

**The GEF Small Grants Programme
Fourth Operational Phase (GEF-4)**

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Acronyms

CBA	Community Based Adaptation
CBD	Convention on Biological Diversity
CBOs	Community-based Organizations
CCA	Community Conserved Areas
CO	Country Office
COMPACT	SGP Community Management of Protected Areas Conservation Project
COP	Conference of Parties
CPMT	Central Programme Management Team
CPS	Country Programme Strategy
CSOs	Civil Society Organizations
EA	Executing Agency
FSPs	Full-sized projects
GEF	Global Environment Facility
GHG	Greenhouse Gas
IA	Implementing Agency
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
IFC	International Finance Corporation
IUCN	World Conservation Union
LCBs	Local Consultative Bodies
LDCF	Least Developed Countries Fund
LDCs	Least Developed Countries
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
MOA	Memorandum of Agreement
MSPs	Medium-sized projects
NFGs	National Focal Groups
NGOs	Non-government Organizations
NCs	National Coordinators
NHI	National Host Institution
NSC	National Steering Committee
NTEAP	GEF Nile Transboundary Environmental Action Project
NZAID	New Zealand's International Aid and Development Agency
OP2	Second Operational Phase of GEF SGP
OP3	Third Operational Phase of GEF SGP
OP4	Fourth Operational Phase of GEF SGP
OPs	Operational Programs
PAs	Protected Areas
PICS	Pacific Island Countries
POPs	Persistent Organic Pollutants
PTF	GEF SGP EU Promotion of Tropical Forests
RAF	Resource Allocation Framework
RSPB	Royal Society for the Protection of Birds
SAPs	Strategic Action Programmes
SBAA	Standard Basic Assistance Agreement
SCCF	Special Climate Change Fund
SGP	Small Grants Programme
SIDS	Small Island Developing States
SME	Small and Medium Enterprises
SPA	Strategic Priority on Adaptation
SPs	Strategic Priorities
STAP	Scientific and Technical Advisory Panel to the GEF
TILCEPA	Theme on Indigenous Local Communities, Equity, and Protected Areas
TORs	Terms of Reference
TRAC	Target for Resources Assignment from the Core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNCCD	United Nations Convention to Combat Desertification
UNESCO	United Nations Educational, Scientific, and Cultural Organization

UNEP	United Nations Environment Programme
UNF	United Nations Foundation
UNFCCC	United Nations Framework Convention on Climate Change
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office of Project Services
UNSO	UNDP Drylands Development Centre
WFP	World Food Programme
WHO	World Health Organization
WHS	World Heritage Site

SECTION 1. ELABORATION OF THE NARRATIVE

PART 1. SITUATION ANALYSIS

Introduction

1. The GEF Small Grants Programme (GEF SGP) is a global corporate programme implemented by UNDP on behalf of Implementing Agencies (IAs) and Executing Agencies (EAs) of the Global Environment Facility and executed by the United Nations Office for Project Services (UNOPS). Launched in 1992, GEF SGP is rooted in the belief that global environmental problems can best be addressed if local people are involved and direct community benefits and ownerships are generated.
2. GEF SGP is a decentralized and country-driven modality of the GEF. National Coordinators (NCs) facilitate its implementation in participating countries. Projects are reviewed and approved in line with Country Programme Strategies (CPS) developed by National Steering Committees (NSCs), or National Focal Groups (NFGs), in the case of small countries within GEF SGP Sub-regional Programmes). These national bodies are composed of national government representatives, including GEF Operational Focal Points, and civil society members representing non-governmental organizations (NGOs), community based organizations (CBOs), academia and the private sector. The CPS is developed on the basis of national environment and development priorities.
3. There are now 101 participating countries in GEF SGP in five world regions: Africa, Asia/Pacific, Arab States, Europe/CIS and Latin America/Caribbean (see Annex 1).
4. As of March 2007, GEF SGP has funded more than 8,190 projects worldwide. These projects have paid special attention to meeting GEF's environmental objectives while at the same time achieving poverty reduction and local empowerment objectives. Special concern is also given to local and indigenous communities as well as gender concerns. GEF SGP supports the larger sustainable development goals and the achievement of key components of the Millennium Development Goals.
5. The programme is now proceeding to an Operational Phase 4 (OP4) as per decision of the GEF SGP Steering Committee on 11 December 2006. This GEF SGP OP4 Project Document aligns the GEF SGP to the strategic priorities of GEF-4.
6. This project document was developed by reviewing the "compact" made between the GEF Council and GEF CEO at the GEF Council meeting on 5 December 2006. GEF-4 focal area strategic priorities were also reviewed to identify the niche or supporting role of GEF SGP followed by consultations with GEF Secretariat focal area team leaders and programme managers as well as UNDP GEF focal area technical advisors. Requests for inputs were also sent to GEF units of IAs and EAs. Finally, consultations with all SGP NCs were done regarding complementation with Country Programme Strategies and, where RAF contributions are involved, with the focus agreed with GEF Focal Points and RAF committees as regards the utilization of such contributions.
7. In line with GEF's five-point sustainability compact from the 5 December 2006 GEF Council meeting, the GEF SGP will be more focused by identifying GEF-4 strategic priorities in all focal areas in which GEF SGP has a comparative advantage. It will continue its goal of helping the most vulnerable by making sure that even small grants can create concrete results, not only for the global environment, but also for sustainable development. In taking a programmatic approach, GEF SGP country programmes will be leading particular thematic priorities. Furthermore, in mature countries,

projects and activities should now strive for higher level outcomes and stronger links to supporting global environmental benefits – thus the scaling up, replication, and mainstreaming efforts identified for GEF SGP OP4.

8. In support of financing innovative efforts, GEF SGP is guiding ‘mature’ country programmes to utilize new support mechanisms (i.e., market instruments) and initiate new partnerships with the business and finance sectors. One of GEF SGP’s priorities for OP4 will be to develop a strong global knowledge management platform that would be part of GEF’s knowledge network. SGP will strengthen collaboration with IAs and EAs. In the activities section, identification of opportunities where IAs and EAs can best participate has been made.

Contribution to the GEF mandate

9. GEF SGP has generated unprecedented levels of grassroots awareness of global environmental issues. It has become the “public face” of the GEF. Direct implementation of projects by communities and NGOs, together with decision-making on grants by National Steering Committees has produced a “very high degree of national ownership of the GEF SGP.” Stakeholders, including government institutions, have expressed appreciation of the GEF SGP as a fast and effective delivery mechanism for GEF resources. There is also increasing utilization of the GEF SGP mechanisms and procedures in the microgrants components by some full-sized projects of the GEF as well as other donors.
10. The GEF SGP, with its focus on supporting local communities, builds capacity and initiates new actions for co-managing their natural resources. It exemplifies the implementation of GEF’s strategic priorities such as sustainable use activities both within protected areas and their buffer zones; conservation in productive landscapes and seascapes; productive uses of renewable energy, market mechanisms for energy efficiency and sustainable transport; innovative demonstrations and capacity building foundational work in international waters; implementation of innovative and indigenous sustainable land management practices, and targeted capacity building and demonstration of innovative and cost-effective approaches in the POPs focal area.

Table 1. Summary Table of GEF SGP 1992 - 2006

Phase	GEF Funding (million US\$)	Actual Cofinancing in cash (million US\$)	Actual Cofinancing in kind (*) (million US\$)	Number of Participating Countries	Number of Grants
Pilot Phase (1992-1996)	18.0	5.9	NA	42	563
Operational Phase I (1996-1998)	24.0	5.4	NA	53	896
Operational Phase II (1999 -2004)					
Year 1 & 2	31.6	24.3	7.3	58	785
Year 3	22.8	19.2	8.4	63	795
Year 4	20.7	4.5	6.4	64	878
Year 5	26.9	8.6	8.5	73	739
Year 6	31.2	23	17.3	82	1,124
Cumulative OP2	133.2	79.6	47.9	82	4,321
Operational Phase III (2005 – 2008)					
Year 1	47	19.7	15.7	92	1140
Year 2 (**)	60	29.5	31.6	101	1046
Cumulative since 1992	282.2	140.1	95.2	101	7,939

(*) Information on in-kind co-financing is not available for the Pilot and First Operational Phases. SGP began recording in-kind co-financing from mid-1999 when the database was designed and made operational.

(**) Est. as of March 2007

Rationale for a new project document

- This new project document is intended to align the GEF SGP with the GEF4 strategic priorities and replenishment cycle, as agreed upon in the GEF SGP Steering Committee meeting in December 2006.
- The project document serves an important purpose of raising the level of outcomes, particularly in GEF SGP country programmes that have developed higher level of capabilities (also referred to as 'mature' countries). The primary objective of OP3 was to strengthen the internal capacity to deliver GEF's strategic priorities. With stronger internal structure and systems, GEF SGP is thus better prepared to meet and deliver on the GEF strategic priorities.

Target partners

- Since its inception, GEF SGP grant-making has been directed principally towards vulnerable, disadvantaged, and poor communities. Grants are provided either directly to CBOs, or to communities assisted by local or national NGOs, who play a key role as a mentor, cofinancier, partner and who later form strong constituencies for environment and development concerns. The programme has operated on the premise that local people will be empowered to protect the environment when they are organized to take actions, have a measure of control over access to the natural resource base, can deploy the necessary information and knowledge, and believe that their social and economic well-being is dependent on sound long-term natural resource management. GEF SGP has provided experimentation, innovation, and demonstration of community-based solutions to global environmental problems, with local communities as an integral part of the process. Most country programmes have given priority to working with local and indigenous communities and have taken

gender equity into consideration in grant making. At the global program level, this concern for making GEF equitable is reflected in increasing programme extended to supporting more LDCs and SIDS.

14. The NSC has been a target of GEF SGP attention during the Third Operational Phase. One of the key roles that NSC members play is to link good practices and lessons learned to the larger policy making processes, as well as to global environmental governance.
15. GEF SGP's contributions extend far beyond providing grants in the GEF focal areas to NGOs and CBOs. By raising public awareness, building partnerships, and promoting policy dialogue, the GEF SGP seeks to promote an enabling environment within countries for achieving sustainable development and addressing global environmental issues. The GEF SGP has helped NGOs CBOs, in collaboration with other stakeholders, to support local, community-based initiatives while meeting national obligations and global commitments. Hence key stakeholders who benefit from GEF SGP activities in addition to local CBOs and NGOs include: national and international NGOs and NGO networks, research institutions, foundations, the private sector, donor and government agencies.

Country Programme structure and requirements of country teams

16. In each participating country, GEF SGP will continue to operate in a highly decentralized and country-driven manner through a NC and a NSC, with support from the UNDP Country Office, as well as country offices and representatives of other IAs and EAs, and in some countries, from an NGO or National Host Institution (NHI). The membership of the voluntary NSC comes from NGOs and other civil society organizations, academic and scientific institutions, government, and the UNDP Country Office, with the majority from the non-governmental sector. NSCs have been encouraged to include members from the private sector who can advise on sustainability strategies, for example, micro-enterprises, sustainable marketing, and business plan development. The main purpose of the NSC is to provide overall guidance and direction to the country programme, in addition to selecting and approving projects for funding and helping access additional resources. The NSC provides for a decentralized structure of the GEF SGP that encourages maximum country and community level ownership and initiative, with decisions about country programme strategies and project approval taken at the country. Composed of key national leaders from government and civil society, the NSC also links GEF SGP to national policy-making and development planning. The Country Programme Strategy (CPS) is the instrument which will be used to articulate how the GEF SGP complements the national priorities and GEF's strategic priorities.
17. For SIDS, where a country programme would be comparatively small, and administrative costs would be relatively high, GEF SGP has pioneered a sub-regional implementation approach whereby several islands join together under one host institution and one coordinator for the sub-region. This has ensured that GEF SGP remains within its 25% non-grant cost ceiling supported by National Focal Groups (NFGs). NFGs which serve in lieu of NSCs in GEF SGP sub-regional programmes have been organized for most countries in the Pacific, and for some SIDS in the Caribbean.

GEF SGP during the Third Operational Phase (March 2005 – June 2007)

18. The Third Operational Phase (OP3) was approved by the GEF Council in November 2004. At that time, a one-year replenishment of US\$47 million was granted as the initial installment of OP3, based on the agreement that the two subsequent annual “rolling” financial replenishments would be adopted to ensure continuity of activities. As per decision of the GEF SGP Steering Committee on December 11, 2006, the programme has developed a GEF SGP Operational Phase 4 (OP4) Project Document that aligns the GEF SGP to GEF 4 strategic priorities for submission to the June 2007 GEF Council meeting.
19. The six main outcomes of the OP3 are being accomplished. An expansion strategy that has brought in 20 new countries was implemented in accordance with established selection criteria and a focus on LDCs or SIDS. GEF SGP country programmes were further strengthened through internal expertise, systems improvements, human resources support, and links to external institutions for additional technical and logistical support which resulted in a higher level of performance and satisfaction. Number of projects, including the new focal areas, has increased with a strengthened knowledge management system which provides the ability to conduct impact assessments. Publications, including ex-post studies and cases were developed to improve the capacity of the key stakeholders and to communicate the lessons to improve global environmental benefits. Country Programmes encouraged project sustainability strategies incorporating innovative market mechanisms (including payment of environmental services, environmentally sustainable products, revolving funds). The SGP Operational Group was upgraded to a Programme Steering Committee, which includes the memberships from GEFSec, IAs and EAs, with the GEF CEO serving as the Chairperson, following the Fourth GEF Assembly. The first meeting was held in December 2006. Analysis was made on how many full-sized projects with IAs and EAs have or could have GEF SGP components or use GEF SGP approaches and strategies.

Geographic expansion of the programme

20. New country applications for participation in GEF SGP have been received and processed by the GEF SGP. The programme has taken a proactive approach to inform LDCs and SIDS on procedures to apply, and applications from these countries are expected to further increase.
21. During Year 1 and 2 of OP3, at least ten countries were brought in to participate in the programme, with priorities for LDCs and / or SIDS (See Table 2 for GEF SGP New Country Programme Entries during OP3).
22. For GEF SGP OP4, 21 countries have already been approved by the GEF SGP Steering Committee for entry into the programme (See Annex 2). Start-ups will be on a phased approach over the next three years of GEF-4.
23. A major criterion for the selection of a new participating country is that the country should be a party member to the Conventions for which the GEF is a financial mechanism. It is also important that there should be commitment between governmental and non-governmental stakeholders to work together. With the new RAF policy, the country’s readiness for resource mobilization and provision of additional RAF resources to GEF SGP also becomes an important criterion.

