



20 October 2011

Dear Ms. Hansen,

Subject: Full-Size Project, the Sustainable Management of Biodiversity in Thailand's Production Landscape – PIMS No. 3642 - ATLAS BU: THA10 - Proposal No.:00061370 - Project No.:00077720

I am pleased to delegate to you the authority to sign the above-mentioned Full-Size project. The project, which amounts to a total of US\$ 1,940,000, has received its final approval in accordance with the established GEF procedures (CEO approval/endorsement attached as relevant).

I am also pleased to provide a summary of the next steps in the process and to outline, for your easy reference, the mandatory GEF-specific project financial and results management requirements. Please note that Annex 2 clarifies these in further detail. In addition, a number of Advisory Notes have been prepared to support the implementation of UNDP supported GEF funded projects and these and further clarification on the GEF project cycle and requirements, can be found in the UNDP GEF Programming Manual at <http://intra.undp.org/gef>.

Next steps and mandatory GEF-specific requirements:

1. ***Project document signature:*** As the Resident Representative with the delegated authority for this project, we kindly request that you sign the above-mentioned Full-Size project document on behalf of UNDP. We would also appreciate your obtaining the signature of the representative of the Implementing Partner on the cover page (as well as signature by the representative of the Government of Thailand, if necessary).
2. ***Issuance of Authorized Spending Limit (ASL):*** To facilitate a quick start to the project, once the project document is signed, please kindly ensure that the Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached project document, along with a copy of the signed cover page, is sent to Mr. Joseph D'Cruz, Regional Technical Advisor in Bangkok.

Any budget revisions should be forwarded to the UNDP Regional Coordination Unit (RCU) with an explanation of the changes proposed. In this connection, please note that UNDP GEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

3. ***Fee:*** As an Implementing Agency of the GEF, UNDP earns a fee upon approval of each project. As required by the GEF, the fee is to be used to cover specific costs incurred by UNDP. For the Country Office, these services are related to supporting project development and providing oversight once the project is running, as detailed in Annex 2.

Ms. Rebecca Hansen
Resident Representative
UNDP
Bangkok, Thailand

United Nations Development Programme

The total fee over the lifetime of the above mentioned project for these country offices support services will be US\$60,150. This fee will be paid directly by UNDP GEF to the XB account of the Country Office. The first installment will be paid upon receipt of the signed main project document cover page at the UNDP RCU. The second and all subsequent annual fee installments will be paid based on cumulative delivery and audit compliance. The amount to be received by your office includes the cost of services generated by the Initiation Plan under the *GEF Project Preparation Grant (PPG)* window.

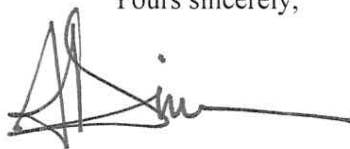
Please note that the Implementing Agency fee is intended to cover the General Management Service (GMS) indirect costs of project support, supervision and oversight detailed in Annex 2. Where a government, as Implementing Partner, requests UNDP to provide services specific to project inputs, then the government party is responsible for reimbursing UNDP in accordance with UNDP policies on recovery of direct costs. In such a case, an appropriate separation between project oversight and direct project support is required in accordance with the UNDP Internal Control Framework.

4. GEF-specific project management requirements:

- The GEF Secretariat must be informed of any changes to the project objectives and outcomes in the results framework of the project document. As such, should you wish to make any such changes to the results framework, please discuss this with the UNDP RCU, as they will have to report these changes to the GEF.
- As outlined in the 2006 GEF M&E policy, it is recommended that all GEF-funded projects undertake a mid-term evaluation. In addition, each project is required to undertake a final evaluation within 12 months of operational closure of the project. Each evaluation should have a corresponding management response. The specific requirements of these evaluations are available from the RCU.
- As specified in the project document, a detailed project management plan should be prepared by the Project Manager. It is strongly recommended that this management plan be reviewed at the inception workshop. Where possible, this workshop should be held within 3 months of project signature. To avoid any confusion during project implementation, we also recommend that the support activities to be undertaken by the Country Office, as listed in Annex 2, be confirmed at the inception workshop.
- Annex 2 includes a number of key UNDP GEF management performance indicators that aim to improve the efficiency and effectiveness in the oversight and supervision services provided. Performance against these indicators will be monitored on an annual basis.

In concluding, I would like to assure you of UNDP GEF's and my personal commitment to a successful implementation of the project. The Regional team in Bangkok is at your disposal for advice and technical support. Should you have any concerns or questions, please do not hesitate to contact me.

