

Critical Ecosystem Partnership Fund

Approved Minutes

Eighth Meeting of the Donor Council
Jackson Hole, Wyoming
26 March 2005

1. **Welcome and introductions** (Doc.CEPP/DC8/1)
The Chair opened the meeting at 2:50 pm and acknowledged that this would be his last meeting as the Chair of the Council, as his term as the President of the World Bank was coming to an end on 31 May 2005.
2. **Adoption of the agenda** (Doc.CEPP/DC8/2)
The Chair requested adoption of the agenda. Adoption of the agenda was seconded and approved.
3. **Adoption of the minutes of the Seventh Meeting of the Donor Council** (1 November 2004) (Doc.CEPP/DC8/3)
The Chair asked for adoption of the minutes of the Seventh Meeting of the Donor Council. Adoption of the minutes was seconded and approved.
4. **Follow up to decisions taken at the Seventh Meeting of the Donor Council** (Doc.CEPP/DC8/4)*
The Chair asked the Executive Director to elaborate on any relevant points in the document, "Follow up to decisions from the Seventh Meeting of the Donor Council." At this point, the Executive Director noted that an invitation to consider becoming a CEPP partner was extended to the French Development Agency (hereafter AFD) by the Chair of the Donor Council subsequent to the Seventh Meeting. As a result of this invitation, two members of AFD, Pierre Jacquet, Executive Director and Denis Loyer, Head of Environment and Development, were in attendance during the Donor Retreat and Council Meetings. He then invited Mr. Jacquet to give an overview of AFD and their interest in CEPP. The most relevant points for the CEPP partnership are summarized below:

AFD intends to join the partnership in 2006.

CEPP's focus on both biodiversity conservation and sustainable development is in line with their own focus. They are impressed and comfortable with CEPP's portfolio, which they feel is consistent with their desired balance between human welfare and biodiversity conservation. Their interest in becoming a CEPP partner stems from the following main points:

1. Joining CEPP enables them to provide smaller sized grants in a more cost effective manner. It is currently very costly for them to reach the smaller grantees.
2. They support CEPP's mandate of building local capacities.
3. AFD endorses CEPP's focus on mainstreaming biodiversity into national agendas.
4. CEPP provides a vehicle for stronger harmonization of donor policies.
5. CEPP provides a vehicle for AFD to increase and leverage their capitalization of resources for NGO's.

6. AFD would bring to CEPF a stronger knowledge and experience in conservation agriculture.
7. AFD has more experience in the preservation of the assets of the rural poor.
8. AFD could provide to CEPF more expertise in working in Sub-Saharan Africa.

Mr. Jacquet elaborated that he felt that biodiversity conservation could not succeed in the current donor agenda unless it is better linked between biodiversity conservation and economic growth. He said the importance and links between biodiversity conservation and economic growth need to be brought more into the public eye through stories, books and other more mainstream vehicles. He expressed AFD's interest in CEPF expanding to new hotspots including the Mediterranean and New Caledonia and increased focus on French and African NGOs. Lastly he pointed out that he hoped CEPF would provide a forum to build long-term relationships with the current donor partners supporting CEPF. In terms of timeline, he said that AFD would find a mechanism to agree in principle to join CEPF but their final commitment would be effective in 2006.

The Executive Director summarized that the next step was to organize a mission to Paris to establish a timeline and agree on next steps and to meet officially with the AFD Management in Paris. The representatives from AFD said that they intended to encourage AFD representatives in Mozambique to join the CEPF forum planned for South Africa at the end of April. The representative from Japan said that his Government would be extremely delighted to have another official bilateral partner in the partnership. He also appreciated the presentation made by AFD, which put CEPF's work into a broader perspective.

The Executive Director continued his updates by saying that CEPF has provided information on our compliance with the Patriot Act, as requested by the MacArthur Foundation. He said that DFID and other British partners are still CEPF fundraising targets, but approaching them became a lesser priority following the discussions with colleagues in France. The CEPF Council Members encouraged CEPF to prioritize outreach to the U.K., particularly with their renewed focus on climate change. Both the MacArthur Council Member and the Chair agreed to support this effort.

5. **Report on progress by the Executive Director** (Doc.CEPF/DC8/5)*

At this point the Executive Director requested authorization to re-address the discussion on an "External Evaluation of CEPF" which had been postponed during the earlier meeting in place of providing a report on progress. The Council Members approved this request and as a result, the CEPF Executive Director sought guidance on the planned external evaluation of CEPF.

The Executive Director prefaced and opened the discussion on the evaluation by saying that he needed guidance from the donor council on what impact the evaluation would have on a continuation of CEPF.

1. Should the evaluation take place with an assumption that the original partners intend to continue their commitments to CEPF?
2. If so, then is the evaluation meant to look at how a continuation could be redesigned?
3. Alternatively, are the results of the evaluation a determining consideration in whether or not continuation is desirable?

At the end of the discussion, there was general agreement on the following points.