24. A strengthened system for appraisals and start-ups, as well as the training and backstopping of new country teams have been established and will be utilized for new countries in OP4. These new countries are being provided with strategic guidance for developing and tracking portfolio strategy and composition to ensure that all GEF focal areas are effectively covered. For all participating countries of GEF SGP, geographic and/or thematic focus, as well as complementation with RAF-related priorities will be further promoted to enhance portfolio and project impacts.
25. The entire Pacific region is now covered by GEF SGP. An umbrella partnership with NZAID was launched on World Environment Day to assist all 15 Pacific Island Countries (PICS) in the implementation of programmes financed by GEF SGP and NZAID regional Pacific Environment Fund (PEF). Through a region-wide umbrella approach, the partnership will provide capacity building assistance to PICS, national ownership, and reduced dependence on regional organizations and external agencies.

Table 2

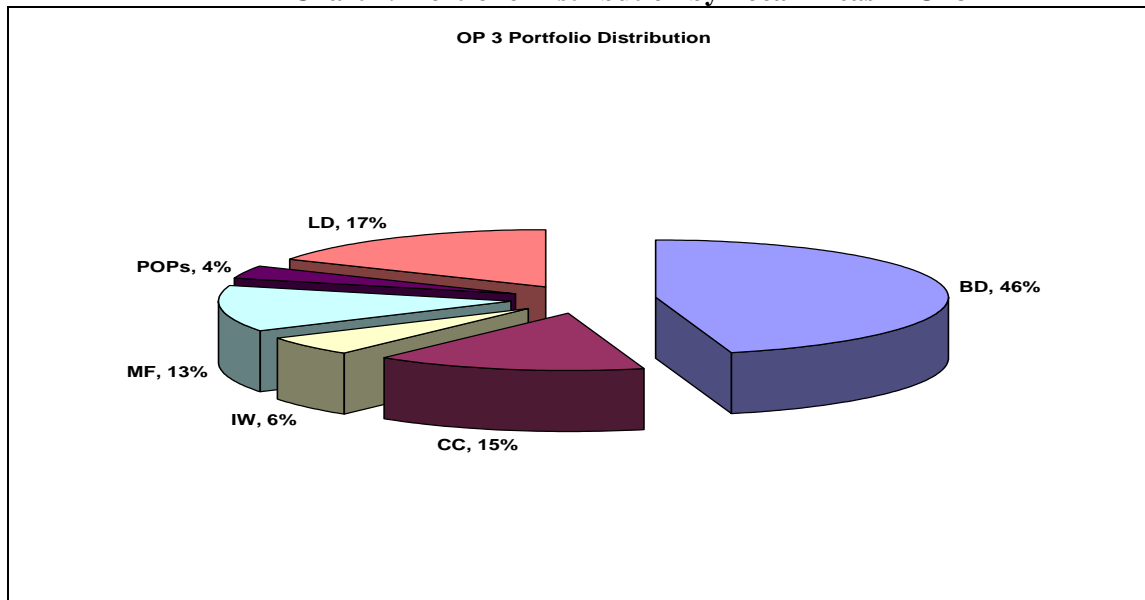
GEF SGP New Country Programme Entry during OP3

Year	New Countries	LDC	SIDS
2005	Argentina	No	No
	Benin	Yes	No
	Bulgaria	No	No
	Cameroon	Yes	No
	Chad	Yes	No
	Comoros	Yes	Yes
	Cook Islands	No	Yes
	Haiti	Yes	Yes
	Niue	No	Yes
	Panama	No	No
	Uruguay	No	No
	Vanuatu	Yes	Yes
2006	Lesotho	Yes	No
	Guinea	Yes	No
	Gambia	Yes	No
	Malawi	Yes	No
	Zambia	Yes	No
	Kiribati	Yes	Yes
	Nauru	No	Yes
	Solomon Islands	Yes	Yes
	Tonga	No	Yes
	Tuvalu	Yes	Yes

Grants portfolio

26. By March 2007, SGP's portfolio was comprised of 8,190 projects, of which 2,168 projects were approved during the OP3. In comparison with the focal area compositions of the GEF SGP portfolio in the OP2 in which biodiversity accounted for 65 percent of the entire portfolio, the portfolio of the OP3 has developed a more balanced focal area distribution, particularly with the introduction of two new focal areas, land degradation and POPs (see Chart 1). Land degradation, in particular, has seen a dramatic increase in its proportion of the overall portfolio.

Chart 1. Portfolio Distribution by Focal Areas in OP3



27. As of early 2007, GEF SGP had approved at least 993 biodiversity projects in OP3 amounting to over \$22 million in grants. In terms of Operational Programme breakdown, some 306 projects targeted forest ecosystems, 222 related to agriculture, 114 in arid and semi-arid ecosystems, 131 in mountains, and 202 in marine and freshwater ecosystems.
28. Since 2000, a strategic partnership with the United Nations Foundation (UNF) has developed a Community Management of Protected Area Conservation, or ‘COMPACT’, model for 8 World Heritage (WH) sites in different biophysical settings. Six functioning cost-effective Local Consultative Bodies (LCBs) are in place in natural WH sites; and a range of partnerships have been established with international NGOs (RSPB/Birdlife International, International Coral Reef Action Network), multilateral agencies such as UNESCO and the CBD Secretariat; as well as with biological corridor networks. However, at the policy level, most CCAs and indigenous areas are currently unrecognized in most GEF SGP countries.
29. During OP3, SGP supported 323 community climate change projects valued at US\$10.6 million in GEF funding. The projects included 168 renewable energy projects, 105 energy efficiency projects and 23 environmentally sustainable transport projects. A review of the GEF SGP portfolio of environmentally sustainable transport projects was initiated and completed in 2006. The results of the review and cases studies were documented in to a publication entitled “Environmentally Sustainable Transport and Climate Change: Experiences and lessons from community initiatives” published in November 2006. The publication was distributed to participants of the UNFCCC COP 12 in Nairobi in December 2006 and has been shared internationally through the UNDP energy and environment knowledge network. At the same period, UNDP GEF working jointly with GEF SGP prepared and submitted a Full-size Community Based Adaptation Project under the GEF Strategic Priority on Adaptation (SPA) that was approved by the GEF Council in August 2006. Implementation of activities will be carried out during the GEF 4 period.
30. In the international waters focal area, 126 projects were developed during OP3 with a total funding of about \$2.5 million, accounting for 6% of the entire portfolio. In comparison with previous operational phases, the IW focal area resources have been better targeted, focused, and channeled to certain transboundary waterbodies. GEF SGP piloted an approach to target resources towards

international waters where larger interventions of GEF have built the foundational capacity and established transboundary institutional mechanisms. GEF SGP has developed partnerships and directed resources towards addressing regionally identified priorities in the Nile Basin River and the East Asian Seas. The regional approach will be replicated in other international waterbodies in GEF-4.

31. During OP3, the land degradation focal area was the second largest focal area of the GEF SGP portfolio. The barriers for community-based land management are lower, in comparison with the IW focal area. In OP3, there were 367 LD projects approved with a funding of \$7.7 million, addressing various aspects of land degradation while promoting local livelihoods. GEF SGP further strengthened its strategic partnership with Global Mechanism of UNCCD which provided \$250,000 in funding to five country programmes to support community-based sustainable land management.
32. The POPs focal area was initiated during OP3. As of March 2007, 34 GEF SGP country programs developed 77 POPs projects, with approximately \$1.4 million funding. The geographical distribution of POPs projects by region is: Asia and the Pacific region (23), followed by Africa (17), Latin America and Caribbean (20), Europe and CIS (13) and Arab States (4). The portfolio contains the following main thematic focuses: integrated pest management, waste management, organic farming, awareness-raising and capacity building, stakeholder consultation, and applied study and research. The first three themes focus on activities on the ground, with an objective to search and apply models and demonstration at the community level to address POPs issues directly, while the other three themes emphasizes the process.
33. The multifocal area includes 282 projects (about \$6 million) that are comprised of elements of more than one focal area. GEF SGP has developed an indicator system that enables the focal area weights of each of the projects through a ranking system to assign primary, secondary, and tertiary focal areas to each project funded. Through this system, each multifocal area project captures the respective individual focal areas addressed in terms of importance. In OP3, multifocal area projects continued to make up a significant proportion of GEF SGP projects.

Project impacts and global benefits

34. In all the focal areas, GEF SGP has continued to employ multiple approaches to expand the scope and capacity to effectively contribute to the achievement of both direct and indirect global environmental results and local benefits. The following combination of approaches has been used:
 - Forging partnerships with relevant stakeholders that creates a network that is global in scope
 - Focusing on globally important ecosystems, such as in the WH sites, biosphere reserves, Ramsar sites, and important bird areas, as well as on endangered species, such as those in the IUCN Red Data List
 - Knowledge management system that disseminates information across countries
 - Implementing demonstration projects in partnership with government agencies and the private sector for wider application
 - Designing innovative approaches for up-scaling, replication, or mainstreaming by international donors
 - Creating awareness and empowering communities to participate in global environmental concerns
 - Policy advocacy at national and global levels
35. In the **Biodiversity** focal area, GEF SGP has pioneered with a range of innovative community based approaches for conservation. In particular, the biodiversity portfolio has aggregated producer and NGO networks around a wide variety of GEF priority themes, including: migratory species, such as turtles and birds; pollinators, such as bees; agricultural biodiversity; as well as alternative livelihood

around protected areas. Since the beginning of GEF SGP, the programme has supported over 800 projects in Protected Area landscapes and buffer zones and at least 200 projects in Community Conserved Areas (CCAs) and indigenous areas towards fulfilling the biodiversity objectives. During OP3, GEF SGP expanded its partnership with United Nations Foundation (UNF) for the 'Community Management of Protected Areas Conservation' (COMPACT) programme working in and around global priority conservation areas. Consolidating achievements from the first phase (2000-2005) with the UNESCO World Heritage Centre, GEF SGP has included new partners, such as the CI 'Verde Ventures' investment programme, 'Conservation Measures Partnership', and International Coral Reef Action Network. During OP3, COMPACT focused efforts on sustainable productive supply chains, ecotourism promotion, transboundary protected areas, as well as geographic areas proposed for international protected area status.

36. Over the last 14 years, GEF SGP in the **climate change** focal area has developed models and approaches that have removed barriers to the promotion of renewable energy, energy efficiency and sustainable transport. The models and approaches have enhanced the promotion of renewable, energy efficiency and sustainable transport technologies and/or approaches. In specific mature GEF SGP country programmes, they have been mainstreamed, replicated, or scaled up expanding the impacts of the interventions at the national level. The following categories of models/approaches are currently applied : focused and targeted market mechanisms, innovative financing modalities, inclusive partnerships, leveraging social capital with financial and technical resources, and focused lobbying, awareness creation and capacity development.. Lessons are disseminated and applied to new and 'younger' Country programmes for replication, scaling up, or mainstreaming. For example, in the city of Pune, India, the environmentally sustainable, people centered urban transport project has contributed to the establishment of the first city-wide Bus Rapid Transit system.
37. Global environmental benefits have been achieved in **International Waters** through scaling up and transboundary replication, demonstration of innovative approaches, and joint launching of transboundary community-based activities among GEF SGP country programs. Project experience on the participatory management in watersheds has been shared and replicated between Thailand and Laos. For example, GEF SGP Iran has supported the invention of a new design of reef pyramids, making them smaller, less expensive, and easier to transport and install by communities. The project won the nominee for UNDP Administrator Award on Innovation and Creativity in 2006, and project experience is, hence, disseminated throughout the UNDP development network. GEF SGP country programs in Belize and Guatemala successfully launched joint transboundary community activities in addressing land-based pollution in Mopan River. A critical accomplishment of the GEF SGP-funded project has been to open up direct lines of communication across the political divide – principally in the form of shared community meetings between the border towns of Melchor and San José de Succotz.

Links with full sized and medium sized GEF projects

38. SGP has continued to support the creation and implementation of small grants components of large GEF projects. For example, GEF SGP has been integrally involved in the development of the GEF Nile supported Transboundary Environmental Action Project (NTEAP). GEF SGP's procedures and Operational Guidelines were adopted to set up a micro-grants programme in six Nile Basin countries. GEF SGP is responsible for overseeing the implementation of the NTEAP micro-grants programmes.
39. GEF SGP has also signed an MOU to help implement a small grants component within the GEF Niger River Basin project. SGP actively participated in the design of the GEF Niger River Basin project, and is assisting in the implementation of its micro-grants component of about \$5 million. Both of these efforts involve more than one GEF implementing agency (UNDP and the World Bank).

GEF SGP country programmes in Central America have also continued to work closely with the World Bank and UNDP GEF Mesoamerican Biological Corridor projects in promotion, capacity-building, planning, and project implementation at the local level.

40. Climate change activities have been mainstreamed in Governments, other UN agencies and NGOs in different ways. The lessons from the climate change portfolio, for example, have been integrated into that of the UNDP Energy and Environment Group (EEG), which includes that of UNDP GEF. This has ensured global reach in the circulation of GEF SGP lessons learned in the climate change focal area.
41. GEF SGP has worked with UNEP for the management, implementation and monitoring of the Micro-Grants Programme (MGP), component of a project “Capacity Building to Alleviate Poverty through Synergetic Implementation of Rio Multilateral environmental Agreements (MEAs)” within the framework of the New Partnership for Africa’s Development (NEPAD). As in the EU-supported Promotion of Tropical Forests (PTF) and in the GEF-supported NTEAP-MGP, GEF SGP National Coordinators and National Steering Committees review and approve proposals and are involved in their supervision and monitoring. This partnership is considered a pilot effort that can grow to cover more similar projects of UNEP.
42. The GEF SGP has been working to mainstream GEF SGP components into various private sector components of MSP and FSPs including the application by GEF SGP producers for biodiversity-friendly loans as part of the GEF-approved CAMBIO project which provides a partial risk guarantee to work with a Central American regional development bank; an approved FSP working on biodiversity-friendly coffee production and marketing with the Rainforest Alliance; as well as a UNDP Finance Cluster global review of the biodiversity standards of different certification agencies under the ISEAL umbrella organization. GEF SGP has been establishing a range of new partnerships during OP3 in order to prepare for a strategic shift towards innovative market mechanisms under OP4. In OP3, GEF SGP grantees have already deployed GEF seed grant funds to provide small-scale “revolving loan funds” (i.e. Egypt, Brazil) to organizations or groups of individuals
43. At the level of innovative financial instruments for MSP and FSPs, it has been recognized that there is a need to develop new instruments for the introduction of “partial risk guarantee” mechanisms in order to leverage private sector participation and incremental co-financing in GEF project activities. The World Bank and International Finance Corporation (IFC) have expressed interest to learn from GEF SGP on the experience of decentralized capacity-building support beneath \$250,000 to nascent Small and Medium Enterprises built up through the successful approach of GEF SGP’s gradual incremental funding to producer organizations. GEF SGP will also engage the EAs, including regional development banks, to develop and implement innovative market mechanisms.

