

**Critical Ecosystem Partnership Fund  
39<sup>th</sup> Meeting of the CEPF Donor Council  
Virtual Meeting  
Wednesday 15 December 2021  
8:00 a.m. – 11:00 a.m. Eastern Standard Time (EST)**

**CEPF Quarterly Report Financial Narrative**

**General**

The detailed financial report for the three months from July 1, 2021 to September 30, 2021 is attached.

In summary:

- Total expenses are 36% of the spending plan.
  - Operational costs were 19% of the category budget.
  - Special projects were 4% of the category budget, for work related to improving the grants management system and CEPF's website, and fundraising efforts. Work related to enhancement of the grants management system for impact reporting began in FY20 Q4 and will continue through FY22. Budget related to special events in FY21 for the meeting of the UN Convention on Biological Diversity (CBD) and a RIT learning exchange were rescheduled due to the cancellations of the two events resulting from the COVID-19 pandemic.
  - Profile preparation payments were 6% of the category budget. The Donor Council approved re-investment in Indo-Burma and Tropical Andes at the 35<sup>th</sup> Donor Council meeting on October 23, 2019. Initial costs for these efforts were incurred in FY20 and most costs related to the re-profiling of these regions occurred in FY21, with some of these costs continuing into FY22.
  - Grant disbursements achieved 36% of the spending plan payments target of \$12,780,000 for FY22. CEPF will continue to monitor closely the continued impacts of COVID-19 on the portfolio of work at the sub-grantee level.
  - Grant awards achieved 42% of the FY22 spending plan target of \$11,550,000.
- The balance available for investment based on secured funds is \$0 as all funds received have been fully allocated to active and planned hotspot investments.
- CEPF is in a cash positive situation with cash and investments on hand of \$18,153,442.

## **Revenue**

- CEPF signed a grant agreement for \$13,900,000 with World Bank, using funds provided by the Government of Japan to support civil society organizations involved in the conservation of the biodiversity in the Caribbean Islands Biodiversity Hotspot.

CEPF receives awards from AFD and European Union in non-USD currency. During the current fiscal year, the effect of exchange rates on the awards denominated in currency other than USD was a loss of \$25,337. Any gain or loss impacts the balance available for investment to CEPF. CEPF proactively manages anticipated gains or losses due to foreign currency rates by adjusting planned activities accordingly.

## **Grant-making**

CEPF committed 42% of its grant-making budget for the current fiscal year, signing a total of \$4,849,840 new awards against a budget of \$11,550,000. CEPF began re-investments in three hotspots: Tropical Andes, Wallacea and the Caribbean Islands.

Payments on active grants achieved 36% of the annual target, with \$4,547,269 disbursements against the budget of \$12,780,000. COVID-19 may continue to impact subgrantee activities throughout in FY22 in such a way that reduces CEPF expenditures compared to the original spending plan during FY22.

## **Operational Costs**

CEPF spent 19% or \$702,075 of the total operations and management costs budget of \$3,710,043 for the year.

## **Preparation / Ecosystem Profiles**

CEPF planned in FY22 to sponsor the reprofiling efforts of the reinvestment in the Madagascar and the Indian Ocean Islands, as well as independent evaluations of the RIT performance in East Melanesian Islands, Mediterranean Basin, and Madagascar and the Indian Ocean Islands.

## **Special Projects**

The special projects budget is supported by interest earned through CEPF's bank accounts and investments. The priorities funded this year through the Special Projects budget of \$138,771 are fundraising efforts, ongoing upgrades to CEPF's grants management system and website. Expenditures on special projects total \$5,349, representing 4% spent of the approved budget in the special projects category. Activities that depend on travel, such as conference attendance and learning exchanges, have been delayed due to travel restrictions related to COVID-19.