

Critical Ecosystem Partnership Fund

Approved Minutes

Eleventh Meeting of the Donor Council
World Bank Headquarters, Washington, DC
18 July 2007

1. **Welcome and introductions** (Doc. CEPF/DC11/1)
The meeting was opened by Kathy Sierra, Acting Chairperson of the CEPF Donor Council and Vice President of Sustainable Development for The World Bank.
2. **Adoption of agenda** (Doc. CEPF/DC11/2)
The Executive Director noted that agenda item #9, Revised Operational Manual, would not be discussed at this time and that the revised Manual would be submitted to the Donor Council electronically in August for review and no-objection approval. The agenda was then adopted.
3. **Adoption of minutes of the Ninth and Tenth meetings of the Donor Council** (Doc. CEPF/DC11/3)
The Executive Director introduced the minutes and said that a draft of the minutes had been circulated to the Donor Council after each meeting. The Council members noted that two of the years indicated in the minutes of the Ninth Meeting should be updated and that the Agence Française de Développement commitment referenced in the Tenth Meeting minutes is formally 19.5 million Euros, rather than 25 million dollars. The Donor Council agreed these changes and adopted the revised minutes of the Ninth and Tenth meetings.
4. **Follow up to decisions taken at the Ninth and Tenth meetings of the Donor Council** (Doc. CEPF/DC11/4)*
The Executive Director summarized actions that had been taken in follow up to decisions from the Ninth and Tenth meetings of the Donor Council. He noted that CEPF has operated in compliance with both the Seventh and Eighth spending plans approved by the Council, with the latter beginning on 1 July 2007. He highlighted the four meetings of the CEPF Working Group that had taken place and how these had contributed significantly to the future program design. Other highlights included that CEPF had finalized and sent a letter on behalf of the Donor Council members to new World Bank President Robert B. Zoellick, as agreed during the Tenth Meeting of the Donor Council. The Acting Chair said that she would ensure the letter is delivered to Mr. Zoellick, the CEPF partnership is very high on the agenda of her vice presidency, and she intended to include it in her initial briefing with the new president.

In response to a question from the MacArthur Foundation Council member on reporting about CEPF accomplishments, the Executive Director said accomplishments have been documented in a variety of ways as requested by the Council, including through a paper on impact produced in 2005; the independent evaluation, which included protected areas created and other metrics; individual assessment reports on the nine regions that have completed 5-years of investment to date, including reporting against the original logical frameworks; and through the Implementation Completion Report for the original GEF contribution, which included further metrics on impact and had been shared with the partners by the World Bank. The MacArthur Council member requested a synthesis of accomplishments. The Council members agreed this synthesis should be produced. The Council also agreed that it is

important for the partners to agree on a common set of indicators for reporting in the future, such as in the Strategic Framework to be discussed as agenda item #6.

The Council members also requested an update on the World Bank and other Council members' plans in relation to additional support for CEPF. The World Bank reported that it plans to propose additional Bank support internally for CEPF as part of an overall package of natural resource management partnerships toward the end of 2007. The Government of Japan added that it is focusing on completing its original commitment to CEPF.

5. **Report on progress by the Executive Director** (Doc. CEPF/DC11/5)*

The Executive Director gave a brief report on progress since the Ninth Meeting of the Donor Council, noting that a comprehensive written report had been provided as part of the overall meeting documentation. He noted that a significant time span had elapsed since the ninth meeting but that CEPF reported quarterly as well as on an annual basis to the donor partners and that a number of milestones had been reached and significant strategic planning for the future had taken place. This included the completion of the independent evaluation which concluded significantly positive but also included a series of recommendations to further strengthen the program that have been analyzed and worked through together with the Working Group. He highlighted the completion of assessments for the nine regions that have concluded their 5-year investment period and development of the new Strategic Framework (agenda item #6), as well as a number of decisions taken by the Council through an electronic approval process such as the approval of new ecosystem profiles and funding for the Indochina region of the Indo-Burma Hotspot, the Polynesia-Micronesia-Hotspot, and the Western Ghats region of the Western Ghats and Sri Lanka Hotspot. He said the program is keen to develop new grant programs, and highlighted how CI will drive an aggressive fund-raising effort for the program but that as a partnership, fund-raising is a shared responsibility and opportunity. He noted that CEPF will develop a fund-raising strategy together with the partners for review and approval by the Donor Council and gave a number of examples of efforts already underway to attract additional donors to the partnership. The CI Council member raised the growing awareness of the impact of climate change of ecosystems and the opportunity to scale up work together on this issue. The Council agreed that CEPF should produce a 1-2 page paper on how CEPF makes the link to climate change.

