

CEPF OPERATIONAL MANUAL

Approved by the CEPF Donor Council
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1. CEPF Program

CRITICAL ECOSYSTEM PARTNERSHIP FUND OPERATIONAL MANUAL

The Critical Ecosystem Partnership Fund (CEPF) Operational Manual contains the operating policies and procedures of the program for all new investment regions beginning in fiscal year 2008. It includes grant application and reporting forms, information related to safeguard policies, the decision-making process and provisions to avoid conflict of interest, among other procedures.

CEPF Program Overview

The Critical Ecosystem Partnership Fund (CEPF) provides strategic assistance to nongovernmental organizations and other private sector partners to help conserve biodiversity hotspots, Earth's biologically richest and most threatened regions (see list and map of all biodiversity hotspots).

The 34 biodiversity hotspots hold especially high numbers of endemic and threatened species, yet their combined area of remaining habitat covers only 2.3 percent of the Earth's land surface. Each hotspot faces extreme threats and has already lost at least 70 percent of its original natural vegetation.

The hotspots approach to the conservation of critical ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for local and global benefits.

The convergence of critical areas for conservation with millions of people who are impoverished and highly dependent on healthy ecosystems for their survival is also more evident in the hotspots than anywhere else. By strategically focusing on the hotspots, CEPF provides critically needed resources where and when it matters most.

As one of the founding partners, Conservation International administers the global program through a CEPF Secretariat.

Grants

CEPF activities and funding priorities will be guided by current knowledge of globally important biodiversity as well as the socioeconomic, policy, and civil society context and current investments. Regional investment strategies will draw information from a number of sources, including experts, governmental partners, local organizations, and communities in the focal areas. This multi-tiered, consultation-based approach helps determine the CEPF niche and how the program can provide the greatest incremental value per dollar spent.

CEPF investments:

- Target hotspots in developing countries for maximum impact (eligible countries must be signatories to the Convention on Biological Diversity and be client members of the World Bank).
- Are guided by region-specific ecosystem profiles developed with stakeholders and approved by the Donor Council that governs the global program.
- Go directly to civil society groups to build this vital constituency for conservation alongside governmental partners.
- Create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts.
- Achieve tangible results through an ever-expanding network of partners working together toward shared conservation goals.

Openness and Transparency

CEPF will operate using the principles of openness, transparency, and partnerships as part of its commitment to strengthen and empower civil society. These steps are also designed to avoid potential conflict of interest. All groups seeking funding from CEPF and implementing projects with CEPF support will be required to fulfill the defined protocols and methodologies established for the program.

Amendments to the CEPF Operational Manual

The Operational Manual may only be amended with approval by the CEPF Donor Council. Any donor member of CEPF may request new policies for inclusion in the Operational Manual or revision to existing policies at any time. All amendments to the Operational Manual will be presented by the Secretariat to the Working Group for discussion. The Working Group will consider the proposed amendments and recommend to the Donor Council the amendments deemed appropriate for approval. Those new or revised policies approved by the Donor Council will become globally applicable across CEPF.

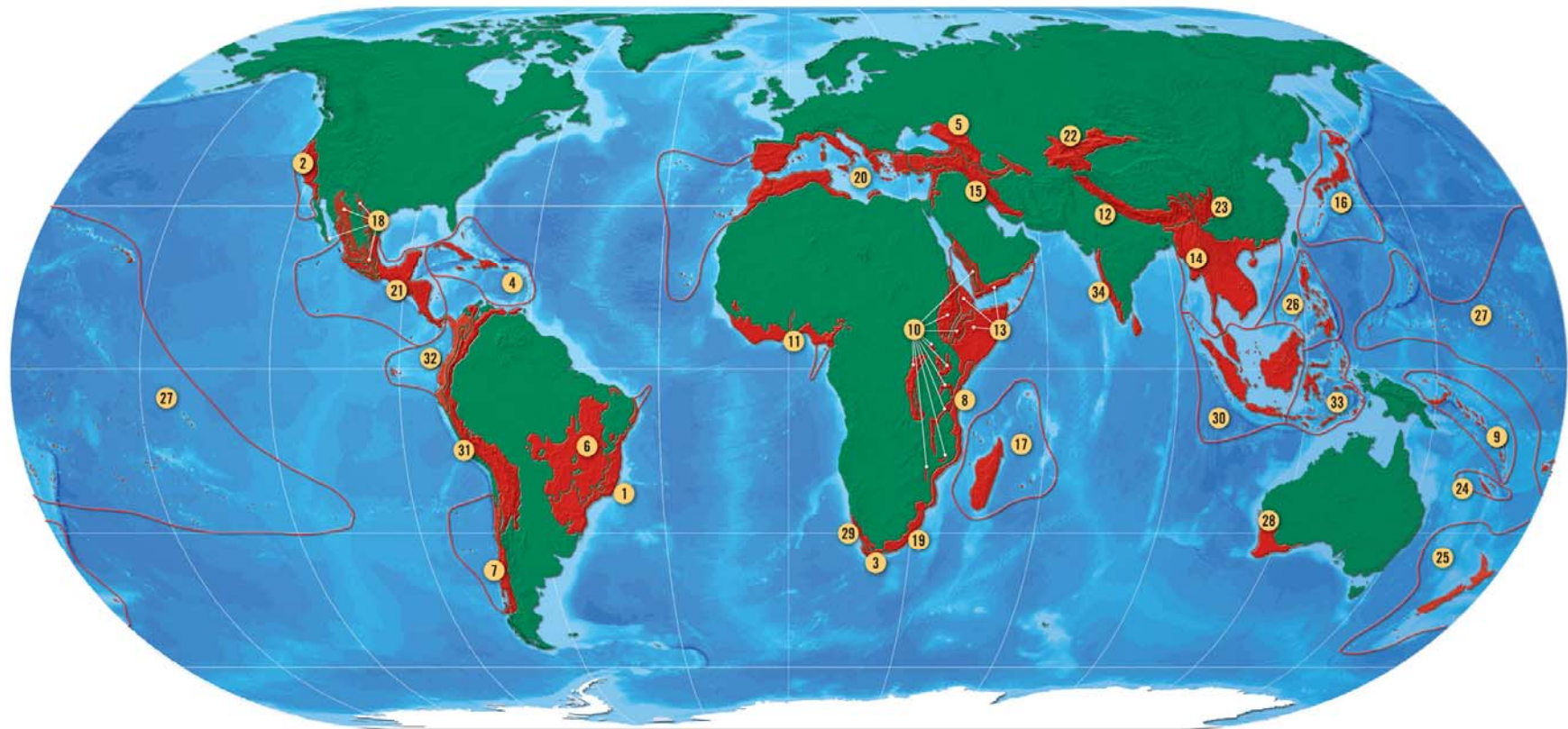
List of Global Biodiversity Hotspots

1. Atlantic Forest
2. California Floristic Province*
3. Cape Floristic Region
4. Caribbean Islands*
5. Caucasus
6. Cerrado
7. Chilean Winter Rainfall-Valdivian Forests
8. Coastal Forests of Eastern Africa
9. Eastern Afromontane
10. East Melanesian Islands
11. Guinean Forests of West Africa
12. Himalaya
13. Horn of Africa
14. Indo-Burma
15. Irano-Anatolian
16. Japan*
17. Madagascar and Indian Ocean Islands
18. Madrean Pine-Oak Woodlands*
19. Maputaland-Pondoland-Albany
20. Mediterranean Basin*
21. Mesoamerica
22. Mountains of Central Asia
23. Mountains of Southwest China
24. New Caledonia*
25. New Zealand*
26. Philippines
27. Polynesia-Micronesia*
28. Southwest Australia*
29. Succulent Karoo
30. Sundaland
31. Tropical Andes
32. Tumbes-Chocó-Magdalena
33. Wallacea
34. Western Ghats and Sri Lanka

Source: Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

* Not all countries in this hotspot would be eligible for funding under the CEPF investment criteria. However, the CEPF Donor Council may choose to establish funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Council may also choose to include marine ecosystems within targeted hotspots

Map of Global Biodiversity Hotspots



Biodiversity Hotspots

- 1 Atlantic Forest
- 2 California Floristic Province
- 3 Cape Floristic Region
- 4 Caribbean Islands
- 5 Caucasus
- 6 Cerrado
- 7 Chilean Winter Rainfall-Valdivian Forests
- 8 Coastal Forests of Eastern Africa
- 9 East Melanesian Islands

- 10 Eastern Afromontane
- 11 Guinean Forests of West Africa
- 12 Himalaya
- 13 Horn of Africa
- 14 Indo-Burma
- 15 Irano-Anatolian
- 16 Japan
- 17 Madagascar and Indian Ocean Islands
- 18 Madrean Pine-Oak Woodlands

- 19 Maputaland-Pondoland-Albany
- 20 Mediterranean Basin
- 21 Mesoamerica
- 22 Mountains of Central Asia
- 23 Mountains of Southwest China
- 24 New Caledonia
- 25 New Zealand
- 26 Philippines
- 27 Polynesia-Micronesia

- 28 Southwest Australia
- 29 Succulent Karoo
- 30 Sundaland
- 31 Tropical Andes
- 32 Tumbes-Chocó-Magdalena
- 33 Wallacea
- 34 Western Ghats and Sri Lanka

The designation of geographic entities on this map does not imply the expression of any opinion whatsoever concerning the legal status of any country, territory or area or of the authority or legitimacy of any delineation of frontiers or boundaries and may not be used in support of any political claim or position.

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2. Financial Management

Overview of Financial Management

Conservation International (CI) oversees internal control and financial management of CEPF in accordance with CI's financial policies and procedures. The Finance Department at CI's headquarters manages CI's global financial operations. The Department oversees the budget, daily accounting activities, government compliance, and field office accounting.

Each CI division has one or more financial staff that works closely with the home office Finance Department. The Senior Director of Finance for the Conservation Funding Division oversees the financial and information management function for the division, which includes financial planning and modeling, preparation of financial statements and other donor reports, managing the annual external audit, budget/spending plan, and revenue and cash management, and financial performance reporting for CEPF. In addition, this position is the liaison between CEPF and CI Finance and between CEPF and the financial staff of the donor partners.

Financial Systems. CI uses Oracle Financials as its accounting and human resources software. Oracle's financial management package is an industry leading integrated set of financial management and accounting applications. CI's budgeting system is also linked to Oracle and runs on an Oracle interface. CI field offices maintain their financial records in Oracle as well, submitting files monthly for review and consolidation, and allowing users with the appropriate authorities to access financial information globally. CI's Chart of Accounts includes segments for donor, cost center, function, site, and grant number. CI has established a series of donor and grant numbers to track CEPF funds.

CI also currently uses Grants Enterprise Management (GEM) system, a customized Web-based SQL database and file management system. The system is used by CI staff to manage portfolios of grants and contracts. The system enables CEPF to track the full lifecycle of a grant including all letters of inquiry and rejections, plus the proposal through project implementation to the eventual closeout. In addition to storing data and documents, the system has built-in validations to ensure the appropriate review thresholds are applied and then sends alerts and reminders to users to prompt them when action needs to be taken.

Audit. Records associated with financial transactions are kept at CI headquarters and in the field offices according to CI's Record Maintenance Policy, which requires complete documentation to be maintained for no less than three full years after the transaction for which the document supports. Each fiscal year, CI has an external audit by independent auditors of its records, accounts, and financial statements (statements of financial position, statement of activities, statement of cash-flow and related statements), including those for CEPF, in accordance with appropriate auditing principles consistently applied. Currently, the audit is conducted by Price Waterhouse Coopers, LLD (PWC), which also coordinates sample CI field office audits with its local affiliates.

A separate audit on CEPF records, accounts, and financial statements is also undertaken annually, in accordance with generally accepted accounting principles. The purpose of this external audit is to provide assurance on the financial statements of CEPF. In addition, the audit will test CEPF's compliance with certain provisions of the CEPF Financing Agreement and CEPF Operational Manual and consideration of its related internal control. This external CEPF audit will be conducted by independent auditors in accordance with Terms of Reference approved by the CEPF Donor Council (OM 2.1.1).

CI will provide certified copies of its financial statements for the year audited; and the report of the auditors as well as a separate opinion on CEPF to the CEPF Donor Council no later than five months after the close of each fiscal year.

CI recently established an internal audit function with a reporting line to the Audit Committee of CI's Board of Directors. The Audit Committee approved the internal audit function and internal audit plan at its meeting in March 2007. The function has been outsourced to Falletti Weber Consulting, and the program has been launched in two regions. Internal auditors, or consultants acceptable to the Donor Council, will also conduct a specific CEPF program audit of the performance, economy, and efficiency in relation to achieving the objectives of the Fund. This program audit will be conducted in accordance with terms of reference approved by the CEPF Donor Council approximately two years from the date of this Operational Manual's approval. The report from this CEPF program audit will be provided to the Donor Council.

Once approved by the CEPF Donor Council, the terms of reference for both audits will be included in the Operational Manual.

Bank Account. CI maintains CEPF funds in a separate USD bank account and all interest earned on this bank account is used solely for CEPF. The bank account is tracked by a ledger account in CI's accounting system. All donor partner contributions are sent directly to this account. The timing and amount of each donor contribution may vary according to the individual bilateral agreements.

Funds to external grantees are disbursed directly from this account. Funds for the CEPF Secretariat will be advanced monthly in accordance with projected budget needs and based on the approved Annual Spending Plan. The projections and actuals are reconciled each month. Reimbursement for expenses on approved CI grants will occur monthly, based on actual expenses for the prior month.

Finance will reconcile both the CEPF bank account and the general CI operating bank account monthly.

Donor Reporting. Financial statements will be prepared on a quarterly and annual basis and provided to the CEPF donor partners. In addition, supplemental reporting will be provided to the donors, where additional requirements are specified in their individual funding agreements. The standard reports include the Quarterly Financial Reporting Package, the Annual External Audit, and the Annual Spending Plan and Financial Report.

CEPF will also produce a Quarterly Interim Un-audited Financial Report for the World Bank, the format for which is provided for in the Operational Manual.

The details and due dates for the annual external audit are discussed above.

The annual budget (the “Annual Spending Plan”) is due no later than April 30 of each year, for review and approval by the Donor Council, describing the funding levels of the proposed spending categories for the Fund during the next fiscal year.

Grant-level Financial Management

This section is a summary of grant-level financial management; more detailed procedures for financial management of individual grants are further explained in Section 4.

Grants of more than \$20,000. In addition to CEPF staff, CI’s Grants Resources team supports the due diligence procedures for external grant awards. This includes reviewing financial questionnaires and conducting anti-terrorist screenings of grant applicants, performing financial risk assessment of sub-grantees, and providing training and site visits to sub-grantees as needed.

The financial risk assessment process will determine the monitoring and reporting requirements for all grantees, including the Regional Implementation Teams. These procedures will determine frequency of reporting plus any audit requirements (OM 4.4.5). In addition, the complete set of CEPF standard provisions will flow down to all CEPF grantees through each grant agreement (OM 4.4.6).

Grantee payments are made based on approved quarterly financial reports and projected cash needs. This minimizes currency fluctuation and cash outstanding in grantee bank accounts.

CI’s Grants Resources team will conduct a selected sample of grantee financial site visits each year. These grantees will be selected based on grant dollar value, risk, and location. Site visits to assess both financial and programmatic performance of grantees, including the Regional Implementation Teams, is also an integral part of CEPF monitoring. The supervision plan for grantees will be flexible and reflect the number of regions and grants active at a given time.

Grants of \$20,000 and less. Regional Implementation Teams will award all grants of \$20,000 or less in new regions approved for investment beginning in FY 08. Each team will be directly responsible for evaluating the programmatic and financial risk of its grant awards and may use the risk assessment model as a tool to guide its assessments. All grants awarded and activities supported with CEPF funding must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all financial protocols. All Regional Implementation Teams will receive training in the Manual’s policies and provisions within 90 days of appointment.

CEPF External Audit Terms of Reference

Background

The Critical Ecosystem Partnership Fund (CEPF) is a joint initiative of l'Agence Francaise de Developpement, Conservation International, the Global Environment Facility, the Government of Japan, the John D. and Catherine T. MacArthur Foundation and the World Bank. As one of the founding partners, Conservation International administers the initiative.

Purpose of the Audit

The purpose of this external audit is to express an opinion on the fair presentation of the special purpose financial statements of CEPF. In addition, the audit will test CEPF's compliance with certain provisions of the CEPF Financing Agreement and consideration of its related internal control. If that report discloses deficiencies in internal control, fraud, illegal acts, violations of provisions of contracts or grant agreement, or abuse, the auditor will obtain and report the views of responsible officials concerning the findings, conclusions and recommendations, as well as planned corrective actions.

Objectives

The overall objectives of the audit are: (i) to enable the auditor to express an opinion on the fair presentation of the CEPF fund accountability statement. The audit will be conducted in accordance with auditing standards generally accepted in the United States, (ii) to enable the auditor to express an opinion on compliance and report on the internal control over compliance in accordance with certain provisions of the CEPF Financing Agreement(s) and CEPF Operational Manual that have a direct and material financial effect on the CEPF special purpose financial reports (or Fund Accountability Statement).

Scope

The auditor will conduct the audit based on the standards of OMB circular A-133. The opinion on the special purpose financial statements will cover the funding of all CEPF donor partners. The opinion on compliance will cover funding received for the second phase of CEPF and will include CEPF monitoring of sub-grantees in accordance with the CEPF Financing Agreement. The audit will be carried out in accordance with the AICPA Auditing Standards and will include such tests as the auditor considers necessary.

Planning and conducting the audit will be in accordance with a risk-based framework with a detailed audit work program. The audit coverage will consider the risk of material misstatement as a result of fraud or error. The audit program should include procedures that are designed to provide reasonable assurance that material misstatements are detected. Specific areas of coverage of the audit will include the following:

CEPF Financing Agreement Articles¹:

- The Fund Account
- Annual Spending Plan
- Regional Implementation Team (RIT) Subprojects and Subprojects within Approved Ecosystem Profiles
- Withdrawals from the Fund Account; Refunds; Events of Default
- Financial Covenants (includes testing of IFR/PMR as applicable)
- Schedule III: Withdrawal and Use of the Funds

Project Financial Statements

Project Financial Statements prepared by CI would be based on information from the accounting records and related documentation as reflected in the accounting system. The required financial statements are the 1) CEPF Fund Accountability Statement which reports revenue and expenditures, fund balance, cash held, pledges receivable and grants payable for the fiscal year and 2) a schedule of CEPF grant awards for the period covered by the financial statements.

Audit Report

The audit report shall contain the auditor's opinion on whether the project financial statements listed in detail above presents fairly in accordance with the terms and conditions of the CEPF Financing Agreement. The report will also include an opinion on CEPFs compliance with selected provisions of the CEPF Financing Agreement(s) and a separate opinion on internal control over compliance with those selected provisions.

The auditor will present the report to Conservation International's Audit Committee and CI's Board of Directors. Once approved by CI's Board of Directors, CI will promptly forward a copy of the audited accounts and report to the CEPF Donor Council. It shall be sent no later than five months after the end of the fiscal year.

Management Letter

In addition to the auditor's report, the auditor will prepare a "management letter," in accordance with SAAS 112.

Exit Conference

Upon completion of the fieldwork, the auditor shall hold a closing or exit conference with senior officials of Conservation International. Conservation International will document the exit conference for inclusion in the audit workpapers.

General

The auditor shall be given access to all legal documents, correspondence, and any other information associated with the fund and deemed necessary by the auditor.

¹ Article numbers differ by financing agreement, but the titles remain the same. The article referring to RIT Subprojects only applies to the GEF Financing Agreement.

Conflict of Interest and CEPF Funding

Conservation International (CI) is committed to ensuring that its transactions, engagements, and relationships are transparent and do not inappropriately benefit interested persons and organizations.

As the administrator of the Critical Ecosystem Partnership Fund (CEPF), CI aims to ensure the same high standards are applied to all CEPF operations and funding decisions.

CEPF has transparent and globally consistent eligibility criteria and decision-making processes that are approved by the CEPF Donor Council and widely publicized. An ecosystem profile for each region is also approved by the Donor Council and clearly sets out the parameters for investment. These investments adhere to environmental and social policies of the Global Environment Facility and the World Bank, as detailed in the CEPF Operational Manual.

All grant recipients also agree to adhere to specific ethical standards pertaining to the use of CEPF funds, as detailed in the CEPF grant agreements (OM 4.4.6 and 4.4.7).

Additional measures to be put in place for CEPF operations and decisionmaking that may present an actual or apparent conflict of interest are detailed below.

A Regional Implementation Team will provide strategic leadership in each region selected for funding beginning in 2007. The objective of these teams will be to convert the plan in the CEPF ecosystem profiles into powerful portfolios of grants. The teams will provide local knowledge and insights and represent CEPF in each hotspot. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving the shared conservation goals described in the profile.

Each Regional Implementation Team will be selected by the CEPF Donor Council through an approved transparent, competitive process (OM 4.3). Consideration of applications from CI will require recusal by the CI members of the CEPF Working Group and Donor Council from any aspect related to the review and approval by the Donor Council.

To avoid conflict of interest at the hotspot level, the organizations that comprise the Regional Implementation Team (whether international or local civil society groups) will receive separate grants for administrative and programmatic function of the RIT (per OM4.3) but will not be eligible for additional grants in that hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

Decisionmaking for Project Applications

All applications for funding will be reviewed by the Regional Implementation Team, which will also manage the process for review of proposals with external reviewers and advisory committees, where relevant.

The Regional Implementation Teams will award all grants of \$20,000 and less. For grants above \$20,000, the team and local advisory committee, where relevant, as well as CEPF Secretariat staff will be involved in decisionmaking within each hotspot.

Additional external review will be required for all proposals requesting more than \$250,000. All proposed grant awards to CI will require approval on a time-bound no objection basis by the CEPF Working Group. Consideration of applications from CI will require recusal by the CI member of the CEPF Working Group.

Complaint Mechanisms

CEPF provides a written explanation to all applicants whose proposals are unsuccessful as part of its focus on building civil society capacity. Applicants are encouraged to contact the relevant Regional Implementation Team or CEPF grant director if they have additional questions about the decision. If the applicant is not satisfied with the response, a grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to the following address:

Critical Ecosystem Partnership Fund
Conservation International
Attn: Executive Director
2011 Crystal Drive
Suite 500
Arlington, VA 22202, U.S.A.

CEPF has also established specific procedures to enable local communities and other stakeholders to raise a grievance at all times to applicants, grantees, Regional Implementation Teams, and the CEPF Secretariat related to the implementation of safeguards. These are detailed in sections 3.5.1 and 3.5.2 of the CEPF Operational Manual.

In addition, the World Bank has several mechanisms available to the public. These mechanisms include the Inspection Panel and the Department of Institutional Integrity (www.worldbank.org/integrity), which investigates allegations of fraud and corruption related to World Bank Group-financed projects.

3. Project Cycle Management (PCM)

CEPF Project Cycle Management Plan

The Critical Ecosystem Partnership Fund (CEPF) approaches project cycle management in a slightly different way than the more traditional approach. CEPF strives to turn what is often a series of monitoring and evaluation reports and requirements into an active and effective management tool for grantees. The goal is to create a powerful, adaptive approach that becomes a learning system for all involved. While reports are important for CEPF as a whole to monitor the project and to manage its overall portfolio, the process enables each grant recipient to manage its project implementation and to track intended results in a more cohesive way. It also assists both the grantee and CEPF in determining when adaptive management may be necessary.

Project cycle management for CEPF

Project cycle management (PCM) is a term often used to cover the different tools and methods used to manage a project throughout its full “cycle” of **design, implementation, and evaluation**. There are several tools and methods that might be used during each of these phases. An organized set of these that are linked through the different phases of the cycle leads to an effective project cycle management approach.

In the case of CEPF, an interesting feature has been added to what might otherwise be considered rather standard PCM practice. In an effort to provide timely, strategic assistance to grantees, CEPF has developed an automated system for all of its grant-making activities. Therefore, each project to be funded by CEPF can be proposed, monitored, and evaluated via the automated system and shared via the Internet. While many of the tools and methods used are standard, the automated feature allows these tools to be interlinked and to act as a powerful learning tool for project cycle management. Project designs and implementation plans and reports are made available to the public through the CEPF Web site, www.cepf.net. This allows project teams to learn from others’ experiences, share successful ideas from one area to the next, and avoid possible pitfalls encountered by past efforts. In addition, CEPF will screen for “best practice” examples to highlight and further enhance the learning feature of the system.

The CEPF project cycle management approach is based on projects establishing logical hypotheses, clearly defining objectives, identifying targeted, measurable indicators, highlighting important assumptions, compiling baseline information and establishing practical monitoring and evaluation systems. This is required from a programmatic, as well as an individual project point of view. Therefore, the approach begins with a clear definition of the overall CEPF global program. This includes defining the main objectives for the program, what the intended impacts are, who the intended beneficiaries are, and what the operational structures of the program will be. Key targets are summarized in a Global Results Framework¹ to which each ecosystem will be linked. The Results

¹ The CEPF Global Results Framework is found in the Strategic Framework, Appendix 1 of the Operational Manual.

Framework is a simplified Logical Framework that will form the basis for monitoring and evaluation of the global program.

Note: *The Logical Framework is a project design matrix used to summarize and communicate complex project. It outlines the cause & effect model (hypothesis) of a project's objectives and highlights the direct impact the project deliverables are*

expected to have. It also defines clear performance indicators for all objectives, elaborates the monitoring and evaluation requirements, and details important external factors surrounding the internal project design.

The Logical Framework assists in:

- Defining clear, casually linked objectives
- Defining clear indicators of project impact or success
- Defining the project implementers' deliverables (terms of reference)
- Identifying activity clusters for implementation
- Defining critical external assumptions that may impact the project's success
- Setting up the monitoring & evaluation system of the project
- Defining the necessary inputs required (human, financial, time, etc.)

All CEPF-supported projects will be requested to use the Logical Framework to summarize their project designs in an effort to help track their performance throughout implementation, to provide a clear guide to evaluating each project upon completion, and to allow the projects to learn from previous experiences. By applying this tool, CEPF expects projects to:

- have effective and efficient project implementation, particularly as conservation interventions become more complex and multi-sectoral;
- identify unexpected problems before they turn into larger crises;
- assess new, innovative components;
- track progress toward the achievement of objectives;
- derive lessons learned from past experiences;
- test conservation and development hypotheses; and
- measure conservation impact, particularly in areas where there are urgent threats.

This approach demands the participation of project leadership, project teams, partners, host organizations, and donors such that it allows for open collaboration, learning, and change. If there is broad participation in the monitoring and evaluation process, CEPF expects there will be greater acceptance of its benefit and a commitment to it on the part of project teams, partners, and beneficiaries.

Ecosystem profiles: Based on the CEPF strategy, as described in Section 1, detailed ecosystem profiles will be developed for selected ecosystems. These profiles are meant to elaborate a strategic approach toward a particular hotspot region that follows the objectives set out under CEPF. The ecosystem profiles will be developed in a manner consistent with the Ecosystem Profile section of the Operational Manual (4.1) which includes *Information Requirements for Ecosystem Profiles* as defined in the Financing Agreement between the CEPF donor partners.

The section *CEPF Investment Strategy and Programmatic Focus* will describe the set of strategic outputs that must be delivered to achieve the desired impacts for the region. For each ecosystem profile, this will include strategic directions and investment priorities that form the basis for specific projects to be supported. A logical framework will also be developed for each ecosystem, including selected, related indicators from the global Results Framework.

To summarize, a statement of impact and a programmatic set of objectives for CEPF as a global program will be expressed in the form of a Logical Framework. Within this program will be several ecosystem strategies that will also be expressed in the form of Logical Frameworks. This will form the basis of a strategic portfolio in which the impacts or projects in each ecosystem will contribute to a higher-level impact outlined in the CEPF Logical Framework. At the same time, each ecosystem profile may be viewed as a program portfolio in which each funded project contributes to the stated impacts and objectives of that particular profile. This results in the creation of a cascading set of logically linked objectives and hypotheses that allows even the smallest CEPF project to recognize its place and importance in a much larger strategic portfolio. By following such an approach, CEPF anticipates having a very active, constructive project cycle management system that invites collaboration, innovation, and integration while maintaining effectiveness, efficiency, and structure in the process.

The Process for Design

The process begins by placing the approved ecosystem profiles on the CEPF Web site, www.cepf.net and sharing it widely within the region. Critical to the overall CEPF investment approach is the way in which each profile includes specific strategic directions and investment priorities designed to guide both civil society groups in applying for grants and CEPF in awarding funding to meet the stated objectives. As applicants select a strategic direction to which they wish to submit a project proposal, they will be required to submit a *Letter of Inquiry*¹. The letter of inquiry is used to provide CEPF with an overview of the project concept and is typically a two - three page document that includes the following:

- A clear explanation of how the proposal relates to a specific strategic direction as outlined in the ecosystem profile.
- The geographic area of the proposed work
- A brief project description (objectives, expected results and project deliverables)
- Key organizational qualifications (how the organization is best qualified to carry out the project)
- A description of any potential partners to be involved in the project.

The letter of inquiry may be submitted by e-mail or, if necessary, by mail or fax. For all submissions, CEPF will link the application information into the CEPF automated grants management system.

Letters of inquiry that look promising to CEPF are passed on to a second part of the application, *CEPF Project Proposal*². This form is set up to elicit a clear description of the basic elements of the project (*design*). Required elements of the proposal include:

- Size of the grant
- Statement about background and experience
- Clear link to the CEPF ecosystem profile
- Clear statement of the project purpose
- Description of the main project outputs
- Targeted performance indicators for both purpose and output levels
- Assessment of the World Bank Safeguard Policies
- Description of stakeholder participation and consultation
- Explanation of external risks and sustainability issues

The elements listed above provide the core information required of a Logical Framework, and thus the beginnings of the project cycle management approach. Prior to final approval of a grant, a completed Logical Framework, monitoring and evaluation plan that

¹ The Letter of Inquiry form may be found in Section 4.4.1 of the Operational Manual.

² The CEPF Project Proposal Application may be found in Section 4.4.2 of the Operational Manual.

highlights key performance measures to be met over time and a project budget are required³. These elements combine to cover much of what is typically included in the design phase of the project cycle. To add to the learning capabilities of the system, these approved designs will be included on the www.cepf.net. The Web site will provide a venue for displaying quality project designs and possible best-practice models for others to use as learning examples. This will continue as projects enter the implementation phase where monitoring is required and where eventual evaluation will take place.

³ These elements are laid out in the CEPF Project Proposal Template in Section 4 of the Operational Manual.

Consultation and Participation

Engaging a rich mix of civil society, governmental partners, and other stakeholders in the various levels of CEPF operations, from design to monitoring and evaluation, has proven to be a critical foundation for the unique CEPF approach to biodiversity conservation and for its effectiveness.

The impact of individual projects, ecosystem portfolios, and the overall global program are improved through the shared accountability, collaboration, and sensitivity to social, economic, and cultural needs that result from sustained engagement of key stakeholders.

The CEPF approach to stakeholder participation includes a commitment to:

Consultation – The broad involvement of many regional actors in the preparation of every ecosystem profile informs and shapes CEPF’s strategic plans. Subsequent, frequent information exchange among the CEPF Secretariat, regional implementation teams, project applicants and implementers, and stakeholders affected by CEPF-supported projects with regard to critical decisions, including investment strategies, project design, implementation, and evaluation amplifies the impact of CEPF grants.

Participation – Collaborative engagement among the CEPF Secretariat, Regional Implementation Teams (RITs), project implementers, and stakeholders in project design, implementation, and evaluation activities makes grants more likely to succeed. Varied stakeholders will also participate in mid-term and final assessments of the ecosystem portfolios.

Information Dissemination – Accessibility and sharing of information relevant to CEPF investment strategies, projects, results, and lessons learned is a cornerstone of the CEPF approach to help avoid duplication of effort as well as to foster transparency, learning, and replication within and across ecosystems and at the global level.

These three components of the CEPF approach to stakeholder involvement are fundamental to achieving CEPF objectives and enhancing the benefits to critical ecosystems and the local communities and others they support.

The following are principles by which these components are implemented:

- Responsibility for ensuring stakeholder involvement rests with the CEPF Secretariat and RITs. The RITs will support effective involvement at the ecosystem and project level through information exchange and facilitating discussion among stakeholders. Where necessary, CEPF grant resources can be used to ensure adequate consultation in the design of major CEPF-supported initiatives.

- The extent and quality of stakeholder consultation in developing a project, maintaining stakeholder participation over time, and the degree to which stakeholder involvement enhances sustainability are criteria against which all project proposals are evaluated. These factors are also considered during implementation.
- Differences in requirements for public involvement will exist across project types, and appropriate stakeholder engagement will vary among projects depending on specific circumstances. For example, a project that affects Indigenous communities and the management of Indigenous lands or impacts the livelihoods of local communities will require a more extensive approach to consultation and participation than one that provides technical assistance to a government agency for improving its ability to implement its commitments under an international convention.
- Non-proprietary information associated with projects and activities supported by CEPF, including the ecosystem profiles and assessments, are made available to the public. In particular, information such as awarded grants, project designs, results, best practices, and lessons learned are posted on the CEPF Web site, www.cepf.net.

Process of Monitoring and Evaluation

The earlier section (3.3) emphasized the importance of participation and this holds true in the monitoring and evaluation phases. Monitoring and evaluation is a collaborative process of learning and demands responsibility on the part of all team members.

CEPF maintains a set of broad principles when addressing monitoring and evaluation.

1. **Participation:** *opening up the design process to include those most directly affected, and gaining agreement to carry out monitoring and evaluation together.*
2. **Negotiation:** reach agreement on what will be monitored and evaluated, how data will be collected, who will do the collection and analysis, how frequently this will be done and in what format, how findings will be disseminated among those involved, and finally, what actions will be taken as a result.
3. **Learning:** this becomes the basis for subsequent improvements and corrective action.
4. **Flexibility:** this is critical given the variety of stakeholders involved, the changing external environment, and the need to make performance improvements along the way

Monitoring and evaluation has conventionally been a variety of *ad-hoc* processes often done by external groups. These have tended to be mainly quantitative and rarely have included the various stakeholders involved. CEPF monitoring and evaluation emphasizes a participatory approach, which also contributes to an active learning system.

CEPF Participatory Monitoring and Evaluation

Methods for planning process	<ul style="list-style-type: none"> • Logical Framework • Environmental, economic, institutional analysis • Baselines
What is the role of the “primary stakeholders”	<ul style="list-style-type: none"> • Design and adapt methodology • Collect and analyze data • Share findings and link them to actions
How is success measured	<ul style="list-style-type: none"> • Internally defined • Includes qualitative indicators • Makes judgments
Approach	<ul style="list-style-type: none"> • Adaptive / Flexible

Project preparation: At this stage, a project should include performance indicators and milestones that are important to future monitoring and evaluation efforts. These are elaborated in a Logical Framework design, as described earlier. In addition to this, performance measures are broken down over time in the monitoring and evaluation plan to allow for easier supervision during implementation. At this level, the introduction of

monitoring and evaluation principles is considered formative, since it creates the condition for future evaluation. CEPF will use the *Letter of Inquiry* and *Project Proposal Application*¹ for this stage. All approved designs will be made available on www.cepf.net for the purposes of transparency and learning.

Project implementation: The monitoring and evaluation process takes the form of ongoing monitoring at implementation and includes performance tracking, performance improvement planning, risk assessments, and the updating of original designs. Monitoring and evaluation during project implementation is still considered formative, as its purpose is to support ongoing project improvement. CEPF will use the *Project Performance Monitoring Report*² during implementation, which will be required on at least a semi-annual basis from all grantees. This report revisits the original design, checks planned versus actual project performance via the monitoring and evaluation plan, and reviews the implementation schedule to confirm project duration. These reports will also be made available on www.cepf.net.

Project completion: The evaluation process after project completion re-visits the original design and reports on the impact the project has had on its intended beneficiaries. It looks at planned versus actual performance to evaluate the results of the project; delivery of outputs, achievement of impact, and any valuable lessons to be learned for future projects. At this stage, evaluation is considered summative. CEPF will require all grantees to submit a *Final Project Completion Report*³ at the end of their project and these will be posted on www.cepf.net.

The following table summarizes how monitoring and evaluation are incorporated into the CEPF PCM Approach:

Monitoring and Evaluation through the Project Cycle

Type of Monitoring and Evaluation	Phase of Project Cycle	Monitoring and Evaluation Tools	Monitoring and Evaluation Products	
			Documents	Process Results
Formative Learning “During”	Project Preparation	<ul style="list-style-type: none"> • Economic, financial, institutional analysis • Baselines • Logical Framework • Monitoring and evaluation plans 	<ul style="list-style-type: none"> • Logical Framework • Project proposal application (1 & 2) 	Improved: <ul style="list-style-type: none"> • Design • Transparency • Participation
	Project Implementation	<ul style="list-style-type: none"> • Supervision events • Performance reviews • Implementation 	<ul style="list-style-type: none"> • Monitoring and evaluation reports • Implementation schedules • Financial progress 	Improved: <ul style="list-style-type: none"> • Execution • Performance • Transparency • Participation

¹ The application templates are found in sections 4.4.1 and 4.4.2 of the Operational Manual.

² The project performance monitoring report template is found in Section 4.5.2 of the Operational Manual.

³ The final project completion report template is found in Section 4.5.4 of the Operational Manual.

		plans • Monitoring and evaluation plans	report	
Summative Learning “After”	Project Completion	• Ex-post evaluation • Impact assessment	• Final project completion report	Improved learning: • Project designs • Policies • Strategies • Portfolio

Much of the information required during the project cycle will come through the various templates to be used by grantees throughout implementation of their project. During implementation, emphasis is on key questions around the issues of project rationale and project effectiveness. Our aim in requiring periodic reporting on project performance throughout implementation is to continually check these as outlined below:

Continued Project Rationale:

- Does the project:
- Continue to reflect development priorities?
 - Continue to be linked to the overall portfolio and strategy?
 - Contribute to the Goal?
 - Remain relevant given the Objectives?

Project Efficiency:

- Is implementation managed properly?
- Are inputs managed appropriately and cost-effectively?
- Is implementation on time and at cost?
- Are the outputs being delivered?
- Is there a better way?
- Can it be improved?

The final stage of the cycle allows for evaluating project impact as well as drawing any lessons learned from the project experience. During this stage, we again pose a series of questions:

Project Effectiveness (Impact):

- Have the outputs been produced?
- What has happened as a result?
- What are the impacts on stated priorities?
- Are there any unplanned impacts?
- Why were planned impacts not achieved?
- What are the long-term effects on program/strategy?

Lessons Learned:

- What lessons can be learned in terms of project relevance?
- What performance lessons can be learned in terms of achieving objectives?
- What resource use lessons can be learned?
- What elements might be replicated in future projects?

CEPF will track project information during the design, implementation, and evaluation stages for all projects supported and, as expressed earlier, will do so using the online grant-making mechanism. One tremendous advantage of this system is that it will continually expand the database of information for the CEPF program as a whole. It will be possible to view information on each individual project, but perhaps more importantly, it will allow for the creation of programmatic summaries and evaluations based on the individual project information that is active within the system.

The system, therefore, enables CEPF to maintain a constant understanding of how the program as a whole and at the ecosystem portfolio level is functioning: what overall impacts are being achieved, what strategic directions need adjustment, and what further support may be needed. The result will be continued programmatic direction, efficiency, effectiveness, overall impact, and the dissemination of results and important lessons being learned in the field.

CEPF Monitoring Framework

The existing and continually evolving CEPF management tools include the ecosystem profiling process, and the grants management procedures and monitoring systems. These are useful in identifying and promoting the strategies for profiles, managing a large and dynamic pool of grants, and tracking progress on the assumptions the fund uses in grant making and achieving its goals. These provide the management framework and enable the fund to focus on achieving conservation impacts on the ground.

The CEPF Strategic Framework outlines overarching “key indicators of success”:

- At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.
- 20 million hectares of key biodiversity areas with strengthened protection and management, including at least 8 million hectares of new protected areas.
- 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.

The framework seeks to **complement** the broad goals, **underpin** these goals with more sensitive data, **support** management at the fund and profile levels, and better **communicate** the stories of CEPF’s work.

- 1. Purpose of the monitoring framework:** i) to efficiently and adaptively manage the CEPF portfolio both globally and at the profile levels; ii) to capture information on impacts of CEPF investments in a systematic manner to enable more effective communication of results; and iii) to identify emerging conservation needs or those that are cross cutting/critical to the conservation success of a given investment region.
- 2. Elements of the monitoring framework:** This framework is split into two main components: program impact and portfolio management. Program impact focuses on the impacts CEPF will have as a fund and is split into four broad categories as described below. Portfolio management focuses on CEPF internal processes and the ability of CEPF to efficiently and effectively operate.
- 3. Program impact:** A 2010 assessment performed by Conservation International’s Science and Knowledge Division emphasized the need to improve the monitoring system of CEPF to ensure that the program could report not only on its achievements pertaining to process and management, but also on its contribution to achievement of conservation outcomes. To this end, four main categories of impact have been identified. These are:

Table 1: Impact categories and associated statements of success

Biodiversity	Human well-being
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Improve the status of globally significant biodiversity in critical ecosystems within hotspots	Improve the well-being of people living in and dependent on critical ecosystems within hotspots
Civil society Strengthen the capacity of civil society to be stewards and effective advocates for the conservation of globally significant biodiversity	Enabling environment Establish the conditions needed for the conservation of globally significant biodiversity

These four impact categories are interwoven and interactive. CEPF's first two categories, to conserve biodiversity and to build civil society capacity to achieve conservation, are closely linked. Strong civil society capacity is essential for a sustainable foundation for biodiversity conservation. Underpinning both these goals are two additional pillars. The first, human well-being, is directly linked to the success of biodiversity conservation efforts because healthy ecosystems are essential for human well-being, while ecosystems that are unhealthy or devoid of biodiversity cannot deliver the benefits that people need, such as freshwater. The fourth category, enabling conditions, is a critical factor for successful conservation, but can be altered and improved by civil society, in particular a civil society that is empowered and informed. CEPF will measure progress in all four of these interlinked categories to gain a holistic understanding of impact of the fund. Each impact category is presented below.

Impact category 1: Biodiversity

Statement of success: Improve the status of globally significant biodiversity in critical ecosystems within hotspots

Description: Measuring the status and trends in biodiversity can take many forms. CEPF has chosen three focal areas to describe progress toward this impact category: species, sites and corridors.

Species: represent the smallest recognizable and (in most cases) replicable unit of biodiversity and also underpin CEPF's ecosystem profiling framework. Strategic directions are built 'from the species up'; threatened species inform the selection of important sites (KBAs¹) and guide conservation investments within a hotspot.

