

Grant Decision-Making Process

The Critical Ecosystem Partnership Fund (CEPF) grant decision-making process is based on the evaluation of proposals in accordance with the objectives and strategies of the Fund and the relevant ecosystem profile. Proposals that target direct global environmental benefits and meet the following eligibility criteria are welcome:

- Project is located in an approved hotspot
- Project is located in a country that is not excluded by U.S. law
- Project supports a strategic direction outlined in the relevant CEPF ecosystem profile and investment strategy
- Grant applicant is authorized under relevant national laws to receive charitable contributions
- Government-owned enterprises or institutions are eligible only if they can establish i) that the enterprise or institution has a legal personality independent of any government agency or actor, ii) that the enterprise or institution has the authority to apply for and receive private funds, and iii) that the enterprise or institution may not assert a claim of sovereign immunity.
- Grant will not be used for the purchase of land, involuntary resettlement of people, or activities that negatively affect physical cultural resources, including those important to local communities
- Grant will not be used for activities adversely affecting Indigenous Peoples or where these communities have not provided their broad support to the project activities
- Grant will not be used to remove or alter any physical cultural property (includes sites having archeological, paleontological, historical, religious, or unique natural values)
- Proposed activities observe all other relevant safeguard and social policies

CEPF will not award grants for \$1 million and above.

In addition, CEPF encourages proposals that demonstrate the following characteristics:

- Existence of co-financing or the ability to leverage additional funds
- Demonstration of coordination with other organizations to reduce duplication of efforts
- Existence of partnerships or alliances with one or more other organizations
- Endorsements from other recognized agencies or authorities
- Transnational or regional projects
- Clear plans for continuation and/or replication after initial CEPF funding
- Support Indigenous and local communities in community-based or co-management activities for biodiversity conservation and actions that enhance local communities' tenure and resource use rights.

All projects will be required to track results and be evaluated as described in the CEPF Operational Manual, which includes monitoring procedures that are consistent with the Global Environment Facility's Monitoring and Evaluation Policy.

The evaluation of proposals that meet the eligibility requirements starts with a review of the Letter of Inquiry (Sec. 4.4.1), in which the following factors are among those considered: strategic fit with the ecosystem profile, strength and clarity of project concept, applicant qualifications, project cost-effectiveness, emphasis on strategic alliances and partnerships, and potential for leverage with other sources of revenue or impact on public policy.

Grants of \$20,000 or less

Grants of up to \$20,000 will be awarded by the relevant Regional Implementation Team (RIT) under a small grants program. Decisions will be made by the RIT based on financial and programmatic reviews and discussions with applicants. The RIT team may conduct site visits with applicants and assist with the development of their plans, including the formation of partnerships, as well as conduct an external review process. The RIT will also coordinate with the CEPF Secretariat for submission to the CEPF Working Group if an award is proposed to Conservation International. The completed Letter of Inquiry forms will be sufficient as proposals for all grants of this size. The RIT will award grants of \$20,000 or less on a regular schedule, inform applicants about its decisions, and document the awards as part of its regular reporting to the CEPF Secretariat.

Grants of more than \$20,000

For grants in this category, a two-stage application process is used. The RIT will perform an initial screening based on the Letter of Inquiry. If the Letter of Inquiry meets the preliminary criteria outlined above, the applicant will be invited to submit a full Project Proposal application (Sec. 4.4.2) and to respond to a Financial Questionnaire (Sec. 4.4.4). The RIT will assist applicants in addressing questions regarding the logical framework approach to developing projects or the overall application form.

The RIT will lead the review of proposals, which may include consulting with other knowledgeable sources such as international and local NGOs, appropriate government officials, CEPF donor partners in the hotspot, other donors, academics, and other experts.

After a thorough, coordinated review of the project merits, the RIT will forward a recommendation to the CEPF Secretariat, along with the completed Accounting Questionnaire and related materials.

Following is a step-by-step summary of the grant decision-making process:

1. Letter of Inquiry 1 submitted.
2. RIT completes project assessment, performs preliminary financial review, and discusses any questions with applicant, including potential safeguard aspects and the

applicant's ability to address them. The team may also make a site visit, as well as seek input from appropriate external reviewers.

3. The RIT makes an initial threshold determination in consultation with the CEPF Grant Director as to whether the Letter of Inquiry should be further developed.
4. If the Letter of Inquiry is declined, the RIT notifies the applicant, explaining the rationale. If the Letter of Inquiry is approved, the RIT contacts applicant to request Financial Questionnaire and initiate design of Project Proposal application.
5. After an applicant submits the Project Proposal, Financial Questionnaire, and other related documents, the RIT reviews and coordinates with appropriate external reviewers for applications requesting more than \$250,000.
6. RIT communicates results of the review to applicants and Grant Director, and applicants modify the proposal or budget and draft safeguard documents, if necessary.
7. RIT completes Programmatic Risk Assessment (Sec. 4.4.5) and evaluation questions (attached), as well as reviews the documents of the proposal and assesses the applicant's proposed measures, budget, and capacity to address safeguard issues as needed.
8. RIT submits a recommendation to CEPF Grant Director on whether the application should be approved, including a draft justification if recommended for approval. If the Grant Director concurs with approval, the proposal moves to next step.
9. Conservation International Grants and/or Finance staff conducts Financial Risk Assessment (Sec. 4.4.5) to determine the proper level of monitoring and reporting required for the applicant, and conducts the Anti-Terrorism Screenings required by U.S. law.
10. The Grant Director conducts a final technical review of the Project Proposal, and finalizes justification and all documents as needed.
11. The Grant Management Unit prepares a Grant Agreement (Sec. 4.4.6) for legal review to ensure compliance with CI requirements, as well as CEPF restrictions, policies, and procedures.
12. If the grant is proposed for award to CI, the CEPF Secretariat submits proposal and justification to the CEPF Working Group for approval on a time-bound, no-objection basis.
13. The Grant Agreement and finalized justification are submitted to the CEPF Executive Director for approval and signature of contract.

14. If the Project Proposal is declined at any stage, the Grant Director sends e-mail/letter to the applicant explaining the reasons.

Sample Questions for Proposal Analysis

Programmatic Questions:

Does the project target direct global environmental benefits and include a clear, strategic link to the approved CEPF ecosystem profile for the region?

Will the activities listed achieve the goal identified in the project?

Does the proposal justify the need for the project and proposed ongoing activities?

Is the scope of work proposed regional, national, or site specific?

Does the project demonstrate a commitment to coordinate work with partners or existing initiatives in the region?

Have the safeguard aspects of the project been adequately assessed and are the proposed measures to address them appropriate?

Is the grant term proposed sufficient to carry out the activities in the time specified?

Does the project articulate plans for continuation and/or replication after CEPF funding?

Is this the best group to carry out this project (based on capability, experience, local credibility, etc.)?

Management and Financial Questions:

Does the proposal indicate how the project will be structured, staffed, and managed?

Are any unintended positive effects likely to result from supporting this proposal?

Are any unintended negative effects likely to result from supporting this proposal?

Is the timeline for completing the work realistic?

Is anyone else currently doing or planning a similar project?

Is the budget adequate and restricted to only the proposed activities?

Is the organization using some of its own resources to support the project?

Are other donors contributing to this project and/or has the project committed to leveraging additional resources?