

## **Critical Ecosystem Partnership Fund**

No Objection Approval Pursuant to Section 2.1 of the CEPF Operational Manual

30 April 2021

### **CEPF Financial Summary, Twenty-second Spending Plan**

#### **Recommended Action Item:**

The Donor Council is asked to **review and approve** the Twenty-second Spending Plan on a **no-objection basis**. The plan sets out the budget for grants and operations totaling \$15,520,624 for the period 1 July 2021 to 30 June 2022.

The deadline for no-objection approval is **14 May 2021**.

#### **Background:**

In accordance with the CEPF Operational Manual (Section OM 2.1 Rev), CEPF shall prepare an annual spending plan no later than 30 April of each year for review and approval by the Donor Council. The plan describes the proposed funding levels of the spending categories for CEPF during the next fiscal year.

The Twenty-second Spending Plan provides for CEPF's operational budget for fiscal year 2022. The Plan does not increase the authority to grant and commit funding, which remains at \$285,572,227.

The Secretariat has included in the Ecosystem Grants spending category (page 1) the projected disbursement and new grant award amounts for seven active regions (including the Multiple Hotspots authority) and one new region investment which is a reinvestment in the Caribbean Islands Biodiversity Hotspot. The grant commitment budget decreases from \$14,205,000 in FY21 to \$11,550,000 in FY22, reflecting the upcoming conclusion of investments in Cerrado and Guinean Forests of West Africa. The expected grant disbursements decrease from \$14,060,000 in FY21 to \$12,780,000 in FY22 as the number of active hotspots decreases year over year.

The Secretariat Operations & Management Fee budget (page 2) reflects an increase of 4% from \$3,549,021 in FY21 to \$3,710,043 in FY22. The increase is caused by two main factors. Due to the uncertainty regarding COVID-19 during last year's planning, Conservation International (host of the CEPF Secretariat) eliminated planned merit increases for all staff and variable pay for executive staff and this budget decision decreased personnel costs. These were later re-introduced when the impacts of COVID-19 were better understood, and merit increases and variable pay are included in the FY22 budget plan. Furthermore, large professional services approved under donor-specific project activities are included in Operations, whereas in prior years these types of non-recurring consultant activities were funded through Interest Income captured in the Special Projects spending category. Therefore, it is not a substantial increase in spending levels overall for CEPF, but is a change in the budget category through which these types of

expenses are budgeted and financed.

The Ecosystem Profile Preparation work planned in FY22 is to sponsor the re-profiling efforts of the re-investment in the Tropical Andes, as well as independent evaluations of the RIT performance in East Melanesian Islands, Mediterranean Basin, and Madagascar and Indian Ocean Islands.

The Special Projects category is funded through interest income, and the activities financed in this category are consistent with the objective of CEPF. The investment portfolio was formally closed in the beginning of FY20 and is no longer be active. Therefore, interest income will no longer be generated from the investment portfolio for CEPF use on Special Projects. Any further interest income generated and the allocation and use of such proceeds will be in accordance with donor-specific agreements.

The Special Projects budget makes allocations for work related to the enhancement of the grants management system and CEPF website. A provision from Special Projects is made for support of the Executive Director's fundraising efforts. The Executive Director will focus fundraising efforts on the US (State Department), Norway (NORAD), Switzerland (SDC), Germany (KfW and IKI), Green Climate Fund (GCF) and several Europe and US based private philanthropic foundations.

