. North American Coastal Plain*
28. Philippines
29. Polynesia-Micronesia*
30. Southwest Australia*
31. Succulent Karoo
32. Sundaland*
33. Tropical Andes
34. Tumbes-Chocó-Magdalena
35. Wallacea
36. Western Ghats and Sri Lanka



Sources:

Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions. Mexico City: CEMEX.

Noss, R. F., Platt, W. J., Sorrie, B. A., Weakley, A. S., Means, D. B., Costanza, J. and Peet,

R. K. (2015), How global biodiversity hotspots may go unrecognized: lessons from the North American Coastal Plain. Diversity Distrib., 21: 236–244. doi:10.1111/ddi.12278

To be eligible for CEPF funding, countries must be signatories to the Convention on Biological diversity and be client members of the World Bank.

Mittermeier RA, Turner WR, Larsen FW, Brooks TM, Gascon C (2011) Global biodiversity conservation: the critical role of hotspots. In: Zachos FE, Habel JC (eds) Biodiversity hotspots. Springer, Berlin, Heidelberg, pp 295-310.

* Not all countries in this hotspot would be eligible for funding under the CEPF investment criteria. However, the CEPF Donor Council may choose to establish funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Donor Council may also choose to include marine ecosystems within targeted hotspots.

2. Financial Management

2.1 Overview of Financial Management

Conservation International (CI) oversees internal control and financial management of CEPF in accordance with CI's financial policies and procedures. The Finance Department at CI's headquarters manages CI's global financial operations. The Finance Department oversees the budget, daily accounting activities, government compliance, and field office accounting.

Each CI division has one or more financial staff that works closely with the headquarters office Finance Department. The Senior Director of Finance for the Conservation Finance Division oversees the financial and information management function for the division, which includes financial planning and modeling, preparation of financial statements and other donor reports, managing CEPF external financial audits, budget/spending plan and revenue and cash management, and financial performance reporting for CEPF. In addition, this position is the liaison between CEPF and CI Finance and between CEPF and the financial staff of the donor partners.

Financial Systems
CI uses Unit4 Business World as its accounting and human resources software for both its headquarters and field offices. Unit4 Business World's financial management package is an industry leading integrated set of financial management and accounting applications. CI field offices maintain their financial records in Unit4 Business World, submitting files monthly for review and consolidation, and allowing users with the appropriate authorities to access financial information globally. CI's Chart of Accounts includes the ability to segregate projects by funding source, cost center, activity, sub-activity, and contract number. CI has established a coding structure within its general ledger to track CEPF funds. CI's budgeting system, named Clarity, is also linked to Unit4 Business World.

CI uses a customized web-based system for its grants management, named ConservationGrants, built on a Salesforce platform. The system is used by CEPF staff to manage portfolios of grants. The system enables CEPF to track the full lifecycle of a grant including all letters of inquiry and rejections, proposal review, project implementation and progress tracking, and project closeout. In addition to storing data and documents, the system has built-in validations to ensure the appropriate review thresholds are applied and sends alerts and reminders to users when action is required.

Audit
Records associated with financial transactions are kept at CI headquarters and in the field offices according to CI's Record Maintenance Policy, which requires complete documentation to be maintained for no less than seven full years after the transaction for which the document supports. Each fiscal year, CI has an external audit by independent auditors of its records, accounts, and financial statements (statements of financial position, statement of activities, statement of cash-flow and related statements),

including those for CEPF, in accordance with appropriate auditing principles consistently applied.

CEPF may conduct separate project-specific audits of specific donor funds provided to CEPF as required in financing agreements with its donors.

CI has an internal audit function which reports to the Audit Committee of CI's Board of Directors. The Audit Committee approved the internal audit function and internal audit plan at its meeting in March 2007. Internal auditors, or consultants acceptable to the Donor Council, may also conduct a specific CEPF program audit. Relevant observations from the internal audit will be communicated to the CEPF Donor Council.

Bank Account(s)
CI maintains CEPF funds in its pooled operating account, unless donor requirements state the need for a segregated USD-denominated bank account. All interest earned on a segregated bank account is used solely for CEPF. In either case, award amounts, cash receipts, and project expenditures are tracked by a ledger account specific to the donor source in CI's accounting system. The timing and amount of each donor contribution may vary according to the individual bilateral agreements.

Funds to external grantees are disbursed directly from the pooled CI operating account, unless otherwise required by a donor.

Finance reconciles both the CEPF bank account and the general CI operating bank account monthly for any segregated CEPF bank accounts required by a donor for funds that are due to or from the CI operating account.

CEPF funds may be invested subject to Donor Council approval.

Donor Reporting
Financial statements will be prepared on a quarterly and annual basis and provided to the CEPF Donor Council. In addition, supplemental reporting will be provided to the donors, where additional requirements are specified in their individual funding agreements. The standard financial reports include the Quarterly Financial Report, the Annual Spending Plan, and Annual Report.

The annual budget ("Annual Spending Plan") is due no later than April 30 of each year, for review and approval by the Donor Council, describing the funding levels of the proposed spending categories for the Fund during the next fiscal year.

Grant-level Financial Management
This section is a summary of grant-level financial management; more detailed procedures for financial management of individual grants are further explained in Procedures for Grant Management (OM 4).

Large grants:
The due diligence procedures for external grant awards includes conducting anti-terrorist screenings of grant applicants, performing financial due diligence of grantees, and providing training and site visits to grantees as needed.

The financial due diligence process determines the monitoring and reporting requirements for all grantees, including Regional Implementation Teams (RITs). These procedures determine the frequency of reporting plus any audit requirements (OM 4.3.6). In addition, the complete set of CEPF standard provisions is flown down to all CEPF grantees through each grant agreement (OM 4.3.7 and OM 4.3.8).

Grantee payments are made based on approved quarterly financial reports and projected cash needs. This minimizes currency fluctuation and cash outstanding in grantee bank accounts.

CEPF's Grants Managers conduct a selected sample of grantee financial site visits each year. These grantees are selected based on grant dollar value, risk and location. Site visits to assess both financial and programmatic performance of grantees, including the Regional Implementation Teams, are also an integral part of CEPF monitoring. Supervision plans for grantees are flexible and reflect the number of regions and grants active at a given time.

Small grants:
RITs directly award small grants up to a threshold amount (between $20,000 and $50,000) that is set for each hotspot based on a joint decision of the RIT and CEPF Secretariat. Each RIT is directly responsible for evaluating the financial risk of its grant awards and may use CI's risk assessment model as a tool to guide its assessments. All grants awarded and activities supported with CEPF funding must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all financial protocols. All RITs must receive training in the Operational Manual's policies and provisions within 90 days of appointment.

2.2 Conflict of Interest and CEPF Funding

Conservation International (CI) is committed to ensuring that its transactions, engagements, and relationships are transparent and do not inappropriately benefit interested persons and organizations.

As the administrator of the Critical Ecosystem Partnership Fund (CEPF), CI aims to ensure the same high standards are applied to all CEPF operations and funding decisions. CI's Conflict of Interest policy, relative to CI employees, states:

"All CI employees are required to complete and sign annual conflicts of interest disclosure forms. These forms are provided to employees at the start of each fiscal year by the General Counsel's Office (GCO).

In addition to these annual disclosures, if a proposed transaction arises in which an employee has, or believes s/he may have, a conflict of interest, the employee is required to make an immediate disclosure to the GCO and his/her immediate supervisor, using the conflicts of interest disclosure form available on CI's Intranet. This disclosure must be done prior to any consideration or execution of the proposed transaction by CI.

The employee shall not participate in the deliberations on the matter but shall disclose any material facts related to the proposed transaction. Upon a determination by the GCO that a conflict of interest exists, the GCO, working with the supervisor or division head, may request that appropriate actions be taken to resolve the matter. The GCO shall maintain a record of the existence and resolution of the conflict of interest. In some cases, these conflicts may be reported in public filings. If the matter cannot be resolved in a satisfactory manner, but the employee, his/her supervisor and/or the respective division head are of the opinion that the transaction is nonetheless beneficial to the overall interests of CI, the respective division head and the GCO shall bring the matter to the attention of the Chief Executive Officer who shall make the final determination whether to pursue the transaction; provided, however, that if the employee is also an officer or in a position to exert substantial influence over the affairs of the organization, then the matter is referred to the Compensation Sub-Committee of CI's Board of Directors in accordance with its procedures for addressing conflicts of interest."

Proposed mitigation measures for any conflict of interest that pertains to CEPF's Executive Director will be submitted to the Working Group for consideration, and decision-making for the conflicted transaction will be elevated outside of the Executive Director's chain of command.

CEPF has transparent and globally consistent eligibility criteria and decision-making processes that are approved by the CEPF Donor Council and widely publicized. An ecosystem profile for each region is also approved by the Donor Council and clearly sets out the parameters for investment. These investments adhere to environmental and social policies of the CEPF, as detailed in the CEPF Environmental and Social Management Framework (OM 3.6).

All grant recipients also agree to adhere to specific ethical standards pertaining to the use of CEPF funds, as detailed in the grant agreements (OM 4.3.7 and 4.3.8).

Additional measures to be put in place for CEPF operations and decision-making that may present an actual or apparent conflict of interest are detailed below.

A Regional Implementation Team will provide strategic leadership in each hotspot selected for funding beginning in 2007. The objective of these teams will be to convert the plan in the CEPF ecosystem profiles into powerful portfolios of grants. The teams will provide local knowledge and insights and represent CEPF in each hotspot. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving the shared conservation goals described in the profile.

Each Regional Implementation Team will be selected by the CEPF Donor Council through an approved transparent, competitive process (OM 4.2). Consideration of applications from CI will require recusal by the CI members of the CEPF Working Group and Donor Council from any aspect related to the review and approval by the Donor Council.

To avoid conflict of interest at the hotspot level, the organizations that comprise the Regional Implementation Team (whether international or local civil society groups) will not be eligible for additional grants in that hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

Decision-making for Project Applications

All applications for funding will be reviewed by the Regional Implementation Team, which will also manage the process for review of proposals with external reviewers and advisory committees, where relevant.

The Regional Implementation Teams will award small grants, which are typically up to $20,000. The threshold amount for small grants may be increased, up to $50,000, based on a joint decision of the RIT and the CEPF Secretariat. Grants above the threshold amount (referred to as 'large grants') will be awarded by CEPF, based on a joint decision by the RIT and the CEPF Secretariat. Peer reviewers, local advisory committees or other similar structures will also be involved in decision-making within each hotspot, as appropriate.

Additional external review will be required for all proposals requesting more than $250,000. All proposed grant awards to CI will require approval on a time-bound no objection basis by the CEPF Working Group. Consideration of applications from CI will require recusal by the CI member of the CEPF Working Group. CI is not eligible to receive small grants from an RIT nor sub-grants under large grants awarded by CEPF to other organizations; CI is eligible to receive grants (small or large) awarded directly by CEPF.

Complaint Mechanisms

CEPF provides a written explanation to all applicants whose proposals are unsuccessful as part of its focus on building civil society capacity. Applicants are encouraged to contact the relevant Regional Implementation Team or CEPF grant director if they have additional questions about the decision. If the applicant is not satisfied with the response, a complaint may be submitted to the CI Ethics Hotline at www.ci.ethicspoint.com or via phone to a local dial-in number displayed at www.ciethicspoint.com. Any complaints submitted to the CI Ethics Hotline will be investigated promptly and treated as confidential to the extent possible. CEPF will not retaliate against any person or organization that submit such complaints in good faith.

CEPF has also established specific procedures to enable local communities and other stakeholders to raise a grievance at all times to applicants, grantees, Regional Implementation Teams, and the CEPF Secretariat related to the implementation of safeguards. These are detailed in OM 3.6 of the CEPF Operational Manual.

2.3 Procurement

CEPF complies with Conservation International's procurement policy and any additional donor requirements as agreed to with donors (See Grant Agreement, Attachment 2 (OM 4.3.7), and Internal Grant Agreement, Attachment 2 (OM 4.3.8)).

Additional information on Procurement may be found on CEPF website: https://www.cepf.net/grants/managing-your-grants-financial-requirements.
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2.4 Ethics

CEPF complies with Conservation International's Ethics Policy as described below. The Ethics Policy applies to the CEPF Secretariat, RITs, and CEPF grantees and is included as an annex to the Grant Agreement.

Introduction and Purpose
Conservation International's reputation derives from our commitment to our core values: Integrity, Respect, Courage, Optimism, and Passion and Teamwork. CI's Code of Ethics (the "Code") provides guidance to CI employees, consultants, independent experts, interns, and volunteers in living CI's core values, and outlines minimum standards for ethical conduct which all staff must adhere to.

CI relies on the personal integrity, good judgement and common sense of individuals acting on behalf of the organization to deal with issues not expressly addressed by the Code. Failure of a staff member to adhere to the Code may result in disciplinary action up to and, including discharge from employment and filing of criminal charges.

CI employees, consultants, independent experts, interns and volunteers shall:

Integrity

- Act in good faith, responsibly, with due care, competence and diligence and maintain the highest professional standards at all times.
- Comply with CI policies as well as all applicable laws, rules and regulations, domestic and international, in every country where CI works.
- Reflect actual expenses or work performed in expense reports, timesheets, and other records.
- Never engage in any of the following acts: falsification of business documents, theft, embezzlement, diversion of funds, bribery, or fraud.

Transparency

- Perform duties, exercise authority and use CI resources and assets in the interest of the organization and never for personal benefit.
- Avoid conflicts of interest and not allow independent judgment to be compromised.
- Not accept gifts or favors in excess of $150 from vendors, consultants or grantees.

Accountability

- Disclose to a supervisor and the General Counsel's Office, at the earliest opportunity, any information they have or become aware of, that may result in a real or perceived conflict of interest or impropriety.
- Exercise responsible stewardship over CI's assets and resources; spend funds wisely, in the best interests of CI and in furtherance of its mission. Adhere to and respect the wishes of its donors.
- Manage programs, activities, staff and operations in a professionally sound manner, with knowledge and wisdom, and with a goal of increasing overall organizational performance.

Confidentiality

- Not disclose confidential information obtained during the course of their work at CI.
- Protect confidential relationships between CI and its grantees, donors, and vendors.

Mutual Respect and Collaboration

- Assist its partners in building the necessary capacity to carry out conservation programs efficiently and effectively and to manage funds in a fiscally and operationally prudent manner.
- Create constructive relationships with grant-seekers and other partners based on mutual respect and shared goals by communicating clearly and timely, and respecting our partners' expertise in their field of knowledge.
- Engage with indigenous peoples and local communities in which CI works in a positive and constructive manner that respects the culture, laws, and practices of those communities, with due regard for the right of free, prior and informed consent.

Any violations of the Code of Ethics should be reported to Conservation International via its Ethics Hotline at www.ci.ethicspoint.com.

3. Project Cycle Management (PCM)

3.1 Project Cycle Management Plan

The Critical Ecosystem Partnership Fund (CEPF) approaches project cycle management in a slightly different way than the more traditional approach. CEPF strives to turn what is often a series of monitoring and evaluation reports and requirements into an active and effective management tool for grantees. The goal is to create a powerful, adaptive approach that becomes a learning system for all involved. While reports are important for CEPF as a whole to monitor the project and to manage its overall portfolio, the process enables each grant recipient to manage its project implementation and to track intended results in a more cohesive way. It also assists both the grantee and CEPF in determining when adaptive management may be necessary.

Project cycle management for CEPF
Project cycle management (PCM) is a term often used to cover the different tools and methods used to manage a project throughout its full “cycle” of **design**, **implementation**, and **evaluation**. There are several tools and methods that might be used during each of these phases. An organized set of these that are linked through the different phases of the cycle leads to an effective project cycle management approach.

The CEPF project cycle management approach is based on projects establishing logical hypotheses, clearly defining objectives, identifying targeted, measurable indicators, highlighting important assumptions, compiling baseline information, and establishing practical monitoring and evaluation systems. This is required from a programmatic, as well as an individual project point of view. Therefore, the approach begins with a clear definition of the overall CEPF global program. This includes defining the main objectives for the program, what the intended impacts are, who the intended beneficiaries are, and what the operational structures of the program will be. Key targets are summarized in a Global Results Framework to which each ecosystem will be linked. The Global Results Framework is a simplified Logical Framework that will form the basis for monitoring and evaluation of the global program.

The Logical Framework assists in:
- Defining clear, causally linked objectives.
- Defining clear indicators of project impact or success.
- Defining the project implementers’ deliverables (terms of reference).
- Identifying activity clusters for implementation.
- Defining critical external assumptions that may impact the project’s success.
- Setting up the monitoring & evaluation system of the project.
- Defining the necessary inputs required (human, financial, time, etc.).

Note: *The Logical Framework is a project design matrix used to summarize and communicate a complex project. It outlines the cause & effect model (hypothesis) of a project’s objectives and highlights the direct impact the project deliverables are expected* *to have. It also defines clear performance indicators for all objectives, elaborates the monitoring and evaluation requirements, and details important external factors surrounding the internal project design.*

CEPF grantees may be requested to use the Logical Framework to summarize their project designs in an effort to help track their performance throughout implementation, to provide a clear guide to evaluating each project upon completion, and to allow the projects to learn from previous experiences. By applying this tool, CEPF expects projects to:

- Have effective and efficient project implementation, particularly as conservation interventions become more complex and multi-sectoral.
- Identify unexpected problems before they turn into larger crises.
- Assess new, innovative components.
- Track progress toward the achievement of objectives.
- Derive lessons learned from past experiences.
- Test conservation and development hypotheses.
- Measure conservation impact, particularly in areas where there are urgent threats.

This approach demands the participation of project leadership, project teams, partners, host organizations, and donors such that it allows for open collaboration, learning, and change. If there is broad participation in the monitoring and evaluation process, CEPF expects there will be greater acceptance of its benefit and a commitment to it on the part of project teams, partners, and beneficiaries.

Ecosystem profiles

Detailed ecosystem profiles will be developed for selected ecosystems. These profiles are meant to elaborate a strategic approach toward a particular hotspot region that follows the objectives set out under CEPF. The ecosystem profiles will be developed in a manner consistent with the section OM 4.1 of the Operational Manual, which includes Information Requirements for Ecosystem Profiles as defined in the Financing Agreement between the CEPF donor partners.

The section *CEPF Investment Strategy and Programmatic Focus* (Ecosystem Profiles, Chapter 12, OM 4.1) will describe the set of strategic outputs that must be delivered to achieve the desired impacts for the region. For each ecosystem profile, this will include strategic directions and investment priorities that form the basis for specific projects to be supported. The CEPF investment strategy will include a logical framework that incorporates CEPF's global indicators and relevant indicators specific to the hotspot in relation to the strategic directions and investment priorities.

Long-term visions

CEPF should not be a permanent presence in each hotspot but define and work towards an end point at which local civil society transitions from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Experience to date shows that, in most hotspots, reaching a point at which civil society transitions from CEPF support will take more than the five-year time period of a typical ecosystem profile. To this end, long-term visions will be developed and implemented, facilitating the development of credible, effective, and well-resourced civil societies, and delivering improved biodiversity conservation, enhanced provision from healthy ecosystems of services important to human wellbeing, and greater alignment of conservation goals with public policy and private sector business practices. The long-term visions will be developed in a manner consistent with OM 3.8 of the Operational Manual.

Global and portfolio logical frameworks

A statement of impact and a programmatic set of objectives for CEPF as a global program will be expressed in the form of a Global Results Framework. Within this program will be several ecosystem strategies that will also be expressed in the form of Logical Frameworks. This will form the basis of a strategic portfolio in which the impacts or projects in each ecosystem will contribute to a higher-level impact outlined in the CEPF Global Results Framework. At the same time, each ecosystem profile may be viewed as a program portfolio in which each funded project contributes to the stated impacts and objectives of that particular profile. This results in the creation of a cascading set of logically linked objectives and hypotheses that allows even the smallest CEPF project to recognize its place and importance in a much larger strategic portfolio. By following such an approach, CEPF anticipates having a very active, constructive project cycle management system that invites collaboration, innovation, and integration while maintaining effectiveness, efficiency, and structure in the process.

3.2 Process for Design

The process begins by placing the approved ecosystem profiles on the CEPF Web site, www.cepf.net and sharing it widely within the region. Critical to the overall CEPF investment approach is the way in which each profile includes specific strategic directions and investment priorities designed to guide both civil society groups in applying for grants and CEPF in awarding funding to meet the stated objectives. As applicants select a strategic direction to which they wish to submit a project proposal, they will be required to submit a Letter of Inquiry (OM 4.3.1). The letter of inquiry is used to provide CEPF with an overview of the project concept and includes the following:

- A clear explanation of how the proposal relates to a specific strategic direction as outlined in the ecosystem profile.
- The geographic area of the proposed work.
- A brief project description (approach, objectives, expected results and project deliverables).
- Key organizational qualifications (how the organization is best qualified to carry out the project).
- A description of any potential partners to be involved in the project.

For all large grants (any grant requests over $20,000, or in selected hotspots over $50,000), the letter of inquiry must be submitted electronically via CEPF's electronic grant management system, *ConservationGrants*. For all small grants, the letter or inquiry may be submitted by e-mail directly to the Regional Implementation Team located in the relevant hotspot.

Letters of inquiry for large grants that look promising to CEPF are passed on to a second part of the application, Project Proposal (OM 4.3.2). This form is set up to elicit a clear description of the basic elements of the project *(design)*. Required elements of the proposal include:

- Size of the grant.
- Statement about background and experience.
- Clear link to the CEPF ecosystem profile.
- Clear statement of the expected impacts.
- Description of the main project deliverables.
- Assessment of the Safeguard Policies.
- Description of stakeholder participation and consultation.
- Explanation of external risks and sustainability issues.

The elements listed above provide the core information required of a Logical Framework, and thus the beginnings of the project cycle management approach. Prior to final approval of a grant, a completed Logical Framework and timeframe that highlights key deliverables to be met over time, and a project budget are required[1]. These elements combine to cover much of what is typically included in the design phase of the project cycle.

Letters of inquiry for small grants are evaluated by the relevant Regional Implementation Team. Procedures for further project design may vary across hotspots.

[1] These elements are laid out in the Project Proposal template in OM 4.3.2 of the Operational Manual.

3.3 Consultation and Participation

Engaging a rich mix of civil society, governmental partners, and other stakeholders in the various levels of CEPF operations, from design to monitoring and evaluation, has proven to be a critical foundation for the unique CEPF approach to biodiversity conservation and for its effectiveness.

The impact of individual projects, ecosystem portfolios, and the overall global program are improved through the shared accountability, collaboration, and sensitivity to social, economic, and cultural needs that result from sustained engagement of key stakeholders.

The CEPF approach to stakeholder participation includes a commitment to:

- **Consultation** – The broad involvement of many regional actors in the preparation of every ecosystem profile informs and shapes CEPF’s strategic plans. Subsequent, frequent information exchange among the CEPF Secretariat, Regional Implementation Teams, project applicants and implementers, and stakeholders affected by CEPF-supported projects with regard to critical decisions, including investment strategies, project design, implementation, and evaluation amplifies the impact of CEPF grants.
- **Participation** – Collaborative engagement among the CEPF Secretariat, Regional Implementation Teams (RITs), project implementers, and stakeholders in project design, implementation, and evaluation activities makes grants more likely to succeed. Varied stakeholders will also participate in mid-term and final assessments of the ecosystem portfolios.
- **Information Dissemination** – Accessibility and sharing of information relevant to CEPF investment strategies, projects, results, and lessons learned is a cornerstone of the CEPF approach to help avoid duplication of effort as well as to foster transparency, learning, and replication within and across ecosystems and at the global level.

These three components of the CEPF approach to stakeholder involvement are fundamental to achieving CEPF objectives and enhancing the benefits to critical ecosystems and the local communities and others they support.

The following are principles by which these components are implemented:

- Responsibility for ensuring stakeholder involvement rests with the CEPF Secretariat and RITs. The RITs will support effective involvement at the ecosystem and project level through information exchange and facilitating discussion among stakeholders. Where necessary, CEPF grant resources can be used to ensure adequate consultation in the design of major CEPF-supported initiatives. CEPF's Environmental and Social Management Framework (OM 3.6) includes a safeguard policy on stakeholder engagement.

- The extent and quality of stakeholder consultation in developing a project, maintaining stakeholder participation over time, and the degree to which stakeholder involvement enhances sustainability are criteria against which all project proposals are evaluated. These factors are also considered during implementation.
- Differences in requirements for public involvement will exist across project types, and appropriate stakeholder engagement will vary among projects depending on specific circumstances. For example, a project that affects Indigenous communities and the management of Indigenous lands or impacts the livelihoods of local communities will require a more extensive approach to consultation and participation than one that provides technical assistance to a government agency for improving its ability to implement its commitments under an international convention.
- Non-proprietary information associated with projects and activities supported by CEPF, including the ecosystem profiles and assessments, are made available to the public. In particular, information such as awarded grants, results, best practices, and lessons learned are posted on the CEPF Web site, www.cepf.net.

3.4 Process of Monitoring and Evaluation

Section OM 3.3 of this manual emphasized the importance of participation, and this holds true in the monitoring and evaluation phases. Monitoring and evaluation is a collaborative process of learning and demands responsibility on the part of all team members.

CEPF maintains a set of broad principles when addressing monitoring and evaluation:

- **Participation –** Opening up the design process to include those most directly affected and gaining agreement to carry out monitoring and evaluation together.
- **Negotiation –** Reach agreement on what will be monitored and evaluated, how data will be collected, who will do the collection and analysis, how frequently this will be done and in what format, how findings will be disseminated among those involved, and finally, what actions will be taken as a result.
- **Learning –** This becomes the basis for subsequent improvements and corrective action.
- **Flexibility –** This is critical given the variety of stakeholders involved, the changing external environment, and the need to make performance improvements along the way.

Monitoring and evaluation has conventionally been a variety of *ad-hoc* processes often done by external groups. These have tended to be mainly quantitative and rarely have included the various stakeholders involved. CEPF monitoring and evaluation emphasizes a participatory approach, which also contributes to an active learning system.

Table 3.4.A: CEPF Participatory Monitoring and Evaluation

Methods for planning process	• Logical Framework • Environmental, economic, institutional analysis • Baselines
What is the role of the "primary stakeholders"	• Design and adapt methodology • Collect and analyze data • Share findings and link them to actions
How is success measured	• Internally defined • Includes qualitative indicators • Makes judgments
Approach	• Adaptive / Flexible

Project preparation

At this stage, a project should include performance indicators and milestones that are important to future monitoring and evaluation efforts. These are elaborated in a Logical Framework design, as described earlier. In addition to this, performance measures are broken down over time in the monitoring and evaluation plan to allow for easier supervision during implementation. At this level, the introduction of monitoring and evaluation principles is considered formative since it creates the condition for future evaluation. CEPF will use the Letter of Inquiry (OM 4.3.1) and Project Proposal (OM 4.3.2) for this stage.

Project Implementation
The monitoring and evaluation process takes the form of ongoing monitoring at implementation and includes performance tracking, performance improvement planning, risk assessments, and the updating of original designs. Monitoring and evaluation during project implementation are still considered formative, as its purpose is to support ongoing project improvement. CEPF will use the Project Progress Report (OM 4.4.1) during implementation, which will be required on at least a semi-annual basis from all grantees. This report revisits the original design, checks planned versus actual project performance via the monitoring and evaluation plan and reviews the implementation schedule to confirm project duration.

