

Critical Ecosystem Partnership Fund
Twentieth Meeting of the Donor Council
The World Bank, Washington, DC

6 February 2012

8 a.m. – 11:00 a.m. EST

Approval for revisiting the prioritization process for selecting regions for investment

Recommended Action Item:

The Donor Council is asked to approve the Secretariat's recommendation to revise the process for prioritization and selection of new areas for investment. This proposed process will entail analysis of the state of conservation in both new regions as well as those where CEPF has invested to date. The product of this analysis will be a prioritized list of hotspots for future investment.

Background:

The 2010 independent evaluation of CEPF performed by David Olson stated that

“Conservation impacts will be more solidly secured if the investment configuration for each Hotspot is expanded from 8 to 10 years with budgets in the range of \$10 to \$20 million USD.”

Further Mr. Olson recommended that

“CEPF should develop a ‘vision’ for the structure, capacity, and effectiveness of a Hotspot’s conservation community, particularly the civil society component. This critical tool will guide grant-making and disengagement strategies at many levels.”

Following the evaluation, the Secretariat conducted an internal assessment of the timeframes for CEPF investments and considered the possibility of reinvesting in previously approved regions. Recognizing that CEPF works in hotspots which are by definition the biologically richest and most threatened terrestrial ecoregions on the planet, the conservation challenges in hotspots are greater than in other areas and thus may require longer-term investment commitments.

It is clear from the various evaluations and reviews that CEPF partners have made great progress allowing for the biodiversity of the hotspots to be better conserved and for the conservation communities of these regions to be better prepared, more connected and able to maintain the conservation gains achieved with CEPF. However, it is also evident that in many of the regions where CEPF works, conservation efforts are starting from a very low level in terms of the conditions needed for long-lasting success: capacity of civil society organizations is still limited, the political environments are not always supportive of biodiversity conservation and funding opportunities are scarce. Additionally, the Secretariat recognizes that the work of conservation should be a generational endeavor requiring decades to achieve enduring success.

CEPF's role in these regions with five-year initial investments has been catalytic, putting conservation communities in motion and building their capacity to begin supporting conservation initiatives. However, after five years, lack of continuation may prevent the securing of conservation gains. The Secretariat analyzed the commitments through the consolidation program approved as part of the Strategic Framework and suggests reinvesting in some of the CEPF-funded regions, proposing a longer-term vision and building a process with a longer-term strategic commitment.

Maintaining a balance between investing in new regions and those that have already received CEPF investment

While reinvesting in some of the regions where CEPF has produced successful results is highly desirable, it is also important for the fund to continue to expand its good work and allow for unique biodiversity located in hotspots that have not been yet selected for funding to benefit from the methodology and financing of CEPF. Given the finite resources of the fund, it is then important to maintain a good balance between investing in new regions and reinvesting in previously approved hotspots. The CEPF Secretariat proposes to design, in collaboration with the Working Group, a set of criteria that would allow for comparing the opportunities for investment in new hotspots with those in regions where CEPF has already worked. The criteria to be discussed with the Working Group could include, at a minimum, factors such as: a) conservation priority, b) capacity of civil society organizations, c) opportunities for sustainable financing, d) policy and governance context, and e) current and future threats.

Once the criteria are decided with the Working Group, the Secretariat will run the analysis and produce a report of prioritized regions for the Donor Council to approve. The Secretariat will analyze the 21 regions where the Fund has already invested, as well as the seven regions that have not yet received any investment, to determine the order of priority for future investment. Once that analysis is accepted, then funding will be channeled to either updating or preparing new profiles under the new prioritization, and the current process for approving profiles will be followed, with the Working Group reviewing and recommending approval to the Donor Council.

Process for reinvestment

Provided that the Donor Council accepts the Secretariat's proposal for new prioritization, and provided the new prioritization results in reinvestment in hotspots previously funded by CEPF, the Secretariat will embark on updating the ecosystem profiles and designing with partners and other donors investment strategies for a second round of five-year funding for selected hotspots.

This process has been underway in the Indo-Burma Hotspot, where, under the auspices of the MacArthur, Margaret A. Cargill and McKnight foundations, CEPF has led the updating of the ecosystem profile as the investment strategy for these organizations in the future. This process has proven to be extremely useful as it has built continuity to the investment portfolio currently underway as well as providing important investment guidance for other donors that will support conservation efforts in Indo-Burma.

During preparation of these profiles, CEPF will pay special attention to the opportunities for working with regional donors to support the design of these investment strategies. We will endeavor to ensure that, similar to the Indo-Burma case, the updated profiles are shared strategies with future donors to the regions, securing the conservation results while ensuring that CEPF is not reinvesting at the same level as

during the first five-year period. This will not only allow CEPF to share the costs of strategizing for a region, but will also support building ownership among other donors in the regions where we reinvest. In addition to foundations, CEPF will seek the support of public donors, including governments, that may be interested in participating in the co-financing of the profiling as well as the implementation of the reinvestment strategies. Initial conversations with the Government of India, for instance, may lead to getting them to support reinvestment in both the Eastern Himalayas and the Western Ghats.