

Critical Ecosystem Partnership Fund

No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement

29 April 2016

CEPF Financial Summary, Seventeenth Spending Plan

Recommended Action Item:

The Donor Council is asked to **review and approve** the Seventeenth Spending Plan on a **no-objection basis**. The plan sets out the budget for grants and operations totaling \$21,004,638 for the period 1 July 2016 to 30 June 2017.

A summary of expenditures through 31 March 2016 against the Sixteenth Spending Plan is attached for information.

The deadline for no-objection approval is **15 May 2016**.

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 Seventeenth Spending Plan provides for CEPF's operational budget for fiscal year 2017 (1 July 2016 to 30 June 2017). The Plan does not increase the authority to grant and commit funding, which remains at \$241,639,227.

The Secretariat has included in the Ecosystem Grants spending category (page 1) the projected disbursement and new grant award amounts for 10 active regions and one new region that will be profiled, where granting is expected to commence in FY17. The new region is a reinvestment in the Mediterranean. The granting budget decreases slightly from \$16.6 million in FY16 to \$16.5 million in FY17. For FY16, due to the grantmaking cycle for multiple regions in FY16, the majority of contracting will occur in Q4 (1 April 2016 – 30 June 2016). Therefore, although CEPF anticipates achieving its contracting target, the results as of Q3 are low when compared to the annual budget. In FY17, a more balanced contracting timeline is expected.

The Operations / Secretariat budget (page 2) reflects a decrease of 1% from \$3.438 million in FY16 to \$3.404 million in FY17. This decrease is primarily due to reduced need of professional services in FY17.

In addition to the standard activities associated with the Secretariat, such as executive, program, and grant management, the Secretariat budget in FY17 also includes activities associated with the implementation of the communications strategy and the monitoring and learning strategy developed in FY16. Costs associated

with the implementation of the new grant management system are also included. These activities are critical to ensure CEPF has the appropriate capacity in place for CEPF Phase III.

The Secretariat has included in the Preparation (Ecosystem Profiles) budget (page 2) a projected amount of \$620,000 for developing profile preparation documents for two hotspots, yet to be agreed to with the Donor Council and contingent upon new Phase III contributions.

The fundraising budget included in the Special Projects table includes costs of travel and special events related to fundraising efforts. The fundraising efforts will target, among others, the governments of Germany, the United Kingdom, Switzerland, and Norway. The Special Projects budget also covers the cost of the annual audit.

In addition, the Special Projects budget makes provision for maintenance and enhancement of the new grants management system (Foundation Connect, part of Salesforce) selected to replace the existing system (GEM). Implementing this new system is an essential building block in preparing for CEPF Phase III. This new system will fully automate the grants application process and facilitate online reporting by all grantees, including monitoring data. This new system is projected to be fully functional in the first quarter of FY17.

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Seventeenth CEPF Spending Plan for the Period July 1, 2016 - June 30, 2017

Spending Category: Ecosystem Grants

	FY17 Expected Disbursement	FY17 New Grant Awards	FY16 Spend Plan Disbursement	FY16 Spend Plan New Grant Awards
Active Regions				
Caribbean	-	-	877,054	-
Caucasus	-	-	21,875	-
Cerrado	440,000	2,500,000	125,000	1,000,000
East Melanesian Islands	1,180,000	2,000,000	1,278,386	2,500,000
Eastern Afromontane	2,300,000	1,000,000	2,202,006	2,500,000
Eastern Arc Mountains & Coastal Forests	-	-	42,323	-
Guinean Forests of West Africa Reinvestment	440,000	2,000,000	187,500	1,500,000
Indo-Burma Reinvestment	2,400,000	1,500,000	2,637,240	1,500,000
Madagascar & Indian Ocean Islands Reinvestment	1,280,000	1,800,000	762,500	2,500,000
Maputaland-Pondoland-Albany	-	-	346,222	-
Mediterranean	1,410,000	141,000	2,531,077	600,000
Mountains of Southwest China	-	-	14,176	-
Multiple	40,000	300,000	-	-
Tropical Andes Reinvestment	950,000	2,250,000	537,500	2,500,000
Wallacea	940,000	1,500,000	622,442	2,000,000
Western Ghats & Sri Lanka	-	-	320,074	-
Total Active Regions	11,380,000	14,991,000	12,505,376	16,600,000
Pending Regions				
Mediterranean Reinvestment	190,000	1,500,000	-	-
Total Pending Regions	190,000	1,500,000	-	-
Total All Regions	\$ 11,570,000	\$ 16,491,000	\$ 12,505,376	\$ 16,600,000

Authority to Grant & Commit Funding

	Phase I	Phase II	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 Reinvestment	-	9,000,000	9,000,000
Indo-Burma	-	9,656,797	9,656,797
Indo-Burma Reinvestment	-	12,821,203	12,821,203
Madagascar & Indian Ocean Islands	4,250,000	1,385,800	5,635,800
Madagascar & Indian Ocean Islands Reinvestment	-	8,265,000	8,265,000
Maputaland-Pondoland-Albany	-	6,650,000	6,650,000
Mediterranean	-	11,016,744	11,016,744
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 Reinvestment	-	10,000,000	10,000,000
Tumbes-Chocó-Magdalena	5,000,000	1,846,270	6,846,270
Wallacea	-	6,000,000	6,000,000
Western Ghats & Sri Lanka	-	6,077,000	6,077,000
Consolidation (balance of \$20M authority)	-	25,525	25,525
Total Authority	100,400,000	141,239,227	241,639,227

