

Critical Ecosystem Partnership Fund

No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement
March 12, 2007

Ecosystem Profiles for the Indo-Burma, Polynesia-Micronesia, and Western Ghats and Sri Lanka Biodiversity Hotspots

Regional Implementation Team Terms of Reference and Selection Process

Recommended Action Items:

The Donor Council is asked to **approve on a no-objection basis** three ecosystem profiles covering the Indo-Burma, Polynesia-Micronesia, and Western Ghats and Sri Lanka hotspots. Similarly, the Donor Council is asked to provide for the **no-objection approval** to increase the CEPF spending authority from \$104 million to \$125 million for implementation of these profiles.

The Donor Council is asked to also **approve on a no-objection basis** the Terms of Reference and Selection Process for CEPF Regional Implementation Teams.

The deadline for the no-objection approvals is April 26. Each of the profiles and their accompanying logical frameworks and incremental costs analysis, as well as the Regional Implementation Team Terms of Reference and Selection Process, can be found at http://www.cepf.net/xp/cepf/resources/publications/donor_council_review_doc.xml

Background for Ecosystem Profiles:

The CEPF Donor Council authorized CEPF to begin profiling work for the following four hotspots in June 2002: Eastern Himalayas; Indo-Burma; Polynesia-Micronesia; and Western Ghats and Sri Lanka. The approval followed the Council's selection of a scenario whereby CEPF would maximize the amount of resources available for some regions, while keeping others relatively modest. However, according to the spending model approved by the Council, CEPF would require a sixth donor partner to fully fund these final profiles.

Consultations, meetings, roundtables, and scientific analysis took place in the profiling regions for over 18 months and represent the most comprehensive consultation process with experts and stakeholders undertaken by CEPF to date. Draft profiles for these hotspots were discussed by the CEPF Working Group at its December 2003 meeting. Input received during that meeting and during subsequent in-region consultations was integrated into updated versions, which were then discussed at the Working Group meeting in October 2004.

Still lacking a sixth donor partner, the Donor Council subsequently decided to fully fund one of the pipeline profiles (the Eastern Himalayas), rather than spreading resources too thinly. The Council approved the profile for the Eastern Himalayas in 2005. Implementation of the profiles now put forward for Donor Council approval remained contingent on securing new funding.

As part of preparing a new strategic framework for the CEPF global program at the request of the CEPF donor partners and for AFD to join the partnership, the Working Group agreed in 2006 that

the profiles already completed should become the first to receive CEPF investments once new funding becomes available.

CEPF also continued to refine the pipeline profiles together with the locally based profiling teams and their partners in the regions. These refinements include an update over the last few months of the current investments and socioeconomic information available for each region and continuing efforts to garner the needed GEF focal point approvals in the relevant countries prior to investment. During the wait for funding, stakeholders in the regions have also been kept informed of the situation by both CEPF and the profiling teams, and the drafts have been publicized more widely.

Most recently, in November 2006, the updated drafts of these profiles were reviewed and discussed at the fifteenth meeting of the CEPF Working Group, during which AFD announced formal approval by its board to join CEPF with a \$25 million commitment. AFD signed the CEPF Financing Agreement this month, and has expressed strong support for approval and implementation of the pending profiles to move forward rapidly.

The following are among the substantive changes that have been made to the profiles for these three hotspots upon advice of the Working Group members:

Indo-Burma Hotspot (Indochina)

This profile covers the Indochina region of the Indo-Burma Hotspot. The profile was refined to eliminate references to Myanmar, significantly narrow the geographic and thematic niche, integrate more information on the distinct socio-political situation of each country, and increase focus on wildlife trade. The analysis related to Myanmar was published separately by BirdLife International. Following the most recent Working Group meeting in November 2006, the geographic niche was further refined to focus on only two biodiversity conservation corridors. The ecosystem profile and 5-year investment strategy for Indochina was developed through a process of consultation and desk study coordinated by BirdLife International in collaboration with the Bird Conservation Society of Thailand, Kadoorie Farm & Botanic Garden, and the WWF Cambodia Program with the technical support of the Center for Applied Biodiversity Science at CI. More than 170 stakeholders from civil society, government, and donor institutions were consulted during the preparation of the ecosystem profile.

Polynesia-Micronesia Hotspot

French Polynesia was integrated into the process and the document, and the niche was strengthened and sharpened to focus more on the threat of invasive species. This focus includes information on how dealing with invasive species can create jobs, positively impact local communities, and bring in revenue for both local people and governments. The ecosystem profile and 5-year investment strategy for the Polynesia-Micronesia Hotspot was developed by the CI Melanesia Program in collaboration with the South Pacific Regional Environment Program (SPREP). In addition, the profiling process incorporated regional stakeholder expertise through four subregional roundtables and two hotspot-wide workshops. The subregional workshops were held in Fiji, French Polynesia, Micronesia, and Western Polynesia and coordinated by the Wildlife Conservation Society, Te Ora Fenua (Tahiti Conservation Society), the University of Guam with the support of The Nature Conservancy, and Pacific Environment Consultants. More than 85 experts and contributors assisted in analyzing current threats to biodiversity, inventorying conservation and development investment taking place within the region, and defining the geographic priorities for CEPF investment.

Western Ghats and Sri Lanka Hotspot (Western Ghats Region)

Originally one profile for the hotspot, the profile was divided into two separate documents in recognition of how the Western Ghats and Sri Lanka are biologically, politically, and socially distinct. The profile submitted to the Donor Council is for the Western Ghats region of the hotspot. Substantive changes based on Working Group review have included increased attention to applied conservation rather than a strict science agenda. The ecosystem profile and 5-year investment strategy for the Western Ghats region was developed from an analysis of primary and secondary data, consultation with experts, and stakeholder workshops. The preparation of the profile was coordinated by the Ashoka Trust for Research in Ecology and Environment (ATREE) in collaboration with the Wildlife Conservation Society – India Programme, and the University of Agricultural Sciences, Bangalore.

The Sri Lanka ecosystem profile is not being submitted for approval at this time so that available funding can be maximized for implementation of the above three profiles.

Background for Regional Implementation Team Terms of Reference and Selection Process:

Coordination Units comprised of one or more civil society groups lead CEPF implementation within the hotspots. The Independent Evaluation characterized this function as “one of the most impressive aspects” of CEPF and the teams in existing investment regions as a “major strength of CEPF, demonstrating the viability of an innovative range of institutional arrangements and providing services that go well beyond grant program administration.”

In the future, these teams will be known as Regional Implementation Teams to reflect their vital leadership in implementation. Based on the recommendations of the evaluation and discussions with the CEPF Working Group, the responsibilities of these teams has also been standardized and expanded to capture the most important aspects of their function and to further devolve significant responsibility for implementation to the local level.

The selection of each Regional Implementation Team will be based on a competitive process. The selection will be made by the CEPF Working Group and approved by the Donor Council.

The Terms of Reference and Selection Process document submitted for no-objection approval was discussed with the CEPF Working Group at its November 2006 meeting. Upon Donor Council approval, the document will be included in the CEPF Operational Manual and enable the CEPF management team to begin implementation of the new ecosystem profiles.