Internal Strengthening

44. GEF SGP OP3 focused on internal strengthening efforts in preparation for targeting higher level outcomes in succeeding years. Below are the outputs resulting from these efforts:

Capacity building of GEF SGP country teams	<p>GEF SGP country teams further strengthened through internal expertise, systems improvements, human resources support, and links to external institutions for additional technical and logistical support which resulted in a higher level of performance and satisfaction, specifically:</p> <ul style="list-style-type: none"> ▪ Internal capacity building programme designed and implemented by CPMT, including Resource Mobilization toolkit, CPS based programme management, gender training, communications training, results based management (PRINCE2) certification (45 NCs), regional workshops, trainings, and learning visits
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	<ul style="list-style-type: none"> ▪ New NCs oriented on programme functions through learning visits to mature country programmes ▪ Capacity building for community based adaptation (CBA) programme implementation conducted in 3 countries ▪ Increased overall efficiency of the programme through the ATLAS financial management training for NCs and the development of a financial tracking tool and streamlining of the grants disbursement by UNOPS led to ▪ The National Coordinators Performance and Resource Assessment (PRA) refined to include quantitative parameters of project description quality, indicator sets for project baselines, integration with GEF corporate programme, etc. ▪ Revised database with global indicators for all focal areas introduced to NCs to aggregate impacts (discussed with GEF evaluation unit and Secretariat) ▪ Additional human resources support to cover workload of a growing project portfolio provided by: secondment of technical advisors from bilateral donors, UNVs, corporate volunteer placements, on-line volunteering (business plans for marketing and certification activities), interns, Junior Professional Officers, and partners ▪ Project selection strengthened by expanding specialized expertise and network of NSC ▪ NSC members strengthened through a listserv for exchanges and learning visits to other GEF SGP countries
Lessons learned / knowledge management	<p>GEF SGP strengthened its knowledge management outreach, activities included (see Annex for Knowledge Management publications):</p> <ul style="list-style-type: none"> ▪ Database platform for Impact Assessment System enhanced, including new workspace for e-filing ▪ New coordinate mapping function (through GoogleEarth) launched enabling the graphic depiction of country programme portfolios in 3-D terrain models ▪ Categorization, analysis, and dissemination of 132 ex-post projects done resulting in series of knowledge products ▪ Communications strategy implemented targeting print media, radio, and national TV ▪ NSCs participated in National Dialogue Initiatives in different regions, as well as communicating with GEF focal points and policy makers ▪ Portfolio review of biodiversity projects completed up until 2003 and an analysis of needs of GEF SGP marketing projects completed in 2005 ▪ Publication on expanding access to modern energy services highlighted the replication, scaling up and mainstreaming at the local level and was disseminated at CSD 14 ▪ A handbook for participatory video was presented
Development of project sustainability strategies	<p>Country Programmes initiated the preparation of project sustainability strategies (including payment of environmental services, environmentally sustainable products, revolving funds)</p>

Monitoring and Evaluation

45. The programme's M&E framework has been upgraded to give importance to impact assessment and the development of global indicators. In OP4, country programme teams will assess further the projects they have supported and report on impacts. The global database now includes an "outcome/impacts" field and will be utilized to regularly review the portfolio with updates on trends, and progress on targeted impacts. In addition, the results of ex-post studies, started in 2004 will be inputted into a system for tracking the impacts and sustainability of initiated projects. Because of cost-cutting measures in OP4, the support from donors for ex-post studies will be solicited. Assessment of GEF SGP impacts will also be facilitated by the identification by GEF SGP country programmes of their geographic and/or thematic focus, which will allow better assessments of baselines and consequently better assessments of portfolio and project impacts. The programme's development of this M&E system will be linked to that of the larger GEF family.

Resource mobilization

46. All grantees of GEF SGP are considered partners as they raise cash cofinancing, or at the very least, in-kind cofinancing. The amounts are as small as \$30 to \$1,000. Some can go higher and certain country programmes have succeeded in getting cofinancing from bilaterals and governments. The consolidation of these small contributions comprises 90 percent of cofinancing raised.
47. At the global level, some major cofinancing partnerships are in implementation. Since 2000, GEF SGP has cumulatively mobilized approximately \$7,000,000 from the United Nations Foundation (UNF) for the Community Management of Protected Areas Conservation programme (COMPACT), a landscape-level initiative for the protection for natural World Heritage Sites in Belize, Dominica, Mexico, Madagascar, Kenya, Philippines, Tanzania and Senegal. UNF have helped support the development of a common methodology for landscape-level clustering and synergy of SGP small grants and complementation with other donors and agencies. The partnership has resulted in a number of 'donor forums' to increase the financial sustainability and governance models for protected area management.
48. The New Zealand Aid for International Development (NZAID) has contributed NZ \$6,147,555 over 3 years for the SGP Pacific Environment Fund (SGP PEF), a regional umbrella project designed to assist 15 Pacific Island Countries (PICS) countries including: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu. The cost sharing project fully utilizes GEF SGP procedures and mechanisms, and is intended to provide expedited assistance to SIDS countries. The PEF allows for management of funds in-country, increasing national ownership and reducing dependence on regional organizations and external agencies evaluated by NZAID as the cause of failures of regional aid programs in the past. Added benefit to the GEF SGP has been a cost-sharing agreement whereby NZAID share administrative costs as well as grant activities, including in the provision of fielding technical advisers, top-up of honorariums for National Focal Persons, regional trainings, and participation in regional meetings.
49. In the energy and climate change sector, GEF SGP has received significant technical and cost-sharing inputs from the UNDP Environment and Energy Group (EEG), including focused resources for the West Africa Sahel regional. Similarly, the Regional Programme for the Promotion of Household and of Alternative Energies in the Sahel (PREDas) has provided US\$ 400,000 to jointly support activities on household energy projects in Burkina Faso, Mali, Senegal, Mauritania, and Niger.
50. The UNDP Special Unit for South-South Cooperation (SSC) has provided GEF SGP with \$1,519,000 for the promotion by the UN of innovative, small-scale projects to deal with emergencies for South-South support. The collaboration has supported community-based and natural resource based livelihood activities in Indonesia, Sri Lanka, Thailand and India, particularly in communities damaged by the 2005 tsunami which included SGP projects. At the height of the tsunami emergency, GEF SGP was able to rapidly mobilize its NGO/community networks. South-South Cooperation donors were in need of a fast delivery mechanism and the partnership with GEF SGP was formed. The success of the partnership demonstrates the value of existing GEF SGP structures and networks as a ready and fast mechanism available for dealing with emergencies.
51. The Global Mechanism (GM) has provided \$250,000 to GEF SGP in order to support the UNCCD implementation process (pre-investment). Joint programmes to combat land degradation and improve the livelihood of communities have been initiated in Mali, Burkina Faso, Ghana, Jordan, and Honduras. Support and capacity building for Sustainable Land Management has followed an

integrated approach to NAP/CCD implementation through resource mobilization and mainstreaming of drylands issues into national development planning frameworks and poverty reduction strategies

52. In terms of engagement of the private sector during OP3, BP Pakistan Exploration and Production, Inc. has provided \$1,200,000 in cost-sharing to the GEF SGP country programme in Pakistan. Other similar exploratory partnerships have been started with Coca Cola in Romania, Talisman Petroleum Trinidad in Trinidad and Tobago, and others. A full table of GEF SGP partnerships and resource mobilization is presented in Annex 3.
53. Table 3 shows the kinds of cofinancing partners of GEF SGP and the ratio of added resources that contribute to projects and country programmes.

Table 3. Cofinancing Partners at project level

Donor Type	Cash Ratio	In-Kind Ratio
Bilateral Donor	11.6%	1%
Foundation	1.3%	1%
Grantee	14.7%	30%
International Charitable Organization	1.2%	1%
International NGO	8.0%	2%
Local Government	5.7%	7%
Multilateral Organization	21.3%	22%
National Environmental Fund	9.4%	0%
National Government	9.6%	22%
National NGO	8.9%	10%
Private Sector	8.2%	5%
Transnational Corporation	0.1%	0%

PART 2. STRATEGY

54. During OP4, GEF SGP will secure global environmental benefits and maintain the established networks of GEF SGP Country Programmes and projects, continue to share good practices at the global level, and build capacity at the grassroots level. Annex 4 shows in detail the strategic outcomes, outputs, activities, and indicators including geographic focus areas for implementing the strategy. Annex 5 includes a work plan to complete the activities during OP4. The list of outcomes, outputs and activities does not exclude initiatives outside the list. SGP is a country-driven programme that allows adaptation and flexibility in the implementation of the programme strategy, hence countries which are not listed under certain focal areas may continue their activities supporting the strategy of the focal area, in accordance to the relevant global environment conventions and country priorities. Certain resources will be made available for innovation and areas outside of a focused theme or region. SGP, as a GEF global corporate programme, will also take note of programmatic approaches of the GEF, such as that being developed for the Pacific SIDS where it could add value and provide support through its established country driven mechanisms. The process could be through consultation with SGP country programmes involved, IAs/EAs as well as through the GEF SGP Steering Committee.
55. Higher level outcomes mentioned in the OP4 strategy, such as influencing policy reform, will be targeted predominantly through the programme's more "mature" countries where the growth of a critical mass of synergistic projects, networks of NGOs, producer organizations and other partners sharing good practice models is in progress.
56. Global environmental benefits will also be secured from all GEF SGP countries, including in LDCs and SIDS, through the consolidation of a global network of country-based knowledge and practices, and the extension of a constituency of NGOs, CBOs, and CSOs with the capacity and motivation to effectively support GEF priorities. OP4 will oversee the institutionalization of multi-stakeholder NSCs to enhance positive partnerships between civil society and government for sustainability of country-based efforts and policy reform through mainstreaming into long term sustainable development goals.
57. Global indicators for the demonstration of global benefits will include policy reform, conservation of critical ecosystems, and replication of successful good practice models. Strategic results from GEF SGP-funded Country Programmes and projects will be monitored by progress on country programme sustainability (with a priority on "mature" programmes), resource mobilization, capacity development, knowledge management.
58. OP4 country programmes strategies will be constructed based on a minimum set of project indicators which appear in the GEF SGP global database, in combination with the global performance indicators in the OP4 strategy. The list of global indicators found in the OP4 strategy will be added to the current list of existing database indicators, in order to make country-level measurement of OP4 results possible. As a result, project-level indicators in the database will aggregate in a meaningful way towards results monitored at the global level.
59. The enhanced M&E system, including spatial and geographical data, will allow for tracking of both project-level indicators (already in the database and current CPS strategies), as well as the global OP4 outcome indicators, at different levels. Each country programme will be required to aggregate a group of up to five country-level programme outcomes through the database reporting. All OP4 global outcomes and indicators for the different GEF focal areas have been aligned in March 2007 with the current GEF4 strategic priorities.

Goal of the Fourth Operational Phase: *Global environmental benefits secured in the GEF focal areas through community-based initiatives and actions*

Objective 1. Focal Area Results: *Consolidate community-based interventions through focused GEF SGP country programme portfolios, in alignment with GEF-4 focal area strategic priorities*

BIODIVERSITY

Outcome 1. *Sustainable community protected area governance approaches recognized, strengthened, and adopted by national partners, protected area systems, and multilateral processes*

60. The main objective of the biodiversity focal area in GEF4 will be to work with all GEF SGP country programs to promote community protected area governance approaches (community-based and collaborative management arrangements) for protected areas (PAs), as well as to extend the recognition, strengthening and adoption of Community Conserved Areas (CCAs), including indigenous areas. In particular, GEF SGP will prioritize efforts to engage the ‘Like-minded group of Megadiverse countries’ within GEF SGP to either initiate efforts or adopt steps to recognize community-based and collaborative approaches to PAs, indigenous areas and CCAs.
61. OP4 will build on the baseline figures from OP3 in order to consolidate GEF SGP activities around GEF priority areas and critical ecosystems. With a special emphasis on “mature” GEF SGP country programmes, GEF SGP will extend its community-based conservation at the landscape-level for priority areas such as natural World Heritage sites, Biosphere Reserves, biological corridors, hotspots, and important bird areas.

Output 1.1: *Community protected area governance approaches integrated and implemented within GEF SGP country programme strategies, as appropriate*

62. Since most CCAs and indigenous areas are currently unrecognized at the policy level in most GEF SGP countries, OP4 will work towards the recognition of CCAs (indigenous territories in particular) as legitimate governance models and to incorporate them in legislation and policy, as appropriate to each context. This will be done with guidance from the CBD, which provides a mandate for the GEF SGP to develop good practice models in the area of engagement of local and indigenous peoples in conservation. GEF SGP will work in strategic alliance with the IUCN Theme on Indigenous, Local Peoples and Equity and Protected Areas.
63. In May 2007, IUCN will convene a protected areas categories summit in Almeria, Spain, which will provide an important policy forum for the advancement of the community protected area governance approach, including the possible inclusion of indigenous areas and CCAs in the World Protected Area Database of UNEP-WCMC. To this end, it is important to recognize that numerous recent studies have documented the extensive overlap between CCAs and areas of high globally significant biodiversity. GEF SGP country portfolios will therefore seek to influence PA landscape designations at the national level through replication, and up-scaling of successful demonstration projects to recognize and strengthen CCA and collaborative management approaches.
64. **Geographic areas:** ‘Natural World Heritage “COMPACT” demonstration sites’ will include the following countries: Belize, Cambodia, Dominica, Ethiopia, Jordan, Kenya, Mali, Mauritania,

Madagascar, Mexico, Mongolia, Philippines, Senegal, Tanzania, Yemen, and Zimbabwe. Community-conserved areas of the world will target assistance to countries to include: Bolivia, Brazil, Chile, India, Indonesia, Iran, Fiji, Ghana, Kenya, Madagascar, Mali, Namibia, Papua New Guinea, Rwanda, South Africa, Samoa, Uganda, Tanzania, and Vanuatu.

