

**Critical Ecosystem Partnership Fund
29th Meeting of the CEPF Donor Council
Washington, D.C.
10 June 2016
8:00-11:00 am EST**

CEPF Donor Council Governance Arrangements

Recommended Action Item:

The Donor Council is asked to consider the proposed options for CEPF's governance arrangements, agree on criteria for membership and financial contributions, and approve these for inclusion as an update in the CEPF Operational Manual.

Further, the Donor Council is asked to review and approve the proposed process for identification and selection of the Chairperson of the Donor Council.

Background

Recognizing that CEPF's third phase will entail an expanded partnership at both global and regional levels, and that this partnership will require an evolution in governance arrangements to ensure effective, transparent and accountable delivery, the Secretariat proposed revised governance arrangements, which were considered by the Donor Council at its 27th meeting in June 2015, and again at its 28th meeting in January 2016.

At the 28th meeting the Donor Council approved the revised governance arrangements for Phase III pertaining to the Chairperson of the Donor Council, the Donor Council Terms of Reference, the Working Group Terms of Reference, Working Group Membership and Composition, and the Regional Donors Role and Decision-Making Process. However, the Donor Council requested that further consideration be given to the USD \$20 million contribution threshold for global donors over a single CEPF phase, and that governance powers reflect size of contribution.

The documentation presented to the Donor has two parts:

- a. Proposed criteria for membership and financial contributions for deliberation and adoption by the Donor Council
- b. Proposed process for identification and selection of candidates for chairperson

A. CEPF Membership and Financial Contributions

At its 28th meeting in January 2016, the Donor Council discussed but did not agree on several points pertaining to Donor Council membership and financial contributions. These 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 in US dollars as of the date of agreement execution.
- Donor Council membership starts with the first financial contribution of at least USD 1 million.
- Donor Council membership ends three years after the end of the financing agreement governing that donor's contribution to CEPF.
- For decisions where a donor is eligible to vote, each donor is entitled to a single vote, irrespective of the number of representatives at the meeting.

Donors contributing to the global pool may participate in all meetings of the Working Group and Donor Council.

Donors that have earmarked their contributions to one or more hotspots may participate in Working Group and Donor Council meetings and decision-making/voting pertaining to those hotspots. They may also participate in other meetings as observers, subject to no objection by the other donors.

The table below proposes governance powers, as they relate to size of contribution, bearing in mind the above points concerning whether donors make global or hotspot-specific contributions.

Table 1. Governance powers

Donor contribution (to CEPF phase)	Participation in Working Group meetings	Observer status in Donor Council meetings	Participation in Donor Council meetings	Ability to vote in Donor Council meetings
\$1 to \$5 million	X	X		
Between \$5-10 million	X		X	
Between \$10-15 million	X		X	X
Between \$15-20 million	X		X	X
Over \$20 million	X		X	X

B. Process for Identification and Selection of Donor Council Chairperson

Section 5 of the Operational Manual, *Donor Council, Working Group and Focal Country Endorsements*, is the appropriate section to include text providing guidance on identification and selection of the Donor Council Chairperson. Text will be included as a new subsection.

Further, Donor Council and Working Group Terms of Reference will be revised accordingly, as per points 5 and 6.

Proposed text:

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

- 1) The CEPF Secretariat will 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 select a shortlist of candidates.**
- 3) The CEPF Secretariat will approach shortlisted candidates to ascertain their interest in performing the role of Donor Council Chair.**
- 4) The CEPF Secretariat will present the shortlist to the Working Group.**
- 5) The Working Group will review the shortlisted candidates, select one, and recommend this candidate to the Donor Council.**
- 6) The Donor Council will review the recommendation and elect a Chair.**