6. **CEPF Strategic Framework** (Doc. CEPF/DC11/6)

The Donor Council reviewed and approved the Strategic Framework, which sets out the vision and strategy for the CEPF global program during fiscal years 2008-2012. The final Framework incorporates extensive input from the CEPF Working Group and recommendations from the independent evaluation. The Executive Director noted that the Framework elevates CEPF to a program, with the results being ambitious but achievable and not dependent on a particular donor. He said CEPF's ambition in creating a diverse group of donors subscribing to the same strategy and financing terms remains very strong. In follow-up to the discussion as part of agenda item #4 on indicators, the Council recognized the Results Framework in the document with specific indicators as a positive development enabling the partners to agree on common metrics for the global program, and provide for both greater synthesis and analysis and useful information for communications and outreach.

7. **CEPF Donor Council Terms of Reference** (Doc. CEPF/DC11/7)

The Executive Director introduced the expanded Terms of Reference for the Donor Council and Working Group (agenda item #8), with additional duties and powers based on the new Strategic Framework developed with the partners and additional negotiations with the World Bank. The revised Terms of Reference for the Donor Council provide for four additional duties and powers as follows:

- j) Reviewing and approving the selection of each Regional Implementation Team in accordance with the procedure established in the Operational Manual. In the event CI applies to become the Regional Implementation Team, the CI Donor Council member shall recuse him or her self from the selection process;
- k) Reviewing and approving proposed grants for award to CI under each approved Ecosystem Profile, if and when such application exceeds a total cost of \$20,000. In such cases, the CI Donor Council member shall recuse him or her self from the review and approval process;
- l) Reviewing and approving the terms of reference for a midterm evaluation, the external audit, and a CEPF program audit conducted by internal auditors or consultants acceptable to the Donor Council, as well as any subsequent material changes to those terms of reference; and;
- m) Approving the terms of reference for the CEPF Working Group and, whenever it deems necessary, delegating specific powers and duties to the CEPF Working Group.

In regard to the proposed role of the Donor Council reviewing and approving the terms of reference for the external audit and a CEPF program audit, the MacArthur Foundation asked for clarification of the role of CI's Board and expressed concern that the Council not overlap or take on its responsibility for fiduciary oversight of the Fund. The Executive Director explained that CI's Board is responsible for fiduciary oversight and would first approve these terms of reference before submission to the Donor Council. The World Bank explained that it had requested Council approval of the terms of reference as it requires this approval for the future but felt that it would be more appropriate at the Council, rather than bilateral, level.

The CI Council member and MacArthur Foundation representative expressed concern about the potential burden on the Working Group of reviewing any proposed grants above \$20,000 to CI.

The Council approved the expanded Terms of Reference for both the Donor Council and Working Group and requested a short paper outlining the respective roles of CI, the Donor Council, and Working Group on fiduciary management of the Fund. The Council also requested the Secretariat and Working Group to carefully monitor the potential burden of the Working Group's review of all proposed grants to CI above \$20,000 and to report back to the Council after one year or sooner if it poses an undue burden.

8. **CEPF Working Group Terms of Reference** (Doc. CEPF/DC11/8)

The Donor Council approved the expanded Terms of Reference for the Working Group, which provide for two new "Specific Tasks" as follows:

Select CEPF Regional Implementation Teams, to be approved by the Donor Council, in accordance with the procedure established in the CEPF Operational Manual. In the event CI applies to become a Regional Implementation Team, the CI representative on the Working Group shall recuse him or her self from such selection process.

By authority granted by the Donor Council, review and approve proposed grants for award to CI under each approved Ecosystem Profile, if and when such application exceeds a total cost of \$20,000. In such cases, the CI Working Group member shall recuse him or her self from the review and approval process.

9. Revised CEPF Operational Manual (Doc. CEPF/DC11/9)

This agenda item was removed.