1. Funds to cover the evaluation should be financed out of CEPF's operating budget.
2. CEPF management would undertake the contracting of an evaluation team.
3. CEPF management should provide logistical support, data and information as required, but working group/donor council should provide strategic orientation.
4. Initial application to undertake the evaluation should be subject to an open bidding process.
5. Working group will then select and interview the chosen candidates. The candidates chosen by the Working Group will put forward for consideration by the Donor Council.
6. Best composition would be a team of 2 to 3 experts.
7. The evaluation should focus on the substance and value added of CEPF rather than evaluating CEPF's processes.
8. The evaluation should assess the role of CI in the CEPF partnership to determine advantages/disadvantages and to make suggestions about options for redesign. Upon completion of the evaluation, it was proposed that a discussion among the four partners (without CI) be undertaken first and then subsequently with CI participating.
9. The evaluation should be finalized no later than 1 December 2005.
10. Most of the partners felt that the evaluation should take place under the assumption of a continuation of their involvement in CEPF. GEF emphasized that a second phase would be a GEF Council decision and that a positive evaluation would be a major consideration as whether or not to contribute to a continuation of CEPF.

The following additional points were made by the Council Members:

- CI stressed that the evaluation should not be used as a critique but rather as a way to identify what CEPF could do differently. Emphasize what can be done to further mutual institutional goals and perspectives and strategic thinking.
- GEF reiterated that the evaluation should assess how well the partnership is meeting its original objectives (i.e. tightened geographic focus, ability to reach civil society in a different way than GEF already does). GEF also emphasized that the evaluation should demonstrate donor collaboration achieved due to CEPF.
- MacArthur Foundation requested that the evaluation look at CEPF's impact on infrastructure projects and/or CEPF's influence on policies related to infrastructure projects.
- Evaluation should not focus on efficiency of processes but rather strategic orientation.
- GEF emphasized that the GEF Council will make the decision and therefore an independent evaluation is critical. The primary question the GEF Council will want to understand is the value of CEPF vis a vis other programs, such as GEF small grants. The important points again are geographic focus and the identification of and delivery toward a tight funding niche within the larger niche of CEPF funding. Their timeline for going to the council will be in May/June 2006. This meant that all materials that would inform the GEF Council consideration of a continuation of CEPF would need to be finalized prior to a Feb/March 2006 date.
- MacArthur stated that we should go forward with the evaluation under the assumption of replenishment. Clear goals for the evaluation must be set to measure value added of the CEPF partnership. He encouraged that the evaluation balance assessment of process versus assessment of substance with a significant focus on substance. The evaluation should include an assessment of CEPF's impact on policy or alternatively he wants to see a renewed focus on policy in a second phase of CEPF. MacArthur wants the evaluation to determine whether CEPF grants fit together as a strategy (as questioned in the Arensberg report)

- Japan's points were that the evaluation should be credible (i.e. independent) and look at CEPF's focus on poverty reduction, putting CEPF's work in a broader context. He said there is still a perception that the World Bank is not selective enough in its involvement with global programs and partnerships, and hoped that the evaluation would help clear any misunderstandings. .
- CI said that an evaluation should look at whether to expand to new regions or alternatively evaluate the feasibility of increased resources or focus on the original regions. He said that in his opinion the original rationale for limiting CEPF's geographic focus is still valid. He said that the evaluation should not be a doctoral thesis but a very honest, transparent evaluation that will point out areas of additional synergy/opportunity or improvement in a second phase.
- MacArthur said that his impression is that all CEPF partners agree with the revised TOR's for the evaluation that was provided to the Council, particularly with the revised clarification that the evaluation team reports to the Donor Council, with strategic orientation provided by the Working Group.

The MacArthur Foundation proposed a motion to adopt in principle the draft terms of reference for the proposed external evaluation of CEPF. The motion was seconded and the terms of reference were adopted. The Donor Council then instructed the Working Group to finalize the terms of reference and process for the evaluation and submit this for electronic approval by the Council. A meeting of the CEPF Working Group was scheduled for Thursday, March 31. The agreements and changes to the evaluation process will be summarized in the meeting summary from that Working Group Meeting.

6. Presentation World Bank/CEPF forum in Brazil and plans for Africa and Asia forums (Doc.CEPF/DC8/6)*

The CEPF Task Manager for the World Bank and the World Bank Council Member then gave a brief presentation and overview of the World Bank/CEPF forum held in Brazil. He also distributed an official summary of the forum to the Council Members and Working Group present. The primary points elaborated in the presentation during the Council Meeting were:

1. The World Bank can benefit from CEPF's operations.
2. CEPF can learn from the World Bank.
3. World Bank was in the driver's seat in facilitating this forum.
4. In the Atlantic Forest in Brazil, CEPF has done a tremendous job of working with the private sector toward biodiversity conservation.
5. The CEPF Ecosystem Profiles could influence and/or consider the World Bank's Country Assistance Strategies (CAS's) and the Poverty Reduction Strategies (PRSP's) in a more comprehensive manner.