Project completion
The evaluation process after project completion re-visits the original design and reports on the impact the project has had on its intended beneficiaries. It looks at planned versus actual performance to evaluate the results of the project; delivery of outputs, achievement of impact, and any valuable lessons to be learned for future projects. At this stage, evaluation is considered summative. CEPF will require all grantees to submit a Final Completion and Impact Report (OM 4.4.3) at the end of their project and these will be posted on www.cepf.net.

The following table summarizes how monitoring and evaluation are incorporated into the CEPF Project Cycle Management (PCM) approach:

Table 3.4.B: Monitoring and Evaluation through the Project Cycle

Type of Monitoring and Evaluation	Phase of Project Cycle	Monitoring and Evaluation Tools	Monitoring and Evaluation Products	
			Documents	Process Results
Formative Learning "During"	***Project Preparation***	• Economic, financial, institutional analysis • Baselines • Logical Framework • Monitoring and evaluation plans	• Logical Framework • Project proposal application (1 & 2) • Civil Society Tracking Tool (CSTT) • Gender Tracking Tool (GTT) • Management Effectiveness Tracking Tool (METT (if applicable)	Improved: • Design • Transparency • Participation
	Project Implementation	• Supervision events • Performance reviews • Implementation plans • Monitoring and evaluation plans	• Monitoring and evaluation reports • Implementation schedules • Financial progress report	Improved: • Execution • Performance • Transparency • Participation
Summative Learning "After"	***Project Completion***	• Ex-post evaluation • Impact assessment	• Final Completion and Impact Report • Final CSTT • Final GTT • Final METT (if applicable)	Improved learning: • Project designs • Policies • Strategies • Portfolio

Much of the information required during the project cycle will come through the various templates to be used by grantees throughout implementation of their project. During implementation, emphasis is on key questions around the issues of project rationale and project effectiveness. Our aim in requiring periodic reporting on project performance throughout implementation is to continually check these as outlined below:

Continued Project Rationale:

Project Efficiency:

Does the project:

- Continue to reflect development priorities?
- Continue to be linked to the overall portfolio and strategy?
- Contribute to the Goal?
- Remain relevant given the Objectives?

- Is implementation managed properly?
- Are inputs managed appropriately and cost-effectively?
- Is implementation on time and at cost?
- Are the outputs being delivered?
- Is there a better way?
- Can it be improved?

The final stage of the cycle allows for evaluating project impact as well as drawing any lessons learned from the project experience. During this stage, we again pose a series of questions:

Project Effectiveness (Impact):

- Have the outputs been produced?
- What has happened as a result?
- What are the impacts on stated priorities?
- Are there any unplanned impacts?
- Why were planned impacts not achieved?
- What are the long-term effects on program/strategy?

Lessons Learned:

- What lessons can be learned in terms of project relevance?
- What performance lessons can be learned in terms of achieving objectives?
- What resource use lessons can be learned?
- What elements might be replicated in future projects?

CEPF will track project information during the design, implementation, and evaluation stages for all projects supported and as expressed earlier, will do so using the online grant-making mechanism. One tremendous advantage of this system is that it will continually expand the database of information for the CEPF program as a whole. It will be possible to view information on each individual project, but perhaps more importantly, it will allow for the creation of programmatic summaries and evaluations based on the individual project information that is active within the system.

The system, therefore, enables CEPF to maintain a constant understanding of how the program as a whole and at the ecosystem portfolio level is functioning: what overall impacts are being achieved, what strategic directions need adjustment, and what further support may be needed. The result will be continued programmatic direction, efficiency, effectiveness, overall impact, and the dissemination of results and important lessons being learned in the field.

3.5 CEPF Monitoring Framework

The existing and continually evolving CEPF management tools include the ecosystem profiling process, and the grants management procedures and monitoring systems. These are useful in developing and promoting the strategies for profiles, managing a large and dynamic pool of grants, and tracking progress in grant making and achieving goals. These tools enable the fund to focus on achieving conservation impacts on the ground.

The CEPF Strategic Framework outlines overarching “key indicators of success”:

- Number of critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- Number of civil society actors, including NGOs and the private sector, that actively participate in conservation programs guided by the CEPF ecosystem profiles.
- Number of hectares of Key Biodiversity Areas (KBAs) with strengthened protection and management.
- Number of hectares of new protected areas.
- Number of hectares in production landscapes managed for biodiversity conservation or sustainable use.

The Monitoring Framework seeks to complement the broad goals of the Strategic Framework, underpin these goals with more sensitive data, and better communicate the stories of CEPF’s work.

1. **Purpose of the monitoring framework:** i) to efficiently and adaptively manage the CEPF portfolio both globally and at the profile levels; ii) to capture information on impacts of CEPF investments in a systematic manner to enable more effective communication of results; and iii) to identify emerging conservation needs or those that are cross cutting/critical to the conservation success of a given investment region.

2. **Elements of the monitoring framework:** This framework is split into two main components: program impact and portfolio management. Program impact focuses on the impacts CEPF will have as a fund and is split into four broad categories as described below. Portfolio management focuses on CEPF internal processes and the ability of CEPF to efficiently and effectively operate.

3. **Program impact:** Each of CEPF’s grants is placed into one of four categories of impact, known as the pillars of CEPF: Biodiversity, Civil Society, Human Well-being, and Enabling Conditions:

Table 3.5.A: Impact categories and associated statements of success

Biodiversity Improve the status of globally significant biodiversity in critical ecosystems within hotspots.	**Human well-being** Improve the well-being of people living in and dependent on critical ecosystems within hotspots.
Civil society Strengthen the capacity of civil society stewards and effective advocates for conservation of globally significant biodiversity.	**Enabling environment** Establish the conditions needed for the conservation of globally significant biodiversity.

CEPF's first two pillars, which aim to conserve biodiversity and to build civil society capacity to achieve conservation, are closely linked. Strong civil society capacity is essential for a sustainable foundation for biodiversity conservation. Underpinning both are the third and fourth pillars. Human Well-being is directly linked to the success of biodiversity conservation efforts because healthy ecosystems are essential for people's lives and livelihoods, while ecosystems that are unhealthy or devoid of biodiversity cannot deliver the benefits that people need, such as fresh water. Enabling Conditions are critical for successful conservation, but can be altered and improved by civil society, in particular a civil society that is empowered and informed. CEPF aims to measure progress in all four of these interlinked pillars to gain a holistic understanding of impact of the fund.

Each impact category is presented below.

Impact category 1: Biodiversity

Objective: Improve the status of globally significant biodiversity in critical ecosystems within hotspots.

Description: Measuring the status and trends in biodiversity can take many forms. CEPF has chosen to measure progress toward this impact category via indicators focusing on species and sites.

Species: represent the smallest recognizable and (in most cases) replicable unit of biodiversity and underpin CEPF's ecosystem profiling framework. CEPF investment strategies are built "from the species up"; threatened species inform the selection of important sites (KBAs[2]), which, in turn, inform the definition of conservation corridors. Together, these "conservation outcomes" at species, site, and corridor scales guide conservation investments within a hotspot. CEPF monitors its contribution to species conservation by recording the number of globally threatened species that benefit from CEPF-supported conservation action.
Sites: represent spatial units managed for the purpose of biodiversity

[2] KBAs, or Key Biodiversity Areas, are sites of importance for the global persistence of biodiversity. They are identified for biodiversity elements for which specific sites contribute significantly to their global persistence, such as globally threatened species or ecosystems. The identification of KBAs uses multiple criteria and sub-criteria, each with associated quantitative thresholds (IUCN, 2016, *A Global Standard for the Identification of Key Biodiversity Areas*. Available at https://www.keybiodiversityareas.org/working-with-kbas/proposing-updating/criteria.

conservation (whether this is a primary or secondary purpose). These include KBAs, protected areas, and production landscapes. Examples of management activities may include protected area management, community conservation agreements and biodiversity-friendly agriculture, among others.

CEPF monitors its contribution to site conservation through structured self-reporting by grantees at the end of their projects, verified by spot checks by the CEPF Secretariat and its Regional Implementation Teams (RITs). The following indicators are used:

- Number of hectares of KBAs with improved management.
- Number of hectares of protected areas created and/or expanded.
- Number of hectares of production landscapes with strengthened management of biodiversity.
- Number of protected areas with improved management (using the Management Effectiveness Tracking Tool).
- Number of globally threatened species benefiting from conservation action.

Impact category 2: Human well-being

Objective: Improve the well-being of people living in and dependent on critical ecosystems within hotspots.

Description: Conservation and human well-being have a complex, bi-directional relationship. Conservation success depends on the willing participation of human societies – from the local to the global level. Conversely, human communities need nature to thrive, depending on the valuable services such as fresh water and disaster mitigation that natural ecosystems provide. CEPF embraces this complex relationship and invests to ensure compatibility between and improvement in ecosystems and the communities that depend on them. CEPF uses two categories of metric to monitor its impacts on human well-being at the global scale: 1) beneficiaries; and 2) climate.

Beneficiaries: Comprise those people and communities that receive cash and non-cash benefits from activities undertaken through CEPF investments. Because a large number of beneficiaries receive non- cash benefits in the form of structured training, this category is measured separately from other non-cash benefits, such as improved land tenure and increased access to clean water. CEPF monitors the beneficiaries of its investments through structured self-reporting by grantees at the end of their projects, verified by spot checks by the CEPF Secretariat and RITs. The following three indicators are used:

- Number of people receiving structured training.
- Number of people receiving non-cash benefits other than structured training (e.g. increased access to clean water, increased food security, increased access to energy, increased access to public services, increased resilience to climate change, improved land tenure, improved recognition of traditional knowledge, improved representation and decision-making in governance forums, improved delivery of ecosystem services, etc.).
- Number of people receiving cash benefits (e.g. increased income from employment, increased income from livelihood activities, financial incentives for conservation, etc.).

Climate: Climate change is expected to increasingly drive biodiversity loss. Already, species are moving to new habitats and altering life cycles to adapt to changes in their environments. Meanwhile, the loss of biodiversity and destruction or degradation of natural areas undermine the health of ecosystems that are vital for climate change mitigation and adaptation. Natural ecosystems can help people — particularly the poor in rural and urban areas — adapt to changes in climate. Sustainably managed rivers, aquifers and floodplains can help ensure water supplies and regulate flooding. Healthy coastal ecosystems, such as mangroves and wetlands, temper the impact of storms. Thriving grasslands counter drought and flooding. Tropical forests provide wild reserves of food and income during failed harvests. The oceans absorb heat and CO_2 from the atmosphere, helping to stabilize the climate.

CEPF monitors its contribution to combating climate change through self-reporting by grantees at the end of their projects, coupled with analysis of GIS data and carbon maps to calculate the amount of carbon stored at CEPF-supported natural habitats. The following two indicators are used:

- Number of projects promoting nature-based solutions to combat climate change.
- Amount of CO_2 sequestered in CEPF-supported natural habitats.

Impact category 3: Enabling conditions

Objective: Establish the conditions needed for the conservation of globally significant biodiversity.

Description: CEPF operates under the premise that conservation actions in isolation are far less likely to succeed than those undertaken in an enabling environment. Three broad enabling conditions provide the framework for monitoring impacts at the global level under this impact category: ensuring that public policies are in place that promote (or do not inhibit) conservation action; ensuring sufficient capital and flow of financial resources for conservation; and promotion of biodiversity-friendly practices in the private sector.

Regulatory environment: In order for conservation interventions to proceed and be successful, the underlying legal and policy frameworks must be in place. This includes the legislative and regulatory framework for civil society to participate in conservation actions, as well as the inclusion of biodiversity conservation and sustainable use goals and provisions within sectoral development policies and plans. CEPF has directed funding toward both of these aspects of the regulatory environment, but the most common need identified in ecosystem profiles has been for the latter (because most countries already have regulations in place that allow civil society to emerge and engage in conservation). CEPF monitors progress toward an enhanced regulatory environment by recording the number of laws, regulations and policies with conservation provisions that have been enacted or amended.

Long-term financing: One of the greatest barriers to effective conservation is the lack of financial resources to implement management that leads to conservation success. CEPF targets a portion of its investments to ensuring financial sustainability of civil society and conservation activities in the long term. This entails not only establishing long-term financing vehicles (e.g., conservation trust funds, debt- for-nature swaps and payment for ecosystem services mechanisms) but also supporting them to ensure that they function well and deliver financially. CEPF monitors progress towards enhanced long-term financing by tracking the number of sustainable financing mechanisms that are delivering funds for conservation.

Private sector practices: There is a great need to identify and promote biodiversity-friendly management practices in economic sectors that have significant impacts on biodiversity, such as agriculture, forestry, fisheries, etc. Identification of those practices that are successful and replicable is the first step, from which promoting their uptake follows. CEPF monitors progress towards improved private sector practices by counting the number of companies that adopt biodiversity practices.

For each of the three indicators of enabling conditions, CEPF will monitor impacts at the global scale through aggregating data generated by structured self-reporting from grantees, verified by spot checks by the CEPF Secretariat and RITs.

Impact category 4: Civil society

Objective: Strengthen the capacity of civil society to be operationally effective as stewards and effective advocates for the conservation of globally significant biodiversity.

Description: CEPF is premised on the assumption that a capable and functioning civil society is necessary for sustained conservation progress. CEPF takes a wide perspective of civil society that encompasses more than traditional definitions. CEPF works with a wide range of nongovernmental actors in seeking to improve the organizational capacity of institutions to deliver conservation success. CEPF assesses this impact category at the scale of the individual organization by looking at the institutional capacity of civil society organizations to undertake conservation actions, as well as looking at the network scale, recognizing the strength of self-reinforcing networks and alliances to leverage complementary capacities and respond to complex conservation challenges that no single organization can address working alone.

CEPF monitors its contribution to strengthening civil society impact through structured self-reporting by grantees, verified by spot checks by the CEPF Secretariat and RITs. The following three indicators are used:

- Number of CEPF grantees with improved organizational capacity (using the Civil Society Tracking Tool).
- Number of CEPF grantees with improved understanding of and commitment to gender issues (using the Gender Tracking Tool).
- Number of networks and partnerships that have been created and/or strengthened.

The Monitoring Framework contributes to the outcomes of CEPF's Global Results Framework, as well as to the Sustainable Development Goals and Aichi Targets. These linkages are set out in Annex A, which presents the CEPF Monitoring Framework.

Capturing CEPF's qualitative impact: As a complement to the collection of data on the indicators above, CEPF will capture stories and lessons from CEPF grantees and develop products that effectively share this information. Examples of products include, but are not limited to, lessons learned papers, case studies, interviews, articles, videos, etc.

4. **Results Frameworks and Global Conservation Goals:**
    a. **Results Frameworks:** Each donor's contribution to CEPF has a financing

agreement, which may or may not contain additional indicators/targets that are specific to that donor's contribution. It is in these financing agreements that targets are set, both for impact and for programmatic performance.

b. **Contribution to the Aichi Biodiversity Targets and Sustainable Development Goals:** All indicators in the Monitoring Framework correspond, to the extent possible, to relevant Aichi targets and Sustainable Development Goals. Table 3.5.B demonstrates the links between CEPF and these global goals. CEPF will, on a regular basis, report on contributions to achieving these goals.

Table 3.5.B: CEPF Monitoring Framework

#	Pillar	Indicator	Corresponding SDG	Corresponding Aichi Target	Definition	Means of measurement	Data Source	Frequency of data collection	Who is responsible
1	BIODIVERSITY	Number of hectares of Key Biodiversity Areas (KBA) with improved management	**Goal 15 -** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	**Target 11 -** By 2020, at least 17 per cent of terrestrial and inland water, and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well- connected systems of protected areas and other effective area- based conservation measures and integrated into the wider landscapes and seascapes.	To be counted, an area must be a KBA, must benefit directly from CEPF funding, and there must be a substantive and meaningful positive change in the management/ protection of the KBA. There must be a plausible attribution between CEPF grantee action and the strengthening of management in the KBA. For an area to be considered as "strengthened," it can benefit from a wide range of actions that contribute to improved management. Examples include: increased patrolling, reduced intensity of snaring, invasive species eradication, reduced incidence of fire, and introduction of sustainable agricultural/fisheries practices.	count - addition	grantee final report	end of project	grantee
2	BIODIVERSITY	Number of hectares of protected areas created and/or expanded	**Goal 15 -** see above	**Target 11** - see above	To be counted, an area must demonstrate formal legal declaration, and biodiversity conservation must be an official management goal.	count - addition	grantee final report	end of project	grantee
3	BIODIVERSITY	Number of hectares of production landscapes with strengthened management of biodiversity.	**Goal 12 -** Ensure sustainable consumption and production patterns. **Goal 15 -** see above	**Target 7 -** By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity.	A production landscape is defined as a site outside a protected area where commercial as well as community-based agriculture, forestry or natural product exploitation occurs. • For an area to be considered as having "strengthened management of biodiversity," it can benefit from a wide range of interventions such as best practices and guidelines implemented, incentive schemes introduced, sites/products certified, and sustainable harvesting regulations introduced. • Areas that are protected are not included under this indicator, because their hectares are counted elsewhere. • A production landscape can include part or all of an unprotected KBA.	count - addition	grantee final report	end of project	grantee
4	BIODIVERSITY	Number of protected areas with improved management	**Goal 15 -** see above	**Target 11** - see above	The purpose of this indicator is to track the management effectiveness of protected areas that receive CEPF investment. Effectiveness is measured with the Management Effectiveness Tracking Tool (METT).	METT I	METT I	start and end of project	grantee
5	BIODIVERSITY	Number of globally threatened species benefiting from conservation action	**Goal 15 -** see above	**Target 12** - By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.	To be counted, a species must benefit from an intervention that has direct conservation benefit. Examples include: preparation or implementation of a conservation action plan; captive breeding programs, habitat protection, species monitoring, patrolling to halt wildlife trafficking, removal of invasive species.	count - addition	grantee final report	end of project	grantee

6	HUMAN WELL-BEING	Number of people receiving structured training	**Goal 4 -** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all **Goal 5** - Achieve gender equality and empower all women and girls **Goal 8** - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		Structured training is defined as any organized or formal training opportunity such as a workshop, classroom activity, university program, formal site visit or exchange program. Note that data provided by the grantee will be sex- disaggregated. This number is not to be combined with the indicator recording beneficiaries receiving non-cash benefits - this indicator is specific to training, a key element of CEPF's work.	count - addition	grantee final report	end of project	grantee
7	HUMAN WELL-BEING	Number of people receiving cash benefits	**Goal 8** - Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all		Cash benefits include those derived from employment, and increased income due to livelihood programs. Note that data provided by the grantee will be sex-disaggregated.	count - addition	grantee final report	end of project	grantee
8	HUMAN WELL-BEING	Number of people receiving non-cash benefits other than structured training	**Goal 2** - End hunger, achieve food security and improved nutrition and promote sustainable agriculture. **Goal 16** - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels		Non-cash benefits are stated as: increased access to clean water; increased food security; increased access to energy; increased access to public services; increased resilience to climate change; improved land tenure; improved recognition of traditional knowledge; improved decision-making and governance; improved access to ecosystem services. Note that data provided by the grantee will be sex-disaggregated.	count - addition; grantees complete a datasheet for each community that is targeted, record the # of people benefiting, and tick boxes for one or more of nine types of non-cash benefits.	grantee final report	end of project	grantee
9	HUMAN WELL-BEING	Number of projects promoting nature-based solutions to combat climate change	**Goal 13** – Take urgent action to combat climate change and its impacts	**Target 15** - By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.	Nature-based solutions to combat climate change are effective approaches that help people, particularly the poor in rural and urban areas, adapt to changes in climate, and to alleviate the negative impacts of climate change. When taken to scale these approaches will help the global community address the climate challenge. Examples include: mangrove restoration, resource management, diversifying nature-based livelihoods. Many nature-based solutions to combat climate change make a significant contribution to disaster risk reduction.	count-addition	CEPF project database; key word tags	annual	Secretariat
10	HUMAN WELL-BEING	Amount of CO2e sequestered in CEPF-supported natural habitats	**Goal 15** - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	**Target 15** - see above	This indicator will measure carbon stored at sites benefiting from restoration or maintenance of natural habitat.	Methodology under development	GIS data	annual	Secretariat/ consultant

11	ENABLING CONDITIONS	Number of laws, regulations, and policies with conservation provisions that have been enacted or amended	**Goal 15 -** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss **Goal 16 -** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels	**Target 2 -** By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems.	"Laws and regulations" pertain to official rules or orders, prescribed by authority. Any law, regulation, decree or order is eligible to be included. "Policies" that are adopted or pursued by a government, including a sector or faction of government, are eligible.	count - addition	grantee final report	end of project	grantee
12	ENABLING CONDITIONS	Number of sustainable financing mechanisms delivering funds for conservation	**Goal 15** - see above	**Target 20 -** By 2020, at the latest, the mobilization of financial resources for effectively implementing the Strategic Plan for Biodiversity 2011-2020 from all sources, and in accordance with the consolidated and agreed process in the Strategy for Resource Mobilization, should increase substantially from the current levels. This target will be subject to changes contingent to resource needs assessments to be developed and reported by Parties.	The purpose of this indicator is to track the number of functioning financing mechanisms created by or receiving support from CEPF. According to WWF, sustainable financing strategies or mechanisms are secured to help ensure long-term sustainable financing for project or program conservation objectives beyond the project's or program's lifespan. Sustainable financing aims to generate sustaining financial resources over the longer term (five or more years). Sustainable finance goes beyond traditional government or donor funding by introducing innovative market-based approaches such as debt-for-nature swaps, environmental funds, and payment for ecosystem services (PES).	count - addition; and request to grantee to report on amount of funding delivered for conservation, during the project timeframe	grantee final report	end of project	grantee
13	ENABLING CONDITIONS	Number of companies that adopt biodiversity-friendly practices	**Goal 12** - Ensure sustainable consumption and production patterns	**Target 1 -** By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.	A company is a legal entity made up of an association of people, be they natural, legal, or a mixture of both, for carrying on a commercial or industrial enterprise. Company members share a common purpose and unite in order to focus their various talents and organize their collectively available skills or resources to achieve specific, declared goals. While companies take various forms, for the purposes of CEPF, a company is defined as a for-profit business entity.	count - addition	grantee final report	end of project	grantee

14	CIVIL SOCIETY	Number of CEPF grantees with improved organizational capacity	**Goal 16** - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		The tracking tool aims to monitor civil society organizations' capacity to effectively plan, implement and evaluate actions for biodiversity conservation. The tool assumes that an organization's capacity to plan, implement and evaluate actions for biodiversity conservation is determined by five major factors: (i) the human resources that it has available; (ii) the financial resources that it has available; (iii) its management systems, which ensure that available resources are translated into effective actions; (iv) its strategic planning, which ensures that these actions target conservation priorities; and (v) its delivery, which ensures that these actions effect change.	civil society tracking tool	civil society tracking tool	beginning and end of project	grantee
15	CIVIL SOCIETY	Number of CEPF grantees with improved understanding of and commitment to gender issues	**Goal 5** - Achieve gender equality and empower all women and girls		This tracking tool is a self-assessment tool that can be used by an organization to understand if and to what extent gender considerations have been integrated into its program and operations. Gender refers to the social and cultural attributes of being a man or a woman. Gender can influence natural resource use, needs, knowledge and priorities. It can also influence power, access, control and ownership over natural resources. Consideration of gender can affect the quality of stakeholder engagement and participation, the quality of social outcomes, and the delivery of benefits to project participants. Additionally, it can affect the sustainability of conservation outcomes.	gender tracking tool	gender tracking tool	beginning and end of project	grantee
16	CIVIL SOCIETY	Number of networks and partnerships that have been created and/or strengthened	**Goal 17** - Strengthen the means of implementation and revitalize the global partnership for sustainable development		Networks/ partnerships should have some lasting benefit beyond immediate project implementation. Informal networks/ partnerships are acceptable even if they do not have a Memorandum of Understanding or other type of validation. Examples of networks/ partnerships include: an alliance of fisherfolk to promote sustainable fisheries practices, a network of environmental journalists, a partnership between one or more NGOs with one or more private sector partners to improve biodiversity management on private lands, a working group focusing on reptile conservation.	count - addition	grantee final report; network health scorecard	end of project	grantee

3.6 Safeguard Policies: Environmental and Social Management Framework

Recognizing the potential for adverse impacts, and mindful of its over-riding responsibility to do no harm to people or the environment, CEPF manages environmental and social risks arising from its grant making. The process for managing these risks throughout the project cycle is established by the Environmental and Social Management Framework (ESMF). The ESMF also helps ensure that CEPF grants have more sustainable, efficient, and equitable conservation outcomes, through enhancing project design and delivery while prioritizing the rights of target populations.

The Safeguards Policies and Environmental and Social Management Framework can be found on CEPF website:
https://www.cepf.net/grants/before-you-apply/safeguards

3.7 Gender Policy

CEPF's mission is to engage civil society to protect biodiversity hotspots, the world's most biologically diverse yet threatened ecosystems. The purpose of this policy is to ensure CEPF carries out its mission through a gender awareness lens. This means that staff of the CEPF Secretariat, Regional Implementation Teams and grantees will understand and take into account the different roles of men and women in CEPF-related activities at all scales (e.g., Regional Implementation Team training, proposal design, project implementation and reporting). Gender issues and considerations will be actively incorporated throughout the grant-making process and progress on gender-related outcomes will be monitored.

CEPF recognizes that:

- In all of our conservation work, gender plays an important role in achieving long-term goals and objectives.
- Gender equity is a critical component of our overall strategy to ensure empowered civil society, equitable participation, and decision-making by stakeholders at all scales, and the sustainability of conservation impacts.
- Both men and women encounter constraints based on gender. If not addressed, these constraints can cause delays or impediments to achieving CEPF's conservation objectives.

CEPF staff will strive to:

- Provide and encourage training and professional development on gender among staff of the CEPF Secretariat, Regional Implementation Teams, and grantees as part of CEPF's learning efforts.
- Work with grantees to ensure gender analysis and recommendations are included in the project design, implementation, and monitoring processes.
- Develop indicators and report on gender equity as part of CEPF's Monitoring Framework.
- Promote best practices for incorporating gender in conservation strategies throughout the CEPF network.

Definitions

Gender refers to the economic, social, political, and cultural attributes and opportunities associated with being women and men. The social definitions of what it means to be a woman, or a man vary among cultures and change over time. Gender is a sociocultural expression of particular characteristics and roles that are associated with certain groups of people with reference to their sex and sexuality.

Gender analysis is the process of collecting and interpreting information on the respective roles and responsibilities among men and women in six domains of activity, including: practices and participation; access to resources; knowledge and beliefs; laws, policies, and regulatory institutions.

Gender aware refers to explicit recognition of local gender differences, norms, and relations and their importance to outcomes in program/policy design, implementation, and evaluation. This recognition derives from analysis or assessment of gender differences, norms, and relations in order to address gender equity in outcomes.

Gender equity is the process of being fair to women and men. To ensure fairness, measures must be taken to compensate for historical and social disadvantages that prevent women and men from operating on a level playing field.

Gender equality is the state or condition that affords women and men equal enjoyment of human rights, socially valued goods, opportunities, and resources.