Yours sincerely,



Adriana Dinu
UNDP/GEF Officer-in-Charge

cc: *Mr. Ajay Chhibber*, Assistant Administrator and Bureau Director, RBAP
Mr. Joseph D'Cruz, UNDP-EEG Regional Technical Advisor, Bangkok, Thailand

Annexes

Annex 1 CEO endorsement/approval



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May 3, 2011

Mr. Yannick Glemarec
GEF Executive Coordinator
United Nations Development Programme
New York, NY

Dear Mr. Glemarec:

I am pleased to inform you that the following submission is endorsed and will be funded by the GEF Trust Fund:

Approval Stage:	CEO Endorsement
GEFSEC (PMIS) ID:	3940
Agency ID:	3642
Agency:	UNDP
Project Type:	Full Size Project
Country:	Thailand
Name of Project:	Sustainable Management of Biodiversity in Thailand's Production Landscape
GEF Grant:	\$1,940,000
Agency Fee:	\$194,000

This endorsement is subject to the comments made by the GEF Secretariat in the attached project review document. It is also based on the understanding that the project is in conformity with GEF focal areas strategies and in line with GEF policies and procedures.

Sincerely,

Attachment: GEFSEC Review Sheet
Copy to: Country Operational Focal Point, GEF Agencies, STAP, Trustee

Annex 2: UNDP GEF Project Support Services

Stage	Country Office ¹	GEF
Identification, Sourcing/Screening of Ideas, and Due Diligence	Identify project ideas as part of country programme/CPAP and UNDAF/CCA.	<ul style="list-style-type: none"> • Technical input to CCA/UNDAFs and CPAPs where appropriate. • Input on policy alignment between projects and programmes. • Provide information on substantive issues and specialized funding opportunities (SOFs). • Policy advisory services including identifying, accessing, combining and sequencing financing. • Verify potential eligibility of identified idea.
	Assist proponent to formulate project idea / prepare project idea paper (e.g. GEF PIF/PPG).	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Research and development. • Provide up-front guidance. • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Training and capacity building for Country Offices.
	<p><i>Appraisal:</i></p> <ul style="list-style-type: none"> • Review and appraise project idea. • Undertake capacity assessments of implementing partner as per UNDP POPP. • Environmental screening of project as and when included in UNDP POPP. • Monitor project cycle milestones. 	<ul style="list-style-type: none"> • Provide detailed screening against technical, financial, social and risk criteria. • Determine likely eligibility against identified SOF.
	<p><i>Partners:</i></p> <ul style="list-style-type: none"> • Assist proponent to identify and negotiate with relevant partners, cofinanciers, etc 	<ul style="list-style-type: none"> • Assist in identifying technical partners. • Validate partner technical abilities.
	<p><i>Obtain clearances:</i></p> <ul style="list-style-type: none"> • Government, UNDP, Executing Agency, LPAC, cofinanciers, etc. 	<ul style="list-style-type: none"> • Obtain SOF clearances.
Project Development	<p><i>Initiation Plan:</i></p> <ul style="list-style-type: none"> • Management and financial oversight of Initiation Plan • Discuss management arrangements 	<ul style="list-style-type: none"> • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA

¹ As per UNDP POPP with additional SOF requirements where relevant.

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Stage	Country Office ¹	GEF
	<p><i>Project Document:</i></p> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on development stage as needed. 	<p><i>Technical support:</i></p> <ul style="list-style-type: none"> • Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence. • Facilitate issuance of DOA
<p><i>Key UNDP GEF management performance indicators/targets for Project Development:</i></p> <ol style="list-style-type: none"> 1. Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> • Target for GEF trust fund project: FSP = 22 months or less, MSP 12 months or less. • Target for LDCF and Adaptation Fund: FSP/MSP = 12 months or less. 2. Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> • Target = 4 months or less 		
<p>Project Oversight</p>	<p><i>Management Oversight and support</i></p>	<p><i>Technical and SOF Oversight and support</i></p>
	<p><i>Project Launch/Inception Workshop</i></p> <ul style="list-style-type: none"> • Preparation and coordination. 	<ul style="list-style-type: none"> • Technical support in preparing TOR and verifying expertise for technical positions. • Verification of technical validity / match with SOF expectations of inception report. • Participate in Inception Workshop
	<p><i>Management arrangements:</i></p> <ul style="list-style-type: none"> • Facilitate consolidation of the Project Management Unit, where relevant. • Facilitate and support Project Board meetings as outlined in project document and agreed with UNDP RCU. • Provide project assurance role if specified in project document. 	<ul style="list-style-type: none"> • Technical input and support to TOR development. Troubleshooting support. • Support in sourcing of potentially suitable candidates and subsequent review of CVs/recruitment process.
	<p><i>Annual WorkPlan:</i></p> <ul style="list-style-type: none"> • Issuance of AWP. • Monitor implementation of the annual work plan and timetable. 	<ul style="list-style-type: none"> • Advisory services as required • Review AWP, and clear for ASL where relevant.
	<p><i>Financial management:</i></p> <ul style="list-style-type: none"> • Conduct budget revisions, verify expenditures, advance funds, issue combined delivery reports, ensure no over-expenditure of budget. • Ensure necessary audits. 	<ul style="list-style-type: none"> • Allocation of ASLs, based on cleared AWP • Return of unspent funds to donor • Monitor projects to ensure activities funded by donor comply with agreements/ProDocs • Oversight and monitoring to ensure financial transparency and clear reporting to the donor

