

**Critical Ecosystem Partnership Fund
29th Meeting of the CEPF Donor Council
Arlington, Virginia
10 June 2016
8:00 -11:00 a.m. EST**

Approved Minutes

1. Welcome and introductions (Doc. CEPF/DC29/1)

Olivier Langrand, Executive Director, welcomed the Donor Council members and representatives participating in the meeting. Mr. Langrand informed the Donor Council that the Donor Council Chairperson, Jean-Michel Severino, could not attend and asked Paula Caballero, present in Arlington, Virginia, if she could be the Interim Chairperson. Ms. Caballero declined. The Executive Director then asked Daniel Calleja Crespo, who was participating by phone and was the only other Donor Council member participating in this meeting from Europe, if he could be the Interim Chairperson. Mr. Calleja Crespo agreed.

2. Adoption of agenda (Doc. CEPF/DC29/2)

The Donor Council approved the agenda. The World Bank also reported that the additional funds from Japan have been received and are being processed by the Bank consistent with World Bank policies and procedures. The additional financing will be discussed during the supervision mission of the World Bank to the CEPF Secretariat the second week of June, 2016. Furthermore, the World Bank has been in contact with the CEPF on the Implementation Plan, the Results Framework and other issues that need input to the project document before negotiations can commence.

3. Adoption of Minutes of the 28th Meeting of the Donor Council (Doc. CEPF/DC29/3)

The Donor Council adopted the minutes of the Twenty-Eighth Meeting of the Donor Council, which took place on 20 January 2016. The Executive Director pointed out a mistake in the minutes: Roberto Ridolfi should have been listed as a Donor Council Member, representing the European Union. This mistake will be corrected. The GEF representative pointed out that minutes lacked consistency on naming persons/institutions and said that it would be useful that comments be better attributed. Mr. Langrand said that this advice was taken and a more consistent approach to attribution would be taken.

4. Report from the Executive Director* (Doc. CEPF/DC29/4)

The Executive Director reviewed highlights from his written report on activities since the Twenty-Eighth Meeting of the Donor Council on 20 January 2016. The highlights included:

- Overview of CEPF Global impacts on Biodiversity; Human Well-Being; Civil Society Capacity; Enabling Conditions (Policies, Sustainable Financing Mechanisms).
- CEPF's participation at a lunchtime program at DEVCO's InfoPoint titled "Conserving Critical Ecosystems in Africa." DEVCO's InfoPoint is a program for the public to encourage dialogue and exchange of ideas.
- Video interview of Jack Tordoff for an article that was posted by DEVCO on "Wildlife Conservation for Development."
- Olivier Langrand and Pierre Carret's presentations at a session hosted by the European Commission focused on the CEPF "Long-Term Vision" for the protection of biodiversity and the role of civil society in the Western Balkans.
- ☐ KBA Partnership established with other NGO partners to promote a comprehensive network of sites that "contribute significantly to the global persistence of biodiversity, and are effectively managed, sufficiently resourced, and adequately safeguarded."
- ☐ Ecosystem Profiling:
 - Mediterranean Basin: BirdLife International was selected to lead the profiling. It was the only applicant.
 - Mountains of Central Asia: Zoï Environment Network was selected to lead the profiling from among eight applicants.
- ☐ Connections made with existing and potential donors:
 - Met with Agence Française de Développement.
 - Liaised with Fonds Français pour l'Environnement Mondial.
 - Received commitments from MAVA Foundation and the Prince Albert II of Monaco Foundation for financial support for and coordination with the Mediterranean Hotspot profiling.
 - KfW considering support for Tropical Andes.
 - Discussion held with Italian Ministry of Foreign Affairs for possible involvement in the Mediterranean Hotspot.
 - Pending Connections:
 - Government of Canada
 - Government of Switzerland (Swiss Agency for Development and Cooperation) and FOEN (Federal Office of the Environment)
- ☐ Morocco projects supervision mission.
- Follow-up to decisions:
 - Executive Director's Report included summary detailing conservation results and the impacts of CEPF's achievements.
 - Presented future ecosystem profiles in line with the Sustainable Development Goals and the CBD Aichi Targets of the Strategic Plan for Biodiversity 2011-2020.
 - Governance: Reworked criteria for Donor Council membership and composition contained in the proposed Governance Arrangements for Phase III, and specifically consider Donor Council comments pertaining to the minimum size of contribution of global donors over a single CEPF phase, and to governance powers reflecting the

size of contribution. The revised Governance Arrangements for Donor Council membership and composition will be presented at the Twenty-Ninth Donor Council.

