

## Critical Ecosystems Partnership Fund – Phase II

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<b>Web Address:</b>	<a href="http://www.cepf.net">www.cepf.net</a>
<b>Financial Arrangements for FY09 (Amount in US \$ Million)</b>	
<b>Total Budget:</b>	23.00
<b>Total DGF Funding Request:</b>	3.00
<b>Total DGF Percentage:</b>	13%
<b>Objectives and Expected Outcomes</b>	
<p>The Critical Ecosystem Partnership Fund is a global partnership program that provides strategic assistance to nongovernmental and private sector partners in conserving Earth's biodiversity hotspots. The primary objective is conservation and management of globally-important biodiversity through strengthened involvement and effectiveness of NGOs and other sectors of civil society in biodiversity conservation. This proposal would support a second phase of DGF and CEPF funding to expand, and replicate, successful implementation models within at least 14 of 30 eligible hotspots worldwide. The DGF grant will be fully blended with a newly approved GEF project. It will build on lessons learned to consolidate conservation gains in current hotspots and expand activities to marine ecosystems and at least nine new hotspots. The project will promote empowerment of civil society and local ownership, environmental governance, effective national and local institutions, and more efficient and cost-effective delivery of global and national benefits. Expected outcomes from the five year program include: (i) strengthened conservation and management of globally important biodiversity, including at least 8 million hectares of new protected areas and 20 million hectares of key biodiversity areas with strengthened protection and management; (ii) at least 1 million hectares of production landscapes managed for biodiversity conservation and sustainable use (iii) strengthened local and national capacity to integrate biodiversity conservation into development and landscape through engagement of local NGOs, indigenous peoples and the private sector and (iv) dissemination of good practices and lessons learned.</p>	
<b>Main Components</b>	
<p>The overall CEPF program has four inter-linked components. DGF funding would be used exclusively to support Ecosystem Grants to support components 1 and 2. CEPF2 would explicitly encourage proposals that support indigenous peoples and other local communities in community-based conservation and sustainable resource management. <b>Component 1:</b> Strengthening protection and management of globally significant biodiversity, including improved management and expansion of protected areas, indigenous reserves, biological corridors and high-value conservation sites in production landscapes, and support for innovative conservation financing tools for sustainability. <b>Component 2:</b> Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning, by enabling civil society groups to plan, implement, and influence biodiversity outcomes as effective partners in sustainable development. Examples could include development of community and municipal land-use plans, territorial development plans, &amp; private agreements. The focus would be to strengthen protection of critical biological corridors. <b>Component 3:</b> Monitoring &amp; knowledge sharing, &amp; <b>Component 4:</b> Ecosystem profile development and project management) will be funded through non-DGF funds.</p>	
<b>Performance Indicators</b>	
<p>The program has a full Results Framework approved by the GEF and the CEPF Donor Council. Performance indicators for FY09: a) Start up of grant-making programs in three new hotspots: Polynesia-Micronesia, Indochina region and the Western Ghats. Ecosystem profiles for these hotspots have already been approved and are the first priorities for implementation. b) Development and approval of ecosystem profiles for three additional new hotspots - the Mediterranean Basin, Caribbean Islands, and Eastern Afrotropical. c) Initiate consolidation programs and grant making in at least five</p>	

current hotspots that will have reached the end of their 5-year investment as of July 2008.

### **Progress and Achievements**

Progress will be measured through the achievement of the above performance indicators and against the approved Results Framework and the Strategic Five Year Plan approved by the CEPF Donor Council. Quarterly and annual reports will be posted, as will information on ecosystem profiles and individual projects, on the CEPF website [www.cepf.net](http://www.cepf.net). The CEPF Donor Council approves an Annual Work Plan each FY based on performance to date. Each individual Ecosystem Grant has a monitoring plan with indicators and projects report quarterly against their results frameworks. Final project reports are posted on the CEPF website. The overall CEPF2 program will be assessed on biodiversity and capacity building outcomes.

### **Partners**

The CEPF started in 2000 as a partnership between Conservation International (CI), the Global Environment Facility (GEF), and the World Bank. The Government of Japan and the John D. and Catherine T. MacArthur Foundation joined in 2002 and the French Development Agency (AFD) became the sixth partner in March, 2007. New partners can be invited to join at the discretion of the CEPF Donor Council.

### **Governance and Management**

The governance structure of the CEPF involves a Donor Council, Secretariat and Working Group. CI administers and executes the project on behalf of the CEPF partners. CI hosts the CEPF Secretariat, including the CEPF Grant Management Unit and Regional Grant Directors. The CEPF Secretariat is responsible for strategic and financial oversight of the global program, overall information management, and global outreach and communications. The Secretariat supervises the ecosystem profiling process for each hotspot, selection and oversight of Regional Implementation Teams (RITs), and overall program performance to ensure that all activities and financial management are in compliance with Donor Council decisions and the approved Operational Manual, including World Bank Safeguard Policies and procurement guidelines.

The Donor Council is comprised of senior representatives from each CEPF donor institution. The Council reviews and approves the CEPF Operational Manual, ecosystem profiles, annual spending plans and the selection of Regional Implementation Teams. The Donor Council is currently chaired by the World Bank. The Working Group is comprised of technical experts from each donor institution. Approved terms of reference for the Working Group include providing guidance to the Secretariat on strategy development, monitoring, and other aspects of implementation, as well as reviewing and approving any grant application from CI (to avoid conflict of interest). The Working Group works with the Secretariat on recommending selection of Regional Implementation Teams for Donor Council approval. The members also act as advisors to their respective Donor Council representatives and as CEPF focal points for their broader institutions.

Under CEPF-2 greater decentralization of decisions on grant-making and monitoring to locally-based RITs in recipient countries is empowering local institutions in developing countries. Development of ecosystem profiles is also based on a comprehensive consultation process that includes input from diverse stakeholders to create a shared strategy from the outset.

### **Exit Strategy**

The CEPF is a long-term multi-donor program with different donors funding different time slices. The first phase of CEPF leveraged an additional \$130 million of non-CEPF funds toward specific projects and civil society activities within targeted hotspots, thus contributing to sustainability beyond CEPF involvement. CEPF2 would further promote piloting of innovative financial mechanisms, including payments for ecosystem services and market transformation initiatives. Individual sub-projects are also required to consider sustainability issues. The DGF request is for five years until 2013 but it is expected that the CEPF program, if successful, will continue beyond that date even if the Bank is no longer involved.