



REQUEST FOR CEO ENDORSEMENT/APPROVAL¹

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT INFORMATION

Project Title: 5 th Operational Phase of the GEF Small Grants Programme			
Country(ies):	126 Countries	GEF Project ID: ²	
GEF Agency(ies):	UNDP (select) (select)	GEF Agency Project ID:	4561
Other Executing Partner(s):	UNOPS	Submission Date:	2010-12-17
GEF Focal Area (s):	MULTI FOCAL AREA	Project Duration(Months)	48
Name of Parent Program (if applicable): For SFM/REDD+ <input type="checkbox"/>	GEF Small Grants Programme	Agency Fee (\$):	5,384,615

A. FOCAL AREA STRATEGY FRAMEWORK³

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (a)	Cofinancing (\$)
(select) BD-1	1.1; 1.2	1.1; 1.2; 1.3	GEF TF	23,991,642	23,991,642
(select) BD-2	2.1	2.2; 2.3	GEF TF	23,991,642	23,991,642
CCM-1 (select)	1.1; 1.3	1.1	GEF TF	10,070,566	10,070,566
CCM-4 (select)	4.1; 4.2; 4.3	4.2; 4.3	GEF TF	10,070,566	10,070,566
CCM-5 (select)	5.1; 5.2; 5.3	5.1; 5.2	GEF TF	10,070,566	10,070,566
(select) LD-1	1.2; 1.3	Outputs 2 and 3	GEF TF	10,759,875	10,759,875
(select) LD-3	3.2	Outputs 2 and 3	GEF TF	10,759,875	10,759,875
IW-1 (select)	1.1; 1.3	1.3; 1.4	GEF TF	2,369,545	2,369,545
IW-2 (select)	2.1; 2.2; 2.3	2.1; 2.2; 2.3; 2.4	GEF TF	2,369,545	2,369,545
IW-3 (select)	3.2	3.2; 3.3	GEF TF	2,369,545	2,369,545
(select) CHEM-1	1.1; 1.2; 1.3; 1.4	1.1.1; 1.1.2; 1.2.1; 1.2.2; 1.4.1; 1.4.2; 1.5	GEF TF	2,961,931	2,961,931
(select) CHEM-3	3.1	3.1	GEF TF	2,961,931	2,961,931
CD-1 (select)	1.1	1.1	GEF TF	2,107,039	2,107,039
CD-2 (select)	2.1; 2.2; 2.3	1.1; 1.2; 1.3	GEF TF	2,107,039	2,107,039
CD-4 (select)	4.1	4.1	GEF TF	2,107,039	2,107,039
CD-5 (select)	5.1; 5.2; 5.3	5.1; 5.2; 5.3	GEF TF	2,107,039	2,107,039
(select) (select)			(select)		
(select) (select)	Others		(select)		
Subtotal				121,175,385	121,175,385
Project management cost ⁴			(select)	13,440,000	13,440,000
Total project costs				134,615,385	134,615,385

B. PROJECT FRAMEWORK

¹ It is important to consult the GEF Preparation Guidelines when completing this template

² Project ID number will be assigned by GEFSEC.

³ Refer to the Focal Area/LDCF/SCCF Results Framework when filling up the table in item A.

⁴ This is the cost associated with the unit executing the project on the ground and could be financed out of trust fund or cofinancing sources.

Project Objective: Global Environmental Benefits secured through community-based initiatives and actions					
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Financing from relevant TF (GEF/LDCF/SCCF) (\$)	Confirmed Cofinancing (\$)
Conservation of Globally Significant Biodiversity Through Community-based Initiatives and Action	TA	<p>1. Improved sustainability of protected areas and indigenous and community conservation areas through community-based actions</p> <p>2. Mainstreamed biodiversity conservation and sustainable use in production landscapes, seascapes and sectors through community initiatives and actions</p>	<p>More than 930 community and civil-society based projects funded supporting biodiversity conservation in indigenous and community conservation areas</p> <p>More than 930 community and civil-society based projects funded contributing good practices and lessons to support biodiversity conservation mainstreaming</p>	45,594,035	45,594,035
Reduction or Avoidance of GHG Emissions While Building Climate Resilience at the Community-level	TA	<p>3. Demonstration, development and transfer of low-GHG technologies at the community level</p> <p>4. Increased energy efficient, low-GHG transport at the community level</p> <p>5. Conservation and enhancement of carbon stocks through sustainable management and climate proofing of land use, land use change and forestry</p>	<p>More than 390 community and civil-society based projects funded supporting the transfer of low-carbon technologies</p> <p>More than 390 community and civil-society based projects funded supporting low-GHG transport</p> <p>More than 390 community and civil-society based projects funded supporting conservation and enhancement of carbon stocks</p>	28,707,355	28,707,355
Reverse and Prevent Desertification/Land Degradation and Mitigate the Effects	TA	6. Maintenance or improvement in flow of agro-ecosystem and	More than 410 community and civil-society based projects funded	20,479,400	20,479,400

of Drought in Affected Areas Through Community-based Initiatives and Actions		forest ecosystem services to sustain livelihoods of local communities 7. Reduction of pressures at community level from competing land uses (in the wider landscapes)	supporting maintenance or improvement of flow of ecosystem services More than 410 community and civil-society based projects funded supporting reduction of pressures from competing land uses		
Sustainable Management of Transboundary Water Bodies at the Community-level	TA	8. Sustainable transboundary water body management with community-based initiatives	More than 270 community and civil-society based projects funded supporting community initiatives for sustainable transboundary water body management	6,754,672	6,754,672
Reduce and Eliminate the Release of Harmful Chemicals into the Environment Through Community-based Initiatives and Actions	TA	9. Phase out of POPs and chemicals of global concern at community level	More than 110 community and civil-society based projects funded supporting the phase out of POPs and chemicals of global concern	5,628,893	5,628,893
Enhance and Strengthen Capacity of Communities and Civil Society Organizations (CSOs) to Address Global Environmental Challenges	TA	10. Enhance and strengthen capacities of community-based and non-governmental organizations to engage in consultative processes, apply knowledge management to ensure adequate information flows, implement convention guidelines, and enhance	126 SGP National Steering Committees established and National Focal Groups actively engaged with GEF national consultative processes Learning and knowledge management platform established to share lessons learned among	8,406,618	8,406,618

		capacities of CBOs and CSOs to monitor and evaluate environmental impacts and trends	CBOs and CSOs across all SGP countries More than 2700 CBOs and CSOs as SGP partners with strengthened capacities		
Monitoring and Evaluation	TA	N/A	N/A	5,604,412	5,604,412
	TA				
	TA				
	TA				
Subtotal				121,175,385	121,175,385
Project management Cost ⁵				13,440,000	13,440,000
Total project costs				134615385	134615385

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Sources of Cofinancing	Name of Cofinancier (source)	Type of Cofinancing	Cofinancing amount (\$)
Bilateral Aid Agency (ies)	Multiple	(select)	8,400,000
Foundation	Multiple	(select)	1,400,000
GEF Agency	UNDP	Grant	10,400,000
Local Government	Multiple	(select)	8,800,000
National Government	Multiple	(select)	16,100,000
CSO	Multiple	(select)	52,115,385
Other Multilateral Agency (ies)	Multiple	(select)	12,700,000
Private Sector	Multiple	(select)	6,900,000
Others	Multiple	(select)	17,800,000
Total Co-financing			134,615,385

D. GEF/LDCF/SCCF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
UNDP	GEF TF	MULTI FOCAL AREA	Global Core	134,615,385	5,384,615	140,000,000
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
Total Grant Resources				134,615,385	5,384,615	140,000,000

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

⁵ Same as footnote #3.

Component	Estimated person weeks	Grant Amount (\$)	Cofinancing (\$)	Project total (\$)
Local consultants*				0
International consultants*				0
Total		0	0	0

* Details to be provided in Annex C.

F. PROJECT MANAGEMENT COST

Cost Items	Total Estimated person weeks/months	Grant Amount (\$)	Cofinancing (\$)	Project total (\$)
Local consultants*				0
International consultants*				0
Office facilities, equipment, vehicles and communications*				0
Travel*				0
Others**	SGP Management Costs	13,440,000	13,440,000	26,880,000
	Specify "Others" (2)			0
Total		13,440,000	13,440,000	26,880,000

* Details to be provided in Annex C.

** For others, to be clearly specified by overwriting fields *(1) and *(2).

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex E an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF Trust Fund).

H. DESCRIBE THE BUDGETED M & E PLAN: Strengthening of monitoring and evaluation will be an important focus area for SGP during the fifth operational phase (OP5). The most recent global evaluation of the SGP recognized a range of good practices in M&E across the SGP portfolio, but also recommended that M&E could be further improved. An SGP paper following up on the global evaluation submitted to the GEF Council in May 2008 (GEF/C.33/5) further noted a number of specific areas for improvement, including the upgrading of the SGP database through the inclusion of country programme outcomes, and reporting on indicators. The current preparations for the fifth operational phase (OP5) offer additional opportunities to put these measures into action.

The GEF's results and program implementation progress reporting requirements are outlined in the GEF Annual Monitoring Review Guidelines. SGP's M&E plan is designed and developed to address how SGP will meet all reporting requirements, which also contribute to and support SGP's knowledge management approach and activities that emphasizes the importance of effective sharing of lessons and good practices to consistently strengthen and improve SGP's contribution to the generation of Global Environmental Benefits. As appropriate, M&E reports and information within SGP countries will be shared with national GEF focal points and convention focal points, which can then be incorporated in national convention reporting. All M&E activities outlined in the M&E plan will be undertaken as necessary and appropriate to ensure cost-effectiveness, with M&E carried out as appropriate relative to the size of any given project and other associated factors such as complexity and risks involved. SGP will include a robust monitoring and evaluation system fully in-line with GEF and UNDP monitoring and evaluation policies and minimum standards,

including consistency with UN Evaluation Group standards and norms. The SGP monitoring and evaluation plan complies with all GEF M&E minimum standards, including: SMART indicators for implementation and results, baseline information, identification of required programme reviews and evaluations, specified roles and responsibilities, and a budget allocated to support M&E activities. The SGP M&E Plan is attached as Annex F to this template.

SGP's enhanced approach to M&E during OP5 covers multiple fronts. To start, CPMT will have a dedicated M&E programme specialist, tasked with strengthening SGP's M&E framework and tools, and ensuring SGP meets its M&E obligations. The strategic objectives for SGP in OP5 include specific outcomes on M&E within the framework of capacity development, including enhancing SGP stakeholders and partners capacity to apply M&E methodologies and tools. At the global level, SGP will continue to improve the SGP database, and facilitate the tracking of outcomes across the portfolio. The SGP Results Framework is attached as Annex A to this document. The indicators identified in this results framework are the global level indicators designed to meet reporting on GEF-5 strategic objectives. At the country and project levels appropriate additional focal area specific results-oriented indicators are applied to ensure projects achieve expected results, and to track successful approaches, including socio-economic outcomes where possible. To support results reporting linked to the GEF-5 results framework, SGP will continue to improve indicators and mechanisms, including tracking tools, for reporting on these indicators. Further revision and development of results indicators may include capacity development indicators, as appropriate. SGP recognizes the importance of identifying and documenting results beyond the output level, and will undertake approaches to move current reporting further down the results chain, toward documentation of impact. M&E activities will include partnerships with relevant organizations and stakeholders that can positively contribute to SGP's work in this area.

SGP participation during OP5 is also set to reach over 126 countries for the core global programme, added to 10 planned upgraded country programmes, and supporting the necessary M&E activities in all countries requires significant resources. SGP's M&E resources are not implemented on a per country or project basis however, as there is a significant need for M&E support at the regional and central/global levels as well. Due to the continuous programmatic nature of the SGP, M&E activities in OP5 will need to cover the ongoing activities from previous operational phases. Core funding support for M&E has to be sufficient yet planned at a highly efficient level as a percentage of the anticipated total OP5 allocation. The GEF Evaluation Office and UNDP Evaluation Office will be responsible for the next global evaluation of the SGP, anticipated to take place between 2012-2013.

See attached Annex F for complete M&E plan in table form.

PART II: PROJECT JUSTIFICATION

A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

A.1.1. THE GEF FOCAL AREA/LDCF/SCCF STRATEGIES: The coming four years of the SGP, the 5th Operational Phase, will be a continuation of the ongoing modality and operational approach that has been refined and consistently improved over the previous 18 years. Throughout its long history SGP has consistently supported and aligned with the overall GEF priorities and objectives. The objectives and expected outcomes of the SGP for OP5 build directly on the GEF's strategic priorities for GEF-5. Because the grants to be provided by the SGP in the 5th Operational Phase have yet to be selected, in each country SGP can support a strategic approach by ensuring funding for civil society and community-level grants that are in line with global GEF priorities. When possible and relevant, the SGP supports integrated and synergistic multi-focal area approaches. While the SGP is consistent with GEF strategies for each focal area, the SGP is a strategic programme of the GEF that addresses environmental issues in an integrated manner through all focal areas. In each SGP country, in addition to SGP core funds, funding may be drawn from the national STAR allocations; thus national level SGP objectives reflected in the revised country program strategies will be consistent with GEF-5 objectives. It should be emphasized that the SGP seeks transformative changes at the global level through policy influence, partnership development, and knowledge generation and sharing that seek to upscale and replicate the innovative demonstration of SGP activities, leading to global environmental benefits.

The overall programme objective and proposed outcomes are outlined in the project framework table in Section I.A above. To support biodiversity conservation, SGP will support the first two GEF biodiversity objectives: 1. Improving the sustainability of protected area systems, and 2. Mainstreaming biodiversity conservation and sustainable use into

production landscapes, seascapes, and sectors. To date, SGP has provided 7,114 community-based biodiversity conservation projects with \$155.2 million, generating an additional \$223.6 million in cash and in-kind co-financing. In OP4, SGP contributed to the strengthening of more than 400 protected areas by engaging local and indigenous communities. SGP grants in OP5 will generate global benefits by leveraging community-based efforts to conserve biodiversity through improving the effectiveness and sustainability of community conservation areas and indigenous protected areas, which make up a critical component of the global protected areas system, even if they are not always recognized as such. To support sustainable use of biodiversity, the SGP will promote the mainstreaming of biodiversity friendly practices in production landscapes and seascapes, through measures such as organic certification for community level and small-scale producers of biodiversity-based products; improved community-based resource use of non-timber forest products; and community level enforcement measures in near shore fisheries. With SGP's support, civil society and community-based organizations will develop the capacity to improve conservation and sustainable use efforts and ensure benefits for community livelihoods, contributing to long-term sustainability.

SGP objectives will be consistent with and support the first, fourth and fifth climate change strategic objectives for GEF-5, which are the most relevant, in the context of SGP's civil society and community-based focus, of the six GEF climate change objectives. To date, SGP has provided 2,535 civil society and community-based climate change projects with \$58.0 million, generating an additional \$70.0 million in cash and in-kind co-financing. In line with the first GEF strategic objective, for OP5 SGP will provide grants to promote the demonstration, development and transfer of innovative low-carbon solutions at the community level, such as micro-solar power and fuel-efficient stoves. In line with the fourth GEF strategic objective for climate change, SGP will promote energy efficient, low carbon transport at the community level, for example with support for low-emission and energy efficient motor scooters and small boat motors, which make up the majority of individual motorized transport in rural areas. Also in the climate change focal area, SGP will support the conservation and enhancement of carbon stocks through sustainable management and climate proofing of land use, land use change and forestry (linking, where appropriate, with other relevant international initiatives, such as REDD), which is consistent with the fifth GEF strategic objective.

To address land degradation, SGP will support two objectives, both of which are consistent with the GEF land degradation strategic priorities for GEF-5. To date, SGP has provided 1,619 community-based land degradation projects with \$34.3 million, generating an additional \$66.8 million in cash and in-kind co-financing. The first SGP objective for OP5 is directly linked to the first strategic objective of the broader GEF for the land degradation results framework: SGP will seek to maintain or improve the flow of agro-ecosystem and forest ecosystem services to sustain community livelihoods. Second, SGP will work with community partners to reduce pressures on natural resources from competing land uses at the community level.

In international waters, the SGP will support transboundary water body management with community-based initiatives, including community-level linkages for implementation of SAPs, in partnership with other GEF initiatives. This SGP objective is consistent with the first, second and third GEF strategic objectives for the international waters focal area. To date, SGP has provided 693 community-based international waters projects with \$13.2 million, generating an additional \$15.3 million in cash and in-kind co-financing.

SGP will also promote and support the phase out at the community level of POPs and chemicals of global concern, for example through the introduction of POP substitutes and promotion of environmentally friendly practices in pesticide management. This is consistent with the first strategic objective of the chemicals focal area for GEF-5. To date, SGP has provided 241 community-based POPs projects with \$5.3 million, generating an additional \$8.7 million in cash and in-kind co-financing.