Outcome 2. Sustainable use of biodiversity established in production landscapes / seascapes (including agriculture, forests, fisheries, and tourism) through community-based conservation, innovative approaches, and market mechanisms

65. In 2005, GEF SGP completed a survey of the range of all the biodiversity-based products from production landscapes funded by the programme. Out of projects surveyed, at least 667 projects were identified as potentially marketable biodiversity products. The categories of biodiversity products inventoried from the research appear in the table below. During OP4, GEF SGP will work to consolidate supply chains by working with networks of producers in particular product categories, in particular through innovative approaches, such as the use of market mechanisms, blended grants and loans, biodiversity offsets, and payments for ecosystem services (PES). Table 4 presents a list of biodiversity-based products that have been produced by SGP projects.
66. A preliminary review of GEF SGP marketing projects was conducted in 2005. In July 2006, the GEF SGP organized a thematic workshop on ‘Product Development, Marketing and Certification’ in conjunction with the UNDP/GEF technical advisor for private sector strategies, in Panama city. The workshop brought together a range of certification agencies (organic, Fair Trade, FSC, Rainforest Alliance), private sector partners, biodiversity funds, international foundations, and GEF SGP National Coordinators. One output of the Panama workshop has been the preparation of a set of guiding principles for GEF SGP private sector engagement.

Table 4
Biodiversity-Based Products in GEF SGP Project Database

CATEGORY	PRODUCT EXAMPLES
Forest Products	Timber, Pulp/Paper Products, Palm Fiber Products
Non-timber Forest Products	Extracts, Resins, Fruits, Seeds, Nuts
Agricultural Products	Land Race/Native Crops, Indigenous Seeds, Major and Minor Crops, Roots, Shoots and Tubers, Fruits, Honey, Beeswax
Horticultural and Botanical Products	Ornamental Flowers, Medicinal Plants
Agroforestry Products	Coffee, Cocoa, Fruits
Handicrafts and Textiles	Baskets, Silk and Cotton Fabrics, Embroidered Clothing, Wood Carvings, Jewelry
Personal Care and Health Products	Makeup, Soaps, Essential Oils, Nutritional Supplements
Aquatic Products	Edible and Ornamental Fish, Shrimp, Oysters, Pearls, Sea Urchins, Sea Weed, Sea Moss
Livestock Products	Green Beef, Ewe, Native Livestock Species
Insect Products	Butterflies

67. GEF SGP will seek to respond to the mandate of the forthcoming CBD negotiations regarding provenance and ‘certificates of origin’ to be developed at COP8 and beyond. A major consideration for production landscapes and seascapes will be the extent to which market differentiation of value-added labels, such as formal certification, are sufficiently “scale-sensitive” to the needs of small

producers. Market volatility and business risks involved in product development for small producers will need to be carefully considered in developing the GEF SGP portfolio pipeline for OP4 for different sectors. Recent trends indicate that harmonization of biodiversity- friendly labeling standards will take place over GEF4 leading to a convergence in site level of monitoring protocols at the field level. LDCs and SIDS are recognized as especially marginalized from global and regional markets. As a result, many of the “new” GEF SGP countries (mainly LDCs and SIDS) will require additional capacity building to be able to access innovative market mechanisms.

Output 2.1: Sustainable use and innovative approaches, including market mechanisms, reflected in all projects approved in the biodiversity focal area

68. In addition to the core mandate of grantmaking, SGP will build on the preliminary work in OP2 and OP3 and will: (a) further develop existing pilot projects for the “blending” of grants with loan capital, and (b) explore private sector biodiversity “offsets” (from voluntary sources). GEF SGP will develop further business models for providing partial risk guarantees (in the form of support, expertise and other interventions) for loans to local communities from private international environmental sources (many of which have little knowledge of the capacity development needs of the community-based organizations that are candidates for loans).
69. Two GEF SGP strategic projects to support a GEF SGP producer network of Mexican organic honey, and a GEF SGP Costa Rica network of over 70 projects on community-based ecotourism have been approved by the inter-IA panel on strategic projects. Since July 2006, a further pipeline of strategic project on marketing and ecosystem service payments has been under preparation.
70. **Activities:** GEF SGP will prepare guidelines and toolkits for sustainable use, innovative approaches and market mechanisms at the global and country levels, and conduct thematic workshops on specific sustainable use and marketing clusters as appropriate. To the extent possible, GEF SGP country programmes will review NSC composition to ensure participation by marketing, business and sustainability experts in particular for biodiversity and climate change focal areas. Further development of the strategic project pipeline of GEF SGP will focus on the consolidation of supply chains and influencing local, national, and regional markets.
71. **Geographic areas:** A regional and geographic focus on Important agrobiodiversity hotspots of West Asia, South Asia, South-East Asia, and Arab States will target assistance to countries including: Bhutan, Cambodia, Egypt, India, Jordan, Lebanon, Malaysia, Morocco, Nepal, Philippines, Pakistan, Sri Lanka, Syria, Thailand, Tunisia, Vietnam, and Yemen. Central and South American semi-wild and domesticated production landscapes will prioritize efforts towards Argentina, Brazil, Bolivia, Chile, Costa Rica, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, and Uruguay. The Pacific SIDS threatened terrestrial and marine habitats initiative will work with all Pacific SIDS as part of the GEF Islands strategy under development by the GEF Secretariat including Cook Islands, Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

CLIMATE CHANGE

Outcome 3: Intensify the replication, scaling up, or mainstreaming of climate change mitigation barrier removal models that have been successfully tested and practically applied at the local level, in national development priorities and plans

72. GEF SGP will intensify the replication, up scaling or mainstreaming of climate change mitigation barrier removal models or approaches. These models include: focused and targeted market mechanisms, innovative financing modalities, inclusive partnerships, leveraging of social capital with financial and technical resources and focused lobbying and capacity development. The models/approaches have been applied mainly in mature countries and the young SGP country programmes will continue to promote climate change activities with attributes that stimulate replication, up scaling or mainstreaming.
73. The models relate to removal of barriers for the promotion of renewable energy, energy efficiency and sustainable mobility. They relate to community livelihoods and development themes/activities such as: efficient or environmentally sustainable practices or use of renewable energies in housing sector, brick making, small and micro enterprises, cooking and lighting, energy for agricultural activities, solar drying, and sustainable transport.
74. SGP will initiate partnerships with GEF IAs, EAs, civil society, public, private sector and other development partners. Partnerships will be crucial for the achievement of this objective. For example, SGP will forge partnership with IAs and EAs to promote up-scaling, replication, or mainstreaming energy access approaches in West Africa SGP country programmes. It will also work with governments, development partners and the commercial sector to upscale, replicate or mainstream components of models in at least twenty (20) mature SGP country programmes while supporting all the new country programmes to implement projects with attributes that will stimulate up scaling, replication, or mainstreaming.
75. The number of GEF SGP country programmes incorporating components of innovative models for promotion of energy efficiency, renewable energy or sustainable transport in development activities at local level will increase during the GEF-4 period.
76. SGP will proactively link local level community climate change mitigation activities with financial institutions/ modalities or the private sector to create sustainable social entrepreneurs. Such linkages will stimulate non-traditional market mechanisms that will open up and expand markets for the promotion of renewable energy, energy efficiency and sustainable transport technologies/practices. The markets are currently not easily accessible for the promotion of clean energy technologies/practices.

Output 3.1: Sustainable frameworks in place for implementing local climate change activities that are linked to market mechanisms, policy interventions or national development initiatives

77. **Activities:** GEF SGP will support projects that have attributes that stimulates or lays the foundation for scaling up, replicating or mainstreaming renewable energy, energy efficiency and sustainable transport activities in specific regions or countries. GEF SGP will promote through the NSCs, projects or capacity building projects and activities that are implemented in partnerships or linked to market mechanisms, policy interventions, or larger national initiatives. GEF SGP will assess and document the socio-economic and development costs and benefits, to illustrate the incremental reduction of costs and expansion of benefits from initial pilots to replicated, up-scaled or mainstreamed models or approaches in mature GEF SGP countries.
78. **Geographic areas:** All SGP programme regions (Asia and the pacific, Africa, Europe, Arab States and Latin America and the Caribbean) In these regions, GEF SGP will forge partnerships with GEF IAs and EAs, local authorities, the private sector and development partners to specifically promote environmentally sustainable transport as it relates to bicycles pathways, pedestrian walkways, Bus Rapid Transport (BRT), electric three wheelers, biofuels as it relates to transport policy building on

experiences in such countries as Nepal, Lithuania, Sri-lanka, Pakistan, Egypt, India, Chile, Kyrgyzstan, Cambodia, Egypt, India, Jordan, Jamaica, Pakistan, Sri Lanka, Iran, Thailand, Tunisia, Mozambique, Barbados, Papua New Guinea, Mali, Tanzania, Kenya, Ghana

79. West African LDC countries: GEF SGP will forge partnership with GEF Implementing and Executing Agencies to promote the mainstreaming, up scaling and replication of renewable energy and energy efficiency approaches and models for expanding energy access in such countries as Senegal, Mali, Burkina Faso, Benin, Chad, Mauritania, Cote D'ivoire, and Gambia
80. All GEF SGP country programmes, especially the mature country programmes, will seek partnerships with the private sector, local authorities, Governments and development partners to enhance the process of mainstreaming, up scaling, or replication of models/ approaches for expanding access to renewable energy, energy efficiency and environmentally sustainable transport. Country programmes that have existing models and /or approaches for scaling up, replication and mainstreaming includes:- Bolivia, Chile, India, Indonesia, Iran, Ghana, Kenya, Mali, Papua New Guinea, Uganda, Tanzania, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Sri Lanka, Pakistan, Egypt, Vietnam, Jordan, Lithuania, Indonesia, Philippines, Malaysia, India, Bhutan, Nepal, Thailand, Mauritius, Zimbabwe, Botswana, Tunisia, Morocco, Guatemala, Trinidad and Tobago. New GEF SGP country programmes will continue to implement climate change activities that promote partnerships or have strong attributes to support mainstreaming, up scaling or replication. Most of these countries have young GEF SGP programmes.

Outcome 4: Community-Based Adaptation (CBA) practices promoted and incorporated in national development priorities

81. GEF SGP will contribute to helping communities improve their climate change adaptive capacity, reduce their vulnerability and contribute to improving the resilience of their ecosystems. GEF SGP will work in partnership with the UNDP GEF in the implementation of the Community Based Adaptation project (CBA) with resources from the Strategic Priority on Adaptation (SPA). The project will help the GEF SGP in particular, and GEF in general, to develop the necessary experience, tools and methods for effective implementation of adaptation projects at the local level.
82. During the GEF 4, GEF SGP, with SPA funds, will support projects in ten (10) countries and build the portfolio of countries incrementally. The GEF CBA project is expected to stimulate the implementation of CBA activities from non-GEF resources that will help expand the initiative beyond the ten initial countries. GEF SGP will seek the expansion of the number of countries that will be incorporating CBA activities using different financial resources (both non-GEF and GEF). GEF SGP's contribution to GEF and its partners is the development and testing of practical methodologies and approaches for implementation of CBA projects. For example, methodologies for implementing CBA activities in SIDS, mountain ecosystems, drought, and flood prone ecosystems. Apart from IAs and EAs, GEF SGP will forge partnerships with governments, development agencies and the civil society during the implementation of all CBA activities.
83. GEF SGP will explore opportunities with GEF IAs and EAs to implement community adaptation components of larger initiatives under the other new GEF adaptation funds mainly the LDCF¹. The

¹ Paragraph 37 of the LDCF GEF operational guidelines states that "countries wishing to support small-scale community-based adaptation projects may do so by setting aside resourcesto be allocated via the Small Grants Program (SGP) structure, or a similar mechanism in cases when the SGP is not in place. The proposals for those projects will have to specify: the size limit of the individual community-based project to be supported; the criteria that will be used to establish eligibility and select projects; and the composition of the Steering Committee that will make the decisions at the national level." http://thegef.org/Documents/Council_Documents/GEF_C28/documents/C.28.18LDCTrustFund_000.pdf.

potential involvement of GEF SGP will be dependent upon governments' recognition of the role of local communities in implementing adaptation initiatives within the framework of the new GEF funds.

84. The programme is ready to also actively implement community adaptation activities planned by GEF for regions comprised of LDCs and SIDS. The programme will also explore and take advantage of opportunities for building partnerships with bilateral, multilaterals and other development partners involved in supporting adaptation activities in the same priority regions. As a consequence, adaptation components will be treated in the same light as sustainable development components in regular GEF SGP projects where the partnership funds the non-GEF components. Such activities will be outside the SCCF and LDCF criteria and therefore will require adherence to the GEF Trust funds criteria of addressing one or more of GEF focal areas that lead to achievement of global environmental benefits. Partners' resources in such cases would be used for co-financing the non-global environmental benefits components and development baseline components.

Output 4.1: *Strengthened involvement of local communities in national adaptation interventions increased*

85. **Activities:** GEF SGP will launch the CBA global programme jointly with UNDP GEF to initiate activities in the first 10 countries. The list of countries includes Bangladesh, Vietnam, Kazakhstan, Samoa, Niger, Morocco, Namibia, Jamaica, Guatemala, and Bolivia. It will engage Governments to promote the incorporation of CBA activities in national adaptation plans and priorities. It will support a portfolio of more than 80 CBA projects in the ten countries. Implementation of a portfolio of projects will include capacity building activities, information sharing and exchange in relevant international CBA networks. SGP will monitor and document focused lessons in ten countries that will lead to their publication, documentation and sharing globally
86. **Geographic areas:** Activities will target a broad representation of different ecosystems including: mountain ecosystems dry and flood prone areas and SIDS. Other country programmes in other ecosystems will be engaged through partnerships with IAs and EAs to implement components of LDCF projects (MSPs and FSPs). Second category of SGP country programmes that will be engaged with community based adaptation interventions include Pacific and Caribbean SIDS s, such as all Pacific SIDS, Barbados and OECS, Belize, Comoros Cuba, Dominica, Dominican Republic, Madagascar and Mauritius.

