

Critical Ecosystem Partnership Fund

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

30 April 2022

CEPF Financial Summary, Twenty-third Spending Plan

Recommended Action Item:

The Donor Council is asked to **review and approve** the Twenty-third Spending Plan on a **no-objection basis**. The plan sets out the budget for grants and operations totaling \$16,325,400 for the period 1 July 2022 to 30 June 2023.

The deadline for no-objection approval is **14 May 2022**.

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-third Spending Plan provides for CEPF's operational budget for the fiscal year 2023. The Plan will increase the authority to grant and commit funding to \$297,372,227 from \$285,572,227.

The Secretariat has included in the Ecosystem Grants spending category (page 1) the projected disbursement and new grant award amount for 10 active hotspots (including the Multiple Hotspots authority). The grant commitment budget increased from \$11,550,000 in FY22 to \$12,085,000 in FY23, reflecting the upcoming new reinvestment in Madagascar and the Indian Ocean Islands. The expected grant disbursements decrease from \$12,780,000 in FY22 to \$9,755,000 in FY23 as the number of active hotspots decreases year over year.

The Secretariat Operations & Management Fee budget (page 2) reflects an increase of 12% from \$3,710,043 in FY22 to \$4,146,400 in FY23. The primary increase is due to an increase in personnel costs. In addition, CEPF is committing a sizable amount of funds to professional services for website upgrades in the Operations budget.

There is no Ecosystem Profile Preparation work planned for FY23.

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 The investment portfolio was formally closed at the beginning of FY20 and is no longer active, therefore, interest income will no longer be generated from the investment portfolio for CEPF use on Special Projects.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 is earmarked to enhance the CEPF website.