At the community-level, global environmental issues are not naturally and easily divided amongst the GEF's identified focal areas; many environmental issues are related and inter-linked. SGP supports a holistic, integrated approach to addressing environmental issues, supporting the needs and priorities of communities and CSOs. As outlined in the GEF-5 programming document, even though GEF strategies are articulated focal area by focal area, and draw closely on convention guidance, project design and implementation activities can increasingly seek synergies and connections across the different focal areas, reflecting the multiple needs of community-level stakeholders. The SGP is well-positioned to tackle these challenges in an integrated way thanks to interlinkages and cross-focal area synergies. Promoting integrated approaches and avoiding trade-offs contributes to the achievement of a sustained flow of global

environmental benefits, securing multiple environmental benefits, avoiding negative impacts, and avoiding future environmental investments.

A cross-cutting objective of the SGP will continue to be capacity development of civil society organizations (CSOs), with priority for community-based organisations (CBOs) and indigenous peoples organisations for: engagement through consultative process; generation, access and use of information and knowledge; supporting participatory processes in policy and legislation development; awareness raising and support for the implementation of convention guidelines; and monitoring and evaluation of environmental impacts and trends. This is consistent with the GEF's long-standing programmatic support for capacity development, as outlined in the GEF-5 programming document. SGP implements knowledge management in all focal areas at the national and global levels through a variety of tools including dissemination through SGP networks including NSC members, the SGP database, linkages with regular GEF projects, reporting to conventions, and other mechanisms. The NSC is empowered to approve, in consultation with the OFP and CPMT, up to \$50,000 for the organization of a national event focusing on knowledge management and best practices if deemed appropriate.

A.1.2. FOR PROJECTS FUNDED FROM LDCF/SCCF: THE LDCF/SCCF ELIGIBILITY CRITERIA AND PRIORITIES: N/A

A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS, IF APPLICABLE, I.E. NAPAS, NAPS, NBSAPS, NATIONAL COMMUNICATIONS, TNAS, NIPS, PRSPS, NPFE, ETC.:

Consistent with the GEF's operational principle of country-ownership and drivenness, since its inception in 1992, SGP's approach has been to support strategies and approaches directly linked to stakeholder identified priorities and needs at the community, sub-national, and national levels. The SGP operates in countries where specific requests to initiate the programme have been received from the appropriate national authorities, represented by the GEF Operational Focal Point. By first requesting and subsequently supporting implementation of the SGP, a country demonstrates that the SGP will be a country-driven and owned initiative supporting community-level and civil society environmental projects. SGP has operated previously in 123 countries, and will be expanding to 14 additional countries in the 5th Operational Phase, reflecting each of these countries' priorities for community-driven approaches to addressing global environmental issues. SGP's primary mechanism to incorporate national strategies and plans is through the Country Program Strategy (CPS), the development of which is facilitated by the SGP country team with support and eventually the endorsement of the NSC, to be shared with the GEF Operational Focal Point and the relevant Convention focal points. This document considers and integrates the relevant data from NBSAPs, NIPs, and other national communications to the conventions plus results from NCSAs. The CPS is also linked to the country's GEF resources allocation strategy, which in turn reflects GEF policies and strategic priorities for GEF-5. SGP country programmes will also contribute to the NPFEs and in the update of NBSAPs and NAPAs and take in additional strategic roles identified for it by the resulting strategies and plan of action. National priorities are also reflected through the constitution of the NSC (or National Focal Group for sub-regional programmes), which guides implementation of the SGP in each respective country. NSC members are leading national government and civil society representatives in the environmental field, who provide strategic guidance and oversight for the programme, and ensure its focus on and coherence with national priorities as they apply to and are relevant for community-level needs and priorities. For the 14 additional countries, start-up missions will support the organization of the new country programme to develop a strategy reflecting national priorities focused on community-level actions, and to create the necessary institutional structures.

PROJECT OVERVIEW:

B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:

Today's Global Environmental Challenges: The Baseline

International attention has been focused on global environmental issues for decades (including nearly 20 years of existence of the GEF and SGP), and there have been some positive steps in that time. Over the past 18 years, SGP's support in over 120 countries has led to a broad range to strong examples demonstrating community-based approaches to global environmental problems. Yet, the scale and scope of these problems is such that they remain critical areas for ongoing investment and require a wide range of simultaneous, integrated and multi-focused approaches. The SGP is predicated on the idea that community-driven, stakeholder owned, civil society led initiatives that generate local as well as global benefits are among the most effective ways to address global environmental challenges, and this model has

repeatedly achieved success. In effect, SGP operationalizes the maxim “think globally, act locally,” and has, based on its effectiveness at the community-level, become the “public face” of the GEF. The SGP supports community-level initiatives across the range of global environmental issues addressed by the GEF, and participation, democracy, flexibility, and transparency are cornerstones of the SGP approach. The communities targeted by SGP are often the poorest and most vulnerable, and typically have low levels of personal and institutional capacity to adequately address global environmental problems. Providing support for community-based and civil society initiatives is an effective and necessary component of comprehensively addressing global environmental problems, and the SGP plays a critical role in channeling this support. There are few resources targeted towards and available for community-level actions, and stakeholders at this level often lack the capacity to access national or international donors. SGP has a proven track record of effectively engaging with and leveraging community and civil society based initiatives, and this support must continue, as well as be scaled-up, to achieve sustainable development.

2010 has been named the International Year of Biodiversity, but this only serves to highlight the continued loss of species and degradation of ecosystems. The Third Global Biodiversity Outlook, presented in May 2010 reflecting the most recent state of knowledge of the status of global biodiversity, found that “there are multiple indications of continuing decline in biodiversity in all three of its main components – genes, species and ecosystems.” The Millennium Ecosystem Assessment (MA) showed that the most important drivers of biodiversity loss are habitat change, climate change, invasive alien species, overexploitation, and pollution. Through OP4, the SGP had contributed to the strengthening of almost 12 million hectares of protected areas. According to the most recent Intergovernmental Panel on Climate Change synthesis report, “global GHG emissions due to human activities have grown since pre-industrial times, with an increase of 70% between 1970 and 2004.” While the majority of current global GHG emissions come from developed economies, 17.4% of GHG emissions come from the forestry sector (including deforestation), while 13.5% comes from agriculture. The 2007 “Stern Review” noted that deforestation and forest degradation are the main emission sources in many developing countries.

The MA reported that drylands occupy 41% of the earth’s land area, and 10-20% of drylands are already degraded with a much larger percentage under threat from desertification. The MA identified the direct drivers of land degradation, including land use change, natural resources consumption and climate change, which are further highlighted in the 10-year (2008-2018) strategy of the UNCCD. In OP4, more than 600 SGP-supported projects generated models and good practices for sustainable agriculture, and rangeland and forestry management.

The Fourth Overall Performance Study of the GEF (OPS4) found that “The conditions that gave rise to the GEF and creation of an international waters focal area have not abated, and there are rising challenges.” Key issues in this area include coastal pollution and erosion, unsustainable fisheries, nutrient transfer (particularly nitrogen) from the land to the sea resulting in eutrophication and algal blooms, unsustainable management of fresh water supplies, and invasive species. Previous SGP efforts have supported the rehabilitation of coastal habitats, sustainable fishing practices, and the reduction of land-based pollution. Persistent Organic Pollutants bio-accumulate in the environment and can lead to serious health effects for humans. The World Health Organization estimates that pesticides may cause 250,000 unintentional deaths a year (particularly among agricultural workers), and nearly three million people may suffer additional effects, mostly in developing countries. In Africa, it is estimated that more than 50,000 tons of obsolete pesticides have accumulated. SGP will contribute to the elimination of a number of key harmful substances such as PCBs, dioxins and mercury at the community level.

To contribute to resolving these challenges, the SGP provides small-scale grants to community-based and non-governmental organizations for projects in-line with the strategic priorities of the GEF. Through its first 18 years, SGP has supported 13,776 community-level projects with over \$300.3 million in funding, leveraging over \$414.2 million in cash and in-kind co-financing. The SGP approach leverages shifts toward environmentally sustainable livelihood options, and increases education and awareness on environmental issues. While the SGP seeks solutions integrated across focal areas, the specific strategic objectives for OP5 are designed to address the global environmental problems described above. These strategic objectives are in-line with the GEF-5 strategic priorities, and are the means to long-term impact level results. For GEF-5, it is anticipated that the SGP Core funding will support at least 1,820 projects (should the maximum grant amount \$50,000 is utilized) to as much as 3,640 projects (at the average grantmaking of \$25,000 per project). The continued increase in the country portfolio of SGP projects eventually creates a critical mass of experience, lessons learned and innovative technologies that can more assuredly provide models for scaling up and replication of community-based initiatives at the national level. While remaining consistent with GEF strategies and priorities, in OP5 SGP will continue to explore cutting edge and forward looking approaches to generate Global

Environmental Benefits, such as piloting of ecosystem services approaches including carbon sequestration. Across GEF focal areas the SGP empowers local communities to seek integrated multi-focal area solutions that can be replicated and scaled-up, and helps spark successful initiatives that grow beyond SGP's initial support. SGP contributes to the building of networks, and strengthens civil society to unlock local capacity for solutions to these critical environmental problems. More than 60% of SGP grants target poor communities in participating countries, which have the greatest need for assistance. Indigenous peoples, who have the knowledge and experience to create sustainable solutions to environmental challenges, are also targeted by at least 15% of SGP grants. More than a quarter of SGP grants specifically support women, another priority target group. In a sense, SGP utilizes full potential of women and men, and transforms marginalized and vulnerable sectors into active actors for sustainable development.

B. 2. INCREMENTAL /ADDITIONAL COST REASONING: DESCRIBE THE INCREMENTAL (GEF TRUST FUND) OR ADDITIONAL (LDCF/SCCF) ACTIVITIES REQUESTED FOR GEF/LDCF/SCCF FINANCING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS (GEF TRUST FUND) OR ASSOCIATED ADAPTATION BENEFITS (LDCF/SCCF) TO BE DELIVERED BY THE PROJECT:

The current baseline scenario, partly described in Section II.A. above, would remain the status quo in a business-as-usual scenario without GEF support. On the one hand, community-level stakeholders in remote and marginalized areas have the least access to technical and financial resources to address global issues, and the SGP is a critical partner to assist communities tackling environmental challenges. At the same time, over its initial 18 years the SGP has developed an efficient and effective system while building a growing portfolio of demonstrated community-based approaches. During each year in OP4, the SGP delivered \$40.1 million dollars on average for approximately 1,900 community-based projects addressing global environmental issues and generating incremental benefits. The programme is a critical resource for SGP's partner organizations and communities, without which their available support channels would be reduced and their ability to confront environmental issues limited. The SGP strengthens the capacity of communities and non-governmental organizations, increases knowledge and awareness about environmental threats, and provides financial leverage to overcome short-term decision-making that negatively affects environmental resources. Short-term decision-making is often unavoidable in poor regions where individuals have to secure the basic elements for survival on a day-to-day basis, and therefore do not have the possibility to plan for long-term sustainable livelihoods ensuring environmental protection. Many of the communities where SGP works are in remote or marginalized areas often not targeted by large-scale national development efforts. At the same time, these communities often have detailed knowledge of their local environment built up over generations, and should be primary partners in environmental conservation and sustainable development.

Critical global environmental issues benefiting from the SGP's integrated multi-focal support are those addressed by the GEF: biodiversity conservation, climate change, land degradation, degradation of international water bodies, and the use and disposal of harmful chemicals. The baseline scenario without GEF support would therefore see:

- Continued degradation of ecosystem function due to biodiversity loss, deforestation and pollution;
- Business-as-usual increasing GHG emissions, leading to negative environmental and human impacts from climate change and air pollution;
- Further degradation and desertification of productive and non-productive land-use systems;
- Continued negative environmental trends in international water bodies;
- Unsafe use and disposal of environmentally harmful chemicals;
- Ongoing unsustainable practices in natural resource use and their roots in poverty in communities that depend on the environment for their livelihoods; and
- Slower capacity development, and knowledge dissemination and incorporation related to key global environmental issues.

Such conditions, if not addressed, will continue contributing to loss of ecosystem function, and the continuation or increase of corresponding poverty levels. The baseline scenario acknowledges that partners at local, national and international levels make an important contribution to addressing these issues, but that greater synergistic results to achieve incremental global environmental benefits will be secured with SGP support, since SGP brings together a range of diverse partners at the national level to address community-level issues. In addition, efforts to address global environmental challenges in an innovative and community-driven manner are underfunded by orders of magnitude in relation to the potential need, including currently limited funding for capacity development and

knowledge management at the community-level. SGP provides incremental added value by catalyzing new development models, improving knowledge flows, and informing policy. The 2007 Independent Evaluation of the SGP found that some of SGP's greatest contributions are in the realm of national policy development, catalyzed by country-specific SGP initiatives. Replication and scaling-up will continue to be key tenets of the SGP approach to achieve incremental benefits, and SGP will work with key partners, such as the GEF NGO network, to disseminate good practices throughout global civil society and promote the GEF agenda. Furthermore, without SGP there would be limited monitoring and reporting on environmental conservation efforts and environmental trends in targeted areas and communities, which is critical for data collection, documenting and disseminating good practices. With its integrated and scaled-up approach to addressing environmental issues at the community level, the SGP fills a critical niche in environmental efforts to achieve impact-level results for global environmental benefits.

B.3. DESCRIBE THE SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT AT THE NATIONAL AND LOCAL LEVELS, INCLUDING CONSIDERATION OF GENDER DIMENSIONS, AND HOW THESE WILL SUPPORT THE ACHIEVEMENT OF GLOBAL ENVIRONMENT BENEFITS(GEF TRUST FUND) OR ADAPTATION BENEFITS (LDCF/SCCF). AS A BACKGROUND INFORMATION, READ [MAINSTREAMING GENDER AT THE GEF.](#)":

SGP is rooted in the belief that global environmental problems can best be addressed if local people are fully involved in project design and formulation, have strong ownership of the activities undertaken through a "demand-driven" approach, and that direct socioeconomic benefits will accrue to communities during project implementation. In contrast with "expert-reliant" development interventions, the emphasis in SGP is on creative problem-solving and innovation by the communities themselves, often based on the comparative strengths of an intimate understanding of local circumstances. SGP is premised on the principle that through the provision of relatively small amounts of funding, local communities can undertake cost effective activities that will make a significant socioeconomic difference in their own lives, whilst generating global environmental benefits. SGP works to develop sustainable livelihoods, including through the creation and support for small and medium enterprises at the community level that contribute to sustainable resource use, generate local benefits from environmental conservation measures, and promote innovative and entrepreneurial approaches to critical problems such as energy conservation and generation. Thus, where poverty once forced communities to take a short-term view and an exploitatively opportunistic approach to natural resource utilization, the realization of livelihoods and enterprises linked to natural resources creates a desire for a long term view and careful resource management. In SGP communities, sustainable livelihoods and enterprises create the capacity and also provide additional resources for environmental protection. Thus, a key factor in the success of SGP projects is the linkage of the generation of socioeconomic benefits with the generation of global environmental benefits, which can be achieved in many different and creative ways depending on the specific issue targeted.

SGP understands the importance of gender equality and women's empowerment as essential elements to achieve sustainable development and Global Environmental Benefits. In communities in many countries women have been identified as the key decision makers about the use of resources, and have a significant influence on behavioral patterns. Women can also be among the most affected by negative environmental impacts resulting from unsustainable resource use. Actors and actions for environmental management are increased and become more effective when both men and women are meaningfully involved. As such, gender is mainstreamed throughout the SGP programme and its associated portfolio of projects. Gender is one of the mandatory cross-cutting requirements in the SGP grant-making criteria and is incorporated within the SGP project cycle. About 17 percent of SGP projects supported world-wide have focused specifically on the engagement and empowerment of women. Although obstacles remain at the local and community level, SGP has been able to support projects that have benefitted both men and women within the same communities. Many SGP projects have been recognized for their success in promoting gender equality and women's leadership.

SGP Country Programme Strategies are required to include references to gender, and all SGP staff members are encouraged to take the UNDP online gender training, as well as to take advantage of related opportunities offered by UN agencies. Gender is one of the key results of the SGP National Coordinators' annual Performance and Review Assessment (PRA) carried out by UNDP Country Offices and the Central Programme Management Team at the global level. SGP has also established a global partnership with the Huairou Commission to pilot capacity building for women and dissemination of gender-related good practices between SGP countries worldwide.

B.4 INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVES FROM BEING ACHIEVED, AND IF POSSIBLE, PROPOSE MEASURES THAT ADDRESS THESE RISKS TO BE FURTHER DEVELOPED DURING THE PROJECT DESIGN:

There are few new risks to be faced since the programme has been operating for nearly 20 years. Potential risks are known, and through the past experience of the SGP risk mitigation measures are in place. There remains the challenge of working directly with community-based and non-governmental organizations that have a low level of technical and management capacity. Within the SGP portfolio, 90% of projects have achieved outcome ratings in the satisfactory range, and 80% of projects are considered to have low risks to the sustainability of outcomes. To mitigate risks, especially in the small underperforming portion of the portfolio, the SGP works with all grantees to help build capacity by identifying appropriate rates of disbursement, linking grantee partners to learn from each other, and working in a flexible manner that responds to the strengths and comparable advantages of grantees. Risks of underperformance due to capacity limitations will also be mitigated by consistent and comprehensive oversight and monitoring of the SGP portfolio in each country by SGP CPMT and the UNDP CO. The SGP also reduces risk by supporting replication of good practices that have proven to deliver on GEF strategic priorities at the community level. In each SGP country, the National Steering Committee, with representation from civil society leaders, government institutions, and donors provides further support for effective design and implementation of SGP projects. The NSC is further supported by a Technical Advisory Group with focal area experts on call and at the ready.

