

Critical Ecosystem Partnership Fund

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

18 March 2015

**Reduce the Spending Authority for the Polynesia-Micronesia Hotspot
and
Increase the FY15 Spending Plan budget for the Preparation Category**

Recommended Action Items:

The Donor Council is asked to approve on a no-objection basis:

1. a **reduction of \$171,424 in the Spending Authority for the Polynesia-Micronesia Biodiversity Hotspot**. This will reduce the Spending Authority from the approved \$7.0M to the actual amount spent in the region of \$6,828,576. No further grants will be awarded as the region is closed.
The approval will allow CEPF to reallocate these funds to support the Long-Term Visioning processes in the Balkans sub-region of the Mediterranean Basin and the Cerrado and Tropical Andes biodiversity hotspots.
2. an **increase in the FY15 Spending Plan for the Preparation spending category by \$220,000 from the previously approved \$320,000 to \$540,000**. This increase is requested to cover unplanned additional preparation costs in FY15:
 - a. already incurred in the preparation of the ecosystem profile for the Guinean Forests of West Africa due to the extension in time to complete this profile.
 - b. the preparation of the Long-Term Visions for the Balkans and Cerrado Hotspots in line with the approved strategy for CEPF III .

The deadline for no-objection approval is 02 April 2015.

Background:

Long-term Visions

In January 2014, the Donor Council approved the strategic framework for a third phase of CEPF, launching a new and exciting phase that will take CEPF to a scale where it can more widely and effectively impact the biodiversity crisis. Four key outcomes are expected from the new phase, including one pertaining to long-term visions:

- Long-term strategic visions developed and implemented for at least 12 hotspots, facilitating the development of credible, effective and well-resourced civil societies, and delivering improved

biodiversity conservation, enhanced provision from healthy ecosystems of services important to human well-being, and greater alignment of conservation goals with public policy and private sector business practices.

At present there is no budget line devoted to preparation of long-term visions, yet CEPF has committed to preparing these documents. Therefore the release of excess funds from the Polynesia-Micronesia biodiversity hotspot will contribute to the preparation of three of the visions. It is anticipated that the excess funds released from Polynesia-Micronesia will largely cover the costs of these three Long-Term Visions; if any additional budget is needed, this will come from the CEPF pool of funds that has not yet been allocated to a region.

Ecosystem Profiles and the Preparation Budget Line

The FY15 Preparation Budget Line was approved at \$320,000 in May 2014. At that time it was anticipated that the only ecosystem profile to be prepared in FY15 would be the profile for the Cerrado, which received approval for profiling from the Donor Council in June 2013. Following a competitive process to select the profiling team, the contract was awarded at a value about 5% higher than the approved budget amount.

Further, the Guinean Forests of West Africa ecosystem profile was started in FY14 but experienced delays due to the ebola outbreak in West Africa, necessitating additional staff time to conduct remote electronic consultations, as well as an extension of the effort due to delays and rescheduling caused by the outbreak. Thus, an additional \$97,962 has been awarded to the profiling team to ensure comprehensive stakeholder consultation and completion of the process and the profile. A final stakeholder workshop will be held in 2015 in appropriate location(s), the date of which will be communicated to CEPF's donor representatives as soon as it is determined.

Finally, when preparing the FY15 Spending Plan, it was not anticipated that any Long-Term Visions would be prepared. As noted above, with the approval of the Strategic Framework for CEPF Phase III, it has been agreed to prepare these visions. The Secretariat considers it appropriate that the costs of these long-term visions be accounted for in the Preparation Cost Category of the Spending Plan.

The Long-Term Visions for the Balkans region of the Mediterranean and the Cerrado will commence in FY15. The anticipated budget for these two visions is \$105,000. To allow these important processes to continue, it is necessary to increase the budget for the Preparation category so that the Secretariat can proceed with the selection and contracting process for the Long-Term visions. The budget for the Tropical Andes Long-Term Vision will be included in the FY16 Spending Plan.

Accordingly, the total increase in the FY15 Spending Plan for the Preparation Category is \$220,000 to cover the additional costs already incurred of approximately \$115,000 and a further \$105,000 for the Long-Term Visions.