- Referred to the GEF bridging grant as \$10.682 million in total, including the fee that Conservation International receives, rather than the \$9.8 million that goes directly to the CEPF project.
- Followed up with the Donor Council members to determine which potential new and existing donors each member could help CEPF engage with.
- Integrated lessons learned from CEPF's initial investment in the Mediterranean Basin within the updated ecosystem profile for the new investment phase.
- Submitted analysis of new hotspots for next round of investment.

📄 Financial Report:

- Kevin McNulty, Senior Director, Finance & Operations, shared slides for the past months ending 30 April 2016.
 - Expected FY16 Projection: \$19.4 million.
 - \$39.8 million funding pledged, including \$25 million from CI and \$14.8 million from Japan.
 - The majority of grants were awarded in Q4.

Discussion:

- European Commission: is happy with the concrete results on the ground.
- World Bank: is thankful for a comprehensive report and review. The Bank is concerned with an efficient and effective use of the CEPF funds. The World Bank has had some good and rich conversations with the Secretariat, but would like to know if there is room to streamline or reduce administrative costs further. The Secretariat's costs are about 15 percent, but that on top of those costs, funds are allocated to the regional implementation teams (RITs) for administrative costs, which can be about 14 percent or a grand total of almost 30 percent in administrative costs. In addition, the CEPF budget has a line for special projects, which the World Bank sees as largely administrative costs. The World Bank recommends a benchmark of 10 percent management costs. Upon approval of the additional financing that is being processed for Japan, the World Bank has emphasized that it will ensure that the \$14.8M be used efficiently. Regarding the work on the Mediterranean Basin, the Bank has not seen a summary of impacts on biodiversity conservation, and would like to receive further information by email. Capacity building is one of the main objectives for CEPF but it only comes up on one of the graphs presented as 1 percent, so it would be good to have some clarification. How does CEPF streamline with the Nationally Determined Contributions? The Bank further noted that it was not comfortable with the management of cash investment.
- GEF: UBS investment management: How was UBS selected? The Donor Council had approved for the management of cash investment but was not part of the selection of the cash investment company. How can we start identifying the capacity of the RITs? Are there possibilities to decentralize Secretariat's work to RITs?
- MacArthur Foundation: No comments.

- Government of Japan: Happy with the progress regarding processing of the \$14.8 million contribution for CEPF Phase II. Wants to continue the monitoring progress related to the contribution.

Amendment: the CEPF Secretariat reports 15 percent in administrative costs for the CEPF. The World Bank noted that the actual costs are much higher.

Responses to comments/concerns:

- On Nationally Determined Contributions, the Executive Director agrees that a discussion should be started, and could be achieved with the assistance of the GEF or EC.
- Reducing the Secretariat's costs: Secretariat is at 15 percent. The RITs do include some administrative costs. In many countries, RITs are local NGOs. They help with the reinforcement of the capacity on the ground. The Mediterranean Basin is an exception. For example, in the Caribbean, CANARI, a local NGO originally based in Trinidad & Tobago, is now working at the regional level after serving as a RIT with CEPF. CEPF tries to favor local and regional NGOs over international NGOs.
- The 1 percent on capacity building the World Bank referred to is found on a graph that shows the proportion of CEPF support to long-term financing mechanisms that specifically focused on capacity building. It is not a breakdown of the entire CEPF portfolio, which has a much stronger emphasis on capacity building.

