

**BYLAWS of the  
Caucasus Nature Fund  
- GESCHÄFTSORDNUNG –  
(As amended on April 1, 2010)**

**I. General**

**§ 1 Legal Domicile, Offices, and Fiscal Year of the Foundation**

(1) The Caucasus Nature Fund's (hereafter referred to as the "Foundation") legal domicile and address is in Offenbach am Main.

(2) The Board of Directors of the Foundation (the "Board") may decide to establish an office of the Foundation in one or more of the countries of the Caucasus Ecoregion, if the Board determines that it is cost-effective and is needed for carrying out the Foundation's mission and activities.

(3) The Foundation's fiscal year is the calendar year. Its first fiscal year will last for less than a full year, and will begin on the date that the Foundation is legally approved.

**§ 2 Amendments to the Bylaws**

The Board may amend and add to the Bylaws at any time by the vote of a "qualified majority" of the Board members, as this term is defined in Section 9(3) of the Foundation's Articles of Incorporation (hereafter referred to as the "Articles").

**II. Governance**

**§ 3 Board of Directors**

(1) The Board may, by the vote of a qualified majority, decide upon and adopt an organizational plan to allocate responsibilities for conducting the Foundation's business.

(2) The Board may adopt an Operations Manual for regulating the detailed administrative procedures of the Foundation. An Operations Manual should be adopted once an Executive Director and supporting staff have been hired.

(3) No more than half of the Directors on the Board may consist at any time of representatives of government or semi-governmental organizations.

## **§ 4 Responsibilities of Board Members**

(1) The Board members are collectively responsible for the management of the Foundation. They should work together collegially and keep each other informed of all important actions and occurrences relating to the Foundation. Each Board member should continually keep track of all relevant information, in order to minimize any potential loss or harm to the Foundation and in order to continually improve the effectiveness of the Foundation.

(2) The Board may not delegate its decision-making powers with respect to any matters for which the Articles or these Bylaws require either a decision by a qualified majority or collective action by all of the Board members. Notwithstanding the joint responsibility of Board members in accordance with the preceding sub-section, each Board member is individually responsible for those particular areas which may, as the occasion arises, be assigned to that particular Board member by the Board or by a Board-approved organizational plan.

(3) In cases where a matter falling within a particular Board member's area of responsibility is of special importance, and particularly in matters associated with unusual risks or unusual potential consequences, the Board member should present that matter to the full Board to decide.

(4) If a Board member has serious concerns about a matter that is in another Board member's area of responsibility, he should bring this matter to the Board to decide if his concerns cannot be removed through an exchange of views with the other Board member.

## **§ 5 Responsibilities of Officers**

(1) Board members should keep the Chairman of the Board (hereafter referred to as the "Chairman") continually informed of all essential facts and activities in the areas for which they have been assigned responsibility. The Chairman can at any time request to be briefed by a Board member on particular matters within that Board member's area of responsibility, so that the Chairman can be informed beforehand about certain kinds of matters.

(2) The Chairman coordinates the activities of the Board and ensures that all aspects of the Foundation's business are carried out in accordance with the goals set by the Board. The Chairman convenes Board meetings in accordance with section 9(2) of the Articles.

(3) The Chairman coordinates the oral and written communications of the Foundation.

(4) The Vice Chairman of the Board (hereafter referred to as the “Vice Chairman”) represents the Chairman when the latter is prevented from performing his duties for a certain period of time; and he replaces the Chairman in the event of the latter's long-term inability to perform his duties, until a new Chairman has been elected. In case of the absence or the inability of both the Chairman and Vice-Chairman to perform their duties, the members attending a Board meeting shall appoint one of themselves to perform the duties of the Chairman for that particular meeting only.

(5) The Treasurer of the Board (hereafter referred to as the “Treasurer”) is responsible for reporting to the Board about the management of the Foundation’s endowment.

(6) Once an Executive Director has been appointed, he participates in Board meetings in a non-voting capacity as determined appropriate by the Board and performs the tasks of a Secretary of the Board.

## **§ 6 Non-delegable Decisions of the Board**

(1) In addition to those matters listed in Section 9(4) of the Articles, decisions on the following matters can only be made by a qualified majority of the members of the Board:

- a) Broadening or narrowing the Foundation's Purpose, or changing the areas which are the main focus of its activity;
- b) Making any of the three neighboring countries to the three core countries eligible to receive grants from the Foundation in addition to the three core countries;
- c) Changing the definition of “essential PA management costs” (Section 16)
- d) Adoption or revision of the investment policy for the endowment, and the hiring or termination of an investment advisor or investment manager.

