



**Steve Gorman**

10/17/2007 01:34 PM

35865 ENVGC

Subject Fw: CEPF II

Dirk,

Thank you for submitting the US comments and endorsement of the CEPF II project circulated for GEF Council comment. The note on improving engagement of the private sector will be included in the Operational Manual for the CEPF program. We have no objection to this note (document attached) being circulated to other members of the GEF Council.



CEPFprivate sector.doc

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**Dirk.Joldersma**

10/15/2007 04:15 PM

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Subject CEPF II

Dear Monique:

I am writing to comment on the document you recently circulated to the Council on the second phase of the Critical Ecosystem Partnership Fund.

My colleagues and I have carefully reviewed the project document regarding compliance with the conditions for CEO endorsement agreed by the GEF Council on September 26, 2006. We believe that CEPF and the World Bank have made considerable effort to improve the quality of the project and resolve the problems that had been identified. We are pleased that administrative costs have been brought to within the 24% cap established by Council and that these costs will not be financed by the GEF grant. We are satisfied with the measures to ensure that CEPF operates free of the conflicts of interest that had been present in the Fund's first phase. We also believe that CEPF has met the conditions with regard to World Bank safeguard standards, monitoring and evaluation, and targeting of global environmental benefits.

However, we still have concerns relating to the last condition in the Council decision – the need for “a plan for stronger outreach to the private sector.” The United States asked for such a plan because we were concerned that CEPF was not sufficiently engaging the private sector on biodiversity conservation. We wanted to see a written description of how CEPF would improve such engagement in the future.

We have discussed our concerns with GEF Secretariat and World Bank staff. In response, the World Bank has forwarded us a brief plan drafted by the CEPF Secretariat that describes how CEPF will strengthen private sector outreach. We believe this plan satisfies the condition in the Board decision. We would like to request that this document be included in the project documentation listed on the GEF’s website and that it be circulated to Council. We also ask that the Bank include it in the documents it presents to the World Bank Board for approval.

With this action, we believe that CEPF and the World Bank will have satisfied all the conditions set out in the Council decision, and we can support your endorsement of the project.

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