INTERNATIONAL WATERS

Outcome 5: *Demonstration of community-based approaches for the implementation of SAPs, and models replicated, scaled up and mainstreamed*

87. GEF's IW objectives are "To foster international, multi-state cooperation on priority transboundary water concerns through more comprehensive, ecosystem-based approaches to management;" and "To play a catalytic role in addressing transboundary water concerns by assisting countries to utilize the full range of technical assistance, economic, financial, regulatory and institutional reforms that are needed, including active leveraging of co-financing."
88. GEF SGP IW will address priority issues identified by Transboundary Diagnostic Analysis and undertake actions to support the implementation of Strategic Action Programme (SAP) in OP4. GEF SGP fills in the gap of civil society involvement left by many full-sized projects that often focus on

working with national governments at the regional level due to sovereignty and politically sensitive issues. Realizing the vast coverage of a transboundary waterbody and the relatively small-size and local nature of GEF SGP actions, GEF SGP will undertake demonstrative and innovative community-based activities, build local capacity and foster regional NGOs and civil society network to support the implementation of regionally agreed “regulatory and institutional reforms,” (normally in the form of SAP) with a particular focus on water-related issues affecting community livelihoods, including fisheries and other resources. In certain countries where waterbodies (such as lakes, rivers, and aquifers) are critical to local livelihoods and basic needs, GEF SGP will also initiate support projects. GEF SGP will systematically link with regional mechanisms and projects to position itself as a demonstration mechanism of good models and practices for replication, upscaling, and mainstreaming at regional and global levels.

89. IW focal area aims to address the barriers and challenges for individual isolated communities in protecting international waters, by establishing systematic linkages with regional mechanisms and fostering inter-community learning through regional NGO networking in parallel with full-sized projects’ networking of government officials, scientists, experts and technical staff around a transboundary waterbody. GEF SGP’s experiences and lessons learnt will be channeled to regional mechanisms.
90. GEF SGP has a special and particularly important role in GEF IW focal area in OP4 to achieve concrete global environmental benefits in IW. GEF SGP’s niche lies in its well-established NGO and communities’ networking at the national level, and the flexibility of small-sized projects, in complementation to larger scale of demonstration sites usually undertaken by local governments under full-sized projects. The networking and institutional capacity provide mechanisms for carrying out the implementation of SAP on the ground.

Output 5.1: *GEF SGP IW community-based projects are fully integrated into global IW activities*

91. **Activities:** GEF SGP will continue building on its existing strategic partnerships and develop new collaborative relationships with potential partners; implement a regional/subregional programmatic approach to addressing international waters issues based on agreed regional priorities; and encourage knowledge sharing at the regional and global level. To ensure long-term sustainability, GEF SGP will facilitate transboundary networking of NGOs and CBOs with interests in international water issues, and foster the formation of regional identity among communities sharing a waterbody.
92. **Geographic Focus:** During OP4, GEF SGP will upscale this regional/sub-regional approach, and focus on five regional seas, three river basins and one lake basin, particularly in regional seas/rivers where political conditions, institutional capacity, and regional networking allow for more effective interventions at the community level, particularly in the East Asian Seas/South China Sea, the Mediterranean Sea, and Nile River. In these regions, GEF SGP will work with regional projects/programs to foster regional networking of NGOs, and independently or jointly launch community-based demonstration sites to address transboundary water issues.
93. In other regions, GEF SGP will pilot community-based activities to support the implementation of SAP, and provide community-based experiences to larger IW initiatives in designing and implementing large demonstration site initiatives. SGP will fund projects in other waterbodies, including Black Sea/Danube, Senegal River, Lake Chad, Red Sea, Atlantic Ocean, Coco river, Limpopo river, Okavango River, SaveSava River, Sixaola River, Rift Valley Lakes, Volta Basin, Zambezi River, coastal zone of the Rio de la Plata and its Maritime Front, Guarani Aquifer.

LAND DEGRADATION

Outcome 6: Innovative and adaptive community-based approaches demonstrated, piloted, and integrated into global efforts to address unsustainable agricultural practices, rangeland and forestry management, while promoting local livelihood

94. GEF LD focal area aims to achieve its goal of reducing and reversing the severity and impact of land degradation. This focal area is relatively new to the GEF SGP. Among all GEF focal area, land degradation is probably mostly related to the livelihood of communities, and the root causes of land degradation for the three productive systems of agriculture, rangeland, and forests can be effectively addressed with community efforts. Land degradation, low or declining agricultural productivity, and poverty are closely interrelated problems. GEF SGP's niche lies in its ability to reach the poorest and most distant communities in contributing to global environmental benefits as well as promoting local livelihoods.
95. GEF SGP positions itself as an adaptive testing mechanism for good models and practices of sustainable land management, and a knowledge/experience generator for global networking and mechanisms. It is expected that GEF SGP will serve as an on-the-ground adaptive mechanism. In collaboration with GEF IAs and EAs, efforts will be focused on producing good practices models along thematic areas (e.g., cropping patterns and land tenure issues), as well as along ecosystem types (e.g. drylands, tropical wetlands). Thus, GEF SGP in OP4 will provide practical experiences and feedback to global policy and practices in addressing land degradation.

Output 6.1: Experiences and models on community-based sustainable land management are consolidated and shared among global networks

96. **Activities:** GEF SGP will develop guidelines for community-based sustainable agriculture, rangeland, and forestry, including M&E indicators; establish partnerships with national and global networks to spread out GEF SGP models and experiences; conduct portfolio reviews to provide inputs for the updating of the guidelines on community-based sustainable agriculture, rangeland and forestry management; conduct thematic studies and identify good cases on community-based sustainable agricultural practices, rangeland management and forestry management; and support projects with collaboration and partnerships with governments, private sectors, and other stakeholders for replication, upscaling and mainstreaming of community-based land management experiences. GEF SGP will then consolidate the experiences/lessons learnt for sharing with various global networks.
97. **Geographical focus:** The GEF SGP will target its activities to create good practices on adaptive community-based land management addressing the degradation of agricultural land, rangeland, and forests in 87 countries of four regions, particularly in development and testing of cropping patterns, adaptation to climate change, sustainable forestry, and sustainable grazing practices.
98. **Sub Saharan States:** GEF SGP in Sub Saharan States will focus on sustainable lanagement, particularly with a special focus on sustainable use of rainwater, groundwater recharge and use of groundwater resources, sustainable rangeland management; sustainable forest and woodland management, and cross-cutting issues on land management to adapt climate change.
99. **South Asia, Southeast Asia/Greater Mekong:** GEF SGP country programs in this region will focus on sustainable tropical forest and woodland management, including agro-forestry, particularly on

deforestation and forest degradation. Partnerships will be strengthened with the European Commission on Promoting Tropical Forest.

100. Latin America & the Caribbean and the Pacific: GEF SGP country programs will focus on sustainable tropical forest and woodland management and sustainable agriculture, particularly on practices to improve soil fertility management as alternatives to shifting agriculture, and methods that have minimal impacts on soil structure and that improve soil and water conservation.
101. Central Asia and Arab States: GEF SGP country programs in this region will focus on sustainable grazing practices in temperate zones and dryland management to combat desertification.

PERSISTENT ORGANIC POLLUTANTS

Outcome 7: Community-based approaches demonstrated on waste management to prevent open burning and Persistent Organic Pollutants pesticide management related to health issues, with good experiences disseminated to support the National Implementation Plans

102. GEF's overall objective in the POPs focal area is to assist countries to reduce and eliminate production, use, and releases of POPs in order to protect human health and the environment. GEF SGP will play a more strategic role in catalyzing actions to inform, influence, and change government policies and communities' perceptions and behaviors. GEF SGP positions itself in demonstrating, piloting and testing community-based models, with a view to providing inputs/lessons learnt/feedbacks to the improvement/updating of national implementation plans. GEF SGP has a unique advantage in that GEF SGP countries are in different stages in ratifying and implementing the Stockholm Convention. Lessons learned can be channeled through the GEF SGP global network and NSCs to LDCs, and improve policy-making, particularly the development of national implementation plans.

Output 7.1: Enhanced capacity at the community level to implement the Stockholm Convention, with knowledge and good practices shared with global networks and non-party states and authorities of the Convention

103. **Activities:** GEF SGP has identified two areas that are most appropriate for community-based intervention, community waste management to prevent waste burning and POPs pesticide management related to health issues. Recognizing the inadequate capacity at the community level to address POPs, GEF SGP will undertake capacity building and training among national coordinators and GEF SGP partners. GEF SGP will develop an online training module to strengthen the capacity of GEF SGP network and its stakeholders in addressing POPs; develop a guidelines on community waste management to prevent open burning and POPs pesticide alternatives, including M&E indicators; strengthen collaboration with IPEN and other POPs networks to reach out to NGOs and exchange information and knowledge; facilitate the transfer of knowledge and experiences in implementing the Stockholm Convention through GEF SGP network, from party states/authorities (Category I) to non-party states/authorities (Category II and III) through IPEN and other NGOs networks²; test and promote models to control malaria without the use of DDT; and alternatives to the

² Countries/authorities participating in SGP can be grouped into three categories in accordance with their status in ratifying and implementing the Convention: party states/authorities (Category I), non-party signatory states (Category II), and non-party non-signatory states/authorities (Category III). The Convention requires countries to prepare NIPs to implement the Convention. The NIPs provide a framework for a country to develop and implement, in a systematic and participatory way, priority policy and regulatory reform, capacity building, and investment programs.

use of the POPs pesticides for controlling termites and ants; and test and promote models on community-based waste management, particularly to prevent waste burning.

104. **Geographical focus:** In OP4, GEF SGP will implement a staged focus approach through which countries in various stage of implementing the Stockholm Convention will play different roles in the GEF SGP POPs focal area, with an ultimate goal to strengthen local capacity in dealing with POPs issues, and influence global policy and practices in implementing the Stockholm Convention in a most cost-effective way. GEF SGP will target its limited resources on party states of the Convention, and ensure that experience/knowledge gained from advanced states will be transferred to less advanced states for better policy and practices in implementing the Convention.
105. In terms of countries' status in developing National Implementation Plans (NIPs), party states can be grouped into two sub-categories of countries. For Category I.A countries, the GEF SGP POPs strategic focus will center on the implementation of NIPs. Category I.B countries are in the process of developing NIPs; most of the countries will be finalizing the NIPs by the end of 2007 and move to Category I.A. GEF SGP will support activities to ensure the transparent, participatory, and community oriented approach in developing the NIPs. GEF SGP funding may pilot activities identified in the NIPs, demonstrate models, and test management modalities for the prevention, reduction, and elimination of POPs uses at the community level.

Objective 2: Sustainability: *Ensure that the benefits of the long term investment of the GEF are sustained*

Outcome 8: GEF SGP Country Programmes that have benefited from the GEF SGP for more than eight years beginning in 2007 are able to sustain their activities beyond GEF-4

106. Over the past 15 years, the GEF has invested substantial financial resources in the development and implementation of the GEF SGP. At country level, this investment has resulted in extensive portfolios of community based projects yielding positive impacts on local livelihoods, the global environment, and the capacities of local organizations to constructively participate in sustainable development activities and policy dialogue. GEF SGP results and impacts have grown over the years in many countries thanks to the installed capacity of the GEF SGP Country Programmes. These Programmes are managed by dedicated National Coordinators with support from many partners. Unique to GEF SGP is the establishment of a voluntary National Steering Committee composed of governmental and non-governmental leaders in the field of environment and sustainable development.
107. The Country Programmes consist not only of their staff and basic infrastructure, but also the experience embodied therein, as well as the networks, partnerships and knowledge generated and maintained by the Programme and its stakeholders. For lasting global environmental impacts, it is critical that the GEF investment in each participating country not be diluted or lost, but rather maintained over the longer term. In the case of the GEF SGP Country Programmes, this would speak to the need to find a model for each Programme that would rely less on GEF resources while sustaining the Programme's approach and objectives, as well as the effectiveness and efficiency of its multi-stakeholder governance and financial management mechanisms.
108. The GEF SGP Steering Committee, in its meeting of 11 December 2006, discussed the issue of mature Country Programmes and the transition to sustainability beyond GEF financing. This transition was termed "graduation" and a policy was agreed as follows: "Beginning in 2007, any country which has benefited from the SGP for more than 8 years will be required to present a plan to

graduate from GEF funding (core and RAF resources) on completion of the GEF 4 cycle.”³ Based on this policy, at least 40 countries will be affected by July 2010.

109. Country Programme sustainability poses the challenge of identifying and using other, non-GEF sources of funding to assist communities to continue to develop and implement sustainable development initiatives over time that produce global environmental benefits. The GEF SGP will work closely with each affected Country Programme and key partners to identify and implement an appropriate business model that will ensure a country driven, results-oriented programme of sustainable development at the community level that continues to produce global environmental benefits.
110. The GEF SGP, in its Fourth Operational Phase will carefully analyze what needs to be done to prepare the affected Country Programmes for sustainability after 2010. At best, these country programmes will still continue to be part of the SGP global family as “associated countries” despite the absence of GEF funding. The alternative to this would be the loss to the GEF of important community/CBO/NGO constituencies in those countries with the greatest built capacity as well as some of the most important biodiversity and climate change values. GEF SGP will consult with the National Steering Committee and National Coordinator of each Country Programme to assess and commitment to continue to fund small community based projects within a strategically focused Country Programme Strategy; identify potential partners and promising sources of financing; identify, develop, and test appropriate and viable business models for those Country Programmes wishing to continue to pursue country-driven strategic goals through funding of small projects; identify capacity requirements to ensure optimum implementation of the business models; develop and implement training and capacity development programmes for NCs, NSCs, local partners, and others; identify and implement institutionalization measures to ensure legal standing, financial accountability, and political guidance and support.
111. Key to the sustainability of Country Programmes is the identification and engagement of other non-GEF sources of financing to address sustainable development and global environmental priorities. GEF SGP will work with mature Country Programmes in GEF-4 to identify potential financial resources from a number of sources including fiscal and market mechanisms, foundations, multilateral funds and programmes, and others. GEF SGP will work closely with prospective partners to craft effective cooperation agreements and establish their operational modalities. At the same time, GEF SGP will assess its experience with the execution of small grants components of GEF-financed projects and explore future possibilities in this area with the GEF Implementing and Executing Agencies.
112. The transition process from GEF-supported Country Programmes to Programmes sustained by other sources of funding will of necessity start with approval of this OP4 proposal and continue on through 2010. Partnerships will be aggressively pursued that permit commitment to Country Programmes of new and additional funding to address sustainable development priorities and which permit reductions in administrative costs of the Country Programmes, such as rent for premises, equipment costs, and salaries of local staff. A fundamental input to this transition will be review and sharing of lessons learned from analyses of Country Programme implementation across the SGP with particular emphasis on the range of mature Country Programmes. Information and knowledge gained during the transition will be made readily available to Country Programmes to help build their planning and management capacities for the post-transition environment. At the same time, transition countries will

³ See the GEF CEO’s letter of 15 December 2006 to all GEF Operational Focal Points.

remain within the GEF SGP family as associates and participate in knowledge capture and dissemination for the benefit of the sustainable development and the global environment.