(2) Decisions on the following matters may not be delegated by the Board, but, subject to the limitation of the articles and bylaws, may be approved and decided by simple majority vote of the Board members:

- a) Principles and decisions relating to the expenditure of the Foundation's available financial resources;
- b) An annual budget, which must be adopted by the Board by the end of the third month of the fiscal year;

- c) Establishment of annual financial statements that include an overview of the current status of endowment's assets and a report on the progress that has been made in achieving the Foundation's Purpose during the past year, as required by Section 10(2) of the Articles, and pursuant to the regulations set forth in Volume 3 of the German Commercial Code for corporations with large capital, including explanatory notes (*Anhang*) except that the Foundation shall not be required to prepare and publish a management report (*Lagebericht*);
- d) Appointment of the auditor for the annual audit report, as required to be prepared and submitted by Sections 10(3) and 10(4) of the Articles;
- e) Hiring an Executive Director pursuant to Section 8(1) sentence 2 of the Articles, setting the terms of his compensation, and supervising his administration of the Foundation's affairs;
- f) Settlement of disputes and resolution of conflicts of interest;
- g) Establishment and closing down of offices of the Foundation;
- h) Creation or revision of an Operations Manual;
- i) Real estate transfers and transactions not specifically included in the annual budget;
- j) Acquisitions, alienation, encumbering, mortgaging or leasing of real property or real property rights not specifically included in the annual budget;
- k) Providing guarantees of credit, suretyship, guarantyship or assuming similar liabilities on behalf of a third party;
- l) Acquisition or disposal of shares in an enterprise;
- m) Measures, undertakings and decisions that have an extraordinary or fundamental significance for Foundation or are associated with extraordinary risk;
- n) All matters for which the Bylaws contemplate a collective, non-delegable decision by a majority of the Board;
- o) All matters for which responsibility has not been allocated to a particular Board member.

## **§ 7 Board Meetings, Decisions, Committees**

(1) Meetings of the Board of Directors must take place at least once a year. Board meetings shall be held in Frankfurt am Main, which is the Foundation's legal headquarters, or at such other location as determined by the Board. Each Board member has a right to demand that the Board meeting's agenda be expanded to cover further matters beyond those that are set forth in the notice and invitation for the meeting.

(2) Board meetings shall be presided over by the Chairman. The Chairman shall decide on the order in which matters on the meeting agenda will be discussed. The Chairman may invite people who are not members of the Board to attend a Board meeting, for the purpose of providing advice on particular issues.

(3) Insofar as possible, the matters listed on the agenda shall be presented suitably in advance of Board meetings by the Chairman to the Board members in the form of written proposals and requests, and at least one week prior in the case of ordinary meetings of the Board.

(4) Matters that fall within an area that has been assigned to a particular Board member should – other than in exceptional cases – only be handled and decided in the presence of that Board member. Absent Board members must be immediately notified of any decisions that have been taken in their absence.

(5) Any objections to the minutes of a Board meeting that are compiled in accordance with Section 9(5) of the Articles must be made as soon as possible but at the latest within four weeks after the minutes are circulated to the board. If necessary, the recorded minutes of the meeting should be corrected. The recording and preservation of the minutes of Board meetings is to be ensured by the Chairman.

(6) The Board may establish any committees that it considers needed for more effectively or efficiently carrying out the Foundation's business. Committees can be delegated particular tasks to perform instead of the Board if it consists either of Board members only or of at least one Board member and one other person, e.g. Executive Director or outside experts. For example, the Board may establish a Finance Committee or a Scientific and Technical Committee that includes board members, the Executive Director, as well as outside experts. Each Committee of the Board shall be presided over by a member of the Board who reports to the Chairman of the Board. Persons not being Board members have no voting right in decision-making committees.

## **§ 8 Execution of Board Decisions and Administration of the Foundation's Affairs**

(1) The Board will appoint an Executive Director whose primary responsibility during the first three years after the Foundation is established will be to raise additional capital for the Foundation.