An important set of risks for the global SGP relates to the 10 upgrading SGP country programmes, which will be implemented as "stand-alone" FSPs separate from the global SGP programme. The upgrading process by itself presents potential risks in that the actual timing of the approval of the upgraded FSPs remains uncertain. As part of the upgrading process these countries are also expected to increase their SGP delivery through scaled-up resources, but this is dependent on national STAR allocations, which, for some of the upgrading countries, are not large. An additional complication is that upgraded country programmes will actually still be managing active GEF-4 projects while proceeding with the grantmaking for new GEF-5 projects. Although minimal, there is a risk of one or more of the upgrading countries failing to continue with an effective and efficient national SGP given the shifts they may be tasked to do such as in execution modality. Any such developments would have negative consequences for the global SGP, as well as for the upgraded SGP country as both are still one in name and reputation. It should also be noted that SGP will be adding 14 new country programmes, most of which are in LDCs, SIDS, and/or countries in conflict/post-conflict situations. This equates, in effect, to trading 10 mature and relatively more efficient programs requiring a lower level of oversight with a set of new programmes that will require intensive support. To manage these risks, the SGP Central Programme Management Team (CPMT) is bolstered by adding country programme support TORs to its present staff as well as adding a dedicated M&E and Results-Based Management programme staff. A system of coordination between the CPMT and the UNDP Regional Technical Advisers who would provide technical guidance to the upgraded country programmes has also been established.

There are a few important operational risks that must be recognized for the SGP in the 5th Operational Phase. First, the programme is expanding to include an even greater number of countries. As the programme expands, the overall level of effort for coordination and implementation at the central level increases. The SGP CPMT has undergone a review of the internal management arrangements to ensure that efficient and effective structures and adequate financial and human resources are in place to meet the needs of a growing portfolio of countries. Accordingly, the CPMT structure has been reorganized and rationalized, including mapping staff to a functional and geographic matrix, and the inclusion of dedicated positions for knowledge management, and monitoring and evaluation. A second, related, risk is that as the programme continues to expand, it reaches countries that present potentially greater operational challenges and increased political and institutional risks, related to low levels of individual, institutional and systemic capacity. At the same time, such countries, including LDCs and SIDS, represent areas where SGP has the potential to leverage significant global environmental benefits with relatively small levels of funding. Expansion risks in low-capacity areas will be mitigated through above-average levels of supervision attention, and by the transference of relevant lessons and best practices from other SGP countries.

An additional risk relates to the SGP allocations under the STAR - some countries are not eligible for SGP core resources, and thus are wholly dependent on receiving a sufficient STAR allocation that ensures cost-effectiveness of the program. In cases where cost-effectiveness becomes an issue due to low STAR allocations, SGP may need to consider alternate options including leveraging additional funding from external sources, or phasing down or phasing out of programs. One other option is for these country programmes by which low STAR allocations create a situation where their full grantmaking potential will be untapped to be considered for the delivery or operation of community or CSO components of FSPs. With appropriate sharing to SGP of grant and management funds from FSPs, such SGP country programmes will be able to use its established comparative advantage to deliver at the grassroots level while also being able to receive additional funds for its management costs that should not exceed 10%.

There is potential for climate effects to influence SGP grant results, positively or negatively, particularly with respect to biodiversity and land degradation. For example, climate effects could have adverse impacts on agricultural biodiversity conservation through drought or flooding, and on the application of protected areas as a conservation measure due to geographically shifting ecosystems. Such risks are not specific to the SGP, but to all GEF-supported interventions. At the community level, climate risks may however disproportionately affect SGP projects, implemented by the poorest, most marginalized, least developed communities which are the least able to finance climate resilience measures. Such communities, and associated organizations, are among the primary SGP partners. Grants will be made keeping in mind the potential climate risks, and steps will be taken to minimize and adapt to effects when possible.

Finally, there remain possible exogenous risks to desired outcomes at the programme and project level, such as severe weather and other force majeure events, political stability, and global economic crisis. Mitigation measures for exogenous risks are implemented in an ongoing ad-hoc manner as necessary and appropriate.

B.5. IDENTIFY KEY STAKEHOLDERS INVOLVED IN THE PROJECT INCLUDING THE PRIVATE SECTOR, CIVIL SOCIETY ORGANIZATIONS, LOCAL AND INDIGENOUS COMMUNITIES, AND THEIR RESPECTIVE ROLES, AS APPLICABLE:

As an integral part of its decentralised system of national-level steering committees, SGP operates through a multi-stakeholder approach engaging a range of stakeholders including NGOs, CBOs, indigenous people, the private sector, government, academia, and donor partners. During OP5, CSOs will be both beneficiaries and direct participants in SGP through their inclusion in 126 NSCs and National Focal Group, where non-governmental members must be in the majority, as well as by taking on the role as National Host Institutions and other key roles related to knowledge sharing and policy advocacy. The working delivery modality of the SGP has been put at the disposal of bilateral donors willing to cost share and co-finance projects with the GEF. Although SGP grants are targeted specifically at community-based and non-governmental organizations, a broad range of stakeholders are engaged as active partners during grant implementation, including *inter alia* research institutes, local and municipal governments, international NGOs, as well as national and international volunteers. With regard to indigenous peoples and marginalised populations, SGP follows a set of principles that advocate for a flexible, time sensitive, and simple project cycle in order to allow these "difficult to reach" groups to access SGP support. The programme has pioneered numerous user-friendly modalities to work with poor and marginalized groups including alternative proposal formats such as participatory video, photo stories, and community theatre, and allowances are made for concept and project submission in local and vernacular languages. SGP also allows for flexible disbursement terms to cope with indigenous peoples' culture, customs and seasonal movements. Through stakeholders workshops, CSOs are able to learn of SGP projects and activities and provide inputs on how to improve on them.

B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES: The SGP has formed mutually beneficial long-standing relationships with international, national and community-level initiatives and partners, and will continue to seek synergies in the coming operational phase. SGP works with relevant stakeholders in the geographic and thematic areas supported by SGP to ensure coordination of donor funding on relevant initiatives. For example, SGP has provided direct input to and participated in the World Bank Development Marketplace and will continue such complementary coordination including the possibilities for scaling up and replication through the Development Marketplace. SGP will also seek linkages with GEF MSPs and FSPs whenever synergies can be found, including serving as a delivery mechanism for such GEF projects. There are other initiatives that have to be implemented with strong community and CSO participation such as REDD and Community-Based Adaptation (CBA) funded by special funds and for which SGP can also serve as a delivery mechanism or at the very least coordinate with for knowledge sharing. SGP's project document highlights key SGP relationships with related global level initiatives relevant to the 5th Operational Phase. There are also numerous national and local level SGP partnership initiatives, and these will continue to be a priority for SGP in the 5th Operational Phase. Within the SGP network, SGP will build on and share the positive experiences of upgrading SGP countries, and other positive examples such as well-functioning NHIs.

C. GEF AGENCY INFORMATION:

C.1 CONFIRM THE COFINANCING AMOUNT THE GEF AGENCY BRINGS TO THE PROJECT:

SGP has a standing expectation of 1:1 co-financing (50% in cash and 50% in kind), thus for this PIF the expected co-financing would be \$134,615,385. UNDP will directly contribute to this through its TRAC funds as well as from those that will be fund-raised with other bilateral and multilateral donors, foundations and the private sector. An estimated \$10 million from upcoming initiatives is committed. While there is yet no exact amount for the additional co-financing that will be fund-raised in the next four years of OP5, as this will be an on-going effort throughout GEF-5, UNDP has

now established a post called “Senior Technical Adviser for Communities in Climate Change, Environment and Sustainable Development” to be supported by three “Regional Technical Advisers for Communities”. These posts are tasked to develop new initiatives that would provide co-financing to SGP. It should also be noted that UNDP Country Offices provide significant in-kind resources in its voluntary membership in the SGP National Steering Committees, and in facilitating access to and helping negotiate with donors additional co-financing for SGP country programmes and their projects.

In-kind co-financing will be required for all SGP projects. The method to calculate in-kind co-financing is attached as Annex G to this document.

C.2 HOW DOES THE PROJECT FIT INTO THE GEF AGENCY’S PROGRAM (REFLECTED IN DOCUMENTS SUCH AS UNDAF, CAS, ETC.) AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:

The SGP is consistent with UNDP policies and procedures applying to all countries where UNDP is present and the SGP is implemented. As the programme will cover 126 countries for the core programme, and 10 upgrading countries, individual country-based planning frameworks cannot be exhaustively listed. SGP contributes to UNDP's objective of fostering human development, as well as localising the achievement of the Millennium Development Goals (MDGs) agreed upon by the international donor community. As the development network of the United Nations system, UNDP has country offices in the majority of countries where SGP is located. In the case of SIDS in the Pacific, the UN Resident Coordinator system, led by UNDP, has put in place a 'Joint Presence' mechanism between UNDP, UNICEF and UNFPA which provides on-the-ground support. SGP country teams are responsible for implementing the programme within their respective countries, as well as to align with and complement the objectives of the UN Development Assistance Framework (UNDAF).

At the global level, as captured in the UNDP Strategic Plan 2008-2011, the goal of the 'Local Pillar' of the Environment and Energy Group (EEG) is to strengthen national capacity to manage the environment in a sustainable manner while ensuring adequate protection of the poor. Four key result areas have been identified to achieve this goal: (1) mainstream environmental and energy; (2) catalyze environmental finance; (3) adapt to climate change; and (4) expand access to environmental and energy services for the poor: developing national capacity for service delivery. In addition, the SGP complements numerous other programmes identified in the UNDP Civil Society strategy approved in 2009.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. INSTITUTIONAL ARRANGEMENT: UNDP continues to implement the GEF Small Grants Programme on behalf of the GEF partnership. The executing partner is UNOPS, and support is received at the country level from UNDP Country Offices. At the national level, the SGP country programme office is a stand-alone entity consisting of the National Coordinator and Programme Assistant, except in a limited number of countries in which there is a National Host Institution (NHI).

PROJECT IMPLEMENTATION ARRANGEMENT: The global SGP will continue operating in partner countries with the same implementation approach that has proven effective previously. In the Fifth Operational Phase, all aspects of the programme will continue to operate under the strategic direction of the SGP program document, and in accordance with the SGP Operational Guidelines (attached as an annex to this document).

Within each country a National Coordinator (NC), which in general is supported by a programme assistant (PA), operates the SGP Country Programme Office on a day-to-day basis. In all countries SGP will take necessary and appropriate actions to ensure adequate cost-effectiveness ratios with respect to management costs. Country allocations in GEF-5 will depend on both Core and STAR allocated resources. Core resources alone would not adequately ensure cost-effectiveness ratios in all countries. In countries potentially receiving low STAR allocations, a number of options may be applied to ensure cost-effectiveness, including phase-out or phase-down of programmes, raising additional co-financing from other donors, and integrating SGP as a delivery mechanism in FSPs or MSPs. An updated Country Programme Strategy (CPS) in each country will outline the SGP priorities for use of allocated resources, and will articulate in detail how the SGP supports national and GEF strategic priorities. Annex J provides the management cost, staffing and co-financing that allows the cost-efficient management of the programme. SGP shall maintain optimum

cost efficiency and appropriate adjustments in management costs and staffing will depend on availability of financial resources, either from endorsed STAR funds or co-financing.

The voluntary National Steering Committee (NSC) of each SGP country programme, composed of government national leaders with majority non-governmental membership to reflect the programme's mandated focus for CSO capacity building, will provide overall country guidance and provide direct linkages to national policy-making, development planning, knowledge dissemination, and leveraging SGP's catalytic role. The NSC is responsible for selecting and approving projects, and for ensuring their technical and substantive quality with support from a Technical Advisory Group that they can set up with expert volunteers that are willing to be on call. In addition, NSC members are expected to support the country programme in resource mobilization and in mainstreaming SGP lessons learned and successes in other national contexts. NSC members are encouraged to participate in pre-selection project site visits and in project monitoring and evaluation. The technical capacity of the individual NSC members is an important criterion in determining its composition.

The primary function of the SGP Country Programme Office and NSC is the identification, review and approval of qualified grant proposals up to \$50,000 that support the priorities outlined in the SGP Prodoc and CPS, and which are consistent with the programme's guidelines. The NC assists CSOs (particularly CBOs and indigenous peoples) in project development and facilitates their direct and facilitative access to resources of SGP and its partners. The SGP Country Programme Office is also responsible for coordinating a country-driven approach for all required management aspects, in particular the work of the NSC, while also facilitating global coherence in programme implementation through its reporting links to the SGP Central Programme Management Team (CPMT). CPMT consists of the SGP Global Manager, SGP Deputy Global Manager, Programme Specialists responsible for matrixed country support and focal area guidance as well as for knowledge management and M&E, and Programme Associates. The CPMT manages the global programme, and has overall responsibility for monitoring and supervising country programme performance and for the technical and substantive quality of SGP country portfolios. For this purpose, CPMT in consultation with NCs and NSCs, will also develop global guidelines and standards in the development of SGP projects with the objective of ensuring quality yet also facilitating the design of proposals. CPMT also supervises the SGP National Coordinators, and facilitates the start up of new country programmes. CPMT is supported by and coordinates the work of UNOPS which provides execution services.

At the global level, strategic guidance is provided to SGP by a GEF SGP Steering Committee chaired by the GEF CEO. All GEF agencies and the GEF NGO Network are members of this Steering Committee. SGP will also continue to be supported by UNDP country offices, and will link with relevant GEF FSPs and MSPs when possible. In addition to the standard SGP grants, the Country Programme Office activities will include strategic efforts in line with the CPS and GEF strategic priorities that will enable aggregation of community-driven impacts for global environmental benefits, local to global strategic portfolio learning and capacity development, dissemination of best practices, or linkage and network building for SGP portfolio grantees. Knowledge management will be an important cross-cutting area of activity in which SGP will apply multiple tools to promote positive information flows. This approach will support the SGP and GEF catalytic role by contributing to replication and upscaling of good practices. Knowledge sharing is also critical in the wider capacity building of other communities and CSOs. SGP provides capacity building through a learning-by-doing approach and successful projects provide good models as well as disseminators/trainers for other community-based projects. Networking for Knowledge sharing facilitates the spread of capacity and further strengthens the sustainability of the programme. SGP grantee networks, local CSO networks, as well as thematically focused CSOs, will be provided appropriate SGP support or will be made participants to SGP-supported activities that build awareness of and skills in advocacy work related to the environmental conventions. SGP NCs and CSO members in the NSCs will facilitate links between national and international CSOs, particularly those that can initiate and sustain the linking process, so that local knowledge and lessons gained from SGP projects also input into the global discussions during convention Conference of the Parties and other international meetings.

The council document GEF/C.36/4 "Small Grants Programme: Execution Arrangements and Upgrading Policy for GEF-5" lays out the criteria for SGP country programmes' access to STAR resources in paragraphs 63 to 72. In addition, Annex 1 to the SGP OP5 PIF approved by council in November 2010 outlines the indicative SGP OP5 core grant allocations following the categorisation of countries according to their level of STAR resources, maturity and years in the programme outlined in GEF/C.36/4.

During OP5, ten SGP countries will also be undergoing an upgrading process by which they will be implemented as stand-alone FSPs. As outlined in council document GEF/C.36/4 "Small Grants Programme: Execution Arrangements and Upgrading Policy for GEF-5" in paragraphs 73 to 83, upgraded country programmes will continue to maintain linkages with CPMT on knowledge sharing and capacity development to benefit information flows, particularly with respect to new country programmes. This will maintain the strength of CPMT as a central hub for the broader programme.

The program will take all necessary measures to ensure the visibility of the GEF financing. Such measures will be in accordance with the need to give adequate publicity to the action being implemented as well as to the support from the GEF. Therefore, a communication and visibility plan will be outlined in the project document. This will include, inter alia, the compulsory use of the GEF logo on all material, publications, leaflets, brochures and newsletters, websites, business cards, signage, vehicles, supplies and equipment, display panels, commemorative plaques, banners, promotional items, photographs, audiovisual productions, public events and visits and information campaigns. Press releases, press conferences and press visits will follow the rules currently in place.

The revised Operational Guidelines of SGP is attached as Annex H to this document.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

The programme design is fully consistent with the originally submitted PIF. The responses to the STAP comments and the Council member comments are attached as Annex B to this document.