CEPF will use two methods to monitor the status and trends of threatened species populations. These are: 1) The Red List Index (RLI) which will allow CEPF to monitor the status of threatened species as a whole, and 2) expert assessments to document

¹ KBAs, or Key Biodiversity Areas, are sites selected using standardized, globally applicable, threshold-based criteria, driven by the distribution and population of species that require site-level conservation. The criteria address the two key issues for setting site conservation priorities: vulnerability and irreplaceability. (Eken et al, 2004, Key Biodiversity Areas as Site Conservation Targets, *BioScience* 54(12):1110-1118)

changes in threats that affect individual populations of species where CEPF projects are being conducted.

Sites: represent manageable spatial units where management activities are occurring for the primary purpose of biodiversity conservation. These include key biodiversity areas that are either protected areas, or productive landscapes. Examples of management activities may include protected area management and community conservation agreements among others.

Corridors: represent larger spatial units, or landscapes, where management activities are occurring for the primary purpose of ensuring connectivity and promoting sustainable management practices. Corridors are defined as areas where connectivity between two or more key biodiversity areas is necessary to meet the long-term conservation needs of the biodiversity found there. Included in this definition are areas where it is necessary to increase the actual or potential natural habitat in order to maintain evolutionary and ecological processes. Examples of management activities may include conservation enterprises, sustainable agriculture, and environmentally friendly ecotourism.

Both sites and corridors incorporate conservation/sustainable management of spatially explicit areas through promoting conservation health and minimizing threats. CEPF may use several methods to monitor changes to sites and corridors: 1) habitat change (using remote sensing and associated methods for assessing the change in habitat extent and connectivity); and 2) documenting the change in land area under different types of management (new formal protection, improved management or under better practices). In addition, for sites CEPF will conduct an expert assessment of bio-physical health / threat mitigation.

Impact category 2: Human well-being

Statement of success: Improve the well-being of people living in and dependent on critical ecosystems within hotspots

Description: Conservation and human well-being have a complex, bi-directional relationship. Conservation success depends on the willing participation of human societies – from the local to the global level. Conversely, human communities need nature to thrive; depending on the valuable services such as fresh water and disaster mitigation that natural ecosystems provide. CEPF embraces this complex relationship and invests to ensure compatibility between and improvement in ecosystems and the communities that depend on them. There are many metrics that can be used to assess changes in human well-being over time that range in data resolution, intensity and cost. CEPF identifies two types of beneficiaries that have relevance across the varied investment profiles and that can be assessed at the Fund level: 1) direct beneficiaries; and 2) indirect beneficiaries (through the provision of ecosystem services).

Direct beneficiaries: comprise those people and communities that receive socio-economic benefits from activities undertaken through CEPF investments. To gauge impact in this category, CEPF monitors a selection of benefits. These include but are not limited to:

- Increased income from direct employment (long-term, green);
- More secure sources of energy
- Improved land tenure
- Households with improved, sustainable living conditions (via improved cookstoves; resilient agricultural practices; secure and sustainable access to wild plants for food and medicine, etc.)
- Training for conservation management.

CEPF monitors direct beneficiaries through organized self-reporting from grantees at the beginning, middle and end of the investment period with verification by the RITs.

Indirect benefits: comprise those benefits resulting from the impacts of CEPF investments on the status of biodiversity. These include the provision of services through the conservation of natural systems in the main areas of climate, water, food, and health security. Because quantification of the number of people benefiting from indirect impacts is very challenging, CEPF will use indicators related to the nature of benefits – or ecosystem services – that will be maintained. Specifically, for projects that aim to deliver ecosystem services, CEPF monitors two factors: cubic meters of fresh water flows from natural systems to downstream need, and tons of carbon stored, because of CEPF actions).

Impact category 3: Enabling environment

Statement of success: Establish the conditions needed for the conservation of globally significant biodiversity

Description: CEPF, and indeed conservation in general, operates under the premise that conservation actions in isolation are far less likely to succeed without the presence of several enabling conditions. Three broad areas are outlined here that lay the foundation for reflecting on success for this impact category. They are: ensuring that policies are in place that promote / don't inhibit conservation action; ensuring sufficient capital and flow of financial resources for conservation; and establishing and using conservation best practices.

Regulatory environment

Statement of success: Ensure that public policies, the capacity to implement these, and the systems of governance in each individual country are supportive of the conservation of global biodiversity.

Description: In order for conservation interventions to proceed and be successful, the underlying legal and policy frameworks must be in place. This includes the general legislation and regulatory framework for civil society to participate in conservation management, as well as the inclusion of conservation management and sustainable best practices within political development frameworks. CEPF has directed funding toward both aspects of the conservation policy space, but the common need across most profiles is with the latter (because most countries / regions have regulations in place that allow for a free and operational civil society sector). Grants that promote the inclusion of conservation principles within development strategies will be identified at the onset and monitored based on the final written version of these strategies. Clearly, simply being

included in a strategy is different from being implemented and promoting conservation impact on the ground, but it is a first step that is assumed could lead to impact and a clear metric for result of a specific policy-oriented investment.

Long term financing

Statement of success: Ensure that sustained, sufficient and timely financing is available to conduct conservation management activities.

Description: One of the greatest barriers to effective conservation is the lack of financial resources to implement management that will lead to conservation success. CEPF targets a portion of investments to ensure financial sustainability of civil society and conservation activities in the long term. This not only entails establishing long-term financing vehicles (e.g., conservation trust funds), but it also includes supporting them to ensure that they function well and deliver financially. This indicator will be measured in five ways: 1) tracking the number of and 2) the amount invested within long term financing mechanisms; 3) tracking the financial management and governance of these mechanisms using a Long-term Financial Tracking Tool (see Appendix 1); 4) return on investment / financial performance of the financing mechanism; and 5) timely delivery of resources to targeted conservation actions.

Conservation best practices

Statement of success: Ensure that management continually improves such that conservation effectiveness can be reasonably assured.

Description: This section includes two important facets of conservation implementation: determining priorities for targeting action/investment; and promoting best management practices for implementation itself. The first of these takes place during the profiling process (establishing the conservation targets using threatened species and KBAs) and sets the stage for the entire investment strategy of a portfolio. This component will be addressed through the portfolio management portion of the monitoring framework (see section 5 below). The second focuses on management and will be assessed using the Management Effectiveness Tracking Tools (METT 1) and the adoption of better practices for sustainability in the production landscape.

Impact category 4: Civil society

Statement of success: Strengthen the capacity of civil society to be operationally effective as stewards and effective advocates for the conservation of globally significant biodiversity.

Description: CEPF is premised on the assumption that a capable and functioning civil society is necessary for sustained conservation progress. CEPF takes a wide perspective of civil society that encompasses more than traditional definitions. CEPF includes all nongovernmental actors in seeking to improve the organizational capacity of institutions to deliver conservation success. CEPF views civil society and assesses this impact category on two levels. The first is the strength of individual civil society organizations to undertake conservation actions, including ensuring their ability to raise funds to conduct their activities. The second is the collective group of civil society organizations working on conservation issues in a particular investment region. Additional factors that CEPF will monitor to gauge impact on the collective group are the partnerships and

networks created to build a strengthened and resilient civil society and the availability of information, because access to information is essential to identify and respond to conservation threats and opportunities.

The monitoring framework incorporates relevant impact indicators from the Global Results Framework.

5. **Portfolio management:** In addition to program impact indicators, CEPF monitors its ability to function as an effective and efficient grant-making facility. This section focuses on three management categories: conservation strategies; compliance monitoring and communication; and grants management.

Capturing CEPF qualitative impact

There is a great need for CEPF to properly capture and communicate the numerous qualitative results that CEPF grantees are producing. As a complement to the collection of data on the indicators above, CEPF's communication team will continue to capture stories from CEPF grantees and develop more consistent products that effectively share the impact of CEPF's investment conserving the biodiversity of the hotspots for nature and people. These efforts include, but will not be limited to, enhancing our lessons learned white papers, promoting thematic short documents and sharing these materials and stories at various forums around the world.

6. **Synergy with the Global Results Framework:** The Global Results Framework, located within CEPF's Strategic Framework for FY2008-2012, contains indicators that address both impact and management performance. This monitoring framework should be viewed as **supplementary** to the Global Results Framework, as CEPF will continue to monitor the indicators nested within CEPF's governing documents (e.g. the PAD – Project Appraisal Document). Further, the Global Results Framework contains intermediate targets, for which CEPF will continue to strive to reach. The upgraded monitoring framework will differ in that it will measure progress on the appropriate scale (project, site, corridor, hotspot, global), and will record these differences at varying times throughout implementation of the portfolio and the overall program.

As an example, the Global Results Framework contains the intermediate target “*At least 10 sustainable finance mechanisms established or strengthened with initial capital secured*”, whereas the monitoring framework contains the indicator “*change in the # of sustainable finance mechanisms with improved management*”, which will be monitored at the portfolio global levels, at the start and end of investment.

In addition, the portfolio management indicators make up a large portion of the global results framework. These will be maintained with few modifications, and if there are any modifications, these will be in addition to the information already required in the Global Results Framework.

As the monitoring framework is refined, more work will go into ensuring that it complements the Global Results Framework and that its implementation is smooth and well-integrated with existing efforts and procedures.

Safeguard Policies

CEPF appraises projects not only on their technical merit, but also on their environmental and social ramifications. Therefore, procedures for addressing environmental and social issues are included in the project cycle management process. A driving principle of CEPF is to prevent and mitigate any harm to people and thus to incorporate environmental and social concerns as an intrinsic part of project cycle management.

This section explains the CEPF environmental and social assessment processes. It also includes an Indigenous Peoples Planning Framework and a Process Framework to further elaborate safeguards specific to Indigenous Peoples and when a project may result in restriction of access to natural resources.

Environmental and social safeguards will be tracked during all stages of the project cycle with the main objective of ensuring that supported activities comply with the policies and guidelines laid out in the Operational Manual and with the World Bank's environmental and social safeguard policies. This includes confirming that measures are incorporated into the project design to prevent, minimize, and mitigate potential adverse environmental and social effects of individual projects.

The CEPF Project Cycle Management Approach, as laid out in the preceding pages, describes a project cycle of design, implementation, and evaluation. CEPF addresses environmental and social issues within this cycle as follows:

Design	<ul style="list-style-type: none"> - Inquire on, and assess, environmental, and social guidelines - Discuss with project designers and study any reports as requested - Prepare comments and requests for additional information - Advise on any specific requirements for compliance - Review and assess for approval and/or any special measures required
Implementation	<ul style="list-style-type: none"> - Continue to inquire and review environmental and social safeguard issues - Prepare any comments and requests for new information - Review and advise on implementation of any special measures required
Evaluation	<ul style="list-style-type: none"> - Ensure inclusion and review environmental and social safeguard issues in final project reporting as well as any lessons learned - Post all related information and documents on www.cepf.net for global learning

Environmental and Social Safeguard Assessment Process

The CEPF project proposal forms seek out several elements of the basic project design including objectives, performance indicators, and sustainability issues. Within these applications are a series of safeguard questions that must be answered based on the World Bank's standard Environmental Assessment. For each, grantees are asked to provide a supporting statement to justify their answer.

CEPF will assess these during the initial proposal review. This review may be deemed satisfactory, or may involve further discussion with the potential grantee. In some cases, additional information may be required for further review and discussion. Throughout the review process, CEPF will maintain contact with the potential grantee to obtain clarification on information provided and request any additional information and documentation needed. In conducting the preliminary evaluation, CEPF will focus on analyzing the materials provided by the potential grantee to determine the following aspects related to the environmental and social effects of the project:

- Compliance with CEPF and World Bank environmental and social safeguard policies
- Potential for the project to cause adverse environmental impacts
- Potential for the project to cause adverse social impacts
- Capacity of the applicant to implement any required safeguard-related measures during the preparation and implementation of the project.

At the conclusion of the initial screening, CEPF will identify any environmental and social effects of the project and define any safeguard requirements necessary. For projects above \$20,000, a more detailed Project Proposal Application is required, and safeguard requirements may be further elaborated and defined. The grantee is responsible for implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies.

This process is then tracked throughout project implementation similar to the tracking of performance toward project objectives. At each performance reporting stage, grantees will revisit the safeguard policy issues to reconfirm their status, adjust any that may have changed during implementation, and make necessary mitigation steps as needed. In cases where grantees are implementing mitigation actions, they will report on the progress of such implementation similar to that which they are doing for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues are continually monitored and mitigated throughout project implementation.

The final step is to evaluate the environmental and social issues at project completion. Any related documents and lessons learned will be shared via www.cepf.net to help in the design and mitigation of negative environmental and social impacts in future projects.

Safeguard Policy and Project Cycle Framework

PCM Phase	Process Steps	Responsibility	Safeguards	Decisions(s)
Design	<ul style="list-style-type: none"> • CEPF application • Review process & discussion 	<ul style="list-style-type: none"> • Applicant • CEPF 	<ul style="list-style-type: none"> • Environmental & social screening, assessments, frameworks • Free, prior and informed consultations for Indigenous Peoples 	<ul style="list-style-type: none"> • Approve • Develop mitigation steps • Decline
Implementation	<ul style="list-style-type: none"> • CEPF project performance monitoring report • Review process & discussion 	<ul style="list-style-type: none"> • Applicant / Grantee • CEPF 	Environmental & social safeguard measures	Monitor and re-assess safeguards
End of Project Evaluation	Final project completion report	<ul style="list-style-type: none"> • Grantee • CEPF 	Environmental & social measures	Evaluate, document lessons learned

Should the grant applicant or grantee be required to develop an assessment, Indigenous Peoples Framework, Process Framework, or action plan with regard to one of the safeguard policies, World Bank disclosure policies will be followed. These require that all such reports and/or plans be provided in a timely manner prior to consultation and in a form and language understandable and accessible to the groups being consulted. In addition, these documents will be provided to CEPF and made available at www.cepf.net.

Further information on these Safeguard Policies can also be found on the World Bank Web site at <http://go.worldbank.org/WTa1ODE7T0>.

Environmental and Social Management Framework

GENERAL IMPLEMENTATION ARRANGEMENTS

Background

1. The Critical Ecosystem Partnership Fund (CEPF) is a long-term global program with multiple donors. Its Project Development Objective is to strengthen the involvement and effectiveness of civil society in contributing to the conservation and management of globally important biodiversity. The Global Environment Objective is to achieve sustainable conservation and integrated ecosystem management in areas of globally important biodiversity, through consolidating conservation outcomes in existing CEPF regions and expanding funding to new critical ecosystems.
2. These objectives are being achieved by providing strategic assistance to locally-based NGOs, community groups, Indigenous Peoples, the private sector and other civil society partners to support: a) strengthened protection and management of biodiversity within selected hotspots and critical ecosystems, b) increased local and national capacity to integrate biodiversity conservation into development and landscape planning, and c) expanded and improved monitoring and learning to demonstrate biodiversity impact and enable adaptive management and replication. The CEPF program provides a field-tested mechanism for achieving these objectives, demonstrated by successful experience since its inception in 2000.
3. The proposed project builds upon the experiences and lessons learned in phase 1 and recommendations from the independent evaluation to expand the CEPF global program, including expansion into new ecosystems and hotspots. The CEPF-2 project focuses on critical ecosystems within at least 14 biodiversity hotspots in World Bank client countries that have ratified the CBD. Investment strategies for three new hotspots have already been developed and were the first to be implemented: Polynesia-Micronesia, Indo-Burma (Indochina region); and the Western Ghats and Sri Lanka (Western Ghats region). Other ecosystems for investment are chosen based on biodiversity status and threats, conservation needs, social and political environment, and current or planned investment by other donors. The donor partners review eligibility criteria to enable CEPF investment in marine ecosystems within, and adjoining, hotspots.
4. *Component 1: Strengthening protection and management of globally significant biodiversity.* CEPF-2 focuses on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses, including protected areas, biological corridors and high value conservation sites in production landscapes, including indigenous reserves, community and private lands managed for a conservation objective. Support to civil society groups contributes to the strengthened protection and management of more than 29 million hectares of key biodiversity areas within hotspots, including at least 1.5 million hectares of new protected areas. Specific activities are selected on a competitive basis at the ecosystem level, as outlined in the operational manual, but could include activities under the following themes: a) strengthening

management of protected areas and other key biodiversity areas; b) community and Indigenous Peoples' initiatives; c) innovative financial mechanisms for sustainability; and d) multi-regional priorities.

5. This component finances civil society participation in improving management and expansion of protected areas, conservation planning, and support to communities, including indigenous groups and other partners, in management and stewardship of biologically-rich lands that buffer key biodiversity and protected areas. Activities to strengthen or pilot innovative financial mechanisms are also supported.

6. *Component 2: Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning.* Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development community. Mobilizing civil society to play a more effective role in this process is the CEPF niche. Grantees range from individuals, farming cooperatives and community organizations to research institutions, private sector organizations, and national and international NGOs. Many of these groups also act as vital multipliers, further building local and national capacity for conservation. A key CEPF-2 goal is empowerment of civil society actors to take part in, and influence, decisions that affect local lives and livelihoods and, ultimately, the global environment.

7. CEPF supports activities to integrate biodiversity conservation in production landscapes and sectors, including enabling civil society groups to plan, implement, and influence biodiversity outcomes as effective partners in sustainable development. Examples could include development of community, municipal or regional land use plans, plans for local economic development, "territorial development" plans, certification for more sustainable management and private agreements. Such participation builds on local knowledge and technical expertise, and leverage social capital to bring innovative ideas to solving local problems. The focal approach strengthens protection of critical biological corridors that link key biodiversity areas within a multiple use landscape, including trans-boundary collaboration to protect key areas that straddle national boundaries.

8. This component builds upon Component 1 through strategic and effective alliances to increase impact and sustainability, especially in production landscapes. Activities to be financed include catalyzing diverse partnerships and integrated approaches, assisting in improved land-use planning and activities that mainstream conservation into management of production landscapes, including collaboration with the private sector and informing policy and legislative frameworks.

9. *Component 3: Monitoring and knowledge sharing.* This component supports monitoring and evaluation of individual projects and programs and deriving and sharing lessons learned within the hotspot. Monitoring and evaluation of individual projects is led by Regional Implementation Teams (RITs) and includes: a) systematic analysis and documentation of grantees' performance against individual project and ecosystem targets; b) assisting civil society groups, including local communities and Indigenous Peoples, to

engage in participatory monitoring; and c) expanding and formalizing information sharing and learning opportunities across the hotspot. Additionally this component supports specific activities to strengthen outcomes monitoring and to document, disseminate and replicate lessons learned and good practice. Previous CEPF experience with monitoring and knowledge-sharing are being scaled up under CEPF-2 to further strengthen capacity for adaptive management by CEPF partners and the broader conservation community.

10. This component finances technical assistance and consultant services, training for participatory monitoring, hotspot review meetings, documentation of lessons learned, and cross-site visits for targeted training and exchange programs to promote uptake of good practice.

11. *Component 4: Ecosystem profile development and project execution.* This component supports three subcomponents a) the development of ecosystem profiles; b) the role of the Regional Implementation Teams as an extension service and in grant-making; and c) overall execution and administration of the global program by CI, through the CEPF Secretariat.

12. Subcomponent 4a finances the ecosystem profiles which provide the basis for grant making and overall implementation within selected hotspots. Profile development is led by civil society partners, selected through a competitive process. For each ecosystem profile, the investment strategy is based on a stakeholder-driven prioritizing process to identify conservation targets, major threats, socioeconomic factors, and current conservation investment.

13. Subcomponent 4b finances the role of Regional Implementation Teams (RITs), recruited on a competitive basis (as outlined in the operational manual), to lead implementation of the ecosystem profiles, and assist other civil society groups in designing, implementing and replicating successful conservation activities. The RITs have full responsibility for awarding all grants below a \$20,000 threshold. RITs and local advisory groups also play a role in deciding other grant applications (>\$20,000) with the CEPF Secretariat. This subcomponent finances technical assistance provided by the RITs, including training in grant development and implementation for local groups, and evaluating grant applications.

14. Subcomponent 4c finances overall management and administration of the program by CI through the CEPF Secretariat. The Secretariat is responsible for strategic and financial management, oversight and reporting for the global program. This includes supervision of the ecosystem profiling process; training and management of the RITs; and overall ecosystem portfolio development, grant-making, compliance on safeguards issues, and monitoring and reporting under supervision of the regional Grant Directors. The Secretariat is also responsible for fundraising, donor coordination, and global information management and outreach, as well as development and implementation of a program-wide replication and dissemination strategy.

15. This subcomponent finances consultant services, technical assistance, and CEPF administration costs, including program management, financial management and annual audits, organizing independent evaluations, and communications and outreach, including website management, newsletter and publication production.

16. Conservation International (CI) is the executing agency and is responsible for project management and provide a CEPF Secretariat. They have developed a website to maximize the transparency and lessons learned (www.cepf.net).

Objectives

17. The sub-projects supported by the CEPF will have few, if any, adverse impacts on the environment and local communities. However, sub-projects with minor impacts may be approved provided that they include appropriate mitigation and compensation measures as appropriate and in accordance with World Bank principles.

18. The objective of this Environmental and Social Management Framework (ESMF) is to ensure that adverse environmental and social impacts are avoided or appropriately mitigated and compensated for. The ESMF is based on the World Bank's environmental and social safeguard policies as well as CI policies. A key principle is to prevent and mitigate any harm to the environment and to people by incorporating environmental and social concerns as an intrinsic part of project cycle management. Environmental and social issues will be tracked during all stages of the sub-project cycle to ensure that supported activities comply with the policies and guidelines laid out in the ESMF.

19. The ESMF provides an overview of relevant World Bank and CI policies and describes the planning process concerning environmental and social issues, including for screening, preparation, implementation, and monitoring of sub-projects. The ESMF specifically includes an Environmental Management Framework to address environmental safeguard issue (OP 4.01), a Pest Management Plan to address issues related to the purchase, application and storage of pesticides (OP 4.09), an Indigenous Peoples Planning Framework to address the World Bank's policy concerning indigenous peoples (OP 4.10), and a Process Framework to address the World Bank's policy on involuntary resettlement (OP 4.12) concerning sub-projects that may result in restriction of access to natural resources.

20. When a sub-project-level plan (e.g. Environmental Management Plan, Indigenous Peoples Plan or Process Framework) is necessary, the first two of each such plans will be reviewed and approved by the World Bank prior to the initiation of that particular sub-project. Thereafter, CI will approve each plan prior to the initiation of any particular sub-project.¹⁰

Overview of Environmental and Social Issues

¹⁰ At the time of issuance of this ESMF the project is fully in compliance with this requirement with the exception of pest management.

21. A number of World Bank safeguard policies and CI policies and resolutions are relevant to CEPF activities. These are briefly described in this section followed by a description of the institutional arrangements and planning procedures to ensure their application for CEPF sub-projects. More detailed description of measures to address particular issues pertaining to the respective World Bank safeguard policies is provided in four separate frameworks (sections B, C, D and E) of this ESMF. The World Bank safeguard policies are available at www.worldbank.org and the CI policies are available at www.conservation.org.

22. **Environmental Assessment (OP 4.01):**

23. CEPF addresses priority conservation objectives and is thus expected to have a highly positive environmental impact. Resources will be directed to important biodiversity issues while ensuring minimum adverse environmental effects. Minor infrastructure construction (e.g. boundary markers, checkpoints, guard-posts and trails) may be supported and may have minor environmental impacts.

24. Screening criteria and planning procedures will identify sub-projects with potential adverse impacts. These are described in the Environmental Management Framework in section B to address issues pertaining to OP 4.01 as well as the policies on natural habitats (OP 4.04), forests (OP 4.36), and physical cultural resources (OP 4.11).

25. **Natural Habitats (OP 4.04):** The CEPF approach is fully consistent with the World Bank's natural habitats policy. It does not cause, nor facilitate, any significant loss or degradation of natural habitats. By design, the project finances only those activities that promote protection of threatened species and their natural habitats. It is intended to prevent, or reduce, habitat loss or degradation in order to conserve threatened species that depend on these habitats. All activities are consistent with existing protected area management plans or other resource management strategies that are applicable to local situations. The selection criteria (section B) and review process of this ESMF for identifying and assessing sub-project activities aims to ensure that OP 4.04 provisions are followed.

26. **Forests (OP 4.36):** Activities will explicitly focus on conservation and more sustainable management of forests and other natural habitats. All activities are consistent with existing protected area management plans or other resource management strategies that are applicable to local situations. Similarly to the natural habitats policy, the selection criteria and review process of this ESMF for identifying and assessing sub-project activities aims to ensure that OP 4.36 provisions are followed. All activities in forests will be managed in participation with local communities.

27. **Pest Management (OP 4.09):** The project may support investments related to agriculture extension services or invasive species management. These investments may include the procurement, handling, storage and use of pesticides. No pesticides that are unlawful under national or international law will be supported under the project. Special due diligence will be required to finance any activities that apply pesticides under

Categories Ia, Ib or II as described in the WHO Recommended Classification of Pesticides by Hazard (2005).

28. CEPF will avoid the use of pesticide and herbicide intensive techniques and instead will support an approach that includes: (a) avoiding the use or promotion of pesticides with toxic categories I or II used for weed control or as insecticides except as a last resort; (b) promoting production practices such as rotational grazing and SPS that reduce the appearance of pests and increase natural enemies; (c) promoting the use of biological controls; (d) using animals more resistant to pests and applying products only when infestation level are critical; (e) avoiding the use of herbicides and pesticides near water sources and their contamination with pesticide residues when cleaning the equipment used; and (f) training producers, technicians, and farm workers to responsibly manage products, equipment, and containers to avoid their own contamination or that of cattle food or produce. This approach will abide by the FAO International Code of Conduct on the Distribution and Use of Pesticides. Any Class I or II pesticides procured must have prior no-objection of the Bank, and the use of pesticides may require a pest management plan (which will be determined by screening criteria). The Pest Management Plan for the project is presented in Annex C.

29. **Physical Cultural Resources (OP/BP 4.11):** CEPF will not fund any activity that involves the removal, alteration or disturbance of any physical cultural resources (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance). These may, however, be present in sub-project areas and measures should be put in place to ensure that they are identified and adverse effects to them are avoided. This is particularly relevant for projects that support development of management plans and other land and natural resource use planning, projects that support alternative livelihood activities, and projects that include small infrastructure construction. Section B of this ESMF includes procedures to ensure that OP 4.11 provisions are followed.

30. **Indigenous Peoples (OP/BP 4.10):** Many of the world's remaining areas of high biodiversity overlap with lands owned, occupied and utilized by indigenous peoples. Many CEPF-funded sub-project activities are thus likely to overlap with the areas inhabited by indigenous communities. OP 4.10 aims to ensure that affected indigenous peoples receive culturally appropriate benefits and that adverse impacts are avoided or adequately addressed through a participatory and consultative approach. Specific measures to achieve these objectives are described in the Indigenous Peoples Planning Framework of this ESMF (section D), including provisions for social analysis, consultations and the preparation of an Indigenous Peoples Plan.

31. **Involuntary Resettlement (OP/BP 4.12):** CEPF will not fund sub-projects involving resettlement or land acquisition. However, some sub-projects may include restrictions of access to natural resources. All project applications will thus be assessed for their potential to restrict access to natural resources. Such potential restrictions will be addressed through the preparation of a sub-project specific Process Framework that will describe the process and principles for determining restrictions, offsets,

compensation and other mitigation measures with the full participation of potential and actual affected persons. Section E provides further details on addressing potential restrictions of access to natural resources.

Environmental and Social Safeguard Process and Responsibilities

32. The CEPF Secretariat has the overall responsibility for ensuring that environmental and social issues are adequately addressed within the sub-project cycle. The sub-project applicant/grantee is responsible for actual preparation and implementation of required safeguard procedures and measures. The World Bank will facilitate workshops on the safeguard policies for key CI staff and, if needed, selected grantees. The World Bank will be responsible for general supervision of CEPF safeguards implementation.

33. Throughout the sub-project review process, the CEPF Secretariat will maintain contact with the applicant to obtain clarification on information provided and the preparation process in general. It may request additional steps, information and documentation as needed to meet the objectives of the ESMF. There are two key decision points during the sub-project preparation process. A screening of sub-project proposals (Letter of Interest) will identify potential safeguard issues and ascribe preparation procedures to further assess potential impacts and design mitigation measures, as needed. A review of the final sub-project proposal will, besides reviewing the general proposal against the CEPF hotspot profile, objectives and procedures, assess the adequacy of the sub-project's preparation process and implementation measures vis-à-vis the safeguard issues, including:

- Compliance with this ESMF, CI policies and resolutions, and World Bank environmental and social safeguard policies
- Potential for the project to cause adverse environmental impacts
- Potential for the project to cause adverse social impacts
- Adequacy and feasibility of the proposed safeguard mitigation measures and monitoring plans, including any Pest Management Plan, Indigenous Peoples Plan or Process Framework for restrictions of access to resources
- Capacity of the applicant to implement any required safeguard-related measures during the preparation and implementation of the project

34. This review may find the safeguard process and measures satisfactory, or may find the need for further discussion with, and steps by, the applicant to achieve the objectives of this ESMF, including revising safeguard measures and documents as appropriate. If the risks or complexity of particular safeguard issues outweigh the benefits, the sub-project should not be approved as proposed. For sub-projects affecting indigenous peoples their free, prior and informed consent is required (see section D for more details).

35. The review will be undertaken by the CEPF Office at CI in collaboration with Regional Implementation Teams. They will also consult or include experts on the social

safeguard issues as appropriate, including World Bank regional safeguard specialists if needed.

36. During sub-project implementation, safeguard issues are tracked along with performance toward sub-project objectives. At each performance reporting stage, the grantee will revisit the safeguard issues to assess their status and address any issues that may arise. In cases where the grantee is implementing a safeguard instrument or other mitigation measures, it will report on the progress of such implementation similar to that which they are doing for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues are continually monitored and mitigated throughout project implementation.

37. The CEPF Secretariat will monitor the implementation of safeguard issues during sub-project implementation. It will review and approve Plan of Actions that are required to be prepared during implementation of sub-projects restricting access to natural resources (see section D). The World Bank will include supervision of safeguard issues in its regular supervision of the CEPF Secretariat.

38. The key responsibilities of the CEPF Secretariat and applicant/grantee are described in further detail in table 1. Exact procedures depend on the specific sub-project activities and the local context, for instance, the number of safeguard policies that are triggered and the level of impacts (see sections B, C, D and E for more details).

Table A.1: Key responsibilities for ESMF implementation

Project Phase	CEPF Secretariat (and RITs)	Sub-project Applicant / Grantee
Screening	Advise applicants and other stakeholders of environmental and social safeguard procedures Review Letter of Interest and screen for potential safeguard issues, and advise applicants regarding the nature and content of the safeguard documents and measures to be prepared	Assess any potential safeguard issues early in the preparation process, including screening for the presence of indigenous peoples Describe potential safeguard issues in the full proposal.
Preparation	Advise applicants on safeguard issues, as needed	Undertake safeguard required processes, such as consultations with local communities, environmental review, and social assessment Design safeguard measures and prepare documents, such as an Indigenous Peoples Plan (IPP) and a Process Framework (PF) with the participation of local communities. If applicable, disclose draft safeguard documents with the sub-project proposal to affected communities prior to final review of proposal by the CEPF Secretariat
Review and approval	Review sub-project proposal for safeguard impacts and social risks Assess the adequacy and feasibility of the safeguard assessment and consultation process. If needed, request further steps Assess the adequacy and feasibility of the safeguard measures and documents. If needed, request appropriate changes to these and re-assess prior to final approval If indigenous peoples are affected, ascertain that they have provided their free, prior and informed consent to sub-project activities affecting them. Sub-projects affecting indigenous peoples cannot be approved without such agreement Assess the capacity of the applicant to implement safeguard measures If applicable, publicly disclose safeguard related information on the web after sub-project approval	Submit sub-project proposal with safeguard measures and documents (e.g. social assessment, environmental review, IPP, PF), if required If requested by the CEPF Secretariat or RIT, take additional steps to meet ESMF and safeguard policy provisions. Re-submit proposal with revised safeguard measures and documents, as needed. All national and local legislation and regulations will be complied with.
Implementation	Supervise and review safeguard documents and issues during sub-project implementation. If needed, request changes to safeguard measures and/or implementation of these Review and approve Plan of Actions that are required to be prepared during implementation of sub-projects restricting access to natural resources (as will be described in the PF for sub-projects with potential impacts from such restrictions)	Disclose final safeguard documents, if any, to affected communities Monitor and document the implementation of safeguard measures. When indigenous peoples are affected, include them in participatory monitoring and evaluation exercises Prepare Plan of Actions for sub-projects restricting access to natural resources (as per the PF prepared). Monitor and document implementation of these plans

Evaluation	Ensure inclusion and review of environmental and social safeguard issues and outcomes in mid-term and final sub-project evaluation and reporting, including concerning any lessons learned	Evaluate the implementation and outcomes of safeguard measures. When indigenous peoples are affected, include them in participatory evaluation exercises
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Selection criteria

39. To meet program objectives and objectives of World Bank and CI policies, the following types of sub-projects cannot be financed under the CEPF:

- Sub-projects that involve significant conversion or degradation of critical natural habitats and forest resources;
- Sub-projects that adversely affect physical cultural resources;
- Sub-projects requiring land acquisition or relocation of local communities; and
- Sub-projects affecting indigenous peoples without having obtained their free, prior and informed consent.

40. Application forms will include a description of environmental and social issues to assist applicants and the CEPF Secretariat to identify and assess potential adverse impacts. In the *Letter of Interest*, the applicant will identify and make a preliminary assessment of the potential issues. Based on this information, the RIT/CEPF Secretariat will determine eligibility and the scope and level of preparation activities concerning the safeguard issues.

41. In the *full proposal*, the applicant will describe potential environmental and social issues and how these have been assessed and the outcome of any consultations with local communities. For sub-project proposals with potential minor adverse impacts the applicant will describe appropriate mitigation measures and a monitoring system to avoid, minimize or mitigate adverse impacts (see sections B, C, D and E, particularly table 3 on environmental issue, for more guidance). Any required safeguard documents will be submitted with the proposal. The CEPF Secretariat will consider this information when reviewing sub-projects for eligibility and scope and level of safeguard measures, if any.

42. Table 2 provides an overview of potential impacts for various sub-project activities. The table does not replace subjective judgment on part of the applicant and the CEPF Secretariat/RIT in assessing sub-project impacts and mitigation measures. The scope and level of detail of the safeguard planning process and implementation measures shall be proportional to the complexity of the sub-project and its anticipated impacts. Most CEPF sub-projects are expected to have no or very few and minor impacts, and the safeguard procedures, if any, may thus be limited to an initial assessment of potential impacts, and in cases where indigenous peoples or other local communities are present in the sub-project areas, consultations with these communities.

43. For example, the presence of indigenous peoples in the sub-project area requires that the applicant consults with the indigenous peoples and assesses any potential impacts – both positive and negative – and how these can be addressed. If there are no impacts and if the indigenous peoples agree, no further measures may be necessary (e.g. surveys, assessments and mapping exercises of threatened species may not need additional measures if they do not affect the indigenous communities and if they are informed of the schedule for on the activities; if these are purely desk exercises consultations may not be needed). If there are potential impacts, a more detailed social assessment and consultation process is required to develop an Indigenous Peoples Plan describing

measures to ensure that the indigenous peoples are not adversely affected and benefit from sub-project activities, as appropriate (see section D for more details).

Table A.2: Sub-projects with potential safeguard impacts

Actions	Env. Review	Indigenous Peoples (IP)¹¹	Restricted Access
<i>Conservation of selected species across their range</i>			
Implementing priority activities from an agreed Action Plan for selected species	Maybe	If IP present: yes	Maybe
Conducting surveys, assessments and monitoring of key species; and mapping vegetation/habitat	No	Maybe	No
Planning and lobbying for establishment/extension of PAs and corridors	Maybe; if construction: yes	If IP present: yes	Maybe
Strengthening PA management (training, PA management plan, habitat improvement - restoration or removal of IAS, boundary demarcation, fire management)	Maybe; if construction: yes	If IP present: yes	Maybe
Supporting local stakeholders (local communities and authorities) to help protect/manage biodiversity; e.g. wetland management, participatory monitoring	Maybe; if construction: yes	If IP present: yes	Maybe
Supporting specific conservation actions (reintroductions, ex-situ [turtle nursery])	Maybe	If IP present: yes	No
Supporting public awareness and education campaigns; ‘pride’ campaigns ; and establishing and supporting nature youth clubs	No	Maybe	No
Supporting nature and species-based ecotourism, nature trails, training	Maybe	If IP present: yes	No
Printing local language materials and supporting local scientific journals	No	No	No
Promoting good agricultural practices that promote species conservation	Yes	If IP present: yes	Maybe
Establishing new financing mechanisms for species conservation (e.g. links to PES and protecting habitats)	No	Maybe	No
Establishing sustainable use schemes, e.g. butterfly farming	Maybe	Maybe	No
Providing student research grants	No	Maybe	No
<i>Mitigation of specific threats to threatened species across their range</i>			
Analyses to better understand the threats and drivers for species conservation (including socioeconomic studies)	No	Maybe	No
Purchasing and installing enforcement monitoring software and procedures (e.g. MIST)	No	Maybe	Maybe
Studying markets/supply chains in wildlife trade; training to enforce legislation	No	If IP present: yes	Maybe
Eradicating/controlling invasive species	Yes	If IP present: yes	No
Establishing community-based anti-poaching networks	No	If IP present: yes	Maybe
Addressing human-wildlife conflicts	Yes	If IP present: yes	Maybe
Hosting transboundary meetings and collaborations to address threats to species conservation	No	Maybe	No
<i>Emergency funds</i>			
Investigating sudden new threats to species in specific locations (diseases, pollution, stranding, oil spill)	No	Maybe	No
Supporting emergency actions aiming to preserve highly threatened species (targeted support for protected areas, meeting to agree ‘last chance’ emergency measures, purchase of crucial equipment to protect specific threatened species)	No	Maybe	No
Conducting urgent surveys and monitoring (e.g. for public enquiries or consultations); and providing specialist identification of species in need of urgent attention	No	Maybe	No

¹¹ If indigenous peoples are present in the sub-project area and may be affected –the applicant is required to consult these communities and assess potential impacts. This initial consultation and assessment process will determine the need for further steps, if any (see section C for further details).

Disclosure

44. Key documents prepared to address safeguard issues need to be publicly disclosed according to the World Bank disclosure policy (available at www.worldbank.org). Should the grant applicant be required to develop a stand-alone environmental review or social assessment, a Pest Management Plan, an Indigenous Peoples Plan (IPP), or a Process Framework (PF), these documents will be disclosed to local communities in a form, manner and language appropriate for the local context. Disclosure will occur in two phases:

- Disclosure of assessment documents (e.g. social assessment and environmental review) and draft safeguard documents (e.g. IPP and PF) during project preparation and prior to final review and approval of the sub-project proposal. Disclosure during sub-project preparation aims to seek feedback and input from local communities, and as appropriate other stakeholders, on the sub-project proposal and safeguard measures and documents.
- Disclosure of final safeguard documents prior to sub-project implementation to inform local communities of implementation measures concerning safeguard issues.

45. The CEPF Secretariat will disclose information of approved sub-projects, including any safeguard issues, through its website. The website will list contact information where interested stakeholders can inquire further documentation and raise their concerns or recommendations to the CEPF Secretariat.

Grievance Mechanism

46. Local communities and other interested stakeholders may raise a grievance at all times to the applicant/grantee, the CEPF Secretariat, or the World Bank. Affected local communities should be informed about the ESMF provisions, including its grievance mechanism. Contact information of the applicant/grantee, the CEPF Secretariat and the World Bank should be made publicly available.

47. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 calendar days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the RIT who must in turn forward a copy to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Secretariat directly at: cepfexecutive@conservation.org. The CEPF Secretariat will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

48. If the claimant is not satisfied with the response from the CEPF Secretariat, the grievance may be submitted to the World Bank at the local World Bank office.

49. Sub-projects triggering an IPP or PF should also include local conflict resolution and grievance redress mechanisms in the respective safeguard documents. These will be developed in participation with the affected communities in culturally appropriate ways and will ensure adequate representation from vulnerable or marginalized groups and sub-groups (see sections D and E for more details).

Environmental and Social Management Framework

ENVIRONMENTAL MANAGEMENT FRAMEWORK

1. CEPF will support activities in various sites globally. The exact sites are not yet known, but will be chosen based on biodiversity status and threats, conservation needs, social and political environment, and current or planned investment by other donors. Investments are likely to target protected areas, biological corridors and other key landscapes that provide sufficient and safe habitats for targeted threatened species.
2. CEPF will address priority conservation objectives and is thus expected to have a highly positive environmental impact. Resources will be directed to important biodiversity issues while ensuring no or minimum adverse environmental effects. Sub-projects should not adversely affect natural habitats and forests resources. CEPF will not fund any activity that involves the removal, alteration or disturbance of any physical cultural resources (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance). These may, however, be present in sub-project areas and the screening criteria and review process of this ESMF aims to ensure that they are identified and adverse effects are avoided.
3. Minor environmental impacts of CEPF-financed activities may occur from small-scale infrastructure construction (e.g. boundary markers, guard posts, checkpoints), land and resource use changes, and tourism activities. The review process for identifying and assessing safeguard impacts of sub-project activities and assessing impact mitigation measures, as described in this ESMF, aims to ensure that the World Bank's safeguard policies on environmental assessment (OP 4.01), pest management (OP 4.09), natural habitats (OP 4.04), physical cultural resources (OP 4.11) and forests (OP 4.36) are followed.

Review of Environmental Issues

4. The applicant is required to include in the sub-project Letter of Interest a brief description of any activities that may involve environmental impacts, any known environmental sensitivities, and any sites with known or potential archeological, paleontological, historical, religious or unique natural values.
5. Sub-projects with significant and irreversible impacts on the environment that are not easily mitigated are not eligible. In the event of sub-projects with potential minor and manageable environmental impacts, an environmental review should be undertaken (see table B.1 for more guidance; see also the World Bank's Environmental Assessment Policy and Sourcebook for guidance on determining level of impacts). The review examines the sub-project's potential negative and positive environmental impacts and defines any measures needed to prevent, minimize or mitigate adverse impacts and improve environmental performance. This would in most cases be a simple review

through reference to existing reports and studies (if available), and through discussions with local communities and other stakeholders, if needed. In some cases a more detailed review may be needed.

6. The findings and results of environmental review are described in the sub-project full proposal. Applications that do not provide adequate environmental data, should not be considered for financing until they meet the requirements. Sub-project proposals with minor and manageable environmental impacts should include the following basic elements in the application:

- A description of the possible adverse effects that specific sub-project activities may occur (see table 3 for some basic guidance on potential environmental impacts;
- A description of any planned measures to avoid or mitigate adverse impacts, and how and when they will be implemented;
- A system for monitoring the environmental effects of the project;
- A description of who will be responsible for implementing and monitoring the mitigation measures; and
- A cost estimate of the mitigation measures (the costs for environmental management will be included in the of sub-project proposal).