The Executive Director will also be responsible for:

- The efficient and cost effective day-to-day management of the Foundation, including proper maintenance of the Foundation's financial books and records;
- Coordinating the internal and external review of grant proposals, and ensuring that all grant proposals are submitted to the Board in the proper form;
- Administering and monitoring grants;
- Serving as effective team leader of the Foundation's staff;
- Representing and promoting the Foundation in dealings with government officials and the media;
- Otherwise assisting the Board.

(2) The Board will review and approve an annual budget that sets forth the total approved grants budget and administrative budget for the Foundation, taking into account any required earmarking for separate national accounts that may have been agreed upon between the Foundation and a donor. The Board, together with the Foundation's investment manager, its Executive Director and its Financial Officer (if someone has been appointed to the latter position) will be responsible for ensuring that the Foundation's budget is sustainable, based on: the size of the Foundation's capital, the rates of return currently being earned on investment of the Foundation's capital, global economic conditions, current and predicted rates of inflation, and other factors listed in the Bylaws and the Operations Manual.

(3) The Foundation's Executive Director will negotiate a Framework Agreement with the governments of each of the three core countries, subject to the approval by the board, that will specify transparent disbursement procedures based on the following general principles:

- a) The Foundation may make direct payments to an individual "PPA", as defined in Section 15(2) of these Bylaws in cases where the PPA has independent legal status. In all other cases, payments will be made to a separate account of the Ministry responsible for protected areas in the country where the individual PPA is located. This separate account must be used exclusively for receiving and disbursing grants from the Foundation, and be governed by detailed rules that must be agreed upon by the Foundation and the Ministry.
- b) Grants by the Foundation will be disbursed in tranches, over a period of between one and five years. The Foundation's Executive Director or individuals appointed by him must endorse the effective use of funds of the current tranche and sign-off prior to disbursement of the next tranche.

- c) Representatives of the Foundation will be given reasonable access to all relevant financial records of the grantee in order to evaluate the effective use of funds.
- d) Any grant funds that are unspent at the end of the grant period must then be transferred back to the Foundation.
- e) Grant recipients that misuse funds will be debarred from receiving further support from the Foundation. The Board is obliged to claim any misused funds.
- f) Grant recipients agree to provide detailed written reports to the Foundation on the use of the grant funds.
- g) The Government of the country of a PPA that is to receive a grant from the Foundation must agree to provide the co-financing as stipulated in Section 17 (1) c).

(4) The Foundation may not award grants to support any activities in any PPA located in territory whose legal ownership or physical control is the subject of dispute between any of the three core countries, unless the Ministries responsible for protected areas in each such country has stated in writing that it has no objection to such grants.

(5) The Foundation's administrative costs may not exceed 15% of its total annual budget, commencing at latest in the fourth year after it has been legally established.

(6) External auditors of international reputation and standing will be appointed annually by the Board to audit the accounts of the Foundation. The fees and expenses for the external audit of particular grants may be paid out of those grants, whereas external audits of the Foundation's own offices and operations will be paid by the Foundation as an administrative expense. Copies of the external auditors' report will be sent to appropriate German Government authorities, to donors to the Foundation, and to the governments of the three core countries. The Foundation's donors and the national governments of the three core countries may also, at their own expense, at reasonable times during normal business hours, conduct audits of any particular grants awarded by the Foundation and will be given reasonable access to all relevant records and sites. Detailed procedures for auditing of the use of funds within the countries will be fixed in the "framework agreements" that must be signed between Foundation and the governments of each of the countries that are eligible to receive grants from Foundation.

(7) No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation. The Foundation shall not participate in, or intervene in, any political campaign on behalf of or in opposition to any candidate for public office.

## **§ 9 Duty of Confidentiality**

(1) The members of the Board, the Executive Director and other employees of the Foundation have a duty not to disclose non-public information that they may learn in the course of their activities on behalf of the Foundation, and a duty not to disclose such information after they leave their positions. They agree not to use information which they have learned in the course of performing their duties for their own benefit or for the benefit of a third party. The decision to disclose non-public information shall be taken by the Board.

(2) Foundation documents that members of the Board have received from the Foundation in the course of performing activities on behalf of the Foundation as Directors are to be returned to the Board upon the Board's request.

## **§ 10 Conflicts of Interest**

(1) A potential "conflict of interest" shall be deemed to exist whenever a Board member or an officer of the Foundation, directly or indirectly, is in a position to approve or influence decisions or actions of the Foundation from which such Board member or officer would derive an individual economic benefit, or is affiliated with someone who would derive an economic benefit. For purposes of this section only, "Officers" of the Foundation shall be considered to include all employees of the Foundation.