Spending Category: Operations (Secretariat)	FY17 Budget	FY16 Budget
Executive Management		
Personnel	355,670	
Travel, Meetings & Events	84,875	
Professional Services	5,000	
Other Direct Costs	32,113	
Subtotal	477,658	573,141
Program Management		
Personnel	746,674	
Travel, Meetings & Events	84,900	
Professional Services	18,000	
Other Direct Costs	64,582	
Subtotal	914,155	1,100,651
Grant Management		
Personnel	368,904	
Travel, Meetings & Events	50,400	
Professional Services	15,350	
Other Direct Costs	141,369	
Subtotal	576,022	568,035
Monitoring & Learning (previously in Program Management)		
Personnel	172,303	
Travel, Meetings & Events	27,650	
Professional Services	10,000	
Other Direct Costs	11,790	
Subtotal	221,743	-
Communications		
Personnel	287,334	
Travel, Meetings & Events	22,075	
Professional Services	57,500	
Other Direct Costs	87,625	
Subtotal	454,533	417,540
Finance & Information Management		
Personnel	157,393	
Travel, Meetings & Events	12,550	
Professional Services	-	
Other Direct Costs	12,544	
Subtotal	182,487	194,892
Operations Total	2,826,599	2,854,258
Spending Category: Management Fee (CI's audited indirect cost rate)	578,039	583,695
Total Operations & Management Fee	3,404,638	3,437,953
Spending Category: Preparation	620,000	350,000
Spending Category: Special Projects (from interest)		
Auditing Fee	45,000	
Fundraising and special projects	369,000	
Grant Management System	75,000	
Total Special Projects	489,000	604,761
Total FY17 Spending Plan	\$ 21,004,638	\$ 20,992,714

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Sixteenth CEPF Spending Plan versus Actual through March 31, 2016

Spending Category: Ecosystem Grants

	FY16 Spend Plan Disbursement	FY16 Actual Disbursement thru 03/31/16	FY16 Spend Plan New Grant Awards	FY15 Actual Grant Awards thru 03/31/16
Active Regions				
Caribbean	877,054	659,729	-	(114,794)
Caucasus	21,875	36,563	-	(7,187)
Cerrado	125,000	-	1,000,000	-
East Melanesian Islands	1,278,386	707,244	2,500,000	205,359
Eastern Afromontane	2,202,006	2,472,559	2,500,000	744,574
Eastern Arc Mountains & Coastal Forests	42,323	6,667	-	(22,891)
Guinean Forests of West Africa Reinvestment	187,500	-	1,500,000	-
Indo-Burma Reinvestment	2,637,240	1,877,446	1,500,000	1,279,565
Madagascar & Indian Ocean Islands Reinvestment	762,500	582,929	2,500,000	1,172,992
Maputaland-Pondoland-Albany	346,222	280,229	-	1,507
Mediterranean	2,531,077	2,329,306	600,000	256,697
Mountains of Southwest China	14,176	24,346	-	-
Multiple	-	-	-	-
Tropical Andes Reinvestment	537,500	509,552	2,500,000	-
Wallacea	622,442	578,308	2,000,000	1,044,895
Western Ghats & Sri Lanka	320,074	154,009	-	(32,274)
Total Active Regions	12,505,376	10,218,887	16,600,000	4,528,443
Pending Regions				
Mediterranean Reinvestment	-	-	-	-
Total Pending Regions	-	-	-	-
Total All Regions	\$ 12,505,376	\$ 10,218,887	\$ 16,600,000	\$ 4,528,443
% Spent, Ecosystem Grants	Disbursements: 82%		Grant Awards: 27%	

Spending Category: Operations (Secretariat)	FY16 Budget	FY16 Actual to 3/31	% Spent
Executive Management			
Personnel	343,453	270,140	
Travel, Meetings & Events	66,000	37,889	
Professional Services	130,000	69,713	
Other Direct Costs	33,688	25,851	
Subtotal	573,141	403,593	70%
Program Management			
Personnel	859,419	653,219	
Travel, Meetings & Events	127,883	51,708	
Professional Services	35,000	18,798	
Other Direct Costs	78,349	46,053	
Subtotal	1,100,651	769,778	70%
Grant Management			
Personnel	342,854	271,803	
Travel, Meetings & Events	55,750	20,645	
Professional Services	32,200	160	
Other Direct Costs	137,231	63,610	
Subtotal	568,035	356,217	63%
Communications			
Personnel	275,760	209,458	
Travel, Meetings & Events	15,800	6,036	
Professional Services	45,500	12,102	
Other Direct Costs	80,480	34,825	
Subtotal	417,540	262,422	63%
Finance & Information Management			
Personnel	152,420	77,907	
Travel, Meetings & Events	24,750	1,723	
Professional Services	-	-	
Other Direct Costs	17,721	4,219	
Subtotal	194,892	83,849	43%
Operations Total	2,854,258	1,875,859	66%
Spending Category: Management Fee (CI's audited indirect cost rate)	583,695	383,421	66%
Total Operations & Management Fee	3,437,953	2,259,280	66%
Spending Category: Preparation	350,000	52,800	15%
Spending Category: Special Projects (from interest)			
Auditing Fee	45,000	40,000	
Fundraising and special projects	119,761	22,712	
Grant Management System	440,000	141,256	
Total Special Projects	604,761	203,967	34%
Total FY16 Spending Plan	\$ 20,992,714	\$ 7,044,490	34%