Objective 3: Resource Mobilization: Enhance the catalytic role of GEF through strengthened partnerships and resource mobilization

113. In OP4, GEF SGP will focus on the long-term sustainability of its Country Programmes, particularly on those ‘mature’ programmes that have developed capacities, knowledge, partnerships and financial and governance mechanisms that enable them to achieve ever greater impacts and results. New and ‘middle-term’ Country Programmes will continue to gain experience and knowledge of Programme management and planning for maximum impact – National Coordinators and National Steering Committees will receive training and technical assistance from CPMT, materials and information, access to the GEF SGP Global Knowledge Platform and database, and assistance with the development of strategic partnerships to progressively strengthen their approaches, procedures and business models.
114. ‘Mature’ countries will receive more concerted and focused support to assist them to make the transition at the end of GEF-4 to less reliance on GEF resources. This transition (“graduation”) will maintain the value of the GEF investment in terms of installed capacity and allow the generation of global environmental benefits and programme results to be produced indefinitely. GEF SGP assistance to Country Programmes in transition is described under Objective 2, above.
115. The strategic geographic and / or thematic focus of individual projects and the consolidation of their outcomes are critical to building the sustainability of GEF SGPs country programmes. Strategic clusters of projects will be further strengthened as country programmes link more closely to RAF related country priorities. GEF SGP also aims to broaden and strengthen its partnerships with GEF IAs and EAs through mainstreaming, scaling up and replication in their medium and full-size projects. The new GEF SGP Steering Committee will provide the institutional base for this. GEF SGP OP4 will build on a network of “supporters of GEF SGP” within the GEF family that would facilitate communication on opportunities for collaboration.
116. For GEF SGP, partnerships is a means to: increase flexibility in GEF SGP and allows the programme to support needed sustainable development components required in community-based projects, thus increasing the relevance, acceptability, and sustainability of projects; to foster greater country and local ownership of country programmes and projects; to provide needed critical resources (i.e., expertise); to increase the overall effectiveness and efficiency of GEF SGP by enabling the programme to act as a fast and cost-effective delivery mechanism for additional funding of community-based efforts, either by GEF IAs or by other donors; to strengthen link of GEF SGP to its goal of significantly supporting the creation of global environmental benefits through increases resources for expanded geographic or thematic focus and the utilization of regional and global network of partners for effective knowledge management and participation in global environmental governance.
117. Partnerships occur at many levels, for example, at the project level where CBOs provide cofinancing and at the NSC level where non-governmental and governmental stakeholders make decisions by consensus.
118. Payment of ecosystem services is an important aspect for leveraging financial resources of NGOs, CBOs and community members. SGP will pave the way for the engagement of NGOs, CBOs, and

community members to benefit from such ecosystem services payments to complement GEF activities for reducing the anthropogenic emission of GHGs. SGP will forge partnerships with non-GEF initiatives implemented by GEF Implementing and Executing agencies and those implemented by other partners.

119. In the climate change focal area, one main purpose of expanding resource mobilization is to spread and distribute the benefits emanating from the UNFCCC mandates and to take advantage of opportunities created by climate change including variability. The other purpose is to enhance sustainability of GEF SGP Country Programmes. Such initiatives include the promotion of the engagement of communities in the voluntary carbon market, energy access activities, local level social entrepreneurship based on energy market mechanisms, for example, the potential partnership with UNEP on the proposed Energy Access for Social Enterprise Project (EASE)⁹ project and public-private partnerships that promote use of renewable energy and energy efficient practices. The activities mentioned will be carried out in close consultation with the GEF private sector work. Most of the activities will be carried out in SGP mature country programmes while the younger countries gain the needed capacity.

Outcome 9: Partnerships strengthened with bilateral and multilateral donors, government development programs, as well as with non-traditional funders, such as the business and financial sectors at the national and global levels

120. GEF SGP 4 will continue to follow the GEF Council's decision on setting resource mobilization targets at the global programme level to generate global environmental benefits through community-based activities. GEF SGP's resource mobilization strategy will focus on:
 - Identifying opportunities for partnerships and / or co-financing, in particular, increasing the participation of the private sector
 - Identifying opportunities in national government financing
 - Mainstreaming GEF SGP into larger projects of other donors
 - Strengthening links with local governments
 - Tracking co-financing as a measure of commitment and capacity for sustaining initiatives
121. GEF SGP will ensure a minimum co-financing to GEF ratio of 1:1 with the co-financing evenly divided between in-kind and cash. Systematic efforts will be made to identify and engage additional non-GEF sources of co-financing to offset budgetary pressures from the GEF SGP financial shortfall resulting from GEF4 replenishment. Prospective partners will be approached to increase their understanding of the cost-effectiveness of using GEF SGP's established country-level delivery mechanisms already in place. GEF IA/EAs will continue to be approached to use existing GEF SGP Country Programme mechanisms as a cost-effective method of executing small grant components of FSPs.
122. At the global level, GEF SGP is in discussion with UNEP to link their respective activities to leverage larger scale global benefits, including working in partnerships in focal areas and the use of knowledge management toolkits and distilling and documenting lessons.
123. GEF SGP Biodiversity focal area will develop partnerships with other GEF IAs (such as, the UNDP Growing Sustainable Business team and IFC colleagues), EAs (such as regional development banks), as well as UN partners to engage the private sector (such as, the UNCTAD BioTrade group, IFC, ISEAL); as well as to engage in policy fora including trade fairs, organic BioFach, and market-related meetings. Existing efforts to mainstream GEF SGP market-related MSP and FSP projects will be

extended to include the GEF private sector strategy under development. The United Nations Foundation has approved seed funding to SGP/COMPACT to develop a model for sustainability of product marketing through business incubation. The business incubation model is expected to be relevant both to protected area buffer zones (especially WH sites), as well as to the needs of individual producer projects. A GEF SGP partnership with Conservation International 'Verde Ventures' fund has developed a model for blended grants/loans to target product supply chains in SGP/COMPACT countries. GEF SGP will further pursue discussions with the UNCTAD Biotrade programme to develop mechanisms by which co-finance for a "parallel capacity building" track to formal certification standards for small producers could be combined with other similar BioTrade initiatives.

124. Payment of ecosystem services is an important aspect for leveraging financial resources of NGOs, CBOs and community members. SGP will pave the way for the engagement of NGOs, CBOs and community members to benefit from ecosystem services payments through community visioning and scenario planning at the local or ecosystem level. SGP will forge partnerships with non-GEF initiatives implemented by GEF implementing and executing agencies and those implemented by other partners. The main purpose of expanding resource mobilization is to diversify funding for biodiversity projects to include voluntary biodiversity offsets, ecosystem water purification services, tourism services, and public-private partnerships.
125. At the country level, programmes will implement a sustainability strategy for mature countries, and employ a phased approach for reducing dependence on GEF SGP core funds. Institutionally, support from UNDP will be strengthened through a "Friends of GEF SGP" network of UNDP Resident Representatives. The NSC will be reinforced by an increasing focus on sustainability and recruiting members from the private sector with capacity and expertise to fulfill the goals of the GEF SGP.
126. A geographic or thematic focus of a CPS encourages greater sustainability by creating sufficient critical mass of a particular set of small enterprises (both in terms of numbers and integration). This will result in a greater potential for marketing, investment, and economies of scale. The new CPS approach has placed greater emphasis on the results, including outcomes in terms of global environmental benefits, poverty alleviation, and good governance.
127. Country Programmes are also expected to prepare project sustainability strategies. Guidelines on developing co-financing partnerships with the private sector have been included in the revised Resource Mobilization Strategy. Project sustainability also depends on the presence of an enabling policy environment, including the identification of needed policy reforms to support community-based sustainable production, marketing, and investments. The NSC can serve as natural allies to help promote these reforms.
128. Cofinancing raised has allowed GEF SGP to increase the number, size, and impacts of its projects while continuing to pursue GEF objectives. It has also allowed GEF SGP projects to include income-generating or other livelihood project components that help build community acceptance and ownership. These components, depending on the maturity of the programme and projects, may include:
 - Payment for ecological services
 - Production of environmentally sustainable products
 - Creation of revolving funds
 - Integration of market mechanisms (in particular, for mature country programmes)
 - Utilization of microcredit services (in particular, for mature country programmes)
 - Conducting feasibility studies and managing projects in a business-oriented manner, i.e, focus on results (especially for mature country programmes)

Objective 4: Capacity Building: Strengthen community and civil society constituencies for GEF priorities

129. In the past, capacity building has largely concentrated on building the technical and experiential capacity of individual grantee communities and their CBO or NGO partners. Many mature GEF SGP country programmes have developed a critical mass of grantees and have organized grantee networks. Thus, while capacity building of community, CBO and NGO grantees continues on, there will be the added institutional capacity building directed at strengthening GEF SGP grantee networks as well as other civil society networks supporting GEF concerns. GEF SGP's capacity building effort therefore expands to build capacities to organize effective community and civil society constituencies that can support local and national government decisions and policy-making on GEF priorities and in cooperation with like-minded constituencies across countries be able to contribute in global environmental governance.

Outcome 10: Strengthened capacity for implementing concrete actions and for networking on GEF priorities by communities, CBOs, NGOs, and other civil society

130. All projects of GEF SGP can be considered as capacity-building. At the community-level the "learning by doing" approach is more effective than classroom training. By providing resources to try out concrete and innovative efforts directed at local sustainable development concerns, the programme creates the needed learning within its community, CBO and NGO stakeholders to implement solutions. This will continue on with the eventual networking of grantees as well as country programme partners.

Output 10.1: More than 6,000 CBOs, NGOs, and other civil society groups made aware of GEF concerns, with concrete on-ground action and networked for active participation in national and global environmental governance

131. During GEF SGP's OP4 (July 2007 – June 2010), there would more than 6,000 projects supported. Each would represent at least a partner CBO or NGO made more aware of GEF and its priorities and with the capacity to not just talk about, but more importantly to implement solutions.
132. As a corporate programme of the GEF, GEF SGP will continue to play its role in building the capacity of NGOs, CBOs, and civil society to expand the understanding of UNFCCC mandates. NGOs, CBOs, and community members are the main recipients of GEF SGP support and they work closely in partnership with other development partners. Of critical importance to UNFCCC is the development of indicators for improved capacity for civil society to implement activities under the UNFCCC. GEF SGP will document indications of the built-capacity among stakeholders involved in GEF SGP climate change activities. Capacity building activities in all the new GEF SGP country programmes will be strengthened.
133. Strategies and practices of GEF SGP grantees on gender issues will be collected at country levels leading to the creation of a strong network of women grantees. This peer-learning network aims at engaging and building the capacity of GEF SGP grantees by focusing on surfacing gender perspectives in environmental practices and local groups. It also aims at policy changes at local and national levels. At the global level, this initiative will build awareness of the interface between gender concerns and environmental issues. New NCs will take the online gender training offered by UNDP.

134. In the International Waters focal area, GEF SGP will request the assistance of GEF regional projects or programmes to provide technical assistance and expert advices to NGOs, CBOs, and GEF SGP partners in incorporating regional perspectives in local actions. Working with regional projects and programmes, GEF SGP will strengthen communities' understanding of the impacts of local actions in a transboundary waterbody, and enhance communities' common understanding on regional issues, fostering a regional identity and regional "consensual knowledge base" around a regional sea or along a river/lake basin. Depending on funding availability, *Ad hoc* regional workshops may be organized to facilitate the exchange and sharing of knowledge and good experiences of IW projects, in parallel with meetings of regional mechanisms and frameworks based on which IW projects are developed.
135. In the Land Degradation focal area, GEF SGP will identify lead country programs in three themes of sustainable land management, i.e. agriculture, grassland and forestry, and establish a mechanism for lead countries to provide advice and technical guidance in developing projects in respective themes. Guidelines will be developed to apply selected models/practices in local context, including the development of monitoring and evaluation indicators. GEF SGP will continue participating in significant international meetings such as UNCCD COP and CRIC meetings.
136. In the Persistent Organic Pollutants focal area, the technical aspects have remained the major barriers of communities to undertake necessary actions addressing POPs. Furthermore, NSC members and NCs of the GEF SGP lack adequate knowledge regarding this new focal area. NGOs and communities have relatively low capacity in developing and implementing community-based projects to reduce and eliminate POPs. During OP4, GEF SGP will organize systematic training and awareness-raising among GEF SGP stakeholders, including NGOs, CBOs, and GEF SGP national staff and NSC members. GEF SGP will conduct an on-line awareness module and general training for POPs among NCs, and develop and disseminate a guidelines on POPs pesticide management related to health issues and waste management to prevent open burning, proxy indicators to measure POPs reduction, and a list of criteria that will help in the review of incoming POPs project proposals.
137. In terms of institutional capacity building, the programme will enable its grantees in younger country programmes to form networks while also strengthening existing grantee networks in mature country programmes. These networks would then be supported in identifying the most effective role they could take.
138. At the national level, this involves building the capacity of country programmes to align their capacity building objectives to the results of GEF's National Capacity Self Assessment exercises and identifying proper support roles in the implementation of its recommendations. The capacity of these networks for mainstreaming, scaling up and replication will have to be strengthened.
139. At the global level, building the capacity of GEF SGP CBO/NGO grantees and their networks to establish wider linkages with the GEF NGO Network and with international NGOs and networks involved in active negotiations on GEF-related Conventions will be priorities. In this way, GEF SGP partner CBOs and NGOs would be able to provide stronger local links for lessons sharing, and help broaden grassroots representation in critical global discussions and negotiations. Capacity for South-South exchanges of knowledge and technology developed by GEF SGP will also be built by linking grantee networks between LDCs and SIDS.