A Board member or officer shall be deemed to be "affiliated" with an entity if such Board member or officer:

- a) serves as a member of a governing body of the entity,
- b) serves as an officer or employee of the entity;
- c) has a material economic relationship with the entity; or
- d) if the person's spouse, parent, sibling, child, or member of the immediate household, holds such a position or has such a relationship.

Service on the board of another not-for-profit entity does not constitute a conflict of interest.

A Board member or officer shall be deemed to be affiliated with an individual if such individual is a spouse, parent, sibling, child, or member of the immediate household of such individual or has a material economic relationship with such individual.

(2) Each Board member or officer of the Foundation shall disclose to the Board any relevant interest which may pose conflict of interest concerns. Disclosure shall include the existence of any economic, financial or other interest in, or affiliation with, any corporation, organization or partnership that provides professional or other services to the Foundation. When any matter comes before the Board or any committee of the Board in which a Board member or an officer has such an interest, such interest shall be disclosed to the Board immediately.

Whenever a Board member or officer is unsure as to whether a conflict of interest or any affiliation exists, such Board member or officer shall disclose the relevant facts to the Board, and shall abide by the decision of the Board as to the existence of a conflict of interest or an affiliation.

(3) No Board member or officer shall vote on, or participate in the decision-making process of, any matter in which such Board member or officer has an interest (as defined above). The Board may, by majority vote of the non-interested members, ask any interested Board member in any matter before the Board, not to participate in the Board's deliberations on such matters and to leave the meeting when such matters are discussed and voted on; provided, that, the interested Board member may participate in any discussion regarding such Board member's exclusion.

No individual or entity with which a Board member or officer is affiliated shall receive any special consideration by the Board, and no Board member or officer shall attempt to influence other Board members or officers regarding matters before the Board in which they are interested, without first disclosing that interest to the full Board.

If any contract or grant is presented to the Board in which a Board member or officer has an interest, or is affiliated with a contract party, a committee composed of the non-interested Board members shall be formed to review, and approve or reject such contract or grant.

(4) All Board members, officers and employees shall be subject to such additional policies on conflict of interest, as the Board from time to time may adopt.

### **III. Basic Financial Principles**

#### **§ 11 Sources of the Foundation's Budget**

(1) The Foundation's budget may e.g. come from any of the following sources:

- Gifts and bequests;
- Public and private donations from national and international sources;
- Budgetary allocations from the Governments of the countries in the Caucasus Ecoregion;
- Foreign aid funds;
- Fees, levies, taxes and fines that are specifically allocated to the Foundation by national laws regulations or executive orders;
- Revenues from investments;
- Proceeds from the sale, lease or transfer of tangible and intangible property;
- Proceeds from services provided by the Foundation; and

- Exceptional and miscellaneous income or gains.

(2) The Board reserves the right to reject any gifts, bequests, donations, revenues, proceeds or income that may be offered to the Foundation or otherwise accrue to it. Contributions that are earmarked for particular purposes may be accepted, so long as they can be spent for their intended purposes. The Board may determine the administrative costs related to each earmarked contribution, and has the right to deduct from an earmarked contribution any additional administrative costs that are associated with it.

## **§ 12 Administration of the Foundation's assets**

(1) Unless otherwise restricted or specified by a donor and agreed to by the Foundation's Board, any portion of the Foundation's assets may be administered in any of the following ways:

- a) As part of the capital of an Endowment, in which case the Foundation can only spend or use the income including, consistent with a steady, market-oriented development of the foundation's funding, in whole or in part, capital gains that it earns from investing the capital, but cannot – except in the cases set forth in Section 4(4) of the Articles – spend or use any portion of the capital itself.
- b) As part of the capital of a Sinking Fund (Section 4(5) of the Articles), in which case the Foundation may spend or use part of this capital each year, as well as income and capital appreciation earned from investing the remaining capital, which is intended to be completely used up (i.e., sink down to zero) at the end of a predetermined period of time;
- c) As part of the revenue of a Revolving Fund, which is continuously generated from fees, taxes, levies or fines, and is completely spent or used up during the year that it is received (or shortly thereafter); or
- d) As part of a Pass-Through-Fund, which is managed by the Foundation on behalf of others without being legally transferred to the Foundation, and is intended to finance activities that are closely linked to the Foundation's purposes and activities.