7. The scope of any environmental review and mitigation measures will be determined by the CEPF Secretariat in consultation with the applicant through the sub-project screening and approval process. If needed, the CEPF Secretariat may request further information or a more detailed environmental review prior to approving a project. Guidance may be sought from the World Bank, if needed.

Mitigation Measures

8. The main environmental impacts for eligible sub-projects would be minor impacts from construction of infrastructure (e.g. checkpoints, guard posts, trails), potential increase in recreational use of protected areas, and change in natural resource management/use.

9. The small-scale construction of infrastructure may have minor, short-term direct impacts on vegetation and local species-mainly due to soil excavation, dust, and noise. Increased recreational use of project sites may produce a direct impact because of under-management of tourist sites and facilities, possible overuse of campsites or trails, increased waste, harvesting of live wood for campfires, purposeful disturbance of wildlife, accidental fires, disturbance of flora and fauna, trespassing into fragile areas, and non-maintenance of trails leading to slope erosion.

10. Since only sub-projects with minor impacts are eligible, these are easily mitigated through the application of sensible site selection criteria, good construction practices and diligent management practices in the operational phase. This may include proper siting of infrastructure to avoid and minimize impacts, construction contract procedures for

dealing with “chance finds,” control of dust generation and prevention, waste management and technology for toilet facilities like leaching fields, organic composting, and septic tanks (see Table B.1). Further guidance on Health and Safety issues is provided for in the World Bank Group Environmental Health and Safety Guidelines (2007) (found at: www.ifc.org).

11. There is a possibility that sub-project activities may result in damage to physical cultural property unless these are identified. Sub-project proposals with activities that may occur in areas with possible physical cultural resources will specify procedures for identifying physical cultural property and for avoiding impacts on these, including:

1. Consultations with the appropriate authorities and local inhabitants to identify known or possible sites during sub-project planning;
2. Siting of sub-project activities to avoid identified sites (including identifying such areas in protected and natural resource management planning and zonation);
3. “Chance finds” procedures will include cessation of work until the significance of a “find” has been determined by the appropriate authorities and local inhabitants, and until fitting treatment of the site has been determined and carried out;
4. Construction contract procedures will include the same procedures for dealing with “chance finds;”
5. Buffer zones or other management arrangements to avoid damage to cultural resources such as “sacred” forests and graveyards. Local communities to which these areas belong should decide access procedures and should not be excluded from accessing these areas.

12. The ESMF stresses community participation since local knowledge is important in identifying, designing and planning the implementation of practical mitigation measures. It is especially important where the success depends on community support and action, both in implementing mitigation measures and in monitoring their success.

Table B.1: Potential environmental impacts and standard mitigation measures

Sub-project activity	Potential impacts	Standard mitigation measures	Monitoring and indicators
Construction of basic infrastructure (e.g. shelters, trails)	Minor, short-term potential impacts on already disturbed and small areas of vegetation – mainly due to soil excavation, dust and noise	Consult local communities to determine appropriate siting of infrastructure to minimize impacts Ensure trails are ‘fit-for-purpose,’ restricting width to the needs to foot patrols or tourists. In areas where trail bikes are used, the means of controlling access will be instituted. Obtain any permits required by national and local regulations prior to construction Choose most appropriate timing for construction to avoid or minimize impacts Infrastructure will be designed in accordance with local traditions, local architecture, and good environmental practices Appropriate management/disposal of waste+ debris	Incidental take of species is recorded (indicator species identified and monitored) Communities’ free, prior and informed consent is recorded Debris does not litter the site
Change in natural resource use and management (e.g. restoration of gallery forest, re-engineering water flows in wetlands)	Environmental impacts would almost always be positive; however, in a few cases unintended impacts may accidentally occur, such as introduction of invasive species, and human/wildlife conflicts (e.g. resulting in crop loss)	Consult with local communities to determine appropriate land and resource management regimes Use only native species for restoration Consider compensation and/or avoidance mechanisms to minimize crop loss and conflict	Indicator species are monitored Communities free, prior and informed consent is recorded
Reintroduction of captive-bred threatened species	Introduction of disease into the wild	Undertake health checks prior to release System for avoiding and mitigating disease outbreaks	Monitor introductions and disease outbreaks
Increase in recreational use of protected areas	Impact on habitat and wildlife through increased noise and disturbance, waste, accidental fires, harvesting of rare species or natural resources Lack of maintenance of trails leading to erosion on slopes Social impacts on local communities	Support training and TA to develop skills for effective tourism management Promulgate rules and guidelines for visitors Provide waste and toilet facilities	Monitoring number of tourists Monitor habitat disturbance Communities free, prior and informed consent is recorded
Fire suppression	Impact on fire-dependent ecosystems	Perform prescribed burns to nurture fire-dependent species	Monitor fire-dependent indicator species response
IAS removal (by mechanical or chemical means)	Native species accidentally removed	Provide training on IAS and native species differentiation Isolate native species through demarcation	Monitor native indicator species for ecosystem response

Environmental and Social Management Framework

PEST MANAGEMENT PLAN

1. Any CEPF sub-project that proposes to use chemical pesticides must prepare a pest management plan as described in the over-arching CEPF Pest Management Plan:
2. The pest management plan (PMP) will describe CEPF requirements to ensure the use of best practice in the control and removal of alien and invasive plants, insects, and animals in compliance with World Bank Safeguards. This is included in the CEPF Operational Manual.
3. The objective of these guidelines is to avoid, minimize, or mitigate potentially adverse effects of the application of pesticides, insecticides, and herbicides (herewith referred to in the unitary as “pesticides”) in efforts to restore natural habitats.
4. This document describes the requirements and planning procedures for applicants/grantees in the preparation and implementation of alien and invasive species (AIS) control projects funded by CEPF, as well as the role of CEPF in ensuring compliance with these guidelines.
5. The spread of alien and invasive plants and animals is the second greatest cause of biodiversity loss after habitat destruction. In the context of CEPF, many of the KBAs and corridors targeted for investment suffer from, in particular, non-native plants which have opportunistically taken over natural landscapes, and from non-native animals that upset island ecosystems. Many Ecosystem Profiles specifically include the control and removal of such alien and invasive species as an investment priority. The control of alien and invasive species in KBAs and corridors is not an exception, but a standard part of CEPF operations in some hotspots, and as such, applicable guidelines must be followed.
6. Situations where these guidelines apply include grants which:
 - Pay for the direct purchase or expenses related to the manufacture, acquisition, transport, application, storage, or disposal of pesticides, including the costs of materials, equipment, and labor.
 - Pay for the direct purchase or expenses related to the control or removal of animals by chemical means.
 - Pay for the planning, management, or supervision of work which involves the general use of pesticides or animal control as described in the two points above.
7. Examples of the types of grants to which these guidelines apply include, but are not limited to:
 - A grant that involves the employ of labor and application of herbicide to restore a degraded landscape and allow endemic vegetation and animals to return.

- A grant that involves the supervision of teams conducting AIS control by chemical means, where those teams are operating with funding from a host country government or other donor.
 - A grant that involves the eradication by chemical means of non-native rats, cats, reptiles (e.g., Brown Tree Snake), birds (e.g., Common Myna), and invertebrates (e.g., Golden Apple Snail) from an island or isolated natural habitat.
8. These guidelines do **not** apply to the physical removal of alien and invasive plant and animals through physical means as part of the restoration of degraded habitat or the maintenance of KBAs and corridors.
9. A single set of guidelines cannot anticipate every scenario under which a grantee will propose to remove alien and invasive species. The conditions of the habitat, the type of species, the method of control, the capacity of the organization, the latest knowledge of environmental impacts, and even the definitions of “best practice” will change over time. Thus, these guidelines establish a process that grantees must follow, rather than a specific set of AIS control measures.

Components of the PMP

10. Any CEPF project that proposes to use a pesticide must prepare a pest management plan with six sections, outlined below. These projects should benefit from the accumulated knowledge on the use of pesticides in invasive eradication, including those that are available at:
- The IUCN Invasive Species Specialist Group (<http://www.issg.org/index.html>), which provides dozens of resources, including the Global Invasive Species Information Network List of Invasive Alien Species Online Information Systems (<http://www.gisnetwork.org/Documents/draftiasdbs.pdf>).
 - For Polynesia-Micronesia Hotspot, the Pacific Invasives Initiative Resource Kit for Rodent and Cat Eradication (<http://www.pacificinvasivesinitiative.org/rk/index.html>), which contains multiple templates and guidelines on animal control in the region.
 - For Maputaland-Pondoland-Albany Hotspot, in particular in South Africa, the Expanded Public Works Programme Working for Water, managed by the Department of Water Affairs (<http://www.dwaf.gov.za/wfw/>), including the Position Paper on Biocontrol (<http://www.dwaf.gov.za/wfw/Control/docs/article1.2.pdf>), the Project Operating Standards (<http://www.dwaf.gov.za/wfw/Control/docs/ProjectOperatingStandards%28May%202007%29Version3.pdf>), and the treatment tables for aquatic and terrestrial invasives, available at the same website.
 - The World Health Organization’s Recommended Classification of Pesticides by Hazard, updated every two years (http://www.who.int/ipcs/publications/pesticides_hazard/en/).

11. The pest management plan consists of six sections comprising 34 questions.

Grant Summary

1. Grantee organization.
2. Grant title.
3. GEM number (*to be completed by CEPPF*).
4. Grant amount (US dollars).
5. Proposed dates of grant.
6. Countries or territories where pesticides will be applied.
7. Full name, title, telephone numbers, and electronic mail address of Grantee personnel responsible for the pest management plan.
8. Summary of the project.
9. Date of preparation of the pest management plan.

Pest Management Approach: This section should describe the applicant's understanding of the problem, their experience with pest management issues, and their proposed actions during the project. Specifically, what do you intend to do and how will you do it? The information presented should include methods of application, e.g. by hand or via aerial spraying.

10. Current and anticipated pest problems relevant to the project.
11. Current and proposed pest management practices.
12. Relevant integrated pest management experience within the project area, country or region.
13. Assessment of proposed or current pest management approach and recommendations for adjustment where necessary.

Pesticide Selection and Use: This section aims to get a comprehensive understanding of the pesticide that will be selected, why it was selected and what efforts were made to assess risk. Note that in this section the applicant will also be required to present information on the potential risk that the selected pesticide will have on non-target species.

14. Description of present, proposed and/or envisaged pesticide use and assessment of whether such use is in line with best management practices.
15. Indication of type and quantity of pesticides envisaged to be financed by the project (in volume and dollar value) and/or assessment of increase in pesticide use resulting from the project.
16. Chemical, trade, and common name of pesticide to be used.
17. Form in which pesticide will be used (e.g., pellet, spray).
18. Specific geographic description of where the pesticide will be applied: name of province, district, municipality, land owners, or map coordinates (if available); and the total area (hectares) to which the pesticide will be applied.
19. Assessment of environmental, occupational and public health risks associated with the transport, storage, handling and use of the proposed products under local circumstances, and the disposal of empty containers.

20. Description of plans and results for tracking of damage to and/or deaths of non-target species prior to pesticide application and subsequent to pesticide application.
21. Pre-requisites and/or measures required to reduce specific risks associated with envisaged pesticide use under the project (e.g., protective gear, training, upgrading of storage facilities, etc.).
22. Basis of selection of pesticides authorized for procurement under the project, taking into consideration WHO and World Bank standards, the above hazards and risks, and availability of newer and less hazardous products and techniques (e.g. bio-pesticides, traps).
23. Name and address of source of selected pesticides.
24. Name and address of vendor of selected pesticides.
25. Name and address of facility where pesticides will be stored.

Policy, Regulatory Framework, and Institutional Capacity: This section aims to understand the institutional and legal framework under which the pesticide will be applied, with reference to the documentation and standards required under local and national law and international good practice. Where the particular pesticide is not regulated at the target site, the proponent must identify similar pesticides and the applicable regulation, international laws in neighboring countries that could apply, and international good practice. The proponent must also explain why this particular pesticide is necessary even in the absence of national laws.

26. Policies on plant/animal protection, integrated pest management, and humane treatment of animals.
27. Description and assessment of national capacity to develop and implement ecologically-based AIS control.
28. Description and assessment of the country's regulatory framework and institutional capacity for control of the distribution and use of pesticides.
29. Proposed project activities to train personnel and strengthen capacity (list # of people and what they are being trained in).
30. Confirmation that the appropriate authorities were approached (who and when) and that the appropriate licenses and permissions were obtained by the project.

Consultation: This section aims to outline the range of informed consultations that the grantee has had both with experts to optimize the potential for success, and with stakeholders, particularly local communities, who are potentially affected (by proximity, by the use of certain areas for free-ranging livestock or non-timber forest product collection, etc.) by the use of pesticides.

31. Plans for, dates, and results of expert consultations, if necessary.
32. Plans for, dates, and results of consultations with local communities.

Monitoring and Evaluation: This section aims to outline what steps the proponent will take to monitor and evaluate the purchase, storage, application

and effects of the pesticide in the target area.

33. Description of activities related to pest management that require monitoring during implementation.

34. Monitoring and supervision plan, implementation responsibilities, required expertise and cost coverage.

Implementation Strategy

Proposal Stage

12. The following steps will take place during the proposal preparation phase:
- The Letter of Inquiry and Grant Writer proposal should indicate that the Pest Management Safeguard has been triggered.
 - The proponent should prepare a Pest Management Plan, to be submitted to CEPF at the same time as their full proposal.
 - The proposal should include, in its section entitled Project Rationale, relevant information justifying the inclusion of pest management activities in the project.
 - The proposal should include, in its section entitled Project Approach, a summary of relevant information from the pest management plan.
 - The Logical Framework should include, as a clear and separate Component, implementation of a pest management plan, with associated Products/Deliverables.
 - If the proponent requires funding for any of the following, the Budget should clearly show the costs of purchase of AIS control equipment and chemicals, labor for their application, and the cost of expert consultation to ensure proper selection of method, among others.

Implementation Stage

13. The Grantee shall implement a Pest Management Plan adhering to the sections described above, Components of the PMP. During implementation:
- The Grantee shall follow the prescriptions of its Pest Management Plan and make regular reports to the Regional Implementation Team (RIT, the CEPF Secretariat's proxy in a hotspot). These reports will constitute Products/Deliverables in the project's Logical Framework.
 - CEPF requires that concerns raised through consultations with communities and management authorities be documented and addressed in the Pest Management Plan. Where applicable, letters of endorsement from appropriate management authorities are required.

- The Grantee will allow regular reviews by the RIT, CEPF Secretariat, or their outside experts to review implementation of the Pest Management Plan and adherence with World Bank standards, international best practice, and local law.

Roles and Responsibilities

During preparation

14. Proponents are responsible for:

- Writing plans, following plans and updating them when necessary, reporting against plans and informing potentially affected communities.

15. The CEPF Secretariat is responsible for:

- Training Regional Implementation Teams in the use and application of these guidelines.
- Screening projects to determine if they trigger applicable safeguards and require a pest management plan prior to formal approval.
- Informing proponents of these guidelines.
- Assessing the pest management plans, including the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to invasive species removal. If environmental or social impacts outweigh the potential benefits, cannot support the project.
- Providing clearance on every PMP that proposes to use a class 3 or lower pesticide.

16. The World Bank is responsible for:

- Providing training to the CEPF Secretariat and proponents on the preparation of PMPs.
- Reviewing and providing clearance on every PMP that proposes to use a class 1 or 2 pesticide.

During implementation

17. Proponents are responsible for:

- Reporting to affected communities, local authorities, and CEPF on project progress and on any unexpected and unintended events affecting local communities.
- The costs of clean-up or mitigation measures due to unintended negative impacts of pesticide use.

18. The CEPF Secretariat is responsible for:
- Review of project-specific PMPs during implementation. If CEPF finds that a proponent is not following a pest management plan or local requirements, then CEPF's responsibility is to withhold payment, or suspend or cancel the grant as appropriate.
19. The World Bank is responsible for:
- Reviewing the implementation of the PMP in the field.

Grievance mechanism

20. As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in official project files.

Disclosure

21. The Pest Management Plan and/or the documents required in countries where adequate policies exist are public documents. The Grantee should share them with local authorities and with potentially affected communities. Once the final documents have been approved, the Grantee will be required to disclose them, again, locally, and CEPF will place them on its website, www.cepf.net.

Monitoring and Evaluation

22. The CEPF Secretariat, using information from each grantee and appropriate RIT, will provide an update on pest management activities in its quarterly reporting.

Budget

23. The budget for M&E is included in the overall CEPF Secretariat budget for overall supervision. Each RIT will similarly supervise pest management as part of its regular supervision budgets. The grantee must include the full costs associated with the preparation, implementation and monitoring of their PMP in their application (either as a cost to be charged to CEPF or as co-financing).

Indigenous Peoples Planning Framework

This Indigenous Peoples Planning Framework (IPPF) has been prepared to ensure that the World Bank's Indigenous Peoples policy is applied to CEPF-supported projects. The objectives of the policy are to avoid adverse impacts on Indigenous Peoples and to provide them with culturally appropriate benefits. A parallel Process Framework describes requirements to address social impacts from restrictions of access to natural resources as per the Involuntary Resettlement Policy (OP 4.12).

The Indigenous Peoples policy recognizes the distinct circumstances that expose Indigenous Peoples to different types of risks and impacts from development projects. As social groups with identities that are often distinct from dominant groups in their national societies, Indigenous Peoples are frequently among the most marginalized and vulnerable segments of the population.¹ As a result, their economic, social, and legal status often limit their capacity to defend their rights to lands, territories, and other productive resources, and restricts their ability to participate in and benefit from development. At the same time, the policy, together with the Involuntary Resettlement policy, recognizes that Indigenous Peoples play a vital role in sustainable development and emphasizes that the need for conservation should be combined with the need to benefit Indigenous Peoples in order to ensure long-term sustainable management of critical ecosystems.

The IPPF describes the policy requirements and planning procedures that applicants for CEPF grants and subsequently grantees will follow during the preparation and implementation of CEPF projects. It also describes the role of CEPF.

CEPF and Indigenous Peoples

Many of the biodiversity hotspots where CEPF will invest overlap with lands or territories traditionally owned, customarily used, or occupied by Indigenous Peoples. The convergence of critical areas for conservation with millions of people who are highly dependent on healthy ecosystems for their survival is also most evident in the hotspots. In this way CEPF projects can provide valuable long-term opportunities for sustainable development for Indigenous Peoples and other local communities. However, a number of particular risks are relevant for the type of projects supported by CEPF:

¹ OP 4.10 uses the term Indigenous Peoples to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, social, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the country or region. Other terms used in different countries to refer to these groups include "indigenous ethnic minorities," "aboriginals," "hill tribes," "minority nationalities," "scheduled tribes," and "tribal groups" (OP 4.10, para 4).

- Customary and Indigenous Peoples' rights. Particular rights of Indigenous Peoples are recognized in international agreements, and for World Bank-supported projects by the Bank's own policy. Such rights may also be recognized in national legislation. CEPF projects would usually need to identify and recognize these rights to ensure that activities are not adversely affecting such rights. This is particularly the case for projects that support the development of management plans and other forms of land and natural resource use planning. Projects that support policy development may also affect Indigenous Peoples' rights.
- Loss of culture and social cohesion. Given Indigenous Peoples' distinct cultures and identities and their frequent marginalization from the surrounding society, interventions may run the risk of imposing changes to or disruption of their culture and social organization, whether inadvertently or not. While indigenous communities may welcome and seek change, they can be vulnerable when such change is imposed from external forces and when such change is rushed. Moreover, since many indigenous communities' culture and social organization are intertwined with their land and natural resource use practices, changes to these practices may result in unintended and unexpected changes in culture and social organization which may lead to social disruption and conflicts within and between communities and other stakeholders. This is relevant for all types of projects, but particularly for projects that aim to change livelihood and natural resource use practices and projects that create new institutional structures at the local level. Similarly, ecotourism activities may bring adverse impacts to indigenous communities, particular communities with little previous contact with people from the outside (this may be the case even for projects that aim at valuing local culture).
- Dependency on external support. Interventions supporting alternative livelihoods and new institutional structures may lead to indigenous communities' dependency on continued support. Indigenous Peoples, for instance, may experience difficulties engaging with the market economy through alternative livelihood activities that they may be unable to sustain, at least on an equitable basis, while foregoing traditional practices. They may also become dependent on new livelihoods that are not sustainable environmentally as well as socially, perhaps because they were developed without due consideration of their social and cultural context. New institutional structures may displace existing structures with both positive and negative impacts typically depending on the level of participation in and control over the process.
- Inequitable participation. The costs (e.g. in time and resources) of participating in project activities such as protected area management activities, monitoring and enforcement, even in cases of co-management, may outweigh the benefits to local communities. Participation design may not include appropriate capacity building (when needed) or take into consideration local decision-making structures and processes with the risk of leading to alienation of local communities or even conflicts with and/or between local communities. Participation design may not

include appropriate representation of Indigenous Peoples in decision-making bodies.

- Poorly planned changes in natural resource use. Traditional resource use practices of Indigenous Peoples are often marked by suspicion and stereotypes of both positive and negative character. One particular controversial aspect of many indigenous communities' land use practices is shifting cultivation (it takes many forms and is also referred to as swidden farming, rotational agriculture and slash and burn). Many consider this practice environmentally unsustainable, while others consider it to be sustainable and the best land use form under certain geographic, environmental, and social circumstances. Shifting cultivation is in many places under transition, often through government controlled processes and in many places in relation to biodiversity conservation. This commonly translates into reduction of areas under shifting cultivation if not outright restrictions, and sometimes with adverse social (e.g. decreased food security) as well as environmental consequences (e.g. over-exploitation of remaining land use areas). CEPF projects should address changes in natural resource use (and restrictions to this, if contemplated) based on a thorough understanding of both biological and social evidence, and consultation with local communities. Preferences in land use, including shifting cultivation, should be taken into account and loss of fallow areas should be included when assessing social impacts.

Projects affecting Indigenous Peoples, whether adversely or positively, therefore, need to be prepared with care and with the participation of affected communities. The requirements include social analysis to improve the understanding of the local context and affected communities; a process of free, prior, and informed consultation with the affected Indigenous Peoples' communities in order to fully identify their views and to obtain their broad community support to the project; and development of project-specific measures to avoid adverse impacts and enhance culturally appropriate benefits. These requirements are described below and should be read together with the Process Framework detailed in the next section. The full World Bank policies on Indigenous Peoples and Involuntary Resettlement are also available on the World Bank Web site at <http://go.worldbank.org/WTa1ODE7T0>.

Policy Requirements

The level of detail necessary to meet the requirements is proportional to the complexity of the proposed project and commensurate with the nature and scale of the proposed project's potential effects on the Indigenous Peoples, whether adverse or positive. This needs to be determined based on a subjective assessment of project activities, circumstances of local communities, and project impacts. Minimum requirements for projects working in areas with Indigenous Peoples are identification of Indigenous Peoples and assessment of project impacts, consultations with affected communities, and development of measures to avoid adverse impacts and provide culturally appropriate benefits (in projects with no impacts this could be limited to consultations during implementation to keep local communities informed about project activities). Further detail may also be required by CEPF as part of the proposal review process.

A. Screening for Indigenous Peoples. Many, if not most, CEPF grant applicants will know if Indigenous Peoples are present in project areas and can proceed to the social assessment and consultations (see next section). However, if this is not the case CEPF applicants are required to screen for the presence of Indigenous Peoples early on in project preparation. This could be done when preparing the Letter of Inquiry. The characteristics of Indigenous Peoples mentioned in OP 4.10 will be used as included in the footnote on the first page of this section. If it is uncertain whether local communities can be considered as Indigenous Peoples, applicants should consult with the communities, local NGOs, knowledgeable experts, and government representatives as appropriate. In situations of disagreements or controversy they may seek guidance from CEPF, who may seek guidance from the World Bank as needed.

B. Social assessment. Once it has been determined that Indigenous Peoples are present in the project area, the applicant assesses the particular circumstances of affected indigenous communities and assesses the project's positive and adverse impacts on them. Again, the level of detail of the assessment depends on project activities and their impacts on local communities. If the project is small and has no or few adverse impacts, this assessment is done as part of early project preparation by the applicant, mainly based on secondary sources and the applicants own experience working in the area. In larger and more complex projects, the assessment may be a separate exercise done by the applicant or contracted experts as appropriate and may include primary research. In all cases the assessment will be based on consultations with the affected communities.

The main purpose of the social assessment is to evaluate the project's potential positive and adverse impacts on the affected Indigenous Peoples. It is also used to inform project preparation to ensure that project activities are culturally appropriate, will enhance benefits to target groups, and is likely to succeed in the given socioeconomic and cultural context. In this way the assessment informs the preparation of the design of the project as well as any particular measures and instruments needed to address issues and concerns related to Indigenous Peoples affected by the project.

The findings of the social assessment is described in a separate report and reflected in the project proposal application. For small scale projects with no direct impacts on indigenous communities, the report is short and includes a brief overview of the indigenous communities affected by the project, project activities as they relate to the local communities, how project implementation will address the particular circumstances of Indigenous Peoples, and how they will participate and be consulted during implementation. For more complex projects a more elaborate report is required and should include the following elements, as needed:

- A description, on a scale appropriate to the project, of the legal and institutional framework applicable to Indigenous Peoples;
- Baseline information on the demographic, social, cultural and political characteristics of the affected indigenous communities, and the land and territories which they traditionally owned, or customarily used or occupied and the natural resources in which they depend;

- Description of key project stakeholders and the elaboration of a culturally appropriate process for consultation and participation during implementation;
- Assessment, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is an analysis of the relative vulnerability of, and risks to, the affected indigenous communities given their distinct circumstances, close ties to land, and dependence on natural resources, as well as their lack of opportunities relative to other social groups in the communities, regions, or national societies they live in;
- Identification and evaluation, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of measures to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project and measures necessary to avoid adverse effects, or if such measures are not feasible, identification of measures to minimize, mitigate, or compensate for such effects.

C. Free, prior and informed consultation. The Applicant undertakes a process of free, prior and informed consultation with the affected Indigenous Peoples' communities during project preparation to inform them about the project, to fully identify their views, to obtain their broad community support to the project, and to develop project design and safeguard instruments. In most cases, this process is best done as part of the social assessment although consultations are likely to continue after its completion.

The extent of consultations depends on the project activities, their impacts on local communities and the circumstances of affected Indigenous Peoples. At a minimum (for projects with no impacts or direct interventions with the indigenous communities), local communities are informed about the project, asked for their views on the project, and assured that they will not be affected during project implementation. For projects affecting indigenous communities, whether positively or adversely, a more elaborate consultation process is required. This may include, as appropriate:

- Inform affected indigenous communities about project objectives and activities
- Discuss and assess possible adverse impacts and ways to avoid or mitigate them
- Discuss and assess potential project benefits and how these can be enhanced
- Discuss and assess land and natural resource use and how management of these resources may be enhanced
- Identify customary rights to land and natural resource use and possible ways of enhancing these
- Identify and discuss (potential) conflicts with other communities and how these might be avoided
- Discuss and assess food security and how it might be enhanced through project interventions
- Elicit and incorporate indigenous knowledge into project design
- Facilitate and ascertain the affected communities' broad support to the project
- Develop a strategy for indigenous participation and consultation during project implementation, including monitoring and evaluation.

All project information provided to indigenous peoples should be in a form appropriate to local needs. Local languages should usually be used and efforts should be made to include all community members, including women and members of different generations and social groups (e.g. clans and socioeconomic background).

The applicant is responsible for the consultation process. If the indigenous communities are organized in community associations or umbrella organizations, these should usually be consulted. In some cases, it may be appropriate or even necessary to include or use in the process independent entities that have the affected communities' trust. The experience of (other) locally active NGOs and Indigenous Peoples experts may also be useful.

When seeking affected indigenous communities' support to project activities, two aspects should be considered: Who and what is the "community," and how is "broad support" obtained. Communities are complex social institutions and may be made up of several fractions; it may be difficult finding persons who are seen as representatives of the community. Interest in the project may vary among different groups (and individuals) in the community, and they may be affected differently. It is important to keep this in mind during the consultation process, and in some cases it may be more appropriate to consider the needs and priorities of sub-communities rather than those of a whole village.²

When seeking "broad community support" for the project, it should be ensured that all relevant social groups of the community have been adequately consulted. When this is the case and the "broad" majority is overall positive about the project, it would be appropriate to conclude that broad community support has been achieved. Consensus building approaches are often the norm, but "broad community support" does not mean that everyone has to agree to a given project. The agreements or special design features providing the basis for broad community support should be described in the Indigenous Peoples Plan; any disagreements should also be documented.

D. Indigenous Peoples Plan. Based on the consultation and social assessment processes, project design is refined and particular measures and instruments are prepared to address issues pertaining to Indigenous Peoples. This may be done in combination with instruments addressing involuntary restrictions on access to natural resources (a Process Framework) as described in the separate CEPF Process Framework section. The documents are prepared with the participation of affected indigenous communities during the consultation process.

The instrument to address the concerns and needs of Indigenous Peoples is usually an Indigenous Peoples Plan (IPP). CEPF will review and approves sub-project specific IPPs and other measures addressing Indigenous Peoples issues. In cases where Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, the

² There may also be non-indigenous neighborhoods or communities affected by the project. In such cases, all vulnerable people may be included in the consultation process and development of project design based on the requirements of OP 4.10 and the interests of the various social groups affected. It is important, though, to ensure that any customary rights or other entitlements or claims of particular social groups such as Indigenous Peoples are identified.

elements of an IPP should be included in the overall project design, and a separate IPP is not required. In this case the project application provides more details as to how Indigenous Peoples' issues are addressed during implementation.

The contents of the IPP depend on the project activities and impacts on Indigenous Peoples. A suggested outline is provided in Annex 1, but few CEPF projects are likely to need such an elaborate plan. It may be appropriate to include a process of further social analysis and consultations during project implementation to determine specific activities (this is particularly so given the limited funds for preparing CEPF projects). At minimum the IPP should include a description of the Indigenous Peoples affected by the project; summary of the proposed project; detailed description of the participation and consultation process during implementation; description of how the project will ensure culturally appropriate benefits and avoid or mitigate adverse impacts; a budget (this could be an explanation of how the overall budget incorporates costs related to Indigenous Peoples); mechanism for complaints and conflict resolution; and the monitoring and evaluation system that includes monitoring of particular issues and measures concerning indigenous communities.

The following elements and principles may be included in the IPP, as appropriate:

- Specific measures for implementation, along with clear timetables of action, and financing sources. These should be incorporated into the general project design as appropriate. Emphasis should be on enhancing participation and culturally appropriate benefits. Adverse impacts should only be contemplated when absolutely necessary.
- Formal agreements reached during the free, prior, and informed consultation during project preparation.
- Clear output and outcome indicators developed with affected Indigenous Peoples.
- Project design should draw upon the strengths of Indigenous Peoples Organizations and the affected communities and take into account their languages, cultural and livelihood practices, social organization and religious beliefs. It should avoid introducing changes that are considered undesirable or unacceptable to the Indigenous Peoples themselves.
- Efforts should be made wherever possible and appropriate to make use of, and incorporate, Indigenous knowledge and local resource management arrangements into project design.
- Special measures for the recognition and support of customary rights to land and natural resources may be necessary.
- Special measures concerning women and marginalized generational groups may be necessary to ensure inclusive development activities.
- If the grantee does not possess the necessary technical capacities, or if their relationship with Indigenous Peoples is weak, the involvement of experienced local community organizations and NGOs may be appropriate; they should be acceptable to all parties involved.
- Capacity building of other implementing agencies should be considered.

- Capacity building activities for the indigenous communities to enhance their participation in project activities may be useful or necessary; this may also include general literacy courses.
- Grievance mechanism taking into account local dispute resolution practices.
- Participatory monitoring and evaluation exercises adapted to the local context, indicators, and capacity.

Disclosure

Before finalizing an IPP (or IPPF) a draft should be disclosed together with the social assessment report (or its key findings) in a culturally appropriate manner to the Indigenous Peoples affected by the project. Language is critical and the IPP should be disseminated in the local language or in other forms easily understandable to affected communities – oral communication methods are often needed to communicate the proposed plans to affected communities.

After CEPF has reviewed and approved the IPP as part of the overall proposed project for funding, the grantee shares the final IPP (or IPPF) again with affected communities. The final IPP (or IPPF) is also disclosed at the CEPF Web site.

Roles and Responsibilities

Applicants, and subsequently grantees, are responsible for following the requirements of this Framework. They will ensure that Indigenous Peoples are consulted and benefit in culturally appropriate ways. They will avoid adverse impacts on indigenous communities, or where this is not possible develop with the participation of affected communities measures to mitigate and compensate for such impacts. Finally, they are responsible for reporting to both affected indigenous communities and CEPF on project progress and any unexpected and unintended events affecting Indigenous Peoples.

CEPF is responsible for the implementation of this Framework, and will ensure that the participation of Indigenous Peoples in project activities in culturally appropriate ways is encouraged. CEPF responsibilities include:

- Inform applicants and other stakeholders, including local communities, of this Framework and policy requirements;
- Assist applicants, and subsequently grantees, in the implementation of the Framework and policy requirements;
- Screen for projects affecting Indigenous Peoples;
- Review and approve project proposals, ensuring that they adequately apply the World Bank's Indigenous Peoples Policy;
- Assess the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to affected indigenous communities. When doing so project activities, impacts and social risks, circumstances of the affected indigenous communities, and the capacity of the applicant to implement the measures should be assessed. If the risks or complexity of particular issues

- concerning affected communities outweigh the project benefits, the project should not be approved as proposed;
- Assess the adequacy of the consultation process and the affected indigenous communities' broad support to the project—and not provide funding until such broad support has been ascertained; and
 - Monitor project implementation, and include constraints and lessons learned concerning Indigenous Peoples and the application of this IPPF in its progress and monitoring reports; it should be assured that affected indigenous communities are included in monitoring and evaluation exercises.

Grievance Mechanism

Indigenous Peoples and other local communities and stakeholders may raise a grievance at all times to applicants, grantees, and CEPF about any issues covered in this Framework and the application of the Framework. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available. These arrangements should be described in the project-specific frameworks and action plans along with the more project-specific grievance and conflict resolution mechanism.

As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

Process Framework for Involuntary Restrictions

This Process Framework describes CEPF requirements to address social impacts from restrictions of access to natural resources as per the World Bank's Involuntary Resettlement Policy (OP 4.12). A parallel Indigenous Peoples Planning Framework describes CEPF requirements related to Indigenous Peoples consistent with the World Bank's Policy on Indigenous Peoples (OP 4.10)¹.

The objectives of this Framework are to avoid, minimize, or mitigate potentially adverse effects of restrictions of access to natural resources, and ensure that affected communities are consulted with and participate in meaningful ways in project activities affecting them.

The Framework describes the requirements and planning procedures for grant applicants and subsequently grantees in the preparation and implementation of related projects, as well as the role of CEPF in ensuring compliance with this Framework.

CEPF and Access Restrictions

CEPF projects triggering the World Bank's policy on Involuntary Resettlement include projects that introduce involuntary restrictions of access to legally designated parks and protected areas or support efforts to improve enforcement of existing restrictions. This typically includes projects that support the development and implementation of management plans for protected areas and may also involve resources such as wildlife, non-timber forest products, and production areas.

In some of these cases it would be useful to follow the planning process described in this Framework, including the development of a Process Framework during project preparation and a Plan of Action during implementation. In any case, adverse social impacts on local communities should be avoided or appropriately mitigated.

The Framework does *not* apply to projects that provide incentives to change livelihood and natural resource use practices on a voluntary basis.

Policy Requirements

Projects affecting local communities in terms of their access to local resources need to be prepared with care and with the participation of affected communities. The requirements of the World Bank's policy include:

1. The development of a project-specific Process Framework during project preparation that describes the project and implementation process, including: (a) how specific components of the project were prepared and will be implemented; (b) how the criteria for eligibility of affected persons will be determined; (c) how measures to assist the

¹ Additional information can be found in the sourcebook for each policy at www.worldbank.org.

affected persons in their efforts to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area will be identified; and (d) how potential conflicts involving affected persons will be resolved. It also provides a description of the arrangements for implementing and monitoring the process.

2. The development of a Plan of Action during project implementation that describes the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. This could be in the form of a natural resources or protected areas management plan.

Preparation of a Process Framework

Participation of affected communities is the key element of the Process Framework. Affected communities have the *right to participate* in deciding the nature and scope of restrictions and the mitigation measures.

Affected communities should also participate in the drafting of the Process Framework. Typically, the Applicant will prepare a draft Framework that will then be shared and discussed with local communities and other relevant stakeholders. Based on the consultations, a final Framework will be prepared. CEPF may provide guidance on development of the Framework and will review and approve the final Framework prior to approving the final project proposal application.

The level of details of the Framework may vary depending on project activities, characteristics of restrictions and their impacts, and the number of persons affected. In some cases, the Applicant may prepare a simple Framework with input from local communities, leaving more detailed analysis for implementation. In more complex or larger projects, the preparation of the Framework may be supported by social analysis or surveys during preparation to assess the local context, particularly the circumstances of local communities and their land and natural resource use and management systems.

Content of the Process Framework

The Process Framework will describe the project and how restrictions of access to natural resources and measures to assist affected communities will be determined with the participation of affected communities. The Process Framework should include the following elements:

A. Project background. The Framework will briefly describe the project and local context, how the project was prepared, including the consultations with local communities and other stakeholders, and the findings of any social analysis or surveys that informed design. It will describe project activities and potential impacts from these.

B. Participatory implementation. This section will detail the participatory planning process for determining restrictions, management arrangements, and measures to address

impacts on local communities. The roles and responsibilities of various stakeholders and the methods of participation and decisionmaking should be described; decisionmaking may include the establishment of representative local structures, the use of open meetings, and involvement of existing local institutions. Methods of consultation and participation should be in a form appropriate to local needs.

Decisions should be based on well-founded understandings of the biological and socioeconomic contexts. It is thus common to include some form of participatory social assessment to inform the decision-making process. Such an assessment could develop a more in-depth understanding of: (a) the cultural, social, economic, and geographic setting of the communities in the project areas; (b) the types and extent of community use of natural resources, and the existing rules and institutions for the use and management of natural resources; (c) identification of village territories and customary use rights; (d) local and indigenous knowledge of biodiversity and natural resource use; (e) the threats to and impacts on the biodiversity from various activities in the area, including those of local communities; (f) the potential livelihood impacts of new or more strictly enforced restrictions on use of resources in the area; (g) communities' suggestions and/or views on possible mitigation measures; (h) potential conflicts over the use of natural resources, and methods for solving such conflicts; and (i) strategies for local participation and consultation during project implementation, including monitoring and evaluation.

Similarly, biological and ecological assessments are commonly undertaken to develop a well-founded understanding of existing biodiversity and natural resources and threats to these. Threats analysis is a useful tool to ascertain that restrictions will be informed by real threats rather than assumptions about the impacts from local communities' natural resource use practices, which sometimes can be viewed in stereotypical ways.

It is important to also pay particular attention to land tenure issues, including traditional land rights and obligations and use of natural resources by different local communities. For instance, areas used to collect non-timber forest products and for shifting cultivation, including fallow areas, under traditional farming systems should not be exposed to restrictions unless this is necessary for the conservation of important biodiversity and appropriate agreements with local communities can be made.

C. Criteria for eligibility of affected persons. The Framework describes how the local communities will participate in establishing criteria for eligibility for assistance to mitigate adverse impacts or otherwise improve livelihoods. In cases with significant consultations and social analysis during preparation, these criteria may be included in the Framework. However, in most cases they will be developed, or at least refined, during implementation. This would typically be done as part of a participatory social assessment process described above.

The eligibility criteria would determine which groups and persons are *eligible for assistance* and mitigation measures, not groups affected by the project. That is, the criteria may exclude certain persons or groups from assistance because their activities are clearly illegal, unsustainable, and destructive (e.g. wildlife poachers, dynamite fishers).

The criteria may also distinguish between persons utilizing resources opportunistically and persons using resources for their livelihoods, and between groups with customary rights and non-residents or immigrants.

The Framework should identify vulnerable groups and describe what special procedures and measures will be taken to ensure that these groups will be able to participate in, and benefit from, project activities. Vulnerable groups are groups that may be at risk of being marginalized from relevant project activities and decision-making processes, such as groups highly dependent on natural resources, forest dwellers, Indigenous Peoples,² groups or households without security of tenure, mentally and physically handicapped people or people in poor physical health, and the very poor.

D. Measures to assist the affected persons. The Framework should describe how groups or communities will be involved in determining measures that will assist affected persons in managing and coping with impacts from agreed restrictions. The common objective is to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area. However, in some circumstances affected communities may agree to restrictions without identifying one-for-one mitigation measures as they may see the long-term benefits of improved natural resource management. They may also forego practices in place of obtaining more secure land tenure and resource use rights. Possible measures to offset losses may include:

- Special measures for the recognition and support of customary rights to land and natural resources.
- Transparent, equitable, and fair ways of more sustainable sharing of the resources;
- Access to alternative resources or functional substitutes;
- Alternative livelihood activities;
- Health and education benefits;
- Obtaining employment, for example as park rangers or eco-tourist guides; and
- Technical assistance to improve land and natural resource use.

These measures should be in place before restrictions are enforced, although they may be implemented as restrictions are being enforced. The Plan of Action should be approved by CEPF before implementation.

E. Conflict resolution and complaint mechanism. The Framework should describe how conflicts involving affected persons will be resolved, and the processes for addressing grievances raised by affected communities, households or individual regarding the agreed restrictions, criteria for eligibility, mitigation measures and the implementation of these elements of the Process Framework.

The roles and responsibilities concerning conflict resolution and grievances of different stakeholders, including the Grantee, affected communities and relevant government

² If Indigenous Peoples are affected, the applicant will also prepare an Indigenous Peoples Plan (or similar instrument) as described in the separate CEPF Indigenous Peoples Planning Framework.

agencies, will be described. The roles of mediation entities or institutions will be described. The procedures should take into account local dispute resolution practices.

F. Implementation Arrangements. The Framework should describe the implementation arrangements. The roles and responsibilities concerning project implementation of different stakeholders, including the grantee, affected communities, and relevant government agencies, will be described. This includes agencies involved in the implementation of mitigation measures, delivery of services and land tenure, as appropriate and to the extent that these are known at the time of project preparation.

Monitoring and evaluation arrangements will also be described in the Framework, with more specific details for the Plan of Action designed during implementation. The Framework should include a budget for its implementation.

