

Critical Ecosystem Partnership Fund

No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement

24 April 2019

CEPF Financial Summary, Twentieth Spending Plan

Recommended Action Item:

The Donor Council is asked to **review and approve** the Twentieth Spending Plan on a **no-objection basis**. The plan sets out the budget for grants and operations totaling \$16,475,038 for the period 1 July 2019 to 30 June 2020.

The deadline for no-objection approval is **8 May 2019**.

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 Twentieth Spending Plan provides for CEPF's operational budget for fiscal year 2020. The Plan does not increase the authority to grant and commit funding, which remains at \$270,909,227.

The Secretariat has included in the Ecosystem Grants spending category (page 1) the projected disbursement and new grant award amounts for ten active regions (including the Multiple Hotspots authority) and two new region investments. The new regions are the Mountains of Central Asia Biodiversity Hotspot and a reinvestment in the Caribbean Islands Biodiversity Hotspot. The grant commitment budget decreases from \$12,400,000 in FY19 to \$12,200,000 in FY20, reflecting decreasing granting activity for Phase II as CEPF shifts into Phase III and fundraises for its Phase III strategy. The expected grant disbursements decrease from \$15,185,000 in FY19 to \$14,780,000 in FY20 for the same reason.

The Secretariat Operations budget (page 2) reflects a decrease of 2% from \$3,487,709 in FY19 to \$3,424,793 in FY20. The decrease is primarily the result of a decrease in the recovery rate of indirect costs due to donor restrictions.

In addition to the standard activities associated with the Secretariat Operations, including the functions for executive management, program management, grant management, communications, finance & operations, and monitoring, evaluation, & outreach, the FY20 budget includes donor-earmarked activities from the CI-GEF Project Agency grant to CEPF for work related to development of innovative knowledge products.

The Secretariat plans to engage in new Ecosystem Profile Preparation work in FY20. CEPF has fully earmarked funds available from signed donor awards for use in the existing active and pending regions. Two additional profiles are budgeted, and regions for investment will be considered with the Working Group and Donor Council upon additional contributions for Phase III.

The Special Projects category is funded through interest income, and the activities financed in this category are consistent with the objective of CEPF; the types of activities financed within Special Projects have been discussed and approved during CEPF Donor Council meetings. The Special Projects budget makes allocations for the annual audit, and for work related to the enhancement of the new grants management system and CEPF website. A provision from Special Projects is made for support of the Executive Director's fundraising efforts. The Executive Director will focus fundraising efforts on the European Union, the governments of France, Germany, Norway, Switzerland, United Arab Emirates, and the United States and on NGOs based in the United States. Also budgeted under Special Projects in FY20 are costs for CEPF promotion at the Convention on Biological Diversity, as well as a RIT exchange to facilitate knowledge sharing and learning across CEPF's diverse portfolio and geographies.

In FY17, CEPF began discontinuing re-investment in the investment portfolio managed by UBS (the investment portfolio approved following presentation of document CEPF/DC25/8 at the 25th meeting of the Donor Council). This has resulted in declining interest income as CEPF returns to a cash-focused position to finance project implementation in the final years of Phase II. The investment portfolio will no longer be active in FY20 and interest income will no longer be generated from the investment portfolio for CEPF use on Special Projects.

Critical Ecosystem Partnership Fund

Twentieth CEPF Spending Plan for the Period July 1, 2019 - June 30, 2020

Spending Category: Ecosystem Grants

	FY20 Expected Disbursement	FY20 New Grant Awards	FY19 Spend Plan Disbursement	FY19 Spend Plan New Grant Awards
Active Regions				
Cerrado	2,390,000	1,300,000	2,090,000	1,000,000
East Melanesian Islands	1,100,000	900,000	1,330,000	1,000,000
Eastern Afromontane	610,000	-	930,000	200,000
Guinean Forests of West Africa Reinvestment	2,400,000	1,300,000	2,200,000	1,800,000
Indo-Burma Reinvestment	1,000,000	-	2,010,000	500,000
Madagascar & Indian Ocean Islands Reinvestment	1,620,000	1,200,000	2,650,000	700,000
Mediterranean Reinvestment	2,620,000	2,500,000	675,000	2,000,000
Multiple	300,000	600,000	20,000	100,000
Tropical Andes Reinvestment	1,500,000	1,700,000	1,570,000	1,800,000
Wallacea	860,000	-	1,110,000	300,000
Total Active Regions	14,400,000	9,500,000	14,585,000	9,400,000
Pending Regions				
Caribbean Reinvestment	100,000	1,500,000	300,000	1,500,000
Mountains of Central Asia	280,000	1,200,000	300,000	1,500,000
Total Pending Regions	380,000	2,700,000	600,000	3,000,000
Total All Regions	\$ 14,780,000	\$ 12,200,000	\$ 15,185,000	\$ 12,400,000

Note on Disbursements vs Awards: Disbursements represents actual payments disbursed to grantees. Awards is the target for new agreements signed with grantees.