Gender integration refers to strategies applied in program assessment, design, implementation, and evaluation to take gender norms into account and to compensate for gender-based inequalities.

Gender mainstreaming is the process of incorporating a gender perspective into policies, strategies, programs, project activities, and administrative functions, as well as into the institutional culture of an organization.

Sex refers to the biological differences between males and females. Sex differences are concerned with males' and females' physiology.

3.8 Long-Term Visions

Purpose of long-term visions

CEPF should not be a permanent presence in each hotspot but define and work towards an end point at which local civil society transitions from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Experience to date shows that, in most hotspots, reaching a point at which civil society transitions from CEPF support will take more than five years. The long-term visions will set clear transition targets, which individual investment phases (typically of five years) will work towards, guided by detailed strategies set out in the ecosystem profiles, which will be renewed on a periodic basis (typically every five years). They will also include financing plans describing the funding requirements for implementation of the long-term visions (i.e., the best estimate of the funding needed to achieve the transition targets).

Content of long-term visions

Establishing scale
One of the unique features of CEPF is that its investments target biogeographic units (e.g., biodiversity hotspots), which span political boundaries, and create opportunities for collaboration and response to trans-national threats (even in regions with a history of political conflict). The long-term visions, therefore, will be developed at the hotspot scale wherever practical. In a few cases, the hotspot boundaries encompass parts of a large number of countries and contain such a wide diversity of political, economic, and societal contexts that it is not possible to adopt a uniform strategy for supporting the development of civil society towards transition. In these cases, it may be more appropriate to develop separate long-term visions for major sub-regions, for example the Balkans, the Levant, and North Africa in the case of the Mediterranean Basin.

Setting transition targets
The long-term visions will set clear targets for transition, e.g., the conditions under which CEPF can withdraw from a hotspot with confidence that effective biodiversity conservation programs will continue in a self-sustaining manner. This does not necessarily mean that biodiversity is no longer threatened but only that the conservation movement, collectively, is able to respond to all present threats and any future threats that could reasonably be expected to arise. A framework for setting transition targets was developed by the Secretariat in 2011 and has since been used as an evaluation tool in several hotspots (e.g., Eastern Himalayas, Indo-Burma, Mesoamerica, and Western Ghats), which has provided an opportunity to test its robustness and relevance to different contexts. The framework also draws on the independent evaluation of CEPF's global conservation impact conducted in 2010 by David Olson, which used five criteria for

assessing the effectiveness of the conservation community[3].

According to this framework, the five conditions that need to be met in order for a hotspot to transition from CEPF support comprise:

1. Conservation priorities and best practices for their management are documented, disseminated, and used by public and private sector, civil society and donor agencies to guide their support for conservation in the region.
2. Local civil society [4]groups dedicated to conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
3. Adequate and continual financial resources are available to address conservation of global priorities.
4. Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.
5. Mechanisms exist to identify and respond to emerging conservation challenges.

For each hotspot (or sub-region), the first step will be to take the five transition conditions and make them locally relevant by setting specific criteria and targets. According to the current framework, five criteria are suggested for each condition, making 25 criteria in total (Table 3.8.A). The number of criteria under each condition can be adjusted, according to the relative emphasis that needs to be placed on meeting it. At least one SMART (i.e., Specific, Measurable, Achievable, Relevant and Time-bound) target will be set for each criterion (Table 3.8.A for examples). A baseline will be established for each target, describing the situation at the beginning of the most recent phase of CEPF investment in the hotspot. Then, milestones will be set for each target, to enable monitoring of progress during each investment phase and guide course correction if needed (Table 3.8.B for examples).

Provided that each target is time-bound, it will be possible to construct a timeline, showing when each of the transition conditions is expected to be met, and, by extension, how many investment phases will be required to achieve transition. In large, multi-country hotspots, timelines may be different for each sub-region, with some being expected to transition from CEPF support earlier than others. Some of the transition targets may have very long timelines, implying that CEPF investment would be required indefinitely. Consequently, it may be necessary to make a pragmatic decision about how many targets need to be met before the transition conditions can be considered to be in place. In this regard, it may be helpful to distinguish between 'essential' targets and 'desirable' ones, or to establish numerical thresholds for the number of targets that need to be met before a hotspot is considered to have transitioned from CEPF support. Moreover, it will be important that the targets are not used to drive decision making but only to inform it, complemented by expert opinion about what CEPF's impacts have been

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[3] These criteria were: groups and skills; versatility; sustained funding; conservation tools; and enabling conditions.

[4] For the purposes of this document, the term local civil society includes national, sub-national and grassroots groups; it is used to distinguish civil society local to the hotspot from international civil society.

and what remains to be done to achieve transition, in order to make the most informed decisions. In any event, it will be necessary to revisit the long-term vision regularly, at least once per investment phase, in order to evaluate progress and revise transition targets and milestones in response to changing external conditions.

Identifying actions

CEPF is a grant-making fund, and its principal means of effecting change in the hotspots where it invests is by awarding grants to civil society organizations to implement projects that contribute towards conservation outcomes directly (e.g., by mitigating threats or restoring habitats and populations) or indirectly (e.g., by addressing social, economic, and political drivers of biodiversity loss or strengthening the capacity of civil society to engage in conservation). However, CEPF's interventions are not limited to grant-making but also include convening and training of civil society organizations, supporting Regional Implementation Teams (RITs) to integrate the results of pilot projects into public policy and private sector business practices, and developing shared strategies that align investments by multiple donors.

Once the transition targets have been set, the next step will be to evaluate each one to determine whether: (i) CEPF can directly affect the changes required for it to be met (e.g., by making grants to implement the necessary changes); (ii) CEPF can indirectly effect the required changes (e.g., by strengthening civil society capacity to advocate for them); or (iii) the required changes are dependent on external factors beyond CEPF's ability to influence. This step will result in a list of actions that CEPF can take to directly or indirectly influence the required changes (and monitor changes outside of its sphere of influence). The next step will be to order these actions into phases, with actions that are preconditions for other actions being scheduled first. Examples of the types of actions that could be set and how they could be scheduled by investment phase are presented in Table 3.8.C.

Setting financial targets

Once the actions that need to be taken to influence the changes required for the transition targets to be met have been identified, the next step will be to set financial targets for each action. These targets should be broken down by investment phase, and also by cost category (e.g., grants, RIT grants, trainings, meetings, and special events, etc.). They will form the basis for financing plans for the implementation of the long-term visions, which will be defined in consultation with other donors and informed by an assessment of sustainable financing mechanisms. These plans will help establish an overall cost estimate for meeting the transition targets, broken down into investment phase, and thereby assist CEPF with its financial planning and fundraising. The trend in funding level over time will vary among regions, with cost estimates declining from phase-to-phase in some but ramping up before exit in others, according to the sequence of planned actions. To ensure they do not become unrealistic, these cost estimates will be informed by projections of available funding, for which it might be necessary to consider different scenarios for expansion of the Fund (e.g., high, medium, and low).

The financing plans will form the basis for regional fundraising strategies, to be developed by the Secretariat after the completion of the long-term visions as a guide to fundraising efforts for each hotspot. These strategies will be used to leverage funding from regional donors, as well as non-traditional sources, such as private companies. They will also determine the current capacity level of the RIT and the need (if any) to enhance this to support fundraising efforts at the hotspot level. In this way, the strategies will contribute to strengthening existing RITs.

Creating a theory of change

A theory of change defines all the steps required to bring about the desired result, in this case transition from CEPF support, beginning with the actions taken by CEPF and including intermediate steps along a causal pathway, which CEPF may not necessarily be directly involved in. A theory of change can be expounded in narrative form or as a flow diagram or other visual form. A key element of any theory of change is its assumptions, which explain how the proposed actions are expected to bring about the desired outcomes. It is important to test these assumptions, in order to ensure that the theory of change is robust. This is especially true for CEPF, because assumptions that are reasonable for one hotspot may not necessarily hold true for another hotspot.

CEPF's global theory of change rests on eight key assumptions. These provide a starting point for the long-term vision, although individual visions may reject some of these assumptions or find it necessary to make additional ones:

1) The main drivers of biodiversity loss operate at local, national, and regional scales and can be influenced by conservation interventions at these different scales.
2) Civil society organizations are present and willing to engage in biodiversity conservation, to partner with unfamiliar actors from other sectors, and to adopt innovative approaches.
3) The capacity of civil society organizations can be augmented and translated into more effective local conservation movements.
4) Short-term grant funding can make significant contributions to overcoming the resource constraints facing civil society organizations.
5) Increasing the capacity and credibility of local civil society organizations is likely to open political space for these organizations as they become recognized as trusted advisors (rather than causing them to be viewed as threats to vested interests).
6) Some government and private sector/corporate actors are receptive to innovative conservation models demonstrated by CEPF projects and have incentives to adopt these for wider replication.
7) National academic institutions produce graduates with the skills and perspective to respond to local conservation challenges by working with or within civil society organizations.
8) Raised local public awareness that results from the participation of these organizations in conservation issues has the potential to change attitudes and, ultimately, behavior towards the consumption of energy and natural resources.

In particular, it may be necessary to make additional assumptions dealing with contingencies (e.g., political instability or restrictions on the activities of civil society organizations) that would represent significant reversals for CEPF's efforts at achieving transition. These may include some 'critical assumptions' that would be triggers for reconsidering CEPF's continued engagement in a region if they were found to no longer be met.

Development of long-term visions

A critical element in the development of long-term visions will be local knowledge, to ensure that they are relevant to the local context in each hotspot. Related to this, it is also important that civil society in each hotspot feels ownership of the vision and does not feel that it has been imposed on them or developed by outsiders. At the same time, this emphasis on local relevance and local ownership needs to be tempered by some level of consistency across hotspots, to ensure the utility of the visions for informing strategic decisions at the global level. To this end, based on experience from three pilot exercises (for the Balkans sub-region of the Mediterranean Basin Hotspot, the Albertine Rift and Eastern Arc Mountains sub-region of the Eastern Afromontane Hotspot, and the Indo-Burma Hotspot), each long-term vision will be developed by the relevant RIT. Therefore, leading the development of the long-term vision has been added to the RIT terms of reference as a dedicated component (OM 4.2).

It is important that the long-term vision is owned by leading civil society organizations active in the conservation sector in each of the countries in the hotspot. There should also be explicit engagement with selected government and private sector stakeholders, in order to understand opportunities for and barriers to civil society mainstreaming biodiversity conservation into public policy and business practices, and to ensure alignment with National Biodiversity Strategies and Action Plans. This engagement should not be limited to stakeholders from the environment sector but also include ones from development sectors with a major footprint on biodiversity, such as agriculture, fisheries, and mining. These stakeholders should be engaged but not allowed to drive the process, because they do not necessarily have shared goals for the long-term development of a strong civil society conservation movement.

Limitations of time and resources preclude consultation processes on a similar scale to those undertaken during ecosystem profiling, which can involve several hundred participants. The critical ingredient for success will be engaging thinkers who are able to look beyond their own immediate interests and adopt a detached, long-term perspective on the future direction of the conservation movement in their region. At the same time, it will be important to avoid technocratic prescriptions or narrow definitions of civil society that exclude the diversity of actors that currently or potentially contribute to conservation efforts. To this end, it will be important to ensure representation of women's groups and indigenous peoples' groups, among others.

Endorsement of long-term visions

The long-term visions will set out goals for CEPF investment at the hotspot scale over timeframes longer than individual ecosystem profiles, for which they will provide an over-arching framework, with the visions setting out broad, long-term goals and the ecosystem profiles presenting detailed implementation strategies. Consequently, the long-term visions should be endorsed by the Donor Council. Because the long-term visions do not replace ecosystems profiles as the means by which CEPF establishes its grant making priorities within a hotspot, there is no need for them to be endorsed by the GEF

Operational Focal Points or any other government institution. Indeed, as the long-term interests of civil society and government are rarely wholly convergent, it would be undesirable to constrain their contents in this way.

Once endorsed by the Donor Council, the long-term visions will be made available through the CEPF website. They may also form the basis for communication products, such as brochures or PowerPoint presentations, to make them more accessible to external audiences, including other donors actively supporting civil society in the same hotspots or considering doing so.

Table 3.8.A: Current Framework Criteria

Transition condition	Suggested criteria	Example targets
1. Conservation priorities and best practices Conservation priorities (e.g., globally threatened species, Key Biodiversity Areas (KBAs), reservoirs of natural capital, etc.) and best practices for their management are identified, documented, disseminated, and used by public sector, private sector, civil society, and donor agencies to guide their support for conservation in the hotspot.	***Globally threatened species.*** Comprehensive global threat assessments conducted for all terrestrial vertebrates, vascular plants and at least selected freshwater taxa.	Global threat assessments are completed for at least 90% of all recorded species of terrestrial vertebrate, vascular plant and at least three major freshwater taxa in the hotspot, and with results incorporated onto the IUCN Red List.
	Key Biodiversity Areas. KBAs identified in all countries and territories in the hotspot, covering, at minimum, terrestrial, freshwater, and coastal ecosystems.	KBAs are identified in all countries and territories in the hotspot, covering terrestrial, freshwater, and coastal ecosystems, with broad-based support for these priorities among government and civil society.
	Reservoirs of natural capital. Reservoirs of natural capital identified in all countries and territories in the hotspot, covering ecosystem services particularly critical to human survival.	Reservoirs of natural capital are identified in all countries and territories in the hotspot for at least three ecosystem services essential to healthy, sustainable societies (e.g., climate resilience, freshwater, provisioning etc.) and incorporated into national economic accounts.
	Conservation plans. Conservation priorities incorporated into national or regional conservation plans or strategies developed with the participation of multiple stakeholders.	Globally threatened species, KBAs and/or reservoirs of natural capital are incorporated into at least one national conservation plan or strategy in each hotspot country or at least one regional conservation plan or strategy developed with the participation of multiple stakeholders.
	Management best practices. Best practices for managing conservation priorities (e.g., sustainable livelihoods projects, participatory approaches to park management, invasive species control, etc.) are introduced, institutionalized, and sustained at CEPF priority KBAs and corridors.	Conservation management practices are adopted and institutionalized by at least 90% of CEPF priority KBAs, as a basis for their sustainable management over the next 10 years.
2. Civil society capacity Local civil society groups dedicated to conserving conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development for at least the next 10 years.	***Conservation community.*** The community of civil society organizations is sufficiently broad and deep-rooted to respond to key conservation issues and collectively possess the technical competencies of critical importance to conservation.	At least 20 local civil society organizations (including ones with a development-focused mission) are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each hotspot country.
	Institutional capacity. Local civil society groups collectively possess sufficient institutional and operational capacity and structures to raise funds for conservation and to ensure the efficient management of conservation projects and strategies.	At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.

	Partnerships. Effective mechanisms (e.g., discussion forums, roundtables, mutual support networks, alliances, etc.) exist for conservation- focused civil society groups to work in partnership with one another, and through networks with local communities, governments, the private sector, donors, and other important stakeholders, in pursuit of common conservation and development objectives.	At least 20 partnerships, alliances, networks, or similar mechanisms exist that enable civil society groups to leverage their complementary capacities and maximize impact.
	Financial resources. Local civil society organizations have access to long-term funding sources to maintain the conservation results achieved via CEPF grants and/or other initiatives, through access to new donor funds, conservation enterprises, memberships, endowments, and/or other funding mechanisms.	At least five local civil society organizations in each country have access to stable and diversified long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.
	Transformational impact. Local civil society groups are able, individually, or collectively, to influence public policies and private sector practices in sectors with a large footprint on biodiversity.	Biodiversity conservation models demonstrated or promoted by local civil society are incorporated into at least one national or sub-national policy and the business practices of at least two influential private sector companies per year.
3. Sustainable financing Adequate and continual financial resources are available to address conservation of global priorities for at least the next 10 years.	***Conservation agency funding.*** Government agencies responsible for conservation in the hotspot have a continued public fund allocation or revenue- generating ability to operate effectively.	The three largest public sector agencies responsible for conservation in each hotspot country have sufficient financial resources to effectively deliver their missions.
	Mainstreaming of conservation goals. Ministries of finance and line ministries responsible for development have adopted key conservation goals and use them as criteria for allocating resources.	The ministry of finance and at least two-line ministries in each hotspot country have incorporated conservation priorities into their plans and policies and use them as criteria for allocating significant financial resources in key development sectors (e.g., agriculture, fisheries, energy, etc.).
	Civil society funding. Civil society organizations engaged in conservation in the hotspot have access to sufficient funding to continue their work at current levels.	At least 9 of the 10 largest civil society organizations engaged in conservation in the hotspot have access to sufficient secured funding to continue their work, at least at current levels, for at least the next five years.
	Donor funding. Donors other than CEPF have committed to providing sufficient funds to address global conservation priorities in the hotspot.	Donors other than CEPF are committed to providing funding for conservation in the hotspot that, in combination with public sector and civil society funding, is sufficient to address global conservation priorities for at least the next 10 years.
	Long-term mechanisms. Financing mechanisms (e.g., trust funds, revenue from the sale of carbon credits, etc.) exist and are of sufficient size to yield continuous long-term returns for at least the next 10 years.	Sustainable financing mechanisms (e.g., endowment funds, green taxes, payments for environmental services, etc.) supporting the conservation of CEPF priority KBAs operate and yield funding such that financial constraints are no longer identified as a barrier to effective conservation management for at least 90% of CEPF priority KBAs.

4. Enabling policy and institutional environment public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.	***Legal environment for conservation.*** Laws exist that provide incentives for desirable conservation behavior and disincentives against undesirable behavior.	Each hotspot country's commitments under multilateral environmental agreements are reflected in its national laws (not only environment-related laws but also those for key development sectors), and these laws are elucidated through regulations that provide for sufficient incentives and disincentives to encourage behavior consistent with them.
	Legal environment for civil society. Laws exist that allow for civil society to engage in the public policy-making and implementation process.	Local civil society organizations in all hotspot countries legally allowed to convene, organize, register, receive funds, and engage in conservation activities and these laws taken advantage of by local civil society organizations working in any sector (e.g., environment, public health, education, etc.).
	Education and training. Domestic programs exist that produce trained environmental managers at secondary, undergraduate, and advanced academic levels.	At least 90% of all senior leadership positions in government conservation agencies and leading conservation NGOs are staffed by local country nationals.
	Enforcement. Designated authorities are clearly mandated to manage the protected area system(s) in the hotspot and conserve biodiversity outside of them and are empowered to implement the enforcement continuum of education, prevention, interdiction, arrest, and prosecution.	At least 70% of protected areas in each hotspot country have their boundaries demarcated on the ground and are patrolled regularly (at least two weeks out of every month), and if at least 50% of arrests for conservation offenses lead to a penalty being imposed (fine, confiscation, imprisonment, etc.).
	Business practices. Private sector business practices in sectors with a (potentially) large biodiversity footprint are supportive of the conservation of natural habitats and species populations.	At least two key change agents (i.e., market-leading, and influential companies) in each business sector in the hotspot with a large biodiversity footprint (actual or potential) have introduced business practices supportive of the conservation of natural habitats and species populations across their operations.

5. Responsiveness to emerging issues Mechanisms exist to identify and respond to emerging conservation issues.	***Biodiversity monitoring.*** Nationwide or region- wide systems are in place to monitor status and trends of the components of biodiversity.	Systems are in place to monitor status and trends in selected habitats, species, and populations across at least 90% of the hotspot by area, and data from these systems are being used to guide the allocation of conservation resources.
	Natural capital monitoring. Nationwide or region-wide systems are in place to value and monitor status and trends of natural capital.	Systems are in place to value and monitor status and trends in at least three ecosystem services essential to healthy, sustainable societies (e.g., freshwater provision, carbon sequestration, crop pollination, etc.) across at least 90% of the hotspot by area, and results are being used to guide the allocation of conservation and development resources.
	Threats monitoring. Nationwide or region-wide systems are in place to monitor status and trends of threats to biodiversity and natural capital.	Systems are in place to monitor status and trends in threats to biodiversity and natural capital (e.g., forest fire, wildlife trade, invasive species, etc.) across at least 90% of the hotspot by area, and results are being used to guide the allocation of conservation and development resources.
	Adaptive management. Conservation organizations and protected area management authorities demonstrate the ability to respond promptly to emerging issues.	The major conservation organizations in all countries in the hotspot can demonstrate that they have adapted their missions, strategies or workplans to respond to an emerging conservation issue at least once during the past three years.
	Public sphere. Conservation issues are regularly discussed in the public sphere, and these discussions influence public policy.	Conservation issues are regularly (e.g., at least monthly) discussed in the public sphere (e.g., in national and local media, internet-based forums, public forums, etc.) in all countries in the hotspot, and these discussions are seen to periodically influence relevant public policy (e.g., at least annually in each country).

Table 3.8.B: Example milestones for selected transition targets

Transition condition 2. Civil society capacity Local civil society groups dedicated to conserving conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development for at least the next 10 years.			
Transition target	**Milestone for first investment phase (2016-2020)**	**Milestone for second investment phase (2021-2025)**	**Milestone for third investment phase (2026-2030)**
2.1 At least 20 local civil society groups (including ones with a development-focused mission) are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each hotspot country.	At least 10 local civil society organizations are engaged in biodiversity conservation in each country.	At least 15 local civil society organizations are engaged in biodiversity conservation, with at least one of them playing a leadership role, in each country.	At least 20 local civil society organizations are engaged in biodiversity conservation, with at least three of them playing a leadership role, in each country.
2.2 At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	At least 10 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	At least 20 local civil society organizations in the hotspot have a civil society tracking tool score of 80 or more.	Target expected to be met in previous phase.
2.3 At least 20 partnerships, alliances, networks, or similar mechanisms exist that enable civil society groups to leverage their complementary capacities and maximize impact.	At least 10 partnerships, alliances, or networks enable civil society groups to leverage their complementary capacities and maximize impact.	At least 20 partnerships, alliances, or networks enable civil society groups to leverage their complementary capacities and maximize impact.	Target expected to be met in previous phase.
2.4 At least five local civil society organizations in each country have access to stable and diversified long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.	No progress towards target expected in this phase.	At least one local civil society organization in each country has access to long-term funding sources sufficient to maintain its current program indefinitely without relying on international donors.	At least five local civil society organizations in each country have access to long-term funding sources sufficient to maintain their current programs indefinitely without relying on international donors.
2.5 Biodiversity conservation models demonstrated by local civil society are incorporated into at least one national/sub-national policy and the business practices of at least two influential companies per year.	No progress towards target expected in this phase.	At least three conservation models demonstrated by local civil society are incorporated into public policy or private sector business practices over five years.	Biodiversity conservation models demonstrated by local civil society are incorporated into at least one national/sub-national policy and the business practices of at least two influential companies per year.

Table 3.8.C: Example actions for meeting selected transition targets

Transition condition 4. Enabling policy and institutional environment Public policies, the capacity to implement them, and private sector business practices are supportive of the conservation of global biodiversity.			
Transition target	**Actions for first investment phase (2016-2020)**	**Actions for second investment phase (2021-2025)**	**Actions for third investment phase (2026-2030)**
4.1 Each hotspot country's commitments under multilateral environmental agreements are reflected in its national laws (not only environment-related laws but also those for key development sectors), and these laws are elucidated through regulations that provide for sufficient incentives and disincentives to encourage behavior consistent with them.	• Support pilot projects that demonstrate conservation incentives and disincentives relevant to national laws. • Strengthen the capacity of local civil society organizations to influence public policy.	• Support pilot projects that demonstrate conservation incentives and disincentives relevant to national laws. • Support grantees to document results of pilot projects and use to influence relevant laws and regulations.	• Support grantees to document results of pilot projects and use to influence relevant laws and regulations.
4.2 Local civil society organizations in all hotspot countries legally allowed to convene, organize, register, receive funds, and engage in conservation activities and these laws taken advantage of by local civil society organizations working in any sector (e.g., environment, public health, education, etc.).	The required changes are dependent on external factors beyond CEPF's ability to influence.	The required changes are dependent on external factors beyond CEPF's ability to influence.	The required changes are dependent on external factors beyond CEPF's ability to influence.
4.3 At least 90% of all senior leadership positions in government conservation agencies and leading conservation NGOs are staffed by local country nationals.	• Support local academic organizations to deliver training in conservation leadership.	• Support local academic organizations to deliver training in conservation leadership.	Target expected to be met in previous phase.
4.4 At least 70% of protected areas in each hotspot country have their boundaries demarcated on the ground and are patrolled regularly (at least two weeks out of every month), and if at least 50% of arrests for conservation offenses lead to a penalty being imposed (fine, confiscation, imprisonment, etc.).	• Support protected area demarcation at CEPF priority KBAs. • Strengthen capacity of civil society organizations in protected area management and thereby strengthen their credibility with government.	• Support grantees to document results of protected area demarcation at CEPF priority KBAs and promote amplification by national conservation agencies. • Support pilot projects to enhance enforcement of protected area and wildlife protection legislation at CEPF priority KBAs.	• Support grantees to document results of pilot projects and promote amplification by national conservation agencies.

4.5 At least two key change agents (i.e., market-leading, and influential companies) in each business sector in the hotspot with a large biodiversity footprint (actual or potential) have introduced business practices supportive of the conservation of natural habitats and species populations across their operations.	• Support pilot projects that demonstrate models for sustainable production that is supportive of the conservation (or restoration) of natural habitats and species populations. • Strengthen capacity of civil society organizations in sustainable production and thereby strengthen their credibility with the private sector.	• Support grantees to document results of pilot projects and promote amplification at other conservation areas through adoption into private sector practices. • Support strategic partnerships between civil society organizations and key change agents in the private sector.	• Support grantees to promote adoption of biodiversity-friendly business practices by key change agents in the agriculture, mining, and tourism sectors.

4. Procedures for Grant Management

4.1 Ecosystem Profiles

The Critical Ecosystem Partnership Fund (CEPF) uses a process of developing "ecosystem profiles" to identify and articulate an investment strategy for each hotspot to be funded. Each profile reflects a rapid assessment of biological priorities and the underlying causes of biodiversity loss within particular ecosystems. The profile couples these two elements with an inventory of conservation-related investment taking place within the hotspot and other key information to identify how CEPF funding can provide the greatest incremental value.

The process of drafting an ecosystem profile begins after the CEPF Donor Council approves a hotspot for investment.

Each profile follows a standard format that includes:

- Introduction
- Background
- Biological Importance of the Hotspot Conservation Outcomes Defined for the Hotspot Socioeconomic Context of the Hotspot
- Policy Context of the Hotspot
- Civil Society Context of the Hotspot Threats to Biodiversity in the Hotspot Climate Change Assessment
- Assessment of Current Conservation Investment CEPF Niche for Investment
- CEPF Investment Strategy and Programmatic Focus Sustainability
- Logical Framework

A more detailed description of the requirements for the ecosystem profile is provided below.

Each ecosystem profile is based on a comprehensive research and consultation process that includes input from diverse stakeholders to create a shared strategy from the outset. The CEPF Working Group and regional representatives from CEPF donor partner institutions also have opportunities to provide input before the profiles are submitted to the Donor Council for endorsement.

Prioritization of Hotspots for Investment

The CEPF Secretariat recommends specific biodiversity hotspots to become priorities for CEPF investment based upon a set of criteria approved by the Working Group. These criteria take account of the magnitude of threat to biodiversity; shortfall between conservation needs and available funding from non-CEPF sources; opportunity to integrate biodiversity conservation into landscape and development planning;

opportunity to increase conservation capacity of domestic civil society; value for money; practicality of effective CEPF implementation; opportunity for ecosystem profiles to act as shared strategies; and potential to deliver human wellbeing benefits. A list of priorities is presented to the CEPF Donor Council for discussion and approval based on resources available.