Plan of Action

During implementation, a Plan of Action is developed together with affected communities to describe the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. The action plan can take many forms. It can simply describe the restrictions agreed to, persons affected, measures to mitigate impacts from these restrictions, and monitoring and evaluation arrangements. It may also take the form of a broader natural resources or protected areas management plan.

The following elements and principles may be included in the plan, as appropriate:

- Project background and how the plan was prepared, including consultations with local communities and other stakeholders;
- The socio-economic circumstances of local communities;
- The nature and scope of restrictions, their timing as well as administrative and legal procedures to protect affected communities' interests if agreements are superseded or rendered ineffective;
- The anticipated social and economic impacts of the restrictions;
- The communities or persons eligible for assistance;
- Specific measures to assist these people, along with clear timetables of action, and financing sources;
- Protected area boundaries and use zones;
- Implementation arrangements, roles and responsibilities of various stakeholders, including government and non-government entities providing services or assistance to affected communities;
- Arrangements for monitoring and enforcement of restrictions and natural resource management agreements;
- Clear output and outcome indicators developed in participation with affected communities;
- Special measures concerning women and vulnerable groups;
- Capacity building of the grantee or other implementing agencies;

- Capacity building activities for the affected communities to enhance their participation in project activities;
- Grievance mechanism and conflict resolution taking into account local dispute resolution practices and norms; and
- Participatory monitoring and evaluation exercises adapted to the local context, indicators and capacity. Monitoring will include the extent and significance of adverse impacts as well as the outcome of mitigation measures.

Disclosure

A draft Process Framework is shared with (potential) affected communities to inform them about the project and get their input to project design and the Framework. Once the project, with the Process Framework, has been approved, the final Framework is again disclosed locally as well as at the CEPF Web site, www.cepf.net.

The Plan of Action is prepared with the participation of affected communities. A draft should be disclosed together with the findings of any social analysis that may inform the plan in a culturally appropriate manner to the persons affected by the project. Language is critical and the Framework should be disseminated in the local language or in other forms easily understandable to affected communities – oral communication methods may be needed to communicate the proposed plans to affected communities.

After CEPF has reviewed and approved the Plan of Action, the Grantee discloses the final plan to affected communities and other stakeholders. The final Plan of Action is also disclosed at the CEPF Web site.

Roles and Responsibilities

Applicants, and subsequently Grantees, with projects that restrict access to natural resources are responsible for complying with this Framework. Such applicant will prepare a Process Framework during preparation with the participation of affected communities. If the project is approved, during implementation the Grantee will prepare a Plan of Action with the informed and meaningful participation of affected communities. Applicants and Grantees will ensure that local communities are consulted and participate in culturally appropriate ways during preparation and implementation. They will avoid adverse impacts on affected communities or, where this is not possible, develop with the informed participation of affected communities measures to mitigate such impacts. Finally, they are responsible for reporting to both affected communities and CEPF on project progress and any unexpected and unintended events affecting local communities.

CEPF is responsible for the implementation of this overall Framework. CEPF responsibilities include:

- Inform applicants and other stakeholders, including local communities and organizations, of the Process Framework and policy requirements;

- Assist applicants, and subsequently grantees, in the implementation of the Process Framework and policy requirements;
- Screen for projects which may affect local communities through restrictions of access to natural resources;
- Assess the adequacy of the assessment of project impacts and the proposed measures to address issues pertaining to restrictions of access to natural resources. When doing so, project activities, impacts and social risks, circumstances of the affected communities, and the capacity of the applicant to implement the measures will be assessed. If the risks or complexity of issues concerning affected communities outweigh the project benefits, the project should not be approved as proposed;
- Assess the adequacy of the consultation process during preparation and implementation; and
- Review and approve project-specific action plans prepared during implementation.

Grievance Mechanism

Local communities and other stakeholders may raise a grievance at all times to applicants, grantees, and CEPF about any issues covered in this Framework and the application of the Framework. Affected communities should be informed about this possibility and contact information of the respective organizations at relevant levels should be made available. These arrangements should be described in the project-specific frameworks and action plans along with the more project-specific grievance and conflict resolution mechanism.

As a first stage, grievances should be made to the applicant or grantee, who should respond to grievances in writing within 15 working days of receipt. Claims should be filed, included in project monitoring, and a copy of the grievance should be provided to the CEPF Secretariat. If the claimant is not satisfied with the response, the grievance may be submitted to the CEPF Executive Director at cepfexecutive@conservation.org or by mail to: Critical Ecosystem Partnership Fund, Conservation International, Attn: Executive Director, 2011 Crystal Drive, Suite 500, Arlington, VA 22202, USA. CEPF will respond within 15 calendar days of receipt, and claims will be filed and included in project monitoring.

Annex 1: Standard Outline for an Indigenous Peoples Plan³

1. The Indigenous Peoples Plan (IPP) is prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed.

2. The IPP includes the following elements:

- a) A summary of the legal and institutional framework applicable to Indigenous Peoples in the area and a brief description of the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.
- b) A summary of the social assessment.
- c) A summary of results of the free, prior, and informed consultation with the affected Indigenous Peoples' communities that was carried out during project preparation and that led to broad community support for the project.
- d) A framework for ensuring free, prior, and informed consultation with the affected Indigenous Peoples' communities during project implementation.
- e) An action plan of measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, including, if necessary, measures to enhance the capacity of the project implementing agencies.
- f) When potential adverse effects on Indigenous Peoples are identified, an appropriate action plan of measures to avoid, minimize, mitigate, or compensate for these adverse effects.
- g) The cost estimates and financing plan for the IPP.
- h) Accessible procedures appropriate to the project to address grievances by the affected Indigenous Peoples' communities arising from project implementation. When designing the grievance procedures, the Applicant takes into account the availability of judicial recourse and customary dispute settlement mechanisms among the Indigenous Peoples.
- i) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the IPP. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation with the affected Indigenous Peoples' communities.

³ Based on OP 4.10, Annex B

4. Procedures for Grant Management

Ecosystem Profiles

The Critical Ecosystem Partnership Fund (CEPF) uses a process of developing “Ecosystem Profiles” to identify and articulate an investment strategy for each region to be funded. Each profile reflects a rapid assessment of biological priorities and the underlying causes of biodiversity loss within particular ecosystems. The profile couples these two elements with an inventory of conservation-related investment taking place within the region and other key information to identify how CEPF funding can provide the greatest incremental value.

The process of drafting an ecosystem profile begins after the CEPF Donor Council approves a region as a priority. Each profile follows a standard format that includes:

- Introduction
- Background
- Biological Importance of the Ecosystem
- Conservation Outcomes Defined for the Region of Interest
- Socioeconomic, Policy, and Civil Society Context of the Region
- Climate Change Assessment
- Threat Assessment
- Assessment of Current Investment
- CEPF Niche for Investment
- CEPF Investment Strategy and Programmatic Focus
- Sustainability
- Conclusion
- Logical Framework

A more detailed description of the requirements for the ecosystem profile is provided below.

Each ecosystem profile is based on a comprehensive research and consultation process that includes input from diverse stakeholders to create a shared strategy from the outset. Technical review teams and regional representatives from CEPF donor partner institutions also have an opportunity to provide input before the profiles are submitted to the CEPF Donor Council for endorsement.

Regional Priorities

The CEPF Secretariat recommends specific biodiversity hotspots to become priorities for CEPF investment based on key factors, such as biological diversity, an area’s political climate, leveraging opportunities and, where relevant, results of previous CEPF investment. A list of priorities is presented to the CEPF Donor Council for discussion and approval based on resources available.

Profiling Process and Methodology

The profiling begins with research and a participatory priority-setting process that seeks to include all key players in a region's biodiversity conservation activities. The purpose is to secure broad-based scientific agreement on the biological priorities for conservation and then to define the CEPF niche and specific conservation targets and actions for the program's investments with diverse stakeholders.

Definition of the biological priorities is undertaken in consultation with the Center for Applied Biodiversity Science at Conservation International. These "Conservation Outcomes" represent the globally threatened species within the region, the sites that sustain them, and the landscapes necessary to maintain the ecological and evolutionary processes upon which those sites depend.

The approach includes engaging experts from numerous disciplines, as well as government agencies; nongovernmental organizations; key communities, including indigenous groups within the focal biodiversity areas; donor organizations; and other stakeholders in agreeing the subset of conservation outcomes for which CEPF funding could have the greatest impact.

The profiling process may also capitalize on priority-setting processes that have already taken place in a region.

The profiling team will also secure and analyze up-to-date information on current activities and threats affecting biodiversity conservation in a region, as well as current levels of investment and other data to inform identification of the CEPF niche and the investment strategy. This includes assessing current support by donors and other actors in climate change mitigation and adaption and the opportunity for civil society organizations to contribute to climate change mitigation and adaptation efforts. The data-gathering process also includes consultation with many stakeholders.

The profile is drafted from this analysis and the results of the participatory process. The final draft includes a Logical Framework that outlines the CEPF objectives (known as "strategic directions") and specific investment priorities developed for the region, as well as broad indicators to measure impact.

Reviews

The CEPF Secretariat will undertake a review process with the stakeholders and may also solicit reviews from others in the region to assess the technical and programmatic merits of the ecosystem profile.

In addition to the above review processes, each ecosystem profile is shared with the CEPF Working Group for review and with other technical counterparts of these donor institutions, as relevant.

Once the draft document is finalized, each profile is then submitted to the CEPF Donor Council for approval. Each profile must be submitted 45 days prior to the Donor Council

meeting at which it will be considered for approval. Comments from the review are discussed and responded to, and any necessary changes are made. Each profile must also be endorsed by the relevant GEF focal points before disbursement of funds can begin.

Implementation of the Ecosystem Profile

Funding for each region is approved by the Donor Council in the form of a block ecosystem grant. The ecosystem profile is then made public on the CEPF Web site, www.cepf.net, and implementation can begin.

Applications are accepted through an approved application process. The regional implementation team will coordinate any required independent reviews of hotspot-specific proposals. The CEPF Secretariat will coordinate review by the relevant regional implementation team and, as needed, independent experts, of applications proposing activities designed to benefit multiple hotspots. Successful applications must help implement a specific strategic direction represented in the profile and also meet other approved eligibility criteria.

Information Requirements for Ecosystem Profiles*

Each Ecosystem Profile shall include the following information, in such an order and with such emphasis as may be necessary within each ecosystem:

1. Description of the biodiversity hotspot and the ecosystem or ecosystems proposed to be funded by the CEPF, including its size, location, climate, threatened species and habitats, geography, indigenous peoples and other characteristics, as relevant, and it shall explain the importance of the biodiversity housed in the area, and why the ecosystem has priority.
2. Information confirming the eligibility of the area for funding by CEPF.
3. Information related to the conservation targets that have been defined for the region. These outcomes represent the quantifiable set of species and land areas that are indispensable to conserving biodiversity. Priority areas necessary to maintain ecological and evolutionary processes at the landscape scale will also be identified.
4. Analysis of the socioeconomic, policy, and civil society context of the area to assist in developing a comprehensive understanding of development priorities (including poverty reduction impacts), threats, and opportunities.
5. Assessment of the threats and root causes of these threats, to the ecosystem's integrity, including, as relevant, a brief historic overview thereof. Description of the kind of solutions that can be designed to overcome or at least mitigate the root causes of these threats.
6. Identification of the primary actors involved and how these should change to support biodiversity conservation in the area (both threat actors and opportunity actors).
7. Description of major efforts that have been or are being undertaken for biodiversity conservation in the area by national and international, bilateral, public and private sector actors, as relevant, including levels of funding already provided by those actors, and why existing activities and investments are deemed to be insufficient, or ineffective to provide for biodiversity conservation in the area.
8. Description of current support by donors and other actors in climate change mitigation and adaptation. This shall include an analysis of the opportunity for civil society organizations to contribute to climate change mitigation and adaptation.
9. Strategy for biodiversity conservation in the ecosystem and its region; such strategy to be based on existing information and known priorities, or a new synthesis, as appropriate.
10. Description of external conditions considered necessary for biodiversity conservation in the ecosystem including political, legal, social, economic, cultural and biological

elements, as appropriate.

11. Description of the legal status of the area concerned, and of state and federal or other agencies responsible for the establishment and management of protected areas.
12. Identification of gaps or niches in which the CEPF could particularly add value or complement existing investments in biodiversity conservation.
13. Recommendation for priorities for funding from the CEPF, taking into account the strategy for biodiversity conservation in the ecosystem and its region.
14. In all instances, the recommendation for funding from the CEPF shall include an explicit strategic direction to support civil society participation in climate change mitigation and adaptation.
15. Identification of stakeholders who may be able to work in alliances to more effectively combat threats to the ecosystem's integrity or to increase the overall effectiveness of existing conservation activities, and a description of intended approaches for their involvement and for involvement of the local population. Such a description shall also address means of raising awareness of the general public, as appropriate.
12. Motivated recommendation of the types of activities for which grant funding would be provided under the Ecosystem Profile and a classification of these types of activities based on their anticipated size of the grant funding involved.
13. Description of types of entities that are expected to be recipients of grants.
14. A logical framework with broad indicators that can be used to evaluate and determine whether or not the strategic funding directions put forward through the Ecosystem Profile have been successful.
16. Conclusions

** These Information Requirements are extracted from Schedule II of the CEPF Financing Agreement. In addition, the Donor Council approved the inclusion of requirements specific to consideration of climate change mitigation and adaptation in November 2008.*

Engaging the Private Sector

CEPF provides support to nongovernmental organizations and other civil society partners to conserve critical ecosystems. From its inception in 2000, CEPF has defined “civil society” broadly to include the private sector. The CEPF Financing Agreement explicitly states that CEPF shall provide strategic assistance to nongovernmental and private sector organizations for the protection of vital ecosystems.

CEPF has directly awarded grants to private sector partners to help implement its region-specific investment strategies. In the Cape Floristic Region of South Africa, for example, CEPF support to the South African Wine & Brandy Company enabled the company to lead implementation of a unique initiative that resulted in biodiversity guidelines being incorporated into the industry-wide system for South African wine production. In addition to following the guidelines for the sustainable production of wine, more than 80 participating cooperative cellars and winegrowers have set aside biodiversity-rich areas of their land for conservation. In other biodiversity hotspots, such as the Atlantic Forest, the Tropical Andes, the Succulent Karoo, and the Philippines, CEPF funding has facilitated the engagement of the private sector in diverse partnerships and approaches, from co-financing to direct implementation, contributing to biodiversity conservation.

CEPF will continue to recognize the important role that the private sector can play in biodiversity conservation and seek to further scale up its engagement of this sector together with other civil society actors.

As a first critical step, CEPF will further scale up its analysis and understanding of the private sector as a core part of the ecosystem profiling process for each new investment region. This will be undertaken as part of the CEPF commitment to include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats and opportunities.

The highly participatory profiling process identifies the conservation needs, gaps, opportunities, and the specific niche and investment strategy for CEPF to provide the greatest incremental value in each investment region. The process enables diverse stakeholders to develop a shared strategy from the outset based on the individual region’s needs and opportunities. The profiling process will enable identification, wherever possible, of specific niches for engagement with the private sector through various mechanisms including: dialogue to change policies and practices; development and dissemination of good practice guidelines; synergies and opportunities for private sector cofinancing; and incremental investments to small-scale business initiatives to enhance and monitor biodiversity impact.

Multiple ecosystem profiles developed to date have identified specific opportunities and strategies for engagement with the private sector. The Cape Floristic Region project example highlighted above is a direct result of the strategic need identified in the profile

to promote innovative private sector involvement in critical landscapes. In the Atlantic Forest, where much of the land is privately held, CEPF also identified a strategic direction to increase the number of private protected areas. CEPF investments subsequently enabled a targeted program to assist more than 50 landowners in creating and improving management of reserves on their private land. Recognized as official protected areas under Brazilian law, these private reserves complement the country's public protected areas system by connecting small and fragmented forest blocks and bringing additional priority land into the network of protected areas. Guided by the strategic directions and investment priorities identified in the profiles to date, CEPF funding has also helped create important contributions to biodiversity conservation from mining, logging, tourism, and other corporate interests in the hotspots. The new Indochina ecosystem profile specifically targets opportunities for private-public partnerships and enhancing the environmental impact process to mitigate the impacts of commercial and development operations.

The profiling process is thus the first and most critical step in planning private sector engagement in a manner appropriate for any particular region. Information requirements for future profiling will more explicitly emphasize the need to identify private sector engagement opportunities. This emphasis will also build on the CEPF components identified in the Strategic Framework (FY 2008-2012) to (i) strengthen protection and management of globally significant biodiversity and (ii) increase local and national capacity to integrate biodiversity conservation into development and landscape planning, which is particularly targeted to biological corridors and more sustainable management in production landscapes.

As part of the first component, CEPF will focus on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses. Target areas will not be limited to formal designated protected areas and legal entities but will also include community and private lands that are managed for a conservation objective. This component also includes a subcomponent to support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation that will engage the private sector in implementation. As a core part of the mainstreaming component, CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling private sector actors to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. CEPF will build upon successful models from earlier years to promote collaboration with governmental partners and sectors such as agriculture, tourism, logging and mining, by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development.

As the profiles guide implementation at the regional level, the identified needs and opportunities to engage the private sector will become a key part of implementation. As the lead in implementing the ecosystem profiles, Regional Implementation Teams will play an important role by acting as an extension service to assist local actors in designing,

implementing, and replicating successful conservation activities, including those initiatives proposed for direct implementation by or in partnership with the private sector. Through its diverse donor partnership, the CEPF also provides exciting opportunities for working with the private sector, in collaboration with Conservation International operations such as Verde Ventures and the Center for Environmental Leadership in Business as well as through enhanced opportunities for collaboration with World Bank Group operations, including those of the International Finance Corporation.

Monitoring and evaluation of individual projects by the Regional Implementation Teams, and deriving and sharing lessons learned within, and across, hotspots will also help to identify increased opportunities for engagement with the private sector. The CEPF Secretariat will develop a global replication and dissemination strategy to expand and formalize information sharing and learning opportunities for analysis and documentation of lessons learned and best practices, including engagement with the private sector. New opportunities to engage the private sector and other key stakeholders may also be identified and incorporated during implementation.

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Regional Implementation Team Terms of Reference and Selection Process

Nongovernmental organizations selected to function as Regional Implementation Teams for the Critical Ecosystem Partnership Fund (CEPF) beginning in 2007 will provide strategic leadership for the program in each of the biodiversity hotspots approved for investment.

Each Regional Implementation Team (RIT) will consist of one or more civil society organizations active in conservation in the region. For example, a team could be a partnership of civil society groups or could be a lead organization with a formal plan to engage others in overseeing implementation, such as through an inclusive advisory committee.

TERMS OF REFERENCE

The objective of the Regional Implementation Teams will be to convert the plans in the ecosystem profile into cohesive portfolios of grants that exceed in impact the sum of their parts.

The teams will provide local knowledge and insights and will represent CEPF in each hotspot region. They will have primary responsibility for building a broad constituency of civil society groups working across institutional and political boundaries toward achieving the shared conservation goals described in the ecosystem profiles.

The teams will operate in a transparent and open manner, consistent with the CEPF mission and all provisions of the CEPF Operational Manual.

Organizations that are members of the Regional Implementation Team will not be eligible to apply for other CEPF grants within the same hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, and subject to additional external review.

TOR FOR ADMINISTRATIVE PROPOSAL	FUNCTIONS
1. Establish and coordinate a process for proposal solicitation and review.	<p>Establish and coordinate a process for solicitation of applications.</p> <p>Announce the availability of CEPF grants. Publicize the contents of the ecosystem profile and information about the application process.</p> <p>With the CEPF Secretariat, establish schedules for the consideration of proposals at pre-determined intervals,</p>

	<p>including decision dates.</p> <p>Establish and coordinate a process for evaluation of applications.</p> <p>Evaluate all Letters of Inquiry.</p> <p>Evaluate all proposals.</p> <p>Facilitate technical advisory committee review, where appropriate (including convening a panel of experts).</p> <p>Obtain external reviews of all applications over \$250,000.</p> <p>Ensure that all application information is linked into the CEPF automated grants management system.</p> <p>Decide jointly with the CEPF Secretariat on the award of all grant applications of \$20,000 and above.</p> <p>Communicate with applicants throughout the application process to ensure applicants are informed and fully understand the process.</p>
<p>2. Manage a program of small grants; that is, grants of less than \$20,000.</p>	<p>Announce the availability of CEPF small grants.</p> <p>Conduct due diligence to ensure sub-grantee applicant eligibility and capacity to comply with CEPF funding terms.</p> <p>Manage the contracting of these awards.</p> <p>Manage disbursement of funds to grantees.</p> <p>Ensure sub-grantee compliance with CEPF funding terms.</p> <p>Monitor, track, and document grantee technical and financial performance.</p> <p>Assist the Secretariat in maintaining the accuracy of the CEPF grants management database.</p> <p>Open a dedicated bank account in which the funding allocated by CEPF for Small Grants will be deposited, and report on the status of the account throughout the project. Convene a panel of experts to evaluate proposals.</p> <p>Conduct regular project site visits (at least once every</p>

	<p>six months) to monitor and document grantee technical and financial performance.</p> <p>Contact grantees regularly via email and telephone.</p> <p>Ensure that grantees complete regular (based on length of the project) technical and financial progress reports.</p> <p>Prepare bi-annual summary report to the CEPF Secretariat with detailed information of the Small Grants Programme, including names and contact information for all grantees, grant title or summary of grant, time period of grants, award amounts, disbursed amounts, and disbursement schedules.</p>
3. Reporting and Monitoring.	<p>Collect and report on data for portfolio-level indicators.</p> <p>Ensure quality of performance data submitted by grantees.</p> <p>Support the CEPF Secretariat to monitor programmatic performance of grantees.</p> <p>Verify completion of products, deliverables, and short-term impacts by grantees.</p> <p>Review grantee financial reports in relation to programmatic performance.</p> <p>Support grantees to comply with requirements for completion of GEF tracking tools, including the Management Effectiveness Tracking Tool.</p> <p>Support a mid-term learning exchange workshop to build institutional capacity of grantees and convene a final assessment of the CEPF portfolio.</p> <p>Conduct a mid-term.</p> <p>Visit grantees to monitor their progress and ensure outreach, verify compliance and support capacity building.</p> <p>Provide guidance to grantees for the effective design and implementation of safeguard policies to ensure that these activities comply with the guidelines detailed in the CEPF Operations Manual and with the World Bank's environmental and social safeguard policies. Provide additional support and guidance during the implementation and evaluation cycles at regular field visits to projects.</p>

TOR FOR PROGRAMMATIC PROPOSAL	FUNCTIONS
<p>4. Coordinate and communicate CEPF investment, build partnerships and promote information exchange in the hotspot.</p>	<p>Serve as the lead point of contact for CEPF in relation to international donors, host country governments and agencies, and other potential partners within the hotspot.</p> <p>Facilitate information exchange among stakeholders.</p> <p>Communicate regularly with CEPF and partners about the portfolio through face-to-face meetings, phone calls, the internet (website and electronic newsletter) and reports to forums and structures.</p> <p>Provide regular communications and reports to the CEPF Grant Director on the progress of the project.</p> <p>Provide lessons learned and other information to the Secretariat to be communicated via the CEPF website.</p> <p>Disseminate results via multiple and appropriate media.</p> <p>Facilitate partnerships between stakeholders in order to achieve the objectives of the ecosystem profile.</p> <p>Build partnerships between and among grantees and other stakeholders.</p> <p>Promote collaboration and coordination among local or international donors.</p> <p>In coordination with CEPF's Secretariat, ensure communication and collaboration with the six CEPF donors, as appropriate in the hotspot.</p> <p>Promote opportunities to leverage CEPF funds with donors and governments investing in the region. Visit stakeholders, and attend meetings and events to ensure collaboration, coordination and outreach.</p>
<p>5. Build the capacity of grantees.</p>	<p>Assist civil society groups in designing projects that contribute to the achievement of objectives specified in the ecosystem profile and a coherent portfolio of mutually supportive grants.</p> <p>Build institutional capacity of grantees to ensure efficient and effective project implementation.</p>

SELECTION PROCESS

The teams will be chosen on a transparent and competitive basis.

A request for proposals will be distributed widely by the CEPF Secretariat. This will include direct distribution to all stakeholders who participated in the ecosystem profiling process for the region, publicizing the request for proposals on the CEPF global Web site and in the CEPF e-newsletter, and encouraging CEPF donor partners and well-known organizations both internationally and within the region to distribute the announcement through their regional networks.

The call for proposals will detail the opportunity presented to lead implementation in the relevant hotspot, and will include the Terms of Reference, criteria for evaluation, and a closing date for the receipt of proposals by the CEPF Secretariat. It will also include the maximum budget amount allocated for the Regional Implementation Team in the region and a link to the approved ecosystem profile on the CEPF Web site, www.cepf.net.

Applicants will be required to submit a proposal in the approved CEPF application template, including detailed project objectives (goal, purpose, outputs), the organization's comparative advantage in carrying out the role as a Regional Implementation Team, and clear performance indicators. In addition, the proposal must include a detailed budget, logical framework and five-year work plan and identify a single regional coordinator who will be principally responsible for carrying out these plans.

The Secretariat will analyze and rank the applications using the criteria described below. To maintain an open and objective selection process, any potential advantage gained as a result of involvement in creating the CEPF ecosystem profile for the region will not be considered as part of the assessment.

The Secretariat will present the applications and its analysis to the CEPF Working Group, which will develop a recommendation for the CEPF Donor Council. The final selection will be approved by the Donor Council.

Criteria for Evaluating Applications

In assessing applications, the following capabilities will be considered:

1. Programmatic Capacity/Experience: Successful applicants will be nongovernmental organizations presenting substantial experience in biodiversity conservation in the region. Applicants should present a clear and compelling justification for their application. This should include how their institutional strategy would be advanced by the organization's stewardship of the CEPF strategy and would help to ensure sustainability of results beyond the CEPF implementation period. Other important indicators will include:

- A mission statement that is congruent with the objectives and priorities identified for the region in the ecosystem profile.

- Proposed key personnel, including their qualifications and proposed roles.
- An acknowledged position of leadership within the region's civil society sector.
- Demonstrated experience in working with partners (such as NGOs, community organizations, and the private sector) to improve the effectiveness of conservation programs.
- Demonstrated commitment to strengthening other less developed civil society organizations.
- Well-established professional relationships with national and local government agencies and other sectors in the region.
- Ability to represent and widely communicate the CEPF mission, objectives, and opportunities, as well as experiences, lessons learned, and results.
- A strong commitment to monitoring and evaluation as indicated by functioning systems to monitor and evaluate the applicant's own programs.
- An existing sustainable conservation program in the region, demonstrated by its duration and record of support by other donors.

2. Administrative Capacity/Experience: A sound and tested financial and administrative system will be a key area for assessment in each application. Applicants should describe in detail their existing administrative and financial structures and how these structures would support effective and efficient implementation work. Among the financial and administrative factors for consideration are:

- Demonstrated ability to track, record, and account for funds received and disbursed.
- Segregation of duties. (For example, the person who makes the grant cannot be the same person who approves the payments or authorizes disbursement).
- Defined administrative/financial roles and a chart indicating the leadership and employee structure of the organization.
- Regular completion of reconciliations of money received and disbursed, in comparison with bank statements.
- Internal controls and objective criteria that guide the review of payment requests and other invoices.
- Systematic record keeping.
- Fraud and embezzlement safeguards.
- Ability to carry out the CEPF mission using locally appropriate languages in work with applicants and government officials, and to use English for all evaluations of proposals and reporting on grantee performance.
- Certified audits conducted on an annual basis with no material findings. Two most recent audits should be provided as part of the proposal.

Applicants should detail how they would adapt or expand their own administrative systems to enable effective award, management, and monitoring of individual grants of up to \$20,000.

Grant-Making Process

CEPF has a comprehensive grant application and management system that enables online access to the suite of CEPF application and reporting templates as well as key proposal and project reporting information.

Ecosystem Profiles developed together with stakeholders will guide all applicants in applying for grants as well as the award of all grants¹ by the CEPF Secretariat and Regional Implementation Teams². The investment strategies of each profile will be organized into the various elements of work for which CEPF is seeking proposals.

All profiles will be placed on the CEPF Web site, where applicants may access the *CEPF Letter of Inquiry*³ template and respond to a series of eligibility questions to ensure that they qualify as potential grantees. Applicants select a strategic direction from the profile for which they wish to apply and describe their proposed project. Submission of the Letter of Inquiry begins the *Grant Decision-Making Process*⁴.

If the Letter of Inquiry is satisfactory, and the applicant requests a grant of \$20,000 or less, additional forms are not required. If the Letter of Inquiry is satisfactory and the applicant requests a grant of more than \$20,000 the applicant will be invited to complete the *CEPF Project Proposal*⁵ as well as a *Financial Questionnaire*⁶. Once received by CEPF, this part of the proposal application will be reviewed. At the same time, a *Risk Assessment*⁷ will be carried out based on the submitted financial questionnaire to determine the level of monitoring and reporting required.

If the project is approved, a *Grant Agreement*⁸ will be generated and signed by both parties. Procedures for managing approved grants are summarized in Section 4.5.

¹ The Ecosystem Profiles and information requirements are described in 4.1

² The Regional Implementation Team Terms of Reference and Selection Process are found in Section 4.3

³ The Letter of Inquiry template is found in Section 4.4.1

⁴ A detailed description of the decision-making process is found in Section 4.4.3

⁵ The Project Proposal is found in Section 4.4.2

⁶ The Financial Questionnaire is found in Section 4.4.4

⁷ The Risk Assessment model is found in Section 4.4.5

⁸ The Grant Agreement is found in Section 4.4.6 and 4.4.7

CEPF Letter of Inquiry

To submit your Letter of Inquiry, please send it to cepfgrants@conservation.org. If you have any questions or concerns please send your inquiry to the same account and we will do all that we can to assist.

Thank you for your interest in CEPF.

Organization Information
Organization Legal Name
Organization Short Name / Acronym, if any.
Project Lead Contact – Provide the name and contact information for the person responsible for correspondence with CEPF regarding this project.
Organization Chief Executive – Provide the name and contact information for the chief executive or person who is authorized to sign contracts on behalf of your organization.
Mailing Address
Physical Address – if different from mailing address above.
Country
Telephone
Fax, if any.
Web Site Address, if any.
E-mail Address – Provide an e-mail address. CEPF will use this to communicate the status of your application.
Total Permanent Staff
Year Organization Established

Organization Type☐ Local☐ International

Local organizations should be legally registered in a country within the hotspot where the project will be implemented and have an independent board of directors or other similar type of independent governing structure.

History and Mission Statement – Provide a brief description of your organization’s history and mission, including experience relevant to the proposed project.

Eligibility Questions

The questions below help CEPF determine the eligibility of your organization or proposed project activities to receive CEPF funds. Where possible, you may revise your strategy to avoid these elements or you may wish to consult the “Resources” section at www.cepf.net that provides links to additional funding sources and resource sites.

Ineligible Recipients of Funds

Government agencies, and organizations controlled by government agencies, are **not** eligible to receive CEPF funds.

Do you represent, or is your organization controlled by, a government agency?

☐ Yes

☐ No

Government-owned enterprises or institutions are eligible only if they can establish (i) that the enterprise or institution has a legal personality independent of any government agency or actor, (ii) that the enterprise or institution has the authority to apply for and receive private funds, and (iii) that the enterprise or institution may not assert a claim of sovereign immunity.

If your organization is a government-owned enterprise or institution, can it clearly establish each of the three items named above?

☐ Yes

☐ No

Ineligible Use of Funds

CEPF will **not** fund the capitalization of trust funds, the purchase of land, the involuntary resettlement of people, or the removal or alteration of any physical cultural property under any circumstances. Please answer “yes” or “no” to each item below.

Does your proposed activity intend to use CEPF grant money to capitalize a trust fund?

☐ Yes

☐ No

Does your proposed activity intend to use CEPF grant money to purchase land?

☐ Yes

☐ No

Does your proposed activity intend to use CEPF grant money to resettle people?

☐ Yes

☐ No

Does your proposed activity intend to use CEPF grant money to remove or alter any physical cultural property (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance)?

☐ Yes

☐ No

Safeguard Questions

The questions below will help CEPF to determine whether your project triggers any of the World Bank's safeguard policies. CEPF is required to assess all applications to determine if safeguards are triggered, and if so, whether or not appropriate mitigation measures are included in project design and implementation. For further information on CEPF application of safeguards please refer to http://www.cepf.net/grants/Pages/safeguard_policies.aspx.

Environmental assessment. Will the project have adverse impacts on the environment? If you answer yes, please provide additional information and a description of mitigating measures you will take.

☐ Yes

☐ No

Natural habitats and forests. Will the project cause or facilitate any significant loss or degradation of forests or other natural habitats? If you answer yes, please provide additional information and a description of mitigating measures you will take.

☐ Yes

☐ No

Involuntary restrictions of access to resources. Will the project introduce or strengthen involuntary restrictions of access to resources? If you answer yes, please provide additional information and a description of mitigating measures you will take.

☐ Yes

☐ No

Indigenous peoples. Does the project plan to work in lands or territories traditionally owned, customarily used, or occupied by indigenous peoples? If you answer yes, please provide a brief description of planned activities in these lands or territories, any adverse impacts foreseen on these indigenous peoples and any mitigating measures you will take.

☐ Yes

☐ No

Pest management. Will the project involve use of herbicides, pesticides, insecticides or any other poison for the removal of invasive species? If you answer yes, please provide the name of the pesticide, herbicide, insecticide or poison you intend to use.

☐ Yes

[] No
Project Title and Request
Project Title
CEPF Region – Please list the CEPF region where your project will be implemented. CEPF funding regions are described on www.cepf.net .
Project Location – Define the geographic location (including country, corridor, site, etc) where project activities will take place.
Project Duration – Enter the approximate time period of your project.
Strategic Direction from the CEPF Ecosystem Profile – Enter the single strategic direction this proposal aims to address. Use the exact number, such as 1, 2, etc. and wording from the ecosystem profile for this region found on www.cepf.net .
Funding Request Amount – Enter the amount of funds (in US \$) requested from CEPF.
Total Project Budget – Enter the total budget for this project from all funding sources.
Counterpart Funding – Identify the amounts and sources of any other funding already secured to be directed to this project.
In-Kind Contributions – Enter the amount of your organization's contributions to be directed to this project and explain how these have been calculated.
Project Budget – Provide a breakdown of the proposed budget (in US\$ and only for the CEPF funded portion of the project) using the following categories.
Salaries/Benefits:
Professional Services:
Rent and Storage:
Telecommunications:
Postage and Delivery:
Supplies:
Furniture and Equipment:
Maintenance:
Travel:


Meetings & Events:
Miscellaneous:
Sub-Grants:
Indirect Cost (max 13%):
Total Budget:

Letter of Inquiry
<p>The letter of inquiry is meant to provide CEPF with an overview of the project concept. It is typically 2-3 pages in length, and must include at least the following information:</p> <p>Project Rationale – Describe the conservation need (key threats and/or important opportunities) your project aims to address and what would happen if this project were not implemented.</p> <p>Project Approach – Describe the proposed strategy and actions of your project in response to the conservation need stated above. Include the expected results of the project and any potential risks you face in implementing this plan.</p> <p>Link to CEPF Investment Strategy – How does your project relate to the CEPF investment strategy presented in the Ecosystem Profile? (This document may be found at www.cepf.net) Your answer should include reference to a specific strategic direction from the relevant ecosystem profile that the project will support.</p> <p>Project Partners / Stakeholders – List any partners to be directly involved in implementing this project as well as important stakeholders and how you have involved them in your planning.</p> <p>Long-term Sustainability/Replicability – Describe how project components or results will continue or be replicated beyond the initial project.</p> <p>Please compose your letter of inquiry in the section below.</p>
* Letter of Inquiry

Project Proposal

Project Title:			
Organization Legal Name:			
Application Code:			
PLEASE CLICK ON THE ? SYMBOLS FOR ADDITIONAL GUIDANCE			
Organization Information			
Organization Short Name / Acronym, if any.			
Full Mailing Address -- include street, city and postal code			
Physical Address – if different from mailing address above.			
Country		Web Site Address, if any.	
Telephone		Fax	
E-mail Address - Separate multiple addresses with semicolons.			
Organization Type- ___ Local ___ International <i>Local organizations should be legally registered in a country within the hotspot where the project will be implemented and have an independent board or a similar type of independent governance structure.</i>			
Project Information			
CEPF Funding Request (US \$): This field represents the total grant request from CEPF. This field will be automatically populated and updated once you complete the Budget Worksheet.			
Start Date (MM/YY):		End Date (MM/YY):	
CEPF Region – Please list the CEPF region where your project will be implemented. CEPF funding regions are described on www.cepf.net .			
Project Location – Define the geographic location (including country, corridor, site, etc.) where project activities will take place.			
Strategic Direction from Ecosystem Profile: Project Lead Contact - Provide the name and contact information for the person responsible for correspondence			

with CEPF regarding this project.
Organization Chief Executive- Provide the name and contact information for the chief executive or person who is authorized to sign contracts on behalf of your organization.
History and Mission Statement – Provide a brief description of your organization's history and mission, including experience relevant to the proposed project.
Year Organization Established
Total Permanent Staff
Key Project Staff - Include titles, roles and responsibilities, and percentage of time dedicated to project.
Counterpart Funding – Identify the amounts and sources of additional funding already secured to be directed to this project.
In-Kind Contributions – Enter the amount of your organization's contributions to be directed to this project and explain how these have been calculated.
Total Project Budget (US \$): <input type="text" value="0.0"/> The Total Project Budget is the sum of the CEPF Funding Request + Counterpart and In-Kind Funding
Project Partners – List any partners to be directly involved in implementing this project. For each partner please indicate how they will be involved and whether they are a local or international organization.
Project Rationale - Describe the conservation need (key threats and/or important opportunities) your project aims to address and what would happen if this project is not implemented.
Project Approach - Describe the proposed strategy and actions of your project in response to the conservation need stated above. Include the expected results of the project and any potential risks you face in implementing this plan. (no more than 500 words).
Link to CEPF Investment Strategy – How does your project relate to the CEPF investment strategy presented in the Ecosystem Profile? (This document may be found at www.cepf.net) Your answer should include reference to a specific strategic direction from the relevant ecosystem profile that the project will support.

Eligibility Questions
<p>CEPF funds may not be used to directly fund government agency activities. In addition, they may not be used for the purchase of land, involuntary resettlement of people, the capitalization of a trust fund or the alteration of any physical cultural property. If your proposed project involves any of these, CEPF is not in a position to fund your proposal. Where possible, you may revise your strategy to avoid these elements or you may wish to consult the “Resources” section at www.cepf.net that provides links to additional funding sources and resource sites.</p>
<p>Do you represent, or is your organization controlled by, a government agency?</p>
<p>Do you plan to use any of the potential project funds to purchase land?</p>
<p>Does the project involve the removal or alteration of any physical cultural property (includes movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance)?</p>
<p>Does the project involve the relocation of people or any other form of involuntary resettlement?</p>
<p>Do you plan to use any of the project funds to capitalize a trust fund(s)?</p>
Safeguard Policy Aspects
<p>If the answer to one or more of the following questions is marked Yes, summarize the potential impacts and how these might be avoided or mitigated. Describe proposed consultation process and assessments that will be undertaken to inform project design, as well as to measures to address social issues.</p>
<p>Environmental Aspects Will the proposed project involve activities that are likely to have adverse impacts on the environment? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Justification I - Provide rationale for environmental impact if the answer marked is Yes.</p>
<p>Social Aspects Will the proposed project involve activities that are likely to have adverse impacts on the local community? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Justification II - Provide rationale for social impact if the answer marked is Yes.</p>
<p>Pest Management  Will the project involve use of herbicides, pesticides, insecticides or any other poison for the removal of invasive species? If you answer yes, please provide the name of the pesticide, herbicide, insecticide or poison you intend to</p>

use.



Yes



No

Justification III - Provide the name of the pesticide, herbicide, insecticide or poison you intend to use if the answer marked is Yes.

Additional Information

Stakeholder Participation - Describe any stakeholders important to your project and how you have involved them in your planning.

External Assumptions - Describe any important external factors that may affect your project during implementation and how you will mitigate these potential risks.

Long-term Sustainability/Replicability – Describe how project components or results will continue or be replicated beyond the initial project. Note that this may include elements of project design, tools utilized during the project, or project results.

Social Context – Describe the broad socio-economic context of, and local communities living in, the area of the proposed project. Describe how the project will work in this context and with the local communities, if relevant.

Additional Information – Please provide any additional information relevant to CEPF's evaluation of your project.

Summary Budget

Project Title	
Organization:	
Application Code:	

This is a summary page of your budget. To complete your budget enter each individual output, by clicking on the appropriate link, where you will find a detailed budget worksheet. Complete each individual worksheet and the information entered will automatically populate the summary tables provided here.

Summary Budget

Description	2006	2007	Total
Subtotal			
Indirect Cost (cannot exceed 13% of subtotal) Comments <div style="border: 1px solid black; height: 30px; width: 250px; margin: 10px auto;"></div>			
Project Total			

Summary Budget by Cost Category

Cost Category	2006	2007	Total
Salaries/Benefits			
Professional Services			
Rent and Storage			
Telecommunications			
Postage and Delivery			
Supplies			
Furniture and Equipment			
Maintenance			
Travel			
Meetings and Special Events			
Miscellaneous			
Sub-Grants			
Subtotal			
Indirect Cost (cannot exceed 13% of subtotal):			
Project Total			

Budget Worksheet

Project Title	
Organization:	
Application Code:	

Salaries/Benefits	2006	2007	Total
Full Time Employee #1			
Part Time Employee #1			
Comments			

Professional Services	2006	2007	Total
1099 (U.S. Consultants)			
Non-U.S. Consultants			
Audit Fees			
Legal Services			
Other Professional Services			
Printing Services			
Comments			
Rent and Storage	2006	2007	Total
Rent			
Storage			
Comments			

Telecommunications	2006	2007	Total
Voice			
Data			
Comments			
Supplies	2006	2007	Total
Office Supplies			
Field Supplies			
Software			
Books and Subscriptions			
Hardware/Computer Supplies			
Comments			
Furniture and Equipment	2006	2007	Total
Furniture and Equipment <\$5000			
Furniture and Equipment >\$5000			
Construction Materials			
Infrastructure			
Vehicles			
Comments			
Maintenance	2006	2007	Total
Furniture/Equipment Maintenance			
Vehicle Maintenance			
Software Maintenance			
Comments			

Travel	2006	2007	Total
Lodging, Meals, and Incidentals			
Travel Insurance			
Airfare			
Local Transportation			
Fuel			
Comments			
Meetings and Special Events	2006	2007	Total
Meetings and Special Events			
Training			
Comments			
Miscellaneous	2006	2007	Total
Miscellaneous			
Liability Insurance			
Gain/Loss on Exchange			
Taxes and Licenses			
Comments			
Sub-Grants	2006	2007	Total
Sub-Grants			
Comments			
	2006	2007	Total
SUBTOTAL			
TOTAL			
Comments			

Logical Framework*

Project Title:			
Organization:			
Application Code:			
Long-term Impacts (3+ Years)			
Short-term Impacts (1 - 3 Years)			
Project Components		Products / Deliverables	
Based on your Letter of Inquiry, please list each project component using the Add button below.		Based on your Letter of Inquiry, please list each product / deliverable for the corresponding component.	
Component 1.		1.1.	
Component 2.		2.1.	
		2.2.	
Component 3.		3.1.	
		3.2.	
Component 4.		4.1.	
		4.2.	

