

**Critical Ecosystem Partnership Fund**  
No Objection Approval Pursuant to Section 5.4 of the Operational Manual

29 October 2024

**Strategic use of the CA\$20 million (US\$14.4 million) catalyzed from Global Affairs  
Canada and its possible role in the governance of CEPF**

**1. Recommended Action Items**

The Donor Council is asked **to approve on a no-objection basis** that Global Affairs Canada is invited to join the Donor Council as a global donor to CEPF.

The Donor Council is also asked **to approve on a no-objection basis** changes to the spending authorities for the following biodiversity hotspots, to include funding made available by Global Affairs Canada:

- a) An increase in the spending authority for the Cerrado Hotspot by US\$4,000,000. This will be the first contribution to a second phase of investment in the hotspot.
- b) An increase in the spending authority for the Indo-Burma Hotspot by US\$2,000,000. This will be a contribution to the third phase of investment in the hotspot; the total spending authority for which will become US\$13,958,581.
- c) An increase in the spending authority for the Tropical Andes Hotspot by US\$6,000,000. This will be a contribution to the third phase of investment in the hotspot; the total spending authority for which will become US\$16,645,000.

The deadline for no-objection approval is 12 November 2024.

**2. Background**

On 19 December 2022, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted at the 15<sup>th</sup> Conference of the Parties to the Convention on Biological Diversity (CBD COP-15). The GBF contains targets to place 30 percent of the planet under effective conservation and management by 2030, and to raise international financial flows from developed to developing countries to at least US\$30 billion per year.

In line with these targets, Canadian Prime Minister, Justin Trudeau, made a commitment of CA\$350 million to support developing countries advance biodiversity conservation efforts and to support implementation of the GBF. During the COP-16 meeting in Cali, Colombia, the Government of Canada unveiled the portfolio of projects that it will support, through its International Biodiversity Program. These projects include a CA\$20 million contribution to CEPF for a project to improve biodiversity conservation in three biodiversity hotspots by

advancing gender equality. This project will focus on the Cerrado, Indo-Burma and Tropical Andes Hotspots.

### **3. Role of Global Affairs Canada**

The rules governing participation of CEPF donor partners in the governance of the fund are set out in section OM5.4 of the Operational Manual. The criteria for membership of the Donor Council include that:

*"Global donors must contribute at least USD \$5 million ("Qualifying Contribution") during the Term of the respective financing agreement with CI."*

This criterion (and all others) is met by Global Affairs Canada. It is, therefore, proposed to invite Global Affairs to join the CEPF partnership as a Global Donor. If Global Affairs Canada accepts this invitation, it will be invited to nominate representatives to the Donor Council and Working Group.

### **4. Additional funding**

As reported to the Donor Council at its 41<sup>st</sup> meeting on 17 July 2023, the CEPF Secretariat was invited to submit a concept note to Global Affairs Canada in February 2023. This concept note was subsequently approved, following resubmissions in April and September of that year.

As reported to the Donor Council at its 42<sup>nd</sup> meeting on 15 February 2024, Global Affairs Canada invited CEPF to submit a full proposal on 23 January 2024. This proposal was submitted on 29 February and subsequently revised and resubmitted on 4 and 23 April. On 24 October, Global Affairs Canada informed the CEPF Secretariat that the proposal had been approved, and that work would commence on preparation of a Contribution Agreement for signature in mid-December 2024. The funding will run until March 2026.

According to the full proposal, the total project budget is CA\$20 million, equivalent to US\$14.4 million. Of this total, US\$12 million is available for grant making. It has been agreed that these funds will be allocated to the Cerrado, Indo-Burma and Tropical Andes Hotspots. To deploy these additional funds requires an increase in the spending authorities for these hotspots.

The Cerrado has been selected as one of the hotspots that will benefit from the new contribution of the European Union to CEPF, via AFD, which is expected to be signed in the last quarter of 2024. This will be the second phase of investment in the hotspot and will build on the achievements of the first phase, from 2016 to 2022. Global Affairs Canada will contribute US\$4,000,000 towards grant making in the Cerrado Hotspot: the first contribution to the new phase.

Grant making in the Cerrado will be supported by the International Institute of Education in Brazil (IEB), which was the Regional Implementation Team (RIT) during the first phase. An independent evaluation by consulting firm EcoAdvisors, conducted during May-July 2022 and presented to the Working Group at its 72<sup>nd</sup> meeting, on 19 January 2023, concluded that IEB had performed the role of the RIT very well, that there were no obvious alternative candidate organizations that offered clear advantages, and that IEB was the clear preferred option for that RIT should funding become available in the future.

On 6 November 2020, the Donor Council approved by no-objection (CEPF/DC/electronic/67) the ecosystem profile for the third phase of CEPF investment in the Indo-Burma Hotspot, from 2020-2025, with a spending authority of US\$10,000,000. On 2 February 2023, the Donor Council approved by no-objection (CEPF/DC/electronic/85) an increase in the spending authority to US\$11,958,581, to deploy additional funding made available by Margaret A. Cargill Philanthropies. Global Affairs Canada will contribute US\$2,000,000 towards grant making in the Indo-Burma Hotspot. This will require the spending authority for the third phase to be increased to US\$13,958,581.

Grant making in the Indo-Burma Hotspot will be supported by the IUCN Asia Regional Office, which is the current RIT.

On 10 June 2021, the Donor Council approved by no-objection (CEPF/DC/electronic/70), the ecosystem profile for the third phase of CEPF investment in the Tropical Andes Hotspot, from 2021 to 2026, with a spending authority of US\$14,000,000. Contributions towards this spending authority were made by KfW (US\$7,645,000) and Conservation International (US\$3,000,000). Global Affairs Canada will contribute US\$6,000,000 towards grant making in the Indo-Burma Hotspot. This will require the spending authority for the third phase to be increased to US\$16,645,000.

Grant making in the Tropical Andes Hotspot will be supported by the current RIT, which comprises four national organizations: Profonampe in Peru; Asociación Boliviana para la Investigación y Conservación de Ecosistemas Andino-Amazonicos (ACEAA) in Bolivia; Patrimonio Natural in Colombia; and Fundacion Internacional para la Promocion del Desarrollo Sustentable Futuro Latinoamericano (FFLA) in Ecuador.