Selection of Profiling Teams
The CEPF Secretariat is responsible for selecting, orienting, and supervising the teams that lead preparation of ecosystem profiles. Teams are selected through a competitive process. Qualified organizations or consortia are invited to submit proposals that respond to the scope of work set out in a Request for Proposals (RfP) posted on the CEPF website. Any organization or organizational member of a consortium that prepares an ecosystem profile will not be precluded from bidding on grants during the subsequent implementation period.

Profiling Process and Methodology
The profiling begins with desk research and a participatory priority-setting process that seeks to include all key players in a hotspot's biodiversity conservation activities. The purpose is to secure broad-based scientific agreement on the biological priorities for conservation and then to define the investment niche for CEPF, as well as specific conservation targets and actions for the program's investments with diverse stakeholders.

Definition of biological priorities (known as "conservation outcomes") is based upon global standards. At the species level, conservation outcomes are based upon the IUCN Red List of Threatened Species. At the site level, conservation outcomes are based upon Key Biodiversity Areas (KBAs), defined following the Global Standard for the Identification of Key Biodiversity Areas prepared by the IUCN Species Survival Commission and IUCN World Commission on Protected Areas in association with the IUCN Global Species Programme. At the landscape level, conservation outcomes are defined as conservation corridors: large-scale ecological units necessary to maintain the ecological and evolutionary processes upon which species and sites depend.

This approach includes engaging experts from numerous disciplines, as well as government agencies, nongovernmental organizations, local and indigenous communities, donor organizations, and other stakeholders, in agreeing the subset of conservation outcomes for which CEPF funding could have the greatest impact.

The profiling process may also capitalize on priority-setting processes that have already taken place in a hotspot.

The profiling team will also secure and analyze up-to-date information on current activities and threats affecting biodiversity conservation in a hotspot, as well as current levels of investment and other data to inform identification of the CEPF niche and investment strategy. This includes assessing current support by donors and other actors in climate change mitigation and adaption and the opportunity for civil society organizations to contribute to climate change mitigation and adaptation efforts. The data-gathering process also includes consultations with many stakeholders.

The profile is drafted from this analysis and the results of the participatory process. The final draft includes a logical framework, which outlines CEPF's portfolio-level objectives (known as “strategic directions” and nested “investment priorities”), as well as quantitative targets and indicators for measuring impact.

Reviews
The CEPF Secretariat undertakes an internal review process and may also solicit reviews from other qualified experts, to assess the technical and programmatic merits of each ecosystem profile.

In addition to the above review processes, each ecosystem profile is shared with the CEPF Working Group for review and with other technical counterparts of these donor institutions, as relevant.

Once the draft document is finalized, each profile is then submitted to the CEPF Donor Council for approval. Each profile must be submitted 45 days prior to the Donor Council meeting at which it will be considered for approval, or 45 days prior to the no-objection deadline if electronic approval is being requested. Comments from the review are discussed and responded to, and any necessary changes are made. Each profile must also be endorsed by the relevant GEF focal point before disbursement of funds in a given hotspot country can begin (OM 5.3).

Implementation of the Ecosystem Profile
Funding for each hotspot is approved by the Donor Council in the form of an increase to the spending authority. The ecosystem profile is then made public on the CEPF website, www.cepf.net, and implementation can begin. Information Requirements for Ecosystem Profiles

Each ecosystem profile shall include the following information, in such an order and with such emphasis as may be necessary within each hotspot:

Chapter 1. Introduction:
This chapter describes the conservation imperative for the hotspot, introduces CEPF as a global program and gives a general overview of the hotspot. It describes the approach, conservation outcomes tool, and strategy development.

Map: This chapter will include a map of the hotspot.

Chapter 2. Background:
This chapter describes the process behind the development of the profile, the stakeholder meetings, the donor consultations, and the partners involved.

Table: Dates and participant lists for all stakeholder workshops.

Chapter 3. Biological Importance of the Hotspot:
This chapter describes the geography, climate, and biological history of the hotspot. The chapter provides a summary of species diversity, levels of endemism, and global threat status among major taxonomic groups in the hotspot. The focus is on those taxonomic groups for which data on global threat status are available. This chapter also describes major ecosystem services, including freshwater flows, support to food production, support to cultural services, carbon sequestration, and disaster mitigation, among others.

Table: Species diversity, endemism, and threat status, by taxonomic group.

Table: Principal ecosystem services.

Chapter 4. Conservation Outcomes Defined for the Hotspot:
This chapter describes and summarizes the conservation outcomes for the hotspot. Conservation outcomes represent the quantifiable set of species (i.e., globally threatened species), sites (i.e., KBAs), and higher-scale spatial units (i.e., conservation corridors) that are indispensable to conserving the global biodiversity values of the hotspot.

Species outcomes will be based on a comprehensive list of globally threatened species occurring in the hotspot, corresponding to categories critical (CR), endangered (EN), and vulnerable (VU) on the current IUCN Red List.

Site outcomes will be based on a comprehensive list, with accompanying maps, of KBAs for the hotspot, comprising all sites that meet the criteria defined in the Global Standard for the Identification of KBAs that can be identified based upon available information.

Corridor outcomes will be based on a comprehensive list, with accompanying maps, of conservation corridors: higher-scale spatial units necessary to maintain ecological and evolutionary processes at the landscape scale. Within this context, the chapter summarizes the ecosystem services provided by the natural ecosystems of the hotspot and describes their social and economic value. The text relates the importance of conservation corridors to the provision of specific ecosystem services.

The chapter will prioritize species, site, and corridor outcomes based upon explicit criteria agreed upon in advance by CEPF and the ecosystem profiling team. This analysis will, with the other chapters in the document, form the basis for defining the CEPF niche (Chapter 11). In general: species outcomes should be prioritized on the basis of criteria including global threat status, relative importance of the hotspot for the global conservation of the species, and need for species-focused conservation action; site outcomes (i.e. KBAs) should be prioritized following the methodology in the IUCN Guidelines on Identification and Gap Analysis of KBAs (Langhammer *et al.* 2007); and corridor outcomes should be prioritized on the basis of criteria including importance for wide-ranging (landscape) species, importance for the delivery of ecosystem services, and relative degree of habitat fragmentation.

This chapter should be specific about the relevance of improved human well-being as a determinant and result of positive conservation outcomes.

This chapter should also make specific links between conservation outcomes and relevant indicators in the CEPF Global Monitoring Framework.

Map: Site outcomes in the hotspot.

Map: Corridor outcomes in the hotspot.

Table: Summary of globally threatened species (species outcomes) in the hotspot.

Table: Summary of KBAs (site outcomes) in the hotspot.

Table: Summary of conservation corridors (corridor outcomes) in the hotspot.

Suitable data sources: IUCN Red List, World Database of Protected Areas; Alliance for Zero Extinction; World Database of KBAs.

Data collected by the team for this chapter will be used to prepare a *Conservation Outcomes* wall map. The team must submit the following as appendices to this chapter:

- GIS layer of KBA polygons with attributes.
- GIS layer of conservation corridors with attributes.
- Species-site matrix (in Excel) listing species, ecosystems and biological processes that trigger the KBA criteria for each site.

Chapter 5. Socioeconomic Context of the Hotspot:
This chapter provides an overview of the socioeconomic situation of the hotspot, an analysis of how this affects conservation outcomes, and how it could influence the strategic directions for CEPF actions. The chapter should provide information and analysis on human populations, including demographics, migration, and distribution trends (e.g., urban versus rural), and ethnic and indigenous distinctions, if relevant. The chapter should also discuss relevant social and economic facts, including poverty and welfare distribution, economic activities as they relate to natural resource use (e.g., agriculture, energy, fisheries, mining, forestry, etc.), and linguistic/social/religious distinctions that have relevance to civil society engagement and/or conservation. As relevant, there should be discussion of youth and underprivileged people, as either relate to conservation. There must be a distinct section on gender.

This chapter should not only include a general discussion of the private and agro-industrial sectors but should be specific about the major actors and what they represent as either threats or partners in conservation.

This chapter should also make specific links between the socioeconomic context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework.

Tables: Multiple tables as relevant, including on key human and development statistics, demographic trends, active population share in main economic sectors, ecological footprint, rates of land use change, and/or relevant information on economic sectors that affect natural resources.

Chapter 6. Policy Context of the Hotspot:
This chapter reviews and analyzes policies related to the environment with special emphasis on natural resources management and biodiversity conservation. The text reviews the political situation in each of the countries (or appropriate sub-regions), details economic development policies and strategies, and assesses how the policy context affects biodiversity conservation and could influence the strategic directions and modalities for CEPF investment.

The chapter should provide:

- A description of the legal status of sites and corridors: who owns them, or which public agency is responsible for their management.
- An overview of governance structures, level of decentralization, political conflicts, and security issues.
- An overview of national, provincial, or other policies in relation to natural resources management (e.g., policies on protected areas, forestry, agriculture, fisheries, mining, wildlife management, road construction, housing, urban development).
- An overview of the institutional policy framework for conservation, including description of the mandates and capacity of the principal agencies and authorities, biodiversity action plans, major national laws, and international conventions.
- An overview of other policies and regulations related to the financing of conservation, including taxes, protected area revenue streams, licensing for resource use, and the creation of trust funds.
- An overview of national, sub-national or other economic development policies in terms of their effect on biodiversity conservation, including an overview of local governance arrangements, as they relate to the control of natural resources.
- Overview of political conditions and trends at national, sub-national, or local scales as they relate to conservation (e.g., political parties, leadership, popular movements) as well as geopolitical issues with significant implications for conservation.
- An overview of the National Biodiversity Strategy and Action Plan (NBSAP) of each country.

This chapter should also make specific links between the policy context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework and/or establish some form of baseline data against which to measure future progress in relation to policy.

Chapter 7. Civil Society Context of the Hotspot:
Civil society is the recipient of CEPF grants and as such, is CEPF's implementing agent. A central tenet of CEPF is that effective and sustainable conservation is better achieved with the engagement of civil society. This chapter must provide an extensive examination of primary and potential civil society actors and their potential direct or indirect role in conservation.

For the purposes of this chapter, CEPF defines civil society as all the national and international non-government actors that are relevant to the achievement of the conservation outcomes and strategic directions. This includes, at least, local and international conservation NGOs; economic and community development NGOs; scientific/research/academic institutions (including local universities); professional organizations; producer and sales associations; religious organizations; media; advocacy groups; outreach/education/awareness groups; formal and informal schools; social welfare agencies; indigenous groups and indigenous rights groups; land reform groups; and the parts of the private sector concerned with the sustainable use of natural resources.

The chapter should:
- Describe the efforts of major conservation and development organizations, by name. Summarize the efforts of smaller groups by appropriate classifications

or geographic locales.

- Describe formal and informal networks of civil society actors and their work.
- Analyze the capacity (human resources, technical, financial) of different types of groups as this varies by location (e.g., by country), or focus area (e.g., community development, terrestrial management, water resources).
- Analyze the operating environment for civil society in terms of legal framework, political space, funding availability, ability to register or convene a group, receive funding, report on income, or manage KBAs; and describe variations of these within sub-regions of the hotspot.
- Describe gaps in the civil society framework (e.g., by location or issue) to inform whether the CEPF strategy will directly address these gaps or purposefully work around them.

This chapter should also make specific links between the civil society context of the hotspot and relevant indicators in the CEPF Global Monitoring Framework.

Chapter 8. Threats to Biodiversity in the Hotspot:
This chapter is a study on threats to biodiversity and their drivers in the hotspot.

This chapter should include, at minimum, the following:

- Assessment of the threats and root causes of threats that directly affect the conservation outcomes and the ecosystem's integrity, as well as a brief historic overview thereof.
- Description of the possible solutions to overcome or at least mitigate the root causes of these threats.
- Discussion of specific threats confronting specific species, sites, and corridors listed in the conservation outcomes chapter, to assist in the development of the CEPF strategy.
- Description of the principal actors involved and how these should change to support biodiversity conservation in the area (both threat actors and opportunity actors.)
- Appropriate quantification or qualification of threats in order to establish some form of baseline data against which to measure future progress in relation to threat reduction.

This chapter should make specific links to the CEPF Global Monitoring Framework.

Chapter 9. Climate Change Assessment:
This chapter should include, at minimum, the following:

- Overview of the hotspot’s climatic history and how this has shaped its biota. Overview of projected impacts of climate change on human populations and biodiversity.
- Description of the potential climate mitigation and adaption opportunities in the hotspot, including adequacy of the protected area systems to promote resiliency.
- Review of policy responses, including major climate change initiatives, the extent to which climate change analyses and policies are in place for adaption and mitigation, and their efficacy in integrating biodiversity considerations and potential future needs.
- Overview of the role of civil society in advancing climate change adaption and mitigation to date and key bottlenecks to their constructive engagement and

potential responses.

- Recommendations for strengthening policies and approaches for adaptation and mitigation for conservation and ecosystem service resiliency, with emphasis on fostering civil society engagement.
- Potential impacts of the human response to climate change on protected areas, natural areas, and biodiversity (e.g., displaced populations due to sea level rise or droughts, increased dependency on natural resources).

Chapter 10. Assessment of Current Conservation Investment. This chapter considers "conservation investment" to be both investment directly in such elements as creation of protected areas and restoration of natural ecosystems, as well as investment in economic development activities and local governance that effect proposed conservation outcomes. As such, the chapter needs to discuss the work of traditional economic development funders and actors, or lack thereof, as it influences CEPF's niche for investment.

Further, the chapter needs to describe the work of the GEF Small Grants Program in each country, as well as the work of other funders that have or are planning investments in the hotspot.

This chapter should also:

- Detail major efforts that have been or are being undertaken for biodiversity conservation in the hotspot by national, international, bilateral, public, and private sector actors.
- Quantify levels of funding already provided by those actors.
- Qualify where and why existing activities and investments are deemed to be insufficient or ineffective.
- Distinguish between funding for formal public sector agencies as opposed to civil society.
- Provide specific detail on funding provided by CEPF's donors in relation to conservation.
- Discuss the relevance/role of donor funds for other sectors as it relates to biodiversity conservation (e.g., infrastructure projects that include environmental impacts; public sector reform projects that strengthen the capacity or change the role of environmental management authorities; decentralization programs that change the role of local authorities in relation to natural resource management; education or health programs that affect local behavior).
- Map relationships between donors.
- Identify function and incipient sustainable financing mechanisms (e.g., trust funds, debt swaps).
- Identify gaps in conservation funding with respect to the conservation outcomes. This chapter should make specific links to CEPF Global Monitoring Framework.

Chapter 11. CEPF Niche for Investment:

Based on the preceding description of the conservation outcomes and investment context, this chapter identifies how CEPF investment will complement (and build upon) investments by other funders discussed in Chapter 10 and in relation to the needs and opportunities described in Chapters 4-9. The niche presages the investment strategy

(Chapter 12) by implying the types of activities for which grant funding will be provided, the types of organizations to receive this funding, and the geographic focus of this work.

Chapter 12. CEPF Investment Strategy and Programmatic Focus:
Based on the niche for CEPF investment, this chapter recommends specific investment priorities grouped into broad strategic directions. These are areas where CEPF can add most value or complement existing investments in biodiversity conservation, justified in terms of the current context for conservation, past experience with conservation initiatives, and opportunities to complement and build upon current conservation investment.

The CEPF investment strategy will include a logical framework that incorporates CEPF's global indicators and relevant indicators specific to the hotspot in relation to the strategic directions and investment priorities. It is a distillation of CEPF's objectives for its grants in the hotspot and is used throughout the five-year investment period as a portfolio monitoring tool. The logical framework sets out a negotiated and realistic set of targets commensurate with the spending authority approved by the Donor Council and, ideally, supplemented by additional funding leveraged from regional donors.

Targets in the logical framework should be framed by the Aichi Targets of the Strategic Plan on Biodiversity 2011-2020 and the targets of the United Nations Sustainable Development Goals.

Table: CEPF strategic directions and investment priorities for the hotspot.

Table: Priority KBAs and corridors in the hotspot.

Map: Priority KBAs and corridors in the hotspot.

Table: Logical framework with top-level objectives, targets, means of verification, and important assumptions and lower-level intermediate outcomes, intermediate indicators, means of verification, and important assumptions.

Chapter 13. Sustainability:
This chapter describes how the proposed strategic directions will result in sustainable conservation outcomes.

References. This section includes complete citations for all references in the profile.

Appendices. Suggested appendices include but are not limited to:

- Globally threatened species in the hotspot (e.g., Critically Endangered, Endangered and Vulnerable).
- KBAs in the hotspot, with areas (in hectares) and protection status. Conservation corridors in the hotspot, with areas (in hectares).
- Biological prioritization (i.e., scoring or ranking) of species, sites, and corridors. Ecosystem services and their contribution to economic development in the hotspot. List of relevant civil society groups in the hotspot.
- Major current external and internal investments in conservation in the hotspot.

4.1.1 Engaging the Private Sector

CEPF provides support to nongovernmental organizations and other civil society partners to conserve critical ecosystems. From its inception in 2000, CEPF has defined “civil society” broadly to include the private sector. The CEPF Financing Agreement explicitly states that CEPF shall provide strategic assistance to nongovernmental and private sector organizations for the protection of vital ecosystems.

CEPF has directly awarded grants to private sector partners to help implement its region-specific investment strategies. In the Cape Floristic Region of South Africa, for example, CEPF support to the South African Wine & Brandy Company enabled the company to lead implementation of a unique initiative that resulted in biodiversity guidelines being incorporated into the industry-wide system for South African wine production. In addition to following the guidelines for the sustainable production of wine, more than 80 participating cooperative cellars and winegrowers have set aside biodiversity-rich areas of their land for conservation. In other biodiversity hotspots, such as the Atlantic Forest, the Tropical Andes, the Succulent Karoo, and the Philippines, CEPF funding has facilitated the engagement of the private sector in diverse partnerships and approaches, from co-financing to direct implementation, contributing to biodiversity conservation.

CEPF will continue to recognize the important role that the private sector can play in biodiversity conservation and seek to further scale up its engagement of this sector together with other civil society actors.

As a first critical step, CEPF will further scale up its analysis and understanding of the private sector as a core part of the ecosystem profiling process for each new investment region. This will be undertaken as part of the CEPF commitment to include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats, and opportunities.

The highly participatory profiling process identifies the conservation needs, gaps, opportunities, and the specific niche and investment strategy for CEPF to provide the greatest incremental value in each investment region. The process enables diverse stakeholders to develop a shared strategy from the outset based on the individual region’s needs and opportunities. The profiling process will enable identification, wherever possible, of specific niches for engagement with the private sector through various mechanisms including the dialogue to change policies and practices; development and dissemination of good practice guidelines; synergies and opportunities for private sector co-financing; and incremental investments to small-scale business initiatives to enhance and monitor biodiversity impact.

Multiple ecosystem profiles developed to date have identified specific opportunities and strategies for engagement with the private sector. The Cape Floristic Region project example highlighted above is a direct result of the strategic need identified in the profile to promote innovative private sector involvement in critical landscapes. In the Atlantic Forest, where much of the land is privately held, CEPF also identified a strategic direction to increase the number of private protected areas. CEPF investments subsequently enabled a targeted program to assist more than 50 landowners in creating and improving management of reserves on their private land. Recognized as official protected areas under Brazilian law, these private reserves complement the country's public protected areas system by connecting small and fragmented forest blocks and bringing additional priority land into the network of protected areas. Guided by the strategic directions and investment priorities identified in the profiles to date, CEPF funding has also helped create important contributions to biodiversity conservation from mining, logging, tourism, and other corporate interests in the hotspots. The East Melanesian Islands ecosystem profile, for example, specifically targets partnerships with private companies to promote sustainable development through better environmental and social practices in key natural resource sectors.

The profiling process is thus the first and most critical step in planning private sector engagement in a manner appropriate for any particular region. Information requirements for future profiling will more explicitly emphasize the need to identify private sector engagement opportunities. This emphasis will also build on the CEPF components identified in the Strategic Framework (FY 2008-2012) to (i) strengthen protection and management of globally significant biodiversity and (ii) increase local and national capacity to integrate biodiversity conservation into development and landscape planning, which is particularly targeted to biological corridors and more sustainable management in production landscapes.

As part of the first component, CEPF will focus on Key Biodiversity Areas and address threats to biodiversity across broad landscapes that include a matrix of land uses. Target areas will not be limited to formally designated protected areas and legal entities but will also include community and private lands that are managed for a conservation objective. This component also includes a subcomponent to support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation that will engage the private sector in implementation. As a core part of the mainstreaming component, CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling private sector actors to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. CEPF will build upon successful models from earlier years to promote collaboration with governmental partners and sectors such as agriculture, tourism, logging, and mining, by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development.

As the profiles guide implementation at the regional level, the identified needs, and opportunities to engage the private sector will become a key part of implementation. As the lead in implementing the ecosystem profiles, Regional Implementation Teams will play an important role by acting as an extension service to assist local actors in designing, implementing, and replicating successful conservation activities, including those initiatives proposed for direct implementation by or in partnership with the private sector.

Through its diverse donor partnership, CEPF also provides exciting opportunities for working with the private sector.

Monitoring and evaluation of individual projects by the Regional Implementation Teams, and deriving and sharing lessons learned within, and across, hotspots will also help to identify increased opportunities for engagement with the private sector. The CEPF Secretariat will develop a global replication and dissemination strategy to expand and formalize information sharing and learning opportunities for analysis and documentation of lessons learned and best practices, including engagement with the private sector. New opportunities to engage the private sector and other key stakeholders may also be identified and incorporated during implementation.

4.2 Regional Implementation Team Terms of Reference and Selection Process

Nongovernmental organizations selected to function as Regional Implementation Teams (RITs) for the Critical Ecosystem Partnership Fund (CEPF) beginning in 2007 will provide strategic leadership for the program in each of the biodiversity hotspots approved for investment.

Each RIT will consist of one or more civil society organizations active in conservation in the region. For example, a team could be a partnership of civil society groups or could be a lead organization with a formal plan to engage others throughout the implementation process, as well as complementing its structure overseeing implementation, such as through an inclusive advisory committee.

The objective of the RITs will be to convert the plans in the ecosystem profile into cohesive portfolios of grants, noting that these will contribute to CEPF's long-term goals for each hotspot (or sub-region). The ecosystem profiles will support the implementation of the long-term vision of the hotspot and the RIT and associated organizations will play a key role in becoming the stewards over the long-run of these long- term visions.

The teams will provide local knowledge and insights and will represent CEPF in each hotspot. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and political boundaries toward achieving the objectives described in the ecosystem profiles and any regionally appropriate long- term conservation and development visions.

The teams will operate in a transparent and open manner, consistent with the CEPF mission and all provisions of the CEPF Operational Manual.

Organizations that are members of the Regional Implementation Team will not be eligible to apply for other CEPF grants within the same hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, and subject to additional external review.

STAFFING

Staffing configurations may vary considerably depending on the size and number of countries in each hotspot. At a minimum, it is expected that each RIT have two full time staff (or equivalent) to perform the roles of Team Leader and Small Grants Manager.

TERMS OF REFERENCE

The RIT will operate under standard Terms of Reference (TOR) approved by the CEPF Donor Council. These TOR have been refined several times since CEPF was established, and provide a comprehensive description of the duties to be performed by the RIT. There are eight components to the TOR, each with a set of functions. The RIT may place varying levels of emphasis to each function, according to the focus of the investment strategy and the local operating context.

Component 1. Coordinate CEPF investment in the hotspot.

Functions

1. Serve as the field-based technical representative for CEPF in relation to civil society groups, grantees, international donors, host country governments and agencies, and other potential partners within the hotspot.
2. Ensure coordination and collaboration with CEPF's donors, in coordination with the CEPF Secretariat and as appropriate in the hotspot.
3. Promote collaboration and coordination with other donors investing in the hotspot and opportunities to leverage CEPF funds with local and international donors and governments investing in the hotspot.
4. Engage conservation and development stakeholders to ensure collaboration and coordination.
5. Build partnerships/networks among grantees in order to achieve the objectives of the ecosystem profile.
6. Respond to CEPF Secretariat requests for information, travel, hosting of donors and attendance at a range of events to promote CEPF.

Component 2. Support the integration of biodiversity into public policies and private sector business practices.

Functions

1. Support civil society to engage with government and the private sector and share their results, recommendations, and best practice models.
2. Engage directly with private sector partners and government officials and ensure their participation in implementation of key strategies.

Component 3. Communicate the CEPF investment throughout the hotspot.

Functions

1. With the input of the CEPF Communications Team, develop a communications strategy for the investment.
2. Communicate regularly with CEPF and partners about the portfolio through face- to-face meetings, phone calls, digital communications (website, electronic newsletter and/or social media) and reports to events, forums, and panels in alignment with the communications strategy.
3. Support the CEPF Secretariat to obtain photographs and video for use in communications materials, and coordinate with the CEPF Communications Team to obtain associated legal documentation (such as use licenses). Aim to provide at least one good-quality image for each project.
4. Translate selected materials into hotspot languages.
5. Monitor media coverage and promptly inform and coordinate with the Grant Director and CEPF Communications Team in regard to any controversy related to CEPF projects, grantees or donors and any media coverage of the controversy.
6. Prepare a range of communications products to ensure that the key information provided in the ecosystem profiles is accessible to grant applicants and other stakeholders.

7. Disseminate portfolio results via multiple and appropriate media in alignment with the communications strategy.
8. Share story ideas and strong results and provide information and/or assistance to the CEPF Communications Team as needed.
9. Conduct exchange visits with other RITs to share lessons and best practices, in consultation with the CEPF Secretariat.
10. In coordination with the CEPF Secretariat, ensure communication with local representatives of CEPF's donors.

Component 4. Build the capacity of civil society.

Functions

1. Assist civil society groups in designing projects that contribute to the achievement of objectives specified in the ecosystem profile and a coherent portfolio of mutually supportive grants.
2. Build institutional capacity of grantees to ensure efficient and effective project implementation and financial management
3. Build capacity of grantees, on an as-needs basis, to comply with CEPF's environmental and social standards and gender policy.
4. Promote collaboration among civil society, government, and private sector actors.

Component 5. Support the CEPF Secretariat process for solicitation and review of proposals for large grants (above a threshold amount of between US$20,000 and US$50,000).

Functions

1. Publicize the contents of the ecosystem profile and information about CEPF's online standardized large grant application process.
2. Promote availability of funds via public announcements, print and electronic media, and applicant outreach events to publicize individual calls for Letters of Inquiry beyond their posting on the CEPF website.
3. With the CEPF Secretariat, establish schedules for the release of solicitations and grant awards.
4. Evaluate Letters of Inquiry.
5. Facilitate technical review of applications, including external reviews (e.g., via panels of experts or professional peer relationships with individuals in relevant fields).
6. Assist the Grant Director to obtain external reviews of all applications over $250,000.
7. Communicate with applicants throughout the application process to ensure they are informed and fully understand the process.
8. Support the CEPF Secretariat in obtaining technical and financial documents necessary for award of a grant.
9. Mentor and guide applicants in project design (e.g., via remote electronic means, in person, via classroom-type workshops on proposal preparation).
10. Review proposal drafts prior to final grant award.
11. Following established procedures codified in the CEPF Operational Manual and reflected in the online application system (ConservationGrants), decide jointly with the CEPF Secretariat on the award of all large grant applications.