Action Items:

- Send more information by email to the Donor Council on biodiversity impacts of the Mediterranean Basin portfolio.
- Review opportunities to reduce administrative (staffing, RITs) costs – to be presented at the next Donor Council meeting.
- Provide solutions and suggestions on how to streamline Secretariat and RITs.
- Provide more information on how CEPF is coordinating with Nationally Determined Contributions to the UN Framework Convention on Climate Change.
- Provide an explanation of support provided in regard to safety and security for activities in Libya.
- Provide reminder information on how UBS selection process was conducted.

5. Selection of hotspots for investment (Doc. CEPF/DC29/5)

-- The Donor Council was asked to review the prioritization of hotspots for CEPF investment, select one hotspot for immediate ecosystem profiling and subsequent investment, and select at least one additional hotspot for future investment.

Jack Tordoff presented an analysis of prioritization of hotspots for new investments. Three of those hotspots had been shortlisted by the Working Group during its May 2016 meeting: Caribbean, Mesoamerica and Coastal Forests of Eastern Africa.

Discussion:

- ☐ Conservation International: would prefer 1) Mesoamerica; 2) Caribbean; 3) Coastal Forests

of Eastern Africa. This choice was communicated by Jennifer Morris prior to the meeting through an email sent to the Donor Council and copied to the CEPF Secretariat.

- ☐ GEF: has a preference for the Caribbean because of the urgency there and the possibility to now work in Cuba.
- ☐ World Bank: informed the Donor Council that it has no objection to the inclusion of Cuba in the potential second investment phase for the Caribbean Hotspot under the following conditions:
 - The World Bank is not directly financing Cuba with grants channeled through the World Bank to the CEPF.
 - Benefits are indirect because the World Bank is pooling resources with other donors to finance a regional hotspot under CEPF and not directly providing financial or technical assistance to Cuba.

The Bank would like to see from the beginning what success will look like, how it is gauged. What are the lessons learned?

- ☐ European Union: has a preference to invest in the Coastal Forests of Eastern Africa.
- ☐ AFD: supports the Caribbean, but expressed support for the Coastal Forests of Eastern Africa for future investment.
- ☐ Japan: no preference.
- ☐ The MacArthur Foundation: expressed support for the Caribbean.

Decision: The Chairperson took the final decision to go with the majority view and select the Caribbean Islands Hotspot for the next CEPF investment. However, both the Coastal Forests of Eastern Africa and Mesoamerica will be kept in consideration for future CEPF investments. The European Union asked that CEPF coordinate work with the EU-funded Voluntary Scheme for Biodiversity and Ecosystem Services in Territories of European Overseas (BEST).

6. CEPF Donor Council governance arrangements (Doc.CEPF/DC29/6)

-- The Donor Council was 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.

The Secretariat presented options for governance arrangements for the Donor Council. CEPF would like to attract more donors; global donors would be preferred, but based on recent evaluation of potential donors it is likely that regional donors will be more easily identified and attracted. The objective of CEPF is to bring in more donors to increase the amount of funding available for conservation through CEPF.

Decision: After debate the Donor Council agreed on the following:

- ☐ \$1M threshold
Observer status in Donor Council, but fully participating in meetings in which decisions are made in regard to hotspots that receive this funding.
- ☐ \$5M threshold for full participation
Membership of the Donor Council ends three years after the end of the financing agreement governing their contribution.

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

Decision: The Donor Council had no objection on this item although the Donor Council would like to first provide input on the selection and then have the Secretariat provide a list of potential candidates.

7. Selection of the new CEPF Donor Council Chairperson (Doc. CEPF/DC29/7)

-- The Donor Council was asked to approve the nomination of Julia Marton-Lefèvre as the new Chairperson of the CEPF Donor Council.

Olivier Langrand presented information on the final candidate for Chairperson position as recommended by the Working Group.

Decision: The Donor Council had no objection and approved the nomination of Ms. Marton-Lefèvre.

Action Item:

- Olivier Langrand will speak to Jean-Christophe Vié of IUCN's Save Our Species to explain the role Ms. Marton-Lefèvre will play in regard to CEPF. Mr. Marton-Lefèvre was formerly the General Director of IUCN.