Activities Develop a set of key activities needed to deliver each of the stated Components.
Project Component 1. Activity 1.1. Activity 1.2.
Project Component 2. Activity 2.1. Activity 2.2. Activity 2.3.
Project Component 3. Activity 3.1. Activity 3.2. Activity 3.3.
Project Component 4. Activity 4.1. Activity 4.2. Activity 4.3.

* This is a simplified version of the Logical Framework.

Performance Tracking Worksheet

Project Title:				
Organization:				
Application Code:				

Performance Period: 2007 ▼

Components	January-March	April-June	July-September	October-December
Component 1.				
Product/Deliverable 1.1.				
Product/Deliverable 1.2.				
Component 2.				
Product/Deliverable 2.1.				
Product/Deliverable 2.2.				
Component 3				
Product/Deliverable 3.1.				

Grant Decision-Making Process

The Critical Ecosystem Partnership Fund (CEPF) grant decision-making process is based on the evaluation of proposals in accordance with the objectives and strategies of the Fund and the relevant ecosystem profile. Proposals that target direct global environmental benefits and meet the following eligibility criteria are welcome:

- Project is located in an approved hotspot
- Project is located in a country that is not excluded by U.S. law
- Project supports a strategic direction outlined in the relevant CEPF ecosystem profile and investment strategy
- Grant applicant is authorized under relevant national laws to receive charitable contributions
- Government-owned enterprises or institutions are eligible only if they can establish i) that the enterprise or institution has a legal personality independent of any government agency or actor, ii) that the enterprise or institution has the authority to apply for and receive private funds, and iii) that the enterprise or institution may not assert a claim of sovereign immunity.
- Grant will not be used for the purchase of land, involuntary resettlement of people, or activities that negatively affect physical cultural resources, including those important to local communities
- Grant will not be used for activities adversely affecting Indigenous Peoples or where these communities have not provided their broad support to the project activities
- Grant will not be used to remove or alter any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values)
- Proposed activities observe all other relevant safeguard and social policies

CEPF will not award grants for \$1 million and above.

In addition, CEPF encourages proposals that demonstrate the following characteristics:

- Existence of co-financing or the ability to leverage additional funds
- Demonstration of coordination with other organizations to reduce duplication of efforts
- Existence of partnerships or alliances with one or more other organizations
- Endorsements from other recognized agencies or authorities
- Transnational or regional projects
- Clear plans for continuation and/or replication after initial CEPF funding
- Support Indigenous and local communities in community-based or co-management activities for biodiversity conservation and actions that enhance local communities' tenure and resource use rights.

All projects will be required to track results and be evaluated as described in the CEPF Operational Manual, which includes monitoring procedures that are consistent with the Global Environment Facility's Monitoring and Evaluation Policy.

The evaluation of proposals that meet the eligibility requirements starts with a review of the Letter of Inquiry (Sec. 4.4.1), in which the following factors are among those considered: strategic fit with the ecosystem profile, strength and clarity of project concept, applicant qualifications, project cost-effectiveness, emphasis on strategic alliances and partnerships, and potential for leverage with other sources of revenue or impact on public policy.

Grants of \$20,000 or less

Grants of up to \$20,000 will be awarded by the relevant Regional Implementation Team (RIT) under a small grants program. Decisions will be made by the RIT based on financial and programmatic reviews and discussions with applicants. The RIT team may conduct site visits with applicants and assist with the development of their plans, including the formation of partnerships, as well as conduct an external review process. The RIT will also coordinate with the CEPF Secretariat for submission to the CEPF Working Group if an award is proposed to Conservation International. The completed Letter of Inquiry forms will be sufficient as proposals for all grants of this size. The RIT will award grants of \$20,000 or less on a regular schedule, inform applicants about its decisions, and document the awards as part of its regular reporting to the CEPF Secretariat.

Grants of more than \$20,000

For grants in this category, a two-stage application process is used. The RIT will perform an initial screening based on the Letter of Inquiry. If the Letter of Inquiry meets the preliminary criteria outlined above, the applicant will be invited to submit a full Project Proposal application (Sec. 4.4.2) and to respond to a Financial Questionnaire (Sec. 4.4.4). The RIT will assist applicants in addressing questions regarding the logical framework approach to developing projects or the overall application form.

The RIT will lead the review of proposals, which may include consulting with other knowledgeable sources such as international and local NGOs, appropriate government officials, CEPF donor partners in the hotspot, other donors, academics, and other experts.

After a thorough, coordinated review of the project merits, the RIT will forward a recommendation to the CEPF Secretariat, along with the completed Accounting Questionnaire and related materials.

Following is a step-by-step summary of the grant decision-making process:

1. Letter of Inquiry 1 submitted.
2. RIT completes project assessment, performs preliminary financial review, and discusses any questions with applicant, including potential safeguard aspects and the applicant's ability to address them. The team may also make a site visit, as well as seek input from appropriate external reviewers.

3. The RIT makes an initial threshold determination in consultation with the CEPF Grant Director as to whether the Letter of Inquiry should be further developed.
4. If the Letter of Inquiry is declined, the RIT notifies the applicant, explaining the rationale. If the Letter of Inquiry is approved, the RIT contacts applicant to request Financial Questionnaire and initiate design of Project Proposal application.
5. After an applicant submits the Project Proposal, Financial Questionnaire, and other related documents, the RIT reviews and coordinates with appropriate external reviewers for applications requesting more than \$250,000.
6. RIT communicates results of the review to applicants and Grant Director, and applicants modify the proposal or budget and draft safeguard documents, if necessary.
7. RIT completes Programmatic Risk Assessment (Sec. 4.4.5) and evaluation questions (attached), as well as reviews the documents of the proposal and assesses the applicant's proposed measures, budget, and capacity to address safeguard issues as needed.
8. RIT submits a recommendation to CEPF Grant Director on whether the application should be approved, including a draft justification if recommended for approval. If the Grant Director concurs with approval, the proposal moves to next step.
9. Conservation International Grants and/or Finance staff conducts Financial Risk Assessment (Sec. 4.4.5) to determine the proper level of monitoring and reporting required for the applicant, and conducts the Anti-Terrorism Screenings required by U.S. law.
10. The Grant Director conducts a final technical review of the Project Proposal, and finalizes justification and all documents as needed.
11. The Grant Management Unit prepares a Grant Agreement (Sec. 4.4.6) for legal review to ensure compliance with CI requirements, as well as CEPF restrictions, policies, and procedures.
12. If the grant is proposed for award to CI, the CEPF Secretariat submits proposal and justification to the CEPF Working Group for approval on a time-bound, no-objection basis.
13. The Grant Agreement and finalized justification are submitted to the CEPF Executive Director for approval and signature of contract.
14. If the Project Proposal is declined at any stage, the Grant Director sends e-mail/letter to the applicant explaining the reasons.

Sample Questions for Proposal Analysis

Programmatic Questions:

Does the project target direct global environmental benefits and include a clear, strategic link to the approved CEPF ecosystem profile for the region?

Will the activities listed achieve the goal identified in the project?

Does the proposal justify the need for the project and proposed ongoing activities?

Is the scope of work proposed regional, national, or site specific?

Does the project demonstrate a commitment to coordinate work with partners or existing initiatives in the region?

Have the safeguard aspects of the project been adequately assessed and are the proposed measures to address them appropriate?

Is the grant term proposed sufficient to carry out the activities in the time specified?

Does the project articulate plans for continuation and/or replication after CEPF funding?

Is this the best group to carry out this project (based on capability, experience, local credibility, etc.)?

Management and Financial Questions:

Does the proposal indicate how the project will be structured, staffed, and managed?

Are any unintended positive effects likely to result from supporting this proposal?

Are any unintended negative effects likely to result from supporting this proposal?

Is the timeline for completing the work realistic?

Is anyone else currently doing or planning a similar project?

Is the budget adequate and restricted to only the proposed activities?

Is the organization using some of its own resources to support the project?

Are other donors contributing to this project and/or has the project committed to leveraging additional resources

FINANCIAL QUESTIONNAIRE FOR CRITICAL ECOSYSTEM PARTNERSHIP FUND GRANT RECIPIENTS

Accepting a grant from Conservation International (CI) creates a legal duty for the grantee to use the funds according to the grant agreement.

The purpose of this questionnaire is to provide CI with information needed to assess the adequacy of your organization's accounting policies and procedures and grants management practices.

Prior to any grant award, CI must be assured that the proposed grantee has sound financial controls and reporting systems to ensure that all CI funds are expended prudently and accounted for appropriately. CI must also be assured that the proposed grantee institution is able and willing to comply, and (as applicable) is able and willing to ensure compliance by any sub-grantees, with CI policies, applicable donor terms and conditions, and local laws and regulations. CI may condition funding on the implementation of certain practices or improvements.

Each question should be answered as completely as possible. There is a glossary at the end of this form if you need help with some of the financial terms. It is very important that the questionnaire is signed by the organization's head and most senior financial manager (see section G). If you are submitting this questionnaire electronically, please include a scanned copy of the signature page or fax the signature page.

All information submitted to CI in this form and through the requested attachments will be treated as confidential and will not be disclosed to any third parties, unless required by law.

CONTACT INFORMATION

Organization Name: _____
 (legal name of organization that will sign the agreement and accept responsibility for CI's funds, if awarded)
 Web Address: _____
 Address: _____

 Telephone: _____
 E-mail: _____
 Director/President: _____
 Project Manager: _____
 Financial Officer: _____
 (will be responsible for authorizing financial transactions and reports for this project)
 Project Accountant: _____
 (will account for project expenses)

Does any employee, director, or trustee of the organization, or any of their family members have a financial or familial relationship with any CI employee, CI director, or a family member of a CI employee or CI director? ☐ Yes ☐ No

If yes, please explain:

Proposed Grant Amount: _____ Start Date: _____ End Date: _____

SECTION A: General Background Information

1. Number of Paid Employees: _____ Full Time: _____ Part Time: _____

2. Please specify the legal status/classification of your organization:

☐ NGO/Not-for-profit organization ☐ Government Organization ☐ Parastatal
 Agency ☐ For-profit/commercial enterprise ☐ State-owned University ☐ Private
 University ☐ Individual ☐ Other _____

For US organizations please specify:

Employer Identification Number (EIN) _____ IRC Section _____

3. Beginning and ending dates of your organization's fiscal (financial) year: _____

4. Total Budget for most recent fiscal year:

Revenues (including grants): USD _____ Expenses: USD _____

5. What are the sources of the organization's revenue? Please select all that apply:

☐ US Government ☐ Domestic Government ☐ Other Governments
☐ Foundations/Corporations/Individuals ☐ Sale of Goods/Services ☐ Membership Fees

6. Does your organization currently have outstanding debts to government or other parties? ☐ Yes ☐ No

7. Is your organization, its key staff, officers or directors involved in any investigation, litigation, or adjudication or have any of these people been adjudicated in the past for any civil, administrative, criminal or tax matters? ☐ Yes ☐ No

If yes, please explain:

8. Is the project manager, accountant, or any other staff involved in other CI funded projects? ☐ Yes ☐ No

If yes, please provide the person's name and project title.

9. Has the organization received grants from other organizations? If so, please provide details of the 3 most recent awards including name of grantor, source of funds, amount, period covered, and project manager and financial officer.

	Project Title	USD Grant Amount
Grantor/Donor		
1.		
2.		
3.		

Grant Period	US Gov't funds?	Project Manager
Financial Officer		
1.	<input type="checkbox"/> Yes <input type="checkbox"/> No	

2.	<input type="checkbox"/> Yes <input type="checkbox"/> No		
3.	<input type="checkbox"/> Yes <input type="checkbox"/> No		

10. Does the organization expect to receive other grants during the proposal period of this project? If so, list the organizations that have your proposals under review and the titles of the projects submitted for their review:

Financial Officer	Project Title	USD Amount	Project Manager
1.			
2.			
3.			

SECTION B: Internal Controls

Internal controls are procedures which ensure that: 1) financial transactions are approved by an authorized individual and follow laws, regulations and the organization's policies, 2) assets are kept safely, and 3) accounting records are complete, accurate and kept on a regular basis. Please complete the following questions concerning your organization's internal controls:

1. Indicate which of the internal controls listed below are in place at your institution:

- a. Documented competitive system of procurement for major purchases (e.g., if your organization plans to acquire new equipment, it requests written bids from at least three (3) vendors):

Who approves procurement in your organization?

Name: _____ Title: _____

- b. Maintenance of an inventory system for fixed assets (for example, serial numbers and locations of all computers/equipment are listed and maintained in a file) ☐ Yes ☐ No

- c. Physical Control over assets

Cash kept in safe	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Office locked up at night/Guards	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Limits on cash withdrawals	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Insurance	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other (<i>specify</i>)	<input type="checkbox"/> Yes	<input type="checkbox"/> No

2. If a grant were awarded for this project, who would be responsible for:

- | | | |
|-------------------------------------|--------------|---------------|
| a. requesting payments? | (Name) _____ | (Title) _____ |
| b. approving requests for payments? | (Name) _____ | (Title) _____ |
| c. issuing payments? | (Name) _____ | (Title) _____ |

- d. reconciling accounts? (Name) _____ (Title) _____
 e. preparing project financial reports? (Name) _____ (Title) _____
 f. approving project financial reports? (Name) _____ (Title) _____

3. Is there any familial relationship between any of the employees listed above? ☐ Yes ☐ No

4. How frequently does management at your organization's Headquarters review and reconcile cash reports, cash balances (including petty cash) and bank statements from all operations?

☐ once a week ☐ once a month ☐ once a quarter ☐ once a year

Who reviews these reports? Name: _____ Title: _____

5. Does your organization maintain an employment letter or contract which includes the terms of reference and salary information for each employee? ☐ Yes ☐ No

6. Are individual time and effort records kept which reflect employee actual hours worked on a particular project? ☐ Yes ☐ No

In case of a grant award, the project employees will be required to document time spent on the project activities on a daily basis.

SECTION C: Accounting System

The purpose of an accounting system is to: 1) accurately record all financial transactions, and 2) ensure that all financial transactions are supported by invoices, timesheets and other documentation. The type of accounting system often depends on the size of the organization. Some organizations may have computerized accounting systems, while others use a manual system to record each transaction in a ledger. In either case, CI grant funds must be properly authorized, used for the intended purpose and recorded in an organized and regular manner.

1. Does your organization have a written accounting policies and procedures manual? ☐ Yes ☐ No

2. Is your accounting system an automated double-entry system? ☐ Yes ☐ No
If yes, please name accounting software package

3. Is your accounting system able to identify the receipt and expenditures of funds separately for each contract/grant? ☐ Yes ☐ No

In case of a grant award, your organization will be required to track the grant receipts and expenditures separately from other organizational funds and other grants/contracts.

4. Does your accounting/financial procedures include budgetary controls to prevent incurring obligations greater than:

- a. total funds available for a grant? ☐ Yes ☐ No
 b. funds approved for a particular budget line (personnel, travel, etc.)? ☐ Yes ☐ No

5. For how long does your organization maintain support documentation (receipts, invoices, purchase orders, etc.) for all transactions? _____

6. Does your organization backup its accounting data on a regular basis? ☐ Yes ☐ No

7. Does your organization utilize the accrual or cash method of accounting? _____

SECTION D: Funds Control

CI grantees that receive advances of grant funds may deposit them in a bank account kept in local currency or U.S. dollars. CI normally pays grantees periodically by wire transfer of U.S. dollars to the grantee bank account. Access to the bank account must be limited to authorized individuals. Bank balances should be compared each month with your accounting records. If cash cannot be kept in a bank, it is very important to keep the cash in a strong safe and have strict controls over cash custody and disbursement.

1. Does your organization have a bank account in the name of your organization to which grant payments could be made by wire transfer in the event of a grant award? *If yes, attach details of account.* ☐ Yes ☐ No
2. Are all bank accounts and check signers authorized by the organization's Board of Directors or Trustees? ☐ Yes ☐ No
3. Are the majority of payments to vendors/suppliers made in cash? ☐ Yes ☐ No

SECTION E: Independent Audit

CI may require an audit of your organization's accounting records. An audit is a review of your accounting records by an independent accountant who works for an accounting firm. An audit report contains your financial statements as well as an opinion by the accountant that your financial statements are correct. Please provide the following information on prior audits of your organization.

1. Does your organization have regular external audits which you contract and pay for? ☐ Yes ☐ No

If yes, who performs the audit? _____

2. How frequently are audits performed? ☐ Quarterly ☐ Yearly ☐ Every 2 years ☐ Other _____

Indicate when last audit was performed _____

3. What type of audit is performed? ☐ Financial ☐ A-133 ☐ Program ☐ Other _____

SECTION F: Sub-grantee Policy

A sub-grant represents financial assistance in form of money, or property in lieu of money, made under the main award to another organization in order to achieve a defined scope of work.

1. Will your organization be providing funds from the proposed grant to any other organization(s) through sub-agreements? ☐ Yes ☐ No

If yes, please answer the following questions. Otherwise, proceed to the next section.

2. Provide the number and size of the sub-agreements you plan to administer under the proposed grant.

Sub-grantee Name	USD Amount
1.	
2.	
3.	

3. Does your organization have a history of managing sub-grantees? ☐ Yes ☐ No

4. Does your organization have written sub-grantee monitoring policies and procedures? ☐ Yes ☐ No

5. Does your organization have a standard agreement template? ☐ Yes ☐ No

SECTION G: CERTIFICATION

*The Accounting Questionnaire **must** be signed and dated by authorized personnel who have either completed or reviewed the form.*

I certify to the best of my knowledge and belief that the information provided in this questionnaire and the supporting data are correct.

Director of Organization:

Print Name

Signature

Title

Date

Financial Officer:

Print Name

Signature

Title

Date

ATTACHMENTS

Please attach all of the following documents (where available) and any other information you deem relevant on the subjects listed above:

- ☐ Materials that describe your organization, its mission and history
 - ☐ Incorporation or registration certificate
 - ☐ List of all the current members of the Board of Directors
 - ☐ IRS determination letter (for US organization)
 - ☐ Most recent financial statements (balance sheet and income statement)
 - ☐ Most recent independent auditor's report and Management Letter (if available)
 - ☐ If answered "Yes" to Question #6 in Section A, please provide the following:
 - ☐ Explanation of the nature of occurrence (originating and current date, most recent statement: why incurred, methods on prospects of repayment, if any; any additional relevant information.)
-

CI GLOSSARY OF TERMS

Accrual based accounting system: An accounting system where your financial report shows payments which have been made as well as invoices which have been received but not yet paid.

Actual cost: Any type of expense which has been paid for.

Allowable costs: Expenses which are for grant activities and which are reasonable and legal.

Balance sheet: A report which lists your assets (income to be received, cash, equipment) and your liabilities (payments to be made).

Cash based accounting system: An accounting system where your financial report only shows payments which have been made.

Expenses/Expenditures: Costs charged to the grant.

Financial statement: A report containing your balance sheet, and revenue and expense statement.

Financial report: A report which shows the money which an organization has spent on the grant for the period, usually three months. CI requires a financial report for each three-month period (quarter).

Fiscal year: The financial year of your organization. Most fiscal years are from January 1 to December 31. Other fiscal years end on March 31, June 30, or September 30.

Funds: Money.

Grant: An award given to an organization to complete a project. CI grants are usually for one year.

Grantee: An organization which receives a grant.

Incurred cost: Any type of expense which has been made but not yet paid.

Internal controls: A system set up by an organization to make sure that money is received and spent in the correct manner.

Manual ledgers: Accounting records which are maintained by hand (without a computer) and which record similar transactions such as cash receipts, cash payments, salaries, inventory, etc.

Petty cash: Small amounts of cash used to pay small expenses (taxi, bus, office supplies).

Primary grantee: An organization which receives a grant and which in turn gives part of those funds to another organization to help complete the grant. Primary grantees are responsible for monitoring their subrecipients.

Income statement/statement of activities: A report which shows the money which your organization received (revenue) and how the money was spent (expense).

Subrecipient/Subgrantee/Subawardee: An organization which receives part of a grant given to another organization.

Subrecipient monitoring: What the primary grantee does to make sure that the subgrantee is correctly implementing the grant.

Separate bank account: A bank account in the name of your organization set up for your CI grant. Only CI funds are deposited into the account and only CI program expenses are paid from the account.

Unallowable costs: Expenses which are not related to the CI grant, which are unreasonable, and not accepted by law. These include but are not limited to alcohol (beer, wine, cocktails), cigarettes, fines, parking tickets, bribes, etc. and all expenses which are not approved in the CI grant budget.

Critical Ecosystem Partnership Fund Guidelines for Completing Project Risk Assessments

Introduction

This risk assessment model has been developed to assess whether a proposed recipient of a grant of more than \$20,000 is low, medium, or high risk so that appropriate monitoring and audit procedures can be applied.

The programmatic and financial risk assessment worksheets are not required for grants of \$20,000 or less unless the recipient cumulatively has grant funding for active projects from CEPF in excess of \$20,000. Regional Implementation Teams (RITs) will directly award all grants of \$20,000 or less in new regions opened for investment beginning in 2007. Each RIT will be directly responsible for evaluating the programmatic and financial risk of their grant awards and may use this risk assessment model as a tool to guide their assessments. All grants awarded with CEPF funding must be in compliance with the policies and procedures outlined in the CEPF Operational Manual, including all safeguard and social policies.

The assessment is divided into two parts to separate the programmatic assessment, which would be performed by the RIT, from the financial assessment, which a Conservation International (CI) finance staff member would conduct. Accordingly, there are two separate worksheets as follows:

- Programmatic Risk
- Financial Risk

Both worksheets pose a series of questions targeting the quality of the project design, the environment in which the organization works, the organization's internal financial control structures, and prior reporting capabilities (if the organization has had a prior CI grant). In both cases, a series of items are addressed to which the reviewer assigns a numerical value based on a determined points scale. These values are summed for each assessment to determine an overall risk ranking to be used by CEPF in determining what monitoring steps will be required to mitigate both the programmatic and financial risk. For grants of \$20,000 or less, RITs must require a final programmatic completion report and financial report and may reserve the right to require additional reporting on a case-by-case basis.

The assessment concludes with a Risk Ranking Summary Worksheet that shows the total risk rating for each part of the assessment. This will classify a given project as low, medium, or high risk on both a programmatic basis as well as a financial basis. Depending upon the organization's overall risk ranking total, the reviewers will require specific reporting requirements as detailed in the table below to adequately monitor the organization during project implementation. The specific reporting requirements are contractual obligations integrated into the Grant Agreement for each grantee.

The following sections provide additional detail on the four risk worksheets, the Risk Ranking Summary Worksheet, and how they are to be completed.

RISK ANALYSIS PROCEDURES

Section I – Programmatic Risk Worksheet

The programmatic risk assessment evaluates the quality of the project design and external conditions that could affect the organization's ability to complete its grant responsibilities. Considerations include the organizations experience and capacity, the proposed project's link to the Ecosystem Profile, the quality of the project design, safeguard issues, and the political climate in the region in which grant funds will be maintained.

Regional Implementation Teams complete the Programmatic Risk Worksheet, as they are the ones leading review of project proposals and communicating with potential grantees. They are also very familiar with the external environment surrounding the proposed project area and the other grant projects being funded as part of the larger strategy.

The assessment carries a maximum risk rating of 110 points. This rating will be used to determine any programmatic requirements to be placed on a particular grantee to ensure that the programmatic risk is mitigated. Quarterly or semi-annual progress reports will be required of all grantees depending on their rating.

Section II - Financial Risk Worksheet

This worksheet develops a risk ranking for an organization's control risk and financial reporting. It is meant to evaluate the adequacy of an organization's internal controls. This section assesses accounting controls described in the organization's responses to the Accounting Questionnaire for Critical Ecosystem Partnership Fund Grant Recipients.

A member of the CI Finance Staff completes this worksheet by selecting the appropriate item for each category. After rating all categories, the values are added and a score is placed at the end for a Total Financial Risk Ranking.

The following table is used to align risk levels and requirements for grants over \$20,000.

Total Dollar Amount		
Risk	\$20,001 - \$99,999	> \$100,000
Low	Financial reports due quarterly Progress reports due semi-annually	
	Audit if available	Annual Audit Required
Medium	Financial reports due quarterly Progress reports due semi-annually	
	Audit if available	Annual Audit Required
High	Financial reports due quarterly Progress reports due quarterly	
	Annual Audit Required	

CI reserves the right to request copies of the general ledger or receipts from any grantee in order to more closely monitor a project. Each year CI conducts selected financial and programmatic site visits and verifies coverage based on the risk levels and the dollar amounts.

Project Risk Assessment

SECTION I. PROGRAMMATIC RISK WORKSHEET

Organization:

Grant Number:

Assessment Performed By: _____ Date:

This worksheet develops a risk ranking for the programmatic risk related to the proposed grant project. It evaluates the quality of the project design, external conditions, and grantee institutional capacity that could affect the organization's ability to complete its grant responsibilities. Considerations include the organizations experience and capacity, the proposed project's link to the Ecosystem Profile, the quality of the project design, safeguard issues, and the political climate in the region in which grant funds will be maintained.

Regional Implementation Teams (RIT) complete this worksheet by selecting the appropriate item for each category. After rating all categories, the values are added and a score is placed at end for a Total Programmatic Risk Ranking.

-
1. *Organization's Experience* – Relevant experience in the type of project proposed and location for proposed project.

Risk Level	Organization's Experience
-------------------	----------------------------------

- | | |
|-------|--|
| ___0 | Organization has a successful history of work in this project type and location. |
| ___5 | Organization is relatively new or is an offshoot of an experienced organization. |
| ___10 | Organization is new and inexperienced. |
-

2. *Prior Experience With the Organization* - Program staff experience and knowledge levels of the organization.

Risk Level	Prior Experience with the Organization
-------------------	---

- | | |
|------|---|
| ___0 | Program Staff are very familiar with the organization and its principal officers. |
| ___3 | Program Staff have limited knowledge of the organization and its principal officers, but the grantee has a solid reputation in the field. |
| ___6 | Program Staff have limited familiarity with the organization and its principal officers. |
-

3. *Management Turnover* – Frequency of Management turnover.

Risk Level Management Turnover

- ___0 Not aware of any significant management turnover.
- ___5 Organization has had a history of changes in management or internal struggles.
- ___10 A key manager has recently been removed or resigned; or the organization elects new management annually and prior management is not available for consultation.
-

4. *Link to Ecosystem Profile* – Proposed project’s link to the strategy articulated in the Ecosystem Profile.

Risk Level Link to Ecosystem Profile

- ___0 The proposed project has a clear link to the Ecosystem Profile and is well articulated in the proposal.
- ___3 The proposed project has a clear link to the Ecosystem Profile but is poorly articulated in the proposal.
-

5. *Project Design Elements* – Proposed project’s Purpose statement and Output strategy.

Risk Level Project Design Elements

- ___0 The proposed project has a clearly stated Purpose and a logical Output strategy to deliver that Purpose.
- ___5 The proposed project has a clearly stated Purpose, however, the Output strategy is questionable as to whether it will deliver the full impact of the stated Purpose.
- ___10 The proposed project has a potentially over-ambitious Purpose and Output strategy.
-

6. *Safeguard Policies* – Assessment of the Safeguard Policies.

Risk Level Safeguard Policies

- ___0 The Safeguard Policies have been fully addressed in the project proposal. Impacts are limited and Applicant has experience and capacity to implement safeguard measures.
- ___5 The Safeguard Policies have been addressed in the project proposal. There are some impacts with adequate measures proposed, but Applicant has limited experience implementing safeguard measures.

- ___10 There are significant impacts that are being addressed, but would require close attention and monitoring during implementation.
-

7. *Local Communities* – Assessment of Local Community Impacts.

Risk Level Local Communities

- ___0 There are no local communities in the project area or there are no potential conflicts between communities and project activities.
- ___5 There are some local communities in the project area but potential conflicts are few and addressed through project design and safeguard measures, if needed.
- ___10 There are many local communities in the project area. Potential for conflicts and adverse impacts are present.
-

8. *Stakeholder Consultation* – Extent of stakeholder participation in the design process.

Risk Level Stakeholder Consultation

- ___0 Stakeholders have been very involved in the project design process.
- ___3 There has been some involvement of stakeholders in the design process.
- ___6 There is little evidence of stakeholder participation in the design process.
-

9. *Sustainability Issues* – Long-term sustainability of the project objectives.

Risk Level Sustainability Issues

- ___0 The project clearly expresses the external risks associated with the project and describes how these risks will be mitigated. Also explains how project benefits will be sustained beyond the life of the project.
- ___3 The project clearly expresses the external risks associated with the project and describes how these risks will be mitigated. However, there is little explanation as to how the project benefits will be sustained beyond the life of the project.
- ___6 The project makes a limited attempt to assess the external risks associated with the project and does not clearly articulate how project benefits will be sustained.
-

10. *Political Risk* – Risk due to the political climate of the country(ies) in which grant funds will be maintained.

Risk Level Program Risk

___ 0	Relatively stable.
___ 5	Somewhat risky.
___ 10	High risk.

11. *Program Risk* – Risk due to the type of program being administered.

Risk Level Program Risk

___ 0	Program is relatively risk free; organization can operate openly.
___ 5	Program is risky; organization may be harassed by authorities or local factions.
___ 10	Program is high risk; program may be shut down by the government.

12. *Reporting Capabilities* – Organization’s ability to provide quality programmatic reports.

Risk Level Reporting Capabilities

___ 0	All proposal submissions have contained comprehensive information, been delivered on time, and have proven a high degree of organizational capacity.
___ 5	All proposal submissions have contained reasonably complete information, been delivered close to, or, on time, yet have indicate a potential lack of organizational capacity.
___ 10	All proposal submissions have required substantial consultation and assistance, delivery has not always been timely, and organizational capacity is in question.

13. *Additional Considerations* - exposure due to other considerations the Grant Manager is aware of.

Risk Level Additional Considerations

___ 0	No additional considerations which may affect the grant.
___ 1 3 6 9	Additional considerations (communication difficulties or satellite offices or activities) which may affect the grant are: (Please describe the situation and circle the appropriate ranking).

TOTAL RISK RANKING FOR PROGRAMMATIC RISK

===== (Total should not exceed 110 points)

FINANCIAL RISK WORKSHEET

Organization:

Location:

CI funding source (eg CEPF, GCF, USG, etc):

Proposed Award Amount:

Start Date:

End Date:

Type of Organization: US ☐ or Foreign ☐

Organization's Fiscal Year:

Completed by:

Date:

Reviewed by:

Date:

This worksheet develops a risk ranking for an organization's controls and financial reporting. It is meant to evaluate the adequacy of an organization's internal controls. This section assesses accounting controls described in the organization's responses to the Accounting Questionnaire for Grant Recipients.

A member of the CI Finance Staff is to complete this worksheet by selecting the appropriate item for each category. After rating all categories, the values are added and a score is placed at end for a Total Financial Risk Ranking.

1. *Organizational context* – exposure due to the location, size, or relative newness of the organization

Risk Level Country or countries of operation

- ☐ 0 location is not inherently risky
- ☐ 1-3 location is facing low to moderate risk
- ☐ location is highly unstable; grant considered to be inherently **HIGH** risk

Risk Level Size of organization

- ☐ 0 organization has > 30 employees
- ☐ 1 organization has between 16-30
- ☐ 2 organization has between 11-15 employees
- ☐ 4 organization has between 5-10 employees
- ☐ 5 organization has fewer than 5 employees

Risk Level Age of organization

- ☐ 0 organization is older than 10 years
- ☐ 1 organization is 3-10 years old
- ☐ 3 organization is < 3 years old

Other organizational factors to note

- Recipient is foreign government entity: grant is rated high risk by definition: N Y
- Potential for conflict of interest or appearance of conflict of interest
(Eg: Member of organization is affiliated with CI; related to a CI employee; past employee of CI, etc)

Describe:

Steps to be taken to address this:

2. *Dollar Value of Proposed Grant* - exposure due to the size of this proposed grant.

Risk Level Size of Proposed Grant

- ☐ 0 0 - \$49,999
- ☐ 1 \$50,000 - \$99,999
- ☐ 2 \$100,000-249,999
- ☐ 4 \$250,000-499,999
- ☐ 6 Over \$500,000

Risk Level Proposed grant's portion of operating budget

- ☐ 0 <10%
- ☐ 1 10-30%
- ☐ 2 30-50%
- ☐ 4 50-75%
- ☐ 6 >75%

3. *Prior Experience with CI* – Exposure due to prior grant experience with CI

Risk Level Prior Experience with CI

- ☐ 0 The organization has had successful financial management results in previous CI grants.
 - ☐ 2 The organization has had reasonable financial management results in previous CI grants with a few minor problem areas.
 - ☐ 3 The organization is a first-time grantee
 - ☐ 5 The organization has had poor financial management results in previous CI grants.
-

4. *Sources of Financial Support* - exposure due to the organization's lack of experience with U.S. Government, foreign government or multi-lateral funding.

Risk Level Sources of Financial Support

- ☐ 0 Significant U.S. Government/foreign government or multi-lateral funding. (>500K)
 - 1-3 Some U.S. Government/foreign government or multilateral funding
 - ☐ 5 No U.S. Government/foreign government or multilateral funding (at the time of the submission of the questionnaire.)
-

5. *Accounting System and Procedures* - exposure due to a weak accounting system and undocumented accounting procedures.

Risk Level Accounting System and Procedures

- ☐ 0 System of accounting appears to incorporate strong system of controls, including self balancing accounts (double entry), integrated system of accounts and the preparation of periodic financial reports.
 - 1-3 System of accounting, as described indicates an average or weak system of controls.
 - ☐ 4 System of accounting is not yet established - proposed accounting procedures describe a strong system of controls.
 - ☐ 5 System of accounting is not yet established - proposed accounting procedures describe an average or weak system of controls. (Follow up required for organizations with weak controls - see Additional Considerations at the end of this form).
-

6. *Separation of Duties* - exposure due to the lack of separation of duties.

Risk Level Separation of Duties

- ☐ 0 adequate separation of duties - approval, custody of assets, and recording of transactions are properly segregated.
 - ☐ 3 Due to size, segregation of duties is not possible. Based on organization's circumstances, current procedures are deemed adequate.
 - ☐ 5 Organization has weak system of segregation of duties.
-

7. *Approval of Transactions* - exposure due to the lack of proper approval of transactions.

Risk Level Approval of Transactions

- ☐ 0 Transactions are properly approved by a responsible organization official.
 - ☐ 5 Transactions are not approved by a responsible official, or there are no established procedures for securing prior approval of transactions.
-

8. *Supporting Documentation* - exposure due to the lack of maintaining invoices, vouchers and timesheets.

Risk Level Supporting Documentation

- ☐ 0 Invoices, vouchers and timesheets are maintained for all payments.
 - ☐ 1-4 Circumstances may preclude maintaining invoices, vouchers and timesheets. These circumstances appear reasonable and should not pose a significant audit risk.
 - ☐ 5 Circumstances may preclude the maintenance of invoices, vouchers and timesheets vouchers and timesheets. These circumstances may pose a significant audit risk.
-

9. *Audit Coverage* - exposure due to the lack of prior audits.

Risk Level Audit Coverage

- ☐ 0 Organization has regular (or recent) Government Auditing Standards Audits performed by an external auditor.
- ☐ 1 Organization has regular (or recent) generally accepted auditing standards (or equivalent) audits performed by an external auditor.

- ☐ 5 Organization does not have regular GAAS or GAGAS audits performed by an external auditor.
- ☐ 10 Organization has never had an external audit.

10. *Monitoring Findings and Resolution* - exposure due to unresolved prior findings.

Only answer one of the following sections as appropriate:

10.a) First-time grantee that DID NOT submit the following financial information:

- ☐ 5 Financial Reports
- ☐ 5 Audit Report.

10.b) First-time grantee that submitted audits in conjunction with the Accounting Questionnaire.

Risk Level Audit Findings and Resolution

- ☐ 0 No findings identified in the audit.
- 3-5 Material/significant findings which relate to the organization's ability to administer a CI grant (i.e. deficiencies in internal controls, reconciliation functions, subgrantee monitoring, compliance with grant requirements, etc.).

10. c) Organizations from whom monitoring of previous CI grants have been received and reviewed but resolution has not yet been initiated.

Risk Level Monitoring Findings and Resolution

- ☐ 0 No prior monitoring findings.
- Monitoring has been performed and indicates:
- ☐ 1 Non-material findings.
- 3-5 Material findings.

10. d) Organizations for whom resolution has been initiated.

Risk Level Monitoring Findings and Resolution

- ☐ 0 Grantee has satisfactorily responded to findings and agrees to implement corrective action.

- 1-3 Resolution process has been initiated and grantee is expected to initiate corrective action.
 - 10+ Organization has ignored the resolution follow up letter, resists findings, or fails to implement corrective action.
-

11. *Subgrant/Subgrantee Monitoring* - exposure due to the organization's inability to properly monitor subgrantees.

Risk Level Subgrantee Monitoring: Procedures

- ☐ 0 No Subgrantee for this grant.
- ☐ 1 Subgrantee monitoring procedures deemed above average.
- 3-4 Subgrantee monitoring procedures deemed average.
- ☐ 5 Subgrantee monitoring procedures deemed below average or organization has little or no prior experience monitoring subgrantees.

Risk Level Subgrant Monitoring: number and size of grants

- ☐ 0 No subgrants for this grant.
 - ☐ 1 Few and/or small subgrants.
 - 3-5 Multiple subgrants and/or significant subgrants.
-

12. *Additional Considerations* - exposure due to other considerations Finance is aware of.

Risk Level	Additional Considerations
-------------------	----------------------------------

<input type="checkbox"/>	0	No additional considerations that may affect internal controls.
--------------------------	---	---

Indicate any additional considerations that may affect the internal controls of the organization. Describe the situation and indicate an appropriate risk ranking.

TOTAL POINTS FOR FINANCIAL RISK

=====

Additional Notes:

FINANCIAL RISK SUMMARY

Based upon the totals points (from previous page), place a check mark next to the appropriate risk ranking and refer to the financial risk chart for monitoring requirements.

- | | | |
|--------------------------|----------|--------------------|
| <input type="checkbox"/> | 0 to 25 | Low Risk |
| <input type="checkbox"/> | 26 to 50 | Medium Risk |
| <input type="checkbox"/> | >50 | High Risk |

RISK RANKING SUMMARY WORKSHEET

Organization: _____

Grant Number & Amount: _____ Date: _____

This worksheet is used to develop the final risk ranking for the organization. Transfer the worksheet totals from the two detailed worksheets onto this summary worksheet. Worksheet totals should not exceed those indicated below:

Risk Ranking

Description

TOTAL RISK RANKING FOR PROGRAMMATIC RISK

Should not exceed 110 points

TOTAL RISK RANKING FOR FINANCIAL RISK

Based upon the above totals, place a check mark next to the risk model's assessment of the organization.

PROGRAMMATIC RISK

_____ 0 to 12 Low Risk
_____ 13 to 50 Medium Risk
_____ 51 to 110 High Risk

FINANCIAL RISK

_____ 0 to 25 Low Risk
_____ 26 to 50 Medium Risk
_____ > 50 High Risk

Based upon the organization's total risk ranking, place a check mark on the next page for the type of organization and the monitoring to be performed.

PROGRAMATIC & FINANCIAL RISK CHART FOR GRANTS > \$20,000

Total Dollar Amount		
Risk	\$20,001 - \$99,999	> \$100,000
Low	Financial reports due quarterly Progress reports due semi-annually	
	Audit if available	Annual Audit Required
Medium	Financial reports due quarterly Progress reports due semi-annually	
	Audit if available	Annual Audit Required
High	Financial reports due quarterly Progress reports due quarterly	
	Annual Audit Required	

CI reserves the right to request copies of the general ledger or receipts from any grantee in order to more closely monitor a project. Each year CI conducts selected financial and programmatic site visits and verifies coverage based on the risk levels and the dollar amounts.

TYPE OF ORGANIZATION

_____ U.S. Grantee

_____ Foreign Grantee

GRANT AGREEMENT

Project Title: _____ **Grant Number:** [enter GEM number]

This Grant Agreement ('Grant' or 'Agreement') is made between Conservation International Foundation ('CI'), a nonprofit public benefit corporation organized and existing under the laws of the State of California, USA, with a principal place of business at 2011 Crystal Drive, Suite 500, Arlington, VA 22202, and _____, ('Grantee'), **[TYPE OF ENTITY]** located at _____.

Funding in support of this Agreement is made available from the Critical Ecosystem Partnership Fund ("CEPF"), a joint initiative of Conservation International ("CI"), International Bank for Reconstruction and Development ("IBRD"), the Global Environment Facility through the IBRD as implementing agency ("GEF"), the Government of Japan through IBRD as trustee of grant funds provided by the Ministry of Finance ("Japan"), the John D. and Catherine T. MacArthur Foundation ("MacArthur Foundation"), and l'Agence Française de Développement ("AFD") -- hereafter together referred to as "the Funding Sources".

1. **PURPOSE OF THE GRANT.** Grant funds are provided to support the project described in Grantee's grant proposal and budget set forth in Attachment 1, (the "Project"). Funds shall be used solely for the purposes and activities described therein and in no case shall be used for activities in contravention of the IBRD Safeguard Policies described in paragraph 7 (b) of this Agreement. Grantee shall be solely responsible for ensuring that all applicable provisions of this Agreement are passed on to any sub-recipients.
2. **GRANT TERM.** The effective date of this Grant is _____. The termination date is _____, unless otherwise modified, or terminated in accordance with this Agreement. All expenses must be incurred within the Grant Term.
3. **GRANT AMOUNT.** CI, as administrator of the CEPF, agrees to make available to the Grantee, grant funds from the CEPF, in a total amount not to exceed _____ United States Dollars (US\$ _____) (the "Grant") for the purpose and on the terms and conditions set forth in this Agreement. In all cases the use of the funds shall conform to the restrictions and limitations described in this Agreement and in the Procurement Policies and Procedures (Attachment 2).
4. **PAYMENT.** Subject to the terms and conditions contained herein, CI shall make to the Grantee payments as follows:
 - a. An initial payment of **[USE CASH FLOW PROJECTION SUBMITTED BY GRANTEE]** upon signature, provided the Grant Term has commenced.
 - b. Quarterly payments thereafter on the basis of an acceptable cash flow projection indicating cash on hand and anticipated expenses for the upcoming quarter. Cash flow projections shall be submitted along with acceptable progress reports and financial reports as specified in Section 6.
 - c. Final payment of up to _____ upon receipt and approval of the Final Project Report and the Final Financial Report (as defined in Section 6, below). CI reserves the right to refuse final payment if Grantee fails to comply with the reporting terms outlined in Section 6 below.