Component 6. Manage a program of small grants (up to a threshold amount of between US$20,000 and US$50,000), in compliance with CEPF's operational manual.

Functions

1. Establish and coordinate a process for solicitation of small-grant applications.
2. Announce the availability of CEPF small grants.
3. Conduct due diligence to ensure applicant eligibility and capacity to comply with CEPF funding terms.
4. Convene a panel of experts to evaluate proposals.
5. Screen applications against CEPF's environmental and social standards and provide guidance to applicants on compliance with applicable standards.
6. Decide on the award of small grants and manage the contracting of these awards.
7. Manage disbursement of funds to grantees.
8. Ensure small-grant compliance with CEPF funding terms.
9. Develop a monitoring plan for the small grant portfolio to ensure outreach, verify compliance and support capacity building.
10. Monitor, track, and document small-grant technical and financial performance.
11. Maintain accurate and up-to-date records, including for CEPF monitoring tools, on all small grants awarded on the CEPF grants management database (ConservationGrants).
12. Open a dedicated bank account in which the funding allocated by CEPF for small grants will be deposited, and report on the status of the account throughout the project.
13. Ensure that grantees complete regular technical and financial progress reports.

Component 7. Monitor and evaluate the impact of large and small grants.

Functions

1. Collect and report on data for portfolio-level indicators (from large and small grantees) annually as these relate to the logical framework in the ecosystem profile.
2. Collect and report on relevant data for CEPF's global monitoring indicators, making use of CEPF monitoring tools and ConservationGrants.
3. Ensure quality of performance data submitted by large and small grantees.
4. Verify completion of products, deliverables, and short-term impacts by grantees, as described in their proposals.
5. Support grantees to comply with requirements for completion of tracking tools, including the Management Effectiveness Tracking Tool, Civil Society Tracking Tool, and Gender Tracking Tool.
6. In coordination with the CEPF Secretariat, conduct a mid-term assessment and a final assessment of portfolio progress, and assist with report preparation.

Component 8. Support the CEPF Secretariat to monitor the large grants portfolio and ensure compliance with CEPF funding terms.

Functions

1. Support the CEPF Secretariat to ensure that large grantees comply with CEPF funding terms, including by visiting grantees on an as-needs basis to establish facts, follow-up on recommendations, and provide support and guidance with financial and programmatic management.
2. Provide support and guidance to grantees, on an as-needs basis, for the implementation of measures necessary to comply with CEPF's environmental and social standards.
3. Participate in at least two supervision missions each year, involving visits by the CEPF Secretariat to monitor financial and programmatic performance of the RIT and selected

grants.

SELECTION PROCESS

RITs are chosen on a transparent and competitive basis.

As the number of eligible hotspots that have not been the focus of CEPF investment decreases, an increasing number of CEPF programs will be reinvestments in hotspots with an incumbent RIT[5]. RIT selection in hotspots where there is an incumbent RIT raises additional concerns about competitiveness and requires a different process to RIT selection in hotspots where there is no incumbent.

Process for hotspots where there is no incumbent RIT

For hotspots where there has been no previous investment by CEPF or where there was previous investment but without a RIT to provide strategic leadership, the following process will be used to select the RIT.

A call for expressions of interest is distributed widely by the CEPF Secretariat. This includes direct distribution to all stakeholders who participated in the ecosystem profiling process for the hotspot, publicizing the request for proposals on the CEPF global website and in the CEPF e-newsletter, and encouraging CEPF donor partners and well-known organizations both internationally and within the hotspot to distribute the announcement through their regional networks.

All organizations that submit an expression of interest are invited to join a conference call, at which the CEPF Secretariat further explains the selection process, the role of the RIT, and the investment strategy for the hotspot. Subsequently, these organizations are sent a request for proposals, which details the opportunity presented to lead implementation in the relevant hotspot, and includes the Terms of Reference, instructions for preparation of a proposal, criteria for evaluation, and a closing date for receipt of proposals by the CEPF Secretariat. It also includes the maximum budget amount allocated for the RIT in the hotspot and a link to the ecosystem profile on the CEPF website www.cepf.net. In order to allow time for interested organizations to form consortia, applicants are given a minimum of 10 weeks to prepare proposals before the closing date.

Applicants are required to submit a proposal in the format defined in the request for proposals. Proposals should include a description of the lead and subordinate partners' organizational capabilities, the technical approach to achieving the outputs required by the Terms of Reference, and the proposed management approach to conduct the work (i.e., deployment of personnel, partners, and financial resources), as well as curricula vitae of principal personnel. The request for proposals also requires submission of a detailed multi-year budget.

The Secretariat analyzes and ranks the applications using a set of evaluation criteria included in the request for proposals (see Table 4.2.A). One or more external reviewers may also be invited to provide input. To maintain an open and objective selection process, any potential advantage gained as a result of involvement in creating the CEPF ecosystem profile for the hotspot is not considered as part of the assessment.

The Secretariat presents the applications and its analysis to the CEPF Working Group, which

[5] For the purposes of this paper, the phrase "incumbent RIT" refers to both the current RIT in a hotspot with ongoing CEPF investments (e.g., an "active hotspot") and the former RIT in a hotspot with previous CEPF investments (i.e., a "closed hotspot").

then makes a recommendation to the CEPF Donor Council. The final selection is approved by the Donor Council.

Process for hotspots with an incumbent RIT

For hotspots where there was a previous investment by CEPF with a RIT in place, the following process will be used to select the RIT.

The Secretariat commissions an independent evaluation of lessons learned in relation to the incumbent RIT for the hotspot. This evaluation considers the performance of the incumbent RIT in relation to the geography of the hotspot, the capacity of civil society in the region, the budget allocated to it, and its achievement of individual deliverables as defined in its grant agreement with CEPF. It includes a review of the institutional landscape in the hotspot, including the identification of potential competitor organizations that could perform the RIT role.

The results of this evaluation are used to inform a decision on which selection modality to follow.

If the following cumulative conditions are met, the Secretariat recommends to the Working Group the award of a new RIT grant to the incumbent on a sole-source basis:

- The independent evaluation concludes that the incumbent has performed well;
- The incumbent is willing to continue in the role of RIT;
- The review of the institutional landscape does not identify any potential competitor organizations that are interested in performing the RIT role; and
- Continuing with the incumbent RIT is consistent with the long-term vision for the hotspot.

If any of these conditions are not met, the Secretariat recommends to the Working Group that the RIT be selected through open competition, following a similar process as for hotspots where there is no incumbent. The report on lessons learned, which forms part of the independent evaluation, is made available to organizations that express an interest in applying for the RIT grant. This will ensure that all applicant organizations benefit from a comparable level of information about the successes and challenges of the previous phase, and about lessons learned, thereby ensuring an open, transparent, and competitive selection process.

Informed by the results of the evaluation, the Secretariat's recommendation will specify whether organizations that are members of the incumbent RIT will be eligible to apply for the new RIT grant, either alone or as part of a consortium.

The Secretariat submits its recommendation to the Working Group for approval on a time-bound, no-objection basis. The Secretariat's recommendation is supported by the outputs of the independent evaluation, as well as by the final assessment report on the previous investment, where available.

Table 4.2.A: **Evaluation criteria currently used for RIT proposals**

1	**Organizational Experience: Technical**	**Points: 5**
1.1	Is the organization's mission statement congruent with the objectives and priorities identified for the region in the ecosystem profile?	
1.2	Does the applicant present experience working with potential partner NGOs, academic institutions, local and national government agencies, and donors?	
1.3	Does the organization have an existing conservation or development program in the region, demonstrated by its duration and record of support by other donors?	
2	**Organizational Experience: Management**	**Points: 15**
2.1	Does the organization demonstrate experience managing programs of similar size, scale, and complexity as that of the Regional Implementation Team?	
2.2	Does the organization have a monitoring and evaluation system or methodology that it has used to manage its own or other programs?	
2.3	Does the applicant have proven financial and administrative system?	
2.4	Has the organization managed the both the technical and financial elements of a small grants program in the past, and was this program of a size (e.g., total amount of money, total number of grants) and complexity (e.g., technical components and recipients) that is comparable to what it will undertake with CEPF?	
3	**Personnel**	**Points: 30**
3.1	Does the applicant propose a clear and viable personnel plan, including names, resumes, position titles, job descriptions, level of effort, work location, and reporting lines of authority?	
3.2	Does the applicant submit the name and resume a single, dedicated team leader, and does this person have the appropriate technical skills/experience and appropriate managerial skills/experience?	
3.3	Does the applicant propose, by name and resume, personnel other than the team leader, and do these people have appropriate technical skills/experience and appropriate managerial skills/experience?	
3.4	Do the proposed team members have, individually or collectively, the language skills necessary to operate effectively in the hotspot?	
3.5	Does the applicant propose a plan for recruitment and/or mobilization of "to be determined" personnel, including job descriptions, job qualifications, and curricula vitae of personnel from the applicant's organization who will perform relevant duties while recruitment is pending?	
4	**Understanding of the Ecosystem Profile**	**Points: 5**
4.1	Does the applicant demonstrate its understanding of the strategic directions in the ecosystem profile and the associated investment priorities and outcomes, targets, and indicators (other than the RIT strategic direction)?	
4.2	Does the applicant discuss the differing challenges of conservation and engagement with civil society in the countries in the hotspot, demonstrating an anticipation of the types of grants to be funded, the viability of targets, and the capacity of potential grantees?	
4.3	Does the applicant describe how its own organizational strategy will be advanced by serving as the lead entity for CEPF in the region and how this will help to ensure sustainability of results beyond the CEPF implementation period?	
5	**Proposed Technical Approach**	**Points: 15**
5.1	Does the applicant address all components of the RIT as described in the terms of reference?	
5.2	Does the applicant demonstrate its plans to work with partners or with civil society organizations that have very different levels of capacity from one corridor or country to the	

5.3	Does the applicant propose a method to effectively communicate and coordinate the funding opportunity, results and lessons learned?	
5.4	Does the applicant propose a system for soliciting proposals for projects conforming to the strategy described in the ecosystem profile and establish an effective, transparent review process to evaluate these applications?	
5.5	Does the applicant propose a system to monitor and evaluate individual projects and assist in monitoring portfolio performance overall?	
5.6	Does the applicant propose a system to directly award and manage all small grants for civil society of up to $20,000?	
6	**Proposed Technical Approach**	**Points: 25**
6.1	Does the applicant demonstrate its understanding of the legal requirements to make grants in the hotspot countries, employ people or engage organizations in these countries, and foreign exchange restrictions?	
6.2	Does the applicant have defined administrative/financial roles demonstrating a segregation of duties and a chart indicating the leadership and employee structure of the	
6.3	Does the applicant propose a method to track, record, and account for funds received and disbursed, and does it propose a method for regular completion of reconciliations of money received and disbursed in comparison with bank statements?	
6.4	Does the applicant propose a system for internal controls and objective criteria that guide the review of payment requests and other invoices, systematic record keeping, and fraud and embezzlement safeguards?	
7	**Proposed Technical Approach**	**Points: 5**
7.1	Is the budget complete and within the allocated amount named in the request for proposals?	
7.2	Are all costs mathematically justified through the clear presentation of unit costs, total units, and total costs?	
7.3	Are all unit costs, total units, and total costs appropriate in relation to the proposed technical and managerial activities?	
7.4	Are proposed unit rates in accord with market rates in the region?	
7.5	If the applicant claims indirect costs, does it clearly show the base of application and is this distinct from any previously enumerated direct costs; does the applicant provide an explanation of how the indirect cost rate has been determined (e.g., historical averages, audited financial statements, precedent contracts); and does the applicant provide supporting documentation with its financial questionnaire?	
7.6	If the applicant proposes to work in only a subset of the eligible countries, is the total budget proportionately less than the maximum allowable amount and is this amount adequately justified?	
	Total	**100 Points**

4.2.1 Independent Evaluation of Lessons Learned to Inform Reinvestment in Hotspots Scope of Work and Selection Process

Background

As the number of eligible hotspots that have not been the focus of CEPF investment decreases, most future CEPF programs will be reinvestments in hotspots with an incumbent Regional Implementation Team (RIT). To inform potential future reinvestments, CEPF will commission an independent evaluation of the incumbent RIT towards the end of each investment phase. This will comprise a review of the performance of the incumbent RIT and challenges, opportunities and lessons learned associated with the RIT role. In combination with the Final Assessment of the results of the hotspot investment (conducted as a separate exercise), this evaluation will enable applicants for the RIT role to be better informed about the experience of the incumbent RIT and the results achieved and create a more competitive environment for all applicants.

Process

The evaluation of the incumbent RIT will be undertaken by an independent consultant, selected through a competitive procurement process. A single consultancy firm will be selected to undertake all evaluations scheduled within a fixed time period (e.g., three years). This will allow for greater consistency of approach and comparability of results among hotspots. The consultant must demonstrate an ability to take due account of local circumstances in each hotspot. Selection of consultants will be overseen by the Monitoring, Evaluation and Outreach Unit within the CEPF Secretariat.

An evaluation will be undertaken for each hotspot where strategic leadership for the CEPF program was provided by an RIT (irrespective of whether a reinvestment is planned or not). The RIT model was adopted by CEPF in 2007. There are, therefore, some hotspots that were the focus of previous CEPF investment for which there was no RIT. An evaluation will not be undertaken for such hotspots, because the structures for coordinating CEPF investment were not directly comparable to RITs in form and function, and the length of time that has passed (at least 10 years) limits the relevance of past experience to future investments, especially given changes to CEPF over the intervening period.

Where possible, the evaluation of the incumbent RIT will be undertaken simultaneously with preparation of the ecosystem profile for the reinvestment phase, preferably during the final year of an investment phase (to enable the continuity of investment required to consolidate and amplify results of CEPF investment). To this end, the consultant will be asked to prepare a lessons learned report that is suitable for inclusion as a chapter in the ecosystem profile. It should also be able to serve as a stand- alone document to inform investment decisions, including regarding selection of the RIT for the reinvestment phase.

In order to capture lessons learned from the start of the investment phase and preserve institutional memory in the event of turnover of key RIT and Secretariat staff, the Secretariat will facilitate a reflection exercise with the RIT at the end of each year of implementation, using a standard set of questions. This exercise will focus on what the RIT learned during the year (and other RITs could learn from), what worked well, and what could have done differently, as well as any challenges encountered with building the portfolio (e.g., persistent gaps, balance of local versus international grantees, etc.). The results will be documented in the relevant RIT supervision mission report, which can then be made available to the consultant working on the RIT evaluation.

Scope of Work
Evaluation of Lessons Learned to Inform Reinvestment in the [insert name] Hotspot

Background

The Critical Ecosystem Partnership Fund (CEPF) is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, and the World Bank designed to help safeguard the world's biodiversity hotspots. As one of the founding partners, Conservation International administers the global program through the CEPF Secretariat.

The [insert name] Biodiversity Hotspot is [insert brief description of the hotspot, including a link to the ecosystem profile].

CEPF's current investment in the [insert name] Hotspot, began in [insert date] and will continue until [insert date]. Results to date are summarized here [insert link to most recent Annual Portfolio Overview or assessment report].

In each of the biodiversity hotspots where it invests, CEPF selects a Regional Implementation Team (RIT) to provide strategic leadership for the program. Each RIT consists of one or more civil society organizations active in conservation in the hotspot. The objective of the RIT is to convert the plans in the ecosystem profile into a cohesive portfolio of grants that contributes to CEPF's long-term goals for the hotspot.

For the current phase of CEPF investment in the [insert name] Hotspot, the role of RIT is being performed by [insert name of organization / description of consortium].

The CEPF donors have selected the [insert name] Hotspot for a possible reinvestment. To this end, an ecosystem profile is currently being prepared, which presents an overview of the hotspot in terms of its biological importance, its socioeconomic, policy and civil society contexts, and the major direct threats to biodiversity and their root causes. This situational analysis is complemented by assessments of current conservation investment, and the implications of climate change for biodiversity conservation. Informed by these analyses, the ecosystem profile articulates an overarching strategy for investing in conservation efforts led by civil society over a five- year period. It is anticipated that the ecosystem profile will be presented to the CEPF donors for their review in [insert date].

If the ecosystem profile is approved by the CEPF donors, a process to select the RIT for the next phase of investment will be initiated. This process will be informed by an evaluation of lessons learned in relation to the incumbent RIT for the hotspot. This evaluation will consider the performance of the incumbent RIT in relation to the geography of the hotspot, the capacity of civil society there, the budget allocated to the RIT, and its achievement of individual deliverables as defined in its grant agreement with CEPF. It is entirely distinct and separate from the formal "Final Assessment" of the portfolio, which is be undertaken at the end of an investment phase to evaluate the overall impacts of CEPF investment in a hotspot.

Objective of the Evaluation

The objective of the evaluation is to inform investment decisions for the next phase of

CEPF investment in the [insert name] Hotspot, in the following ways. First, the evaluation will inform decision making by the CEPF donors regarding selection of an RIT for the next phase of investment, by evaluating the performance of the incumbent RIT and reviewing the institutional landscape for potential competitors. Second, the evaluation will enable the design of RIT proposals that incorporate lessons learned regarding the programmatic and management approaches adopted by the incumbent RIT. Third, the evaluation will inform the preparation of the ecosystem profile for reinvestment in the hotspot by documenting challenges and opportunities encountered by the RIT while implementing a grants program to engage and strengthen civil society in conserving globally important biodiversity in the social, political and institutional context of the hotspot.

Criteria for Evaluation
The evaluation will look closely at the components and functions of the RIT, as set out in the Terms of Reference, and evaluate the RIT's performance against the following criteria:

- **Relevance:** Were the activities undertaken relevant to the RIT terms of reference, the geography of the hotspot, the capacity of civil society there, and the global results framework of CEPF?
- **Efficiency:** How efficiently was the budget allocated to the RIT converted into results?
- **Effectiveness:** What were the strengths and weakness of the RIT structure and capacities with regard to effective delivery of results?

In addition to directly evaluating the performance of the RIT, lessons learned from the CEPF grants portfolio with regard to the RIT role will be collated and evaluated against the following criteria:

- **Coverage:** To what extent does the portfolio of grants awarded to date cover the strategic directions and investment priorities set out in the investment strategy for the hotspot?
- **Impact:** To what extent have the targets set in the ecosystem profile for impacts on biodiversity conservation, human wellbeing, civil society capacity and enabling conditions been met?
- **Accessibility:** Does the grants portfolio involve an appropriate balance of international and local grantees, taking into account the relative strengths of different organizations with regard to delivery of the investment strategy and considering the priority given by CEPF to building the capacity of local civil society?
- **Adaptive management:** In what ways has the development of the grants portfolio been constrained by risks (political/institutional/security) or taken advantage of unanticipated opportunities?

Components and Functions of the RIT Grant
[Note: table to be replaced with the specific components and functions for the RIT in question, given evolution of the TOR over time]

Component 1. Coordinate CEPF investment in the hotspot.	**Functions** 1. Serve as the field-based technical representative for CEPF in relation to civil society groups, grantees, international donors, host country governments and agencies, and other potential partners within the hotspot. 2. Ensure coordination and collaboration with CEPF's donors, in coordination with the CEPF Secretariat and as appropriate in the hotspot. 3. Promote collaboration and coordination with other donors investing in the hotspot and opportunities to leverage CEPF funds with local and international donors and governments investing in the hotspot. 4. Engage conservation and development stakeholders to ensure collaboration and coordination. 5. Build partnerships/networks among grantees in order to achieve the objectives of the ecosystem profile. 6. Respond to CEPF Secretariat requests for information, travel, hosting of donors and attendance at a range of events to promote CEPF.
Component 2. Support the integration of biodiversity into public policies and private sector business practices.	**Functions** 1. Support civil society to engage with government and the private sector and share their results, recommendations, and best practice models. 2. Engage directly with private sector partners and government officials and ensure their participation in implementation of key strategies.
Component 3. Communicate the CEPF investment throughout the hotspot.	**Functions** 1. With the input of the CEPF Communications Team, develop a communications strategy for the investment. 2. Communicate regularly with CEPF and partners about the portfolio through face- to-face meetings, phone calls, digital communications (website, electronic newsletter and/or social media) and reports to events, forums, and panels in alignment with the communications strategy. 3. Support the CEPF Secretariat to obtain photographs and video for use in communications materials, and coordinate with the CEPF Communications Team to obtain associated legal documentation (such as use licenses). Aim to provide at least one good-quality image for each project. 4. Translate selected materials into hotspot languages. 5. Monitor media coverage and promptly inform and coordinate with the Grant Director and CEPF Communications Team in regard to any controversy related to CEPF projects, grantees or donors and any media coverage of the controversy. 6. Prepare a range of communications products to ensure that the key information provided in the ecosystem profiles is accessible to grant applicants and other stakeholders. 7. Disseminate portfolio results via multiple and appropriate media in alignment with the communications strategy. 8. Share story ideas and strong results and provide information and/or assistance to the CEPF Communications Team as needed. 9. Conduct exchange visits with other RITs to share lessons and best practices, in consultation with the CEPF Secretariat. 10. In coordination with the CEPF Secretariat, ensure communication with local representatives of CEPF's donors.
Component 4. Build the capacity of civil society.	**Functions** 1. Assist civil society groups in designing projects that contribute to the achievement of objectives specified in the ecosystem profile and a coherent portfolio of mutually supportive grants. 2. Build institutional capacity of grantees to ensure efficient and effective project implementation and financial management. 3. Build capacity of grantees, on an as-needs basis, to comply with CEPF's environmental and social standards and gender policy. 4. Promote collaboration among civil society, government, and private sector actors.

Component 5. Support the CEPF Secretariat process for solicitation and review of proposals for large grants (above a threshold amount of between US$20,000 and US$50,000).	**Functions** 1. Publicize the contents of the ecosystem profile and information about CEPF's online standardized large grant application process. 2. Promote availability of funds via public announcements, print and electronic media, and applicant outreach events to publicize individual calls for Letters of Inquiry beyond their posting on the CEPF website. 3. With the CEPF Secretariat, establish schedules for the release of solicitations and grant awards. 4. Evaluate Letters of Inquiry. 5. Facilitate technical review of applications, including external reviews (e.g., via panels of experts or professional peer relationships with individuals in relevant fields). 6. Assist the Grant Director to obtain external reviews of all applications over $250,000. 7. Communicate with applicants throughout the application process to ensure they are informed and fully understand the process. 8. Support the CEPF Secretariat in obtaining technical and financial documents necessary for award of a grant. 9. Mentor and guide applicants in project design (e.g., via remote electronic means, in person, via classroom-type workshops on proposal preparation). 10. Review proposal drafts prior to final grant award. 11. Following established procedures codified in the CEPF Operational Manual and reflected in the online application system (ConservationGrants), decide jointly with the CEPF Secretariat on the award of all large grant applications.
Component 6. Manage a program of small grants (up to a threshold amount of between US$20,000 and US$50,000), in compliance with CEPF's operational manual.	**Functions** 1. Establish and coordinate a process for solicitation of small-grant applications. 2. Announce the availability of CEPF small grants. 3. Conduct due diligence to ensure applicant eligibility and capacity to comply with CEPF funding terms. 4. Convene a panel of experts to evaluate proposals. 5. Screen applications against CEPF's environmental and social standards and provide guidance to applicants on compliance with applicable standards. 6. Decide on the award of small grants and manage the contracting of these awards. 7. Manage disbursement of funds to grantees. 8. Ensure small-grant compliance with CEPF funding terms. 9. Develop a monitoring plan for the small grant portfolio to ensure outreach, verify compliance and support capacity building. 10. Monitor, track, and document small-grant technical and financial performance. 11. Maintain accurate and up-to-date records, including for CEPF monitoring tools, on all small grants awarded on the CEPF grants management database (ConservationGrants). 12. Open a dedicated bank account in which the funding allocated by CEPF for small grants will be deposited, and report on the status of the account throughout the project. 13. Ensure that grantees complete regular technical and financial progress reports.

Component 7. Monitor and evaluate the impact of large and small grants.	**Functions** 1. Collect and report on data for portfolio-level indicators (from large and small grantees) annually as these relate to the logical framework in the ecosystem profile. 2. Collect and report on relevant data for CEPF's global monitoring indicators, making use of CEPF monitoring tools and ConservationGrants. 3. Ensure quality of performance data submitted by large and small grantees. 4. Verify completion of products, deliverables, and short-term impacts by grantees, as described in their proposals. 5. Support grantees to comply with requirements for completion of tracking tools, including the Management Effectiveness Tracking Tool, Civil Society Tracking Tool, and Gender Tracking Tool. 6. In coordination with the CEPF Secretariat, conduct a mid-term assessment and a final assessment of portfolio progress, and assist with report preparation.
Component 8. Support the CEPF Secretariat to monitor the large grants portfolio and ensure compliance with CEPF funding terms.	**Functions** 1. Support the CEPF Secretariat to ensure that large grantees comply with CEPF funding terms, including by visiting grantees on an as-needs basis to establish facts, follow-up on recommendations, and provide support and guidance with financial and programmatic management. 2. Provide support and guidance to grantees, on an as-needs basis, for the implementation of measures necessary to comply with CEPF's environmental and social standards. 3. Participate in at least two supervision missions each year, involving visits by the CEPF Secretariat to monitor financial and programmatic performance of the RIT and selected grants.

1. Duties

A consultancy firm (hereafter "the consultant") is required to undertake an evaluation of lessons learned in relation to the incumbent RIT for the [insert name] Hotspot, in the context of the abovementioned Objective of the Evaluations. The consultant is required to field a team with experience of evaluating biodiversity conservation programs, and with adequate knowledge of the [insert name] Hotspot.

The evaluation will consider the performance of the incumbent RIT in relation to the geography of the hotspot, the capacity of civil society there, the budget allocated to the RIT, and the RIT's achievement of individual deliverables as defined in its grant agreement with CEPF. It will also consider the impacts of the investment to date (in terms of biodiversity, human wellbeing, civil society capacity and enabling conditions for conservation), based on the findings of the final assessment [where available, or, if not, the mid-term assessment], which was undertaken as a separate exercise.

Finally, the consultant will review the institutional landscape in the hotspot and identify potential competitor organizations that could perform the RIT role (either alone or as part of a consortium).

The following tasks are expected to form part of the evaluation.

- The evaluation will begin with a desk review, based on the following documentation:
    - The ecosystem profile for the hotspot.
    - The final proposal for the RIT grant.

- Major negotiation items that led to the RIT grant agreement (if any).
- The RIT grant agreement plus any amendments.
- Semi-annual supervision mission reports prepared by the CEPF Secretariat.
- Semi-annual performance reports prepared by the RIT.
- Annual portfolio overviews prepared by the CEPF Secretariat.
- Mid-term assessment report prepared by the CEPF Secretariat.
- Final assessment report prepared by the CEPF Secretariat (where available).
- Reports of independent evaluations of CEPF implementation in the hotspot (where available).
- Summary data on the grant portfolio in the hotspot, exported from CEPF's grant management system.

