

Critical Ecosystem Partnership Fund
No Objection Approval Pursuant to Section 4.1 of the Operational Manual

June 12, 2020

Increase in the Spending Authority for the Wallacea Hotspot

Recommended Action Item:

The Donor Council is asked **to approve on a no-objection basis** an increase in the spending authority for the Wallacea Hotspot of \$2,100,000 to include additional funding made available by Bloomberg Philanthropies, Margaret A. Cargill Philanthropies and the Walton Family Foundation. The Donor Council is further asked to approve an update to the Wallacea Ecosystem Profile.

The deadline for no-objection approval is June 26, 2020.

Background:

On June 30, 2020, the final grant in the Wallacea portfolio will close, bringing to an end the first phase of CEPF investment in the hotspot, which began in December 2014. Over that period, CEPF invested \$6.8 million in 104 grants to 63 local and five international organizations. This investment supported civil society organizations to improve the conservation of 25 terrestrial and 16 marine KBAs, strengthen the management of 13 protected areas, and reduce threats to 207 globally threatened marine species. Results at the local scale were amplified through the work of the Regional Implementation Team (RIT) at Burung Indonesia, which connected CEPF grantees to larger government processes. For example, pilot Locally Managed Marine Areas (LMMAs) in the Banggai Peninsula in Central Sulawesi influenced the design of new Marine Protect Areas (MPAs) covering 875,730 hectares. The achievements of the first investment phase were presented to the Donor Council at its 36th meeting on March 19, 2020.

In March 2020, the CEPF Secretariat was approached by three US-based, philanthropic foundations: Bloomberg Philanthropies; Margaret A. Cargill Philanthropies; and the Walton Family Foundation (CEPF has an existing relationship with Margaret A. Cargill Philanthropies, which has been a regional donor in the Indo-Burma and Wallacea Hotspots). The three foundations expressed an interest in building on the work of CEPF and Burung Indonesia to support a new phase of grant-making to civil society groups active in the Indonesian portion of the Wallacea Hotspot. The CEPF Secretariat was subsequently invited to submit a project concept for a \$2.5 million initiative, to be supported by the three foundations in the following way:

- a) A grant of \$1,000,000 from the Walton Family Foundation, covering the period July 2020 to June 2022.
- b) A grant of \$800,000 from the Bloomberg Philanthropies' Vibrant Oceans Initiative, covering the period July 2020 to February 2023.
- c) A grant of \$700,000 from Margaret A. Cargill Philanthropies, covering the period July 2021 to June 2024.

Of the \$2.5 million in funding, \$400,000 will be used to support the RIT, \$1.7 million will be used to support large and small grants to civil society organizations, and the remaining \$400,000 (equivalent to 16 percent of the total amount) will be used to support CEPF Secretariat operations. The spending authority for the hotspot excludes CEPF operations costs, hence the requested increase is by \$2.1 million.

At the request of the three foundations, this funding will be used to support conservation and sustainable management of coastal and near-shore marine ecosystems (CEPF does not support activities in deep-water marine ecosystems). To this end, the CEPF Secretariat will update the sections of the ecosystem profile that relate to geographic and thematic priorities for investment in these ecosystems. Subject to the approval of the Donor Council, this will be followed, later in 2020, with a full update of the ecosystem profile. The CEPF Secretariat intends to use the updated profile to catalyze additional funding for a second phase of investment in Wallacea. The intention will be to catalyze up to \$5 million from regional donors, to support complementary investments in terrestrial and freshwater ecosystems. In this way, achievements from the first phase throughout the hotspot can be sustained and amplified.