

**Critical Ecosystem Partnership Fund
42nd Meeting of the CEPF Donor Council
Virtual Meeting
Thursday 15 February 2024
8:00 a.m. – 11:00 a.m. Eastern Standard Time (EST)
2:00 p.m. – 5:00 p.m. Brussels and Paris Time
10:00 p.m. – 1:00 a.m. (+1 day) Tokyo Time**

Financial Narrative

General

The detailed financial report for the six months from 1 July to 31 December 2023 is attached.

In summary:

- Total expenses are 46% of the spending plan based on grant disbursement.
 - Operational costs were 43% of the category budget.
 - There is US\$200,000 budgeted for profile preparation in FY24. Work has not yet started, and no costs have yet been incurred. This work will commence during the third quarter of FY24 for the Guinean Forests of West Africa and Mediterranean Basin Hotspots.
 - Grant disbursements achieved 42% of the spending plan payments target of US\$12,800,000 for FY24.
 - Grant awards achieved 27% of the FY24 Spending Plan target of US\$11,200,000. This was largely due to grant-making in the Indo-Burma, Mediterranean Basin and Tropical Andes Hotspots.
- The balance available for investment based on secured funds is \$0, as all funds received have been fully allocated to active and planned hotspot investments.
- CEPF is in a cash positive situation with cash and investments on hands of US\$10,343,183.

Revenue

- CEPF signed a grant amendment in October 2023 with Margaret A. Cargill Foundation for \$1,000,000 to support the reinvestment in the Indo-Burma Hotspot.
- CEPF signed a grant agreement in November 2023 with Fondation Franklinia for \$1,000,000 to support the investment in the Madagascar and the Indian Ocean Islands Hotspot.

CEPF receives awards from AFD, European Union, KfW, Audemars-Watkins and The Prince Albert II of Monaco Foundation in non-USD currency. During the current fiscal

year, the effect of exchange rates on the awards denominated in currency other than USD was a loss of US\$161,252. Any gain or loss impacts the balance available for investment to CEPF. CEPF proactively manages anticipated gains or losses due to foreign currency rates by adjusting planned activities accordingly.

Grant-making

CEPF has committed 27% of its grant-making budget for the current fiscal year, signing a total of US\$2,987,120 in new awards against a budget of US\$11,200,000.

Payments on active grants achieved 42% of the annual target, with US\$5,416,287 in disbursements against a budget of US\$12,800,000.

Operational Costs

CEPF has spent 43% or US\$1,877,844 of the total operations and management costs budget of US\$4,362,576 for the year.

Preparation/Ecosystem Profiles

During FY24, CEPF plans to update the ecosystem profile for the Guinean Forests of West Africa Hotspot and the Mediterranean Basin Hotspot. Work has not yet begun either. CEPF has commissioned an independent evaluation of lessons learned by the RIT in the Mediterranean Basin Hotspot, which was completed in the second quarter of FY24.