- The desk review will be complemented by interviews with relevant CEPF Secretariat staff, and a field visit to the hotspot.
- During the field visit, the consultant will have an opportunity to interview RIT staff, staff of the host organization(s), a selection of CEPF grantees and applicants, and other relevant stakeholders (e.g., representatives of other donors, government agencies, etc.).
- The consultant will be expected to make their own travel arrangements for the field visit, and to organize all necessary meetings with stakeholders.

2. Deliverables

There will be two main deliverables from the consultancy. The consultant will be responsible for preparing a chapter on lessons learned regarding the RIT role, suitable for inclusion in the ecosystem profile for the hotspot as a stand-alone annex. The consultant will also be responsible for preparing a confidential report on the programmatic and financial performance of the RIT, and the identification of potential competitor organizations. This confidential report will not be included in the ecosystem profile. The chapter and the accompanying confidential report will inform investment decisions by CEPF and its donors, particularly regarding selection of the RIT for the reinvestment phase.

3. Timeframe

The evaluation will be conducted during [insert dates]. Draft deliverables will be prepared by [insert date] and submitted to the CEPF Secretariat for review. Final deliverables, incorporating comments from the CEPF Secretariat will be completed by [insert date].

The consultant shall also provide the CEPF Secretariat with periodic verbal briefings and meet with Secretariat staff, as requested.

The total amount of time for the assignment is 25 days, comprising seven days for the literature review and interviews with CEPF Secretariat staff, eight days for the field visit, five days for preparation of the draft deliverables, one day to prepare and deliver a briefing for the CEPF Secretariat on the findings, and four days for incorporation of comments and finalization of deliverables.

4. Reporting

The consultant will work under the close supervision and direction of the Senior Director for Monitoring, Evaluation and Outreach, or such other individual that the CEPF Secretariat may designate.

4.3 Grant-Making Process

CEPF has a comprehensive grant application and management system that enables online access to the suite of CEPF application and reporting templates as well as key proposal and project reporting information.

Ecosystem Profiles (OM 4.1) developed together with stakeholders will guide applicants in applying for grants as well as the award of grants by the CEPF Secretariat and Regional Implementation Teams (OM 4.2). The investment strategies of each profile will be organized into the various elements of work for which CEPF is seeking proposals.

All profiles will be placed on the CEPF Web site, where applicants may access instructions about submitting a Letter of Inquiry (OM 4.3.1) for a large grant or a small grant. Applicants select a strategic direction from the profile for which they wish to apply and describe their proposed project. Submission of the Letter of Inquiry begins the Grant Decision-Making Process (OM 4.3.3).

If the Letter of Inquiry is satisfactory, and the applicant requests a small grant, additional forms are not required other than an anti-terrorism screening form that successful applicants will submit to their RIT who will in turn send the form to CEPF for processing. If the Letter of Inquiry is satisfactory and the applicant requests a large grant (OM 2.1), the applicant will be invited to complete the Project Proposal (OM 4.3.2) as well as a Financial Questionnaire (OM 4.3.4) (including the documents referenced within) and a Security Screening Request Form (OM 4.3.5). A Financial Due Diligence (OM 4.3.6) will be carried out based on the submitted financial questionnaire to determine the level of monitoring and reporting required.

If the project is approved, a Grant Agreement (OM 4.3.7 and OM 4.3.8) will be generated and signed by both parties. Procedures for managing approved grants are summarized in OM 4.4.

4.3.1 Letter of Inquiry (LOI)

The Letter of Inquiry (LOI) template may be found on CEPF website, under How to apply – Prepare your Letter of Inquiry. This template is copied from CEPF's grant management system, ConservationGrants.

4.3.2 Project Proposal

The Project Proposal template may be found on CEPF website, under How to apply – Write your Full Proposal (Large Grants Only). This template is copied from CEPF's grant management system, ConservationGrants.

4.3.3 Grant Decision-Making Process

The Critical Ecosystem Partnership Fund (CEPF) grant decision-making process is based on the evaluation of proposals in accordance with the objectives and strategies of the Fund and the relevant ecosystem profile. Proposals that target direct global environmental benefits and meet the following eligibility criteria are welcome:

- Project is located in an approved hotspot.
- Project is located in a country that is not excluded by U.S. law.
- Project supports a strategic direction outlined in the relevant CEPF ecosystem profile and investment strategy.
- Grant applicant is authorized under relevant national laws to receive charitable contributions.
- Government-owned enterprises or institutions are eligible only if they can establish i) that the enterprise or institution has a legal personality independent of any government agency or actor, ii) that the enterprise or institution has the authority to apply for and receive private funds in its own name and capacity, and iii) that the enterprise or institution may not assert a claim of sovereign immunity.
- Grant will not be used for the purchase of land, involuntary resettlement of people, or activities that negatively affect physical cultural resources, including those important to local communities.
- Grant will not be used for activities adversely affecting Indigenous Peoples or where these communities have not provided their broad support to the project activities.
- Grant will not be used to remove or alter any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values).
- Proposed activities observe all other relevant safeguard and social policies.
- CEPF will not award grants for $2 million and above, without special approval from the Donor Council (OM 5.1).

In addition, CEPF encourages proposals that demonstrate the following characteristics:

- Existence of co-financing or the ability to leverage additional funds.
- Demonstration of coordination with other organizations to reduce duplication of efforts.
- Existence of partnerships or alliances with one or more other organizations.
- Endorsements from other recognized agencies or authorities.
- Transnational or regional projects.
- Clear plans for continuation and/or replication after initial CEPF funding.
- Support to Indigenous and local communities in community-based or co-management activities for biodiversity conservation and actions that enhance local communities' tenure and resource use rights.
- Furthermore, grants financed under the Green Climate Fund program in the Madagascar and the Indian Ocean Islands Hotspot must meet the Initial Criteria of

the program, and must not exceed the targeted minimum and maximum amounts per country.

The evaluation of proposals that meet the eligibility requirements starts with a review of the Letter of Inquiry (OM 4.3.1), in which applicants are given the opportunity to justify their proposal in terms of project rationale, project approach, link to CEPF investment strategy, long-term sustainability, and organizational strengths. Priority is given to transparency and fairness in the application review process. In consultation with the CEPF Secretariat, the Regional Implementation Team (RIT) in each hotspot is required to establish a review process that provides opportunities for participation of external experts from government, academia, civil society and/or other donors. Where CEPF grant making is supported by the Green Climate Fund, the relevant Nationally Designated Authorities will be invited to participate in committees constituted at the national and/or hotspot level to advise on the selection of grants to civil society organizations.

Small Grants

Each Regional Implementation Team (RIT) has the authority to award small grants from a dedicated mechanism. The threshold amount for small grants is set for each hotspot, based on a joint decision of the RIT and CEPF Secretariat, but must not exceed $50,000 per grant. Small grant award decisions are made by the RIT, based on internal financial and programmatic reviews, and, where required, external reviews. The RIT may meet with applicants to provide guidance on project design and proposal development, including the formation of partnerships.

Completed Letters of Inquiry are sufficient as proposals for all small grants, although the RIT may request additional information at its discretion, such as detailed budgets and workplans. The RIT awards small grants on a regular schedule, informs applicants about its decisions, and documents the awards as part of its regular reporting to the CEPF Secretariat. Small grants cannot be awarded from a RIT to Conservation International; the CEPF Secretariat must make the award of any small grants to Conservation International.

The RIT has authority to approve amendments to small grants to modify the expected impacts and deliverables (provided that these remain consistent with the CEPF investment strategy for the hotspot), the grant duration (provided that this remains within the duration of the small grant mechanism agreement), the grant amount (provided that this does not exceed the threshold set for the hotspot) and/or the payment schedule.

Large grants

Grants larger than the threshold amount for small grants set for the hotspot in question are awarded by the CEPF Secretariat. For grants in this category, a two-stage application process is typically used. The CEPF Secretariat (in the person of the Grant Director responsible for the hotspot) and the RIT review the Letters of Inquiry, taking into account the opinion of external reviewers, where relevant. The RIT coordinates the Letter of Inquiry review process, which may include consulting with other knowledgeable sources, such as international and local NGOs, appropriate government officials, CEPF donor partners in the hotspot, other donors, academics, and other experts.

After a thorough, coordinated review of the project merits, the CEPF Grant Director and the RIT jointly decide which applicants will be invited to submit a full proposal. Applicants invited to submit a full Project Proposal (OM 4.3.2) are also be asked to respond to a Financial Questionnaire (OM 4.3.4).

Step-by-step summary of the large grant decision-making process:

1. Letters of Inquiry submitted.
2. CEPF Secretariat conducts an initial eligibility screening of Letters of Inquiry, and rejects ineligible applications.
3. RIT circulates Letters of Inquiry for internal review by its team, and external review by conservationists from government, civil society and or donor agencies with knowledge of the applicant and/or relevant subject matter expertise. At minimum, external reviews must be conducted for all large grants of $250,000 and for all applications from Conservation International or formal affiliates of organizations serving as the RIT in the same hotspot.
4. In parallel, the CEPF Grant Director reviews Letters of Inquiry.
5. The RIT and the CEPF Grant Director make a joint decision about which Letters of Inquiry should be further developed as full proposals.
6. The CEPF Grant Director writes to the applicants, notifying them of the decision in regard to their application. If the Letter of Inquiry is approved, the Grant Director notification will guide the applicant to initiate the preparation of the Project Proposal and necessary supporting documents such as safeguard instruments, letters of support, etc. As a follow up, the relevant CEPF Grants Manager then contacts the applicant to initiate the due diligence process with the request to fill in the different screening and compliance forms (Financial Questionnaire, W8/W9 Form and Anti-Terrorism Screening Form (also called Security Screening Form))
7. After an applicant submits the Project Proposal, Financial Questionnaire, and other supporting documents, the CEPF Grant Director reviews them; seeking input from the Grants Manager, the RIT and/or external reviewers where required.
8. In Parallel, the Grants Manager conducts a Financial Due Diligence (OM 4.3.6) to determine the proper level of monitoring and reporting required for the applicant and conducts the Anti-Terrorism Screenings required by U.S. law.
9. The CEPF Grant Director communicates the results of the review to applicant, and requests modifications to the proposal and/or supporting documents, if necessary.
10. When the CEPF Grant Director is satisfied that an application is ready for approval, he or she submits it to the CEPF Managing Director, for his review. If the Managing Director and Grants Manager concurs with approval, the proposal moves to the contracting stage.
11. The Grants Management Team prepares a Grant Agreement (OM 4.3.7) for legal review to ensure compliance with Conservation International requirements, as well as CEPF restrictions, policies, and procedures.
12. If a grant is proposed for award to Conservation International, the CEPF Secretariat submits proposal and justification to the CEPF Working Group for approval on a time-bound, no-objection basis.
13. The Grant Agreement and finalized justification are submitted to the CEPF Executive Director for approval and signature of contract.
14. If the Project Proposal is declined at any stage, the Grant Director writes to the applicant explaining the reasons.

<u>Grants by Invitation</u>

Criteria

A grant by invitation is defined as a grant that is awarded without going through an open, competitive call for proposals.

Grants by invitation are the exception, rather than the norm. It may be appropriate to request a grant by invitation when an open call for proposals has not generated suitable proposals but there are also other instances where it may be permissible and advantageous to request a grant by invitation. A grant by invitation may be requested when one or more of the following criteria are met:

- To provide follow-up funding for an existing initiative, such as a second phase of a project.
- To scale up activities of a small grant or a sub-grant into a large grant, when waiting for a scheduled call for proposals could negatively impact activities on the ground, e.g., by causing a loss of momentum with stakeholders.
- To create a team of several CEPF grantees to build a larger, cooperative project.
- To address persistent gaps in the portfolio that repeated calls for proposals have not been able to fill.
- To build partnerships and test innovative approaches, e.g., to plan clusters of linked grants to address a particular issue or test a particular approach, especially where CEPF can help to stimulate coordination between partners.
- For emergency situations, e.g., those of emerging threat or opportunity.
- To address specific actions identified in the ecosystem profile when the mechanism of grants by invitation is mentioned in the investment strategy.
- To support an actor known to possess a unique capability to implement a critical piece of the investment strategy.
- To support a multi-hotspot grant, where actors with unique capabilities or needs are essential to meet project objectives.

Procedures

Grants by invitation are funded from spending authorities approved for individual hotspots or, in the case of grants awarded under criterion (i), from an allocation specifically dedicated to multi-hotspot grants. Approval to request a grant by invitation is a decision made by the Managing Director. The Managing Director only approves requests where he/she determines that an open call for proposals has not or will not result in a suitable application in terms of quality, timeliness, and appropriateness of the applicant.

A grant by invitation may be accepted as:

- A Letter of Inquiry, followed by a full proposal, or
- A full proposal, omitting the Letter of Inquiry stage

Proposals submitted in response to the invitation are subject to all standard Secretariat, RIT, and external review procedures. These procedures include proposal review by the Grant Director, appropriate members of the RIT, and the Managing Director, budget and compliance review by the Grants Manager. All grant requests over $250,000 are subject to external review, and all grants to Conservation International are subject to no-objection approval by the CEPF Working Group.

Documentation justifying the request and the selection of the grantee is prepared by the Secretariat in each case. On an annual basis, this documentation is used to prepare a report to the Working Group, summarizing the grants by invitation awarded during the year.

Multi-hotspot Grants

Criteria

A multi-hotspot grant is defined as a grant that takes place in more than one hotspot.

Multi-hotspot grants are important to the delivery of CEPF's mission, especially in terms of replicating and scaling up best practices. In order to facilitate these activities, exchange of information, experience and lessons learned need to be promoted across the hotspots. Multi-hotspot grants can also be used to address issues that span hotspots, such as wildlife trade, or threats from extractive industries. Projects addressing multi-hotspot issues have the potential to pursue a common approach that can provide economies of scale and pooling of expertise, leading to the "whole being greater than the sum of the parts".

Multi-hotspot grants that meet the following criteria can be considered for award:

- Projects that promote exchange of experiences and lessons across hotspots.
- Projects that promote learning about best practices, e.g., visits to demonstration projects located in other hotspots.
- Projects that promote experiential learning, e.g., project-to-project exchanges, and face-to-face learning opportunities, on topics of regional or global relevance.
- Projects that address themes that span hotspots, where activities in multiple hotspots are needed to address the threat, e.g., addressing both supply and demand issues associated with wildlife trade, or opportunity, e.g., collaborating to understand and implement approaches to working with the private sector.

Procedures

Multi-hotspot grants can be funded in two ways. First, one or more active hotspots can provide funds to pay for the project, splitting the costs of the project between them. Second, multi-hotspot grants could be paid for by an allocation specifically dedicated to multi-hotspot grants.

Multi-hotspot grants may be solicited through an open call for proposals, or if appropriate and in accordance with the criteria, as a grant by invitation.

Management of the multi-hotspot grant could be undertaken by a Grant Director, or other Secretariat staff member, as appropriate and determined by the Managing Director.

Multi-hotspot grant proposals are subject to all standard Secretariat, RIT, and external review procedures. These procedures include proposal review by the Grant Director, appropriate members of the RIT, and the Managing Director, budget and compliance review by the Grants Manager. All grant requests over $250,000 are subject to external review, and all grants to Conservation International are subject to no-objection approval by the CEPF Working Group.

4.3.4 Financial Questionnaire

The Financial Questionnaire template may be found on CEPF website, under How to apply – Write your Full Proposal (Large Grants Only).

4.3.5 Security Screening Request Form

The Security Screening Request Form template may be found on CEPF website, under How to apply – Write your Full Proposal (Large Grants Only).

4.3.6 Guidelines for Completing Project Financial Due Diligence

Introduction

This financial due diligence model has been developed to assess whether a proposed recipient of a large grant is low, medium, or high risk so that appropriate monitoring and audit procedures can be applied. The Conservation International Financial Due Diligence Worksheet template is used to make such assessments.

The standard financial due diligence worksheet is not required for small grants (e.g., grants below an agreed threshold amount set for each hotspot of between $20,000 and $50,000), which are directly awarded and managed by Regional Implementation Teams (RITs). Each RIT will be responsible for evaluating the financial risk of their grant awards and may use a system of their choice, subject to prior approval by the CEPF Secretariat. All grants awarded with CEPF funding (whether awarded directly by CEPF or by the RIT) must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all social and environmental safeguard policies.

The financial due diligence for large grants is conducted by a Conservation International (CI) finance staff member, based upon a Financial Questionnaire (OM 4.3.4) and supporting documents submitted by the applicant.

The worksheet poses a series of questions targeting the quality of the project design, the environment in which the organization works, the organization's internal financial control structures, and prior reporting capabilities (if the organization has had a prior CI grant).

A series of items are addressed to which the reviewer assigns a numerical value based on a determined points scale. These values are summed to determine an overall risk ranking to be used by CEPF in determining what monitoring steps will be required to mitigate financial risk.

The assessment concludes with a Risk Ranking Summary Worksheet that shows the total risk rating for the assessment. This will classify a given project as low, medium, or high risk on a financial basis.

Depending upon the organization's overall risk ranking total, the reviewers will require specific reporting requirements as detailed in the table below to adequately monitor the organization during project implementation. The specific reporting requirements are contractual obligations integrated into the Grant Agreement for each grantee.

4.3.7 Grant Agreement

The Grant Agreement template may be found on CEPF website, under Life Cycle of a Grant - #5. Applicant Signs Grant Agreement.

4.3.8 Internal Grant Agreement

The template of the Internal Grant Agreement is available upon request.

4.4 Grant Management Process

When the grant agreement is fully executed (signed by both parties), the grant is considered approved and becomes active in ConservationGrants, CEPF's grants management system. The grant commitment will then be booked, the grantee may begin work, and payments can be made as outlined in the agreement.

CEPF grants are managed by monitoring the grantee's technical and financial performance, tracking progress and completion for deliverables, reviewing payment requests, discussing grant issues with the grantee and local partners, conducting site visits, and ensuring adequate follow up to any issues that arise. In addition, CEPF and Regional Implementation Team staff members are available to answer questions about reporting and project specifics as well as to discuss biodiversity conservation challenges.

Recording the Grant

Once the grant is approved, accounting staff will be notified via Unit 4 Business World that a commitment (the full amount of the grant) has been made. Cash disbursements to the grantee are then recorded as expenses in Unit 4 Business World as they are paid and are recognized under GL 55000.

The extent of financial and technical monitoring conducted by CEPF, and the reporting required of a grantee is dependent on the risk ratings associated with the grantee (Guidelines for Completing Financial Due Diligence, OM 4.3.6). The grant agreement includes a schedule for financial and technical reporting and the terms for payments.

In the grants management system, CEPF will set up the reporting schedule(s) in order to help track whether a grantee is complying with the reporting requirements set forth in an agreement.

Reporting and Monitoring

Baseline monitoring data

New grantees are required to submit baseline monitoring information. The precise information required depends upon the purpose of the grant, but the following tools are most commonly required:

- Gender tracking tool – required by all local grantees (one per organization) – found in OM 4.4.4.
- Civil society tracking tool – required by all local grantees (one per organization) – found in OM 4.4.5.
- Management effectiveness tracking tool – required by all grantees working to strengthen management of protected areas (one per protected area) – found in OM 4.4.6.

Progress Reports

All grantees are required to submit technical reports according to the reporting schedule defined in their grant agreement. All reports submitted by the grantee must be reviewed and acknowledged. Any performance issues that are identified should be discussed with appropriate CEPF staff and directly with the grantee. See OM 4.4.1 for the Project Progress Report. Key questions that the reviewer should bear in mind include:

- Is the period of the report accurately indicated on the report?
- Does the report contain an adequate level of detail to describe activities accomplished during the period?
- If any planned activities were not accomplished, have they been rescheduled and explained?
- Do activities from this reporting period present sufficient changes or concerns that a discussion or site visit should be conducted?

Financial Reports

The grantee must submit financial reports no less frequently than as set forth in their grant agreement as determined by the Financial Reporting Grid in the Financial Due Diligence (OM 4.3.6). If the start date of the grant falls in the middle of a reporting period, the first financial report should include the remainder of that reporting period and the next full reporting period. For example, if an agreement requiring quarterly reports begins on 15 May, the first financial report would cover the period from 15 May through 30 September and would be due 30 days later (or 30 October).

The grantee reports against the approved budget included in the grant agreement. Financial reports include prior period expenses, current period expenses, total expenses to date, budget balance, and projected cash needs for the next period. See OM 4.4.2 for the Quarterly Financial Report template. Program staff will analyze financial reports for accuracy and reasonableness in light of the project's progress to date.

The procurement procedures to be followed by the grantees, including the Regional Implementation Teams, are outlined in the CEPF Grant Agreement and follow commercial practices. The CEPF Secretariat shall carry out prior review and approval of procurement requests estimated to cost $5,000 or more. The RITs will carry out this review and approval for the sub-grants they award. All other procurements may be awarded by the grantees without prior review but are subject to post-review on a sample basis. Procedures for assessing procurement compliance include a thorough budget review during project design. Procurements are specifically reviewed as an integral part of the review of quarterly financial reports. For example, reviews include assessment of the relevant budget line items (furniture and equipment and professional services) for over-expenditures. Procurement review is also part of the financial site visits, where relevant.

End of project reporting

At project completion, all grantees will be required to submit a Final Completion and Impact Report (OM 4.4.3) which includes quantitative reporting on impact. In addition, grantees that submitted baseline monitoring tools at the start of their grant will be required to submit final versions at the end, to allow changes over the duration of the grant to be monitored.

Independent Audits

When independent annual audits are required according to the Financial Due Diligence, they are due to CEPF within 120 days following the close of the grantee's fiscal year. When audits are required, this requirement will be written into the grant agreement with the organization in question. All audit reports will be reviewed after receipt. If CEPF is funding the audit, and there are material audit findings wherein expenditures failed to comply with provisions of the sub agreement, the grantee shall be responsible for the audit costs and will reimburse CEPF for any expenditures(s) disallowed by the auditors.

Requesting and Making Payments

Conservation International's Unit 4 Business World system will facilitate making payment requests.

Initial Payment or Lump Sum Payment:
The amount of the initial payment, or in rare cases, lump sum payment, is taken directly from the grant agreement. The initial payment is usually made as soon as the grant is signed, and the commitment booked. To authorize payment, CEPF will submit a payment request via Unit 4 Business World.

Subsequent Payments:
After the initial payment, subsequent payments are made following the receipt and approval of scheduled financial reports and are based on the grantee's projected cash flow. To request a payment, CEPF will review the financial report for the following:

- Grantee's financial report totals are correctly calculated
- Grantee is reporting against the correct budget
- Variances from original budget that are greater than 15%
- Expenses appear reasonable given the progress of the corresponding work
- Cash request for following period is reasonable and does not exceed the total amount.

Upon approval of financial reports, CEPF requests payment via Unit 4 Business World. The Finance Department checks for CEPF approval and verifies the submission of grantee's required reports. All funds to CEPF external grantees are wired directly from the CEPF bank account.

Final Payment:
The amount or percentage of the final payment is based on the terms of the grant agreement and successful completion of the deliverables. See the *Grant Close-out* section below for further details.

Site Visits

Programmatic Site Visits:
Each year, CEPF conducts programmatic site visits to selected grants, with priority being given to those that represent elevated risk due to their grant size, their triggering of environmental or social safeguards, or other factors specific to the grants in question. In

addition, CEPF and the RIT staff will often visit many additional grantees and projects beyond the required samples.
Site visits help CEPF to confirm progress with activities and impacts to date reported through technical reports, and compliance with safeguards. CEPF staff can assess the grantee's capacity to continue implementation as planned and review or identify any potential constraints to success. Formal site visits undertaken as part of the sampling discussed above result in a written summary of the visit containing recommendations, concerns, and follow-up steps, as appropriate.

Financial Site Visits:
As part of the overall project review listed above, CEPF and Regional Implementation Team staff will review the financial progress of the grant and the related deliverables.
In addition, as part of CI's efforts to build and maintain strong relationships with partners and promote fiscal accountability, each year CI's Finance staff develop a site visit schedule identifying the grantees that will receive a formal financial site visit. CI Finance considers the risk rating, grant award value, cash received to date, and issues identified through prior site visits or in other ways when developing the list of grantees to receive a site visit. The purpose of this visit is to review the accounting and financial management practices of the grantee, to identify any capacity building needs, and to ensure that proper financial controls are in place. All visits are documented in detailed reports. Site visit results may trigger a re-evaluation of financial risk.
During the site visit issues may be identified that need follow-up and/or trigger a review of the financial risk rating. Issues and recommendations, where relevant, are documented in the site visit report. CI Finance will schedule a follow-up visit, if appropriate.

Grant Close-Out
At project completion, all grantees will be required to submit a Final Project Completion Report. CEPF grants will be closed upon verification that all deliverables have been completed, all progress, financial, and audit reports have been reviewed and approved and that the total grant amount has been reconciled. Reconciliation includes verification that all advances have been accounted for, the final payment has been issued, and any unspent funds have been returned and credited back to the portfolio for future grants.

Grantees that submitted baseline monitoring tools at the start of their grant will be required to submit final versions at the end, to allow changes over the duration of the grant to be monitored.

After the grant is closed, CEPF will officially notify the grantee in a close-out letter that the grant is complete, and all deliverables are approved. If applicable, a final payment or refund request will be processed at this time. Any unused funds received by the grantees should be refunded to the CEPF Bank Account and subtracted from the reported eligible expenditures. These funds are then available for other grants.

4.4.1 Project Progress Report

The Project Progress Report template may be found on CEPF website, under Life Cycle of a Grant - #8. Grantees Implement and Report on Projects.

4.4.2 Quarterly Financial Report

The Quarterly Financial Report template may be found on CEPF website, under Life Cycle of a Grant - #8. Grantees Implement and Report on Projects.

4.4.3 Final Completion and Impact Report (FCIR)

The Final Completion and Impact Report template may be found on CEPF website: Life Cycle of a Grant - #11. Grant Closes.

The Final Completion and Impact Report must be completed and returned to CEPF within two months after project end date.

4.4.4 Gender Tracking Tool (GTT)

The Gender Tracking Tool template may be found on CEPF website:
https://www.cepf.net/impact/monitoring-and-evaluation/grantee-role-cepf-global-indicators.

The baseline Gender Tracking Tool must be completed within three months of the project start date. The final Gender Tracking Tool must be completed within two months after project end date.

4.4.5 Civil Society Tracking Tool (CSTT)

The Civil Society Tracking Tool template may be found on CEPF website: https://www.cepf.net/impact/monitoring-and-evaluation/grantee-role-cepf-global-indicators.

The baseline Civil Society Tracking Tool must be completed within three months of the project start date. The final Civil Society Tracking Tool must be completed within two months after project end date.

4.4.6 Management Effectiveness Tracking Tool (METT)

The Management Effectiveness Tracking Tool template may be found on CEPF website:
https://www.cepf.net/impact/monitoring-and-evaluation/grantee-role-cepf-global-indicators.