Authority to Grant & Commit Funding	Phase I	Phase II	Phase III	Total Authority
Atlantic Forest	8,000,000	2,395,259	-	10,395,259
Cape Floristic Region	6,000,000	1,584,910	-	7,584,910
Caribbean Islands	-	6,900,000	-	6,900,000
Caucasus	8,500,000	997,502	-	9,497,502
Cerrado	-	8,000,000	-	8,000,000
East Melanesia Islands	-	9,000,000	-	9,000,000
Eastern Afromontane	-	12,000,000	-	12,000,000
Eastern Arc Mountains & Coastal Forests	7,000,000	1,749,473	-	8,749,473
Eastern Himalayas	5,000,000	-	-	5,000,000
Guinean Forests of West Africa	6,200,000	1,907,209	-	8,107,209
Guinean Forests of West Africa Reinvestment	-	12,000,000	-	12,000,000
Indo-Burma	-	9,656,797	-	9,656,797
Indo-Burma Reinvestment	-	15,966,203	-	15,966,203
Madagascar & Indian Ocean Islands	4,250,000	1,385,800	-	5,635,800
Madagascar & Indian Ocean Islands Reinvestment	-	12,540,000	-	12,540,000
Maputaland-Pondoland-Albany	-	6,650,000	-	6,650,000
Mediterranean	-	11,016,744	-	11,016,744
Mediterranean Reinvestment	-	-	10,000,000	10,000,000
Mountains of Central Asia	-	-	8,000,000	8,000,000
Mountains of Southwest China	6,500,000	1,350,738	-	7,850,738
Multiple	-	600,000	-	600,000
Northern Mesoamerica	7,300,000	-	-	7,300,000
The Philippines	7,000,000	-	-	7,000,000
Polynesia-Micronesia	-	6,828,576	-	6,828,576
Southern Mesoamerica	5,500,000	1,636,402	-	7,136,402
Succulent Karoo	8,000,000	1,387,405	-	9,387,405
Sundaland	10,000,000	-	-	10,000,000
Tropical Andes	6,150,000	2,157,414	-	8,307,414
Tropical Andes Reinvestment	-	10,000,000	-	10,000,000
Tumbes-Chocó-Magdalena	5,000,000	1,846,270	-	6,846,270
Wallacea	-	6,850,000	-	6,850,000
Western Ghats & Sri Lanka	-	6,077,000	-	6,077,000
Consolidation (balance of \$20M authority)	-	25,525	-	25,525
Total Authority	100,400,000	152,509,227	18,000,000	270,909,227

Spending Category: Operations (Secretariat)	FY20 Budget	FY19 Budget
Executive Management		
Personnel	347,687	
Travel, Meetings & Events	60,000	
Professional Services	48,546	
Other Direct Costs	30,252	
Subtotal	486,486	467,826
Program Management		
Personnel	796,039	
Travel, Meetings & Events	115,698	
Professional Services	5,000	
Other Direct Costs	76,348	
Subtotal	993,085	923,998
Grant Management		
Personnel	573,226	
Travel, Meetings & Events	45,535	
Professional Services	5,000	
Other Direct Costs	75,734	
Subtotal	699,495	692,164
Monitoring, Evaluation, & Outreach		
Personnel	255,034	
Travel, Meetings & Events	29,100	
Professional Services	53,000	
Other Direct Costs	9,159	
Subtotal	346,293	298,119
Communications		
Personnel	223,679	
Travel, Meetings & Events	8,100	
Professional Services	57,122	
Other Direct Costs	53,224	
Subtotal	342,125	309,369
Finance & Operations Management		
Personnel	147,590	
Travel, Meetings & Events	9,250	
Professional Services	8,000	
Other Direct Costs	16,022	
Subtotal	180,861	267,469
Operations Total	3,048,346	2,958,945
Spending Category: Management Fee (CI's audited indirect cost rate or donor restriction)	376,448	528,763
Total Operations & Management Fee	3,424,793	3,487,709
Spending Category: Preparation	600,000	0
Spending Category: Donor-earmarked activity	56,000	81,000
Spending Category: Special Projects (from interest)		
Audit Fee	45,000	
Fundraising	15,343	
Special Events: Convention on Biological Diversity and RIT Exchange	48,000	
Grant Management System & Website	141,901	
Total Special Projects	250,244	262,332
Total FY20 Spending Plan	\$ 16,531,038	\$ 16,231,041