Outcome 11: *Enhanced country institutional capacity by strengthening positive government and civil society partnerships in GEF SGP National Steering Committees and through GEF SGP participation in country RAF planning and coordination bodies, as well as in other bodies concerned with environment and sustainable development matters*

Output 11.1. *At least one hundred countries have strong multi-stakeholder mechanisms for coordinating community-based efforts on GEF focal areas as well as in planning and policy-making in sustainable development*

140. The design and incorporation of a multi-stakeholder National Steering Committee (NSC) or National Focal Group (NFG) in the management of GEF SGP country programmes has the objective of building a positive civil society and government working relationship. The programme has been successful in this as shown by the active participation of government officials in GEF SGP activities as well as in the increasing cofinancing coming from both national and local governments. NSC and NFG strengthening will thus continue particularly in bringing in new members that can help GEF SGP align with and implement GEF-4 and GEF SGP OP4 priorities. Representatives from the business and finance community to provide support to GEF SGP OP4 work with market mechanisms as well as good communicators to support the programme's knowledge management and networking priorities would have to be brought in. To enhance the GEF corporate nature of the programme, membership or greater opportunities for participation will also have to be opened up for GEF IAs and EAs with representation at country levels.
141. At present, many of the programme's NCs and NSC members are invited to participate in important national bodies involved in environment and sustainable development matters. This effort, however has to be made more organized and systematic. Thus, further strengthening the capacities of GEF SGP country programmes and the GEF SGP Country Team to be actively engaging members of key governmental bodies will be a priority effort. This would correspondingly strengthen the programme's capacity for mainstreaming, scaling up and replication and consequently its contribution to global environmental benefits. Important bodies for seeking membership or active participation will be RAF planning bodies as well as those related to GEF focal areas. Active participation in national sustainable development bodies will also be a priority.
142. Through GEF SGP support these bodies can be the venue for joint preparations between the government and non-government sectors in the country's participation in COPs of GEF-related Conventions as well as in other important global meetings such as that of the Commission on Sustainable Development. This would be supported by the creation of a GEF SGP Global Knowledge Management Platform which can also serve as a venue for active information and idea exchanges between government and civil society.

Objective 5: *Knowledge Management: Codification and exchange of good practice from GEF SGP activities to inform and influence wider sustainable development policy and practice*

143. The objective of GEF SGP's knowledge management efforts is to leverage lessons learned from projects, to replicate its successes, and to inform and influence sustainable development policy and practice. GEF SGP seeks to leverage the power of knowledge to improve effectiveness and efficiency and to demonstrate the impact of the investments. It will be based on five pillars: development of information systems to monitor and evaluate the portfolio; analysis and codification of lessons learned through generation of knowledge products and services; knowledge dissemination in complementation with GEFSEC, GEF IA and EA mechanisms, as well as other development and environment communities of practice; knowledge uptake for application and improvement; and

feedback loop. Knowledge management will be an integral part of the GEF SGP programme to support the creation of global environmental benefits.

Outcome 12: Enhanced enabling environment for community involvement in addressing GEF priorities in both policy and practice

Output 12.1. Good practice from GEF SGP projects codified and disseminated to policy makers and practitioners at global, national, and local levels

144. GEF SGP will use more targeted and strategic approaches to reach decision makers in public policy. The extensive knowledge from GEF SGP best practices will be presented in a way to influence local and national policies. Successful GEF SGP lessons in dealing with the nexus between land degradation and tenure issues, for example, can feed into better policies on sustainable land management. Information materials relevant to country preparations and for global debate in Convention Conference of Parties and other important international meetings will also be packaged to better support informed discussions in these meetings.
145. For the private sector, knowledge products designed to show how business approaches and market mechanisms can also be innovatively designed to bring relevant commercial products and technologies even to vulnerable, disadvantaged and poor communities will be developed.
146. GEF SGP lessons learned will also be presented in such a way to enable larger projects and programs of government and other donor agencies to adopt or adapt GEF SGP approaches, principles and methodologies. Communities, CBOs, and NGOs would then have a wider base for accessing critical support in addition to GEF SGP.

Outcome 13: Global Knowledge Platform for exchange, codification, and dissemination of community knowledge established

Output 13.1. Expanded access to GEF SGP knowledge networks and codified best practice

147. GEF SGP will establish a Global Knowledge Platform to facilitate the exchange and codification of knowledge to enhance the constituency for community based development. This platform is an evidence-based learning system linked to GEF SGP's M&E system. The on-line component will include a repository of guidance materials, case studies, photos, and videos; a virtual community of practice; and facilitated discussions and interaction between members of the GEF SGP network and other partners and experts within countries and globally. It also includes a component for establishing a network of practitioners to advance the knowledge and influence public policy. GEF SGP will document and share widely illustrative good practice case studies for the promotion of replication, up-scaling or mainstreaming by development partners, governments and the private sector. It is assumed that the GEF IAs and EAs will collaborate actively with GEF SGP on good practice dissemination. GEF SGP Country Programmes, particularly its NSC, will promote the Global Knowledge Platform with partners such as, universities and research networks and donors, to provide enhanced support in documenting good practice. Linkages with UNEP's scientific bodies and with the GEF Scientific and Technical Advisory Panel (STAP) will also be established to enhance the scientific rigor of GEF SGP's knowledge products. Collaboration with the UNEP World Conservation Monitoring Centre (WCMC) will be established to share information regarding protected areas targeted and community conserved areas supported through the World Database on Protected Areas.

148. As regards to specific focal area knowledge management, for example in biodiversity, GEF SGP will document its contribution towards the dissemination of good practices considered a strategic priority of GEF. Specific case studies from identified country programme experiences will be used to demonstrate the processes of horizontal exchange of information using innovative technologies such as participatory video. A review of biodiversity activities in the programme and the documentation of knowledge generated by a portfolio of biodiversity activities will be continued. GEF SGP will prepare three sub-portfolio reviews of biodiversity portfolio; apply participatory video as an innovative and cost-effective means of sharing lessons learned in local and vernacular languages; and organize at least three trainings and workshops on participatory video in conjunction with UNDP Global Programme on Human Rights.
149. GEF SGP will document its direct and indirect contributions towards the reduction of GHGs. Specific case studies from identified country programme experiences will be used to demonstrate the processes of replication, up-scaling and mainstreaming. A review of climate change activities in the programme and the documentation of knowledge generated by a portfolio of climate change activities will be continued.
150. In IW focal area, SGP will serve as the learning nodes of community-based actions for the global GEF IW learning network. During OP4, experiences and good practices will be systematically collected and shared at the regional and global levels. Lessons learnt notes will be developed and shared not only within SGP network, but also with regional partners and larger GEF IW learning network.
151. At the regional level, SGP country programs sharing a waterbody will develop experiences and lessons notes for the implementation of Strategic Action Programmes to be shared with the regional projects/programs and regional NGO networks. At the global level, SGP will initiate a collaboration with GEF IW:LEARN (www.iwlearn.net) to provide information, lessons learnt, and good experiences to the GEF IW network. SGP will share its approaches, good cases, and experiences during GEF IW conference.
152. In LD focal area, good cases in each thematic area will be identified and advertised through SGP network. SGP will work with some major global LD knowledge networks to introduce good modes and practices for adaptive testing and piloting by SGP country programs. Portfolio review and thematic studies will be undertaken to collect experiences and good practices, and shared with global networks, including WISP, GM, UNFF, ICRAF, and CIFOR.
153. In POPs focal area, project experiences, lessons and good cases will be systematically collected and shared at the global level through the SGP network and its partners via the online knowledge platforms, and various global gathering, including the Stockholm Convention Conference of Parties. GEF SGP will further strengthen its collaboration with IPEN in ensuring good practices and knowledge gained to be disseminated and utilized by wider audiences. At the end of OP4, GEF SGP will undertake thematic studies on community-based waste management and POPs pesticide management.

PART 3. MANAGEMENT ARRANGEMENTS

Institutional Structure

154. GEF SGP will continue to operate in a highly decentralized and country-driven manner through a National Coordinator (NC), Sub-regional Coordinator, or National Focal Person, and National

Steering Committees (NSC) or National Focal Groups (NFG) in each participating country, with support from the UNDP Country Office and in some countries, a National Host Institution (NHI) or host NGO. The GEF SGP CPMT and UNOPS will provide, as before, global guidance, coordination, support, and supervision.

155. A new GEF SGP Steering Committee has replaced the Operations Consultation group to tap the full potential of the GEF SGP as a GEF corporate program. With this, the participation of all IAs and EAs in providing strategic guidance to GEF SGP is strengthened. The first meeting of the GEF SGP Steering Committee, chaired by the GEF Secretariat and comprising representatives from the IAs and EAs and the Coordinator of the GEF NGO network was held on 11 December 2006. The committee complements GEF SGP's decentralized and country-driven operations and provides the programme with strategic guidance for ensuring coherence with GEF strategies, strengthen its resource mobilization efforts and its synergy with the initiatives and projects of IAs and EAs, as well as with other GEF programs for greater mainstreaming, scaling up, and replication. The Terms of Reference for the Program Steering Committee is included in Annex 6 to this document.
156. The UNDP/GEF Unit at UNDP Headquarters in New York manages all of its GEF activities, including GEF SGP. The UNDP/GEF Executive Coordinator and his/her Deputy are accountable, both to UNDP and to the GEF Secretariat and Council, for all UNDP GEF activities, including GEF SGP. Implementation services provided by UNDP at Headquarters, regional and country levels include the following: programme/project development and preparation (review, appraise and provide guidance on submissions, policy negotiations, etc.); global management oversight and support (resource mobilization support, recruitment and contractual policies, treasury and financial reporting, security, M&E, and technical backstopping from UNDP/GEF specialists, etc.); and country management oversight. UNDP charges a discounted rate of 4% for these services.
157. The GEF SGP Central Programme Management Team (CPMT), located within the UNDP GEF Unit, is composed of the: Global Manager, Deputy Global Manager, Climate Change Programme Specialist, Biodiversity Programme Specialist, Land Degradation/International Waters/POPs Programme Specialist, Knowledge Facilitator, Programme Associate, and Administrative Assistant. The CPMT is responsible for:
 - Providing overall programme management;
 - Providing operational guidance and support to the country programmes, including identification and establishment of the GEF SGP in new countries
 - Reporting to the GEF Council
 - Monitoring country programmes and coordinating the documentation and dissemination of lessons learned from the programme's community-based experiences through a global M&E framework and communications strategy
 - Supporting programme resource mobilization
 - Knowledge management at the global level
158. The UN Office of Project Services (UNOPS) following agreed procedures, policy and strategy with the CPMT will continue to be responsible for providing programme execution support services. UNOPS provides support in the following areas:
 - Personnel recruitment and contract administration for project staff and consultants;
 - Subcontracts for host institutions;
 - Budget administration, including authorization and monitoring of expenditures;
 - Training and guidance on the above to country-level staff;
 - Supporting the CPMT in the initiation of the programme in new countries.UNOPS support costs at a discounted rate of 6% will be maintained in this phase.

159. The UNDP Country Office following GEF SGP Operational Guidelines will continue to participate in providing overall management support to operations in each of the GEF SGP country programmes. The Resident Representative in each Country Office (CO) assigns a staff member to serve as the GEF SGP focal point, and the Resident Representative or the focal point as his/her delegate participates in the NSC. Each UNDP CO also contributes to monitoring programme activities – usually through broad oversight by the designated focal point as part of NSC responsibilities; facilitates interaction with the host government; and develops links with other in-country financial and technical resources. The CO is also responsible for providing financial and administrative services to the programme, and the Resident Representative signs the Memoranda of Agreement (MOA) with NGO/CBO grantees, on behalf of UNOPS. The Country Office administers the disbursement of grant payments in accordance with the terms of the MOA and as authorized by UNOPS. It also plays a fundamental role in launching a new GEF SGP programme and in the appointment of National Steering Committee members once ratified by the CPMT. As the programme has evolved, the UNDP Country Office is also expected to help develop the links between GEF SGP and the other GEF Implementing Agencies and Executing Agencies at country level as well as resource mobilization with other donors and through the UNDAF process.
160. In some countries, the GEF SGP is located in a National Host Institution (NHI), normally a national non-governmental organization (NGO) or national environment fund (see Table 5 for the list of NHIs). Programme hosting arrangements are normally considered during a new country appraisal mission. UNOPS administers a service contract with the host NGO that outlines the technical support and administrative services to be provided and an operating budget. The sub-contract contains rules of collaboration with the host organization as defined in the offer or terms of reference, both of which are integral parts of the sub-contract. This contract is supervised by UNOPS. All country programmes, whether based in the UNDP or in a host NGO, equally respond to the GEF SGP Strategic Framework, Operational Guidelines, and other global programme guidance.

Table 5. List of National Host Institutions (NHIs)

COUNTRY	NATIONAL HOST INSTITUTION
Brazil	Instituto Sociedade, População E Natureza (ISPN)
Cook Islands	CIANGO
Dominica	Dominica Save the Children Fund (hosts GEF SGP COMPACT)
Egypt	Arab Office for Youth and Environment (AOYE)
India	Centre for Environmental Education (CEE)
Indonesia	Yayasan bina Usha Lingkungan (YBUL)
Jordan	Jordan Royal Ecological Diving Society (JREDS)
Kiribati	Kiribati Association of NGOs (KANGO)
Madagascar	Tany Meva Foundation
Micronesia	Micronesia Conservation Trust (MCT)
Namibia	Namibia Nature Foundation
Palau	Palau Conservation Society (PCS)
Tonga	CSFT
Tunisia	Audit Environmental
Tuvalu	Tuvalu Association of NGOs (TANGO)
Vanuatu	VANGO
Zambia	Keepers Zambia Foundation (recommendation by panel to be confirmed by CPMT/UNOPS)

161. The National Steering Committee (NSC) is composed of voluntary members from NGOs, academic and scientific institutions, other CSOs, the UNDP Country Office, government, and donors, with a majority of members coming from the non-governmental sector. The technical capacity of the NSC is an important criterion in determining composition, and the NSC membership should include experts in the GEF focal areas. Members representing the private sector and international and national donors and foundations are also increasingly being invited to become members to support GEF SGP's resource mobilization efforts. The NSC's responsibilities, in collaboration with the NC, include:
- Providing overall guidance and direction to the country programme;
 - Contributing to developing and implementing strategies for country programme sustainability;
 - Developing the Country Programme Strategy (CPS) in accordance with the global Strategic Framework and national environmental priorities;
 - Overseeing the implementation of the CPS;
 - Selecting and approving projects, and ensuring their technical and substantive quality;
 - Participating in pre-selection project site visits and in project monitoring and evaluation (as appropriate);
 - Linking GEF SGP's lessons learned to development practice and policy.
162. The National Coordinator (NC) has lead responsibility for managing country programme implementation. The National Coordinator's responsibilities include:
- Promoting the programmes's objectives, procedures, and achievements among NGOs, CBOs, and other key stakeholders;
 - Developing and revising the Country Programme Strategy (CPS) in collaboration with the NSC and other stakeholders;
 - Implementing the CPS, and ensuring that that GEF SGP grants and projects meet the criteria of the CPS;
 - Assisting NGOs and CBOs in the formulation of project proposals, and ensuring their technical and substantive quality;
 - Serving as the NSC's secretariat, pre-screening project proposals, and otherwise supporting the work of the National Steering Committee;
 - Facilitating NGO and CBO access to technical support services;
 - Developing and implementing communications and information dissemination strategies, which will reach a wide range of target audiences;
 - Ensuring sound programme monitoring and evaluation, including periodic project site visits;
 - Mobilizing resources for cofinancing projects, in particular "baseline" activities;
 - Supervising other GEF SGP local staff; and
 - Reporting to the CPMT and UNOPS as required.