5. Donor Council, Working Group, and Focal Country Endorsements

5.1 Donor Council Terms of Reference

The powers and duties of the Donor Council shall include:

a) Providing general guidance to Conservation International (CI) on the operations of the Fund;
b) Reviewing and approving each Annual Spending Plan of the Fund;
c) Reviewing and approving a priority list of Ecosystem Profiles to be prepared;
d) Reviewing and approving each Ecosystem Profile;
e) Reviewing and approving amendments to the Operational Manual;
f) Reviewing and approving the procedures for procurement of goods and services, above the threshold amount set forth in the Operational Manual;
g) Reviewing and approving the conditions under which new donors may be invited to take part in the Fund and approving additional members of the Donor Council;
h) Reviewing and approving the fund-raising strategy for the Fund;
i) Electing the chairperson of the Donor Council;
j) Reviewing and approving the selection of each Regional Implementation Team in accordance with the procedure established in the Operational Manual. Whenever CI applies to become the Regional Implementation Team, the CI Donor Council member shall recuse him or her self from the selection process;
k) Reviewing and approving proposed grants for award to CI. In such cases, the CI Donor Council member shall recuse him or herself from the review and approval process;
l) Reviewing and approving the terms of reference for a midterm evaluation, the external audit, and a CEPF program audit conducted by internal auditors or consultants acceptable to the Donor Council, as well as any subsequent material changes to those terms of reference;
m) Reviewing and approving strategic documents pertaining to implementation of the long-term visions, and
n) Approving terms of reference for the CEPF Working Group and, whenever it deems necessary, delegating specific powers and duties to the CEPF Working Group.

Matters relating to the Chairperson of the Donor Council shall include:

i. Chairperson shall be elected by Donor Council from candidates proposed by Donor Council members

ii. Chairperson should be independent of any global donor
iii. Serve for a 3-year term, renewable once (e.g., max 6 years)
iv. Role: chair Donor Council meetings; facilitate reaching consensus among Donor Council members; network and act as ambassador for CEPF; advise CEPF Executive Director on strategic issues
v. Non-voting, as decision making should be limited to global donors.

The Chairperson of the CEPF Donor Council will be identified and selected by the following steps.

1) The CEPF Secretariat will seek input from the Donor Council and prepare a list of suitable candidates for the position of Donor Council Chair, ensuring that the list contains a balance of male and female candidates.
2) The CEPF Secretariat will provide a list of potential candidates to the Donor Council.
3) The CEPF Secretariat will select a shortlist of candidates.
4) The CEPF Secretariat will approach shortlisted candidates to ascertain their interest in performing the role of Donor Council Chair.
5) The CEPF Secretariat will present the shortlist to the Working Group.
6) The Working Group will review the shortlisted candidates, select one, and recommend this candidate to the Donor Council.
7) The Donor Council will review the recommendation and elect a Chair.

These Terms of Reference were approved by the CEPF Donor Council in June 2017.

5.2 Working Group Terms of Reference

Term Duration:
Permanent or as determined by the Donor Council.

Reports to:
CEPF Donor Council.

Chaired by:
CEPF Executive Director. The Working Group Chair reports to the Donor Council.

Purpose:
To serve as a resource to CEPF for consultation on CEPF matters such as maximizing the potential to leverage donor organization resources and expertise, and development of ecosystem profiles, and to provide input and guidance on certain operational issues and addressing obstacles and challenges to biodiversity conservation success.

Frequency of meetings:
Three times a year or as necessary.

Specific Tasks:
Support the mission and objectives of CEPF and leverage CEPF investment by identifying the technical and financial resources that member organizations can contribute to specific geographic regions.

Represent and communicate the CEPF mission, objectives, and investment strategy within respective donor organizations to help leverage and amplify CEPF investment.

Provide support to CEPF in the preparation of the ecosystem profiles by representing Donor Council members in reviewing the draft profile, discussing geographic priorities, providing additional information and constructive input, and assisting in identifying current investment, threats to biodiversity, leveraging opportunities, and gaps that CEPF funding might address.

Provide input and guidance on certain operational matters, such as modifications to the Operational Manual, and monitor and assist in implementation of Council decisions, and other issues as necessary.
Advise Donor Council on approval of strategic documents pertaining to long-term visions.

Provide support to CEPF and Donor Council members in preparing for meetings of the Donor Council by reviewing documents and recommended actions, presenting options for consideration to Donor Council, resolving any issues, reflecting the position of respective organizations, and briefing Donor Council members.

Select CEPF Regional Implementation Teams, to be approved by the Donor Council, in accordance with the procedure established in the CEPF Operational Manual. In the event CI applies to become a Regional Implementation Team, the CI representative on the Working Group shall recuse his or her self from such selection process.

By authority granted by the Donor Council, review and approve proposed grants for award to CI under each approved Ecosystem Profile. In such cases, the CI Working Group member shall recuse him or herself from the review and approval process.

These Terms of Reference were approved by the CEPF Donor Council in June 2017.

5.3 Focal Country Endorsements

CEPF will seek endorsement of each ecosystem profile by the relevant national GEF operational focal point(s) (OFP). CEPF shall request endorsement following approval of the ecosystem profile by the Donor Council. No funds shall be disbursed for any activities in a country until the GEF OFP for that country has endorsed the ecosystem profile.

CEPF will actively engage the relevant GEF OFP(s) throughout the process of developing the ecosystem profile. CEPF will request the GEF Secretariat to make an initial introduction of CEPF to the relevant focal point(s) in the hotspot. The CEPF Secretariat will arrange a teleconference or face-to-face meeting to introduce proposed CEPF activities in the hotspot, the profiling team, and the goals of the ecosystem profiling process. Focal points will be invited to national stakeholder workshops organized throughout the profiling process. Invitations will be extended in advance of the scheduled workshop. If a focal point is unable to attend an ecosystem profiling workshop, the Secretariat or profiling team will provide them with a copy of the workshop proceedings and a list of attendees. Representatives of the CEPF Secretariat will arrange to meet with each relevant OFP if at all possible, to discuss the profile during its development.

A formal request for the OFP’s endorsement of the ecosystem profile will be submitted by the CEPF Secretariat in writing. This request will provide a sixty-day absence-of-objection review period and will be accompanied by a complete draft of the final ecosystem profile. This letter will contain information on CEPF, the strategic priorities identified in the ecosystem profile, and a description of the implementation arrangements in the hotspot.

When the OFP's endorsement of the ecosystem profile is provided in writing, this must be in the form of a letter addressed to the CEPF Secretariat, Executive Director, following the general guidelines and content outline of the sample letter included in this section.

The CEPF Secretariat will fully document this engagement process for each investment region, reflecting the schedule of meetings and teleconferences held with the OFP, the OFP’s invitation to and attendance at profiling meetings, comments from the OFP on the profile, the Secretariat’s response and the OFP’s response to the request for endorsement.

Format for GEF Focal Point Endorsement Letters[6]

[Date]

Mr. Olivier Langrand
Executive Director
Critical Ecosystem Partnership Fund
2011 Crystal Drive, Suite 600
Arlington VA 22202

Email: olangrand@cepf.net

Reference: *Critical Ecosystem Partnership Fund*

Dear Mr. Langrand:

As the GEF Focal Point for the Government of *[insert country]*, I endorse the investment strategy outlined in the Critical Ecosystem Partnership Fund (CEPF) *[insert official title of the ecosystem profile]*, and the provision of grants to nongovernmental and private sector organizations for projects and activities that fulfill the programmatic objectives outlined therein.

We understand that each of the CEPF donor partners (Conservation International, l'Agence Française de Développement, the European Union, the GEF, the Government of Japan, and the World Bank) has committed funding to the CEPF initiative.

In providing this endorsement, we confirm that *[insert official title of the ecosystem profile]* has been shared with the officials responsible for the Convention on Biological Diversity and has undergone review in our country. We note that provision of funding for activities outlined in the ecosystem profile will be contingent upon approval by the CEPF Donor Council. We understand that the ecosystem profile will be made publicly available.

Sincerely,

[Signature]
[Name] [Title] and GEF Focal Point
[Address] [Tel and fax]

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[6] The text of letters of endorsement for the CEPF Ecosystem Profiles can vary from country to country. However, letters that provide for conditional endorsement are not acceptable, and each letter must cover the following points:

- Addressed to the Executive Director, Critical Ecosystem Partnership Fund (as per suggested format);
- State GEF Focal Point endorsement for the relevant ecosystem profile (include official name of document);
- State GEF Focal Point endorsement of strategy and programmatic objectives contained in the Ecosystem Profile;
- State that the GEF Focal Point understands that CI, l'Agence Française de Développement, the European Union, the GEF, the Government of Japan, and the World Bank have provided funding for CEPF;
- State that the GEF Focal Point understands that the provision of funding for the activities outlined in the ecosystem profile is contingent upon CEPF Donor Council approval of the Ecosystem Profile and investment strategy;
- State agreement that the ecosystem profile may be made publicly available;
- Signed by GEF Focal Point

5.4 CEPF Donors: Membership and Rules of Engagement

The criteria for membership and rules of engagement for CEPF Global Donors are:

- A contribution is defined as an executed agreement committing funding to CEPF. In the case where a contribution to CEPF is made in a foreign currency, the amount of the contribution will be valued as of the date of agreement execution.

- Global donors must contribute at least USD $5 million (“Qualifying Contribution”) during the Term of the respective financing agreement with CI (as the CEPF Secretariat) committing such Qualifying Contribution. “Term” shall have the meaning defined in such financing agreement.

- Donor Council membership commences on the effective date as defined in the financing agreement with CI (as the CEPF Secretariat) committing the Qualifying Contribution.

- Donor Council membership ends on the later of:
  (i) the closing date (“Closing Date”) as defined in the respective current financing agreement with CI (as the CEPF Secretariat),
  Or
  (ii) the two-year anniversary of such Closing Date (“Carry-Over Period”), if a new financing agreement has not become effective prior to the expiration of the Carry-Over Period, but the Donor Council member has affirmed intent to renew its commitment to CEPF prior to the Closing Date. Intent to renew shall be affirmed by a statement made at the Donor Council meeting or by an official letter to the CEPF Secretariat pledging renewal. Notwithstanding the foregoing, the Donor Council may extend the Carry-Over Period on a no- objection basis.

- Global donors can send several representatives to meetings.

- Donor Council members attend as representatives of their institutions not in their personal capacity.

- Guests may participate in Donor Council meetings, on a no-objection basis.

- Decision making by the Donor Council will be on a consensus basis.

These Membership and Rules of Engagement were approved by the CEPF Donor Council in June 2018.

6. Reporting Procedures

6. Quarterly Report

Income Statement for [#] Months Ending [date]

Revenue - CEPF	Current Year
Contributions	-
Revenue source 1	-
Revenue source 2	-
Revenue source n	-
Bank Interest Earned	-
Total Revenue	**-**

Grants by hotspot	Grants Awarded [date] - [date]			Payments on Grants [date] - [date]		
Hotspot	Approved Spending Plan	Actual YTD	%	Approved Spending Plan	Actual YTD	%
Hotspot 1			0%			0%
Hotspot 2			0%			0%
Hotspot n			0%			0%
Total Grants	-	-	**0%**	-	-	**0%**

Operational Costs	Spending plan	Actual YTD	%
Operating Costs			0%
Management Fee			0%
Total Operations	-	-	**0%**
Preparation			**%**
Total Preparation			**0%**
Special Projects			**%**
Special Project 1			0%
Special Project 2			0%
Special Project n			0%
Total Special Projects	-	-	**0%**
Total Expense	**-**	**-**	**0%**

Fund Balance at [date]

Bank Balance		-
Investments		-
Accounts Receivable		-
A/R Source 1	-	
A/R Source 3	-	
A/R Source n	-	
Grants Payable		-
Amount due (to)/from CI		-
Total Fund Balance		**-**

Summary of Available Resources as of [date]

Revenue to Date	-	
Expenses to Date	-	
Fund Balance		-
Allocated to:		
Reserved for Preparation	-	
Approved Hotspots	-	
Available for Future Operations Costs	-	
Available for Special Projects	-	
Available for Investment (Secured Funds)		-
Pledged Funds	-	
Operations Costs on Pledged Funds	-	
Preparation	-	
Balance for Investment (Pledged Funds)		-
Total Available for Investment - secured and pledged funds		**-**
Total Available Resources - secured and pledged funds		**-**

[Chart of Available Resources]

CEPF Phase II Grant Portfolio as of [date]

Number of Grantees:		-
Amount Granted (US $000s):	$	-

[Charts display split of grantmaking between Local vs International, Non CI vs CI, RIT vs Project Implementation]

CEPF Quarterly Report

Income Statement from Inception to [date] (US $000s)

Revenue	CEPF I	CEPF II	Total		Pledged
Revenue Source 1			0		0
Revenue Source 2			0		0
Revenue Source n			0		0
Total Revenue to Date	**0**	**0**	**0**		**0**

Expense *Grants by hotspot*	CEPF I Awarded	CEPF II Awarded	Total Awarded	Total Disbursed	CEPF II Balance
CEPF I only					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
CEPF I and CEPF II consolidation					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
CEPF II only					
Hotspot 1	0	0	0	0	0
Hotspot 2	0	0	0	0	0
Hotspot n	0	0	0	0	0
Total Grants to Date	**0**	**0**	**0**	**0**	**0**

Other Expenses to Date			
Preparation	0	0	0
GEF-PPG	0	0	0
Special Projects	0	0	0
Operations Costs	0	0	0
Total Other Expenses to Date	**0**	**0**	**0**
Total Expense	**0**	**0**	**0**
Fund Balance			**0**

Annex 1: CEPF Strategic Framework, Phase III (2014-2023)

The Critical Ecosystem Partnership Fund (CEPF) was created in 2000 to support the conservation of biodiversity within the global hotspots by engaging and strengthening the capacity of civil society. A first phase, which lasted until 2007, saw the establishment of the Fund and the growth of the partnership from the three founding donors—Conservation International (CI), the World Bank and the Global Environment Facility (GEF)—to five, with the John D. and Catherine T. MacArthur Foundation and the Government of Japan joining in 2001 and 2002 respectively.

During its first phase, CEPF established itself as a small-grant-making facility for civil society working on biodiversity conservation in hotspots. CEPF granted close to $100 million to 600 civil society groups in 15 hotspots covering 34 countries. Important outcomes were achieved on the ground and the independent evaluation that was completed in 2006 emphasized the following successful elements of CEPF:

- Ecosystem profiles established as a coherent planning process guiding grantmaking at the hotspot level.
- Grant portfolios well aligned with strategic priorities set out in the ecosystem profiles.
- Flexibility to identify and support a wide range of civil society organizations, including groups with limited access to funding, ensured.
- Capacity built among local and national conservation NGOs.
- Contributions made to extending and strengthening protected area networks.
- Contributions made to sustainable financing for biodiversity conservation.
- Contributions made to transboundary conservation of biodiversity, advancing regional conservation agendas.

The second phase of CEPF was launched in 2008, incorporating the key recommendations from the evaluation. One of the key changes was the development of the Regional Implementation Teams as a mechanism to allow for greater presence in the field, provide closer monitoring and strengthen the conduit for building local civil society capacity. Another involved the evolution of the ecosystem profiles from desk studies to consultative processes enabling greater participation in the development of the granting strategies in the hotspots. The outcomes proposed by the strategic framework included investing in 14 hotpots, reaching out to 600 civil society organizations and improving the management of at least 20 million hectares of key biodiversity areas.

As of 2013, CEPF has granted more than $163 million in 23 hotspots in more than 60 countries and territories reaching out to over 1800 grantees and influencing the management of over 30 million hectares of key biodiversity areas – thus exceeding the targets set for Phase II. The partnership has also grown to seven[7] donors, with the French Development Agency and the European Union joining in 2007 and 2012 respectively. CEPF has become an established grant-making facility, positioning it as the only global fund targeting civil society to conserve biodiversity in hotspots around the world.

CEPF III – Stepping up to the biodiversity conservation challenge

In June 2013, the CEPF Donor Council held its 23rd meeting in Jackson Hole, Wyoming. The objective of this meeting was to launch the development of a new strategic framework for Phase III of the Fund. During the meeting, the donor members discussed areas of work on which CEPF could focus to better deliver its mission of engaging civil society in conserving the world's most critical ecosystems. The discussions generated specific recommendations to improve what was enthusiastically recognized as a tried-and-tested model that has already benefited from more than a decade of evaluation and refinement and set the stage for further consultations for the development of CEPF's new strategic framework.

It became clear, however, during the preparation of the new strategy—involving consultations with donors, grantees, and other stakeholders—those iterative improvements would not, by themselves, enable CEPF to have a truly transformational impact on the most biologically important yet critically threatened regions of the world. It was also apparent that CEPF has found a unique niche that allows it to empower local actors to address global conservation priorities cost effectively. Realizing CEPF's potential requires more than strategic improvements to performance. It means taking the Fund to a scale at which it can provide the resources and depth of engagement needed to shift the momentum in global efforts to conserve biodiversity: the fundamental underpinning of human well-being.

There is a clear and pressing need to escalate funding for biodiversity conservation. The rate of extinction is as much as 1,000 times higher than it would be without anthropogenic influence.

Meanwhile, a global consensus has emerged on the importance of critical ecosystems in delivering services essential to humanity, including climate change mitigation and adaptation, especially following the release of the Millennium Ecosystem Assessment in 2005. There is also a widely recognized global funding gap. While hard to quantify, biodiversity conservation expenditures have been estimated at roughly $21 billion annually from 2001-2008[8]. CEPF's donor partner, the GEF (the financial mechanism of the Convention on Biological Diversity), was the principal contributor, providing 22 percent of this amount. The vast majority of GEF funding goes directly to governments, although the GEF Small Grants Program has provided $225 million in biodiversity funding to civil society organizations since 1992. Another CEPF donor partner, the European Union, has also emerged as a major supporter, providing around half of all biodiversity-related development aid during 2007-2009, almost entirely through support to governments.

There is no other funding mechanism for biodiversity conservation that globally

[7] In 2020, the John D. and Catherine T. MacArthur Foundation ceased to be a member of the CEPF Donor Council and Working Group.

[8] e.g., Waldron et al. 2013. Targeting global conservation funding to limit immediate biodiversity declines. www.pnas.org/cgi/doi/10.1073/pnas.1221370110

supports civil society on a comparable scale to CEPF. Independent evaluations have concluded that CEPF is a key, and largely irreplaceable, source of global funding and other support to civil society organizations engaged in biodiversity conservation.

Building on the recommendations made by the Donor Council in June 2013, the Secretariat proposes taking CEPF to a scale where it can more widely and effectively impact the biodiversity crisis. Four key outcomes are expected from the new phase:

1. A revamped, scaled-up and transformational CEPF, which builds on current success but is more effectively tailored to meet the challenge of the biodiversity crisis via a broadened partnership and donor base.
2. Long-term strategic visions developed and implemented for at least 12 hotspots, facilitating the development of credible, effective, and well-resourced civil societies, and delivering improved biodiversity conservation, enhanced provision from healthy ecosystems of services important to human wellbeing, and greater alignment of conservation goals with public policy and private sector business practices.
3. Strengthened implementation structures for each investment hotspot, led by Regional Implementation Teams (RITs) or similar organizations, which become the permanent stewards of the long-term strategic vision for the hotspot, able to coordinate and support civil society organizations and connect them with government and private sector partners.
4. An improved delivery model with more efficient operations, stronger communication products and more effective impact reporting, which facilitates learning, adaptive management, and amplification of demonstration models.

These four outcomes will be achieved throughout a 10-year investment phase – CEPF III – during which at least 12 biodiversity hotspots will be targeted. Progress in each hotspot will be measured against targets for “graduation”, e.g., the conditions under which CEPF can withdraw from a hotspot with confidence that effective biodiversity conservation programs will continue sustainably. The five conditions that need to be met for a hotspot to graduate from CEPF support comprise:

1. Global conservation priorities and best practices for their management are documented, disseminated, and used by public and private sector, civil society, and donor agencies to guide their support for conservation in the region.
2. Local and national civil society groups dedicated to global conservation priorities collectively possess sufficient organizational and technical capacity to be effective advocates for, and agents of, conservation and sustainable development, while being equal partners of private sector and government agencies influencing decision making in favor of sustainable societies and economies.
3. Adequate and continual financial resources are available to address conservation of global priorities.
4. Public policies, the capacity to implement them, and systems of governance are supportive of the conservation of global biodiversity.
5. Mechanisms exist to identify and respond to emerging conservation challenges.

To deliver the four outcomes, the new phase will have four components: the pillars of CEPF III. These will be delivered in parallel and complement each other, establishing a fund that tackles the loss of global biodiversity by catalyzing civil society engagement, political will, private sector support and donor funding to demonstrate effective responses to the most pressing conservation issues in the short term, while facilitating the emergence of conservation movements able to respond effectively to emerging issues into the long term.

1. Component 1 – Designing and launching a transformational Fund for Biodiversity and Civil Society – the New CEPF

One recent study estimated the annual cost of reducing the extinction risk of all globally threatened species at $3.4 to $4.8 billion, while protecting and effectively managing all terrestrial sites of global conservation significance would cost more than $76 billion per year[9].

The CBD has adopted a revised and updated Strategic Plan for Biodiversity for the 2011-2020 period. The Strategic Plan consists of 20 new biodiversity targets for 2020, termed the "Aichi Biodiversity Targets," that are designed to achieve five strategic goals:

- Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.
- Reduce the direct pressures on biodiversity and promote sustainable use.
- Improve the status of biodiversity by safeguarding ecosystems, species, and genetic diversity.
- Enhance the benefits to all from biodiversity and ecosystem services.
- Enhance implementation through participatory planning, knowledge management and capacity building.

Subsequent CBD COP 11 talks in Hyderabad, India in 2012 reached consensus on the urgent need for more and better managed funds to reach the Aichi targets. While countries failed to agree on the exact amount needed, there now seems to be a general commitment to "double total biodiversity-related international financial resource flows to developing countries by 2015 and at least maintaining this level until 2020."

Current assessments of the costs of effective conservation vary considerably. Not surprisingly, recent studies show the most severe underfunding in poorer countries, where even modest additional investments can generate major gains for conservation. Additional financing is clearly needed as a matter of priority. Global biodiversity funding – especially in poorer countries – will need to increase by at least an order of magnitude in the near future if the Aichi targets are to be met.

The need for funding for biodiversity conservation is clear. Donors are already engaged with host-country government counterparts as the recipients of the majority of funds, while the private sector has its own ability to raise money to engage in conservation. On the other hand, civil society, despite its indispensable role in achieving conservation goals, is the least funded sector.

CEPF's work with civil society has demonstrated that mentoring and organizational support can help civil society organizations become credible and trusted partners in sustainable development, impacting national-level conservation institutions and building local-regional- global networks where skills, funding and vision can be

[9] McCarthy, D. et al. 2012. Financial Costs of Meeting Global Biodiversity Conservation Targets: Current Spending and Unmet Needs. Science 338 (6109): 946-949

shared. This, in turn, lays the foundation for innovation and sustainability in both conservation and poverty alleviation. The convergence of these factors not only reinforces the rationale for CEPF itself, but strongly suggests a need to expand the reach and capacities the fund has developed in both time and scale.

CEPF's experience shows that short-term grant funding can make significant contributions to overcoming resource constraints facing civil society organizations, enabling them to play a variety of key roles, including:

- Acting as delivery agents for conservation actions, especially where governments face serious capacity constraints.
- Bringing experience and good practice to local contexts, and transferring skills and knowledge to government conservation agencies.
- Counter-balancing the public sector where there is low accountability of government officials.
- Catalyzing innovation, testing new approaches and responding to emerging challenges and opportunities.
- Brokering partnerships among traditional and nontraditional conservation actors, including the private sector.
- Promoting wider societal changes in attitudes and behavior regarding consumption of natural resources and energy.
- Ensuring that conservation programs are also beneficial to local people, such as by protecting vital ecosystem services and providing sustainable livelihood options.

After 13 years of achievement, CEPF is ready to elevate its ambitions and to take on a larger role, applying its tried-and-tested model across a broader front to build more resilient and sustainable civil society organizations and networks that can maintain conservation programs that transcend short-term funding uncertainties. Its long-term objective is to change the course of biodiversity decline by establishing sustainable local financial and institutional arrangements that achieve transformative impacts and secure long-term conservation goals. It may take a decade or longer in some hotspots, but CEPF has the approach needed to drive development of sustainable local financial and institutional arrangements that recognize the importance of processes outside the environment sector (e.g., policies and practices in the energy, agriculture, mining, and transport). CEPF can strengthen civil society organizations to be more credible and effective partners to government and the private sector, steering decision making to a more sustainable future. It is the time to get CEPF to the next level.

It is envisioned that a transformational CEPF will build on its proven approach, model, and tools, mobilizing significantly increased financial resources to prioritize support to civil society organizations in high biodiversity areas to achieve the following long-term outcomes:

- Ensure the long-term sustainability of individual hotspot conservation programs by building the institutional capacity of RITs and civil society organizations to become independent of CEPF while ensuring that adequate financing arrangements are in place.
- Significantly impact relevant recipient country government policies affecting biodiversity conservation, both directly and indirectly, in sectors such as agriculture, mining, transport and energy.
- Achieve gains, such as reduced vulnerability and increased resilience, from the

strengthening of conservation and development links in climate adaptation; expand efforts to identify and develop payment for ecosystem services arrangements.
- New and stronger partnerships with development NGOs, private sector, and local governments.

This component will deliver two distinct and sequential products:
1. A business plan that will outline the characteristics, scope, size, and governance of the New CEPF.
2. The implementation of the New CEPF after the Donor Council has approved the business plan for the new fund.

1.1. Business Plan: Developing the Roadmap for a Transformational Fund (18 months)

During the next 18 months, CEPF will assess the feasibility of scaling up the scope, operations and impacts of the fund to a level more commensurate with the threats to conservation in the targeted hotspots. The result of this process will be a business plan defining CEPF's niche in the global scene as a key actor tackling the biodiversity crisis.

While the process will involve all current donor partners, it will also provide an opportunity to engage new donors and partners to help mobilize the necessary resources and political support. If CEPF is to become an agent of transformational change for civil society and biodiversity, there are a few questions that need to be answered regarding feasibility, scope, and shape of the future fund. These include:
- What should be the characteristics of the partnership that will allow for an effective and adaptive structure while making CEPF more widely and globally known and accepted?
- What are the implications of an expanded donor base for the governance of the fund? Should other (non-donor) stakeholders have a role in governance?
- How could a scaled-up version of the Fund jeopardize the characteristics that have made of CEPF a unique mechanism (i.e., risk taking, flexibility to test and fail, pioneering approaches, etc.)
- What should be the relative balance between breadth (i.e., number and size of targeted geographies) over depth (i.e., size and duration of investment) in the fund's programs?
- What are the implications of a greatly expanded fund for the operations and institutional home of the Secretariat?

The Secretariat proposes to embark on the development of the business plan that would allow for launching CEPF at a greater scale. This 18-month effort would not only result in the development of a refined strategy resolving the questions listed above but will also allow for attracting additional financial resources for the implementation of the strategy and broadening the CEPF donor base.

What We Will Continue to Do: Pillars of CEPF

The business plan will anchor the proposal for evolving to a transformational fund in the characteristics that have made CEPF's current model successful and unique. These include:

➢ Investing in Biodiversity Hotspots

Population growth, consumption and technological development impose increasing pressures on natural ecosystems and biodiversity. The impacts of these trends are exacerbated by social and political factors, including weak governance, low appreciation of the values of biodiversity, narrow measures of economic growth that do not factor in natural capital, and limited public participation in development decision making. Such pressures are leading to the decline and loss of species and populations, the fragmentation and degradation of habitats, and – of critical significance to humanity – the erosion of essential ecosystem services.

