

**Critical Ecosystem Partnership Fund**  
No Objection Approval Pursuant to Section 2.03(c) of the Financing Agreement

15 September 2022

**Ecosystem profile for the Madagascar and the Indian Ocean Islands Biodiversity Hotspot**

**1. Recommended Action Item:**

The Donor Council is asked **to review** the ecosystem profile for the Madagascar and the Indian Ocean Islands (MADIO) Biodiversity Hotspot.

The deadline for comments is **30 October 2022**.

**2. Background**

The ecosystem profile for the MADIO Hotspot was updated between September 2021 and August 2022, following the Donor Council's approval, at its Thirty-second Meeting on 6 February 2018, of CEPF accessing funding from the Green Climate Fund (GCF) to promote Ecosystem-based Adaptation (EbA) to climate change in the hotspot. Subsequently, in March 2021 a US\$38 million grant financing agreement was signed between CI (GCF Implementing Entity on behalf of CEPF) and AFD (GCF Accredited Entity) for a 10-year program entitled *Ecosystem-based Adaptation in the Indian Ocean*.

According to the design of the GCF program, the ecosystem profile will be updated during the first and sixth years of the program, to guide CEPF grant making to civil society organizations to promote the EbA approach in the hotspot. To this end, the updated ecosystem profile sets out a five-year investment strategy with five strategic directions: (1) empower communities and civil society to implement actions to improve the resilience of species, ecosystems, and human populations to climate change in priority Key Biodiversity Areas (KBAs); (2) support local communities and civil society to strengthen the integration of the EbA approach, ecosystem resilience and biodiversity conservation into political and economic decision-making processes and education; (3) strengthen the capacities of local communities and civil society at regional and local levels to enhance adaptive capacity and reduce exposure to climate change risks; (4) support research and ensure the dissemination of results for the promotion and improvement of knowledge on EbA actions and related good practices; and (5) provide strategic leadership and effective coordination of CEPF investment across the hotspot through a Regional Implementation Team.

CEPF investments will target 70 priority KBAs across the four countries, selected using the KBA+ methodology based on their relative importance for the delivery of ecosystem

services important to local populations. By definition, all KBAs are of global importance for the conservation of biodiversity.

The ecosystem profile was updated by a consortium led by CI's Madagascar Program, in partnership with Missouri Botanical Garden, Asity Madagascar, Biotope and the Moore Center for Science & Oceans at CI, and with support from consultants recruited locally. Consultations were organized with the participation of various government ministries, donor agencies, national and international NGOs, associations, universities and research centers. Around 270 individuals from more than 120 institutions were consulted as part of the process, including the National Designated Authorities (NDAs) for the GCF in each country.

The draft ecosystem profile was presented to the Working Group on 8 September 2022 for its review and recommendation to the Donor Council. A small number of revisions were then made to the profile, to address comments from the Working Group. A matrix showing how comments from the Working Group have been addressed is attached, together with the full ecosystem profile and an extended technical summary.

### **3. Next Steps**

The financing agreement for the GCF program requires that the draft ecosystem profile be shared with AFD (as the GCF Accredited Entity) and the GCF for review, for a period of not less than 30 days, prior to the approval of the ecosystem profile by the Donor Council; this period begins on 16 September and ends on 16 October 2022.

The CEPF Operational Manual requires that the draft ecosystem profile be submitted to the Donor Council 45 days prior to the no-objection deadline, if electronic approval is being requested. The Donor Council is asked to review the draft ecosystem profile and provide comments (if any) to the CEPF Secretariat by 30 October 2022.

After the review of the draft ecosystem profile by AFD and the GCF has been completed and any comments have been satisfactorily addressed, the CEPF Secretariat will seek the Donor Council's approval of the ecosystem profile. Any changes to the profile that are agreed with AFD and the GCF will be detailed in this request.

Assuming that the review process is completed by the end of October 2022, the CEPF Secretariat plans to issue the first call for proposals for grants under the new investment phase in the MADIO hotspot in November 2022, with a view to awarding the first grants in June 2023.