Reasons for assistance from UNDP

163. UNDP has been managing the programme since its inception in 1992. Its comparative advantage lies in its global reach and highly decentralized structure that places 85% of its staff in the more than 170 countries and territories it supports. The system of Country Offices and Resident Representatives has supported the programme in many ways including the setting up of new programs in countries, day-to-day administrative and oversight support to the programme, providing valuable contacts and outreach, and assistance with media coverage. UNDP has contributed considerable funding to some country programmes, and has sponsored donor forums in others to promote GEF SGP co-financing efforts.

164. UNDP Country Offices typically have close working relations with the national government and Resident Representatives serve as Coordinators of the UN System as a whole. These features can greatly facilitate the building of partnerships with in-country programmes of the UN system, those of government agencies, and other international donors.
165. GEF SGP is a global corporate programme of the GEF. While it operates under the overall UNDP SBAA agreement, at the country level it is not considered a part of the CCF or UNDP core functions.

Acknowledgement of GEF funding

166. In order to properly acknowledge GEF for providing funding, the GEF logo should appear on all relevant programme and project publications. Products and publications generated by GEF-funded GEF SGP grants and activities should carry the GEF logo. The UNDP logo should also appear separated from the GEF logo.

PART 4: MONITORING AND EVALUATION

167. GEF SGP has an enhanced Monitoring and Evaluation (M&E) framework that links the systems and strategies at the project, country programme, and global levels. The M&E framework leads directly to the knowledge management system, including knowledge products that could produce global benefits. At the country programme level, M&E includes regular visits by country programme teams to projects, and annual Performance and Results Assessment (PRA) to the CPMT, and regular updates through an on-line and off-line database. M&E also includes financial and management audits, performance appraisals, and a risk management system to assess the readiness of a new country start-up. (A diagram showing the components and linkages of the GEF SGP's M&E system is included in Annex 7)
168. The SGP will continue to work closely with M&E units of GEF IAs and Secretariat to link SGP impact assessment with GEF family impact assessment. In addition, the programme shall be monitored and evaluated as per the identified specific indicators of performance for each output in the logical framework. Reporting on the achievement of programme deliverables to the GEF Council shall be done annually.

SECTION II. BUDGET

169. The RAF policy provides the framework for GEF SGP budgeting in GEF 4. In the "Summary of Negotiations GEF-4 Replenishment", the GEF SGP was allocated "\$110 million from focal area allocations" as available core funds with "\$90 million additional estimated from country allocations of the RAF".
170. In a meeting 11 August 2006 between the GEF CEO, the UNDP/GEF Executive Coordinator, and the GEF SGP Global Manager it was decided that additional RAF contributions from countries be voluntary. In the first meeting of the GEF SGP Steering Committee of December 11, 2006 detailed guidelines were developed on how the programme can utilize core and RAF contributions. The guidelines are in Annex 8. These have been shared in a letter sent by the GEF CEO to all country GEF Focal Points.
171. The guidelines provide for caps on how much RAF funds can be contributed to SGP as well as how much of core funds can be accessed by participating countries. It should be noted that caps provide

for the maximum limits of GEF SGP funding for a country programme and are a function of projected optimum absorptive capacity and funds availability. The actual country programme allocations will depend on: (a) actual absorptive capacity as reflected in historical trends of grantmaking; (b) strategic need of the country programme or its projects such as building partnerships and accessing cofinancing; (c) adherence to the guidelines on use of core and/or RAF funds. Maximum allocation levels are thus not entitlements but are dependent on presence of good project pipelines.

172. The estimated total GEF-4 financing for SGP from core funds and RAF contributions (including those projected for the second half of GEF 4, shown in italics) is presented in budget Table 6. The total core funds budgeted for grants and basic non-grant costs is \$100 million which combined with the discounted IA fee of 4% and discounted UNOPS execution services of 6% amounts to \$110 million for the whole of GEF-4. This equals the core funds available to SGP for the whole of GEF-4. The available RAF funds contributed for the first half of GEF-4 which covers the July '07- June '08 SGP replenishment is much more than the needed RAF funds of \$17,646,591 plus the RAF share for IA and UNOPS execution fees. The total RAF funds needed for the periods Yr 2 and Yr 3 are estimates based on present trends of contributions and are definitely achievable. The total RAF amounts already committed and projected to be committed are still below the amount expected from RAF to support SGP as determined in the summary of negotiations of the GEF-4 replenishment. Thus, the proposed budget is well within expected SGP replenishment in GEF-4 and even allows for higher RAF contributions from many countries vis-à-vis their commitments in the first half of GEF-4.
173. Since SGP is starting late in GEF-4 and following principles of absorptive capacity, not all of the contributed RAF funds for a country, especially for those with high contributions, have been budgeted for the period July 2007 – June 2008. The unused balances, however, could then be used by such country programmes in later replenishments.
174. The proposed administrative and programme management budget for July 2007 – June 2008 is also shown in Table 6. This budget shows an increase in the staff item for country-level programme management given that five country teams will have to be set up in those countries started up late in SGP OP3 and five new countries will be started up in this new period. It should be noted that over the whole GEF-4 there will be an additional 21 new SGP country programmes. But to maintain SGP within its existing policy for cost efficiency vis-à-vis the overall budget, the programme has made cuts in all other items relative to the 2006 budget as shown in Annex 9, part 2.
175. Specific budget cuts for the period July 2007 – June 2008 as compared to last year's budget, the reductions of which are then sustained throughout SGP OP4, include:
 - a. Global Workshops (less by 100%)
 - b. Communication/Knowledge Management (less by 53%)
 - c. Lessons Learned/Impact Assessment (less by 75%)
 - d. Travel/M&E (less by 67%)
 - e. Country-level programme equipment, operations and maintenance (less by 27%)
 - f. Country-level technical assistance (less by 26%)
 - g. Country-level outreach (less by 40%)
 - h. Country-level sundry (including support to National Steering Committee meetings (less by 40%)
 - i. Two posts at SGP CPMT to be unfilled
176. Critical activities that have been cut such as that related to knowledge management, communications, training, ex-post studies and other lessons learning work of the programme will therefore have to be sourced from other donors or the programme's quality and outputs will suffer. This need will increase

in succeeding years as GEF SGP brings in more participating countries from the 21 approved for start up in the GEF-4 period.

177. As an additional cost-cutting measure, the SGP CPMT and SGP country teams will assess country situations vis-a-vis the programme and renegotiate its payment for office premises. This assessment shall take into consideration the matter of the SGP country programme office needing to provide for: (a) a strong character of programme impartiality or neutrality (actual and perceived) as well as ease of accessibility to grassroots NGOs and CBOs particularly in situations where government and civil society relations still need strengthening and also where there is strong inter-NGO competition; (b) good communications and internet accessibility given that the computer-based ATLAS financial management system used by the programme require fast and secure e-mail and internet connections; (c) security requirements as the programme is perceived as a repository of funds and with UNOPS and UNDP regulations requiring its staff and programmes to be located within office premises that meet basic security requirements. The assessment will look at options for free office space for the SGP country programmes in existing UNDP country offices (which saves on substantial relocation costs), in national NGO offices, within University premises, and in government offices with the aim of making transfers in the second year of SGP OP4 when existing rent agreements and leases end. At the very least, the target is to cut 50% of the budget for new countries to be started up in SGP, the criteria for start up shall also now include the willingness of country stakeholders to commit to providing free offices premises. As for new countries to be started up in SGP, the criteria for start up shall also now include the willingness of country stakeholders to commit to providing free office premises. The budget on premises for SGP OP4 2008-2009 and 2009-2010 shall then be refined to reflect the savings and needed shifts of savings to other critical programme activities for approval by the GEF SGP Steering Committee.
178. Following the rolling replenishment financial strategy for SGP, it is proposed that the programme's Operational Phase 4 Project Document and its budget that includes the full utilization of its \$110 million core funds for the whole of GEF-4 as well as the budgeted \$18.3 million of RAF funds that participating countries have committed as part of their first half of GEF-4 RAF allocation be approved. As additional RAF funds that participating countries can commit in the second half of GEF-4 are contributed to SGP within the guidelines set by the GEF SGP Steering Committee, then such funds as projected in budget Table 6 shall be added to the budget replenishment of SGP in its OP4 2nd Yr and 3rd Yr periods upon endorsement of the GEF SGP Steering Committee and approval of the GEF CEO. Likewise, refinements in country grant allocations and non-grant budget items would be reviewed on an annual basis by the GEF SGP Steering Committee and approved by the GEF CEO. SGP will submit through the GEF CEO its annual progress report to the GEF Council.

Table 6: GEF SGP OP4 Budget

Budget details	OP3/Year 2 2006/2007	OP4/Year 1 2007/2008	OP4/Year 2* 2008/2009*	OP4/Year 3* 2009/2010'	OP4* TOTAL*
A. Grants					
GEF Core funds	45,000,000	21,351,100	22,762,172	24,999,251	69,112,523
GEF RAF funds	-	16,647,727	17,646,591	19,411,250	53,705,568
Cash Co-financing	31,000,000	18,999,414	20,204,381	22,205,251	61,409,045
Sub-total:	76,000,000	56,998,241	60,613,144	66,615,752	184,227,136
B. Programme mobilization, strategic guidance and M&E					
Global / Regional Workshop	400,000	0	204,750	214,988	419,738
Communication / Knowledge Management	200,000	95,000	99,750	104,738	299,488
Lessons Learned/Impact Assessment	300,000	75,000	78,750	82,688	236,438
Travel/M&E	300,000	100,000	105,000	110,250	315,250
Technical Assistance	50,000	50,000	52,500	55,125	157,625
Audits	40,000	100,000	105,000	110,250	315,250
Country Team Strengthening	50,000	50,000	52,500	55,125	157,625
Evaluation	100,000	0	0	0	-
Sub-total:	1,440,000	470,000	698,250	733,163	1,901,413
C. Programme Management					
<u>Country Level</u>					
Personnel	4,900,000	5,000,000	5,250,000	5,512,500	15,762,500
National Host Institutions (NHI) Progr. Operations	725,000	700,000	735,000	771,750	2,206,750
Premises	450,000	450,000	225,000	135,000	810,000
Equipment, operations and maintenance	1,100,000	800,000	840,000	882,000	2,522,000
Workshops	195,000	195,000	204,750	214,988	614,738
Field Monitoring/Travel	500,000	500,000	525,000	551,250	1,576,250
Technical assistance	135,000	100,000	105,000	110,250	315,250
Outreach	250,000	150,000	157,500	165,375	472,875
Sundry	250,000	150,000	157,500	165,375	472,875
Sub-total	8,505,000	8,045,000	8,199,750	8,508,488	24,753,238
<u>Global programme-level (HQ)</u>					
Global Manager	245,190	245,190	257,450	270,322	772,961
Deputy Global Manager (Programme)	210,150	210,150	220,658	231,690	662,498
Programme Specialist (Climate Change)	180,260	180,260	189,273	198,737	568,270
Programme Specialist (Biodiversity)	151,150	151,150	158,708	166,643	476,500
Programme Specialist (Int'l Waters/LD/POPS)	151,150	151,150	158,708	166,643	476,500
Programme Specialist (M&E)	151,150	0	0	0	-
Programme Specialist (Partnerships/Special Prj)	151,150	0	0	0	-
Knowledge Facilitator	127,135	127,135	133,492	140,166	400,793
Programme Associate	80,275	80,275	84,289	88,503	253,067
Programme Associate	80,275	80,275	84,289	88,503	253,067
Equipment	20,000	20,000	21,000	22,050	63,050
Premises	80,000	80,000	84,000	88,200	252,200
Sundry	30,900	17,333	18,027	18,561	53,921
Sub-total	1,658,785	1,342,918	1,409,891	1,480,018	4,232,827
Total A+B+C	87,603,785	66,856,159	70,921,035	77,337,420	215,114,614
D. Administrative costs					
UNOPS Support (6%)	3,396,215	2,871,405	3,042,999	3,307,930	9,222,334
E. Total in Cash	87,603,785	66,856,159	70,921,035	77,337,420	215,114,614
F. In-Kind Resources	30,000,000	26,481,082	28,160,546	30,949,326	85,590,955
G. Grand Total (In cash and in kind):	117,603,785	93,337,241	99,081,581	108,286,746	300,705,568
H. Total GEF Financing					
GEF SGP Core funds	60,000,000	33,081,559	35,054,266	37,864,175	106,000,000
GEF RAF Funds	0	17,646,591	18,705,386	20,575,925	56,927,902
TOTAL	60,000,000	50,728,150	53,759,653	58,440,100	162,927,902
Non-Grant Proportion of GEF Funds	25.00%	25.09%	24.83%	24.01%	24.62%
Financing Plan for this Submission					
SGP Core				106,000,000	
RAF				17,646,591	
IA Fee				4,665,909	
Total Financing				128,312,500	

*) Budget Y2 and Y3 are only projections and depend on availability of RAF funds.

ANNEXES

1. List of Countries
2. Letter for Participation of 21 New Countries
3. Partnership
4. Planning Matrix
5. Work Plan
6. Terms of Reference for Programme Steering Committee
7. Monitoring and Evaluation Diagram
8. Guidelines for Use of Core and RAF funds
9. Budget OP3 Years 1 and 2