These negative forces are most pronounced within the biodiversity hotspots. Half of the world's plant species are found only within the hotspots, as are around half of the world's reptiles and amphibians, and one-third of the world's mammals and birds. Including species also found outside the hotspots, 77 percent of the terrestrial vertebrates on our planet occur within one or more hotspot. The hotspots harbor more than half the diversity of life, but they have already lost more than 80 percent of their original habitat.

While hotspots are not the only method of prioritizing locations for conservation efforts, there is very high geographic overlap between the hotspots and other recognized classifications of ecologically vulnerable regions. For example, all hotspots contain at least one Global 200 Ecoregion, all but three contain at least one Endemic Bird Area and nearly 80 percent of Alliance for Zero Extinction sites are located in the hotspots. No matter how successful conservation activities are elsewhere, the state of the hotspots—which cover less than 3 percent of the Earth's land surface—remains the real measure of conservation progress.

Critically, the hotspots are also inhabited by more than 2 billion people, over one-third of humanity, many of whom have relatively low incomes and consequently rely to a large extent on local natural resource systems. Hotspots thus hold both concentrations of threatened biodiversity as well as large numbers of people who are dependent on healthy ecosystems for their survival. By focusing on hotspots in developing countries, CEPF helps preserve the diversity of life underpinning ecosystems that are essential to maintaining healthy and sustainable societies.

➢ Enhancing the Capacity of Civil Society Organizations

CEPF's rationale also rests on the unique and essential role of civil society organizations in conserving biodiversity. The critical importance of civil society organizations has long been evident from efforts to manage natural resources around the world, and this has been thoroughly confirmed by more than a decade of CEPF experience.

CEPF's support for civil society organizations goes well beyond grants to individual organizations. It includes mentoring and organizational support to promote recognition for local civil society organizations, impacting national-level conservation institutions, and building local- regional-global networks where skills, funding and vision can be shared.

The rationale for CEPF's investments in civil society organizations rests on some key assumptions, which vary by hotspot in terms of their importance and are considered carefully during the ecosystem profile development process. These are important to keep in view as CEPF enters its third phase and scopes scaling up:

- The main drivers of biodiversity loss operate at local, national, and regional scales and can be influenced by conservation interventions at these different scales.
- Civil society organizations are present and willing to engage in biodiversity conservation, to partner with unfamiliar actors from other sectors, and to adopt innovative approaches.
- The capacity of civil society organizations can be augmented and translated into more effective local conservation movements.
- Short-term grant funding can make significant contributions to overcoming the resource constraints facing civil society organizations.
- Increasing the capacity and credibility of local civil society organizations is likely to open political space for these organizations as they become recognized as trusted advisors (rather than causing them to be viewed as threats to vested interests).
- Some government and private sector/corporate actors are receptive to innovative conservation models demonstrated by CEPF projects and have incentives to adopt these for wider replication.
- National academic institutions produce graduates with the skills and perspective to respond to local conservation challenges by working with or within civil society organizations.
- Raised local public awareness that results from the participation of these organizations in conservation issues has the potential to change attitudes and, ultimately, behavior towards the consumption of energy and natural resources.

- **Strongly Linking Biodiversity Conservation to Human Well-being**

The success of human development strategies depends on the health of ecosystems and the provision of services that make development possible. Efforts to address the challenges human societies face are unlikely to achieve lasting success unless the natural ecosystems they depend on are conserved and restored and continue to provide goods and services that these societies depend on in the face of a changing climate.

From a relatively early stage CEPF has tried to highlight the tangible social and economic benefits that are attributable to the conservation programs it supports. CEPF has been able to demonstrate that many of the hotspots that it works in coincide with high levels of poverty and that people living in such areas tend to be directly dependent on natural ecosystems for their livelihood and survival. This has been particularly important to CEPF's donor partners, which prioritize improvements in human well-being and the mitigation of poverty

The conservation world has grappled with the challenge of making itself relevant to local social and economic development for several decades. Efforts to directly redeploy conservation resources into livelihood enhancements or similar enterprises through projects have had limited successes overall, especially through programs managed by national governments. Civil society organizations have had considerably more success, precisely because their knowledge, perspectives and constituencies all combine to make them well placed to identify and then implement conservation measures that also respond to local needs and priorities. Progress has been made in demonstrating the value of ecosystem services to humanity and there is clear scientific justification for arguing that these ecosystem services depend on biodiversity, certainly over extended time periods. Biodiversity has a key role to play in maintaining the resilience of natural, and possibly some man- made, systems in the face of changing climate – and nature can only help humanity adapt to a changing climate by drawing on its own diversity.

Making CEPF transformational will also require ensuring its strategies continue to address the most pressing threats and taking advantage of important opportunities to make the fund not only relevant but attractive to donors. Biodiversity and civil society will continue to be the key pillars of CEPF's vision and mission, but it is important that the scaled-up version of the fund considers if and to what level other issues should continue to be prioritized. These include climate change mitigation, adaptation to climate change, building resilience in ecosystems, conservation of healthy ecosystems as a strategy for poverty eradication, the connection between biodiversity and health, and biodiversity and wealth—the opportunity to generate income out of conservation actions, etc.

The business plan will include the vision of the donors and other advisors in the proposal in regard to consideration of additional global issues. The strength of CEPF's focus on biodiversity in the last 13 years will be compared to the changes that other similar financial mechanisms have gone through. Similarly, the map of financial mechanisms for biodiversity and other issues will be presented, describing in greater detail the niche for the Transformational CEPF and whether and how these other issues should be incorporated.

- **Maintaining a lean, adaptive, and agile management structure**

CEPF's strengths and successes over the last 13 years stem largely from a structure that has allowed it to pay high levels of attention to individual grantees. CEPF is an open and adaptive mechanism that allows a tailored approach to building the capacity of individual organizations and collectives of organizations and provides a flexible and simple process for granting.

Expanding the structure to respond to a greater and longer-term mandate should not compromise the characteristics that have made CEPF effective in the last 13 years.

- **What needs to be resolved: questions the business plan will answer**

With the four pillars of CEPF clear, the business plan will resolve the following questions while proposing the model of the New CEPF.

1.1.1. Implications of an expanded donor base and the potential of a greater membership

CEPF's donor partnership has been central to the success of the Fund. While CEPF has long been committed to broadening its donor base and has been successful at evolving a donor partnership from three donors to seven, for a bigger and more transformational CEPF the donor base will have to be broadened potentially to include strategic alliances with non-donor organizations.

The business plan will analyze the opportunity and utility of developing strategic alliances with nontraditional CEPF partners such as development NGOs, private sector and/or government representatives, grantees, and other conservation NGOs.

Should the business plan conclude that there is value to bringing in additional voices to guide CEPF's work without making the governance too complex and jeopardizing the agility and adaptability that CEPF's current governance has demonstrated, the plan will present options for non-donors to participate in CEPF's decision making.

Broadening the donor base as well as the possible participation of non-donor partners will have implications in the governance of the Fund. The business plan will produce an assessment of the implications for governance and recommend to the Donor Council governance rules for the different types of donors. The plan will also propose roles and responsibilities for donors versus non-donor participants that allow non-donor partners to provide insight and advise to CEPF without jeopardizing effective and adaptive governance.

1.1.2. Defining the Scope of the Transformational CEPF

During the discussions with the donor partners, the balance between breadth and depth has been constantly brought up. During the Donor Council retreat in Jackson Hole, the donors agreed on the importance of taking regions to graduation. Identifying the number of regions that a scaled-up CEPF will support in the next 10 years will be the objective of this component of the business plan. Looking into the current portfolio and the opportunity for securing additional funding and defining a balanced portfolio of regions that are very close to graduation with those that will require more long-term commitment, the business plan will present options for a combination of geographies and the depth of intervention that a transformational CEPF should take on.

This component will be heavily informed by the evolution of components 2 and 3 detailed below. Of particular relevance is the definition of long-term vision for the hotspots where graduation and funding targets will be identified, but also the inclusion of specific strategic directions aiming to more effectively mainstream biodiversity conservation into policy decisions and private sector investment.

1.1.3. The Size of a Scaled-Up CEPF

Considering the critical status of biodiversity and the documented need for additional financial resources, a new CEPF will have to increase the size of its funding and revisit the level and timing of its grant making to truly have a transformational impact on reversing biodiversity loss in the hotspots. CEPF has awarded $165 million in grants to civil society organizations since 2000. Including ecosystem profiling, Secretariat and other management and financial costs, the total expenses are $200 million over the 13 years of its existence, or equivalent to about $175 million over a 10-year period. Of this funding, 80 percent was spent on granting, 5 percent on profiling and 15 percent on operational costs.

Based on experience from recent hotspots where CEPF has invested, both the level and duration of investment have been insufficient to ensure enduring, transformational impacts at a scale commensurate with that of the biodiversity crisis. The average level of investment - around $1.6 million per hotspot per year - has been half or less what has been needed to achieve all of the targets set in the portfolio logframe. Increasing the level of investment to $3.2 million per hotspot per year is the minimum requirement for a transformational impact. Similarly, given the scale of the challenges faced, the speed at which civil society can be engaged and strengthened, and the time required to refine pilot approaches, document successful models, and integrate them into public policy and business practices, the duration of CEPF investment in each hotspot needs to extend to at least 10 years, to ensure enduring impacts.

Over the 10-years of CEPF Phase III, these *minimum* changes would argue for an investment of at least $32 million per hotspot for granting, plus an additional $2 million for profiling and $6 million for operational costs. Twenty-five hotspots are eligible for CEPF funding. Operating in 12 of these over the next 10 years would require a tripling of CEPF from a $175 million fund to a $480 million fund. Whereas, fully realizing its potential, by operating in all 25 hotspots, would require an expansion of CEPF into a $1 billion fund: almost six times its current size.

The business plan will determine the appropriate size and propose it to the Donor Council for approval using the previous experience of CEPF, the absorptive capacity of the hotspots and the financial appetite for a scaled-up CEPF.

1.1.4. Impact to CEPF operations

CEPF has developed systems and processes that have been tailored to the size of our granting and that for the most part have been effective. Scaling up the fund will require a careful analysis of the current structure and cost of the Secretariat, the size of the RITs as well as the adequateness of the systems and processes in place.

The business plan of a scaled-up fund will define the impact and needs in terms of operational structure, systems, and institutional home to sustain effective granting at greater levels. The plan will present scenarios for the type of structures and systems that will be required depending on the level of funding and granting.

The Mechanics of Developing the Business Plan

A small but dedicated team will be established to produce the business plan. This team will include one or two people who will work directly with the Executive Director. The team will produce quarterly progress reports that the Executive Director will present to the Donor Council for review and approval. Decisions on the governance, membership, size, breath, depth, and operational implications will be made by the Donor Council. The Executive Director will also draw on a group of key additional experts to gain outside perspective and political support for the scaling up of CEPF. The business plan will be produced in 18 months and will be presented for approval of the Donor Council in 2016.

1.2. Instituting the New CEPF

Upon approval of the business plan, CEPF would launch the new CEPF at multiple events during that year. At that point, the Secretariat would have begun testing and implementing elements of the new model through components 2 and 3 below. Early implementation of these components will inform the production of the business plan and the development of the subcomponents outlined above.

2. Component 2 - Long-Term Strategic Visions for All Active Hotspots: Defining Graduation, Funding Targets and Terms of Investment

CEPF should not be a permanent presence in each hotspot but define and work toward an end point at which local civil society "graduates" from its support with sufficient capacity, access to resources and credibility to respond to future conservation challenges. Graduation criteria were detailed on page 3 of this document. The new ecosystem profiles will determine clearer graduation targets. In most hotspots, reaching a point at which civil society graduates from CEPF support will take more than five years. Spreading investment over longer periods (with periodic, adaptive ecosystem profile updates) would better enable CEPF to reach and secure sustained capacity improvements among local civil society. Developing long-term visions to achieve graduation targets for both civil society as well as necessary funding will be a key outcome of the implementation of the new portfolios.

It is envisioned that the new ecosystem profiles for Guinean Forest, Tropical Andes and Cerrado will determine more clearly graduation targets and terms for achieving them. The term of investment will likely follow the traditional five-year period but will include projections on how many five-year periods are required to achieve graduation. This will enable CEPF to determine more clearly fundraising targets within these portfolios and project the full period of CEPF engagement for each of these regions.

To achieve the results of this component, a combination of upgrading the profiling process to include more effectively defining targets for civil society and funding, and the production of a long-term vision of the hotspot, will occur. For those hotspots where portfolios are well underway, such as the Mediterranean and Eastern Afromontane, prioritization of the vision development will occur in 2014. Regions that just started or have been very recently profiled, such as East Melanesia, Indo-Burma, Madagascar and Wallacea, will produce long-term visions by 2015. The new hotspots that are under profiling will plan to produce long-term visions during the first 18 months of implementation.

The revision of the ecosystem profiling process in the Guinean Forest, Tropical Andes and Cerrado will provide opportunities for appropriate engagement by government and private sector, while still retaining ecosystem profiles as a shared strategy for civil society. The ecosystem profile is a uniquely branded CEPF product that has proven to be an effective means of stakeholder engagement that builds a common vision for biodiversity conservation. By emphasizing both private and public actors into the profiling process, new strategies will emerge that better reflect the challenges and opportunities for mainstreaming conservation into public policy and economic sectors. Under this new optic, ecosystem profiles will also include explicit targets for strengthening the civil society's capacity to engage with both sectors. As a result, some grantees will be supported to become trusted advisors of government agencies and to pilot solutions for biodiversity loss that can be scaled up by governments, while others are empowered to engage with private companies to address the biodiversity impacts of their business practices, leverage resources for conservation and build support for the development of green economies.

2.1. Engage private sector partners in new ecosystem profiles

Two of the regions recently approved by the Donor Council for developing ecosystem profiles, Guinean Forest of West Africa and Cerrado, present unique opportunities to engage with private sector partners and include them as a key group informing the development of the ecosystem profile, but also as a target for implementation of key strategies. The Secretariat will work with the profiling teams during 2014 to ensure that private sector partners are closely engaged in the development of the ecosystem profiles and specific targets and strategies are outlined in the documents to work more closely and effectively with these stakeholders.

2.2. Define more clearly public policy outcomes in the new ecosystem profiles

The ecosystem profiles for Tropical Andes, Guinean Forest and Cerrado will include key policy and decision-making targets more explicitly than CEPF has done in the past, allowing for civil society groups to propose projects that will advance more effective mainstreaming of biodiversity conservation in decision making. It is envisioned that to accomplish these targets, we will include strong components for building the capacity of civil society to engage with and influence government agencies. Capacity building targets then will become more clearly spelled out in the ecosystem profiles, guiding the granting in at least these new three regions.

2.3. Produce long-term visions for each hotspot with clear graduation targets for civil society and funding needs

Defining targets for graduation and financial needs is not enough. The production of a long-term strategic vision should be the main product of this sub-component and will be a key outcome of the investment portfolios of all active hotspots. While this goal is easy to achieve in areas where profiling has not started or is at early stages (e.g., Cerrado, Guinean Forest or Tropical Andes), because it can be included as a strategic direction in the profile for the hotstpot, CEPF should aim to developed long-term visions for all active regions in order to pursue transformational impact.

Active regions such as the Mediterranean, Eastern Afromontane, IndoBurma, East Melanesia Islands, as well as the recently profiled Wallacea and Madagascar, could benefit from developing long-term visions and revising the ecosystem profiles to include specific targets for civil society capacity and funding needs. The Secretariat will prioritize the production of these visions in the recently profiled portfolios and the hotspots that are under implementation.

2.4. Progress towards financial sustainability at the hotspot level

Extinction rates continue to rise, as do global challenges to align human development with conservation of natural resources. CEPF's successes point to a clear conclusion: in a challenging financial climate, it is not only a question of mobilizing additional resources for conservation, but of using these as efficiently as possible.

This component will aim to build the foundations for financial sustainability in CEPF investment regions by improving understanding of donor opportunities that are locally available, potential gains in efficiency in existing programs, and an analysis of the economic potential of strategic interventions (for example, taxes, fees, offsets) to generate additional revenue for conservation programs. Based on these regional assessments, a strategy will be defined for each that will be used to inform and guide specific fundraising mechanisms and targets. CEPF will also continue to look for new sources of funding at a global scale, building relationships with a set of top-tier donors that share its values and mission.

2.4.1. Define financial targets to achieve graduation

Complementary to subcomponent 2.3, the Secretariat will support the inclusion of the definition of the financial goal to achieve the graduation targets (e.g., best estimate of the funding needed to achieve the targets) in the long-term vision of active hotspots. Defining a financial target would help identify the fundraising strategy for each region and thus the RIT needs to make progress towards achieving the fundraising needs.

2.4.2. Regional fundraising strategy

Following the definition of targets for graduation and financial needs, the long-term vision team will produce strategies that will guide the fundraising efforts for each active hotspot. The strategy will determine as well the capacity level of the RIT and the need to build that capacity to support the fundraising effort at the regional level.

The Secretariat envisions the following key outcomes out of the implementation of Component 2 of the Phase III strategy:

1) By 2016, a revised approach and term of investment for CEPF regions, including a more strategic role for civil society vis a vis government and private sector.
2) By 2016, a revised ecosystem profiling process that includes specific strategies that outline how civil society organizations should engage with and influence both government agencies and private sector actors.
3) By 2017, realistic terms of investment with long-term visions for all active hotspots.
4) By 2017, fundraising strategies for each and every active hotspot of the portfolio.
5) By 2019, at least four concrete examples of how civil society organizations have effectively engaged and influenced policies and private sector investments in four hotspots.
6) By 2019, a report on progress toward achieving graduation targets for both civil society capacity and funding for at least four hotspots.
7) By 2023, all active hotspots with long-term visions under implementation, and complementary donors to CEPF supporting the regional implementation.

3. Component 3 - Strengthened Implementation Organizations That Become the Sustainable Stewards of the Long-Term Strategic Vision of the Hotspots

RITs are CEPF's local representatives. RITs or similar organizations should be empowered to become long-term custodians of the vision built for their hotspots in the ecosystem profile beyond the CEPF investment period. This will entail an expansion of the RIT role from a focus on networking and capacity building for CEPF grantees to also include increased emphasis on direct coordination with government agencies and the private sector, as well as fundraising.

Building the capacity of these organizations is therefore key in allowing CEPF to define and work toward an end point at which these regions can graduate from CEPF's support with sufficient civil society capacity, access to resources and credibility with government and the private sector to respond to future conservation challenges. This effort will essentially entail conducting an assessment of existing

RITs to identify their capacity gaps, as well as defining the necessary governance structures, operational procedures, fundraising strategies and goals, skill sets and professionals that RITs need to have in place in order to operate independently from CEPF.

3.1. Assessment of RIT capacity gaps in regard to new role

Following the successful RIT Exchange that the Secretariat led in September 2013, the Secretariat will assess specifically the capacity needs of the current RITs in regard to playing a stronger role in connecting and coordinating with government agencies as well as with private sector actors. Additionally, their fundraising capacity will be evaluated. The assessment will be completed during the third quarter of FY2014 in preparation for the modification of the TORs to contract RITs for the five new regions that are currently under profiling: Madagascar and the Indian Ocean Islands, Wallacea, Guinean Forest of West Africa, Tropical Andes and Cerrado. Additionally, the Secretariat will assess the opportunity of implementing these changes in the recently contracted RITs, namely East Melanesian Islands, Indo-Burma, Eastern Afromontane and Mediterranean to identify opportunities for recruiting additional staff or implementing specific capacity-building actions that would strengthen the role of the current RITs. Depending on the cost to fit the current RITs to their new roles, the Secretariat will propose specific changes and adjustments to the agreements with the existing RITs to strengthen their current capacity.

3.2. Modifying RIT Terms of Reference

The Secretariat will modify the terms of reference of the RITs to define in clearer terms the expansion of their so they can become a stronger link with government agencies and private sector actors. The modification of the terms of reference will be completed before the end of FY2014 and on time to allow incorporating the changes in the structures of the four new RITs that will be contracted following the profiling processes of FY2014 and FY2015. The modification on the RIT TORs will also imply modification in the budget allocations and the specific capacity-building actions directed to the RITs to ensure setting up the foundations. These will be discussed with the Working Group and Donor Council when the RIT proposals are reviewed for selection in each of the four new hotspots.

3.3. Strengthening existing RITs

Contingent upon the results of the capacity assessment of the current RITs (Mediterranean, Eastern Afromontane, Indo-Burma and East Melanesian Islands) and the budget implications and availability of funds, the Secretariat will recommend to the Donor Council modifications of the budgets and structures of the current RITs to reflect the new roles. Decisions on how many and which of the current RITs should go through the modification process would highly depend on the capacity assessment, but also on the opportunities to make cost-effective changes given the timing of the implementation of these four investment portfolios. The decision on how many and which RITs to modify will be presented to the Donor Council during the first half of FY2015.

The Secretariat envisions the following key outcomes will result from implementation of Component 3 of the Phase III strategy:

1. By 2015, modified terms of reference for regional implementation teams that incorporate the skills to coordinate more closely with government and private

sector, and to fundraise.
2. By 2016, an assessment of the gaps in the capacity of at least four RITs to fulfill the new role of direct coordination with government and private sector and plans to bridge the identified gaps.
3. By 2017, new RITs and current RITs have the staff and skills needed to improve coordination among grantees, government officials and private sector partners to secure the results of Component 2.

4. Component 4 – An Improved Model for Delivery

The donor partners recognized in Jackson Hole the power of CEPF's model and the significant results the Fund has accomplished with a relatively small amount of money, which amounts to around $12 million in grants per year, equivalent to 0.5 percent of annual biodiversity-related aid to developing countries. Nevertheless, donor members noted opportunities to enhance CEPF's efficacy. Addressing the Donor Council recommendations, the fourth component of the strategy will focus on improving the delivery model of CEPF in 3 key areas: communications, monitoring and systems.

4.1. More targeted communication products complementing monitoring

The CEPF Secretariat has been implementing the new monitoring framework approved by the Donor Council in June 2012. This framework allows the Fund to track its impact and share lessons more effectively. However, the donors recommended that good impact tracking needs to be complemented by the development of communication products that more effectively showcase the Fund's extraordinary track record and disseminate the wealth of information produced. Stronger communication tools, materials and target audiences would allow CEPF to elevate the general awareness of its mission and results, and also enhance the understanding of the links between biodiversity conservation and socioeconomic development. The goal of this component is to make CEPF more visible and better understood as a mechanism that can effectively mobilize resources for biodiversity conservation, building capacity of local civil society and generating measurable gains against the global biodiversity crisis.

4.1.1. Enhancing CEPF's communication products

In 2014 and 2015 CEPF will produce a series of communication products to enhance CEPF's visibility and complement the reporting on the monitoring framework. These will include but not be limited to exhibits that are globally presenting CEPF's work in international fora such as the CBD COP 12 in October 2014; story features in our website and other media that describe the work of CEPF partners and their outcomes around specific themes; and strengthening of the production of communication materials at the RIT level to better and more strategically reach out to local and regional audiences. The expected outcome is a greater recognition of CEPF's model, its partners' achievements and contributions to global biodiversity conservation and capacity building of civil society organizations. The results of a more aggressive communication strategy will allow for elevating the profile of CEPF's work and model complementing the empowerment of grantees and RITs to influence policy and economic development more effectively.

4.1.2. Production of a selected group of white papers capturing global lessons

The Secretariat will engage with academic institutions through 2014 and 2015 to promote the production of white papers capturing specific lessons learned through multiple portfolios. Intern students and researchers will support the Secretariat in the compilation of data and the analysis to produce lesson learned documents that could be published and also distilled into shorter pieces to feed into the communication products described above. At least four white papers will be produced by the end of 2015. The findings of these lesson learned documents will serve to produce better training materials for RITs and grantees in the regions and support the production of more targeted communication materials that can help strengthen the communication goals shared by the Donor Council.

4.2. Complementing CEPF's monitoring framework to report on Aichi targets

CEPF will complement the monitoring framework by also tracking results in relation to the Aichi Targets and report on them regularly to the CBD Secretariat, as well as to the governments that are parties to the convention, to support their national reporting. Also, CEPF will connect more closely with the resource mobilization stream of the CBD to promote greater engagement and thus more international recognition of CEPF's work. The Secretariat will continue to work on improving the reporting on the monitoring framework the Donor Council approved in 2012. In particular and for increasing CEPF's visibility at the global level, CEPF's Secretariat will produce a special report for CBD COP12 in Korea describing CEPF's contribution to the Aichi Targets.

4.3. Enhanced Program Management

A set of recommendations were made and are necessary to improve CEPF's management and raise the effectiveness of the Secretariat in its coordination role. These include:

- Coordinate more closely with donors: The CEPF Secretariat and RITs will systematically assess opportunities for closer alignment, synergy and information exchange with CEPF donor partners.
- Improve operational systems: CEPF will upgrade its operating system to enhance transparency in grant making, thorough financial oversight, tracking of performance and impacts, and timely reporting and communicating of results. Updating and upgrading GEM, CEPF's granting system created in 2007, to a more modern, agile, and easier to use system that can bring together financials, proposal writing, progress reporting and monitoring data is needed.

CONCLUSION

The Secretariat proposes to the Donor Council the implementation of a new phase of CEPF that will allow building on the extraordinary results of Phase I and II, taking it to a level where the fund can truly support the reversal of the biodiversity crisis. A 10- year phase scaling up the work of CEPF will consolidate a model that strengthens civil society to become trusted partners to decision makers to governments and private sector. The New CEPF will strategically catalyze funds, will and support to avoid further deterioration of critical ecosystems and secure human wellbeing through the continued provision of vital services and permitting better adaptation to a changing climate. The time to scale up CEPF is now.

Annex 2: List of Documents Linked into the CEPF Operational Manual

OM 2.3 Procurement

OM 3.6 Safeguard Policies: Environmental and Social Management Framework

OM 4.3.1 Letter of Inquiry (LOI) template

OM 4.3.2 Project Proposal template

OM 4.3.3 Grant Decision-Making Process - GCF Initial Criteria

OM 4.3.3 Grant Decision-Making Process – GCF Minimum and Maximum Funding Amounts

OM 4.3.4 Financial Questionnaire

OM 4.3.5 Security Screening Request Form

OM 4.3.6 Conservation International Financial Due Diligence Worksheet

OM 4.3.7 Grant Agreement

OM 4.3.7 Grant Agreement – French version

OM 4.3.7 Grant Agreement – Portuguese version

OM 4.3.7 Grant Agreement – Spanish version

OM 4.3.8 Internal Grant Agreement*

OM 4.4.1 Project Progress Report

OM 4.4.1 Project Progress Report – French version

OM 4.4.1 Project Progress Report – Portuguese version

OM 4.4.1 Project Progress Report – Spanish version

OM 4.4.2 Quarterly Financial Report

OM 4.4.3 Final Completion and Impact Report

OM 4.4.3 Final Completion and Impact Report – French version

OM 4.4.3 Final Completion and Impact Report – Portuguese version

OM 4.4.3 Final Completion and Impact Report – Russian version

OM 4.4.3 Final Completion and Impact Report – Spanish version

OM 4.4.4 Gender Tracking Tool (GTT)

OM 4.4.5 Civil Society Tracking Tool (CSTT)

OM 4.4.6 Management Effectiveness Tracking Tool (METT)

*Only available upon request.