## Critical Ecosystem Partnership Fund

Twenty-second CEPF Spending Plan for the Period July 1, 2021 - June 30, 2022

### Spending Category: Ecosystem Grants

	FY22 Expected Disbursement	FY22 New Grant Awards	FY21 Expected Disbursement	FY21 New Grant Awards
<b>Active Regions</b>				
Cerrado	700,000	-	2,050,000	200,000
East Melanesian Islands	1,000,000	-	1,050,000	730,000
Guinean Forests of West Africa Reinvestment	2,700,000	-	2,800,000	1,695,000
Indo-Burma II	-	-	200,000	-
Indo-Burma III	2,125,000	2,500,000	1,500,000	3,000,000
Madagascar & Indian Ocean Islands Reinvestment	510,000	1,750,000	1,600,000	480,000
Mediterranean II	1,850,000	600,000	2,400,000	2,250,000
Mountains of Central Asia	1,500,000	2,000,000	890,000	2,000,000
Multiple	200,000	200,000	120,000	-
Tropical Andes II	-	-	1,200,000	350,000
Tropical Andes III	750,000	2,000,000	100,000	1,500,000
Wallace II	950,000	1,000,000	-	-
<b>Total Active Regions</b>	<b>12,285,000</b>	<b>10,050,000</b>	<b>13,910,000</b>	<b>12,205,000</b>
<b>Pending Regions</b>				
Caribbean Reinvestment	495,000	1,500,000	150,000	2,000,000
<b>Total Pending Regions</b>	<b>495,000</b>	<b>1,500,000</b>	<b>150,000</b>	<b>2,000,000</b>
<b>Total All Regions</b>	<b>\$ 12,780,000</b>	<b>\$ 11,550,000</b>	<b>\$ 14,060,000</b>	<b>\$ 14,205,000</b>

*Note on Disbursements vs Awards: Disbursements represents actual payments disbursed to grantees. Awards is the target for new agreements signed with grantees.*

Authority to Grant & Commit Funding	Phase I	Phase II	Phase III	Total Authority
Atlantic Forest	8,000,000	2,395,259	-	10,395,259
Cape Floristic Region	6,000,000	1,584,910	-	7,584,910
Caribbean Islands	-	6,900,000	-	6,900,000
Caucasus	8,500,000	997,502	-	9,497,502
Cerrado	-	8,000,000	-	8,000,000
East Melanesia Islands	-	9,000,000	-	9,000,000
Eastern Afromontane	-	12,000,000	-	12,000,000
Eastern Arc Mountains & Coastal Forests	7,000,000	1,749,473	-	8,749,473
Eastern Himalayas	5,000,000	-	-	5,000,000
Guinean Forests of West Africa	6,200,000	1,907,209	-	8,107,209
Guinean Forests of West Africa II	-	12,000,000	-	12,000,000
Indo-Burma	-	9,656,797	-	9,656,797
Indo-Burma II	-	15,966,203	-	15,966,203
Indo-Burma III	-	-	7,000,000	7,000,000
Madagascar & Indian Ocean Islands	4,250,000	1,385,800	-	5,635,800
Madagascar & Indian Ocean Islands II	-	12,540,000	-	12,540,000
Maputaland-Pondoland-Albany	-	6,650,000	-	6,650,000
Mediterranean	-	11,016,744	-	11,016,744
Mediterranean II	-	-	12,563,000	12,563,000
Mountains of Central Asia	-	-	8,000,000	8,000,000
Mountains of Southwest China	6,500,000	1,350,738	-	7,850,738
Multiple	-	600,000	-	600,000
Northern Mesoamerica	7,300,000	-	-	7,300,000
The Philippines	7,000,000	-	-	7,000,000
Polynesia-Micronesia	-	6,828,576	-	6,828,576
Southern Mesoamerica	5,500,000	1,636,402	-	7,136,402
Succulent Karoo	8,000,000	1,387,405	-	9,387,405
Sundaland	10,000,000	-	-	10,000,000
Tropical Andes	6,150,000	2,157,414	-	8,307,414
Tropical Andes II	-	10,000,000	-	10,000,000
Tropical Andes III	-	-	3,000,000	3,000,000
Tumbes-Chocó-Magdalena	5,000,000	1,846,270	-	6,846,270
Wallacea	-	6,850,000	-	6,850,000
Wallacea II	-	-	2,100,000	2,100,000
Western Ghats & Sri Lanka	-	6,077,000	-	6,077,000
Consolidation (balance of \$20M authority)	-	25,525	-	25,525
<b>Total Authority</b>	<b>100,400,000</b>	<b>152,509,227</b>	<b>32,663,000</b>	<b>285,572,227</b>