Argentina was originally allocated \$150,000 from core funds in the PIF. However, the government decided to develop a small grants funding project in Argentina as a separate and regular FSP funded by STAR funds and thus it has been taken out of the list of SGP participating countries. Several countries (Antigua and Barbuda, Barbados, Federated States of Micronesia, Grenada, Palau, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines) that are in SGP subregional modalities have decided to endorse STAR funds or provide internal resources to meet cost efficiency requirements to shift to stand alone SGP country programmes. In line with the consultations with these countries, the sub-regional programmes in the Barbados and OECS, and Micronesia region will be transitioned to a country programme modality. The core allocation table is attached as Annex I to this document. The SGP Steering Committee will review country programmes' performance and capacity to utilize the core grant resources, and can make adjustments to ensure optimum use of the allocated core funds for SGP overall effectiveness and sustainability, as it deems necessary.


PART V: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Yannick Glemarec		April 20, 2011	Delfin Ganapin	212-906-6191	Delfin.Ganapin@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

Preface: The SGP Results Framework attached here as an annex to the Request for CEO Endorsement seeks to convey the expected results of the SGP at the highest conceptual level. SGP is, by definition, a program of expansive technical and geographic breadth, which creates a context in which the elaboration of indicators and targets at the highest level of the program that fully meet SMART criteria is exceedingly challenging. For OP5, SGP has attempted to align, as far as is practical, with the GEF-5 results framework both in terms of objectives and their respective indicators. Experience has shown that SGP requires a flexible framework in which results are documented through both quantitative and qualitative measures, and within which the poorest and most vulnerable stakeholders can convey their diverse achievements towards sustainable development and global environmental benefits (secured with SGP support), including, for example, the empowerment of disadvantaged groups. Given these considerations, SGP acknowledges that further work is required to develop an M&E framework that better suits the unique features of SGP, including a detailed results and indicator framework, and this effort will be undertaken during OP5.

TABLE 1 SGP OP5 GLOBAL LEVEL RESULTS FRAMEWORK⁶

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
SGP OP5 Immediate Objective 1: Improve sustainability of protected areas and indigenous and community conservation areas through community-based actions	SGP BD Outcome 1.1: Improved community-level actions and practices, and reduced negative impacts on biodiversity resources in and around protected areas, and indigenous and community conservation areas <i>Category II Step-up:</i> ⁷ Good practices replicated and scaled up outside SGP supported areas, as appropriate	Number and hectares of ICCAs and other PAs positively influenced through SGP support	465 ICCAs and PAs positively influenced through SGP support	GEF SGP database, project reports and monitoring visits	Governments and international agencies commit to CBD obligations regarding local and indigenous populations
		Number of community members with improved livelihoods related to benefits from protected areas	12,700,000 hectares of ICCAs and PAs positively influenced through SGP support	SGP case studies	
		Number of significant species with maintained or improved conservation status	186,000 community members with improved livelihoods related to benefits from ICCAs and PAs	SGP grantee data from innovative monitoring approaches	
		Number and hectares of significant ecosystems with maintained or improved conservation status	465 significant species benefited		
	SGP BD Outcome 1.2: Benefits generated at the community level from conservation of biodiversity in and around protected areas and indigenous and community conservation areas <i>Category II Step-up:</i> Sustainable financial mechanisms for benefit generation identified and piloted, as appropriate				
	SGP BD Outcome 1.3: Increased recognition and integration of indigenous and community conservation areas in national protected area systems <i>Category II Step-up:</i> Information about recognition of indigenous and community conservation areas within national level protected area systems shared through an established network, as appropriate		254 significant ecosystems with conservation aware communities resulting in their maintained or improved		

⁶ The indicator target values refer the incremental results produced in OP5. Therefore, to assess the achievement of the target value of the indicators for OP5, the baseline is considered as a zero value for all indicator targets.

⁷ GEF SGP participating countries have been broadly classified according to the number of years they have participated in the program and the amount of cumulative resources disbursed through the program. There is an expectation that SGP programs in those countries with the most SGP experience (Category II countries) should be able to deliver “higher level” results within each focal area. Suggested higher level outcome add-ons are included in the results framework as the “*Category II Step-up.*”

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
	<p>SGP BD Outcome 1.4: Increased understanding and awareness at the community-level of the importance and value of biodiversity</p> <p><i>Category II Step-up:</i> Environmental education programs formally integrated in school curricula, as appropriate</p>		<p>conservation status</p> <p>230,000 hectares of significant ecosystems with maintained or improved conservation status</p>		
<p><u>SGP OP5 Immediate Objective 2:</u> Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors through community initiatives and actions</p>	<p>SGP BD Outcome 2.1: Improved community-level sustainable use of biodiversity in production landscapes / seascapes through community-based initiatives, frameworks and market mechanisms, including recognized environmental standards that incorporate biodiversity considerations</p> <p><i>Category II Step-up:</i> Market mechanisms and standards replicated and scaled-up, as appropriate</p> <p>SGP BD Outcome 2.2: Increased understanding and awareness of sustainable use of biodiversity</p> <p><i>Category II Step-up:</i> Environmental education programs formally integrated in school curricula, as appropriate</p>	<p>Hectares of production landscapes / seascapes under improved sustainable use practices, leading, where possible, to certification through recognized environmental standards that incorporate biodiversity considerations (supported by SGP)</p> <p>Number of significant species with maintained or improved conservation status</p> <p>Number and hectares of significant ecosystems with maintained or improved conservation status</p>	<p>230,000 hectares of production landscapes / seascapes under improved sustainable use practices, leading, where possible, to certification through recognized environmental standards that incorporate biodiversity considerations (supported by SGP)</p> <p>465 significant species with maintained or improved conservation status</p> <p>254 significant ecosystems with communities adopting</p>	<p>GEF SGP database, project reports and monitoring visits</p>	<p>Market differentiation of value-added labels sufficiently “scale-sensitive” to meet the needs of small producers</p>

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
			sustainable use resulting in maintained or improved conservation status 230,000 hectares of significant ecosystems with maintained or improved conservation status		
SGP OP5 Immediate Objective 3: Promote the demonstration, development and transfer of low carbon technologies at the community level	SGP CC Outcome 3.1: Innovative low-GHG technologies deployed and successfully demonstrated at the community level <i>Category II Step-up:</i> Up-scaling and replication of good practices and lessons, as appropriate SGP CC Outcome 3.2: GHG emissions avoided ⁸	Number of countries with demonstrations addressing community-level barriers to deployment of low-GHG technologies Number of national or international partners or agencies are aware of SGP practices and lessons	127 countries with demonstrations addressing community-level barriers to deployment of low-GHG technologies At least 100 national or international partners or agencies are aware of SGP practices and lessons	GEF SGP database, project reports and monitoring visits SGP case studies	Progress will continue for complimentary initiatives by GEF and other development agencies to removing market barriers and improving energy access policies particularly at the local level.
SGP OP5 Immediate Objective 4: Promote and support energy efficient, low carbon	SGP CC Outcome 4.1: Low-GHG transport options demonstrated at the community level <i>Category II Step-up:</i> Up-scaling and	Number of countries where community-level low-GHG transport options have been	50 countries with community-level low-GHG transportation	GEF SGP database, project reports and monitoring visits	Progress will continue for complimentary initiatives by

⁸ “Avoided GHG emissions” is among the GEF-5 indicators for the climate change focal area, and is a relevant outcome for SGP. The SGP approach, and level of available resources, inherently implies that SGP cannot, by itself, generate a transformative influence on the global climate problem directly through the amount of GHG emissions avoided. At the same time, many, if not all, SGP climate change mitigation projects directly contribute to a reduction or avoidance of GHG emissions, and these positive results should be documented. Recognizing that addressing global climate change will require action by the entire global community, SGP’s theory of intervention (in all focal areas) is heavily predicated on its catalytic effects, and thus the SGP results framework focuses on results of this nature.

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
transport at the community level	<p>replication of good practices and lessons, as appropriate</p> <p>SGP CC Outcome 4.2: Increased investment in community-level energy efficient, low-GHG transport systems</p> <p>SGP CC Outcome 4.3: GHG emissions avoided</p>	<p>demonstrated</p> <p>Number of governments having been influenced by SGP demonstration practices</p>	<p>demonstrations</p> <p>At least 20 governments (local or national) having been influenced in policy development and implementation</p>		<p>GEF and other development agencies to removing market barriers and improving policies supporting low-GHG transportation, particularly at the local level.</p>
SGP OP5 Immediate Objective 5: Support the conservation and enhancement of carbon stocks through sustainable management and climate proofing of land use, land use change and forestry	<p>SGP CC Outcome 5.1: Sustainable land use, land use change, and forestry management and climate proofing practices adopted at the community level for forest and non-forest land-use types <i>Category II Step-up:</i> Up-scaling and replication of good practices and lessons, as appropriate</p> <p>SGP CC Outcome 5.2: Restoration and enhancement of carbon stocks in forests and non-forest lands, including peatland <i>Category II Step-up:</i> Up-scaling and replication of good practices and lessons, as appropriate</p> <p>SGP CC Outcome 5.3: GHG emissions avoided</p>	<p>Hectares under improved sustainable land management and climate proofing practices</p> <p>Hectares of forests and non-forest lands with restoration and enhancement initiated</p>	<p>100,000 hectares under improved sustainable land management and climate proofing practices</p> <p>Restoration and enhancement of 50,000 hectares of forests and non-forest lands initiated</p>	<p>GEF SGP database, project reports and monitoring visits</p> <p>SGP case studies</p>	<p>Change is possible on the ground at the community level whether or not national and international policy measures are in place</p>
SGP OP5 Immediate Objective 6: Maintain or improve flow of agro-ecosystem ⁹ and forest ecosystem services to sustain livelihoods of local	<p>SGP LD Outcome 6.1: Improved community-level actions and practices, and reduced negative impacts on agro-, and forest ecosystems and ecosystem services demonstrated to sustain ecosystem functionality <i>Category II Step-up:</i> Analysis of</p>	<p>Hectares under improved agricultural, land and water management practices (by management practice)</p>	<p>100,000 hectares under improved agricultural, land and water management practices (by management</p>	<p>GEF SGP database, project reports and monitoring visits</p> <p>SGP case studies</p>	<p>Government policy is in place and supportive of community-level sustainable</p>

⁹ Agro-ecosystems including grasslands and rangelands

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
communities	<p>economic value of ecosystem services in target areas, as appropriate</p> <p>SGP LD Outcome 6.2: Community-based models of sustainable forestry management developed, and tested, linked to carbon sequestration for possible upscaling and replication where appropriate, to reduce GHG emissions from deforestation and forest degradation and enhance carbon sinks from land use, land use change, and forestry activities</p> <p><i>Category II Step-up:</i> Up-scaling and replication of good practices and lessons, as appropriate</p>	<p>Number of national and international agencies or partners are aware of successful SGP demonstrations and innovative approaches</p> <p>Number of national/local governments or international policy making processes with SGP influence</p>	<p>practice)</p> <p>At least 100 national or international agencies/partners have learned of SGP demonstrations and innovative approaches</p> <p>At least 10 policy-making bodies (governments or international agencies) having been influenced by successful SGP demonstration practices</p>		land management practices
<u>SGP OP5 Immediate Objective 7:</u> Reduce pressures at community level from competing land uses (in the wider landscapes)	<p>SGP LD Outcome 7.1: Improved community-level actions and practices, and reduced negative impacts in land use frontiers of agro-ecosystems and forest ecosystems (rural/urban, agriculture/forest)</p> <p><i>Category II Step-up:</i> Partnerships with private sector, as appropriate</p>	Number of community members with improved actions and practices that reduce negative impacts on land uses	At least 60,000 community members having improved actions and practices that have reduced pressure on land uses	GEF SGP database, project reports and monitoring visits	Government policy is in place and supportive of community-level sustainable land management practices
<u>SGP OP5 Immediate Objective 8:</u> Support transboundary water body management with community-based initiatives	<p>SGP IW Outcome 8.1: Effective and climate resilient community-based actions and practices supporting implementation of SAP regional priority actions demonstrated</p> <p><i>Category II Step-up:</i> Scaling-up and</p>	<p>Number of SAPs to which SGP is providing implementation support</p> <p>Number of regional transboundary water</p>	10 SAPs for which SGP is supporting on the ground implementation of regional priority actions	GEF SGP database, project reports and monitoring visits	Regional water body management organizations are institutionally

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
	<p>replication of good practices and lessons learned, as appropriate</p> <p>SGP IW Outcome 8.2: Synergistic partnerships developed between SGP stakeholders and transboundary water management institutions and structures supporting implementation of SAP regional priority actions <i>Category II Step-up: Scaling-up and replication of good practices and lessons learned, as appropriate</i></p>	management processes to which SGP is contributing good practices and lessons	15 regional transboundary water management processes to which SGP is contributing good practices and lessons		willing and able to engage with community-level stakeholders
SGP OP5 Immediate Objective 9: Promote and support phase out of POPs and chemicals of global concern at community level	<p>SGP CH Outcome 9.1: Improved community-level initiatives and actions to prevent, reduce and phase out POPs, harmful chemicals and other pollutants, manage contaminated sites in an environmentally sound manner, and mitigate environmental contamination <i>Category II Step-up: Scaling-up and replication of good practices and lessons learned, as appropriate</i></p>	<p>Tons of POPs waste avoided from burning</p> <p>Tons of obsolete pesticides disposed of appropriately</p> <p>Number of countries where SGP is contributing to the implementation of national plans and policies to address POPs, harmful chemicals and other pollutants</p>	<p>100 tons of POPs waste avoided from burning</p> <p>30 tons of obsolete pesticides disposed of appropriately</p> <p>15 countries where SGP is contributing to the implementation of national plans and policies to address POPs, harmful chemicals and other pollutants</p>	GEF SGP database, project reports and monitoring visits	<p>There are adequate opportunities for community-level stakeholders to address POPs, harmful chemicals, and other pollutants</p> <p>Community-level stakeholders develop the awareness and capacity to proactively address POPs, harmful chemicals and other pollutants</p>
SGP OP5 Immediate Objective 10: Enhance and strengthen capacities of CSOs	SGP CD Outcome 10.1: Active participation of NSCs and NFGs in GEF focal areas at the national level	Number of SGP representatives participating in national GEF coordination	SGP National Steering Committees established and	GEF SGP database, project reports and monitoring visits	National coordination mechanisms are open to

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
(particularly community-based organizations and those of indigenous peoples) to engage in consultative processes, apply knowledge management to ensure adequate information flows, implement convention guidelines, and monitor and evaluate environmental impacts and trends	<p>SGP CD Outcome 10.2: Improved information flows to/from CBOs and CSOs in SGP countries regarding good practices and lessons learned, and application of such practices</p> <p>SGP CD Outcome 10.3: Increased public awareness and education at the community-level regarding global environmental issues</p> <p>SGP CD Outcome 10.4: Capacity of CBOs and CSOs strengthened to support implementation of global conventions</p> <p>SGP CD Outcome 10.5: Increased application of community-based environmental monitoring</p> <p>SGP CD Outcome 10.6: Evaluation of SGP projects and programs against expected results strengthened, including increased capacity of CBOs and CSOs to apply relevant evaluation methodologies</p>	<p>meetings</p> <p>Quantity and quality of SGP knowledge base, and use of knowledge base; Quantity and quality of contributions to knowledge fairs, conferences, publications and research.</p> <p>Number of demonstrations and piloted examples of community-based environmental monitoring systems used in SGP projects</p> <p>Quantity and quality of evaluation documentation of expected project results, and unexpected effects</p> <p>Number of CBOs and CSOs demonstrating understanding of the role of evaluation through application of relevant evaluation methodologies</p>	<p>National Focal Groups in 132 countries actively participating in GEF National coordination mechanisms</p> <p>Knowledge platform established to share lessons learned among CBOs and CSOs across 100 SGP countries</p> <p>Capacities of 5000 CSOs and CBOs strengthened</p> <p>At least 85% of projects incorporate M&E activities in their design</p> <p>At least 70% of projects specify sufficient indicators which are covered in completion reports</p>	SGP case studies	input and participation from community-level stakeholders
Cross-Cutting Results: Livelihoods and Gender	SGP's Results Framework for OP5, as approved by the SGP Steering Committee, does not include specific objectives on livelihoods and gender. Nonetheless, SGP does produce positive results in these areas, which contribute	Percentage of projects that include gender analysis or incorporate gender relevant elements in a positive manner	100% of projects that include gender analysis or incorporate gender relevant elements in a positive	GEF SGP database, project reports and monitoring visits SGP case studies	All SGP projects have sufficient scope to include gender mainstreaming

SGP OP5 Objectives	SGP OP5 Outcomes	SGP OP5 Results Indicators	OP5 Target	Sources of Verification	Assumptions
	to the overall achievement of Global Environmental Benefits through sustainable development. Generally, SGP seeks to improve livelihoods through increasing local benefits generated from environmental resources, and mainstream gender considerations in community-based environmental initiatives.	<p>Percentage of projects with appropriate gender balance of participants and target beneficiaries</p> <p>Percentage of projects that include socioeconomic analysis</p> <p>Number of community members with sustained livelihood improvement resulting from SGP support</p>	<p>manner (baseline TBD in OP5)</p> <p>100% of projects with appropriate gender balance of participants and target beneficiaries (baseline TBD in OP5)</p> <p>100% of projects that include socioeconomic analysis (baseline TBD in OP5)</p> <p>100,000 community members with sustained livelihood improvement resulting from SGP support</p>		