The Chair suggested that CEPF undertake a "road show" for each donor partner Board or shareholders that shows where the partnership is now and where it is heading. He said that in addition to the existing partners, this "road show" should also include a visit to France. All Council Members agreed with this suggestion.

7. Options for directing additional CEPF resources to Sumatra, post tsunami (Doc.CEPF/DC8/7)

The Executive Director called attention to tab #11, which summarizes CEPF's efforts in supporting biodiversity conservation in Sumatra, post tsunami and to the decision paper requesting guidance toward possibly directing new CEPF resources to Sumatra.

The Chair said that while the tsunami has been a terrible tragedy, it did not affect the whole of Sumatra. He also went on to say that there is a lot of humanitarian aid flowing into Indonesia, not always to the best use. He said he would support efforts or new resources from CEPF that would go toward protecting our existing investment but would not be keen on CEPF resources being used for purposes that are more humanitarian. The Council Member from Japan endorsed the previous statement and reiterated that CEPF resources should be directed to support CEPF's existing mandate. The Council Member for the MacArthur Foundation said that he was impressed with the presentation made by Ms. Ellis regarding CEPF's current support to mitigate the environmental impact of the tsunami. He said he would support reallocation if it would support CEPF's existing mandate.

The Executive Director asked if the Council Members would like to put a ceiling on the amount of resources that could be redirected to CEPF's efforts in Sumatra.

The Council Members gave the Executive Director the authority to re-allocate \$500,000 of CEPF's resources toward work that would support the existing mandate of CEPF in the region, if necessary. They gave the Executive Director the authority to request similar flexibility in the future. In addition, the Council Members indicated that they would help raise additional funds for CEPF's mandate in Sumatra.

8. Update on effort to integrate poverty reduction measures into CEPF business

(Doc.CEPF/DC8/8)

An update on CEPF's efforts to integrate poverty reduction measures into CEPF business had been circulated in the briefing book for the Council Meeting. Because of time constraints, the Council Members took note of the briefing paper but did not go into further discussion. The Executive Director did highlight that CEPF management, upon advice from colleagues in Japan, would organize a mission to Tokyo later in this year. This would coincide with personnel changes in the Ministry of Finance and will be an opportunity for CEPF Management to report more comprehensively on its efforts to integrate poverty reduction measures into CEPF business. The Working Group Member representing Japan asked for clarification on what CABS (CI's Center for Applied Biodiversity Science) is. CEPF Management agreed to provide this information on CABS.

9. Consideration of issues arising from the Donor Council Retreat (Doc.CEPF/DC8/9)

The Council Members noted for the record that issues related to the donor retreat and a continuation of CEPF had already been addressed throughout the day and that it was not necessary to highlight them any further at this time.

10. Fund-raising strategy (Doc.CEPF/DC8/10)

The Chair reiterated that CEPF should do a road show to all of the CEPF Donor organizations to share an update on where the partnership is at this time and where it is heading. The purpose of this effort will be twofold - informative but also laying groundwork for a continuation of CEPF. They encouraged CEPF to pursue DFID and other branches of the British Government and committed to help in this effort. They also asked for a status report on regional partnerships such as IDB and Australia. Due to time constraints, the Executive Director agreed to provide an update on regional partnerships to the CEPF Working Group. The feasibility of pursuing the US government was discussed and the Council Members recommended waiting a few months. However, they did recommend pursuing Canada and China soon.

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

The Executive Director asked the Working Group to convene a meeting on Thursday, March 31 to discuss the path forward for the external evaluation of CEPF. On behalf of the Chair, he recommended that the next meeting of the Donor Council would take place in July 2005.

List of Follow-up Actions:

1. CEPF will provide an overview on the partnership to Mr. Paul D. Wolfowitz, incoming President of the World Bank.
2. CEPF, in collaboration with AFD, will organize a mission to Paris to establish a timeline and agree on next steps to formalize their interest in being involved in the CEPF.
3. CEPF will prioritize outreach to the UK, to become a possible donor partner in the partnership. The World Bank and MacArthur Foundation Council Members will assist with these efforts.
4. The CEPF Working Group will finalize the terms of reference and process for the external evaluation and submit this for electronic approval by the Council. CEPF will hire Mr. Walter Arensberg to solicit bids to evaluate CEPF. Subsequently, CEPF will operationalize the evaluation, as recommended by the Working Group.
5. CEPF will undertake a “road show” to each existing donor partner and AFD in France to provide an update and solicit advice for a continuation of the partnership.
6. If recommended by colleagues from Japan, CEPF management will organize a mission to Tokyo later in this year to coincide with personnel changes in the Ministries of Finance and Environment to provide a progress report and solicit input and advice on efforts to incorporate poverty reduction metrics into regular business practices.
7. CEPF will continue to pursue fundraising opportunities, including new outreach efforts with China and Canada and will provide an update on regional partnership efforts, such as with the Government of Australia.

** These Minutes were approved at the Ninth Meeting of the Donor Council in November 2005.*