

Critical Ecosystem Partnership Fund
No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement

13 October 2021

**Selection of PROFONANPE as the Regional Implementation Team
for the Tropical Andes Biodiversity Hotspot**

1. Recommended Action Items

The Donor Council is asked **to approve on a no-objection basis:**

1. The selection of PROFONANPE as the Regional Implementation Team (RIT) for the Tropical Andes Biodiversity Hotspot.

The deadline for no-objection approval is **27 October 2021**.

2. Background

On 10 June 2021, the Donor Council approved, on a no-objection basis, the ecosystem profile for the Tropical Andes Biodiversity Hotspot, which presents a five-year strategy for investment from 2021 to 2026. At its 35th meeting, the Donor Council approved a full reinvestment in the Tropical Andes Hotspot. At this time, it was anticipated that an initial contribution of US\$3 million would come from CEPF's global donors, with the balance of the spending authority being leveraged from regional donors. To date, EUR7 million of this balance has been secured, from KfW, under a project in Ecuador, which is currently at the contracting stage and anticipated to start by the end of 2021. The design of the KfW project requires that a separate RIT be recruited for Ecuador, through a competitive process. Consequently, the CEPF Secretariat is seeking to recruit an RIT to cover the countries of Bolivia, Colombia, and Peru.

The process for RIT selection approved by the Donor Council in October 2017 requires that selection in a hotspot with an incumbent RIT be informed by the results of an independent evaluation of lessons learned in relation to the RIT. To this end, an independent evaluation of lessons learned during the previous phase of CEPF investment in the Tropical Andes Hotspot (2015-2020) was undertaken between November 2020 and March 2021, by a team of consultants led by Hugo Arnal.

On 25 March 2021, the CEPF Working Group met to review the results of the independent evaluation, and to provide guidance on the modality that the CEPF Secretariat should follow for recruiting the RIT for the next phase of investment. The Working Group approved the sole-source recruitment of the incumbent RIT partner organizations in Colombia (Fondo Patrimonio Natural) and Peru (PROFONANPE) and requested that the Secretariat explore

options for identifying a suitable entity to serve as the RIT partner for Bolivia, given that the RIT functions in that country were performed by an individual consultant rather than by an organization during the previous phase.

Following this guidance, the Secretariat reviewed the findings of the independent evaluation on qualified institutions that are well positioned to serve as the RIT partner in Bolivia. Of the four institutions identified by the independent evaluation (and one of only two local organizations), the CEPF Secretariat determined that *Asociación Boliviana para la Investigación y Conservación de Ecosistemas Andino Amazónicos* (ACEAA) was the best candidate, for the following reasons: (1) as a previous CEPF grantee, ACEAA demonstrated excellent performance when implementing two CEPF projects, one focused on strengthening KBA conservation and the other focused on building local capacity in environmental communications; (2) as one of Bolivia's leading local conservation organizations, ACEAA has extensive experience of working in priority KBAs and the conservation corridor prioritized for the new CEPF investment phase; and (3) ACEAA enjoys an excellent reputation with local stakeholders, including with local CSOs and communities, the Bolivian Ministry of the Environment, and sub-national governments.

ACEAA has expressed strong interest in serving as the RIT partner for Bolivia, stating that the opportunity would allow it to grow institutionally, by expanding its scope to a more strategic level of impact and by strengthening stakeholder alliances within Bolivia as well as across the entire hotspot.

In the course of discussions with ACEAA, the CEPF Secretariat became aware of a possible conflict of interest related to the Executive Director of Conservation International – Bolivia, Eduardo Forno, who is a founding member of ACEAA and the current chair of its board. The CEPF Secretariat has consulted with CI's General Counsel's Office on measures that should be taken to mitigate the conflict of interest, based on CI's established procedures. These measures include: (1) full disclosure of the conflict of interest in CI's conflict database; (2) recusal of the CI-Bolivia Executive Director and all CI Bolivia staff from any and all decision making related to the selection of ACEAA and subsequent CEPF grant making in Bolivia; and (3) appropriate segregation of oversight and independent information flow related to ACEAA serving as the RIT. The later provision will be ensured by having the CEPF Secretariat manage its relationship with ACEAA without engagement from CI-Bolivia.

3. Next Steps

With the Donor Council's no-objection approval, the CEPF Secretariat will invite PROFONANPE to develop a proposal to serve as the RIT for the new phase of CEPF investment in the Tropical Andes. The RIT will be responsible for Bolivia, Colombia, and Peru, with PROFONANPE being the lead entity of the consortium, with responsibility for Peru, and ACEAA and Fondo Patrimonio Natural being sub-grantees of PRONANPE, with responsibility for Bolivia and Colombia, respectively. It is anticipated that this proposal will result in a grant agreement being signed in December 2021, with a 1 January 2022 start date.