<b>Spending Category: Operations (Secretariat)</b>	<b>FY22 Budget</b>	<b>FY21 Budget</b>
<b>Executive Management</b>		
Personnel	363,142	
Travel, Meetings & Events	31,398	
Professional Services	-	
Other Direct Costs	32,491	
<b>Subtotal</b>	<b>427,030</b>	440,203
<b>Program Management</b>		
Personnel	860,795	
Travel, Meetings & Events	94,062	
Professional Services	15,000	
Other Direct Costs	64,730	
<b>Subtotal</b>	<b>1,034,588</b>	1,006,309
<b>Grant Management</b>		
Personnel	533,527	
Travel, Meetings & Events	45,000	
Professional Services	10,000	
Other Direct Costs	50,705	
<b>Subtotal</b>	<b>639,232</b>	617,901
<b>Monitoring, Evaluation, &amp; Outreach</b>		
Personnel	287,630	
Travel, Meetings & Events	13,524	
Professional Services	100,000	
Other Direct Costs	5,000	
<b>Subtotal</b>	<b>406,155</b>	409,265
<b>Communications</b>		
Personnel	235,458	
Travel, Meetings & Events	4,165	
Professional Services	259,100	
Other Direct Costs	38,002	
<b>Subtotal</b>	<b>536,725</b>	422,242
<b>Finance &amp; Operations Management</b>		
Personnel	240,521	
Travel, Meetings & Events	153	
Professional Services	25,500	
Other Direct Costs	23,547	
<b>Subtotal</b>	<b>289,721</b>	235,857
<b>Operations Total</b>	<b>3,333,451</b>	<b>3,131,777</b>
<b>Spending Category: Management Fee</b> (CI's audited indirect cost rate or donor restriction)	<b>376,592</b>	417,245
<b>Total Operations &amp; Management Fee</b>	<b>3,710,043</b>	<b>3,549,021</b>
<b>Spending Category: Preparation</b>	<b>165,000</b>	350,000
<b>Spending Category: Special Projects</b> (from interest)		
Fundraising	38,771	
Grant Management System & Website	100,000	
<b>Total Special Projects</b>	<b>138,771</b>	185,777
<b>Total FY22 Spending Plan</b>	<b>\$ 15,563,814</b>	<b>\$ 18,289,798</b>

## Critical Ecosystem Partnership Fund

Twenty-first CEPF Spending Plan for the Period July 1, 2020 - June 30, 2021

### Spending Category: Ecosystem Grants

	FY21 Spend Plan Disbursement	FY21 Actual Disbursement thru 03/31/21	FY21 Spend Plan New Grant Awards	FY21 Actual Grant Awards thru 03/31/21
<b>Active Regions</b>				
Cerrado	2,050,000	1,388,289	200,000	377,599
East Melanesian Islands	1,050,000	909,774	730,000	672,438
Guinean Forests of West Africa Reinvestment	2,800,000	1,292,771	1,695,000	1,843,350
Indo-Burma II	200,000	117,949	-	(231,727)
Indo-Burma III	1,500,000	1,204,367	3,000,000	1,600,000
Madagascar & Indian Ocean Islands Reinvestment	1,600,000	1,072,236	480,000	97,631
Mediterranean II	2,400,000	2,354,543	2,250,000	2,870,589
Mountains of Central Asia	890,000	662,353	2,000,000	1,464,988
Multiple	120,000	87,838	-	99,578
Tropical Andes II	1,200,000	804,004	350,000	36,616
Tropical Andes III	100,000		1,500,000	
Wallacea	-	(20,149)	-	(141,461)
Wallacea II		144,394		1,102,095
<b>Total Active Regions</b>	<b>13,910,000</b>	<b>10,018,369</b>	<b>12,205,000</b>	<b>9,791,695</b>
<b>Pending Regions</b>				
Caribbean Reinvestment	150,000	-	2,000,000	-
<b>Total Pending Regions</b>	<b>150,000</b>	<b>-</b>	<b>2,000,000</b>	<b>-</b>
<b>Total All Regions</b>	<b>\$ 14,060,000</b>	<b>\$ 10,018,369</b>	<b>\$ 14,205,000</b>	<b>\$ 9,791,695</b>