The payments described above shall be made to the following account:

Name of Account Holder:

Name of Bank:

Bank Address:

ABA:

SWIFT code:

Bank Account:
No other funds shall be provided under this Grant.

5. **PROJECT DIRECTORS.** CI's Project Director for this project is _____ (the "CEPF Director"). Grantee's Project Director is _____ **[STATE NAME AND TITLE]**. All administrative notices, program requests, and deliverables relating to this Grant shall be addressed to these individuals.

6. **REPORTING.**

- a. **Project Reports.** The Grantee shall submit the following project reports.
- (1) **Progress Reports.** Grantee shall submit Progress Reports within thirty (30) days following the end of each **SIX MONTH PERIOD**. These reports shall include an update on progress made against objectives, and shall be submitted in the format specified by CEPF.
 - (2) **Final Report.** The Grantee shall submit a final report ('Final Project Report') within **60** days following the expiration of this Grant. This document shall include a comprehensive, detailed report of activities undertaken and an evaluation of accomplishments/successes under this Grant. This report shall be submitted in the format specified by CEPF.
- b. **Financial Reports.**
- (1) **Financial Progress Report.** The Grantee shall submit financial progress reports within thirty (30) days following the end of each calendar quarter. These reports shall be submitted in the format specified by CEPF.
 - (a) Copies of procurement records shall be maintained for all purchases of goods and services in accordance with Attachment 2 and provided to CI or any of the funding sources upon request.
 - (2) **Final Financial Report.** The Grantee shall file a final financial report ('Final Financial Report') within sixty (60) days following the expiration of this Grant. This report shall be submitted in the format specified by CEPF.
- c. **Annual Project Audit [IF REQUIRED IN ACCORDANCE WITH RISK ASSESSMENT OR PER DONOR REQUIREMENT; DELETE IF NOT APPLICABLE]**
- (1) Grantee shall engage independent auditors approved by CI to audit on an annual basis expenses incurred and activities carried out in the performance of this Grant. These audits shall be conducted at the place or places where the accounts of Grantee are normally kept and in accordance with the Project Audit Scope set out in Attachment 3 hereto. All books, accounts, financial records, reports, files and all other papers, things or property belonging to or in use by Grantee, and necessary to facilitate the audit, shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with any assets held by depositories, fiscal agents, and custodians shall be afforded to such person or persons. All such books, accounts, records, reports, files, paper, and property of Grantee shall remain in the possession and custody of Grantee.
 - (2) Should the audit disclose any instances of noncompliance or indication of fraud, abuse or illegal acts, such information shall be included in an audit report ('Audit Report') along with appropriate recommendations and a corrective action plan. The Audit Report for each such independent audit shall be provided to CI. Grantee hereby binds itself to respond to all questions raised by the auditors in the course of the above-described

audit in a timely and satisfactory manner and to reimburse CI for all disallowed expenditures.

- (3) Grantee is responsible for ensuring the compliance of its sub-grantees and sub-contractors with the audit provisions of this Grant.

d. **Other Financial Deliverables. [ADD HERE FROM RISK ASSESSMENT OR DELETE IF NOT APPLICABLE]**

- (1) (IF DETAILED TRANSACTION REPORTS ARE REQUIRED) Grantee shall provide a quarterly detailed printout of project expenses that tie to the submitted Financial Progress Reports within thirty (30) days following the close of each calendar quarter during the course of this Grant Agreement.
- (2) (IF ORGANIZATIONAL AUDIT & MANAGEMENT LETTER ARE REQUIRED) Grantee shall submit to CI/Washington copies of its audited annual financial statements and management letter, within one hundred twenty (120) days following the close of grantee's fiscal year.

7. **USE OF FUNDS AND RESOURCES**

- a. All funds (including any interest thereon), equipment, property and/or any other thing of value provided under this Grant shall be used only for approved purposes, and for expenses authorized in Attachment 1, Project Proposal and Project Budget. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- b. The Grantee is responsible for the implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies, as described at <http://go.worldbank.org/WTa1ODE7T0>.
- c. Grantee may allocate up to 15% of the total Grant between direct cost line items, not to exceed the approved total. Grantee shall request and receive written approval from CI prior to making any changes to the indirect costs line item, other changes to the budget or to the objectives, target areas, methodology, or timeline of the Project. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- d. Any funds (including any interest thereon) remaining with Grantee at the termination or expiration of the Grant term shall be returned to CI and Grantee shall reimburse CI for any disallowed expenditures. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- e. All funds provided under this Grant in U.S. Dollars that are exchanged to local currency must be exchanged at the best available rate through the channels authorized by applicable laws and regulations. Transactions must be verified through bank receipts or other documents or publications sufficient to demonstrate the legality of such transactions. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- f. Grant funds (including any interest thereon) shall not be expended to carry on propaganda or otherwise attempt to influence legislation or any public election. Funds may only be used to engage in activities that are for charitable, scientific, literary or educational purposes. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- g. Grant funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people.

- h. Grant funds shall not be expended (i) in the territories of any country which is not a member of IBRD or for goods procured in, or services supplied from such territories, or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, or (iii) for penalties on late payments imposed by suppliers except if such penalties were incurred in connection with a disputed payment which was under arbitration or (iv) self insurance and premium.
- i. Grant funds (including any interest thereon) shall not be expended for payments that are, or give the appearance of, a conflict of interest. A conflict of interest is defined as a transaction in which an employee's personal or financial interests conflict or appear to conflict with his official responsibility. Examples include, but are not limited to, such transactions as payments to the business partner(s) of the project director, co-project director, or members of their immediate families for salaries, expense reimbursement, or any other type of compensation, or payments to organizations in which the project director, co-project director, or member(s) of their immediate families have a financial interest. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.
- j. Grantee hereby certifies that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any U.S. or other applicable law (including, but not limited to, the U.K. Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act) or regulation; (2) without the express consent of the government for which the employee or official works; and (3) that is not reasonable, bona fide, and directly related to the activities funded under this Grant. It is Grantee's responsibility to ensure compliance with this clause, and to maintain, and provide at CI's request, documentation demonstrating such compliance. Grantee hereby certifies that no payments or other form of assistance shall be accepted by or made to any government employee or official, including Grantee, (a) to influence any official government act or decision, (b) to induce any government employee or official to do or omit to do any act in violation of his or her lawful duty, or (c) to obtain or retain business for, or direct business to any individual or entity. If Grantee is a government official or employee, Grantee shall recuse himself or herself from any governmental act or decision affecting CI, and shall not influence any governmental act or decision affecting CI. Under no circumstances shall any payments or anything of value be made, promised, or offered to any U.S. Federal, State or local employee or official. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.
- k. Grantee shall reject a proposal for award if it determines that (i) the bidder recommended for award has engaged in offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution ("Corrupt Practices") or (ii) the bidder has given a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Grantee or CI, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive the Grantee or CI of the benefits of free and open competition fraudulent practices in competing for the contract in question ("Fraudulent Practices").
- l. Grantee shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Grantee is eligible to apply for refunds on taxes paid, Grantee shall do so. All

such reimbursements received by Grantee for taxes paid under this Grant shall be used for Project purposes.

8. PROJECT MONITORING

- a. Record Keeping. Grantee shall segregate funds received and expenses incurred under this Grant from other sources of funding, including other CI grants. Grantee shall keep all pertinent records, both financial and technical, relating to this Grant for a period of three years following the termination or expiration of this Grant. CI, its representatives, and assignees, reserve the right to inspect, review or audit any and all records relating to this Grant.
- b. Desk Reviews and Site Visits. CI regards monitoring of project activities as essential to effective grant making. CI, its representatives and assignees, and representatives from each of the Funding Sources, may conduct desk reviews and/or site visits to review project progress and results. To the extent possible, CI shall advise Grantee of any site visit in reasonable advance.
- c. AUDIT. CI reserves the right to require a project or organizational audit of expenses incurred under this Grant. Grantee agrees to reimburse CI, at Grantee's sole expense, the amount of any expenditure disallowed by auditors, through an audit exception or other appropriate means, based upon a finding that such expenditures failed to comply with a provision of this Grant. **[DELETE IF AUDIT IS REQUIRED UNDER SECTION 6 C]**
- d. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

9. PROCUREMENT OF GOODS AND SERVICES

- a. Grantee shall comply with the **CEPF Procurement Policies and Procedures**, attached as Attachment 2 (the "**Procurement Guidelines**"). Procurement records shall be made available to CI, its representatives and assignees, upon request. Grantee is authorized to purchase goods and services with a total cost equal to or in excess of US\$5000 only with the specific, prior, written approval of CI. This approval shall be deemed to be given if the goods or services are clearly identified in Attachment 1. For all purchases of goods and services in excess of US\$5000 not set forth in Attachment 1 Grantee must submit a written request to the CEPF Director, describing the proposed item, its cost, and the programmatic justification for such purchase. No purchases with total cost in excess of US\$5000 are authorized without written approval from the CEPF Director.
- b. Title to any equipment and other property purchased with Grant funds (including any interest thereon) shall be in the name of Grantee until CI provides permanent disposition instructions at the expiration or other termination of this Grant. Grantee agrees to provide adequate insurance for motorized vehicles and for all equipment with a unit cost equal to or greater than five thousand U.S. Dollars (US\$5,000) purchased with Grant funds. Grantee shall notify CI prior to purchasing any such vehicles or equipment if adequate insurance cannot be procured. In addition, Grantee agrees to properly maintain all equipment and other property purchased with Grant funds.
- c. Unless otherwise agreed in writing by CI, goods and services shall be dedicated solely to achieve the objectives contemplated by the parties hereunder.
- d. Grantee hereby expressly binds itself to include language substantially reflecting the terms of this provision in all sub-contracts and sub-awards issued under this Agreement.

10. USE OF GRANT FUNDS AND OTHER VALUABLES BY THIRD PARTY GRANT FUNDS RECIPIENTS; SUB-AWARDS AND SUB-CONTRACTS.

- a. The Grantee is responsible for ensuring that the Project is administered in accordance with the terms of this Agreement and that no Grant funds, interest, equipment, property and/or any other thing of value are disbursed or transferred to any organization or entity ('Third Party Grant Funds Recipients'), whether or not formed by the Grantee, other than as specifically set forth in this Grant or unless specific, prior, written approval has been provided to Grantee by CI.
- b. The Grantee shall enter into legally binding, written agreements ('sub-awards' or 'sub-contracts') with Third Party Grant Funds Recipients, reflecting all terms and conditions of this Grant Agreement that Grantee is obliged to include in sub-contracts and sub-awards, including, but not limited to Sections 7, 8, 9, and 12.
- c. Records related to sub-contracts and sub-awards shall be made available to CI, its representatives and assignees, and representatives from each of the Funding Sources upon request.

11. OWNERSHIP OF INTELLECTUAL PROPERTY.

- a. The Parties agree that any non-proprietary information developed under this Grant will be made publicly available by each of the Funding Sources.
- b. Any information gathered by Grantee, and creative work developed by Grantee under this Grant, including without limitation any data, datasets, research, knowledge and all written, graphic, audio, visual and any other materials, contributions, applicable work product and production elements contained therein, whether on paper, disk, tape, digital file or any other media (the 'Work'), shall remain the intellectual property of Grantee, provided however that Grantee hereby irrevocably grants to CI, and each of the Funding Sources and all members of the World Bank Group, if applicable, a perpetual, royalty free, non-exclusive right to copy, distribute, publish, use, and prepare derivative works from the Work for any purpose, in any media, and in any territory for non-commercial use.

12. COMPLIANCE.

- a. Grantee represents and warrants compliance today and throughout the Grant Term, with all U.S. economic sanctions, anti-terrorism laws, and anti-money laundering laws, including but not limited to the USA PATRIOT Act, the laws administered by the United States Treasury Department's Office of Foreign Asset Control, Executive Order 13224.
- b. Grantee represents and warrants compliance today and throughout the Grant Term with any local laws that apply in the jurisdiction in which Grantee is operating, including, but not limited to, anti-bribery laws, employment laws and tax laws.
- c. Grantee represents and warrants that it is legally registered, authorized to do business and to carry out the Project activities in the country where the Project is being implemented.
- d. Grantee hereby expressly binds itself to include this provision in all sub-contracts and sub-awards issued under this Agreement.

13. ACKNOWLEDGEMENTS/PUBLICATIONS AND LOGO.

- a. Publications. Grantee agrees to provide CI with at least 5 copies of any article, report, media interview or other publication or broadcast relating to activities covered under this Grant. An electronic copy shall be provided, where available, and can be substituted for the 5 hard copies.
- b. Acknowledgements and Logos. Grantee agrees to acknowledge CEPF as detailed in the full Credit and Logo Policy incorporated herein as Attachment 3, in

all publications, reports and publicity arising from activities carried out under a CEPF grant. In text credits the full name Critical Ecosystem Partnership Fund shall be used. Use of the CEPF logo must be approved in advance in writing by CEPF. Any use of CEPF donor logos is expressly prohibited.

14. TERMINATION AND SUSPENSION.

- a. Termination for Cause. In the event of CI's determination of (i) Grantee's failure to comply with any terms of this Grant, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud, abuse, embezzlement and/or theft, CI may terminate the Grant, in whole or in part, by giving written notice to Grantee. Such notice shall become effective upon receipt.
 - b. Termination for Convenience. Either party may terminate this Grant for convenience, by providing written notice to the other party. Such notice shall become effective thirty (30) days after its receipt.
 - c. Upon the effective date of termination, Grantee shall stop work, immediately terminate any sub-grants or other obligations that it may have entered into involving Grant funds provided under this Grant, and shall settle all outstanding liabilities and all claims resulting from such termination.
 - d. Expenses after Termination. Following termination, Grant funds may be used only for payment of non-cancelable obligations for expenditures identified in Attachment 1 or for which CI's written approval has been obtained by Grantee prior to incurrence. In such event, Grantee shall submit written proof to CI that such obligations could not be canceled. All other expenditures incurred subsequent to the effective date of termination are unallowable.
 - e. Within thirty (30) days of any termination under this Section, the Grantee shall (i) return to CI the Final Project Report and the Final Financial Report, as defined in Section 6 of this Agreement, as well as any unexpended Grant funds that are not obligated by a legally binding transaction, and (ii) reimburse CI for any disallowed expenditures. CI may take all actions necessary to recover such Grant funds and disallowed expenditures, at Grantee's expense.
 - f. Suspension. In the event of CI's determination of (i) Grantee's failure to comply with any terms of this Grant, or (ii) Grantee's involvement in illegal acts including, without limitation, fraud, abuse, embezzlement and/or theft, CI may suspend payments to the Grantee in whole or in part.
15. AMENDMENTS AND MODIFICATIONS. This Agreement may not be amended, supplemented, or modified in any respect except by written agreement of each of CI and the Grantee, duly signed by their respective authorized representatives.
16. INDEMNIFICATION. To the extent permitted by law, Grantee agrees to indemnify CI and its officers and directors, including the cost of defense, for any claim made against them arising out of Grantee's performance under this Grant.
17. NO LIABILITY. CI shall not be liable for losses, damages, claims, or other liabilities arising out of Grantee's activities. It is expressly understood that CI, by making this Grant, has no obligation to provide other or additional support to Grantee for the purposes of this project or any other purposes.
18. RELATIONSHIP OF THE PARTIES. Nothing in this Grant shall be construed to create a relationship between the parties of agency, partnership, or joint ventures, or to render either party liable for any debts or obligations incurred by the other. Neither party is authorized to make representations on behalf of the other, or to bind the other in any manner whatsoever.
19. GOVERNING LAW. This Grant shall be governed by and interpreted in accordance with the laws of the District of Columbia, United States of America

20. COUNTERPARTS AND FACSIMILE SIGNATURES.
- a. It is the intention of each of the parties that the other party may rely on a facsimile copy of the signature of a duly authorized signatory and that upon the exchange of such facsimile signatures, electronically or otherwise, this Grant shall be binding between the Parties whether or not hard copies of this Grant are ever exchanged between them.
 - b. This document may be signed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument even though all the parties are not signatories to the original or the same counterpart
21. SEVERABILITY. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Grant, but this Grant shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.
22. NO THIRD-PARTY BENEFICIARIES. Except as expressly set forth herein, neither party intends that this Grant shall benefit or create any right or cause of action in or on behalf of any person or entity other than the Grantee and CI.
23. NON-ASSIGNMENT. This Grant shall not be transferred or assigned by Grantee without CI's prior written consent.
24. ARBITRATION. It is the Grantor's policy to make every reasonable effort to resolve all issues or disputes that may arise under this Grant fairly by negotiation, if practicable. Any dispute arising out of or relating to this Grant, which is not settled by agreement of the parties, shall be settled by binding arbitration, in accordance with the UNCITRAL Arbitration Rules in force at the time of commencement of the arbitration, before a sole arbitrator. The arbitration shall take place in Washington, DC, and the results thereof shall be final, non-appealable and binding on each party, and enforceable in any court of competent jurisdiction.
25. WAIVER. Either party may specifically waive any breach of this Grant by the other party, but no such waiver shall be deemed effective unless in writing, signed by the waiving party, and specifically designating the breach waived. No waiver shall constitute a continuing waiver of similar or other breaches. One party's consent or approval of any act by the other shall not be deemed to render unnecessary the consent to or approval of any subsequent act by the other party.
26. ENTIRE AGREEMENT. This Grant, including Attachments 1, 2, 3, (and 4) constitutes the entire understanding between the parties with respect to its subject matter hereunder, is intended as a complete and exclusive statement of the terms of their agreement, and supersedes any prior or contemporaneous agreements or understandings relating to the subject matter hereunder.
27. ORDER OF PRECEDENCE. Any inconsistency between this Grant and any Attachments hereto shall be resolved in the following order: a) Grant Agreement; b) CEPF Procurement Policies and Procedures; c) Project and Budget; d) CEPF Credit and Logo Usage Policy; and e) any other Attachments.
28. NOTICES. Notice under this Grant shall be deemed to have been sufficiently given either when served personally, sent by U.S. First-Class Registered or Certified Mail or by expedited delivery service with return receipt requested, addressed to the parties at the addresses set forth below.

If to Conservation International Foundation
Attn:
Address:
Phone:
Fax:

If to Grantee:
Attn:
Address:
Fax:
Phone:

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Grant as of the date indicated below:

Conservation International Foundation

By:

Title: _____

[SVPs/+ or those designees holding a formal Power of Attorney issued by the COO.]

Date: _____
Month Day Year

[GRANTEE]

By: _____

Title: _____

Date: _____
Month Day Year

Attachment 1: Project Proposal and Budget

Attachment 2: CEPF Procurement Policies and Procedures

Attachment 3: Critical Ecosystem Partnership Fund Credit and Logo Usage Policy

[if applicable:] Attachment 4: Project Audit Scope

ATTACHMENT 1
PROJECT PROPOSAL AND PROJECT BUDGET

ATTACHMENT 2

CEPF PROCUREMENT POLICIES AND PROCEDURES

Prior to undertaking any purchases of goods or services with CEPF funds, Recipient is required to have institutional procurement policies in effect that are substantially the same as those listed below.

The specific procurement procedures listed in section II are applicable to all purchases of goods/services with Grant funds, and must be followed in all cases.

I. POLICIES

- A. All purchases of goods and services must be made with complete impartiality based solely on the merits of supplier proposals, including criteria such as efficiency, quality, reliability, reputation, cost, delivery and payment terms. **No employee, officer, or agent of Recipient may participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved.** Such a conflict exists when an employee, any member of his immediate family, his or her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the firm selected for the award. Employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods/services or parties to sub-agreements.
- B. Recipient is responsible for ensuring that all equipment is received in good condition. Recipient must examine and test goods upon receipt to ensure that the vendor has met all terms and conditions of the purchase agreement.
- C. All purchases of services, from individuals or organizations, must be made via a written contract. This contract must describe the proposed scope of work and relevant terms with specificity, including contractual provisions that allow for contractual or legal remedies, in the event of a breach of contract terms.
- D. Procurement contracts may be made only with responsible suppliers who are reputable, well established and are suppliers of the goods and services being purchased in the normal course of business. No award shall be made to a supplier who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

II. PROCUREMENT PROCEDURES

- A. Purchases of goods and services with a total cost of less than US\$5,000 may be made 'off the shelf.' No specific number of bids is required.

Procurement records must reflect at a minimum:

- Purchase/consulting/services agreements (and title documents, as applicable); and
- delivery receipts.

Such procurement records must be made available upon request by any of the funding sources.

- B. Purchases of goods with a total cost equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written quotations received from at least three potential suppliers. Quotations must respond to all requirements in the request for bids and include the description and quantity of the goods, as well as the delivery time and place.
 - iv. Recipients are advised to initially request more than three quotations.
 - v. The request for bids shall provide for a clear and accurate description of the technical requirements for the goods to be procured, including a description of the functions to be performed or performance required (e.g., acceptable characteristics, minimum acceptable standards).
 - vi. If there are at least three sources for the goods, at competitive prices, in Recipient's country, Recipient may purchase locally without requesting quotations from foreign entities.
 - vii. If this is not the case, then Recipient must request quotations from suppliers in at least two different countries, including the country where Recipient's main office is located. Quotations for foreign goods offered by a firm located in Recipient's country, are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, for example, to items such as

computers, vehicles that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.

viii. Procurement records must reflect at a minimum:

- the list of firms invited to bid;
- all quotations received;
- the rationale for the selection of the firm by means of bid comparison on the basis of criteria such as fitness for purpose, efficiency, reliability, quality, delivery time, price, and maintenance;
- purchase agreements (and title documents, as applicable); and
- delivery receipts.

Such procurement records must be made available upon request by any of the funding sources.

C. Purchases of Services equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written statements of interest and CVs received from at least three potential firms or individuals. Statements of interest must respond to all requirements in the terms of reference.

- i. Terms of reference shall be well defined, specifying in detail the necessary subject area qualifications and expected outputs. They shall further include requirements, which the firm or individual must meet and other factors used to evaluate the Statement of Interest.
- ii. All purchases of services must be memorialized in writing, with fixed outputs and specific payment terms.
- iii. Fees may be paid on an hourly/daily rate, or on a fixed fee basis. All fees paid to individuals must be consistent with previous salary/fee history, as documented in the procurement records.
- iv. Procurement records must reflect at a minimum:
 - the list of individuals or firms invited to bid
 - the statements of interest and CVs;
 - salary/fee history;
 - rationale for selection of the firms/individual by means of bid comparison on the basis of criteria such as qualifications, reputation, efficiency, reliability, time of completion, and fees; and
 - consulting/services agreements.

Such procurement records must be made available upon request by any of the funding sources.

D. Purchases of goods and services with a total cost equaling, or in excess of, US\$50,000 are subject to special competitive bidding procedures.

- i. Such purchases are not allowed without separate written authorization from CI.
- ii. In the event that purchases equaling, or in excess of, US\$50,000 are authorized, CI shall provide Recipient with detailed instructions on bidding requirements that Recipient shall comply with.
- iii. Procurement records must be made available upon request by any of the funding sources.

E. In extremely urgent cases, quotations for civil works may be requested in the form of unit rate prices (if needed quantities are available with a reasonable degree of reliability), "cost plus fee" arrangements (when quantities cannot be reasonably determined in advance), or in the form of a lump sum based on cost estimates developed by the Recipient, or, if not possible, by the contractors.

ATTACHMENT 3

Critical Ecosystem Partnership Fund Credit and Logo Usage Policy

All publications, reports and publicity materials arising from a Critical Ecosystem Partnership Fund (CEPF) grant shall acknowledge the Critical Ecosystem Partnership Fund.

All Web sites created with CEPF support or publicizing lists of Grantee's donors (including CEPF funding sources) or materials arising from a CEPF grant shall also include a link to the CEPF Web site, www.cepf.net.

In text credits and references, the full name shall be used, rather than the acronym.

When the name Critical Ecosystem Partnership Fund is translated, it shall be translated as follows:

Bahasa: *Dana Kemitraan Ekosistem Kritis*

Chinese: 关键生态系统合作基金

French: *Fonds de partenariat pour les écosystèmes critiques*

Portuguese: *Fundo de Parceria para Ecossistemas Críticos*

Russian: Фонд Сотрудничества для Сохранения Экосистем, Находящихся в Критическом Состоянии

Spanish: *Fondo de Alianzas para los Ecosistemas Críticos*

The following description shall also be used:

"The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation."

When the description is translated, it shall be translated as follows:

- Bahasa: "Dana Kemitraan Ekosistem Kritis adalah inisiatif bersama Badan Perkembangan Perancis, Pemuliharaan Antarabangsa, Kemudahan Alam Sekitar Global, Kerajaan Jepun, Yayasan MacArthur dan Bank Dunia. Matlamat asas adalah untuk memastikan masyarakat awam terlibat dalam pemuliharaan biodiversiti."
- Chinese: "关键生态系统合作基金是由法国开发署、保护国际、全球环境基金、日本政府、麦克阿瑟基金会和世界银行六家机构共同投资设立的。它的根本宗旨是促进公民社会参与生物多样性保护。"
- French: "Le Fonds de partenariat pour les écosystèmes critiques est une initiative conjointe de l'Agence française de Développement,

Conservation International, du Fonds pour l'Environnement Mondial, du gouvernement du Japon, de la MacArthur Foundation et de la Banque Mondiale. Un objectif fondamental est de garantir que la société civile est engagée dans la conservation de la biodiversité."

- Portuguese : “O Fundo de Parceria para Ecossistemas Críticos é uma iniciativa conjunta da Agência Francesa de Desenvolvimento, da Conservação Internacional, da Gestão Ambiental Global, do Governo do Japão, da Fundação MacArthur e do Banco Mundial. Uma meta fundamental é garantir que a sociedade civil esteja envolvida com a conservação da biodiversidade”.
- Russian: "Фонд партнерства критических экосистем представляет собой совместную инициативу Французского Агенства Развития (French Development Agency), Консервейшн Интернэшнл (Conservation International), Глобал инвайрэнмент фасилити (Global Environment Facility), правительства Японии, Фонда МакАртура и Всемирного банка. Его главная цель заключается в том, чтобы мировое гражданское сообщество участвовало в процессе сохранения разнообразия.”
- Spanish: "El Fondo de Alianzas para los Ecosistemas Críticos es una iniciativa conjunta de La Agencia Francesa de Desarrollo, la Conservación Internacional, el Fondo para el Medio Ambiente Mundial, el Gobierno de Japón, la Fundación MacArthur y el Banco Mundial. La meta fundamental es asegurar que la sociedad civil se dedique a conservar la diversidad biológica.”

In addition, use of the CEPF logo is encouraged on reports, maps or other products that CEPF funding helps produce.

The CEPF logo is available in multiple electronic formats. To request the CEPF logo, please send a request with details of the proposed usage to cepf@conservation.org.

The logos of CEPF’s individual donor partners may not be used under any circumstances by grantees.

Copies of articles, reports, media interviews, or other publications or broadcasts shall be provided to CEPF. In the case of professionally printed publications for distribution, at least 5 copies shall be provided to CEPF. Electronic copies of all materials shall also be provided where available so that they may be posted on the CEPF Web site, www.cepf.net; electronic copies also can be substituted for the requested 5 hard copies.

ATTACHMENT 4

Terms of Reference

Project Audit

Objective

The objective of the audit of the audit is to enable the auditor to express an opinion on the financial position of the project based on funds received and expenditures reported.

The audit shall be conducted annually ("Audit Period").

Scope

The audit will be conducted in accordance with International Standards on Auditing as published by the International Auditing and Assurance Standards Board of the International Federation of Accountants, with special reference to ISA 800 (Auditor's Report on Special Purpose Audit Engagements) and will include such tests and controls as the auditor considers necessary. The auditor must bear in mind, that for the establishment of the audit opinion, s/he has to carry out a compliance audit and not a normal statutory audit.

The preparation of the financial reports is the responsibility of the Grantee. The financial information has to be established in accordance with consistently applied Accounting Standards and the underlying grant agreement.

The auditor's opinion, established in the audit opinion report, will explicitly state whether:

- a) The payments out of the project funds have been made in accordance with the conditions of the agreement. Where ineligible expenditures are identified, these should be noted separately.
- b) The funds have been maintained in accordance with the provisions of the agreement. This also comprises interest earned from balances.
- c) Expenditures are supported by relevant and reliable evidence. All supporting documents and records with respect to the statements of expenditures submitted as the basis for cash requests have been made available.
- d) The audited financial reports can be relied upon to support the related cash requests. Clear linkage should exist between the financial reports, the cash requests presented to CI and the accounting records.
- e) Goods and services financed have been procured in accordance with the agreement and the {funding source/donor's rules and regulations}..

Reports

The **audit report(s)** should be received by CI no later than three months after the end of the period covered. The audit report(s) will include all aspects specified in the preceding paragraph ("Scope"). In this/these report(s) the auditor shall also provide a schedule showing receipts and disbursements during the Audit Period and the balance of the separate account(s) and all sub-accounts (if any) at the beginning and the end of the Audit Period. In addition, the auditor shall appraise and quantify the consequences of specific deficiencies, if any.

The auditor will in addition prepare a "management letter," in which the auditor will:

- a) give comments and observations on the accounting records, systems and controls examined during the course of the audit (as far as necessary for the understanding of the financial reports);
- b) identify specific deficiencies and areas of weakness in systems and controls of the Grantee that have come to the auditor's attention, especially with regard to procurement and payments, and make recommendations for their improvement;
- c) report on actions taken by the management of the Grantee to make improvements with respect to deficiencies and areas of weakness reported in the past;
- d) bring to the Grantee's attention any other matter that the auditor considers pertinent.

CRITICAL ECOSYSTEM PARTNERSHIP FUND

INTERNAL AGREEMENT

FOR CONSERVATION INTERNATIONAL PROGRAMS

This Internal Agreement ("Agreement") provides the terms and conditions under which funding from the Critical Ecosystem Partnership Fund ("CEPF"), a joint initiative of Conservation International ("CI"), International Bank for Reconstruction and Development ("IBRD"), the Global Environment Facility through the IBRD as implementing agency ("GEF"), the Government of Japan through IBRD as trustee of grant funds provided by the Ministry of Finance ("Japan"), the John D. and Catherine T. MacArthur Foundation ("MacArthur Foundation"), l'Agence Française de Développement ("AFD") (hereafter together referred to as "the Funding Sources") and administered by CI, shall be made available to the **(Fill in)** ("Program") for the project: Please enter Project Title.

1. All funds allocated under this Agreement shall be used only for the expenses described in the attached Project and Budget (Attachment 1, the "Project."). Funds shall be used solely for the purposes and activities described therein, and shall in all cases conform to the restrictions and limitations described in the Standard Provisions, and Procurement Policies and Procedures, jointly referred to as the "Funding Terms and Conditions."
2. This Agreement begins on **(Fill in Date)** The date of completion is **(fill in date)** unless earlier terminated in accordance with this Agreement or extended by mutual written agreement. All expenses must be incurred within the term of this Agreement.
3. The Program agrees to deliver the following deliverables as specified below:
 - a. Progress Reports. The Program shall file all Progress Reports using the CEPF reporting templates. These reports shall include an update on progress made against objectives, and shall be submitted in the format specified. Reports are due within thirty (30) days following the close of each [ENTER APPROPRIATE REPORTING PERIOD, I.E. CALENDAR QUARTER OR SIX-MONTH PERIOD] during the term of this Agreement.
 - b. Financial Reports. All CEPF expenses incurred by CI field offices shall be reported to Washington , DC through CI's standard monthly financial reporting process. These expenses shall be combined with any allowable expenses incurred in Washington D.C., and a financial report shall be filed in the format specified by CEPF's Executive Director. This report shall be filed within thirty (30) days following the close of each calendar quarter during the term of this Agreement. The Program hereby designates _____ as the individual responsible for filing such financial reports.
 - c. Procurement Records. Copies of procurement records shall be maintained for all purchases of goods and services in accordance with Attachment 3 and provided to CEPF or any of the funding sources upon request.
 - d. Final Reports. The Program shall file a final Progress and Financial Report within sixty (60) days following the expiration or termination of this Agreement. These documents shall be submitted in the format specified by CEPF.
4. The CEPF Director responsible for this Project is **Fill in CEPF Director**. For administrative matters on behalf of CEPF please contact **Fill in Regional Support**. The Project Manager for the Program is **fill in Project Manager**.

5. CI, as administrator for CEPF, agrees to make funding from the CEPF available in a total amount not to exceed **(Amount of money, written out)** U.S. dollars (US\$ **Amount in numbers** (the "CEPF Funds"). A New Donor Code shall be set up within Program's budget, against which all expenses relating to this Agreement shall be charged. No other funds will be provided without written modification of this Agreement. Advances for operating expenses shall be requested through CI's standard monthly cash request process.
6. COMPLIANCE WITH TERMS. Program agrees to ensure full compliance by Program as well any sub-recipients with all Funding Terms and Conditions, including but not limited to:
 - IBRD Safeguard Policies,
 - Conflict of interest policy as set forth in Section 1j of the Standard Provisions,
 - Prevention of corrupt and or fraudulent practices as set forth in Section 1 k and l of the Standard Provisions,
 - Anti-terrorist financing rules as set forth in Section 6 of the Standard Provisions, and
 - Procurement Guidelines as set forth in Attachment 3.

Program agrees to ensure that all applicable Funding Terms and Conditions are passed on to and binding on any sub-recipients.

7. The obligations of CI, as administrator of CEPF, under this Agreement are not made on behalf of, nor are binding on any of the Funding Sources.
8. All modifications to this Agreement will be in writing and signed by persons designated to act on behalf of the parties to this Agreement.
9. The attachments to this Agreement are an integral part hereof.

To acknowledge acceptance of the terms and conditions of this Agreement, including those in the attachments, please sign in the space indicated below and return the signed original to the CEPF Director noted above.

For CI, as administrator of the CEPF

For the Please enter Program name here.

By: _____

By: _____

Jorgen Thomsen, Senior VP CI

Name:

Executive Director, CEPF

Title:

Date: _____

Month Day Year

Date: _____

Month Day Year

Attachment 1, Project and Budget

Attachment 2, Standard Provisions

Attachment 3, CEPF Procurement Policies and Procedures

Attachment 4, CEPF Credit and Logo Usage Policy

ATTACHMENT 1
PROJECT AND BUDGET²⁵

1) The budget in this attachment needs to ensure that no more than 20 percent of the CEPF funds granted under this agreement can be used for payment of any taxes.

ATTACHMENT 2
STANDARD PROVISIONS

1. USE OF FUNDS

- c. CEPF Funds shall be used only for approved purposes, and for eligible expenses authorized in Attachment 1, Project and Budget.
- d. The Program is responsible for the implementation and monitoring of any required safeguard instrument or other required measures to address Safeguard Policies as described at <http://go.worldbank.org/WT10DE7T0>..
- e. Program may allocate up to 15% of the total agreement between direct cost line items, not to exceed the approved total. Program must receive written approval from the CEPF Grant Director prior to making any changes to the budget or to the objectives, target areas, methodology, or timeline of the Project.
- f. CEPF Funds shall not be expended to carry on propaganda or otherwise attempt to influence legislation or any public election. CEPF Funds may be used only to engage in activities that are for religious, charitable, scientific, literary or educational purposes.
- g. CEPF Funds shall not be expended for payments that are, or give the appearance of, a conflict of interest. A conflict of interest is defined as a transaction in which an employee's personal or financial interests conflict or appear to conflict with his official responsibility. Examples include, but are not limited to, such transactions as payments to the business partner(s) of the project director, co-project director, or members of their immediate families for salaries, expense reimbursement, or any other type of compensation, or payments to organizations in which the project director, co-project director, or member(s) of their immediate families have a financial interest.
- h. CEPF Funds shall not be expended for land acquisition, and no expenditures shall be made for activities resulting in the physical relocation of people.
- i. CEPF Funds shall not be expended (i) in the territories of any country which is not a member of IBRD or for goods procured in, or services supplied from such territories, or (ii) on account of any payment to persons or entities, or any import of goods, if such payment or import is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations, or (iii) for penalties on late payments imposed by suppliers except if such penalties were incurred in connection with a disputed payment which was under arbitration or (iv) self insurance and premium.
- j. Program hereby certifies that no assistance, payments, or anything of value (monetary or non-monetary), shall be made, promised, offered to or accepted by any government employee or official (1) in contravention of any U.S. or other applicable law (including, but not limited to, the U.S. Foreign Corrupt Practices Act) or regulation; (2) without the express consent of the government for which the employee or official works; and (3) that is not reasonable, bona fide, and directly related to the activities funded under this Agreement. Under no circumstances shall any payments or anything of value be made, promised, or offered to any U.S. Federal, State or local employee or official.
- k. Program shall reject a proposal for award if it determines that (i) the bidder recommended for award has engaged in offering, giving, receiving, or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution ("Corrupt Practices") or (ii) the bidder has given a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of Program or CI, as administrator of CEPF, and includes collusive practices among bidders (prior to or after bid submission) designed to establish bid prices at artificial, non-competitive levels and to deprive Program or CI as administrator of CEPF, of the benefits of free and open competition fraudulent practices in competing for the contract in question ("Fraudulent Practices").

- I. Program shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Program is eligible to apply for refunds on taxes paid, Program shall do so. All such reimbursements received by Program for taxes paid from CEPF Funds shall be used for Project purposes.
2. PROCUREMENT OF GOODS AND SERVICES
 - a. Program is authorized to purchase goods and services with a unit cost equaling, or in excess of, \$5000 only with the specific, prior, written approval of the CEPF Grant Director. This approval shall be deemed to be given if the goods or services are clearly identified in Attachment 1, Project and Budget. For all purchases of goods and services equaling, or in excess of, \$5000 not approved in Attachment 1, Program must submit a written request to the CEPF Grant Director, describing the proposed item, its cost, and the programmatic justification for such purchase. No purchases are authorized without written approval from the CEPF Grant Director.
 - b. For all purchases of goods and services, Program shall follow the procurement policies and procedures set forth in Attachment 3 to this Agreement. Program agrees to observe the highest standard of ethics in all procurement matters.
3. TERMINATION
 - a. Either party may terminate this agreement by providing written notice to the other party. Upon receipt of such notice, no further expenses shall be incurred. Termination under this Section shall become effective when all obligations under this Agreement have been fulfilled.
 - b. Within thirty (30) days of the date of notice under this Section, Program shall submit to the CEPF Grant Director a final technical report.
4. ACKNOWLEDGEMENT/PUBLICATIONS
 - a. Program agrees to acknowledge CEPF as detailed in the full Credit and Logo Policy in all publications, reports and publicity arising from activities carried out under a CEPF grant. In text credits the full name Critical Ecosystem Partnership Fund shall be used. Use of the CEPF logo must be approved in advance in writing by CEPF. Any use of CEPF donor logos is expressly prohibited.
 - b. Program agrees to provide CEPF Staff with at least 10 copies of any articles, reports, media interviews or other publication relating to activities covered under this Agreement. An electronic copy shall also be provided, where available.
5. SITE VISITS/EXAMINATIONS

Program shall enable representatives of CEPF donors to visit facilities and sites included in the Project and activities thereunder, and to examine the goods financed out of the CEPF Funds and any installations, sites, works, records, and documents relevant to the operations financed out of the CEPF Funds.

ATTACHMENT 3
CEPF PROCUREMENT POLICIES AND PROCEDURES

Prior to undertaking any purchases of goods or services with CEPF funds, Recipient is required to have institutional procurement policies in effect that are substantially the same as those listed below. The specific procurement procedures listed in section II are applicable to all purchases of goods/services with Grant funds, and must be followed in all cases.

I. POLICIES

- A. All purchases of goods and services must be made with complete impartiality based solely on the merits of supplier proposals, including criteria such as efficiency, quality, reliability, reputation, cost, delivery and payment terms. **No employee, officer, or agent of Recipient may participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved.** Such a conflict exists when an employee, any member of his immediate family, his or her partner, or an organization which employs or is about to employ any of the aforementioned parties, has a financial or other interest in the firm selected for the award. Employees shall neither solicit nor accept gratuities, favors, or anything of monetary value from providers of goods/services or parties to sub-agreements.
- D. Recipient is responsible for ensuring that all equipment is received in good condition. Recipient must examine and test goods upon receipt to ensure that the vendor has met all terms and conditions of the purchase agreement.
- E. All purchases of services, from individuals or organizations, must be made via a written contract. This contract must describe the proposed scope of work and relevant terms with specificity, including contractual provisions that allow for contractual or legal remedies, in the event of a breach of contract terms.
- F. Recipient must ensure that adequate insurance is obtained for the actual replacement value of any equipment purchased.
- E. Procurement contracts may be made only with responsible suppliers who are reputable, well established and are suppliers of the goods and services being purchased in the normal course of business. No award shall be made to a supplier who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

II. PROCUREMENT PROCEDURES

- A. Purchases of goods and services with a unit cost of less than US\$5,000 may be made 'off the shelf.' No specific number of bids is required.

Procurement records must reflect at a minimum:

- Purchase/consulting/services agreements (and title documents, as applicable); and
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- B. Purchases of goods with a unit cost equaling, or in excess of, US\$5,000 but less than US\$50,000 must be based on written quotations received from at least three potential suppliers. Quotations must respond to all requirements in the request for bids and include the description and quantity of the goods, as well as the delivery time and place.
 - i. Recipients are advised to initially request more than three quotations.
 - ii. The request for bids shall provide for a clear and accurate description of the technical requirements for the goods to be procured, including a description of the functions to be performed or performance required (e.g., acceptable characteristics, minimum acceptable standards).
 - iii. If there are at least three sources for the goods, at competitive prices, in Recipient's country, Recipient may purchase locally without requesting quotations from foreign entities.