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

REVIEW COMMENTS	RESPONSE
Comments from STAP (PIF Review 10/21/10)	
<i>STAP welcomes this proposal for the continuation of the UNDP-GEF SGP into a fifth phase. The SGP is uniquely placed to handle both multi-focal area (MFA) issues in a local setting and to combine the delivery of GEBs with actions to reduce poverty and promote local livelihoods. The underlying philosophy of 'think globally, act locally' is admirable and the focus on community based organisations, with strong emphasis on capacity building through 'learning by doing' is commendable.</i>	SGP appreciates STAP's recognition and support in these aspects.
<i>The programme is highly innovative, and not 'risk averse'. As such it tests approaches in low-capacity countries and within communities with limited experience in the management of complex projects, but through this exposure to risk, the programme is developing pertinent experience and sharing this across larger scale, more costly projects.</i>	SGP appreciates STAP's recognition and support in these aspects.
<i>The fact that the SGP has worked and will continue to work with some of the poorest and most disadvantaged sectors of society that at the same time have the greatest reliance on their natural resources makes the whole proposal very compelling and worthy of strongest support.</i>	SGP appreciates STAP's recognition and support in these aspects.
<i>STAP broadly supports the selection of objectives from the GEF-5 Focal Area Strategies. These are the objectives that are most conveniently operational at a local level, to bring global and local benefits into alignment.</i>	SGP agrees that the objectives included from among the GEF-5 focal area strategies are the most relevant to SGP's approach, and to communities and CSOs at the local level.
<i>The Project Framework at Part B of the PIF lists Expected Outcomes that harmonise well with the GEF-5 focal area strategies. STAP would question, however, the specification of Expected Outputs. These are all in terms of the numbers of projects (i.e. the activities to each the Outcomes) in each focal area, which misses the opportunity of specifying project deliverables.</i>	SGP agrees that a more detailed approach is useful, and this is implemented at the national level through country-specific strategies. Within the global level results framework (attached as an annex to the CEO Endorsement Request) SGP specifies deliverables to the extent feasible and practical. The SGP portfolio is extremely diverse; the projects supported under the Fifth Operational Phase are expected to number in the thousands, and the exact nature of these projects cannot be known at this stage. Within a strategic framework, SGP responds to stakeholder identified needs and priorities, and therefore it is not possible at the global level to provide a highly detailed elaboration of expected outputs at the beginning of the operational phase.
<i>STAP notes favourably the intention for the SGP to support "integrated and synergistic multi-focal</i>	SGP appreciates the recognition by STAP of the importance and practicality of approaches that

<p><i>area approaches." However, it questions the structure of the Expected Outputs (930 BD projects; 390 CC; 410 LD etc.) since this apparently de-constructs the MFA approach which STAP strongly supports as being appropriate at local level, to projects that target only single focal areas. This may be the unintended consequence of the way the Project Framework has been constructed, but is nevertheless disappointing and possibly unduly restrictive of truly MFA single projects under the SGP, except in a few cases such as OP5 which is very multi-focal (Support the conservation and enhancement of carbon stocks through sustainable management and climate proofing of land use, land use change and forestry) The SGP is advised to examine where further MFA approaches could be highlighted in order to provide leads to community-led project applicants. For example, under OP8, protected areas within transboundary water systems would be a natural synergy. Other MFA examples could be given.</i></p>	<p>address in a holistic manner multiple interconnected global environmental issues.</p> <p>As implied by STAP, GEF policies and required project template formats necessitate a distinct focal area breakdown of projects. SGP, through the GEF, is required to report on resource expenditure in relation to the relevant focal-area specific conventions (Secretariats and COPs, respectively). As such, results at the most basic output level (number of projects) must be reported on as attributed to a specific focal area. In practice, SGP projects may be officially classified with a primary focal area and two additional focal areas, and SGP accepts targeted project proposals that cut across multiple focal areas. In the confines of the PIF template and other documents required for approval for the Fifth Operational Phase, SGP has attempted to provide transparency with respect to the convention-relevant results that may be expected in relation to the allocated resources. This approach is also consistent with the broad focal area-based structure of the strategic framework for SGP's Fifth Operational Phase, which has been developed from the GEF-5 Strategic Objectives.</p> <p>In practice, multi-focal approaches are common throughout the SGP portfolio, and there is the intention that this will remain the case. There remains the need to continue developing capacity among all SGP stakeholders on the GEF focal area strategies, and relevant potential multi-focal issues that can be addressed. In the programme document for the Fifth Operational Phase SGP will highlight, as appropriate, and provide examples of opportunities for synergistic multi-focal approaches.</p>
<p><i>Project Component 1. (Biodiversity). It is not clear that the expected output of supporting the mainstreaming of biodiversity conservation through 930 community-led and NGO projects can be achieved. The strength of the SGP is to achieve global benefits at the very local level. Most studies indicate that biodiversity conservation is already appreciated in local and community situations, and certainly by the civil society organisations trying to promote it. It is unlikely that local projects could influence mainstreaming at the national level. The PIF mentions measures such as organic certification and community-level enforcement measures. However, these are not in themselves necessarily 'mainstreaming', although they can be indicators of biodiversity conservation being taken</i></p>	<p>The expected output wording has been revised to clarify SGP expects to contribute to the overall process of biodiversity mainstreaming through community-based lessons and good practices, rather than being fully responsible for achieving mainstreaming. The term 'mainstreaming' has indeed come to be a "buzzword" that can have a variety of meanings and implications, even in the context of the GEF. SGP agrees that in this sense the relevance and intention of "mainstreaming" biodiversity in the context of SGP should be specified and more clearly elaborated, and this is further described in the overall programme document. SGP concurs it is unlikely that the relatively few SGP projects in any given country could alone achieve mainstreaming at the national</p>

<p><i>more seriously by actors at one level or another. The process of mainstreaming needs to be elaborated; and the level at which the mainstreaming may occur needs to be specified. If this is not detailed in the full proposal, then it is unlikely that project developers under the SGP will or could take this most important Output seriously.</i></p>	<p>level - in the broad sense often used in the GEF context whereby biodiversity considerations are 'mainstreamed' in natural resource sectors (e.g. forestry, fishing, agriculture, mining, etc.). SGP seeks to be a contributor to an overall process that requires many actors and partners. Experience has shown that SGP's good practices and lessons can have an influence on policy and sectoral practices at the national level. A key mechanism for upscaling and disseminating SGP experiences nationally is through the membership of the National Steering Committee, which typically includes representation from key government ministries and leading national academic and civil society organizations. The individuals serving on the NSC therefore are well positioned to influence broader national policy dialogues and decision-making processes taking into consideration their knowledge of SGP's good practices and lessons.</p>
<p><i>One way 'mainstreaming' could be further strengthened in the medium term is to integrate the SGP projects more closely with UNDP's core activities in poverty reduction and with country UNDAFs. STAP understands that currently the SGP is treated very much as a stand-alone project in each UNDP Country Office, often weakly integrated with other national and local-level projects. Some attention in the full project brief as to how the SGP will be integrated institutionally in-country so that the SGP's outputs support multiple objectives, influence other activities and are continued long term would make the whole proposal far more convincing.</i></p>	<p>SGP is continuously working to improve the integration and relationship at the national level between SGP and other UN and government objectives, strategies and initiatives (such as those outlined in respective countries' UNDAFs). Part 2, section C.2 of the CEO Endorsement template highlights these linkages. Given the large number of SGP countries, there is a great variance between countries in the way in which the SGP is integrated with other national and local-level projects. There are multiple examples where at the national level SGP has been directly linked with and contributed to full or medium-sized GEF projects. SGP country offices are responsible for implementing the program in a manner supportive of national policies and objectives, and the strategic approach for doing so is outlined in each SGP country strategy. Through the process of developing the country strategy, SGP links with the UNDAF and other national processes. This is further supported through the participation and influence of NSC members, who provide direct linkages with other national institutions and organizations. The institutional integration of SGP is further elaborated in the full programme document.</p>
<p><i>Against Objectives 2, 3, 4, 6, 8 and 9 of the SGP (mainstreaming biodiversity; low GHG technologies; low-GHG transport; ecosystem services; trans-boundary water; POPs), 'knowledge management' (KM) is mentioned in the text (p.10). Again, under Objective 10 knowledge management is specified as a "key cross-cutting activity" to be applied across focal areas at the global, national and community levels." STAP is</i></p>	<p>SGP's current and planned knowledge management processes and mechanisms are detailed in the full programme document, and additional information on knowledge management has been included in the Request for CEO Endorsement in section Part II.A.1.1. SGP appreciates STAP's support for and recognition of the importance of knowledge management, particularly in the context of SGP with such a broad and diverse portfolio of</p>

<p><i>most interested in this but wonders how this will be achieved, and who will undertake the challenging task of collating best practices and lessons, and then providing a platform so these may be accessed by others. This is particularly relevant in the case of land degradation and sustainable land management, where the UNCCD and a current GEF-MSP are attempting to resolve the challenge. It would be good for the KM issue to be elaborated. For example, is this envisaged to be for the SGP globally, to be handled by UNDP; or is this more relevant at national level, in which case the institutions and financing will need to be considered.</i></p>	<p>experiences. In brief, within SGP there are multiple levels of knowledge management – at the national level, from the national level to the global level (intra-SGP), and at the global level. There are specific knowledge management budgets at the global and national level. Each SGP country can use up to 5% of its grant allocations to support knowledge management at the country level. In addition, the NSC for each country programme acts as an important mechanism for disseminating and sharing SGP experiences to other relevant organizations and stakeholders. SGP has frequently taken advantages of opportunities to promote positive information flows through links to GEF MSPs and FSPs. At the global level, the SGP Central Programme Management Team has a staff person dedicated to knowledge management, who oversees the various processes and mechanisms through which information flows occur. SGP applies a variety of knowledge management mechanisms, including the SGP internal database, case studies, peer-to-peer learning, “knowledge networks” within SGP, and the application of new media. SGP supports STAP’s point that in the land degradation and sustainable land management focal area there is a great need and opportunity to promote knowledge sharing, as there is in all focal areas. Knowledge management remains an area for ongoing improvement, and SGP will continue to be opportunistic in implementing potentially useful knowledge management approaches.</p>
<p><i>Attention to the GEF Biodiversity Focal Area 'learning objectives' is highly relevant, and should receive close attention, in particular the STAP guidance on opportunities for more critical evaluation of approaches such as certification, payments for ecosystem services, and community forest management.</i></p>	<p>SGP appreciates STAP’s recognition of the potential for SGP to contribute to the GEF’s learning objectives. Throughout the Fifth Operational Phase, SGP will continue to review and incorporate into the SGP programme document relevant STAP guidance, as suggested, and seek opportunities for SGP lessons and experiences to provide insight on key issues such as certification, payments for ecosystem services, and community forest management.</p>

REVIEW COMMENTS	RESPONSE
Comments from Switzerland (Received 11/29/10, Following PIF Approval)	
<i>Basically we feel that the PIF of OP5 is well described and we recognise the efforts made in order to define a sound framework for the future implementation of the SGP. Thus, the programme is ambitious and implementation will be confronted with a series of operational challenges.</i>	SGP appreciates the Switzerland constituency's support, and acknowledges that a program with this level of global participation will inherently face ongoing operational challenges that must be continuously paid attention to and addressed.
<i>The risk of a dispersion of efforts: OP5 will cover 136 countries, comprise 10 objectives, and support more than 2000, mainly rather small-sized project initiatives. Thus, the risk of a dispersion of efforts is SGP-intrinsic and has to be handled carefully.</i>	SGP appreciates the highlighting of this issue; SGP is constantly working to ensure that SGP resources are disbursed in a strategic and focused manner, through the guidance of SGP's strategic framework, Country Programme Strategies, and operational mechanisms such as the NSC. Through these mechanisms SGP resources can be allocated in a geographically and conceptually focused manner within the countries in which it operates. Vigilance on this front will remain critical.
<i>The challenge to assure measurable global environmental benefits: due to the size and character of the community and civil-society based projects, it is difficult to pay sufficient attention to the design and monitoring of environmental indicators, as well as to the evaluation of the global environmental benefits at project level. Furthermore, it will be difficult to upscale the benefits from the individual project level to the country and program level.</i>	SGP's strategic approach to achieving global environmental benefits focuses on taking advantage of catalytic opportunities, and there are many examples of such results. For example, the most recent evaluation of the SGP (in 2007) found that SGP has a higher success rate in achieving and sustaining global environmental benefits than GEF MSPs and FSPs, and SGP has "contributed to numerous institutional reforms and policy changes in the recipient countries to address global environmental issues." At the same time, knowledge management and M&E are continuously evolving areas of work at the central program level, as SGP seeks always to improve its catalytic influence through up-scaling and replication of good practices and lessons.
<i>Cost-effectiveness of the overall SGP is challenged at two levels: (1) at country level due to the relative small size of supported projects which imply a rather high effort at steering, coordination, follow-up and control level, and (2) at the overall SGP level where coordination with 136 countries must be realized. Furthermore, the coordination of more than 2000 small projects and the strengthening of the capacities of more than 2700 NGO's and CBO's imply management and basic investment costs.</i>	Cost-effectiveness at all levels remains a top priority in SGP, and as outlined in the CEO Endorsement Request submission (in particular, see Section II.B.4), steps have been and will continue to be taken to ensure cost effectiveness at both the country and program levels.
<i>The PIF describes well the categories for distribution of the core funds, however it also underlines that some country programmes must be able to acquire substantial additional STAR funds. Countries with small GEF portfolios will encounter problems in this respect. Therefore we also request that the future evaluation of OP5 should give an</i>	SGP has noted risks involved for SGP countries with small RAF allocations, and welcomes the Swiss constituency's suggestion that this issue be further examined in future evaluations.

<p><i>overview of core and additional STAR financing</i></p> <p><i>SGP has a standing expectation of 1:1 co-financing (50% in cash and 50% in kind), however, at this early stage of project preparation, the types of co-financing are still unknown. As the indicated co-financing is half of the overall project cost, it is (a) a challenge to GEF to assure the expected contributions and (b) to follow-up on the co-financing obtained.</i></p>	<p>Leveraging co-financing resources remains a key ongoing SGP activity, and will continue through the operational phase. SGP has developed and expects to maintain strategic partnerships with multiple public and private sector organizations at the country and global levels, which partially addresses the point raised regarding follow-up on co-financing obtained, but there will always be room for improvement in this area. SGP has historically exceeded minimum co-financing expectations, and is on track to do so in OP4. SGP tracks co-financing through rigorous and transparent methods. For OP5 there is the full expectation of ongoing intensive efforts to leverage co-financing at all levels of the program.</p>
<p><i>Project management cost is indicated in the PIF as 10% of the total project cost; however no further information is given. A specification of this cost will be needed: How much is spent for the overall SGP management, and how much is made available for management at country level?</i></p>	<p>Exclusive of the execution fee, the distribution of management cost between the CPMT and the country programmes is 15% versus 85%. Specifically: Country Staff: 59.8% Country operating budget: 24.8% CPMT Staff: 12.4% CPMT operating budget: 1.9% Centrally administered country support (audits): 1.1%</p>
<p><i>Switzerland supports the approval of the 5th Operational Phase of the GEF's Small Grants Program. However it requests the GEF to pay particular attention to the challenges described above.</i></p>	<p>SGP appreciates the Swiss constituency's support to move forward with the 5th Operational Phase of the programme, and pledges continued vigilance with respect to the issues raised.</p>
<p><i>Ways and means should be explored by the Evaluation Office in order to better account for transaction costs for the SGP projects and the costs accrued at the UNDP coordination unit.</i></p>	<p>SGP welcomes all efforts to improve transparency and improve methodologies to assess the cost-effectiveness of the programme at all levels, and to identify potential areas for improvement. SGP will continue to positively collaborate with the GEF and UNDP Evaluation Offices on these issues.</p>

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF/LDCF/SCCF RESOURCES

<i>Position Titles</i>	<i>\$/ person week*</i>	<i>Estimated person weeks**</i>	<i>Tasks to be performed</i>
For Project Management			
Local			
N/A			
N/A			
International			
N/A			
N/A			
N/A			
Justification for Travel, if any: N/A			
For Technical Assistance			
Local			
N/A			
N/A			
International			
N/A			
N/A			
N/A			
Justification for Travel, if any: N/A			

* Provide dollar rate per person week. ** Total person weeks needed to carry out the tasks.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

- A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN. NO PPG HAS BEEN USED.**
- B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY: N/A.**
- C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:**

<i>Project Preparation Activities Approved</i>	<i>Implementation Status</i>	<i>GEF/LDCF/SCCF Amount (\$)</i>				<i>Cofinancing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
N/A	(Select)					
Total		0	0	0	0	0

* Any uncommitted amounts should be returned to the GEF Trust Fund. This is not a physical transfer of money, but achieved through reporting and netting out from disbursement request to Trustee. Please indicate expected date of refund transaction to Trustee.

