

Critical Ecosystem Partnership Fund

Fourteenth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
10 November 2008
2 p.m. – 5 p.m. EST

Adoption of the Minutes of the Thirteenth Meeting of the Donor Council

Recommended Action Item:

The Donor Council is asked to **adopt** the minutes of the Thirteenth Meeting of the Donor Council, which took place on 21 April 2008. A first draft of the minutes was distributed for Donor Council and Working Group input on 5 June 2008. No comments were received.

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Draft Minutes of the Thirteenth Meeting of the Donor Council

1. **Welcome and introductions** (Doc.CEPP/DC13/1)
The Chair welcomed the participants.
2. **Adoption of agenda** (Doc.CEPP/DC13/2)
The agenda was adopted.
3. **Adoption of minutes of the Twelfth Meeting of the Donor Council** (Doc.CEPP/DC13/3)
The Donor Council adopted the minutes of the Twelfth Meeting of the Donor Council, which took place on 20 November 2007. A draft of the minutes had been circulated on 4 January 2008. No comments were received.
4. **Follow up to decisions taken at the Twelfth Meeting of the CEPP Donor Council** (Doc.CEPP/DC13/4)
The Executive Director provided an update on actions taken in follow up to decisions from the Twelfth Meeting of the Donor Council. This included that:
 - The Secretariat is finalizing the work plans and budgets together with BirdLife and the Ashoka Trust for Research in Ecology and the Environment as the Regional Implementation Teams selected by the Donor Council for Indochina and the Western Ghats, respectively. The Secretariat had received a significantly improved application from Conservation International's Pacific Islands Program as the Regional Implementation Team for Polynesia-Micronesia and would be seeking consensus from the Working Group on its completion within the week.
 - The Secretariat had undertaken informal consultations through the Office of the Executive Director for the Government of Japan about potential opportunities to increase awareness of biodiversity conservation and CEPP in Japan. A meeting also was held with Japan International Cooperation Agency (JICA) USA Office representatives focused on further information sharing about the program and potential collaboration opportunities.
 - An analysis of the existing CEPP portfolio in the context of climate change mitigation and adaptation is underway and the Secretariat would share a draft of the analysis for discussion. The analysis could be useful as a retrospective on how CEPP has contributed to addressing this large-scale threat and could continue to contribute.
 - The Working Group met on 9 April 2008 to discuss the overall approach to consolidation. Planning for consolidation is now moving forward with the Secretariat inviting applications for projects, as well as planning to provide additional information to the Working Group on the approach envisioned for individual hotspots as part of encouraging greater synergies and information sharing with the donor partners.

5. **Report on progress by the Executive Director** (Doc.CEPF/DC13/5)

The Executive Director highlighted recent activities from his written report on progress since the last meeting of the Donor Council, including how the partners signed two new agreements for additional support to CEPF.

The World Bank and CI signed a legal agreement for \$20 million in new support from the Global Environment Facility and the partners are now addressing the dated covenants required before disbursement. The John D. and Catherine T. MacArthur Foundation and CI signed an agreement for \$12 million in additional support from the Foundation for the global program. These new agreements bring the total new commitments for CEPF to \$82 million toward the \$150 million fund-raising goal, which includes a first target of \$100 million. At the invitation of the World Bank, a proposal for \$25 million in new support was also submitted to the World Bank's Development Grant Facility in early 2008. The World Bank representative said that the new proposal for World Bank support through the Development Grant Facility had gone through the technical review process and a decision is expected mid-year. He said one issue raised was monitoring and evaluation. He clarified that CEPF is not being asked to do more than the strengthened monitoring and evaluation component now in place for the global program but emphasized its importance.

The Government of Japan representative said that Japan is considering increasing its commitment for the expansion and consolidation of CEPF. He said, however, that Japan would like to raise greater awareness of CEPF activities in Japan. Council members and the Executive Director said that the Secretariat would need guidance on the scale and target audiences envisioned for such activities. It was agreed that the Secretariat and Japan would discuss the opportunity represented by Japan hosting the next Conference of the Parties to the Convention on Biological Diversity, with an emphasis on the preparatory meetings that will take place in 2009. It also was agreed that Japanese-language information sheets about CEPF already developed by GEF could be made more widely available and other activities may be considered to take place this year.

6. **Election of Donor Council Chairperson** (Doc.CEPF/DC13/6)

The Executive Director reported that he had canvassed Council members on the issue of chairmanship in advance of the meeting, as requested by the Council. He presented a proposal based on a consensus developed during the canvassing for Mr. James Wolfensohn to be invited to become the Chair of the Council. As part of this proposal suggested by the World Bank President, Mr. Wolfensohn would be invited by the World Bank to assume one of its two seats on the Council, specifically the seat to be held by the Bank President or his designee according to the CEPF Financing Agreement. Mr. Wolfensohn also would step down from his current position as a CI Board member.

The Council elected Mr. Wolfensohn as Chairman, contingent on his acceptance. It was agreed that the World Bank would formally invite Mr. Wolfensohn to join the Council on behalf of the World Bank and to become the Chairman at the invitation of the Council. The Council also agreed to review chairmanship on an annual basis.