(2) Contributions to the Foundation that donors require to be completely spent within a fixed period of time (i.e. "sinking funds" or "project reserve funds") may, if the donor and the Foundation agree, within the framework of the German tax regulations governing non profit organizations be invested by the Foundation's asset manager in accordance with Foundation's investment guidelines until part or all of such contributions are spent, but such contributions will not be considered as part of the Foundation's capital, and will be held in accounts that are separate from the accounts in which the Foundation's capital is invested.

(3) Other multilateral and bilateral sources, foundations, and individuals (both national and international) will also be asked to make capital contributions to the Foundation. Potential donors that cannot (or do not want to) make a capital contribution may make contributions to the Foundation in the form of a sinking fund. The Foundation and the Governments of the three core countries will also consider and pursue methods of generating revenue for the Foundation from other sources such as ecotourism and user fees.

(4) If a particular donor is unwilling to have its contributions be used to support PPAs in all three core countries, the Board may agree that such contributions will be kept in a separate account that can only be used to provide grants for eligible activities in a single country. However, such earmarked funds may be pooled with other assets of the Foundation for investment purposes.

(5) The Board may appoint a Finance Committee that includes Board members, the Executive Director and outside experts selected for their financial knowledge and experience. The Board may request the Finance Committee to:

- Propose an investment policy for the Board to adopt;
- Review and recommend potential outside investment advisors and asset managers for the Board to hire;
- Oversee the performance of any outside asset managers hired by the Board.
- Implement investment decisions taken by the Board.

### **§ 13 Investment of capital**

(1) The Foundation shall, through a transparent and competitive tender process and with the approval of a qualified majority of the Board, engage an internationally recognized investment advisor to advise and assist the Foundation in connection with its investments and the further engagement of investment managers. All investments will be made in accordance with an investment policy that has been approved by a qualified majority of the Board.

(2) In order to minimize the impact of year-to-year fluctuations in interest rates and stock market returns on the Foundation's budgets, and in order to facilitate longer-term financial planning, the calculation of the amount of the investment return (i.e., income and capital appreciation earned by investing the Foundation's capital) that the Foundation can spend each year will be based on the average total annual rate of return on investments that the Foundation has earned over the preceding three years rather than the preceding 12 months, unless otherwise determined by a qualified majority of the Board in consultation with the Foundation's investment advisor.

## **§ 14 Investment criteria**

(1) The Foundation's two main investment objectives will be to preserve capital and to earn a net total annual return (including both income and capital appreciation) that averages at least 5% over the long term.

(2) The investment advisor and investment managers hired by the Foundation must make reasonable efforts to control risk, and will be evaluated regularly by the Foundation's Board, Finance Committee, and/or independent outside consultants in order to ensure that the risks assumed are prudent and are designed to maximize consistent long-term returns on investment.

(3) The Foundation's assets will be invested in accordance with a specific investment policy adopted by the Board, using an investment strategy based on diversification of investments and on limiting the percentage of the Foundation's assets that can be invested in any particular:

- Asset class (such as stocks, bonds, real estate, etc.)
- Country or geographical region
- Currency
- Industry or company.

## **IV. Further Principles**

### **§ 15 Protected Areas Eligible for Grants**

(1) The Foundation's Purpose is primarily to make grants to support the essential management costs of PPAs in the three core countries in accordance with Sections 16, 17 and 18 of these Bylaws.

(2) Priority Protected Areas ("PPAs") are defined as those protected areas in the Caucasus Ecoregion that

- are part of a wider "PCA" (Priority Conservation Area as defined in the Caucasus Ecoregional Plan/Profile). All activities within a PPA shall be integrated into the overall land use patterns of the PCA."
- are legally protected in perpetuity primarily for the purpose of conserving biodiversity (including national parks, nature reserves, strict nature reserves and sanctuaries);
- have their own separate administrative structures and separate management plans; and
- have been determined by Board to be PPAs, based on the biological priorities established in the Caucasus Ecoregional Conservation Plan.