ANNEX E: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF Trust Fund or to your Agency (and/or revolving fund that will be set up)

Not applicable.

ANNEX F: SGP OP5 M&E Plan

Item	M&E Activity	M&E Level and Type	Responsible Parties	Budget Source	Timeframe
Project Level					
1	Participatory Project Monitoring	Project; Implementation	Grantee	Covered under project grant amount	Duration of project
2	Baseline Data Collection	Project; Results	Grantee	Covered under project planning grant amount or project grant amount	At project concept planning and proposal stage
3	Two or Three Project Progress and Financial Reports (<i>depending on agreed disbursement schedule</i>)	Project; Implementation	Grantee	Covered under project grant amount	At each disbursement request
4	Project Workplans	Project; Implementation	Grantee and NC	Covered under project grant amount	Duration of project
5	NC Project Proposal Site Visit (<i>as necessary / cost effective¹⁰</i>)	Project; Implementation	NC	Variable	Before project approval, as appropriate
6	NC Project Monitoring Site Visit (<i>as necessary / cost effective</i>)	Project; Implementation AND Results	NC	Variable	On average once per year, as appropriate
7	NC Project Evaluation Site Visit (<i>as necessary / cost effective</i>)	Project; Implementation AND Results	NC	Variable	At end of project, as appropriate
8	Project Final Report	Project; Implementation AND Results	Grantee	Covered under project grant amount	Following completion of project activities
9	Project Evaluation Report (<i>as appropriate</i>)	Project; Implementation AND Results	NC (<i>with contracted independent external party</i>)	Variable	Following completion of project activities
10	Prepare project description to be incorporated into global project database	Project; Implementation	PA and NC	Covered under country program operating costs	At start of project, and ongoing as appropriate
Country Level					
11	Country Programme Strategy Review	Country; Implementation	NC, NSC, CPMT	Included in NC, NSC, and CPMT and other staff time	Once per operational phase
12	Strategic Country Portfolio Review	Country; Implementation AND Results	NSC	Covered under country program operating costs	Once per operational phase
13	NSC Meetings	Country; Implementation	NC, NSC, UNDP	Covered under country program operating costs	Minimum twice per

¹⁰ To ensure cost-effectiveness, project level monitoring and evaluation activities, including project site visits, are conducted on a discretionary basis, based on internally assessed criteria including (but not limited to) project size and complexity, potential and realized risks, and security parameters.

Item	M&E Activity	M&E Level and Type	Responsible Parties	Budget Source	Timeframe
		AND Results	Country Office		year
14	Performance and Results Assessment (PRA) of NC Performance	Country; Implementation	NC, NSC, UNDP Country Office, CPMT, UNOPS	Covered under budgeted staff time	Once per year
15	Country Programme Review resulting Annual Country Report	Country; Implementation AND Results	NC presenting to NSC	Covered under budgeted staff time	Once per year
16	Financial Four-In-One Report	Country; Implementation	NC/PA	Covered under budgeted staff time	Quarterly
17	Audit	Country; Implementation	UNOPS / External Contractor	Budgeted under global operating budget	As required on risk-assessment basis
18	General Programme Monitoring	Country; Implementation	UNDP Country Office	Covered by country office	Ongoing
Global Level					
19	SGP Database	Global; Implementation AND Results	CPMT	Global operating budget and M&E budget	Ongoing
20	SGP Production of GEF Council Papers	Global; Implementation AND Results	CPMT	Covered under budgeted staff time and global operating budget	As required
21	Annual SGP Report	Global; Implementation AND Results	CPMT	Global operating budget and M&E budget	Annually
22	Inputs to UNDP annual development assistance evaluations in selected countries	Global; Results	CPMT, UNDP Evaluation Office	Covered under budgeted staff time; global operating budget and M&E budget	Annually
23	Inputs to UNDP knowledge products	Global; Results	CPMT	Covered under budgeted staff time; global operating budget and M&E budget	Ongoing
24	SGP Reporting to Conventions	Global; Results	CPMT through GEF Secretariat	Covered under budgeted staff time and global operating budget	At least one month prior to deadline for GEF Secretariat reporting to conventions (varies by convention)
25	Annual Work Plans	Global; Implementation	CPMT	Covered under budgeted staff time and global operating budget	Annually
26	Global Portfolio Monitoring and Oversight	Global; Results AND Implementation	CPMT	Covered under budgeted staff time and global operating budget	Ongoing
27	Country Programme Review / Monitoring <i>(through various mechanisms including monitoring visits as</i>	Global; Implementation AND Results	CPMT	Covered under budgeted staff time and global operating budget	As necessary and appropriate

Item	M&E Activity	M&E Level and Type	Responsible Parties	Budget Source	Timeframe
	<i>appropriate / cost effective)</i>				
26	Programme Delivery Reports (<i>GEF Financial Reporting</i>)	Global; Implementation	UNOPS to UNDP-GEF	Covered under UNOPS operating costs	Quarterly
29	Co-finance Programme Delivery Reports (<i>Co-financing Reports to Donors</i>)	Global (can also be country); Implementation AND Results	UNDP and UNOPS	Covered under budgeted staff time	As required
30	Global Thematic Portfolio Reviews	Global; Results	CPMT	Global operating budget and M&E budget	Ongoing
31	Project Case Study Generation	Global; Results	CPMT	Global operating budget and M&E budget	Ongoing

ANNEX G: FRAMEWORK FOR THE CALCULATION OF IN-KIND CONTRIBUTION

It required that all SGP projects have in-kind contribution. This is to ensure community/CSO commitment to the project as well as enhance their ownership and eventual sustainability. It is, however, recognized that calculation of in-kind contributions can be difficult. To ensure consistency across all country programmes, the following methods could be used to calculate the in-kind values.

Assessment of in-kind values should be based on average commercial prices that are applicable in the region where project will be implemented. It is a good practice for SGP country programmes to develop their in-kind contribution evaluation checklist to guide grantees.

Below is a table on how some of the in-kind values can be calculated:

Activity	Calculation of In-Kind Contribution
Manpower costs (professionals, experts, lecturers, project staff)	Use appropriate man-day rates valid/used in the country or district at the relevant level of input, calculated per days or months.
Use of office equipment	Calculate straight-line depreciation of full cost of equipment over 5 years and factor down according to usage on the project, e.g. 5000 \$ piece of equipment over 5 years = 1000 \$ per year. If used for six months on project then in-kind contribution would be 500 \$.
Use of software	Use either: <ul style="list-style-type: none"> • Cost of software license for period of use, if available • Cost as for equipment but depreciate over 3 years
Use or provision of materials or components where cost is non-recoverable (i.e. product will not be resold)	Use market price of materials/components as supplied.
Use or provision of data/licence/patent to NGO/CBO	Where data is pre-existing, but not in the public domain, use one of the following: <ul style="list-style-type: none"> • Time/manpower costs required to produce data • Equivalent commercial cost of purchasing data • Treat data as 'on-loan' to project and calculate straight-line depreciation value over 3 years
Use of land	<ul style="list-style-type: none"> • If land is given or donated for the project activities for the period that is sufficient to fully reach planned results and impact, the full price of the land plot may be shown, supported by official document or data proving the price (Land Register, Department of Statistics or other official institution) • If land is given or lent for the project activities only for time of project duration, use the official rent price per month multiplied by amount of months. Price calculation should be supported by official document and/or rent agreement.

Use of constructions/buildings	<ul style="list-style-type: none"> • If constructions/buildings are given/donated to the project activities for the period that is sufficient to fully reach planned results and impact, and will remain as a property of NGO afterwards, the full price of the building/s may be shown, supported by official document or data proving the price (Real Estate Register, Department of Statistics or other official institution) or by the document signed by the owner/donor • If construction/buildings are given or lent for the project activities only for time of project duration, use the official rent price per month multiplied by amount of months. Price calculation should be supported by official document and/or rent agreement.
Use of vehicle	<p>If vehicle (private, NGO's) is lent for the project needs, use one of the following:</p> <ul style="list-style-type: none"> • An average cost per month or day of the official rent price specific for that locality multiplied by days/months used • Amortization of the lent vehicle is calculated: <ul style="list-style-type: none"> ○ subtract the fuel cost per km from the UN official rate used for private travel in that country per km, ○ multiply this number by approximate amount of km to be driven during the project • In case, fuel is also shown as in-kind (not funded by SGP or other donors, and no receipts presented), use the full cost of the UN official rate for private travel in that country per km, multiplied by approximate amount of km to be driven during the project.
Volunteers input	<p>Voluntary input may be calculated on a daily or monthly basis, by filling in voluntary assistance forms or logs. Use one of the following:</p> <ul style="list-style-type: none"> • Voluntary work input calculated based on the official rate of such work, if available, • An average appropriate man-day rates valid/used in the country or district at the relevant level of input • Official minimal level of monthly salary (divide by 22, and multiply by number of days worked)

Activities that DO NOT qualify as in-kind contributions include:

- Passive attendance on training courses, meetings, seminars, etc (i.e. attendance with no input, as a member of the audience or group);
- Provision of pre-existing (i.e. not generated within the duration of the project) data/expertise/knowledge tools, which are publicly available free of charge;
- Provision of all possible in-kind contribution items, if these are already paid, and the payment documents can be presented, provided that the purchase date is within the project duration (as such, these items then are treated as cash co-financing).

ANNEX H: GEF SMALL GRANTS PROGRAMME (SGP) OPERATIONAL GUIDELINES

Purpose of this Document

These Operational Guidelines are intended to assist GEF SGP National Coordinators/Sub-Regional Coordinators (NCs/SRCs), National Steering Committees (NSCs), Sub-regional Steering Committees (SRSCs), National Focal Groups (NFGs), UNDP Country Offices and National Host Institution (NHI) staff in programme implementation at the country level. They are based on the experience and knowledge gained both at the country and global levels through years of GEF SGP programme implementation. They provide basic framework for operations about the structure, implementation, and administration of the programme. They also address the project cycle and grant disbursement. Programme and project monitoring, evaluation, and reporting are covered in the GEF SGP Monitoring and Evaluation Framework.

The guidelines and models set forth herein are meant to apply generally to all GEF SGP country programmes. It is recognized, however, that different contexts and situations will require different responses and adaptations. Any questions about the application of particular provisions of the guidelines or need for adaptation should be referred to the GEF SGP Global Manager and Central Programme Management Team (CPMT). On administrative and financial matters, questions may be answered by the UNOPS SGP Standard Operating Procedures and, if necessary, to the respective UNOPS SGP Portfolio Manager.

List of Acronyms

BAC	Budget Account Classification Code
CBO	Community-based Organization
CCF	Country Cooperation Framework
CO	Country Office
COA	Chart of Account (ATLAS)
COB	Country Operating Budget
CPMT	Central Programme Management Team
CPS	Country Programme Strategy
GEF	Global Environment Facility
IOV	Inter-office Voucher
M&E	Monitoring and Evaluation
MOA	Memorandum of Agreement
MOD	Miscellaneous Obligation Document
NC	National Coordinator
NFP	National Focal Person
NFG	National Focal Group
NGO	Non-governmental Organization
NHI	National Host Institution
NPFE	GEF National Portfolio Formulation Exercise
NSC	National Steering Committee
OP	Operational Programme
PA	Programme Assistant
PO	Purchase Order (ATLAS)
REQ	Requisition (ATLAS)
SBAA	Standard Basic Assistance Agreement
SGP	GEF Small Grants Programme
SOPs	Standard Operating Procedures
SRC	Sub-Regional Coordinator
SRSC	Sub-Regional Steering Committee
SPS	Sub-Regional Programme Strategy
TOR	Terms of Reference
UNCBD	United Nations Convention on Biological Diversity
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNOPS	United Nations Office for Project Services
UNFCCC	United Nations Framework Convention on Climate Change

PART I: GEF SGP PROGRAMME STRUCTURE

1. The structure of the GEF Small Grants Programme (SGP), implemented by UNDP, is decentralized and country-driven. Within the parameters established by the GEF Council and reflected in the Project Document for an Operational Phase, the programme seeks to provide for maximum country, and community-level, ownership and initiative. This decentralization is balanced against the need for programme consistency and accountability across the participating countries for the achievement of the GEF global environmental objectives, and the SGP's particular benchmarks as stated in the Project Document for an Operational Phase.
2. The SGP is a global and multi-focal area GEF project, approved for funding by the GEF Council on a rolling replenishment, and implemented on behalf of the GEF partnership by UNDP, and executed by UNOPS. In the case of upgraded country programmes, UNOPS execution is the recommended option although a country-specific execution modality utilizing a national non-governmental organization or a consortium of non-governmental organizations, selected by UNDP through a competitive process, can be utilized¹¹. Within the UNDP framework, the SGP, as a global programme, is handled differently from UNDP core national or regional programmes.¹²
3. The GEF Council approves the SGP Project Information Form (PIF), GEF CEO clearance document, and SGP Project Document for an operational phase. The SGP Project Document provides the framework for SGP operations in accordance with the GEF mandate, including specific benchmarks for project achievements. It also sets forth many of the programme and financial reporting requirements for which UNDP has legal responsibility.
4. As a global programme, the SGP brings together country programmes of participating countries across all world regions. The key eligibility criteria for countries to participate in SGP are:
 - ✓ Existence of environmental needs and threats in GEF focal or thematic areas;
 - ✓ Ratification of at least one of the global environmental conventions including the United Nations Convention on Biological Diversity (CBD); the United Nations Framework Convention on Climate Change (UNFCCC); the Stockholm Convention on Persistent Organic Pollutants; and United Nations Convention to Combat Desertification (UNCCD);
 - ✓ Government commitment in the participating country and support for the programme's implementation modality according to the operational guidelines;
 - ✓ Potential for strong government-NGO relations and positive support for local Civil Society Organizations;¹³
 - ✓ Commitment for resources mobilization : the UNDP/CO and government share available funding for SGP delivery from both GEF and non-GEF sources, and support efforts to attract other co-funding sources;

¹¹ As per policy approved by the GEF Council Meeting (November 10-12, 2009, Washington DC) based on GEF/C.36/4 *Small Grants Programme: Execution Arrangements and Upgrading Policy for GEF-5* (see para 19 and paras 52 - 53)

¹² For more information about global programming, please see the UNDP Programming Manual, especially Section 8.3. The Programming Manual is available in UNDP Country Offices and at the following website: <http://www.undp.org/osg/pm/index.htm>

¹³ For the purpose of the SGP and its grantmaking, CSOs refer to national and local non-governmental organizations (NGOs) with priority for community-based organizations (CBOs), indigenous peoples, farmer's, scientific community, women's groups, and the youth and children organizations.

- ✓ Positive enabling environment;

SGP Headquarters Structure

5. A UNDP/GEF Unit at UNDP Headquarters in New York provides fiduciary oversight for all of its GEF activities, including the SGP. Key UNDP Headquarters staff include the UNDP GEF Executive Coordinator, and his/her Deputy, who are legally accountable to UNDP and to the GEF Council for the utilisation of GEF resources.
6. Overall SGP programme management, operational guidance and support to the country programmes, as well as the identification and establishment of the SGP in new countries, are conducted by the SGP Central Programme Management Team (CPMT). The CPMT is composed of a Global Manager and Deputy Global Manager; Programme Specialists responsible for matrixed country support and focal area guidance, knowledge management, and monitoring & evaluation; Programme Associates; as well as external consultants as needed.
7. The United Nations Office for Project Services (UNOPS) provides programme execution services including administrative, financial, legal, operational, procurement and project management for the SGP as described in detail in the UNOPS SGP Standard Operating Procedures (SOPs).¹⁴ The UNOPS SGP Cluster Coordinator and his/her team work closely with the SGP Deputy Global Manager and CPMT staff.
8. The SGP Global Manager and his/her alternate, the SGP Deputy Global Manager, are ultimately responsible for the overall management, strategic direction, policy development and resource mobilization efforts of the SGP. The Programme Specialists are primarily responsible for guidance on GEF focal areas and thematic directions, country programme support, assigned regional coordination responsibilities, knowledge sharing, partnership development and networking. As necessary, the Global Manager and Deputy Global Manager may delegate certain functions to the Programme Specialists.
9. SGP regional teams, composed of at least one staff member from CPMT and from UNOPS, as well as the regional senior National Coordinator as needed, provide a range of technical advice, operational, management and administrative support to country programmes in each of the six SGP world regions,¹⁵ divided as follows:
 - ✓ Africa
 - ✓ Arab States
 - ✓ Asia
 - ✓ Europe & CIS
 - ✓ Pacific
 - ✓ Latin America & the Caribbean
10. While the CPMT regional focal point focuses primarily on GEF technical and programmatic matters, and the UNOPS regional focal point is responsible for administrative and financial issues, the SGP regional team works collaboratively in advising country programmes with regard to all substantive and operational

¹⁴ https://intrafed.unops.org/ORGANIGRAMME/NAO/SGP/SGP_MANUAL/Pages/default.aspx

¹⁵ For a full list of participating SGP countries see: http://www.sgp.undp.org//index.cfm?module=ActiveWeb&page=WebPage&s=contry_profile

matters. The regional teams also review the annual SGP country staff performance and recommend ratings for review by the Deputy Global Manager, and his/her counterpart in UNOPS, prior to endorsement and finalisation by the Global Manager.

