

## **Critical Ecosystem Partnership Fund**

Thirteenth Meeting of the Donor Council  
World Bank Headquarters, Washington, DC  
21 April 2008  
1 p.m. – 3 p.m. EST

### **Guidelines for Engaging Major Private Sector Entities in the Partnership**

#### Recommended Action Item:

The Donor Council is asked to **review** and **agree** guidelines for engaging major private sector entities in the partnership.

#### Background:

The Donor Council approved a CEPF Fund-raising Strategy for fiscal years 2008-2012 during the Twelfth Meeting of the Council. The strategy lays out the overarching approach for the partnership to seek additional funding critical for implementation of the full Strategic Framework. The initial goal is \$100 million for implementation, \$82 million of which is secured based on new commitments from l'Agence Française de Développement, Conservation International (CI), the Global Environment Facility, and the John D. and Catherine T. MacArthur Foundation. In total, the partnership aims to secure \$150 million to ensure success in meeting the outcomes defined.

As part of the fund-raising discussion, the Council agreed that the effort should enlarge the funding base but that it is important for additional partners to also have substantial financial commitments, rather than inviting multiple smaller donors, and for all the partners to share the common vision and strategic approach. The Council members discussed how other national governments and bilateral and multilateral agencies would be welcome as partners in the program. They agreed that the Secretariat should develop a short briefing for discussion on potential terms and conditions for engaging major private sector entities in the partnership.

## **Guidelines for Engaging Major Private Sector Entities in the Partnership**

The Critical Ecosystem Partnership Fund (CEPF) provides support to nongovernmental organizations and other civil society partners to conserve vital 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 biodiversity hotspot, 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 other hotspots, such as the Atlantic Forest, the Philippines, the Succulent Karoo and the Tropical Andes, CEPF funding has facilitated engagement of the private sector in diverse partnerships and approaches — from co-financing to direct implementation — contributing to biodiversity conservation.

As part of the Strategic Framework (FY 2008-2012)<sup>1</sup>, 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 in implementation.

In addition, the Council may consider inviting selected major private sector entities to join the partnership as part of the Fund-raising Strategy (FY 2008-2012)<sup>2</sup> approved by the Council in November 2007. The strategy lays out the overarching approach for the partnership to seek additional funding critical for implementation of the full Strategic Framework. Further expanding and diversifying the CEPF donor base to increase fund-raising opportunities is among the major focal areas. CEPF will seek new partners who represent diverse geography and strengths – tapping into the strong relationships and networks of the Secretariat and donor partners to inspire and work together with others to join the partnership. Effort will focus on diverse potential partners, including governments, bilateral aid agencies, and the corporate sector.

As reflected in the Fund-Raising Strategy, CEPF will build on its previous experiences and create new opportunities to seek out partners from the corporate sector at the donor partner level. As part of this approach, CEPF will further scale up collaboration with CI’s Center for Environmental Leadership in Business (CELB) and the CEPF donor partners to identify thought leaders in the corporate sector who seek to reduce their environmental footprint and align business activities with the pursuit of environmental sustainability. As business acquires more influence worldwide and public support for conservation grows, companies are adopting new incentives to demonstrate environmental leadership. To catalyze this transformation, CI and Ford Motor Company established CELB to engage the private sector worldwide in creating solutions to critical global environmental problems in which industry plays a defining role. To date, CELB has formed strategic partnerships with more than 45 leading companies in key industry sectors that have the greatest environmental impact on critical ecosystems and the greatest potential to bring about positive environmental change. The Secretariat and CELB are working together to begin exploring interest in CEPF with several of CELB’s corporate partners.

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<sup>1</sup> Strategic Framework (FY 2008-2012),  
[http://www.cepf.net/xp/cepf/static/pdfs/CEPFStrategicFramework\\_FY08\\_12.pdf](http://www.cepf.net/xp/cepf/static/pdfs/CEPFStrategicFramework_FY08_12.pdf)

<sup>2</sup> Fund-raising Strategy (FY 2008-2012),  
[www.cepf.net/xp/cepf/static/pdfs/CEPF\\_FundraisingStrategy\\_FY08\\_12.pdf](http://www.cepf.net/xp/cepf/static/pdfs/CEPF_FundraisingStrategy_FY08_12.pdf)

The Donor Council is responsible for reviewing and approving the conditions under which new donors may be invited to take part in the Fund and for approving additional members of the Council. This paper sets out the terms and conditions for engaging major private sector entities in the partnership, as requested by the Council.

### **Guidelines for Engaging Major Private Sector<sup>3</sup> Entities in the Partnership**

Corporate entities to be considered to join the partnership will allow the global program to further its mission of providing strategic assistance to nongovernmental and other private sector organizations in conserving vital ecosystems.

A corporate partner will join the CEPF donor partners in committing to form a strategic partnership through CEPF to collaborate in those critical ecosystems of the world that are the most biologically rich and under greatest threat. Specifically, a corporate partner will agree with the principles set out in the CEPF Financing Agreement and the policies and procedures of the Fund as detailed in the Operational Manual.

Terms and conditions for engagement at this level with a corporate partner will include the following components:

- CEPF, through CELB, will conduct due diligence before entering into a relationship to assess the risks and benefits of the partnership to biodiversity. General attributes of corporate partners will include, but are not limited to, a genuine commitment to improving environmental performance and demonstrated leadership by the company on issues related to corporate social responsibility.
- The Donor Council will be consulted on associations that involve interlocking Board relationships, exclusive arrangements and major corporate partnerships that could significantly affect the reputation of CEPF and/or that of its donor partners.

As defined in the CEPF Fund-raising Strategy, discussions with the corporate partner will focus on securing a \$25 million commitment for allocation across the full range of CEPF priorities and thereby matching the minimum commitment by each of the current donor partners.

As part of the effort to further expand and diversify the donor base, the Donor Council may also consider inviting a private sector entity to join the partnership on a more targeted or limited basis, as detailed in the Strategy. This could include a commitment of \$25 million for CEPF implementation in specific geographic areas that fall within the potential partner's bilateral interest or regional mandate or a commitment of at least \$10 million or the full cost of an ecosystem profile.

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<sup>3</sup> For the purposes of this document the terms “corporate,” “business,” and “private sector” are defined as a commercial business or trade association.