

Critical Ecosystem Partnership Fund

Approved Minutes

Fourth Meeting of the Donor Council
World Bank Headquarters, Washington, DC
12 February 2003

1. The Chair of the CEPF Donor Council opened the meeting at 12:26 pm, welcomed all participants and asked that each representative introduce himself or herself. He then asked for the adoption of the agenda, minutes and decisions documents (Tab 1, 2 and 3), which he felt had been sufficiently reviewed and vetted with the staff of each donor partner institution. Adoption of the minutes was seconded and approved.
2. The Chair of the Council then asked the Executive Director to give his presentation and update on the initiative. The presentation covered the following main points:
 - Brief overview of the macro status of the initiative (5 donors, 10 active hotspots, 132 projects supported, 86 partners, \$22.2 million in project grants, \$170,000 average grant size and \$60 million in new, catalytic funding leveraged)
 - Breakdown of the grant portfolio by hotspot
 - Fund statement for Fiscal Year 03 (3rd CEPF Spending Plan) and cumulative fund statement
 - Update on determining outcomes for the Mountains of Southwest China hotspot
 - Introduction of local voices and recent synergistic activities (GEF General Assembly Meeting, WSSD Conference etc)
 - Update on the modification and upgrade of the grant application system
 - Perspective of partner voices
 - Introduction of a CEPF grantee, Ursula Titus, from the Table Mountain Fund, Capacity Building Program.

It was questioned whether the resources leveraged were add on and catalytic or matching. It was confirmed that the resources were new. A question was raised about how CEPF operationalized grantmaking in each hotspot and whether CEPF had opened offices in each of these places. The Executive Director explained that CEPF has a coordination unit in each hotspot that provides technical assistance, project and program monitoring and support. These units are not necessarily CEPF staff. While briefly discussing the cumulative fund summary a Council Member asked if grants were expensed when signed and the CEPF Executive Director confirmed that grants were expensed when signed and a corresponding liability is accrued on CI's books. Several Council Members emphasized the increasing importance of monitoring, achieving and communicating results of CEPF grants. This point converted into a follow up decision for the CEPF Working Group discussion.

On China, the CEPF Executive Director explained that it was difficult to get GEF Focal Point Endorsement due to the geo-political context of this country but that once signed, the focal point also expressed keen interest in ramping up efforts for civil society and also interest in using the CEPF example to expand GEF Small Grants in China. He also shared that there is a major opportunity to influence millions of dollars towards biodiversity conservation in China. CEPF is exploring partnerships and leveraging opportunities with UNDP, WWF, The Nature Conservancy and the Ford Foundation, which already have significant on-the-ground efforts in place in China.

One of the Council Members asked if CEPF “calls for bids.” It was then explained that grant resources are available on a rolling application process that involves two steps, a Letter of Inquiry and, if invited, a full application.

3. Ursula Titus, program manager for the Capacity Building Program for the Table Mountain Fund in South Africa then gave a presentation summarizing the CEPF project focused on building the capacity of black South Africans to participate in the conservation of South Africa’s natural resources.

Following this presentation there was a brief discussion on how this project fits into the larger outcomes defined for the Cape Floristic Region. The Council Members requested that future presentations provide a clearer delineation of how the individual project contributes to the success of the outcomes. The Executive Director explained that the presented project fits into one of several strategic directions being funded by CEPF that understood as a whole, contribute to the success of achieving the outcomes.

4. The Chair of the Donor Council then asked to move to agenda item number six, review and approval of the Succulent Karoo ecosystem profile. He stated that based on discussions, he felt that the staff of each donor institution had great confidence in the quality of this profile and that the quality of the profiles was improving. The Executive Director gave a brief overview of the Succulent Karoo ecosystem profile, which was the result of a 9-month planning process involving 60 scientists and 400 stakeholders. This profile had been discussed quite extensively with the CEPF Working Group and the final version reflected input from Working Group members. A Council Member stated that he felt that the profile has served as an excellent vehicle for getting to the bottom of the issue and that in this hotspot; the main audience for CEPF investment seems to be the mining and agricultural sector. He provided a brief overview of the World Bank’s commission on mining that is looking at best practices, standards and role of the World Bank in mining operations. He suggested that the CEPF Management Team convene a series of discussions with this mining forum. The Executive Director explained that the mining and agricultural constituencies had been heavily involved in the SKEP planning process and that a trip is planned to one of the largest mining operations in the Sperregbiet in early April. A Council Member asked what change in governmental policy would be catalyzed by CEPF investment. The CEPF Executive Director shared that government is envisioned as playing a major role, especially at the local and municipal level, in light of the current trend towards land reform and repatriation. It was reminded that CEPF disbursement couldn’t take place until GEF Focal Point Endorsement is obtained. The Chair of the Council asked for approval of the Succulent Karoo ecosystem profile and \$8 million investment strategy. The Council Members approved the recommendation.
5. The Council requested that the CEPF Working Group discuss progress on monitoring and evaluation of the CEPF agenda in the next working group and report to the Council during the July 2003 Council meeting. This was agreed.
6. The CEPF Executive Director then gave a brief overview of three of the six hotspots currently undertaking preparation and profiling activities in the Caucasus (Georgia, Armenia, Azerbaijan, Russia, Iran, Turkey), Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya, and Northern Mesoamerica. These three profiles will be discussed during the next working group meeting and submitted for consideration during

the July 2003 Council Meeting. A question was raised whether CEPF has enough donors to fund the remaining hotspot. The Executive Director explained that a 6th donor would be required to fund the final four hotspots. It was recommended that policy work be highlighted in future profiles.