Critical Ecosystem Partnership Fund

Nineteenth CEPF Spending Plan versus Actual through March 31, 2019

Spending Category: Ecosystem Grants

	FY19 Spend Plan Disbursement	FY19 Actual Disbursement thru 03/31/19	FY19 Spend Plan New Grant Awards	FY19 Actual Grant Awards thru 03/31/19
Active Regions				
Cerrado	2,090,000	1,229,484	1,000,000	1,315,752
East Melanesian Islands	1,330,000	604,898	1,000,000	(6,210)
Eastern Afromontane	930,000	910,490	200,000	2,251
Guinean Forests of West Africa Reinvestment	2,200,000	1,267,884	1,800,000	270,001
Indo-Burma Reinvestment	2,010,000	1,294,683	500,000	400,869
Madagascar & Indian Ocean Islands Reinvestment	2,650,000	1,888,430	700,000	849,711
Mediterranean Reinvestment	675,000	910,810	2,000,000	2,492,062
Multiple	20,000	1,999	100,000	-
Tropical Andes Reinvestment	1,570,000	1,272,169	1,800,000	330,736
Wallacea	1,110,000	1,187,164	300,000	305,530
Total Active Regions	14,585,000	10,568,011	9,400,000	5,960,702
Pending Regions				
Caribbean Reinvestment	300,000	-	1,500,000	-
Mountains of Central Asia	300,000	-	1,500,000	-
Total Pending Regions	600,000	-	3,000,000	-
Total All Regions	\$ 15,185,000	\$ 10,568,011	\$ 12,400,000	\$ 5,960,702

Note on Disbursements vs Awards: Disbursements represents actual payments disbursed to grantees. Awards is the target for new agreements signed with grantees.

% Spent, Ecosystem Grants	Disbursements:	70%	Grant Awards:	48%
---------------------------	----------------	-----	---------------	-----

Spending Category: Operations (Secretariat)

	FY19 Budget	FY19 Actual to 3/31	% Spent
Executive Management			
Personnel	368,450	286,569	
Travel, Meetings & Events	37,000	47,697	
Professional Services	15,000	208	
Other Direct Costs	47,376	22,470	
Subtotal	467,826	356,944	76%
Program Management			
Personnel	725,416	537,478	
Travel, Meetings & Events	115,700	84,512	
Professional Services	10,000	-	
Other Direct Costs	72,882	54,966	
Subtotal	923,998	676,956	73%
Grant Management			
Personnel	592,995	418,993	
Travel, Meetings & Events	49,300	33,593	
Professional Services	-	-	
Other Direct Costs	49,869	44,234	
Subtotal	692,164	496,820	72%
Monitoring, Evaluation, & Outreach			
Personnel	235,889	179,936	
Travel, Meetings & Events	40,700	16,983	
Professional Services	10,000	1,717	
Other Direct Costs	11,530	2,515	
Subtotal	298,119	201,151	67%
Communications			
Personnel	216,973	157,369	
Travel, Meetings & Events	16,500	1,233	
Professional Services	24,000	9,237	
Other Direct Costs	51,896	29,670	
Subtotal	309,369	197,509	64%
Finance & Operations Management			
Personnel	158,454	93,649	
Travel, Meetings & Events	11,250	4,121	
Professional Services	-	-	
Other Direct Costs	97,765	3,175	
Subtotal	267,469	100,945	38%
Operations Total	2,958,945	2,030,325	69%
Spending Category: Management Fee (CI's audited indirect cost rate or donor restriction)	528,763	318,534	60%
Total Operations & Management Fee	3,487,709	2,348,859	67%
Spending Category: Preparation	0	0	0%
Spending Category: Donor-earmarked activity	81,000	13,721	17%
Spending Category: Special Projects (from interest)			
Audit Fee	40,000	40,000	
Fundraising	20,332	19,439	
Ecuador Earthquake final payment	0	7,700	
Grant Management System & Website	202,000	49,551	
Total Special Projects	262,332	116,690	44%
Total FY19 Spending Plan	\$ 16,231,041	\$ 8,439,972	52%