

**Critical Ecosystem Partnership Fund
42nd Meeting of the CEPF Donor Council
Virtual Meeting
Thursday 15 February 2024
8:00 a.m. – 11:00 a.m. Eastern Standard Time (EST)
2:00 p.m. – 5:00 p.m. Brussels and Paris Time
10:00 p.m. – 1:00 a.m. (+1 day) Tokyo Time**

**Implications of the Selection of CI as an Implementing Agency for the GEF
Small Grants Program on the Structure and Functioning of CEPF**

Recommended Action Item:

The Donor Council is asked to approve the Secretariat to act as a delivery mechanism for the Global Environment Facility (GEF) Small Grants Program (SGP) in countries for which Conservation International (CI) is selected as the Implementing Agency.

The Donor Council is also asked to approve that, for the purposes of this initiative, CEPF operates in countries that are priorities for the SGP but are not located in biodiversity hotspots.

Background:

The GEF SGP has been a unique and essential element of the GEF's work since its establishment in 1992. It has consistently provided a highly important avenue to work closely with civil society organizations (CSOs) and community-based organizations (CBOs) in support of the GEF's mission and mandate. It has served as an essential piece of the GEF's larger and increasing efforts to support inclusion and strong engagement of civil society stakeholders and partners, providing financing as well as technical and capacity-building support to Indigenous peoples, local communities, women and youth.

The GEF-8 Replenishment negotiations reiterated the imperative role of the SGP and confirmed the objective for the reformed SGP (SGP 2.0) to: *"Catalyze and mobilize civil society actors and local actions needed to address major drivers of environmental degradation and help deliver multiple benefits across the GEF's mandated thematic dimensions, while promoting sustainable development and improved livelihoods"*.

The implementation arrangements for the GEF SGP 2.0 were approved at the 63rd meeting of the GEF Council, in December 2022. This included a decision to select up to two new agencies from the existing cohort of accredited GEF Agencies to serve, in addition to UNDP, as Core SGP Implementing Agencies. Responding to the objective of

the GEF to diversify the implementing agencies for the SGP 2.0 in order to reduce concentration of GEF funding, bring new organizational strengths, and support new opportunities for innovation and engagement, CI applied to serve as a Core SGP Implementing Agency. In its expression of interest, CI explained that its delivery of SGP 2.0 would draw on the experience, systems and capabilities of established grant-making mechanisms for Indigenous people and local communities (IPLCs) and other civil society actors housed at CI, in particular CEPF.

In December 2023, CI was informed by the GEF Secretariat that, after careful review, it had been selected as one of the two new GEF SGP Implementing Agencies. There are 144 countries eligible to participate in the SGP 2.0 during GEF-8, each of which has an allocation of core funding. Ninety-nine of these countries are included in a GEF project prepared by UNDP ("Tranche 1"). The remaining 45 countries have the option of working with either UNDP or one of the new implementing agencies (CI and FAO). CI proposes to implement SGP 2.0 in around 15 countries during GEF-8, with priority being given to countries that overlap with biodiversity hotspots where CEPF has active investments or planned future investments (Annex 1). Based on experience with these pilot countries under GEF-8, CI and CEPF's level of ambition increase under GEF-9, during which there will be the opportunity to work in a larger number of countries.

Focusing on hotspots with active or planned CEPF investments will enable SGP grant-making to be coordinated with the CEPF grant portfolio in each country, to create opportunities for SGP grantees to "graduate" to larger, longer-term support from CEPF. In this way, combining SGP and CEPF support will provide a pathway for the emergence of local actors whose work is rooted firmly in addressing environmental issues through actions designed and led by Indigenous peoples and local communities (IPLCs), yet are able to catalyze change at scale. In addition, it will allow CEPF's regional implementation teams (RITs) to be engaged as local executing agencies at the national level, resulting in cost efficiencies and opportunities for SGP grantees to participate in trainings, networks and exchanges involving CEPF grantees.

Respecting the principle of national choice in the selection of implementing agencies for the SGP 2.0, CI is also open to the possibility of working in a limited number of countries outside of the biodiversity hotspots (Annex 2), subject to a thorough assessment of security and legal barriers to operation. In these countries, where there is no RIT, the CEPF Secretariat would directly execute the SGP 2.0 by hiring a national coordinator and hosting them at a local CSO partner. The CEPF Secretariat would provide technical and financial backstopping to the local executing agencies, and deliver some monitoring and evaluation, knowledge management, and administrative functions centrally for greater cost efficiency.

Annex 1 : Countries in Tranche 2 of the GEF SGP 2.0 in biodiversity hotspots

Country	Biodiversity Hotspot(s)
Afghanistan	Mountains of Central Asia
Azerbaijan	Caucasus
Bolivia	Tropical Andes
Bosnia-Herzegovina	Mediterranean Basin
Chile	Chilean Winter Rainfall-Valdivian Forests
China	Indo-Burma ; Southwest China Mountains
Cook Islands	Polynesia-Micronesia
El Salvador	Mesoamerica
Equatorial Guinea	Guinean Forests of West Africa
Indonesia	Sundaland; Wallacea
Iran	Caucasus; Irano-Anatolian
Iraq	Irano-Anatolian
Kazakhstan	Mountains of Central Asia
Kenya	Coastal Forests of Eastern Africa; Eastern Afromontane
Libya	Mediterranean Basin
Malawi	Eastern Afromontane
Malaysia	Sundaland
Marshall Islands	Polynesia-Micronesia
Mexico	Mesoamerica ; Madrean Pine-Oak Woodlands
Montenegro	Mediterranean Basin
Myanmar	Indo-Burma
Nicaragua	Mesoamerica
Niue	Polynesia-Micronesia
Papua New Guinea	East Melanesian Islands
Peru	Tropical Andes
Russia	Caucasus
Sao Tome e Principe	Guinean Forests of West Africa
Somalia	Coastal Forests of Eastern Africa; Horn of Africa
South Sudan	Eastern Afromontane
Sri Lanka	Western Ghats and Sri Lanka
St. Kitts and Nevis	Caribbean Islands
St. Vincent and Grenadines	Caribbean Islands
Syria	Mediterranean Basin
Tajikistan	Mountains of Central Asia
Turkmenistan	Irano-Anatolian; Mountains of Central Asia
Uganda	Eastern Afromontane
Viet Nam	Indo-Burma
Yemen	Eastern Afromontane; Horn of Africa

Note, hotspots with active CEPF investments are shown in **bold**; hotspots with planned CEPF investments are shown in **bold italics**.

Annex 2 : Countries in Tranche 2 of the GEF SGP 2.0 outside of biodiversity hotspots

Country
Angola
Belarus
Chad
Guyana
Serbia
Sudan