

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

25 June 2025

Revised Spending Authority for the Caribbean Islands Hotspot

1. Recommended Action Item

The Donor Council is asked **to approve on a no-objection basis** an increase in the spending authority for the Caribbean Islands Hotspot to \$13,770,000 to include additional funding made available by the Government of Japan via the World Bank.

The deadline for no-objection approval is 9 July 2025.

2. Background

On 12 August 2019, the Donor Council approved, by no-objection (CEPF/DC/electronic/60), the updated ecosystem profile for the Caribbean Islands Biodiversity Hotspot, with a spending authority of \$10 million. The ecosystem profile set out an investment strategy for a second phase of CEPF investment in the hotspot, building on the results and lessons learned from the first phase, from 2010 to 2016.

The World Bank, acting as administrator of the CEPF Trust Fund (TF050500), supported the implementation of this investment phase, by channeling a contribution of \$13.9 million to CEPF, using funds provided by the Government of Japan. This support is provided through the *Critical Ecosystem Partnership Fund - Caribbean Hotspot Project* (P173464), which became effective on August 2, 2021. The project budget contains an allocation of \$11,800,000 for grantmaking (\$9,800,000 for large and small grants to civil society organizations (CSOs), \$1,500,000 for the Regional Implementation Team (RIT) grant, \$500,000 for the Collaborative Social Accountability Team (CSAT) grant).

The World Bank received approval from Japan's Ministry of Finance to reinvest interest earned by the CEPF Trust Fund back into the project, with the objective of scaling-up the geographical scope to deliver additional impact. Consequently, the World Bank awarded an additional grant in the amount of \$2,350,000 for additional financing for the *Critical Ecosystem Partnership Fund - Caribbean Hotspot Project*. This grant was signed on 25 June 2025.

The additional financing includes an allocation of \$1,970,000 for grantmaking (to CSOs, the RIT and the CSAT). This increases the existing allocation to \$13,770,000, thereby necessitating an increase in the spending authority. This increase will allow CEPF grantmaking to extend to an additional 11 Key Biodiversity Areas (KBAs) in existing countries of implementation and one additional country: Dominica

3. Next steps

Subject to approval of this request by the Donor Council, the Secretariat plans to commit the additional funding during the second half of 2025, allowing grantees between 18 and 24 months to implement project activities before the end of the investment phase in mid-2027.