- iv. If this is not the case, then Recipient must request quotations from suppliers in at least two different countries, including the country where Recipient's main office is located. Quotations for foreign goods offered by a firm located in Recipient's country are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, for example, to items such as computers, vehicles that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.
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 - the list of firms invited to bid;
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- i. Terms of reference shall be well defined, specifying in detail the necessary subject area qualifications and expected outputs. They shall further include requirements, which the firm or individual must meet and other factors used to evaluate the Statement of Interest.
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 - ii. In the event that purchases equaling, or in excess of, US\$50,000 are authorized, CI shall provide Recipient with detailed instructions on bidding requirements that Recipient shall comply with.
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- E. In extremely urgent cases, quotations for civil works may be requested in the form of unit rate prices (if needed quantities are available with a reasonable degree of reliability), "cost plus fee"

arrangements (when quantities cannot be reasonably determined in advance), or in the form of a lump sum based on cost estimates developed by the Recipient, or, if not possible, by the contractors.

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When the description is translated, it shall be translated as follows:

- Bahasa: "Dana Kemitraan Ekosistem Kritis adalah inisiatif bersama Badan Perkembangan Perancis, Pemuliharaan Antarabangsa, Kemudahan Alam Sekitar Global, Kerajaan Jepun, Yayasan MacArthur dan Bank Dunia. Matlamat asas adalah untuk memastikan masyarakat awam terlibat dalam pemuliharaan biodiversiti."
- Chinese: "关键生态系统合作基金是由法国开发署、保护国际、全球环境基金、日本政府、麦克阿瑟基金会和世界银行六家机构共同投资设立的。它的根本宗旨是促进公民社会参与生物多样性保护。"
- French: "Le Fonds de partenariat pour les écosystèmes critiques est une initiative conjointe de l'Agence française de Développement, Conservation International, du Fonds pour l'Environnement Mondial, du gouvernement du Japon, de la MacArthur Foundation et de la Banque Mondiale. Un objectif fondamental est de garantir que la société civile est engagée dans la conservation de la biodiversité."
- Portuguese: "O Fundo de Parceria para Ecossistemas Críticos é uma iniciativa conjunta da Agência Francesa de Desenvolvimento, da Conservação Internacional, da Gestão Ambiental Global, do Governo do Japão, da Fundação MacArthur e do Banco Mundial. Uma meta fundamental é garantir que a sociedade civil esteja envolvida com a conservação da biodiversidade".
- Russian: "Фонд партнерства критических экосистем представляет собой совместную инициативу Французского Агентства Развития (French Development Agency), Консервейшн Интернэшнл (Conservation International), Глобал инвайрэнмент фасилити (Global Environment Facility), правительства Японии, Фонда МакАртура и Всемирного банка. Его главная цель заключается в том, чтобы мировое гражданское сообщество участвовало в процессе сохранения разнообразия."
- Spanish: "El Fondo de Alianzas para los Ecosistemas Críticos es una iniciativa conjunta de La Agencia Francesa de Desarrollo, la Conservación Internacional, el Fondo para el Medio Ambiente Mundial, el Gobierno de Japón, la Fundación MacArthur y el Banco Mundial. La meta fundamental es asegurar que la sociedad civil se dedique a conservar la diversidad biológica."

In addition, use of the CEPF logo is encouraged on reports, maps or other products that CEPF funding helps produce.

The CEPF log may not be altered or translated.

The CEPF logo is available in multiple electronic formats. To request the CEPF logo, please send a request with details of the proposed usage to cepf@conservation.org.

The logos of CEPF's individual donor partners may not be used under any circumstances by grantees.

Copies of articles, reports, media interviews, or other publications shall be provided to CEPF. In the case of professionally printed publications for distribution, at least 10 copies shall be provided to CEPF. Electronic copies of all materials shall also be provided where available so that they may be posted on the CEPF Web site, www.cepf.net.

Grant Management Process

When the grant agreement is fully executed (signed by both parties), the grant is considered approved and becomes active in the Grants Enterprise Management System (GEM). The grant commitment will then be booked, the grantee may begin work, and payments can be made as outlined in the agreement.

CEPF grants are managed by monitoring the grantee's technical and financial performance, tracking progress and completion for deliverables, reviewing payment requests, discussing grant issues with the grantee and local partners, conducting site visits, and ensuring adequate follow up to any issues that arise. In addition, CEPF and Regional Implementation Team staff members are available to answer questions about reporting and project specifics as well as to discuss biodiversity conservation challenges.

Recording the Grant

Once the grant is approved, accounting staff will be notified via GEM that a commitment (the full amount of the grant) is ready for booking. Accounting will make the entry into Oracle. All grant commitments are booked to GL account 5500.

The extent of financial and technical monitoring conducted by CEPF and the reporting required of a grantee is dependent on the risk ratings associated with the grantee (See Guidelines for Completing Risk Assessments, section 4.4.5). The grant agreement includes a schedule for financial and technical reporting and the terms for payments.

In GEM, CEPF will set up the reporting schedule(s) in order to help track whether a grantee is complying with the reporting requirements set forth in an agreement.

Reporting

Performance Reports All grantees are required to submit technical reports according to the reporting schedule defined in their grant agreement. All reports submitted by the grantee must be reviewed and acknowledged. Any performance issues that are identified should be discussed with appropriate CEPF staff and directly with the grantee. See section 4.5.2 for the CEPF Project Performance Monitoring Report. Key questions that the reviewer should bear in mind include:

- Is the period of the report accurately indicated on the report?
- Does the report contain an adequate level of detail to describe activities accomplished during the period?
- If any planned activities were not accomplished, have they been rescheduled and explained?
- Do activities from this reporting period present sufficient changes or concerns that a discussion or site visit should be conducted?

Financial Reports. The grantee must submit financial reports no less frequently than as set forth in their grant agreement as determined by the Financial Reporting Grid in the Financial Risk Assessment (Section 4.4.5). If the start date of the grant falls in the middle of a reporting period the first financial report should include the remainder of that reporting period and the next full reporting period. For example, if an agreement requiring quarterly reports begins on 15 May, the first financial report would cover the period from 15 May through 30 September, and would be due 30 days later (or 30 October).

The grantee reports against the approved budget included in the grant agreement. Financial reports include prior period expenses, current period expenses, total expenses to date, budget balance, and projected cash needs for the next period. See section 4.5.3 for the CEPF Budget and Reporting Template. Program staff will analyze financial reports for accuracy and reasonableness in light of the project's progress to date.

The procurement procedures to be followed by the grantees, including the Regional Implementation Teams, are outlined in the Standard Provisions of the CEPF Grant Agreement and follow commercial practices. The CEPF Secretariat shall carry out prior review and approval of procurement requests estimated to cost \$5,000 or more. The RITs will carry out this review and approval for the sub-grants they award. All other procurements may be awarded by the grantees without prior review, but are subject to post-review on a sample basis. Procedures for assessing procurement compliance include a thorough budget review during project design. Procurements are specifically reviewed as an integral part of the review of quarterly financial reports. For example, reviews include assessment of the relevant budget line items (furniture and equipment and professional services) for over expenditures. Procurement review is also part of the financial site visits, where relevant.

Independent Audits

When independent annual audits are required according to the Financial Risk Assessment, they are due to CEPF within 120 days following the close of the grantee's fiscal year. When audits are required, this requirement will be written into the grant agreement with the organization in question. All audit reports will be reviewed after receipt. If CEPF is funding the audit, and there are material audit findings wherein expenditures failed to comply with provisions of the sub agreement, the grantee shall be responsible for the audit costs and will reimburse CEPF for any expenditures(s) disallowed by the auditors.

Requesting and Making Payments

GEM will facilitate making payment requests by populating various fields in a Payment Request Form (see Section 4.5.1), using data from GEM as well as data input for each payment request, and enabling a user to e-mail the payment request to the person authorized to approve the payment.

Initial Payment or Lump Sum Payment. The amount of the initial payment, or in rare cases, lump sum payment, is taken directly from the grant agreement. The initial payment is usually made as soon as the grant is signed and the commitment booked. To authorize payment, CEPF will submit a payment request along with the signed contract to the Finance Department.

Subsequent Payments. After the initial payment, subsequent payments are made following the receipt and approval of scheduled financial reports and are based on the grantee's projected cash flow. To request a payment, CEPF will review the financial report for the following:

- Grantee's financial report totals are correctly calculated
- Grantee is reporting against the correct budget
- Variances from original budget that are greater than 15%
- Expenses appear reasonable given the progress of the corresponding work
- Cash request for following period is reasonable and does not exceed the total amount.

Upon approval of financial reports, CEPF sends a payment request to the CI Finance Department. The Finance Department checks for CEPF approval and verifies the grantee's quarterly financial reports in GEM. All funds to CEPF external grantees are wired directly from the CEPF bank account.

Final Payment. The amount or percentage of the final payment is based on the terms of the grant agreement and successful completion of the deliverables. See the *Grant Close-out* section below for further details.

Site Visits

Programmatic Site Visits

Each year CEPF conducts selected programmatic site visits based on the programmatic risk levels and the dollar amounts of the grantees. In addition, CEPF and the RIT staff will often visit many additional grantees and projects beyond the required samples.

Site visits help CEPF to confirm activities and progress reported to date through technical reports. CEPF staff can assess the grantee's capacity to continue implementation as planned and review or identify any potential constraints to success. Formal site visits undertaken as part of the sampling discussed above result in a written summary of the visit containing recommendations, concerns, and follow-up steps, as appropriate.

Financial Site Visits

As part of the overall project review listed above, CEPF and Regional Implementation Team staff will review the financial progress of the grant and the related deliverables.

In addition, as part of CI's efforts to build and maintain strong relationships with partners and promote fiscal accountability, each year CI's Grants Resources develops a site visit schedule identifying the grantees that will receive a formal, CI-mandated financial site visit. Grants Resources considers the risk rating, grant award value, cash received to date, and issues identified through prior site visits or in other ways when developing the list of grantees to receive a site visit. The purpose of this visit is to review the accounting and financial management practices of the grantee, to identify any capacity building needs, and to ensure that proper financial controls are in place. All visits are documented in detailed reports. Site visit results may trigger a re-evaluation of financial risk.

During the site visit issues may be identified that need follow-up and/or trigger a review of the financial risk rating. Issues and recommendations, where relevant, are documented in the site visit report. Grants Resources will schedule a follow-up visit, if appropriate.

Grant Close-Out

At project completion, all grantees will be required to submit a *Final Project Completion Report*¹. CEPF grants will be closed upon verification that all deliverables have been completed, all progress, financial, and audit reports have been reviewed and approved and that the total grant amount has been reconciled. Reconciliation includes verification that all advances have been accounted for, the final payment has been issued, and any unspent funds have been returned and credited back to the portfolio for future grants.

After the grant is closed, CEPF will officially notify the grantee in a Close-Out Letter that the grant is complete and all deliverables are approved. If applicable, a final payment or refund request will be processed at this time. Any unused funds received by the grantees should be refunded to the CI Fund Account, and subtracted from the reported eligible expenditures. These funds are then available for other grants.

¹ The Final Project Completion Report is found in Section 4.5.4

CONSERVATION INTERNATIONAL FOUNDATION
External Grant INITIAL/LUMP SUM Payment Request

BUSINESS UNIT REQUESTING PAYMENT:

PAYMENT TO
(GRANTEE NAME) _____

AMOUNT
REQUESTED _____

PAYMENT METHOD:

- ☐ CHECK
☐ WIRE
☐ CASH

REF/INVOICE #:

For Wire Transfers ONLY:

Beneficiary Bank Info:

Bank Name:
 ABA/SWIFT#:
 Sort Code:
 * Account #

Address
 City
 Country

* Enter Account # if using
 intermediary bank

Beneficiary (Recipient) Info:

Name:
 Account #:
 Address
 City, State
 Country

**Intermediary Bank #1 Info (If
 Applicable):**

Bank Name:
 ABA/SWIFT#:
 Sort Code:
 * Account #

Address
 City
 Country

Intermed. Wire
 Transfer Fee

**Intermediary Bank #2 Info (If
 Applicable):**

Bank Name:
 ABA/SWIFT#:
 Sort Code:
 * Account #

Address
 City
 Country

OR

For Checks ONLY:

Beneficiary (Recipient) Info:

Name:
 Address:
 Finance to send check: []
 or Return Check To:
 Due Date:

PAYMENT REQUESTED BY:

EXT.

DATE:

PAYMENT APPROVED BY:

SIGNATURE: _____

DATE: _____

FINANCE APPROVAL:

SIGNATURE: _____

DATE: _____

For Administration Use:

DATE RETURNED: _____

- ☐ Insufficient documentation
☐ No original invoice or contract

- ☐ Lack of required signature
☐ Other

Performance Tracking Report

Project Title:				
Organization:				
Application Code:				
Current Reporting Period				
January 2007 - June 2007			Return to Project Progress Reports	
Project Progress				
Provide a brief description of progress toward your stated objectives and any key accomplishments achieved during this reporting period.				
Long-term Impacts (3+ Years)				
Short-term Impacts (1 - 3 Years)				
Describe any concrete conservation results / impacts achieved during this period.				
List and attach any formal products that have been produced as a result of the project during this period.				
Performance Reporting By Component				
Component 1:				
Product / Deliverable	Current Period Planned	Current Period Actual	Next Period Planned	Next Period NEW Planned (edit only if revising plan)

Component 2:				
Product / Deliverable	Current Period Planned	Current Period Actual	Next Period Planned	Next Period NEW Planned (edit only if revising plan)

Component 3:				
Product / Deliverable	Current Period Planned	Current Period Actual	Next Period Planned	Next Period NEW Planned (edit only if revising plan)

Component-level Performance Reporting
Describe any planned Component-level targets that have not been achieved, any problems that have led to this and any actions taken to adjust the plan.

Lessons Learned
Describe any lessons learned during this period.
Describe how you have involved relevant stakeholders or project partners during this period.

Safeguard Policy Assessment
Summarize any actions taken to mitigate anticipated or unanticipated environmental or social safeguard issues during this period.
Sustainability Issues
Describe how you have managed any external assumptions or risks during this period that were identified during the planning stage. Have any new risks developed?
Additional Comments
Provide any additional comments you feel have not been captured in the previous sections of this report.

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. One way we do this is by making programmatic project documents available on our Web site, www.cepf.net.

These documents are accessed frequently by other CEPF grantees, potential partners, and the wider conservation community. We do understand, however, that there may be some sensitive information related to project implementation that you would like to share with us. If so, please use the next page to provide this information to us; this page will be detached in all instances before the project document is shared publicly.

Grantee Reporting Template:

Annual Performance Tracking Report Addendum

CEPF Global Targets				
July 1, 2007 – June 30, 2008				
Provide a numerical amount and brief description of the results achieved by your grant. Please respond to only those questions that are relevant to your project.				
Project Results	Is this question relevant ?	If yes, provide your numerical response for results achieved during the annual period.	Provide your numerical response for project from inception of CEPF support to date.	Describe the principal results achieved from July 1, 2007 to June 30, 2008. (Attach annexes if necessary)
1. Did your project strengthen management of a protected area guided by a sustainable management plan? Please indicate number of hectares improved.				Please also include name of the protected area(s). If more than one, please include the number of hectares strengthened for each one.
2. How many hectares of new and/or expanded protected areas did your project help establish through a legal declaration or community agreement?				Please also include name of the protected area. If more than one, please include the number of hectares strengthened for each one.
3. Did your project strengthen biodiversity conservation and/or natural resources management inside a key biodiversity area identified in the CEPF ecosystem profile? If so, please indicate how many hectares.				
4. Did your project effectively introduce or strengthen biodiversity conservation in management practices outside protected areas? If so, please indicate how many hectares.				
5. If your project promotes the sustainable use of natural resources, how many local communities accrued tangible socioeconomic benefits? Please complete Table 1 below.				

If you answered yes to question 5, please complete the following table.

Table 1. Socioeconomic Benefits to Target Communities

Please complete this table if your project provided concrete socioeconomic benefits to local communities. List the name of each community in column one. In the subsequent columns under Community Characteristics and Nature of Socioeconomic Benefit, place an X in all relevant boxes. In the bottom row, provide the totals of the Xs for each column.

Name of Community	Community Characteristics							Nature of Socioeconomic Benefit													
	Small landowners	Subsistence economy	Indigenous/ ethnic peoples	Pastoralists/nomadic peoples	Recent migrants	Urban communities	Communities falling below the poverty rate	Other	Increased Income due to:				Increased food security due to the adoption of sustainable fishing, hunting, or agricultural practices	More secure access to water resources	Improved tenure in land or other natural resource due to titling, reduction of colonization, etc.	Reduced risk of natural disasters (fires, landslides, flooding, etc)	More secure sources of energy	Increased access to public services, such as education, health, or credit	Improved use of traditional knowledge for environmental management	More participatory decision-making due to strengthened civil society and governance.	Other
									Adoption of sustainable natural resources management practices	Ecotourism revenues	Park management activities	Payment for environmental services									
Total																					
If you marked "Other", please provide detail on the nature of the Community Characteristic and Socioeconomic Benefit:																					

Budget Report

Project Title	
Organization:	
Application Code:	

Current Reporting Period	
January 2007 - March 2007	This report has already been submitted to CEPF. Return to Project Progress Reports

Total Budget	
Balance from Previous Period	
Advance Received	
Available Funds	

Output Summary	Current Period Expenses	Project to Date Expenditures	Approved Budget	Available Budget	Percentage Spent
Salaries/Benefits					
*Professional Services					
Rent and Storage					
Telecommunications					
Postage and Delivery					
Supplies					
*Furniture and Equipment					
Maintenance					
Travel					
Meetings and Special Events					
Miscellaneous					
Sub-Grants					
Indirect Cost					

Comments					
Totals					
Total Current Period Expenses		*Procurement Report: For all Professional Services and Expensed Furniture and Equipment procured for unit costs in excess of \$5,000, the following must be maintained on record: - Item - Name of vendor - Budgeted amount - Actual amount - Number of bids received - Rationale for selection			
Closing Balance					
Projected Expenditures					
Advance Requested					
Submit					

CEPF FINAL PROJECT COMPLETION REPORT

Organization Legal Name:	
Project Title:	
Date of Report:	
Report Author and Contact Information	

CEPF Region:

Strategic Direction:

Grant Amount:

Project Dates:

Implementation Partners for this Project (please explain the level of involvement for each partner):

Conservation Impacts

Please explain/describe how your project has contributed to the implementation of the CEPF ecosystem profile.

Please summarize the overall results/impact of your project.

Planned Long-term Impacts - 3+ years (as stated in the approved proposal):

Actual Progress Toward Long-term Impacts at Completion:

Planned Short-term Impacts - 1 to 3 years (as stated in the approved proposal):

Actual Progress Toward Short-term Impacts at Completion:

Please provide the following information where relevant:

Hectares Protected:

Species Conserved:

Corridors Created:

Describe the success or challenges of the project toward achieving its short-term and long-term impact objectives.

Were there any unexpected impacts (positive or negative)?

Project Components

Project Components: *Please report on results by project component. Reporting should reference specific products/deliverables from the approved project design and other relevant information.*

Component 1 Planned:

Component 1 Actual at Completion:

Component 2 Planned:

Component 2 Actual at Completion:

Component 3 Planned:

Component 3 Actual at Completion:

Were any components unrealized? If so, how has this affected the overall impact of the project?

Please describe and submit (electronically if possible) any tools, products, or methodologies that resulted from this project or contributed to the results.

Lessons Learned

Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building. Consider lessons that would inform projects designed or implemented by your organization or others, as well as lessons that might be considered by the global conservation community.

Project Design Process: *(aspects of the project design that contributed to its success/shortcomings)*

Project Implementation: *(aspects of the project execution that contributed to its success/shortcomings)*

Other lessons learned relevant to conservation community:

Additional Funding

Provide details of any additional funding that supported this project and any funding secured for the project, organization, or the region, as a result of the CEPF investment in this project.

Donor	Type of Funding*	Amount	Notes

*Additional funding should be reported using the following categories:

- A** *Project co-financing (Other donors or your organization contribute to the direct costs of this project)*
- B** *Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF funded project.)*
- C** *Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

Sustainability/Replicability

Summarize the success or challenge in achieving planned sustainability or replicability of project components or results.

Summarize any unplanned sustainability or replicability achieved.

Safeguard Policy Assessment

Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.

Additional Comments/Recommendations

Information Sharing and CEPF Policy

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned, and results. Final project completion reports are made available on our Web site, www.cepf.net, and publicized in our newsletter and other communications.

Please include your full contact details below:

Name:

Organization name:

Mailing address:

Tel:

Fax:

E-mail:

*****If your grant has an end date other than JUNE 30, please
complete the tables on the following pages*****

Performance Tracking Report Addendum

CEPF Global Targets				
(Enter Grant Term)				
Provide a numerical amount and brief description of the results achieved by your grant. Please respond to only those questions that are relevant to your project.				
Project Results	Is this question relevant?	If yes, provide your numerical response for results achieved during the annual period.	Provide your numerical response for project from inception of CEPF support to date.	Describe the principal results achieved from July 1, 2007 to June 30, 2008. (Attach annexes if necessary)
1. Did your project strengthen management of a protected area guided by a sustainable management plan? Please indicate number of hectares improved.				Please also include name of the protected area(s). If more than one, please include the number of hectares strengthened for each one.
2. How many hectares of new and/or expanded protected areas did your project help establish through a legal declaration or community agreement?				Please also include name of the protected area. If more than one, please include the number of hectares strengthened for each one.
3. Did your project strengthen biodiversity conservation and/or natural resources management inside a key biodiversity area identified in the CEPF ecosystem profile? If so, please indicate how many hectares.				
4. Did your project effectively introduce or strengthen biodiversity conservation in management practices outside protected areas? If so, please indicate how many hectares.				
5. If your project promotes the sustainable use of natural resources, how many local communities accrued tangible socioeconomic benefits? Please complete Table 1 below.				

If you answered yes to question 5, please complete the following table

[illegible]

Please complete this table if your project provided concrete socioeconomic benefits to local communities. List the name of each community in column one. In the subsequent columns under Community Characteristics and Nature of Socioeconomic Benefit, place an X in all relevant boxes. In the bottom row, provide the totals of the Xs for each column.

[illegible]

If you marked "Other", please provide detail on the nature of the Community Characteristic and Socioeconomic Benefit:

CEPF SMALL GRANT FINAL PROJECT COMPLETION REPORT

Organization Legal Name:	
Project Title:	
Date of Report:	
Report Author and Contact Information	

CEPF Region:

Strategic Direction:

Grant Amount:

Project Dates:

Implementation Partners for this Project (please explain the level of involvement for each partner):

Conservation Impacts

Please explain/describe how your project has contributed to the implementation of the CEPF ecosystem profile.

Please summarize the overall results/impact of your project against the expected results detailed in the approved proposal.

Please provide the following information where relevant:

Hectares Protected:

Species Conserved:

Corridors Created:

Describe the success or challenges of the project toward achieving its short-term and long-term impact objectives.

Were there any unexpected impacts (positive or negative)?

Lessons Learned

Describe any lessons learned during the design and implementation of the project, as well as any related to organizational development and capacity building. Consider lessons that would inform projects designed or implemented by your organization or others, as well as lessons that might be considered by the global conservation community.

Project Design Process: (aspects of the project design that contributed to its success/shortcomings)

Project Implementation: (aspects of the project execution that contributed to its success/shortcomings)

Other lessons learned relevant to conservation community:

ADDITIONAL FUNDING

Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.

Donor	Type of Funding*	Amount	Notes

*Additional funding should be reported using the following categories:

- A** *Project co-financing (Other donors contribute to the direct costs of this CEPF project)*
- B** *Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF project.)*
- C** *Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

Sustainability/Replicability

Summarize the success or challenge in achieving planned sustainability or replicability of project components or results.

Summarize any unplanned sustainability or replicability achieved.

Safeguard Policy Assessment

Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.

Additional Comments/Recommendations

Information Sharing and CEPF Policy

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Name:

Organization name:

Mailing address:

Tel:

Fax:

E-mail:

*****If your grant has an end date other than JUNE 30, please
complete the tables on the following pages*****

Performance Tracking Report Addendum

CEPF Global Targets				
(Enter Grant Term)				
Provide a numerical amount and brief description of the results achieved by your grant. Please respond to only those questions that are relevant to your project.				
Project Results	Is this question relevant?	If yes, provide your numerical response for results achieved during the annual period.	Provide your numerical response for project from inception of CEPF support to date.	Describe the principal results achieved from July 1, 2007 to June 30, 2008. (Attach annexes if necessary)
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2. How many hectares of new and/or expanded protected areas did your project help establish through a legal declaration or community agreement?				Please also include name of the protected area. If more than one, please include the number of hectares strengthened for each one.
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Please complete this table if your project provided concrete socioeconomic benefits to local communities. List the name of each community in column one. In the subsequent columns under Community Characteristics and Nature of Socioeconomic Benefit, place an X in all relevant boxes. In the bottom row, provide the totals of the Xs for each column.

Name of Community	Community Characteristics							Nature of Socioeconomic Benefit													
	Small landowners	Subsistence economy	Indigenous/ ethnic peoples	Pastoralists/nomadic peoples	Recent migrants	Urban communities	Communities falling below the poverty rate	Other	Increased Income due to:				Increased food security due to the adoption of sustainable fishing, hunting, or agricultural practices	More secure access to water resources	Improved tenure in land or other natural resource due to titling, reduction of colonization, etc.	Reduced risk of natural disasters (fires, landslides, flooding, etc)	More secure sources of energy	Increased access to public services, such as education, health, or credit	Improved use of traditional knowledge for environmental management	More participatory decision-making due to strengthened civil society and governance.	Other
									Adoption of sustainable natural resources management practices	Ecotourism revenues	Park management activities	Payment for environmental services									

5. Donor Council, Working Group, and Focal Country Endorsements

CEPF Donor Council Terms of Reference

The powers and duties of the Donor Council shall include:

- a) Providing general guidance to Conservation International (CI) on the operations of the Fund;
- b) Reviewing and approving each Annual Spending Plan of the Fund;
- c) Reviewing and approving a priority list of Ecosystem Profiles to be prepared;
- d) Reviewing and approving each Ecosystem Profile;
- e) Reviewing and approving amendments to the Operational Manual;
- f) Reviewing and approving the procedures for procurement of goods and services, above the threshold amount set forth in the Operational Manual;
- g) Reviewing and approving the conditions under which new donors may be invited to take part in the Fund and approving additional members of the Donor Council;
- h) Reviewing and approving the fund-raising strategy for the Fund;
- i) Electing the chairperson of the Donor Council;
- j) Reviewing and approving the selection of each Regional Implementation Team in accordance with the procedure established in the Operational Manual. Whenever CI applies to become the Regional Implementation Team, the CI Donor Council member shall recuse him or her self from the selection process;
- k) Reviewing and approving proposed grants for award to CI. In such cases, the CI Donor Council member shall recuse him or her self from the review and approval process;
- l) Reviewing and approving the terms of reference for a midterm evaluation, the external audit, and a CEPF program audit conducted by internal auditors or consultants acceptable to the Donor Council, as well as any subsequent material changes to those terms of reference; and
- m) Approving terms of reference for the CEPF Working Group and, whenever it deems necessary, delegating specific powers and duties to the CEPF Working Group.

* These Terms of Reference were approved by the CEPF Donor Council in July 2007.

CEPF Working Group Terms of Reference

Term Duration: Permanent or as determined by the Donor Council

Reports to: CEPF Donor Council

Chaired by: CEPF Executive Director. The Working Group Chair reports to the Donor Council.

Members: One representative from each CEPF donor organization. Such representative may invite experts from their organizations as necessary. Guests affiliated with other nongovernmental organizations, multi-lateral and bi-lateral organizations and government agencies may participate as guests as determined by consensus of the CEPF Working Group members. The number of attendees at a Working Group meeting will be at the discretion of the CEPF Executive Director.

Purpose: To serve as a resource to CEPF for consultation on CEPF matters such as maximizing the potential to leverage donor organization resources and expertise, and development of ecosystem profiles, and to provide input and guidance on certain operational issues and addressing obstacles and challenges to biodiversity conservation success.

Frequency of meetings: Three times a year or as necessary.

Specific Tasks:

Support the mission and objectives of CEPF and leverage CEPF investment by identifying the technical and financial resources that member organizations can contribute in specific geographic regions.

Represent and communicate the CEPF mission, objectives, and investment strategy within respective donor organizations to help leverage and amplify CEPF investment.

Provide support to CEPF in the preparation of the ecosystem profiles by representing Donor Council members in reviewing the draft profile, discussing geographic priorities, providing additional information and constructive input, and assisting in identifying current investment, threats to biodiversity, leveraging opportunities, and gaps that CEPF funding might address.

Provide input and guidance on certain operational matters, such as modifications to the Operational Manual, and monitor and assist in implementation of Council decisions, and other issues as necessary.

Provide support to CEPF and Donor Council members in preparing for meetings of the Donor Council by reviewing documents and recommended actions, resolving any issues, reflecting the position of respective organizations, and briefing Donor Council members.

Select CEPF Regional Implementation Teams, to be approved by the Donor Council, in accordance with the procedure established in the CEPF Operational Manual. In the event CI applies to become a Regional Implementation Team, the CI representative on the Working Group shall recuse his or her self from such selection process.

By authority granted by the Donor Council, review and approve proposed grants for award to CI under each approved Ecosystem Profile. In such cases, the CI Working Group member shall recuse him or her self from the review and approval process.

* These Terms of Reference were approved by the CEPF Donor Council in July 2007.

Focal Country Endorsements

CEPF will seek endorsement of each Ecosystem Profile by the relevant national GEF operational focal points. CEPF shall submit the proposed Ecosystem Profile for approval to the Donor Council, together with any prior endorsements. Any endorsements incurring thereafter shall be submitted no later than the next Donor Council meeting after the receipt of such endorsements. No funds shall be disbursed for any activities in a country until the GEF operational focal point for that country has endorsed the Ecosystem Profile.

CEPF will actively engage the relevant GEF OFP throughout the process of developing the Ecosystem Profile. CEPF will request the GEF Secretariat to make an initial introduction of CEPF to the relevant focal points in the region. The CEPF Secretariat will arrange a teleconference to discuss proposed CEPF activities in the region, the profiling team and the goals of the ecosystem profiling process. Focal points will be invited to all stakeholder workshops throughout the profiling process. Invitations will be extended in advance of the scheduled workshop and accompanied by a draft copy of the Ecosystem Profile. If the GEF OFP is unable to attend the Ecosystem Profiling workshops, the Secretariat will provide them with a copy of the workshop proceedings and list of attendees. Representatives of the CEPF Secretariat will arrange to meet with the OFP if at all possible to discuss the profile during its development.

A formal request for the OFP's endorsement of the Ecosystem Profile will be submitted by the CEPF Executive Director in writing. This request will provide a sixty day absence-of-objection review period and will be accompanied by a complete draft of the final Ecosystem Profile. This letter will contain information on CEPF, the strategic priorities identified in the Ecosystem Profile, and a description of the implementation arrangements and schedule of the Profile implementation in the region.

The OFP endorsement of the Ecosystem Profile must be provided in a letter addressed to the World Bank task team leader and follow the general guidelines and content outline of the sample letter included in this section.

The CEPF Secretariat will fully document this engagement process for each investment region, reflecting the schedule of meetings and teleconferences held with the OFP, the OFP's invitation to and attendance at profiling meetings, comments from the OFP on the profile, the Secretariat's response and the OFP's response to the request for endorsement.

Format for GEF Focal Point Endorsement Letters¹

¹ *Note:* The text of letters of endorsement for the CEPF Ecosystem Profiles can vary from country to country. However, letters that provide for conditional endorsement are not acceptable, and each letter must cover the following points

- Addressed to Task Team Leader, World Bank (as per suggested format);
- State GEF Focal Point endorsement for the relevant Ecosystem Profile (include official name of document);
- State GEF Focal Point endorsement of strategy and programmatic objectives contained in the Ecosystem Profile;
- State that the GEF Focal Point understands that CI, l'Agence Française de Développement, GEF, the Government of Japan, the MacArthur Foundation, and the World Bank have providing funding for CEPF;

[date]

Task Manager, Critical Ecosystem Partnership Fund
Biodiversity Specialist, Environment Department
The World Bank
1818 H Street, NW
Washington, DC 20433, USA

Fax: ++1 202 4770565

Reference: *Critical Ecosystem Partnership Fund*

Dear _____:

As the GEF Focal Point for the Government of [insert country], I endorse the investment strategy outlined in the Critical Ecosystem Partnership Fund (CEPF) [insert official title of the ecosystem profile], and the provision of grants to nongovernmental and private sector organizations for projects and activities that fulfill the programmatic objectives outlined therein.

We understand that each of the CEPF donor partners (Conservation International, l'Agence Française de Développement, GEF, the Government of Japan, the MacArthur Foundation, and the World Bank) has committed funding to the CEPF initiative.

In providing this endorsement, we confirm that [insert official title of the ecosystem profile] has been shared with the officials responsible for the Convention on Biological Diversity, and has undergone review in our country. We note that provision of funding for activities outlined in the ecosystem profile will be contingent upon approval by the CEPF Donor Council. We understand that the ecosystem profile will be made publicly available.

Sincerely,
[insert signature]

[name]
[title] and GEF Focal Point
[Address]
[tel and fax]

cc: CEPF Executive Director, fax: ++1.703.553.0721

-
- State that the GEF Focal Point understands that the provision of funding for the activities outlined in the Ecosystem Profile is contingent upon CEPF Donor Council approval of the Profile and investment strategy
 - State agreement that the Ecosystem Profile may be made publicly available.
 - Signed by GEF Focal Point

6. World Bank Reporting Procedures

Interim un-audited Financial Statements (IFR)**REPORT 1-A1****Conservation International Foundation****Critical Ecosystem Partnership Fund****GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500****Quarterly Sources & Uses of Funds****For the Quarter ending_____****In USD 000's**

	Actual		Planned		Variance	
	Current Quarter	Cumulative To-Date (i)	Current Quarter	Cumulative To-Date	Current Quarter	Cumulative To-Date
Sources of Funds						
GEF Grant	-	-	-	-	-	-
IBRD - DGF	-	-	-	-	-	-
CI Grant	-	-	-	-	-	-
AFD Grant	-	-	-	-	-	-
MacArthur Grant	-	-	-	-	-	-
Government of Japan Grant	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Total	-	-	-	-	-	-
Less:						
Uses of Funds (ii)						
1. Ecosystem Profile Preparation	-	-	-	-	-	-
1.1 Consulting & Non-Consulting Services and Goods						
1.2 Incremental Operating Costs						
2. Secretariat Costs	-	-	-	-	-	-
2.1 Consulting & Non-Consulting Services and Goods						
2.2 Incremental Operating Costs						
Ecosystem Grants						
3. Subprojects and RIT Subprojects	-	-	-	-	-	-
4. RIT Operating & Monitoring Costs	-	-	-	-	-	-
Total	-	-	-	-	-	-
Sources less Uses	-	-	-	-	-	-

Conservation International Foundation

Critical Ecosystem Partnership Fund

GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500

Quarterly Sources and Uses of Funds

For the Quarter ending _____

In USD 000's

Program Activities	Actuals									
	Current Quarter					Cumulative to Date				
	GEF	IBRD - DGF	Japan	Other Donors	Total	GEF	IBRD - DGF	Japan	Other Donors	Total
Expenditures										
1. Ecosystem Profile Preparation	0	0	0	0	0	0	0	0	0	0
1.1 Consulting & Non-Consulting Services and Goods										
1.2 Incremental Operating Costs										
2. Secretariat Costs	0	0	0	0	0	0	0	0	0	0
2.1 Consulting & Non-Consulting Services and Goods										
2.2 Incremental Operating Costs										
Ecosystem Grants										
3. Subprojects and RIT Subprojects	0	0	0	0	0	0	0	0	0	0
4. RIT Operating and Monitoring Costs	0	0	0	0	0	0	0	0	0	0
Total Program Expenditure	0	0		0	0	0	0	0	0	0
Funds Received	0	0	0	0	0	0	0	0	0	0
% of Funding	0%	0%	0%	0%		0%	0%	0%	0%	
					Balance	0	0	0	0	0

Percentage of Expense Funded by Donor		
Expense Type	GEF	Japan
1. Ecosystem Profile Preparation		
1.1 Consulting & Non-Consulting Services and Goods		35%
1.2 Incremental Operating Costs		50%
2. Secretariat Costs		
2.1 Consulting & Non-Consulting Services and Goods		35%
2.2 Incremental Operating Costs		50%
3. Subprojects and RIT Subprojects	26%	40%
4. RIT Operating and Monitoring Costs		40%

Conservation International Foundation

Critical Ecosystem Partnership Fund

GEF Grant No. 091421/ DGF File: 102412 / Government of Japan Grant TF050500

Projected Expense Forecast
For the Quarter ending_____

in USD 000's

Disbursement Category		Requirement for quarter ending	Requirement for quarter ending	Total Requirement for six months ending	GEF eligible expenses for six months ending	Govt of Japan eligible expenses for six months ending
		30-Jun-12	30-Sep-12	30-Sep-12	30-Sep-12	30-Sep-12
		(a)	(b)	(a + b) = (c)	(c x d) = (e)	(c x f) = (g)
No.	Description					
1.	Ecosystem Profile Preparation	0	0	0	0	-
1.1	Consulting & Non-Consulting Services and Goods					
1.2	Incremental Operating Costs					
2.	Secretariat Costs	0	0	0	0	-
2.1	Consulting & Non-Consulting Services and Goods					
2.2	Incremental Operating Costs					
Ecosystem Grants						
3.	Subprojects and RIT Subprojects	0	0	0	0	-
4.	RIT Operating and Monitoring Costs	0	0	0	0	-
Total		0	0	0	0	0

Percentage of Expense Funded by Donor

Expense Type	GEF (d)	Japan (f)
1. Ecosystem Profile Preparation		
1.1 Consulting & Non-Consulting Services and Goods		35%
1.2 Incremental Operating Costs		50%
2. Secretariat Costs		
2.1 Consulting & Non-Consulting Services and Goods		35%
2.2 Incremental Operating Costs		50%
3. Subprojects and RIT Subprojects	26%	40%
4. RIT Operating and Monitoring Costs		40%

Conservation International Foundation

Critical Ecosystem Partnership Fund
 GEF Grant No. 091421/ DGF File: 102412
 Projected Expense Forecast (Part II)
 as of _____

in USD

GEF

Projected eligible expenditure for the six months ending _____ (i)	0
Share of Balance of Sources and Uses(ii)	0

Requested Amount	\$	-
-------------------------	-----------	----------

(i) Amount shown in column (e) of Report 1-B1

(ii) 26.32% of Ecosystem grants, less amount contributed by GEF to date

Conservation International Foundation

Critical Ecosystem Partnership Fund
 Government of Japan Grant TF050500
 Projected Expense Forecast (Part II)
 as of _____

in USD

Government of Japan

Projected eligible expenditure for the six months ending _____ (i)	0
Share of Balance of Sources and Uses(ii)	0

Requested Amount	\$	-
-------------------------	-----------	----------

(i) Amount shown in column (g) of Report 1-B1

(ii) Government of Japan share of disbursement, less amount contributed to date

Conservation International Foundation

Critical Ecosystem Partnership Fund
GEF Grant No. 091421/ DGF File: 102412
Designated Account (FA) Statement
as of _____

	US Dollars
1 Opening balance as of _____	0
2a Add Cumulative Unexplained Discrepancy	0
2b Add Interest Earned During the Quarter (less bank fees)	0
3 Funds Received During the Quarter From:	
World Bank/IBRD	0
Global Environment Facility	0
MacArthur Foundation	0
Conservation International	0
Government of Japan	0
l'Agence Française de Développement	0
Total	0
4a Less Refund Donors:	0
4b Less Reimbursement to CI From Fund Account During the Period for CEPF Expenses	0
5 Unused	
6 Less Transfers to External Grantees During Quarter	0
7 Fund Account Closing Balance as of _____ Carried Forward to Next Quarter	0
8 Less Amount Due to CI for Operating Expenses	0
9a Less Grants Payable	0
9b Outstanding Donor Advance	0
10 Less Projected Expenses for the Next Six Months	0
11 Balance Needed (if Negative) to Meet Contractual Commitments for Following Six Months	0

Notes:

CEPF Quarterly Report

The CEPF quarterly report is presented to all CEPF Donors and represents a comprehensive financial and progress report of the fund's activities including grantmaking, fundraising, Secretariat operations and partner activities for the given quarter. The format of the report outlined in this section may be modified from time to time based on requests from CEPF Donor members and the Secretariat's identification of information for communication to the partners. Substantial changes to the financial presentation are provided to the Donors for their review and comment prior to formal modification of the financial report section.

PARTNERSHIP HIGHLIGHTS

Program Overview (as of quarter ending _____)

Hotspot strategies implemented: _____

Partners supported: _____

Committed grants: \$ _____

Amount leveraged by those grants: \$ _____

Protected areas created or expanded with CEPF support: _____ hectares

Donor Council and/or Working Group Meetings

include summary of agenda and highlights of Donor Council and/or Working Group meetings that took place in the last quarter

Partnership Talks and Fundraising Activities

Include a description of Secretariat activities related to potential new CEPF donor partners

CEPF Presence at National and International Events

Include a description of CEPF presentations, attendance and contributions to events such as the CBD, COP and events hosted by CEPF donor members

Upcoming Events

Include a description of CEPF's plans for upcoming events, including major national and international events, and regional CEPF launch activities

Ecosystem Profile Updates

Include a description of any Ecosystem Profiles under development, their progress, and stakeholder workshops held or scheduled

Consolidation Update

Include a description of the status of each region implementing a consolidation portfolio. Highlights accomplishments, new developments, and stories of interest to the CEPF community.

Featured New Grant

An in-depth presentation of a CEPF grant of note awarded in the given quarter that highlights a major accomplishment of a CEPF grant in the region.

From the Field

A variety of stories from a selection of CEPF regions highlighting CEPF grantees, their accomplishments and contextual sketches from civil society groups in the region.

Approved Grants and Subgrants

List of CEPF grant awarded in the quarter presented by Region and Strategic Direction.

CEPF Travel Schedule

Include a table of the annual schedule of CEPF missions, the hotspot, dates, location, and purpose of each trip

Procurement Plan Updates

If revisions to the CEPF Procurement Plan were approved by the World Bank in the last quarter, include those changes in this section.

QUARTERLY FINANCIAL REPORT

The format for the quarterly financial report is presented in the example from quarter 3 of 2012 on the following pages. Tables and charts may change at the request of the CEPF Donor partners.

Annex: CEPF Strategic Framework, FY 2008-2012

Strategic Framework

FY 2008-2012

July 2007

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I. INTRODUCTION

Earth's biologically richest ecosystems are also the most threatened. Together, these biodiversity hotspots harbor half the diversity of life yet they have already lost 86 percent of their original habitat. The convergence of critical areas for conservation with millions of people who are impoverished and highly dependent on healthy ecosystems for their survival is also more evident in the hotspots than anywhere else.