7. The Chair of the Council then asked to move to agenda item #7, CEPF Financial Summary. The CEPF Executive Director provided an overview of three documents:

The Fiscal Year Fund Summary
The Cumulative Fund Summary and
The Independent Audit

He explained that CEPF is getting a clearer idea of the type and level of detail that should be presented in financial reports to the Council. He asked if the Council Members were satisfied with the information presented in the three documents listed above. A Council Member reiterated that CI's Board of Directors has fiduciary oversight and responsibility for the CEPF and that this information is being provided to the Council for their appreciation and information only. The CEPF Executive Director explained that the CI Board of Directors reviews and discusses CEPF's financial progress during each board meeting and is satisfied with the progress. The CEPF Finance Director gave a brief report on the results of the audit that resulted in three overarching requirements: 1) a need to revise the risk and training threshold articulated in the operational manual to more effectively monitor progress, 2) a need to better capture training and monitoring (through trip reports kept in the electronic and paper files) in the CEPF Knowledge Management System and 3) a need to provide more financial and programmatic monitoring and training. A Council Member requested that CEPF report on efforts to provide better financial oversight and training during the next Council Meeting. The Audit also suggested that CEPF better capture CI's Letter's of Inquiry, applications and specifically rejections in the electronic application system. As a result of this suggestion, CEPF now electronically captures all ideas discussed with CI staff.

8. Further to the discussion on Financial Progress, the CEPF Executive Director also gave an overview of the request to replenish funding for Madagascar by \$2 million. He explained that this need was precipitated by the delay in funding contemplated in the National Environmental Plan for Madagascar #3 that is now being considered by GEF and the World Bank. The Council Members expressed two significant concerns with this request: 1) CEPF is not meant to function to fill gaps left by other donors and 2) CEPF is not meant to provide funding to governments, covering recurrent costs that should be funded by governments. In response to this, the CEPF Executive Director emphasized that CEPF's support would be for civil society efforts to complement ANGAP's efforts to co-manage the system of protected areas and not to cover recurrent costs. The replenishment request was made in anticipation of a 9-month delay to reach a conclusion for this proposal and in an effort to maintain momentum and protect current investments. The Council Members requested that CEPF discuss this in more detail during the next Working Group Meeting and provided a summarized decision in writing to the Council Members for consideration.
9. The Chair requested to move to the last agenda item, Discussion on Fund Raising Strategy. The CEPF Executive Director reminded the Council that they always have an opportunity to participate in and approve each individual request and that the matrix

provided in the briefing book summarizes current possibilities. Several meetings are contemplated in the near future to increase efforts to secure a 6th CEPF donor partner.

List of Follow up Actions:

1. The CEPF Working Group will discuss progress on monitoring and evaluation.
2. The CEPF Management Group will convene a series of discussions and exchanges with technical staff at the World Bank and CI on mining issues.
3. The issue of replenishment for Madagascar will be discussed with the Working Group and then submitted to the Council for consideration.
4. An update on financial training and monitoring will be presented during the next CEPF Donor Council Meeting.
5. CEPF will continue seek GEF Focal Point Endorsement in Namibia and South Africa for the Succulent Karoo Ecosystem Profile.
6. A series of meetings and introductions will be made in the next few months to advance CEPF's fund raising efforts.

** These minutes were approved at the Fifth Meeting of the Donor Council in July 2003.*

List of Attendees

Donor Council Members

James D. Wolfensohn, President
Mohamed El-Ashry, Chairman and CEO
Jonathan Fanton, President

Yuzo Harada, Executive Director – Japan
Ian Johnson, Vice President, ESSD
Peter Seligmann, Chairman and CEO

World Bank
Global Environment Facility
John D. and Catherine T. MacArthur
Foundation
World Bank Board of Directors
World Bank
Conservation International

Staff

Conservation International

Jorgen Thomsen, Senior Vice President and CEPF Executive Director
Donnell Ocker, Director, Business Development and Program Management, CEPF
Lisa Dean, CEPF Finance Director
Ursula Titus, CEPF Grantee, Capacity Building Program, The Table Mountain Fund

Global Environment Facility

Gonzalo Castro, Team Leader, Biodiversity

Government of Japan

Mitsuru Myochin, Advisor to Japan Executive Director to the World Bank

MacArthur Foundation

Michael Wright, Conservation and Sustainable Development Program Area Director

World Bank

Michael Carroll, CEPF Task Team Leader and Senior Agriculturist
David Freestone, Chief Legal Counsel
Jeannette Ramirez, CEPF Operations Analyst
Marco Scuriatti, Assistant to the World Bank President