7. **CEPF Financial Summary and Ninth Spending Plan** (Doc.CEPF/DC13/7)

The Executive Director introduced the Ninth Spending Plan, which sets out the budget for grants and operations for the period 1 July 2008–30 June 2009. The plan also reports the increase in spending authority for consolidation programs in selected regions as previously approved by the Council, including \$6 million for consolidation during the fiscal year. The

Council discussed whether the allocation for profiling of new regions, particularly of the Mediterranean Hotspot, would be sufficient. The Executive Director explained how donor requirements have resulted in the global program's total profiling costs being capped but discussions are underway with potential partners to join in supporting the CEPF process in the Mediterranean. He also noted that the annual costs for auditing had increased to more than \$30,000 due to new donor requirements. The Council approved the Ninth Spending Plan, with the provisos that the Secretariat closely monitor the cost of profiling and advise the Council if any difficulties arise. The Council also requested the Secretariat to monitor audit-related costs and to move forward with recruitment for its open staff positions.

8. Guidelines for Engaging Major Private Sector Entities in the Partnership
(Doc.CEPF/DC13/8)

The Executive Director introduced proposed guidelines for engaging major private sector entities in the partnership. The Council had asked the Secretariat to prepare the guidelines as part of the Council's approval of the Fund-raising Strategy (FY 2008-2012).

As reflected in the 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.

The Council approved the guidelines as proposed, including that corporate partners to be considered will allow the global program to further its mission of providing strategic assistance to nongovernmental and other private sector organizations in conserving vital ecosystems. Specifically, a corporate partner will agree with the principles set out in the CEPF Financing Agreement and the policies and procedures in the Operational Manual.

As outlined in the document, 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.
- 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.

Discussions with the corporate partner will focus on securing a \$25 million commitment for allocation across the full range of CEPF priorities. The Donor Council may also consider inviting a private sector entity to join the partnership on a more targeted or limited basis.

As part of its approval of the guidelines, the Council asked the Secretariat to provide more information about CELB and suggested that CELB and the International Finance Corporation (IFC) share best practices, with an introduction from the Acting Council Chair. The Council also requested early input in discussions with potential corporate partners.

9. Time and place of the next meeting of the Donor Council

The Council discussed the importance of bringing more substance about the work being supported into the meetings and the possibility of holding the Council meetings in the field.

However, they also recalled an earlier decision to align the Council meetings with the GEF Council meetings held in Washington DC so that Council members or their designees would already be available in the location.

The Council agreed that the next meeting will take place on 10 November 2008 in Washington DC, contingent on Mr. Wolfensohn's availability. Other locations, potentially tied to international events, could potentially be considered for future meetings. The Council also asked the Executive Director to include information or pictures about at least one of the most interesting CEPF-supported initiatives as part of his progress report in future meetings.

10. Other business

The AFD Council member reported that the French Ministry of Foreign Affairs will second a technical staff member to the Secretariat for a period of 2-3 years. The agreement is expected to be finalized by September 2008.

List of Follow-up Actions:

1. The Secretariat and Japan will discuss the opportunity represented by Japan hosting the Tenth Conference of the Parties to the Convention on Biological Diversity, with an emphasis on the preparatory meetings in 2009, to raise awareness of CEPF in Japan. The Secretariat also will make available the information about CEPF in Japanese developed by GEF and consider whether other activities could take place this year.
2. The World Bank will formally invite Mr. Wolfensohn to join the Council on behalf of the World Bank and to become the Chairman at the invitation of the Council.
3. The Secretariat will closely monitor the cost of profiling and advise the Council if any difficulties arise. The Secretariat also will monitor audit-related costs.
4. The Secretariat will provide more information to the Council about CELB, and explore the possibility of a meeting at the introduction of the current Council Chair between CELB and IFC to share best practices.
5. The Secretariat will organize the next meeting of the Council to take place on 10 November 2008, contingent on Mr. Wolfensohn's availability.

List of Attendees

Donor Council Members

Gonzalo Fonseca (representing Monique Barbut, CEO)	Global Environment Facility
Pierre Jacquet, Executive Director for Strategy	L'Agence Française de Développement
Yasushi Onishi, Director for Development Issues, International Bureau, Ministry of Finance	Government of Japan
Peter Seligmann, CEO and Chairman	Conservation International
Kathy Sierra, Vice President, Sustainable Development and Acting Chairperson, CEPF Donor Council	The World Bank

Staff

CEPF

Jorgen Thomsen, Senior Vice President and CEPF Executive Director
Bobbie Jo Kelso, Senior Director for External Affairs

Global Environment Facility

Yoko Watanabe, Program Manager, Biodiversity

Government of Japan

Naohisa Konita, Section Chief, Development Policy Division, International Bureau, Ministry of Finance
Masako Ogawa, Deputy Director, Environmental Cooperation Office, Global Environment Bureau, Ministry of the Environment, Government of Japan
Toru Kajiwara, Advisor, Office of the Executive Director, Government of Japan

World Bank

Warren Evans, Sector Director, Environment
Kathy MacKinnon, Lead Biodiversity Specialist and CEPF Task Team Leader, Environment Department

Other Donor Partner Representatives

Claude-Anne Gauthier, Biodiversity Program Officer, Ministry of Foreign Affairs, Government of France