11. SGP Programme Associates are responsible for daily administration, filing and archive management; financial record-keeping and reporting to donors; human resources support; external communications; organisation of meetings; and responses to routine requests for information. The Programme Associates monitor completion of SGP work-plans, and assists in CPMT activities, correspondence, and other assigned tasks.

SGP Country Programme Structure

12. The SGP operates in a decentralized and country-driven manner through a National Coordinator or Sub-regional Coordinator (*both hereafter to be referred as NC*) and National Steering Committee or National Focal Group for those in sub-regional programme modality (*both hereafter abbreviated to NSC*) in each participating country, with some modification in the case of countries in a sub-regional programme modality¹⁶, with financial and administrative support provided by the UNDP Country Office (CO). In some countries, a National Host Institution (NHI) or host NGO¹⁷ is responsible for programme implementation in conjunction with the NC and NSC. While the SGP is a global programme, at the country level it operates under the overall UNDP SBAA agreement. As a global programme, the SGP is not considered a part of the CCF or UNDP core functions.
13. The NSC is composed of voluntary members from NGOs, academic and scientific institutions, other civil society organizations, the UNDP CO, and government, with a majority of members coming from the non-governmental sector. The NSC provides overall guidance and direction to the country programme, and contributes to developing and implementing strategies for country programme sustainability.
14. The technical capacity of the individual NSC members is an important criterion in determining its composition, and to the maximum extent possible the NSC membership should include experts in the relevant GEF focal areas of biodiversity; climate change mitigation; international waters; sustainable land management; sustainable forest management and REDD; persistent organic pollutants/ chemicals; as well as capacity development. The inclusion of the government GEF Operational Focal Point (OFP) or relevant Convention Focal Point in the NSC is also recommended.
15. The NSC is responsible for the review, selection and approval of projects, and for ensuring their technical and substantive quality as regards the strategic objectives of the SGP. In collaboration with the NC, the NSC contributes to the development of the Country Programme Strategy (CPS) in accordance with the relevant Operational Phase project document and national environmental priorities, and oversees its implementation. NSC members are expected to support the country programme in resource mobilization and in mainstreaming SGP lessons learned and successes in national development planning and policy-making. NSC members are encouraged to participate in pre-selection project site visits and in project monitoring and evaluation.
16. The NSC may also constitute Technical Advisory Groups (TAGs) with a pool of voluntary experts on call to serve as a technical sub-committee, for review of proposals and in relation to specific areas of programming and partnership development. The TAG can also be tasked by the NSC to provide specific technical

¹⁶ In the case of SGP Sub-regional Programmes, the Sub-Regional Coordinator (SRC) may manage the programme, while projects are reviewed and approved by a voluntary National Focal Group (NFG) with part-time facilitation by a National Focal Person (NFP). Some countries, with substantial grantmaking, may decide to shift to a country programme modality still linked to the subregional group with a full-time NC or a Community Program Officer and the SRC providing subregional coordination and technical support.

¹⁷ National Host Institution or NHI and host NGO are used interchangeably in this document because SGP country programmes commonly employ both terms.

guidance in specialised areas of work, such as carbon measurement, payments for ecosystem services, marketing and certification of products, transboundary diagnostic analysis, and other relevant fields. In addition, TAGs may also be formed in response to donor and co-financing requirements mobilised for the SGP country programme.

17. The SGP NC has lead responsibility for managing the country or sub-regional programme implementation, and ensuring that grants and projects meet GEF and SGP criteria. The NC major functions *inter alia* include: (i) assisting CSOs in the formulation of project proposals; (ii) serving as the *ex officio* secretariat for the NSC; (iii) ensuring sound programme monitoring and evaluation, including periodic project site visits; (iv) resource mobilization; (v) communication and dissemination of SGP information; and (v) global reporting to CPMT, UNOPS, responding to audits, and other tasks as stipulated in their ToR.¹⁸
18. The UNDP CO provides management support to the SGP country programme as outlined in this document. The UNDP Resident Representative/Resident Coordinator (*hereafter abbreviated to UNDP RR*) in each UNDP CO assigns a senior staff person (typically the Sustainable Development Advisor or environment focal point) to serve as the SGP focal point. The UNDP RR participates in the NSC or may designate the focal point as his/her delegate 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.
19. The UNDP CO is also responsible for providing operational support – the RR signature of grant project MOAs (on behalf of UNOPS); appointment letters to NSC members (on behalf of SGP); local grant disbursements; HR administration; as well as assisting in audit exercises for the programme. The detailed steps for each operational aspect are described in the UNOPS SGP SOPs. The UNDP CO also plays a fundamental role in launching a new SGP programme in terms of endorsement of the government application to be a participating SGP country and in helping CPMT organize the start up mission. The UNDP CO also plays a critical role in the proper closing of an SGP country programme.

PART II IMPLEMENTATION AND ADMINISTRATION OF SGP COUNTRY PROGRAMMES

In-country institutional arrangements

20. While the SGP is a global programme, at the country level it operates under the overall UNDP SBAA agreement, but remains accountable to the CPMT/UNOPS SGP Cluster at Headquarters and, ultimately, to the GEF Council. There are two basic modalities for SGP hosting arrangements that CPMT, in consultation with country stakeholders, will decide for the country programme. In most countries, the programme is hosted by the UNDP CO, although this may also mean that the SGP office is physically located outside of the CO premises. Where there are issues of accessibility and based on consultations with stakeholders, the programme could be hosted in a National Host Institution (NHI), which may be an NGO or an academic institution.
21. In case of NHI hosting, UNOPS issues and administers a sub-contract with the NHI that outlines the technical support and administrative services to be provided, as well as the applicable operating budget. In all cases, the UNDP CO provides needed support for SGP in-country operations in coordination with the CPMT and UNOPS. Whatever the hosting arrangements, all country programmes respond equally to the relevant Operational Phase project document and global SGP Operational Guidelines.

¹⁸ See full-length version of SGP NC ToRs.

22. As noted above, NCs are guided by CPMT regional focal points for the majority of operational and technical matters, whilst reporting ultimately to the SGP Global Manager. NCs are also accountable to the UNDP RR for country-level programme expenditures and on matters regarding meeting the ethical and professional standards of the UNDP. The UNDP RR with members of the NSC is responsible for preparing the annual evaluation of the NC performance and recommendation concerning contractual status for review by CPMT and UNOPS.
21. In keeping with the spirit and mandate of the SGP to develop and foster the capacities of CSOs in participating countries, it is expected that as individual country programmes mature it will be possible to transfer the hosting arrangements from the UNDP CO to NHIs. Any decision for transfer should be based on a full consultative process and analysis of key factors, and must be approved by the CPMT in consultation with the UNDP RR. In certain cases, where the selected NHI does not fully meet performance expectations, and upon consultation with country stakeholders, the contract may be terminated by the CPMT and UNOPS, and hosting will be transferred either to the UNDP CO or to another NHI.
22. The relationship with an NHI may range from the provision of physical office space, with the NC and NSC carrying full responsibility for programme management; one in which the NHI is responsible for providing specifically agreed services, such as technical advice and support; through to one where the NHI carries full responsibility for managing the SGP programme. The extent of responsibility will be clearly identified in the contract for services signed by UNOPS and the NHI and may evolve over time.
23. The identification of a pool of suitable NHIs may be carried out through a process of competitive bidding, or by gradually accumulating a list of available and interested organizations in consultation with key stakeholders. Local representation of international NGOs would not normally be eligible. The legitimacy and neutrality of potential NHIs within the national NGO community are essential qualifications to carry out SGP grant-making activities. Once a pool of organizations has been established, the following factors will be considered by the CPMT and UNDP CO in order to select the best candidate:
- ✓ National stature and credibility;
 - ✓ Good working relationships with other CSOs, including participation in environment/ development networks;
 - ✓ Demonstrated compatibility with the procedures, objectives, and grant-making functions of the SGP, GEF, and UNDP;
 - ✓ Significant experience in community-based, participatory environment and development;
 - ✓ Substantial involvement and technical expertise in environmental issues related to the GEF focal areas and the Rio conventions;
 - ✓ Proven programme management and administrative capacity with systems in place.
24. The NC is normally an employee of UNOPS whereas the contract is administered locally by the UNDP CO on behalf of UNOPS. In some cases, the NC contract administration can be covered under the terms of the contract with the NHI. The selection of the NC is done through a publicly advertised and competitive selection process. As a general rule, the recruitment process for the NC is managed on behalf of UNOPS by the UNDP CO under the overall supervision of the UNDP RR. This is ordinarily the case even if the NC will be placed in an NHI; however, the NHI, as appropriate and upon approval of CPMT, may manage the NC recruitment. The selection panel submits three of the top applicants to the Global Manager for final selection and decision. The recruitment process and related guidelines are highlighted in more detail in the UNOPS SGP SOPs.
25. Typically, NHIs do not normally administer grant funds. As country programmes evolve, however, it may become desirable to include direct grants administration as part of NHI responsibilities under UNOPS-issued contracts or other mechanisms, thereby increasing the level of country ownership of, and civil society participation in, the programme. Administrative procedures will need to be devised to ensure that the administration of grant allocations and their transferral to grant recipients remain transparent, accountable and fluid. NHIs cannot be awarded nor use SGP grant funds.

SGP country staff roles and responsibilities

26. The NC is responsible for the overall functioning of the SGP in each participating country, and for the achievement of the benchmarks established for country programme implementation in the CPS and SGP Project Document for the relevant Operational Phase. The NC is expected to have full-time dedication to the SGP.¹⁹ The NC is responsible for ensuring sound programme and project monitoring and evaluation, and laying the foundation for programme sustainability. In project development, the NC may work directly to assist proponent CSOs access needed support including the recommendation of support through planning grants. The NC, jointly with the UNDP CO, bear direct responsibility for all local programme expenditures. A critical aspect of the NC job performance is to carefully monitor and supervise these expenditures under the overall supervision of UNOPS and to ensure accountability and transparency.
27. The NC usually represents the SGP in local and national meetings, workshops, and other events, and may be accompanied by members of the NSC. However, for legal and financial purposes, only the UNDP RR or his/her Officer in Charge (OIC) may represent the SGP in-country (on behalf of UNOPS). Only the UNDP RR or his/her Officer in Charge (OIC) can sign SGP grant Memoranda of Agreement (MOAs) and for signing any co-financing arrangements on behalf of SGP. While the NC may initiate and undertake co-financing and other negotiations for the programme, s/he should never officially sign such agreements. The NC, however, may sign non-binding collaborative agreements between SGP and other projects and programs. The NC should consult the CPMT and the UNOPS SGP Cluster should there be doubt on signing rules and procedures.
28. The performance of NCs is evaluated annually. The evaluation is undertaken through an online Performance and Results Assessment (PRA) in two parts: a self-assessment by the NC, and a performance evaluation with NSC inputs under the charge of the UNDP RR. These two parts of the evaluation should be completed shortly after the completion of the reporting period. The completed and signed evaluations are submitted to the CPMT. The PRA evaluations are reviewed by the CPMT and UNOPS regional teams, and final decisions are then taken by the SGP Global Manager and Deputy Global Manager on contract renewal, and other actions that might need to be taken.
29. In most countries, the NC works with a Programme Assistant/Associate (PA). On behalf of UNOPS, the UNDP CO may hire a PA with technical and/or administrative skills and functions depending on local needs. The NC shall be involved in the selection process and the panel recommendation will be forwarded to CPMT and UNOPS for final approval. The NC will be in-charge of the supervision and PRA for the PA. In certain cases, consultants with a technical background, especially in the GEF focal areas, may be recruited to contribute to project design, implementation, and monitoring and evaluation, and can be delegated by the NC to provide these services to CSOs and SGP projects as necessary. The recruitment process and related guidelines are highlighted in detail in the UNOPS SGP SOPs.

National Steering Committee procedures

30. The NSC is a central element of the SGP and provides the major substantive contribution and oversight to the programme, in coordination with the NC. While staffing and operational management of the SGP is undertaken through UNDP/UNOPS structures, no SGP project may be undertaken at the country level without the approval of the NSC. As such, the NSC must do its best to ensure the technical and substantive content of SGP grants, and the administrative and financial capacity, either actual or potential, of the CSO grant recipients. The UNDP RR, or his/her delegate, as well as other members of the NSC, are encouraged to provide any relevant information about these concerns, especially the financial and organizational integrity of CSOs.

¹⁹ The NC should not accept any other functions unless a cost-sharing arrangement can be negotiated with the UNDP CO or host NGO and validated by CPMT/UNOPS.

Operationally, the decisions of the NSC are considered final provided they are consistent with these operational guidelines, the SGP Project Document for the operational phase and the Country Programme Strategy. However, neither the NSC nor its individual members as programme volunteers, hold any legal or fiduciary responsibility for the SGP or its activities.

31. The selection of NSC members is normally done by the NC in consultation with the UNDP RR. For new country programmes, the NSC is often established as a result of a preparatory mission or in the initial stages of launching the programme. NSC members should have an abiding interest and commitment to working with communities and share a vision of what sustainable development and "*thinking globally, acting locally*" might mean in terms of linking the GEF focal areas with community needs and concerns. NSC non-governmental members must have high credibility and wide experience working with local communities and CSOs in the country and thus can represent their needs and interests in committee discussions. Strong, experienced, and technically competent civil society representation on the NSC is crucial as a means of keeping the SGP responsive to its mandate to work with CSOs, CBOs and indigenous peoples. These members must also have the requisite knowledge about GEF Focal Areas and/or specific themes such as gender, sustainable livelihoods, and knowledge management. Governmental and donor agency members should hold positions relevant to the work of the SGP and at a level where they could make decisions on behalf of their agencies. NSC members on the whole must be able and willing to discuss constructively and develop consensus decisions. The NSC, with the NC, are responsible for ensuring that participatory, democratic, impartial, and transparent procedures for project review and approval, as well as all other aspects of programme implementation at the country level in accordance with the SGP Project Document for the relevant Operational Phase.
32. The composition of a newly established NSC is subject to ratification by the SGP Global Manager while subsequent appointments can be ratified by the responsible CPMT Regional Focal Point. In general, only one government representative on the NSC is required. However, depending on the circumstances, country programmes can have additional government representatives such as Convention focal points, although in any case majority of members must be non-governmental. The UNDP RR provides the appointment letters on behalf of the SGP.
33. NSC members usually serve for a period of three years. Each country or sub-regional programme must decide whether this term is renewable, and how eligibility for renewal is determined. In general, periodically inviting new members is a sound and healthy policy that brings new ideas and expertise to programme implementation, and roughly one quarter of NSC members may rotate in any given year. Changing the entire membership at one time should be avoided.
34. Participation in the NSC is without monetary compensation. Travel expenses for project site visits or to NSC meetings can be covered by the SGP country operational budget.
35. NSCs adopt decisions under the principle of consensus, and rarely resort to voting to determine whether a project is approved or a particular course of action is taken. To facilitate meetings, the NSC may decide to select its Chairperson(s) in the following way: (i) one of the most committed expert member to Chair for a particular period of time; (ii) members to chair meetings on a rotating basis to enhance each member's participation; and (iii) on a co-chair approach with government and non-government representation to promote civil society leadership and CSO-government collaboration which are institutional objectives of the programme.
36. The NC serves ex officio on the NSC, participating in deliberations, but not in decisions in the project selection process. The NC usually convenes the NSC and functions as its secretariat, including preparing minutes of meetings and maintaining a historical record of programme decisions and implementation. A copy of NSC minutes, signed by the members, and other pertinent material should be filed at the UNDP CO.

37. In as wide a consultation as possible with country stakeholders, the NC shall prepare a long list of possible volunteers to the NSC. From this, the NC in consultation with the UNDP RR prepares the list of NSC members to be nominated for approval by the SGP Global Manager by considering both the expertise and qualifications of the individual candidates, and the overall composition and balance of the committee. While certain institutions (the UNDP, and appropriate governmental ministry or agencies, the NHI) must be represented in the NSC, members should also be chosen who as individuals, including from the private sector and donor community, would contribute significantly to the committee and the programme's various expertise needs (e.g. on GEF focal areas, sustainable livelihoods, gender considerations, communications, resource mobilization, capacity development). The NC, after due consultation with other NSC members of good standing and the UNDP RR, may recommend changes in the composition of the committee to CPMT if it becomes clear that a particular member's participation is not contributing to the programme.
38. The objectivity, transparency and credibility of the NSC is of paramount importance to the success of the country programme, and to maintaining good relations among stakeholders. As a general rule, country programmes cannot consider proposals associated with organizations of sitting NSC members. A CSO may nonetheless submit proposals when its representative has finished the term of service and is no longer on the Committee. On an exceptional basis, and under specified conditions pre-approved by CPMT, CSOs with members in the NSC can submit proposals.