Conservation International (CI), the Global Environment Facility, and the World Bank launched the Critical Ecosystem Partnership Fund (CEPF) in 2000 as an urgently needed new approach to enable nongovernmental organizations (NGOs), community groups, and other sectors of civil society to participate in conserving the hotspots. The program's unique focus on hotspots and civil society attracted the John D. and Catherine T. MacArthur Foundation as a partner in 2001 and the Government of Japan in 2002. L'Agence Française de Développement, the French Development Agency (AFD), also joined the partnership in 2007.

The hotspots approach to the conservation of ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for the benefit of the global environment.

During its first phase, CEPF had established active grant programs in 15 regions within 14 originally defined hotspots (Annex I). More than 600 civil society groups in 33 countries received grants and many of these groups also awarded funds to others, bringing the total number of groups supported by CEPF to more than 1,000.

Grant recipients ranged from small farming cooperatives and community associations to local and international NGOs. Every grant helped implement region-specific investment strategies developed with diverse stakeholders and approved by a council of high-level representatives from each CEPF donor partner institution.

CEPF investments have enabled hundreds of civil society groups to achieve significant, positive outcomes. Their efforts have influenced major governmental policies in dozens of countries and helped protect nearly 10 million hectares of globally important land since the program's creation in 2000.

An independent evaluation of the global program identified the following areas where CEPF grants appear to have been particularly effective or to show particular promise:

- Protected areas: Project portfolios in all hotspots have supported the expansion, consolidation, and improved planning and management of protected areas.
- Species conservation: CEPF grants have established research and educational projects at the local level and have supported community organizations in participatory monitoring activities to prevent species extinctions.
- Capacity building and training: Grants to the national offices of international NGOs have helped provide formal training as well as employment for promising local individuals who represent the next generation of national conservation leaders.
- Community development and poverty mitigation: A significant number of grants

have provided the basis for improving incomes and economic well being of poor communities.

- Building conservation into development planning: Grants have equipped decisionmakers and planners with tools and knowledge to harmonize conservation with economic development.
- Private sector: Several hotspots have achieved significant conservation contributions from national and international companies in private sector industries due to CEPF-supported projects.
- Multinational hotspots: CEPF has demonstrated that conservation planning and implementation can take place on a regional, multi-country scale.
- Long-term conservation financing: CEPF grants have helped establish conservation trust funds and leverage partner support in several regions.

This 5-year Strategic Framework sets out the vision for FY 2008-2012, for which CEPF aims to secure at least \$100 million in new commitments from donor partners. The start of implementation has been made possible by new \$25 million commitments from both AFD and CI, which administers the global program. Ultimately, CEPF hopes to secure \$150 million to further increase the resources available for implementation.

The independent evaluation concluded overwhelmingly positive and recommended that the CEPF donor partners continue supporting the program and seeking further expansion opportunities. The evaluators found projects at the ecosystem level to be strategic and well selected to form integrated portfolios, with small grants complemented by targeted larger grants and a focus on influencing changes within institutions and governments. The evaluation report also included recommendations for strengthening the program that have been incorporated into this Framework.

CEPF will build on a rich repository of experience and lessons learned during the program's first years of operation, as well as recommendations from the evaluation that will expand the program's potential to act as a mechanism for the conservation community as a whole to align conservation investments for greater impact. The overarching goal will be to strengthen the involvement and effectiveness of NGOs and other sectors of civil society in contributing to conservation and management of globally significant biodiversity.

This will be achieved by providing strategic assistance to NGOs, community groups, and other civil society partners, including the private sector, to support

- (i) strengthened protection and management of biodiversity within selected hotspots and critical ecosystems;
- (ii) increased local and national capacity to integrate biodiversity conservation into development and landscape planning; and
- (iii) expanded and improved monitoring and learning to demonstrate biodiversity impact and enable adaptive management and replication.

II. RATIONALE FOR INVESTMENT

The global biodiversity hotspots once covered 15.7 percent of the Earth's land surface. Today, however, 86 percent of the hotspots' natural vegetation has already been destroyed. The intact remnants of the hotspots now cover only 2.3 percent of the Earth's land surface.

As might be expected, very large proportions of threatened species occur within and are often unique to the hotspots. Between them, the hotspots hold at least 150,000 plant species found nowhere else on Earth, 50 percent of the world's total endemic species. In addition, 77 percent of threatened amphibian species are hotspot endemics, along with 73 percent of threatened bird species and 51 percent of threatened mammal species.

The status of species can be one of the most important indicators of ecosystem health. Their demise can endanger the vitality and ability of ecosystems to provide services important for human survival: air and water cleansing, flood and climate control, soil regeneration, crop pollination, food, medicines, and raw materials. Many people and many species share a common vulnerability.

By strategically focusing on the hotspots in developing countries, CEPF provides critically needed resources to assist civil society groups in helping preserve the diversity of life and healthy ecosystems as essential components of stable and thriving societies.

The hotspots concept complements other systems for assessing global conservation priorities. All hotspots contain at least one Global 200 Ecoregion identified by WWF for their species richness, endemism, taxonomic uniqueness, unusual ecological or evolutionary phenomena, and global rarity. All but three contain at least one Endemic Bird Area identified by BirdLife International for holding two or more endemic bird species. In addition, nearly 80 percent of the sites identified by the Alliance for Zero Extinction²⁸ are located in the hotspots. These high-priority areas for conservation hold threatened species as endemics to a single site.

No matter how successful conservation activities are elsewhere, the state of the hotspots is the real measure of the conservation challenge. Unless the global community succeeds in conserving this small fraction of the planet's land area, more than half of Earth's diversity of life will be lost.

By March 2007, the award of new grants in nine of the original hotspots ceased after five years of implementation and funding will soon end for other critical ecosystems. Although the program has been shown to be highly effective, there are still significant conservation needs, both in the original 14 hotspots and in other critical ecosystems that have not yet benefited under the program. CEPF investments in a number of current hotspots targeted only selected areas, such as the Indonesian island of Sumatra in the Sundaland Hotspot and the Upper Guinean Forest in the Guinean Forests of West Africa Hotspot, while other areas in those hotspots are also of high value with major needs.

²⁸ Signatories to the Alliance for Zero Extinction include American Bird Conservancy; American Museum of Natural History; Asociación Armonía; Asociación de Conservación de los Ecosistemas Andinos; Association "Les Amis des Oiseaux"; Asociación Naymlap; BirdLife International; Charles Darwin Foundation; CIPAMEX; Conservation and Research for Endangered Species; Conservation International; Doga Dernegi – Turkey; Durrell Wildlife Conservation Trust; EcoSystems-India; Fairchild Tropical Botanical Garden; Fauna and Flora International; Forest Partners International; Fundación Jocotoco; Guyra Paraguay; Hawai'i Endangered Bird Conservation Program; Instituto Ecología Aplicada; International Iguana Foundation; Island Conservation and Ecology Group; Island Endemics; Loro Parque Fundación; Lubee Bat Conservancy; Mindo Cloudforest Foundation; Missouri Botanical Garden; National Audubon Society; The Nature Conservancy; NatureServe; ProAves Colombia; Rare; Saint Louis Zoo's WildCare Institute; Société Audubon Haiti!; Vermont Institute of Natural Science; Wildlife Conservation and Environmental Development Association of Ethiopia; Wildlife Conservation Society; Wildlife Trust; World Parks; World Pheasant Association; and World Wildlife Fund.

Based on new research by nearly 400 experts, CI also refined the original hotspot framework, aligned hotspot boundaries to match the WWF ecoregions wherever they overlap, and designated nine additional hotspots in early 2005. This refinement raised the number of hotspots globally from 25 to 34 (Annex II), up to 30 of which include countries eligible for support under the current CEPF eligibility criteria as they occur in a biodiversity hotspot, are World Bank clients, and have ratified the Convention on Biological Diversity (CBD). Twenty-five hotspots covering 77 countries are wholly eligible for CEPF support, while five others include 17 additional eligible countries.

This 5-year period of the global program will enable expansion and replication of successful civil society implementation models more broadly within at least 14 hotspots. CEPF will build on lessons learned to date as well as on recommendations from the independent evaluation to further strengthen the program in existing hotspots and to expand activities to new critical ecosystems and to marine and coastal habitats within and adjacent to the hotspots. Supporting conservation activities in marine and coastal habitats will provide a more holistic and integrated ecosystem approach to conservation needs. The CEPF Donor Council may also decide to establish new funding windows to accommodate the strategic interests of specific donors.

Expected global benefits will arise from the increased participation and capacity of national and local civil society groups to manage and deliver conservation initiatives in a strategic and effective manner and to integrate biodiversity conservation into development and landscape planning in regions of recognized global importance. These interventions will lead to generation, adoption, adaptation, and application of lessons for improved outcomes relevant both to CEPF and the broader conservation and development communities.

New CEPF programs and choice of hotspots will also complement activities likely to be supported under the new Global Environment Facility Resource Allocation Framework (RAF). Although CEPF has invested in some of the biodiversity-rich countries that are likely to receive substantial allocations under the framework, the 30 eligible hotspots together target 94 countries. CEPF has the potential to be able to complement conservation efforts in many of these countries by filling in gaps and focusing resources to civil society and private sector efforts that may not otherwise be supported.

As previously, all of the countries involved in the program will have ratified the CBD and all region-specific investment strategies will be endorsed by the relevant national Global Environment Facility focal points to ensure consistency with national Biodiversity Action Plans and country programmatic frameworks. CEPF is fully consistent with and explicitly supports the goals and agreed work programs of the CBD, including the protected areas work program and others that will contribute to the 2010 targets. By directing resources to the most critical irreplaceable ecosystems, CEPF directly supports the goal of “significantly reducing the rate of biodiversity loss.”

The program recognizes national needs to target conservation funding more efficiently and effectively. One of the differentiating elements of the CEPF approach is the highly participatory process used to prepare ecosystem profiles and identify the CEPF funding niche for each critical ecosystem. The process is led by civil society organizations tasked with ensuring wide participation and transparency at the local level to enable diverse stakeholders,

including governmental partners, to reach consensus on the highest priorities for conservation and hence where CEPF investments will have the greatest incremental value.

The program is unique because of its focus on enabling civil society participation in conservation, as well as because of its global scale and potential to act as a mechanism for the conservation community as a whole to align investments for greater impact.

CEPF will further expand the efforts of its partners and national governments as a streamlined, agile fund designed to enable civil society groups, including the private sector, to act as essential partners in conserving the hotspots. It will directly benefit national and local groups that many donors have found difficult to reach. Implementation will emphasize partnerships and transparency at all levels of the program to avoid duplication of effort and to maximize a multi-stakeholder approach to the challenge of biodiversity conservation.

The CEPF dual-pronged approach of focusing on the world's most critical ecosystems for conservation and civil society is also designed to inspire others to realign their own efforts to safeguard the irreplaceable and build the capacity of civil society. The first phase of CEPF leveraged an additional \$130 million of non-CEPF funds toward specific projects and civil society activities within the hotspots. CEPF support has also played an influential role in shaping national and municipal policies in favor of biodiversity conservation.

III. PROGRAM DESIGN

The program design has been informed by consultations with national and regional civil society groups, the CEPF donors, and other partners, including international NGOs and bilateral agencies. It also incorporates recommendations from the independent evaluators, who visited 10 of the 15 CEPF investment regions to date and consulted with a wide variety of grant recipients and other stakeholders, including government, donor, and implementing agency representatives, during August-December 2005.

The first hotspots for investment will be those for which ecosystem profiles have already been prepared and were approved by the CEPF Donor Council in April 2007. These are the Polynesia-Micronesia Hotspot; the Western Ghats region of the Western Ghats and Sri Lanka Hotspot; and the Indochina region of the Indo-Burma Hotspot. The CEPF Donor Council will choose other critical ecosystems for investment from among the biodiversity hotspots. Marine ecosystems may also be considered where they overlap with targeted terrestrial hotspots.

Supplemental information will be developed to inform the Donor Council's decisions regarding whether to re-invest in or exit hotspots supported by CEPF to date. This will include, for example, biological status, levels of threat, current or planned investment by the donor partners, and the results of participatory assessments of CEPF progress in those hotspots as they reach the end of their existing 5-year investment period. The assessments will feature workshops with stakeholders in each hotspot. CEPF has completed nine of these assessments to date.

The number of hotspots approved for new investment will be staggered to ensure adequate funding and implementation capacity, and the total investment level per hotspot will vary depending on local needs.

The global program will include four overarching and interlinked components:

1. Strengthening protection and management of globally significant biodiversity.
2. Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning.
3. Effective monitoring and knowledge sharing.
4. Ecosystem profile development and program execution.

Key indicators of success will include:

- At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation.
- At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles.
- 20 million hectares of key biodiversity areas with strengthened protection and management, including at least 8 million hectares of new protected areas.
- 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use.

Component 1: Strengthening protection and management of globally significant biodiversity

CEPF will focus on key biodiversity areas and address threats to biodiversity across broad landscapes that include a matrix of land uses, including protected areas, biological corridors, and high-value conservation sites in production landscapes. Protected areas remain a critical foundation of biodiversity conservation worldwide, yet only 5 percent of globally significant biodiversity within most hotspots is currently protected. Target areas will not be limited to formal designated protected areas and legal entities but will also include indigenous reserves, and community and private lands that are managed for a conservation objective. Support to civil society groups will contribute to the strengthened protection and management of more than 20 million hectares of key biodiversity areas within hotspots. This will include at least 8 million hectares of new protected areas. CEPF will also support activities that contribute to improved conservation of biodiversity within biological corridors and production landscapes, as well as trans-boundary collaboration to protect key areas that straddle national borders. Specific activities are expected to include the following:

1a. Protected areas and other key biodiversity areas: These areas encompass the critical habitat required for the survival of globally threatened and geographically concentrated species and as such are integral components of an effective protected area network. CEPF will support civil society efforts to catalyze improved management and expansion of existing protected areas, as well as the creation of new protected areas. Activities will include building awareness and support for protected areas and systems, development and provision of technical expertise and tools for effective land-use planning, and enabling local community and indigenous groups to take part in the design, implementation, management, and monitoring of key biodiversity areas.

1b. Community – Indigenous Initiatives: CEPF-supported activities will assist communities, including indigenous groups, and other partners in managing biologically rich land as well as landscapes that buffer key biodiversity and protected areas. The independent evaluation found that all of the current CEPF portfolios support community stewardship of biodiversity and ecosystem services through improved use and management of natural resources, the reduction or elimination of practices harmful to biodiversity, and the development and adoption of a variety of alternative livelihood opportunities. This focus on the synergistic and direct linkages between biodiversity conservation and human welfare will continue and be emphasized, particularly in regard to scaling up and enabling best practices and replication.

1c. Innovative financial mechanisms for sustainability: Achieving financial sustainability for biodiversity conservation is an ongoing challenge. CEPF will scale up efforts to create and support innovative financial mechanisms for sustainability, including the introduction and use of conservation financing tools such as payments for environmental services and economic incentives for conservation. CEPF will further strengthen joint efforts with governmental partners, the private sector, and other funding mechanisms, including two complementary funds managed by CI. The Global Conservation Fund's expertise is in creating and expanding protected areas as well as in developing long-term funding mechanisms, while Verde Ventures makes debt and equity investment in sustainable enterprises that are strategically important to biodiversity conservation.

1d. Multi-regional priorities: This subcomponent will support selected grants to civil society groups for strengthening protection and management of globally significant biodiversity in ways that efficiently benefit multiple hotspots. These will include, for example, activities to address common threats such as trade in Endangered species where demand and supply chains cross national borders, and global assessments to consolidate available information on the distribution, ecology, and conservation status of groups of species to indicate the status of ecosystem health. Multi-regional grants will also capitalize on significant co-financing opportunities and replication and scaling up of successful approaches across hotspots in a cost-effective way.

Component 2: Increasing local and national capacity to integrate biodiversity conservation into development and landscape planning

Reconciling ecosystem conservation with sustainable development on different scales across complex jurisdictional boundaries, often in situations of weak governance, is perhaps the major challenge facing the conservation and development communities. Mobilizing civil society to play a more effective role in this process is the CEPF niche. Grantees include individuals, farming cooperatives and community organizations, national NGOs, research institutions and private sector organizations, and international NGOs. Many of these groups also act as vital multipliers, further building local and national capacity for conservation. A key CEPF goal is empowerment of civil society actors to take part in, and influence, decisions that affect local lives and livelihoods and, ultimately, the global environment. This component is particularly targeted to biological corridors and more sustainable management in production landscapes. It builds upon the activities supported under Component 1 through support for strategic and effective alliances to increase impact and sustainability. Grantmaking will foster alliances by identifying and linking potential partners; helping to design integrated and complementary approaches and supporting partnerships within civil

society as well as with development institutions, government agencies, corporate partners, and others.

CEPF will support activities that integrate biodiversity conservation in production systems and sectors, including enabling civil society groups to plan, implement, and influence biodiversity conservation efforts as effective partners in sustainable development. Such participation will build on local knowledge and technical expertise, and leverage social capital to bring innovative ideas to solving local problems. Examples could include development of communal, municipal, or regional land-use plans, plans for local economic development, certification for more sustainable management, and private agreements. The focal approach will be to strengthen protection of critical biological corridors that link key biodiversity areas within a multiple-use landscape.

Civil society activities to be supported will include assisting in improved land-use planning and activities that mainstream conservation into production landscapes, including collaboration with the private sector; promoting supportive policy and legislative frameworks; promoting more sustainable resource management linked to livelihoods; and implementing measures to control and manage invasive alien species in regions where these are a particular threat. Building upon successful models from earlier years, CEPF would promote collaboration with governmental partners and sectors such as mining, agriculture, logging and tourism by fostering innovative public-private partnerships and multi-stakeholder alliances to harmonize conservation with economic development. The project would strengthen civil society capability for sustainable resource management and for advocacy and influence over development decisions and national strategies at local, regional, and trans-boundary scales.

Component 3: Effective monitoring and knowledge sharing

This component will support effective monitoring, learning, replication, and scaling up of promising models from components 1 and 2. Specific subcomponents will include:

3a. Strengthening monitoring and evaluation at the ecosystem level, including systematic analysis and documentation of CEPF results and experiences: CEPF priorities will include improved outcomes monitoring at the portfolio level in all hotspots receiving CEPF funding and sharing the results of monitoring widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community. Specific conservation targets and related indicators will be developed as an integral part of the ecosystem profiling process for each hotspot. In addition, selected indicators from a Global Results Framework (see page 16) will be monitored and evaluated within each hotspot at the midterm and end of investment. These will include indicators to monitor biodiversity status and outcomes, as well as civil society, policy, and socioeconomic indicators detailed in a logical framework for each portfolio. Monitoring and evaluation of individual projects will be led by a Regional Implementation Team selected for each hotspot. Data on the status of specific conservation targets and landscapes will be calibrated against data drawn from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science (CABS) and the global monitoring programs of other conservation organizations and partners to determine whether shifts may be needed in investment strategy during implementation.

3b: Expanding and formalizing information sharing and learning opportunities: This subcomponent will support conservation at the regional level by expanding and formalizing information sharing and learning opportunities as part of a participatory monitoring approach already tested and replicated by CEPF in multiple hotspots. Results will lead to adaptive management and also feed into analysis and documentation of lessons learned and best practices within and across hotspots. CEPF will also support specific activities to promote distillation, dissemination, and uptake of good practice, including (i) analyses of specific management practices to derive lessons learned (ii) cross site exchanges between grantees for learning and dissemination of best practice; and (iii) outreach activities targeting communities, local government, and NGOs to increase the uptake of good practice into other conservation initiatives within hotspots.

Component 4: Ecosystem profile development and program execution

This component will support development by civil society groups of the ecosystem profiles as strategic implementation documents for the partnership and wider conservation community, selected functions of Regional Implementation Teams, and overall execution and administration of the global program by CI through the CEPF Secretariat.

4a: Ecosystem profile development: In each hotspot, disbursement of grants will be guided by an ecosystem profile based on a stakeholder-driven prioritizing process to identify conservation targets, major threats, socioeconomic factors, and current conservation investments. The process will be led by locally based NGOs or other civil society organizations to develop a shared strategy by identifying conservation needs, gaps, opportunities, and the specific CEPF niche and investment strategy. In line with recommendations from the evaluation, future profiling will include strengthened analysis of the socioeconomic, policy, and civil society context within each hotspot for a more comprehensive understanding of development priorities, threats, and opportunities. Future profiles will be developed with even greater inclusiveness by ensuring that key communities, including indigenous groups within the focal biodiversity areas, take part in determining priority actions.

4b: Regional Implementation Teams: Based on recommendations from the independent evaluation, CEPF will devolve more responsibility from the Secretariat to locally based Regional Implementation Teams for capacity building and grant management and monitoring at the local level. The Regional Implementation Teams were singled out for being particularly effective with the support of the CEPF grant directors in linking the key elements of comprehensive, vertically integrated portfolios such as large anchor projects, smaller grassroots activities, policy initiatives, governmental collaboration, and sustainable financing. The responsibilities of these teams, formerly known as Coordination Units, have been standardized and expanded to capture the most important aspects of their function. Responsibilities of new teams selected beginning in 2007 will include (i) acting as an extension service to assist local groups in designing, implementing and replicating successful conservation activities; (ii) reviewing all grant applications and managing external reviews; and (iii) direct decision-making authority for grants up to \$20,000 and deciding jointly with the CEPF Secretariat on other applications.

4c: CEPF Secretariat: CI will administer and execute the global program. This includes hosting the CEPF Secretariat, employing Secretariat staff, and ensuring that all funds are managed with due diligence and efficiency on behalf of the partnership. The CEPF Secretariat is responsible for strategic and financial management, oversight, and reporting for the global program. This includes supervision of the ecosystem profiling process, training and management of the Regional Implementation Teams, and overall ecosystem portfolio development, monitoring and reporting to ensure that all activities and financial management are carried out in compliance with CEPF Donor Council decisions and the CEPF Operational Manual, which contains the specific operating policies and procedures of the Fund and has been updated to reflect this new framework. The Secretariat also negotiates, manages, and monitors grants for multi-regional activities, which will be endorsed by the relevant Regional Implementation Teams and external review to ascertain strategic fit with the profiles. The Secretariat is also responsible for fundraising, financial management, donor coordination, and global information management and outreach, including management of the program's global Web site (www.cepf.net), newsletter and publication production, and development and implementation of a program-wide replication and dissemination strategy for lessons learned and good practice.

IV. IMPLEMENTATION

The CEPF implementation arrangements are designed to build on lessons learned during the first phase, to enable continued expeditious, efficient support to diverse civil society groups, and to establish a clear and effective chain of accountability for results. The approach allocates authority, responsibility, and accountability purposefully among different stakeholders, while ensuring important linkages between different levels of the program.

As recommended by the independent evaluation, CI will continue to administer the program through the CEPF Secretariat. **The organization hosts the CEPF Secretariat and ensures that all funds are managed** with due diligence, efficiency, and the same degree of care it uses in the administration of its own public funds. The CEPF Executive Director is a CI senior vice president, who reports to both the CEPF Donor Council and to a selected individual from CI's Executive Management Team.

CEPF will also retain its overall structure of a Donor Council and Working Group, as well as Regional Implementation Teams based in the hotspots.

The Donor Council, comprised of senior representatives from each CEPF donor institution, reviews and approves each annual spending plan; recommendations by CI for consideration of priority ecosystem profiles to be prepared; and each ecosystem profile. The Council approves any amendment to the CEPF Operational Manual. In addition, the Council creates and approves the conditions under which donors take part in the Council. The members also elect the chairperson.

The Working Group, comprised of representatives from each donor institution, provides guidance to the Secretariat on strategy development, monitoring, and other aspects of implementation. The members also act as advisers to their respective Donor Council representatives and as CEPF focal points for their broader institutions. Guests, including civil

society groups that lead the ecosystem profiling processes, grant recipients, and other stakeholders, will be invited to inform relevant topics of discussions.

Regional Implementation Teams, comprising civil society groups, lead implementation within the hotspots. The Independent Evaluation characterized this function as “one of the most impressive aspects” of CEPF and the teams in existing investment regions as a “major strength of CEPF, demonstrating the viability of an innovative range of institutional arrangements and providing services that go well beyond grant program administration.” Formerly known as Coordination Units, these teams will now be known as Regional Implementation Teams to reflect their vital leadership in implementation.

New Regional Implementation Teams will be selected by the CEPF Donor Council based on terms of reference and a competitive selection process approved by the Council in April 2007.

Each Regional Implementation Team will be responsible for implementation of the relevant ecosystem profile and for establishment of a broad constituency of civil society groups working across institutional and geographic boundaries toward achieving shared conservation goals. While strategic oversight will remain at the Secretariat level to maintain focus and the reporting and safeguard standards required by the CEPF donor partners, at a minimum each Regional Implementation Team will be responsible for:

- acting as an extension service to assist civil society groups in designing, implementing, and replicating successful conservation activities;
- reviewing all grant applications and managing external reviews with technical experts and advisory committees;
- awarding grants up to \$20,000 and jointly with the CEPF Secretariat deciding on all other applications;
- leading monitoring and evaluation of individual projects and assisting the CEPF Secretariat in portfolio-level monitoring and evaluation;
- communicating CEPF objectives, opportunities to apply for grants, lessons learned, and results;
- involving the existing regional programs of the RIT, CEPF donor and implementing agency representatives, government officials, and other sectors in implementation; and
- ensuring effective coordination with the CEPF Secretariat on all aspects of implementation.

In addition, CEPF will incorporate specific steps approved by the CEPF Donor Council to ensure further transparency and effective decisionmaking, particularly in regard to the award of CEPF grant funds to CI programs and other international organizations as well as to those organizations that lead implementation in the hotspots. The objective will be to ensure that international organizations are not implementing projects that could be successfully undertaken by local groups, emphasizing the CEPF commitment to further strengthen and empower local NGOs. These steps, which will be outlined in detail in the CEPF Operational Manual and approved by the Donor Council, are also designed to avoid potential conflict of interest.

CI will not be eligible to receive a set share of the funds but may apply for grants and have its

application considered through the process defined in the CEPF Operational Manual. To avoid potential conflict of interest at the hotspot level, neither the individual groups that comprise the Regional Implementation Teams nor other offices and programs of those organizations will be eligible for additional grants in that particular hotspot. Applications from formal affiliates of those organizations that have an independent operating board of directors will be accepted, but subject to additional external review.

As recommended by the independent evaluation, strengthening operational collaboration with the CEPF donor partners will be an explicit priority during implementation as well. The aim will be to maximize the role and comparative advantage of each partner, increasing the benefits of the partnership to each partner and to the global environment.

Activities will include engaging regional and national representatives of the donor partners and implementing agencies at a much greater level in the planning process for each ecosystem and developing hotspot-level guidelines for regular sharing of information and collaboration opportunities. The guidelines will also draw from strategic opportunities identified during a series of regional meetings in 2005 to improve collaboration between CEPF and the World Bank at the country and hotspot level.

V. MONITORING AND EVALUATION

The CEPF monitoring approach focuses on monitoring and evaluating performance and impact of the overall program, as well at the ecosystem and individual project levels. The three levels will be carefully integrated to build linkages between the program's overall purpose, the strategic directions and investment priorities identified to achieve selected conservation targets in each hotspot, and the many projects that CEPF supports.

Data gathered will inform decisions and adaptive management of ecosystem portfolios, as well as feed into analysis and documentation of best practices, lessons, and results within and across critical ecosystems and at the global level.

A global Results Framework provides the conceptual underpinning for the CEPF monitoring approach. Specific conservation targets and related indicators will also be developed as an integral part of the ecosystem profiling process for each hotspot.

Priorities for strengthening the monitoring approach during implementation will include (i) ensuring that conservation targets are defined in all regions that receive CEPF funding; (ii) improved outcomes monitoring at the ecosystem level in all critical ecosystems receiving funding; and (iii) sharing the results widely to demonstrate biodiversity impact and enable adaptive management by CEPF and the wider conservation community.

The Regional Implementation Teams will be responsible for monitoring all projects and will assist the CEPF Secretariat in portfolio-level monitoring. The approach will build upon and further strengthen the success of the first phase to conduct baseline assessments as part of developing the ecosystem profiles in partnership with local groups, and then to facilitate and support continuation of monitoring at the local level.

All grantees, including the Regional Implementation Teams, will submit regular financial and programmatic reports detailing progress toward specific deliverables. CEPF will also use the GEF tracking tools to monitor impact of protected area and other interventions. Monitoring at the ecosystem level will also draw data from the Biodiversity Early Warning System of CI's Center for Applied Biodiversity Science at the midterm and the global monitoring programs of other conservation organizations to provide additional information and inform decisions on whether to adapt implementation.

CEPF will use global socioeconomic, policy, and civil society measures to better assess and monitor the impact of CEPF investments in improving people's welfare, particularly with regard to poverty reduction, as well as capacity and empowerment of civil society groups. Selected, related indicators will be drawn from the Global Results Framework for monitoring at the ecosystem level. In addition, CEPF will continue to track results against key socioeconomic indicators agreed to date by the donor partners. These types of indicators and measures may also be further developed at the ecosystem level.

Monitoring by the CEPF Secretariat will include monitoring the performance of the Regional Implementation Teams and lead responsibility for producing mid-term and final analytical overviews of each ecosystem portfolio. These overviews will draw from the participatory assessments led by the Regional Implementation Teams and include details of interim progress toward the targets, lessons learned, and, in the case of the mid-term report, recommendations for changes to the targets or overall strategy, where appropriate.

The Secretariat will also be responsible for monitoring performance of the overall program and ensuring that all activities and financial management are carried out in compliance with the guidance of the Donor Council and the CEPF Operational Manual.

Evaluation will be mainstreamed into all levels of the program. In addition, the program's overall performance will also be assessed through an independent evaluation under the direction of the Donor Council at the mid point of this Strategic Framework.

Global Results Framework

Objective	Targets	Use of Information
Strengthening the involvement and effectiveness of civil society in conservation and management of globally important biodiversity.	<ul style="list-style-type: none"> At least 14 critical ecosystems/hotspots with active investment programs involving civil society in conservation. At least 600 civil society actors, including NGOs and the private sector, actively participate in conservation programs guided by the CEPF ecosystem profiles. 20 million hectares of key biodiversity areas with strengthened protection and management²⁹ including at least 8 million hectares of new protected areas³⁰. 1 million hectares in production landscapes managed for biodiversity conservation or sustainable use. 	<p>YR 1-4: Gauge CEPF's global performance in achieving coverage targets and key milestones against ecosystem profile targets.</p> <p>YR3: Contribute to independent mid-term assessment and adjust overall strategy and operations as recommended.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>Results feed into global outreach program, program evaluation.</p>
Intermediate Outcomes	Intermediate Targets	Use of Information
Outcome 1: Globally significant biodiversity is under improved management and protection.	<ul style="list-style-type: none"> At least 70% of targeted key biodiversity areas with strengthened protection and management. At least 30% of projects globally enable effective stewardship of biodiversity and ecosystem services by indigenous and local communities in focal areas. At least 10 sustainable financing mechanisms established or strengthened with initial capital secured. At least 5 multi-regional projects contribute to the conservation of globally significant biodiversity. 	<p>Profile Midterm: Gauge portfolio performance against targets and milestones identified in ecosystem profile. Refine Results Framework or profiles as needed. (Start-up in hotspots will be staggered.)</p> <p>Program Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tools for protected areas and mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD programs.</p>

²⁹ Guided by a sustainable management plan

³⁰ Protected through a formal legal declaration or community agreement

<p>Outcome 2: Biodiversity conservation is integrated into landscape and development planning as a result of increased local and national civil society capacity.</p>	<ul style="list-style-type: none"> • 60% of projects outside protected areas integrate biodiversity conservation in management practices. • At least 10 public-private partnerships mainstream biodiversity in the forestry, agriculture, and tourism sectors. • At least 50% of global grant funds allocated to local civil society groups³¹. • At least 70% of targeted communities involved in sustainable use projects show socioeconomic benefits. 	<p>Profile Midterm: With each hotspot, gauge portfolio-level performance against targets and key milestones identified in ecosystem profile. Refine Results Framework or ecosystem profiles as needed. (Start-up in each hotspot will be staggered.)</p> <p>Framework Midterm: Assessment of contribution to GEF and CBD 2010 targets based on GEF tracking tool for mainstreaming.</p> <p>All years: Identification and pursuit of opportunities for long-term sustainability and replication.</p> <p>All years: Results feed into global outreach program.</p> <p>End of Framework: Assessment of overall program achievement and contribution to CBD work programs.</p>
<p>Outcome 3: Effective monitoring and knowledge sharing.</p>	<ul style="list-style-type: none"> • 100% of CEPF regions possess baseline data and indicators and monitor and report against approved logical frameworks. • Select targets from global Results Framework standardized for all hotspots and contribute to global reporting and assessment. • At least 75% of civil society groups receiving grants effectively plan and manage conservation projects. • 2 learning exchanges and participatory assessments of portfolio-level results hosted and documented within each new hotspot for investment. 	<p>All years: Portfolio reviews feed into strategy decisions.</p> <p>Midterm and end of Framework: Calibrate against other biodiversity status reports produced for the hotspot e.g. forest status, Important Bird Areas, etc.</p> <p>All years: Identifying best practice and lessons learned for dissemination and uptake.</p> <p>All years: Results feed into global outreach program.</p> <p>Midterm and end of Framework: Assess progress and examples of replication.</p>
<p>Outcome 4: Ecosystem profiles act as shared strategies, and effective program-wide implementation and outreach.</p>	<ul style="list-style-type: none"> ▪ Ecosystem profiles and investment strategies developed with stakeholders and financed for all new hotspots selected for 	<p>All years: Results feed into profile planning, implementation and adaptation.</p> <p>All years: Profiles guide</p>

³¹ CEPF defines a local civil society group as one that is legally registered in a country within the hotspot and has an independent board of directors or a similar type of independent governing structure.

	<p>investment.</p> <ul style="list-style-type: none"> ▪ In at least five hotspots, ecosystem profiles influence other donors' investment strategies. • Regional Implementation Teams build capacity of local civil society groups to design and implement projects. ▪ Overall program, including all activities and financial management, effectively monitored and in compliance with CEPF Operational Manual. • Program-wide replication strategy developed and implemented to disseminate best practice within and across hotspots. • 10 publications produced and disseminated on CEPF experiences, lessons learned, and specific themes. • 100% of final project reports compiled by grant recipients available online. • Visitors to Web site and newsletter subscribers increase by 70%. • 5 annual reports and 20 quarterly reports produced. 	<p>decisionmaking and assessments of progress and results.</p> <p>All years: Results feed into global reporting to CEPF donors and overall outreach program.</p> <p>Midterm and end of Framework: Results feed into evaluation.</p>
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VI. SUSTAINABILITY

Ecological sustainability. The fundamental premise of CEPF is that large-scale actions taken by multi-lateral institutions and national government agencies to protect biodiversity (and, therefore, functioning ecosystems on which many economic systems depend) are more likely to succeed if they are both influenced and supported by civil society. This 5-year period of CEPF will contribute to ecological sustainability in at least 14 hotspots through directed and strategic civil society actions that will complement government and other donor conservation programs. The project's components and specific elements are designed to interlink, with each complementing and building upon the activities in the other, to contribute to sustainability of project initiatives, influence larger policy and institutional framework, and ensure ecosystem conservation in the long term.

Social and institutional sustainability. The CEPF experience to date demonstrates that the program can strengthen positive roles for civil society in ensuring ecological sustainability,

and in building long-term skills and strengthened environmental governance. When local communities are able to express their knowledge about the natural systems that form the basis of their livelihoods and can articulate their economic and cultural interests, better and more enduring decisions are likely to be made at national and international levels. A key part of the Regional Implementation Teams' responsibilities will be to build the capacity of local actors to design and implement conservation activities. CEPF will empower civil society actors to directly assist in biodiversity conservation, acquire a positive stake in sustainable development programs, and become sources of improved design, support, and durability for those efforts, thereby also further contributing to ecological sustainability as well.

Financial sustainability. CEPF is a long-term, multi-donor program with different donors funding different time slices. To date, CEPF grantees have leveraged at least an additional \$130 million toward specific projects and civil society activities within the hotspots, thereby contributing to sustainability of these efforts beyond CEPF involvement. The capacity of CEPF and the many civil society groups it has supported to attract other donors constitutes a significant market test of the initiative. It is highly unlikely that most of these funds would have been allocated by their donors to civil society-led conservation or the specific hotspots without the existence of the CEPF program.

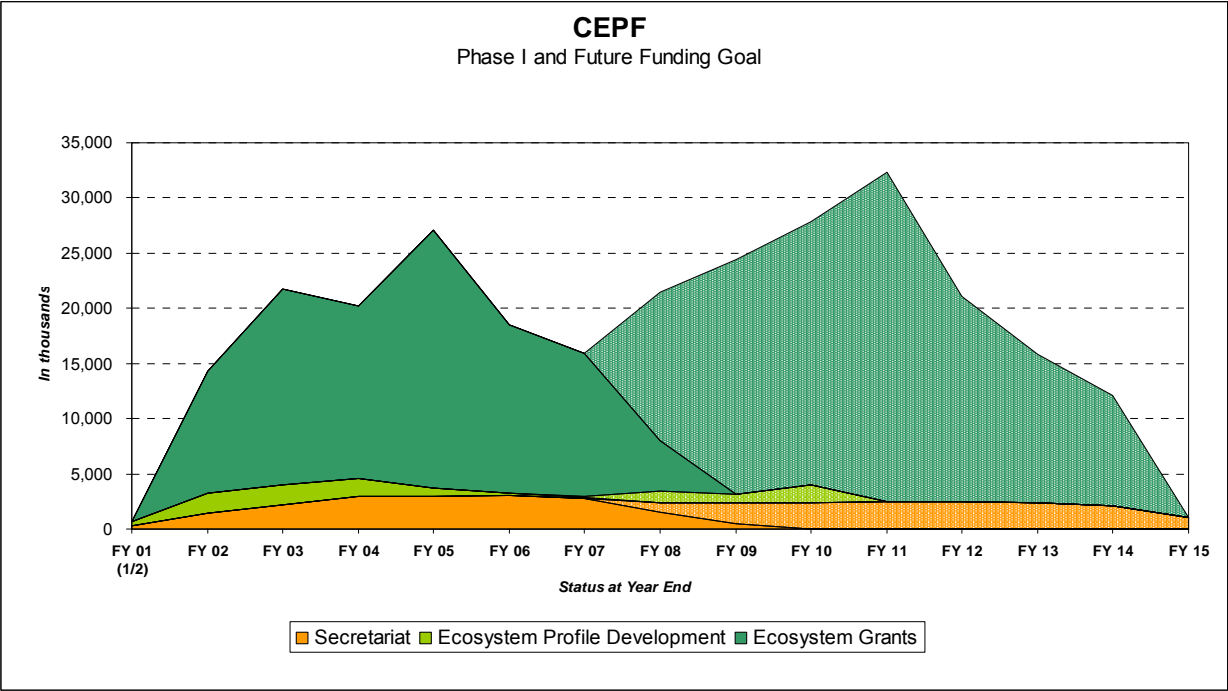
In addition, CEPF will seek to further expand its formal donor base to ensure financial sustainability for the global program, as well as to again leverage significant funds at the hotspot level. Activities to be encouraged will also include piloting of specific innovative financial mechanisms, such as payments for ecosystem services and market transformation initiatives that would contribute to sustainability of results.

The funding model below illustrates the envisioned transition to this new Strategic Framework beginning in FY 08 based on the following assumptions:

- The total goal for direct donor commitments to CEPF for implementation will be \$150 million.
- Ecosystem profiles will continue to be developed for each new hotspot selected for investment.
- CEPF will manage the two phases of CEPF concurrently and present consolidated reporting that illustrates the full activity of the fund.

CEPF is planning for a seamless transition that will allow for continuity and solid investment management.

Per the original CEPF funding model, in FY 07 preparation (ecosystem profile development) funding for new regions ceased and grantmaking and Secretariat operations began to decline. In the new model below, the lighter shaded areas combined represent the total funding goal for this Framework and the start of new investments beginning in FY 08 based on the newly approved ecosystem profiles for the Polynesia-Micronesia Hotspot, the Western Ghats and Sri Lanka Hotspot, and the Indochina Region of the Indo-Burma Hotspot, as well as future consolidation and expansion. CEPF Secretariat operations will not exceed 13 percent of the total.



ANNEX I. HOTSPOTS WHERE CEPF SUPPORTED CIVIL SOCIETY DURING PHASE 1

1. Atlantic Forest (Brazil)
2. Cape Floristic Region
3. Caucasus
4. Chocó-Darién-Western Ecuador (Chocó-Manabi biodiversity conservation corridor)
5. Eastern Arc Mountains and Coastal Forests of Tanzania and Kenya
6. Guinean Forests of West Africa (Upper Guinean Forest)
7. Indo-Burma (Eastern Himalayas region)
8. Madagascar and Indian Ocean Islands (Madagascar)
9. Mesoamerica (Northern Mesoamerica and Southern Mesoamerica)
10. Mountains of Southwest China
11. The Philippines
12. Succulent Karoo
13. Sundaland (the Indonesian island of Sumatra)
14. Tropical Andes (Vilcabamba-Amboró biodiversity conservation corridor)

ANNEX II. GLOBAL BIODIVERSITY HOTSPOTS AS DEFINED IN 2005

35. Atlantic Forest
36. California Floristic Province*
37. Cape Floristic Region
38. Caribbean Islands*
39. Caucasus
40. Cerrado
41. Chilean Winter Rainfall-Valdivian Forests
42. Coastal Forests of Eastern Africa
43. Eastern Afromontane
44. East Melanesian Islands
45. Guinean Forests of West Africa
46. Himalaya
47. Horn of Africa
48. Indo-Burma
49. Irano-Anatolian
50. Japan*
51. Madagascar and Indian Ocean Islands
52. Madrean Pine-Oak Woodlands*
53. Maputaland-Pondoland-Albany
54. Mediterranean Basin*
55. Mesoamerica
56. Mountains of Central Asia
57. Mountains of Southwest China
58. New Caledonia*
59. New Zealand*
60. Philippines
61. Polynesia-Micronesia*
62. Southwest Australia*
63. Succulent Karoo
64. Sundaland
65. Tropical Andes
66. Tumbes-Chocó-Magdalena
67. Wallacea
68. Western Ghats and Sri Lanka

Source: Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

* Not all countries in this hotspot would be eligible for funding under the current investment criteria. However, the CEPF Donor Council may choose to establish new funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Council may also choose to include marine ecosystems within targeted hotspots.

Critical Ecosystem Partnership Fund
Conservation International
2011 Crystal Drive
Suite 500
Arlington, VA 22202, USA
cepf@conservation.org

www.cepf.net