Note on Disbursements vs Awards: Disbursements represents actual payments disbursed to grantees. Awards is the target for new agreements signed with grantees.

% Spent, Ecosystem Grants	Disbursements:	71%	Grant Awards:	69%
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**Spending Category: Operations (Secretariat)**

	<b>FY21 Budget</b>	<b>FY21 Actual to 3/31</b>	<b>% Spent</b>
<b>Executive Management</b>			
Personnel	339,146	288,060	
Travel, Meetings & Events	63,950	380	
Professional Services	-	22,135	
Other Direct Costs	37,107	18,344	
<b>Subtotal</b>	<b>440,203</b>	<b>328,920</b>	<b>75%</b>
<b>Program Management</b>			
Personnel	692,652	628,820	
Travel, Meetings & Events	106,120	3,244	
Professional Services	129,600	16,643	
Other Direct Costs	77,937	52,061	
<b>Subtotal</b>	<b>1,006,309</b>	<b>700,768</b>	<b>70%</b>
<b>Grant Management</b>			
Personnel	506,870	310,702	
Travel, Meetings & Events	45,950	145	
Professional Services	5,000	105,362	
Other Direct Costs	60,081	29,898	
<b>Subtotal</b>	<b>617,901</b>	<b>446,107</b>	<b>72%</b>
<b>Monitoring, Evaluation, &amp; Outreach</b>			
Personnel	278,661	219,500	
Travel, Meetings & Events	30,665	-	
Professional Services	92,000	39,415	
Other Direct Costs	7,939	2,664	
<b>Subtotal</b>	<b>409,265</b>	<b>261,579</b>	<b>64%</b>
<b>Communications</b>			
Personnel	226,874	165,510	
Travel, Meetings & Events	20,605	121	
Professional Services	119,600	38,020	
Other Direct Costs	55,163	25,482	
<b>Subtotal</b>	<b>422,242</b>	<b>229,133</b>	<b>54%</b>
<b>Finance &amp; Operations Management</b>			
Personnel	175,787	156,099	
Travel, Meetings & Events	3,125	103	
Professional Services	34,000	17,000	
Other Direct Costs	22,945	20,110	
<b>Subtotal</b>	<b>235,857</b>	<b>193,311</b>	<b>82%</b>
<b>Operations Total</b>	<b>3,131,777</b>	<b>2,159,818</b>	<b>69%</b>
<b>Spending Category: Management Fee</b> (CI's audited indirect cost rate or donor restriction)	<b>417,245</b>	<b>271,651</b>	<b>65%</b>
<b>Total Operations &amp; Management Fee</b>	<b>3,549,021</b>	<b>2,431,469</b>	<b>69%</b>
<b>Spending Category: Preparation</b>	<b>350,000</b>	<b>228,129</b>	<b>65%</b>
<b>Spending Category: Special Projects</b> (from interest)			
Fundraising	25,177	9,028	
Special Events: WCC/CBD and RIT Exchange	85,000	0	
Grant Management System & Website	75,600	112,964	
<b>Total Special Projects</b>	<b>185,777</b>	<b>121,992</b>	<b>66%</b>
<b>Total FY21 Spending Plan</b>	<b>\$ 18,289,798</b>	<b>\$ 12,573,285</b>	<b>69%</b>