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Stage	Country Office ¹	GEF
	<p><i>Results Management:</i></p> <ul style="list-style-type: none"> • Alignment: link project output to CPAP Outcome in project tree in Atlas, link CPAP outcome in project tree to UNDP Strategic Plan Environment and sustainable Development Key Result Area as outlined in project document during UNDP work planning in ERBM. • Gender: In ATLAS, rate each output on a scale of 0-3 for gender relevance. • Monitoring and reporting: Monitor project results, track result framework indicators, and co-financing where relevant. Monitor risks in Atlas and prepare annual APR/PIR report where required by donor and/or UNDP GEF. • Annual site visits – at least one site visit per year, report to be circulated no later than 2 weeks after visit completion. 	<ul style="list-style-type: none"> • Advisory services as required. • Quality assurance. • Project visits – at least one technical support visit per year.
	<p><i>Evaluation:</i></p> <ul style="list-style-type: none"> • Integrate project evaluations into CO evaluation plan. Identify synergies with country outcome evaluations. • Arrange mid-term, final, and other evaluations: prepare TOR, hire personnel, plan and facilitate mission / meetings / debriefing, circulate draft and final reports. • Participate as necessary in other evaluations. • Ensure tracking of committed and actual co financing as part of mid-term and final evaluations. • Prepare management response to project evaluations and post in UNDP ERC. 	<ul style="list-style-type: none"> • Technical support and analysis. • Quality assurance. • Compilation of lessons and consolidation of learning. • Dissemination of technical findings. • Participate as necessary in other SOF evaluations.
	<p><i>Project Closure:</i></p> <ul style="list-style-type: none"> • Final budget revision and financial closure (within 12 months after operational completion). • Final reports as required by donor and/or UNDP GEF. 	<ul style="list-style-type: none"> • Advisory services as required. • Technical input. • Quality assurance.

Key UNDP GEF management performance indicators/targets for Project Oversight:

1. Each project aligned with country outcomes and UNDP Strategic Plan Environment and Sustainable Development key results, and included in Country Office Integrated Work Plan in the ERBM:
 - Target = 100%
2. Quality rating of annual APR/PIRs: Once completed and submitted, the quality of each project APR/PIR is rated by an external reviewer
 - Target = Rating of Satisfactory or above
3. Quality rating of Terminal Evaluations: Once completed, the quality of each terminal evaluation is rated by an external reviewer
 - Target = Rating of Satisfactory or above
4. Quality of results achieved by project as noted in terminal evaluation: the independent evaluator assigns an overall rating to the project.
 - Target = Satisfactory or above

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Annex 3 CO Fee allocation and Payment schedule

PIMS3642 Atlas project - 00077720

THA10

	For allocation-based on total approved funding including PDF	For releasing-based on final approved project budget excluding PDF	GEF fee (GMS) %
PPG	65,000		
FSP/MSP	1,940,000		
Total PPG & MSP/FSP Grant	2,005,000		
Total fee allocated to COs (Note 1)	60,150		
1st Release: Fee for formulation 40% (Note 2)	24,060	1.200%	1.240%
Following Releases: Fee for implementation 60% (Note 3)	36,090	1.800%	1.860%
Total fee	60,150	3.000%	3.101%

CO	Fee for Formulation (40%)	Fee for Implementation (60%)	Total Fee	Share % (fee for implementation)	% fee based on delivery (Impl. Fee / Final PRJ (FSP/MSP) budget)
Thailand	24,060	36,090	60,150	100%	1.860%
Total	24,060	36,090	60,150	100%	1.860%

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Example 1 for CO projection purpose - fee release to COs based on delivery

CO	% fee based on delivery (Impl. Fee / Final PRJ (FSP/MSP) budget)	Scenarios								Total fee for delivery	
		2011 Delivery	fee for 2011 delivery	2012 delivery	fee for 2012 delivery	2013 Delivery	Fee for 2013 delivery	2014 Delivery	Fee for 2014 delivery		
Thailand	1.860%		6,848		11,912		10,242		7,087		36,090
Total	1.860%	368,126	6,848	640,334	11,912	550,556	10,242	380,984	7,087	1,940,000	36,090

Note:

1. Total GEF Fee to COs includes the cost of services related to the preparatory assistance phase under the GEF Project Development Facility (PDF)/Project Preparation Grant (PPG) window.
2. The 1st release of GEF fee to COs will be effected upon receipt of the signed main project (FSP/MSP/EA) document cover page in the GEF RCU.
3. Subsequent annual fee releases to COs will depend on the satisfactory delivery of the services described in Annex 2 and will be directly linked to project delivery.
4. Annual fee payments to COs related to delivery are normally done after year end closing. For example, annual fee for 2011 delivery is paid in April 2012.