10. Selecting Priorities for Future Investment (Doc. CEPF/DC11/10)

The Executive Director introduced the paper entitled “Setting Priorities for Future Investment” which proposed all 13 existing CEPF investment regions that will be closed by July 2008 will be eligible for a consolidation program to advance and sustain the conservation gains made to date; the designation of eight new hotspots for future investments; and two remaining new hotspots for investment to be selected at a later date from among five other hotspots. He said the investment scenario represented a consensus of the CEPF Working Group and merged several scenarios developed by the CEPF Secretariat based on a matrix of factors used to rank each hotspot and discussions with the Group. He said the Secretariat is also committed to refining the recently approved ecosystem profile for the Polynesia-Micronesia Hotspot, one of the first new regions for investment, to address the interface between terrestrial and marine biodiversity as part of future implementation.

The Council approved the paper. The Council members agreed that strategic analysis of the overarching consolidation approach will be an important part of planning for the future and that the Secretariat should engage the Working Group on the overall approach, move quickly in implementation so as to not lose momentum, and report back to the Council after one year of implementation.

The first of the new regions approved for investment have newly approved ecosystem profiles and will be Indo-Burma (Indochina region); Polynesia-Micronesia; and Western Ghats and Sri Lanka (Western Ghats region). The five other new hotspots for future investment will be as follows:

- Mediterranean Basin;
- Caribbean Islands;
- East Melanesian Islands;
- Eastern Afromontane (incorporating the Horn of Africa as appropriate); and
- Maputaland-Pondoland-Albany.

The Council agreed that two remaining regions may be selected at a later date from among the Madrean Pine-Oak Woodlands; Cerrado; Wallacea; Chilean Winter Rainfall-Valdivian Forests; and Mountains of Central Asia hotspots.

Planning for the new regions will begin with the traditional CEPF ecosystem profiling process to identify the CEPF niche and investment strategy for each region. The first hotspots to undergo the profiling process will be the Mediterranean Basin, Caribbean Islands, and Eastern Afromontane.

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

The Council agreed that the next meeting of the Donor Council will take place in November 2007.

** For information only*

List of Follow-up Actions:

1. CEPF will revise the minutes of the Ninth and Tenth meetings as approved.
2. CEPF will submit the revised Operational Manual to the Council in August electronically for review and no-objection approval.
3. CEPF will produce a synthesis of accomplishments to date.
4. The Acting Chair will follow up to ensure that World Bank President Robert Zoellick receives the letter from the CEPF Donor Council and is briefed on the CEPF partnership.
5. CEPF will produce a 1-2 page paper on how CEPF makes the link to climate change.
6. CEPF will produce a short paper outlining the respective roles of CI, the Donor Council, and Working Group on fiduciary management of the Fund.
7. The Secretariat and Working Group will monitor the potential burden of the Working Group's review of all proposed grants to CI above \$20,000 and report back to the Donor Council after one year or sooner if its poses an undue burden.
8. The Secretariat will organize the next meeting of the Donor Council to take place in November 2007.

** These Minutes were approved at the Twelfth Meeting of the Donor Council in November 2007.*

List of Attendees

Donor Council Members

Jonathan Fanton, President	John D. and Catherine T. MacArthur Foundation
Yasushi Ohnishi, Director for Development Issues, International Bureau, Ministry of Finance, Japan (representing Shigeki Kimura)	Government of Japan
Pierre Jacquet, Executive Director for Strategy	L'Agence Française de Développement
Peter Seligmann, CEO and Chairman	Conservation International
Kathy Sierra, Vice President, Sustainable Development and Acting Chairperson, CEPF Donor Council	The World Bank
Yoko Watanabe, Program Manager, Biodiversity (representing Monique Barbut)	Global Environment Facility

Staff

CEPF

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

Agence Française de Développement

Constance Corbier Barthaux, CEPF Task Manager

Government of Japan

Hiroko Inaoka, Development Institutions Division, International Bureau, Ministry of Finance
Kazuteru Sato, Development Policy Division, International Bureau, Ministry of Finance
Toru Kajiwara, Advisor, Office of the Executive Director, Government of Japan

MacArthur Foundation

Michael Wright, Conservation and Sustainable Development Program Area Director

World Bank

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