(3) The Foundation may also make grants in accordance with Sections 16, 17 and 18 of these Bylaws to support PPAs in parts of Caucasus Ecoregion that are located in the territory of one or more of the neighboring three countries, but only if all of the following five conditions are met:

- Foundation has raised a target endowment capital of 44 million Euro;
- A new feasibility study has been prepared which analyzes the current funding needs of the PPAs of the three core countries and of the neighboring country for which support is proposed;
- Supporting the PPAs in the Caucasus regions of a neighboring country will not reduce the amount of funding that the Foundation would otherwise have available (i.e. as a result of investing the first 44 million Euro of Foundation's capital) to support the essential management costs of PPAs in the 3 core countries;
- Providing grants to support PPAs in such neighboring country or countries will not contravene the laws or regulations of any of the countries in which the organizations that have contributed to the Foundation's initial capital are legally registered;
- A qualified majority of the Board approves of any such grant.

## **§ 16 Protected Area Management Activities supported by the Foundation**

(1) The Foundation itself will not propose, design or implement any protected area ("PA") management activities. Its role will be to support and facilitate the eligible PA management activities of relevant government and non-governmental organizations.

(2) The Foundation can support the following types of activities:

1. "Essential PA Management Costs", which means the recurrent costs of activities within PPAs to ensure that natural habitats remain intact and wildlife populations remain stable, and to ensure that the purposes of a particular PA category are fulfilled. (For example, the cost of maintaining visitor infrastructure is included in calculating the "essential management costs" of national parks, but is not included in calculating the "essential management costs" of state nature reserves.)

Essential PA management costs generally include:

- a. Staff salaries and training costs
  - b. Fuel and vehicle costs for patrolling and monitoring on a regular basis
  - c. The costs of maintaining existing infrastructure and equipment
  - d. Purchase and replacement of necessary equipment and supplies
  - e. Office running costs
  - f. Research relating to PA management activities
  - g. Costs for public information dissemination and awareness raising. Grants for Essential PA Management Costs may be awarded for the period covered by a PA management plan, up to a maximum of three years.
2. "PA Management Plan Development Costs", which refers to the costs of developing (over a period of up to one year) a new management plan that satisfies all of the criteria established by the Board for a new PPA or for an

existing PPA, in order to enable the particular PPA to subsequently become eligible to receive grants from the Foundation; and

3. “PA Establishment Costs”, which refers to the costs of establishing essential PA infrastructure over a period of up to two years after the start of implementation of a PA management plan that has been approved by the Board. However, the Board can only make grants to fund PA Establishment costs if all eligible proposals to fund the Essential PA Management Costs or PA Management Plan Development Costs of PPAs in the 3 core countries have first been fully funded.

## **§ 17 Grant Eligibility Criteria**

(1) In order to be considered by the Foundation for possible funding:

- a) The grant proposal must meet the general criteria specified by the Board and must be submitted by the Ministry responsible for environment and nature conservation in the country where the PPA is located;
- b) The PPA must have completed (or must be requesting a grant to complete) a management plan which satisfies all of the criteria established by the Board; and

The Government of the country where the PPA is located (and/or other funding sources) must agree to provide at least 50% of the Essential Management Costs or PA Management Plan Development Costs of the PPA for which a grant is being requested. However, in cases of “*force majeure*” - unforeseeable events beyond the control of a government (such as a major earthquake or other emergency which severely depletes the government’s financial resources) - the Board may decide to reduce the required level of co-financing to less than 50%, upon approval by a qualified majority of the Board.

## **§ 18 Funding Prioritization Criteria**

(1) If the Foundation does not have enough financial resources to support all of the PPAs for which qualifying proposals are submitted in a particular year, the Board will choose which PPAs to support based on the following criteria:

- a) Irreplaceability - PPAs that contain globally threatened and restricted-range species. The most irreplaceable PPAs are those that contain the single most viable population and/or greatest genetic diversity of a target species (i.e., a species classified by IUCN’s Red Book)
- b) Representativity - PPAs that serve to ensure there is representation of the full spectrum of endemic species and habitats across the protected areas system of the ecoregion;

- c) Urgency - PPAs that represent an immediate conservation opportunity and/or are experiencing severe threats to endemic and/or threatened species and their habitats;
- d) Feasibility - PPAs that exist within a supportive local and regional context, i.e. that can demonstrate local community support; and
- e) Regional importance - PPAs that promote and enhance overall implementation and effectiveness of the Ecoregional Conservation Plan.

(2) The Board may establish a Scientific and Technical Committee that includes Board members and outside experts, and then request such Committee to:

- review the technical, scientific and administrative aspects of grant proposals, and recommend whether the Board should adopt or reject such proposals, or require them to be modified; and
- advise the Board on other scientific, technical or administrative matters.