

**Critical Ecosystem Partnership Fund
44th Meeting of the CEPF Donor Council
In-Person, Santo Domingo, Dominican Republic, and Virtual Meeting
Tuesday 11 February 2025
8:00 a.m. – 11:00 a.m. Eastern Daylight Time (EDT)
9:00 a.m. – 12:00 p.m. Santo Domingo Local Time
2:00 p.m. – 5:00 p.m. Brussels and Paris Time
9:00 p.m. – 12:00 a.m. (+1 day) Tokyo Time**

Financial Narrative

General

The detailed financial report for the six months from 1 July 2024 to 31 December 2024 is attached.

In summary:

- Total expenses are 27% of the spending plan based on grant disbursement.
 - Operational costs were 43% of the category budget.
 - Profile preparation costs were 17% of the category budget. These are costs of updating the ecosystem profiles for the Guinean Forests of West Africa and Mediterranean Basin hotspots.
 - Grant disbursements achieved 34% of the spending plan payments target of US\$19,260,079 for FY25.
 - Grant awards achieved 12% of the FY25 Spending Plan target of US\$27,150,000. This was due to grant-making in the Caribbean Islands, Madagascar and the Indian Ocean Islands, and Guinean Forests of West Africa hotspots.
- 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 US\$10,398,956.

Revenue

- CEPF signed a grant agreement in December 2024 with Global Affairs Canada for CA\$20,000,000 to support the investment in Cerrado, Indo-Burma and Tropical Andes Hotspots.

The Donor Council approved Fondation Hans Wilsdorf to join the partnership as a full global donor in the 42nd meeting of the Donor Council.

CEPF receives awards from AFD, the European Union, KfW and Audemars-Watkins 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 US\$539,373. 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 has committed 12% of its grant-making budget for the current fiscal year, signing a total of US\$3,285,673 in new awards against a budget of US\$27,150,000.

Based on the grant portfolio graph, the percentage of grants approved for CI from inception to date is 4%. However, looking at the current fiscal year, 100% of approved grants have gone to non-CI organizations.

Since inception, approximately 40% of grants have been awarded to international organizations. However, some of these organizations are labeled as “international” solely because of their legal structure, even though the actual implementation takes place through field-based branches. This classification means the data underreports the true percentage of local grantees; if these field-based branches were recognized as local organizations—similar to how CEPF supports clearly defined local CSOs—the percentage of local grantees would be higher. The Peregrine Fund, Inc. exemplifies this situation: although legally an international organization, it operates through a local branch in the Dominican Republic.

Payments on active grants achieved 34% of the annual target, with US\$6,605,294 in disbursements against a budget of US\$19,260,079.

Operational Costs

CEPF has spent 43% or US\$1,967,876 of the total operations and management costs budget of US\$4,595,582 for the year.

Preparation / Ecosystem Profiles

During the second quarter of FY25, work continued updating the ecosystem profiles for the Guinean Forests of West Africa and Mediterranean Basin hotspots.