

**Critical Ecosystem Partnership Fund**

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

30 April 2023

**CEPF Financial Summary, Twenty-fourth Spending Plan****Recommended Action Item:**

The Donor Council is asked to **review and approve** the Twenty-fourth Spending Plan on a **no-objection basis**. The plan sets out the budget for grants and operations totaling \$16,012,576 for the period 1 July 2023 to 30 June 2024. The deadline for no-objection approval is **14 May 2023**.

**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-fourth Spending Plan provides for CEPF's operational budget for the fiscal year 2024. The Plan will increase the authority to grant and commit funding to \$328,947,808.

The Secretariat has included in the Ecosystem Grants spending category (page 1) the projected disbursement and new grant award amount for 7 active hotspots. The grant commitment budget decreased from \$12,085,000 in FY23 to \$11,200,000 in FY24, as grant making winds down in several hotspots, including the Mediterranean Basin and Mountains of Central Asia. The expected grant disbursements increase from \$9,755,000 in FY23 to \$12,800,000 in FY24 due to growth in the grant portfolios in several hotspots, including the Caribbean Islands and the Tropical Andes.

The Secretariat Operations & Management Fee budget (page 2) reflects an increase of 5% from \$4,146,400 in FY23 to \$4,362,576 in FY24. The primary increase is due to the additional travel, meeting and special events costs related to the RIT exchange. In addition, CEPF is committing a sizable amount of funds to professional services for website upgrades in the Operations budget.

The Ecosystem Profile Preparation work planned in FY24 is to sponsor the preparation of the ecosystem profile for the Mesoamerica Hotspot.

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 The investment portfolio was formally closed at the beginning of FY20 and is no longer active, therefore, interest income will no longer be generated from the investment portfolio for CEPF use on Special Projects.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 will be utilized through the end of FY2023.