8. Presentation on the CEPF Learning Strategy (Doc. CEPF/DC29/8)

-- It was intended that the Donor Council be asked to comment on the Learning Strategy for CEPF's third phase.

This item was not covered during the Twenty-Ninth Donor Council Meeting due to time constraints. It was agreed that the matter would be addressed by email through a no-objection approval process.

9. Proposed Emergency Response to the Earthquake in Ecuador (Doc. CEPF/DC29/9)

-- The Donor Council was asked to consider the proposed response to the April 2016 earthquake in Ecuador, approve the award of grants to Ecuadorian civil society groups to ensure that reconstruction is environmentally and socially sustainable, and approve the use of up to \$100,000 from the Special Projects budget for this purpose.

The CEPF recommended awarding \$100,000 in two grants. These funds would be awarded to pre-selected, local grantees (former CEPF grantees) that have the mechanisms already in place to manage the grants. The focus will be on making sure that the reconstruction of the country is not negatively impacting biodiversity. FUNDESINAP, the RIT in Bolivia, is happy to oversee these grants. However, endorsement of the ecosystem profile by the GEF Operational Focal Point for Ecuador is required before any grant could be provided to Ecuadorian civil society, and this endorsement has not been received as yet.

Comments:

The World Bank appreciates and supports this initiative. The World Bank requested the CEPF Secretariat to provide more detailed information on the use of the proposed grants, including activities, expected results and implementation arrangements. It encourages the CEPF to link up with the World Bank team already working on this issue. It also suggests looking into work that has previously been done in Haiti to understand what has and has not worked there.

Decision: The Donor Council supports and approves this initiative.

10. CEPF at the IUCN World Conservation Congress* (Doc. CEPF/DC29/10)

--- Brief update on the participation of CEPF at the IUCN World Conservation Congress in Hawai'i in September 2016.

This item was not covered during the Twenty-Ninth Donor Council Meeting. An informational email will be sent to the Donor Council.

11. Other business

None

** For information only.*

The minutes of the 29th Donor Council Meeting will be updated to reflect the complete list of attendees and those absent.

List of Attendees:

Donor Council Members

Guillaume Chiron, Chef de projet Biodiversité, Agriculture, Développement Rural, Biodiversité (ARB), Département Développement Durable, on behalf of Laurence Breton-Moyet Directrice, Département Développement Durable

* Jennifer Morris, Chief Operating Officer

Daniel Calleja Crespo, Director General for Environment

* Roberto Ridolfi, Director Sustainable Growth and Development – DEVCO,

Gustavo Fonseca, Director of Programs, on behalf of Naoko Ishii, Chairperson and CEO

Masanori Matsuo on behalf of Maasaki Iizuka

Chris Holtz, Director Conservation Program, on behalf of Jørgen Thomsen, Director Climate Change Program

Paula Caballero, Senior Director, Environment and Natural Resources Global Practices

Agence Française de Développement

Conservation International

European Commission

European Commission

Global Environmental Facility

Government of Japan

MacArthur Foundation

The World Bank

Working Group Members

Agence Française de Développement

Guillaume Chiron

Conservation International

* Yves Pinsonneault

European Commission

Anne Theo Seinen, Policy Officer

Philippe Mayaux, Team Leader, Biodiversity Sector – Climate Change, Environment, Natural Resources, Development and Cooperation–EuropeAid (DEVCO)

Global Environmental Facility

Yoko Watanabe, Senior Biodiversity Specialist

Government of Japan

* Akiko Tabata

MacArthur Foundation

Chris Holtz

The World Bank

Valerie Hickey, Practice Manager, Environment and Natural Resources Global Practice

Sachin Shahria, Environmental Specialist

* Did not attend

CEPF

Olivier Langrand, Executive Director

Kevin McNulty, Senior Director, Finance and Operations

Nina Marshall, Senior Director, Monitoring, Evaluation and Outreach

Jack Tordoff, Managing Director

Julie Shaw, Communications Director

Megan Oliver, Director, Grant Management Unit

Michele Zador, Grant Director

Celine Desbrosses, Executive Assistant