Country Programme Strategy

39. Before any grant-making or other programme activities may take place, each SGP participating country must have an approved Country Programme Strategy or Sub-regional Programme Strategy (abbreviated here to **CPS**). The development/revision of the CPS is designed to ensure congruence with the SGP Project Document for the relevant Operational Phase; the strategic planning frameworks associated with the relevant Rio Conventions;²⁰ as well as with the GEF National Portfolio Formulation Exercise (NPFE) where relevant.
40. For new SGP country programmes, the development of a CPS is one of the first tasks to be undertaken by the NC and newly-formed NSC. In both new and continuing SGP country programmes, it is important to involve key stakeholders in the CPS revision/elaboration process, and to fully engage and involve the NSC. In this regard, the CPS may be considered a living document, and shall be revised or updated in every operational phase of SGP, or as deemed necessary by the NSC, to align country programme priorities with GEF policies and priorities, and those included in the relevant SGP Project Document.
41. As described in the CPS Guidance framework, the development or revision of the CPS serves several broad purposes to:
- ✓ Identify the national circumstances and priorities of the country vis-à-vis the Project Document for the relevant Operational Phase;
 - ✓ Provide stakeholders with a framework document to understand the priorities for SGP funding for strengthened country relevance and ownership;
 - ✓ Provide a strategic framework for allocating resources, especially selection of SGP projects, through a bio-geographic and/or thematic focus;
 - ✓ Serve as the framework for country programme operations and guiding programme implementation;
 - ✓ Constitute the basis for the assessment of country programme achievements and impact.

²⁰ These include the GEF National Capacity Self-Assessment (NCSA) process; the CBD National Biodiversity Strategies and Action Plans (NBSAPs); the UNFCCC National Communications; the UNCCD National Actions Programmes (NAPs); and the Stockholm Convention National Implementation Plans (NIPs).

42. The development/revision of the CPS should be undertaken as a participatory process that engages the full range of non-governmental and government stakeholders in the country. The CPS preparation should be seen not only as a document to satisfy global programmatic requirements, but as a country-led process which has value in its own right. The key players in the process are the NC (who facilitates the process, and is responsible for the majority of the drafting), and the NSC (which provides input and guidance throughout the process, and endorses the end product).
43. The CPS should contain: (a) background situation of the country which the SGP country programme has to consider; (b) key objectives vis-a-vis the country situation and the objectives of the global SGP Prodoc for the operational phase; (c) geographic (with maps) and/or thematic focal areas; (d) priority activities to be supported by grantmaking; and (e) expected outcomes, indicators, and M&E plan.
44. Recommended steps to developing the CPS are as follows:
- ✓ NC prepares an initial CPS draft for consultation with the NSC based on the current SGP Project Document;
 - ✓ Wide stakeholder consultations held with key CSO, government, academic and other concerned parties to discuss relevant issues (where possible, these consultations to be linked to the National Portfolio Formulation Exercise (NPFE) of the GEF in the country);
 - ✓ Incorporation of stakeholder inputs into the draft CPS by the NC, and initial approval of the document by the NSC;
 - ✓ Submission of the draft CPS to the CPMT Regional Focal Point for comment and review;
 - ✓ Further CPS revision as necessary based on comments and recommendations by the CPMT;
 - ✓ Submission of the revised CPS by the NC for formal endorsement by the NSC;
 - ✓ Final approval of the endorsed CPS by the SGP Global Manager, or delegated CPMT Regional Focal Point;
 - ✓ Posting and circulation of the final version of the CPS as a public document.

Country Operating Budget

45. The Country Operating Budget or Sub-regional Operating Budget (abbreviated here to COB) is the financial provision for country, or sub-regional, programme implementation. The COB is prepared by the NC, and reviewed and approved by the CPMT and UNOPS. The COB should allow the effective operation of the country or sub-regional programme in implementing activities in support of the objectives of the Project Document, as well as to be responsive to specific country circumstances and needs, as reflected in the CPS. In countries where a NHI hosts the SGP, the COB is generally covered by the terms of the contract for services between the organization and UNOPS. The COB process and related guidelines are highlighted in detail in the UNOPS SGP SOPs.

PART III IMPLEMENTATION AND ADMINISTRATION OF SGP GRANTS

SGP grants and project cycle

46. Each SGP country programme should, after adopting or revising its CPS, prepare and issue an SGP programme announcement. Information in the call for proposals should clearly state that the SGP makes grants to eligible CSOs, with priority for supporting poor and vulnerable communities in the GEF focal areas, with a maximum grant amount for a project of US\$50,000. The subsequent process of developing an SGP

project should then take place in a transparent manner covering the: (i) project preparation guidelines setting forth the eligibility criteria; (ii) application/proposal review process and calendar; (iii) formats for project concept and proposal development, and; (iv) co-financing requirements in cash and/or in-kind.

47. Project concepts from eligible CSOs²¹ and CBOs may be screened by the NC or jointly with the NSC. Each country programme should determine which screening modality it will follow, and periodically review this decision to make sure that the modality chosen is working well. In both cases, project concept selection should be done on the basis of established eligibility and selection criteria in accordance with the CPS. At the very least, project concepts should be relevant to one or several of the GEF focal areas and that they reflect the needs of the community or communities and/or stakeholders that would be involved. Once the concepts have been selected, the proponent organizations will be notified of this decision and asked to develop complete project proposals.
48. It is critical for all project proposals to meet the GEF and SGP criteria. While it is an important part of the NC responsibilities to work with CSOs in proposal development, sometimes additional assistance is nonetheless required. In such cases, two options may be considered: (i) a local consultant may be hired to help the CSO/CBO/communities according to terms of reference that the NC elaborates in coordination with the organization; and (ii) the SGP planning grant modality may be used.

Planning Grants

49. The NC or NSC may authorize planning grants²² once project concepts have been selected. CSOs such as CBOs, indigenous peoples' organisations and communities with little experience in project design and management receive priority to benefit from this assistance. Hence, the planning grant has an important capacity-building function which in itself is an important SGP objective. The NC makes recommendations to the NSC about which proponent organizations would require a planning grant.
50. A planning grant can be used by an eligible CSO to organize stakeholder workshops or meetings to design the project in a participatory manner. The planning grant can be used to contract an experienced NGO or local consultant to work with the project proponents to elaborate the project, to undertake baseline assessments, develop a business plan (for projects with strong sustainable livelihood elements), and through learning-by-doing, build capacity in proposal design including the development of indicators and a monitoring and evaluation plan.
51. Administratively, a planning grant is a grant like any other SGP grant, and therefore can only be made to eligible CSOs. The project document for the planning grant specifies the activities to be undertaken, and the responsibilities of the parties concerned. The NSC generally approves the planning grant, although the NSC can in certain instances also delegate approval to the NC for certain exceptional cases (e.g. time-sensitive activities, smaller amounts). The process follows the modus operandi of an SGP facilitative grant-making and is explained in detail in the UNOPS SGP SOPs.

Project proposals

²¹ Whilst a category of CSO for the GEF, international NGOs and private sector companies are not directly eligible for SGP support, but may co-finance the relevant national NGO, CBO, indigenous peoples' or community projects.

²² Planning grants are usually in the range of \$2,000 to \$5,000 depending on the capacity of the proponent and additional work that have to be done. The NSC should decide on how to make the provision of planning grants in the most facilitative way such as allowing the NC to make planning grant decisions and reporting on these in NSC meetings.

52. SGP provides grants to support activities that help achieve the programme objectives outlined in the CPS and the SGP project document for the Operational Phase. In terms of helping achieve global environmental benefits, the SGP's starting point is to ensure that each project proposal fits the GEF criteria, and that each proposal clearly articulates how project objectives and activities would have a positive effect in the relevant GEF focal areas. To create sustainability and impact beyond the project, SGP projects can combine demonstration, capacity-building, network building, awareness raising, and dissemination of lessons learned as integral components. Given this comprehensive approach, while a logical framework is not formally required, it would be advisable to include a Monitoring and Evaluation work-plan in each proposal (see SGP M&E Framework).
53. As a demand-driven programme, SGP projects endeavour to address both the GEF criteria, as well as community needs and initiatives. The SGP usually works with communities and localities that confront a multitude of social and economic development problems that impact on concerns related to global environmental conventions. For SGP interventions to have relevance and utility at the community level, these non-GEF circumstances are taken into account in project design. A key guiding philosophy of the programme has been to reach the marginalized poor and vulnerable communities, especially when there are no other donors present, and where development baseline conditions have not been met. Typically, the SGP will therefore need to mobilize additional resources to help provide the co-financing, technical assistance, capacity-building, gender training, income-generation component, or whatever non-GEF element may be necessary for a project's success. These project components are vital to achieving local acceptance, ownership, and sustainability of SGP interventions.

Funds disbursement

54. The maximum amount for an SGP grant is \$50,000 per project.²³ In special cases, grants for “strategic projects” that consolidate efforts of several communities and CSOs could be provided at a maximum of \$150,000. SGP grants generally only cover a portion of project costs, with other components provided for by the CSO partner, the community itself, or by other donors. Since SGP grants fund activities that are directly relevant to the GEF criteria, co-financing must be sought for community baseline or sustainable development needs. However, since it would be unrealistic to require a baseline/incremental cost exercise for each individual project, each country should instead endeavour to mobilize enough funding in cash or in kind to “match” the GEF country grant allocation²⁴.
55. Once the NSC has approved a project for SGP funding support, a Memorandum of Agreement (MOA) is signed on behalf of UNOPS between the grantee and the UNDP CO. SGP projects normally have a duration of between one and three years. The amounts and schedules may differ, contingent upon the nature and length of project activities, but in no case should the first disbursement be more than 50% of the total project grant amount (except when justified and prior approval from UNOPS has been received). The MOA and grant disbursement process, the applicable templates, and all related guidelines are found in detail in the UNOPS SGP SOPs.

²³ In many cases, it may however be advisable to provide smaller initial amounts when the grantee-partners have lower implementation capacity.

²⁴ The matching of GEF funds with co-financing is finally reckoned at the global programme level so as not to disadvantage new country programmes or those in difficult situations.

56. A grantee may submit another proposal upon successful completion of an initial project but no grantee can receive funds exceeding US\$50,000 in a given operational phase. Any grantee which has received the maximum \$50,000 in one Operational Phase, may however submit another funding request in the following Operational Phase if the evaluation of project outcomes are positive. .

PART IV REPORTING AND COMMUNICATIONS

57. The NC has lead responsibility for communications between the country programme and the CPMT. In general, the NC reports on substantive and technical matters to the CPMT, and on administrative and financial issues to the UNOPS portfolio manager. The NC should keep the UNDP CO informed of progress in programme implementation, usually through the RR and SGP focal point in the UNDP CO. In particular, the NC and PA are expected to maintain a close working relationship with the UNDP CO regarding the COB and grants disbursements which serves to keep the UNDP abreast of SGP developments.²⁵ The NC should also endeavour to share relevant SGP reports with the GEF Operational and Political Focal Points as well as global environmental convention focal points.
58. Communications among country programmes are facilitated through the global, regional, and sub-regional list servers, the SGP global database and workspace, and the SGP website. Recurring global reporting requirements, such as annual reports, are complemented by periodic requests by the CPMT and UNOPS for information on specific subjects, such as reports under preparation for the GEF Council, or for the relevant global environmental conventions. Full guidance on all project and programme reporting is provided in the SGP Monitoring & Evaluation Framework
59. SGP country teams are responsible for entering detailed information for all prior and current Operational Phases into the SGP database, including the upload of grant project MOAs. Since the database is the foundation for all reporting and communications at the global level, it is imperative that NCs and PAs input the database as soon as projects are approved by the NSC, and keep it regularly updated on the progress of projects. The SGP database and website also includes visual documentation of SGP projects and country programmes, accounts of lessons learned, and case studies. Project briefs should be stored in the files of every project for easy use and sharing.
60. The NC is required to report on technical and substantive project and programme progress through the annual country programme report. The annual report complements the information that is entered in the SGP database and should cover progress in meeting the year's deliverables as well as other important information including: (i) assessment of the overall progress for the country programme portfolio; (ii) results of project monitoring and evaluation; (iii) key outcomes of SGP-sponsored events; (iv) progress in strengthening working relationships with CSOs, as well as with government agencies and donors; (v) results of resource mobilization efforts; (vi) development of SGP visibility as a GEF programme and activities to share lessons learned and influence policy; and (vii) any special challenges and difficulties faced.
61. The NC shall take all necessary measures to ensure the visibility of the GEF financing. Such measures shall be in accordance with the need to give adequate publicity to the action being implemented as well as to the support from the GEF. A communication and visibility plan shall be outlined in each project document. This should include, *inter alia*, the compulsory use of the GEF logo on all material, publications, leaflets, brochures and newsletters, websites, business cards, signage, vehicles, supplies and equipment, display panels, commemorative plaques, banners, promotional

²⁵ SGP Country Programmes are required to monitor the funds (grants and COB amounts) and expenditures allocated to them. Reporting tools and relevant guidelines are provided by the UNOPS SGP SOPs.

items, photographs, audiovisual productions, public events and visits and information campaigns. The plan should also include press releases, press conferences and press visits to project sites.

62. The Programme Review is an overall assessment of the country programme performance to be undertaken by the NC and the NSC, in consultation with SGP grantees and other stakeholders, at the completion of an SGP Operational Phase. The purpose of the Programme Review is to assess the cumulative progress of the country programme in a particular Operational Phase and provide strategic recommendations on the direction for the programme in the next Operational Phase. Once finalized, the Programme Review should be shared by the SGP country team with the country GEF Operational and Political Focal Points and also the relevant Rio Convention focal points.
63. Audits of SGP country programmes will be conducted in accordance with the internationally accepted auditing standards, and applicable financial rules and regulations. The SGP audit exercises are designed to improve the transparency, accountability and quality of SGP country and global operations. The audits will cover management, financial, and administrative issues as they relate to the country programme as a whole, and will not normally include provisions for project-level inspection. The principles and processes governing SGP audit operations can be found in the UNOPS SGP SOPs.

ANNEX I SGP OP5 CORE GRANT ALLOCATIONS FOR COUNTRY PROGRAMMES

Country	SGP Category	OP5 core grant allocation
Afghanistan	I	1,000,000
Albania	Iic	200,000
Algeria	Ib (new country, high STAR)	700,000
Antigua & Barbuda	I	1,000,000
Armenia	Ib	900,000
Bahamas	I	1,000,000
Barbados	I	1,000,000
Belarus	IIa	600,000
Belize	I	1,200,000
Benin	I	1,200,000
Bhutan	I	1,200,000
Bosnia & Herzegovina	new country OP5	750,000
Botswana	Iic	350,000
Bulgaria	Global	600,000
Burkina Faso	I	1,200,000
Burundi	I	1,200,000
Cambodia	I	1,200,000
Cameroon	Ib	900,000
Cape Verde	I	1,200,000
Central Africa	I	1,200,000
Chad	I	1,200,000
China	Ib (new country, high STAR)	600,000
Colombia	new country OP5, high STAR	600,000
Comoros	I	1,200,000
Congo (Brazzaville)	new country OP5	750,000
Congo, DR	I (new country, high STAR)	700,000
Cote d'Ivoire	Iic	200,000
Croatia	new country OP5	750,000
Cuba	I (high STAR)	0

Djibouti	new country OP5	750,000
Dominica	I	1,200,000
Dominican Republic	I	1,200,000
Egypt	Iic (high STAR)	0
El Salvador	Iib	500,000
Eritrea	I	1,200,000
Ethiopia	I (high STAR)	0
Federated States of Micronesia	I	1,000,000
Fiji sub-region (Fiji, Kiribati, Nauru, Tonga, Tuvalu)	I	2,500,000
Gambia	Ib	900,000
Georgia	new country OP5	750,000
Ghana	Iic	350,000
Grenada	I	1,000,000
Guatemala	Iic	350,000
Guinea Bissau	I	1,200,000
Guinea-Conakry	I	1,200,000
Guyana	new country OP5	750,000
Haiti	I	1,200,000
Honduras	Iib	500,000
Indonesia	Iic (high STAR)	0
Iran	Iib (high STAR)	0
Jamaica	I	1,200,000
Jordan	Iic	350,000
Kazakhstan	Iic (high STAR)	0
Kyrgyzstan	Iib	500,000
Lao PDR	I	1,200,000
Lebanon	Iia	700,000
Lesotho	I	1,200,000
Liberia	I	1,200,000
Macedonia	Iia	600,000
Madagascar	I (high STAR)	0
Malawi	I	1,200,000

Malaysia	I ib (high STAR)	0
Maldives	I	1,200,000
Mali	I	1,200,000
Marshall Islands	I	1,000,000
Mauritania	I	1,200,000
Mauritius	I	1,200,000
Moldova	new country OP5	750,000
Mongolia	IIa	700,000
Morocco	IIc (high STAR)	0
Mozambique	I	1,200,000
Namibia	IIa	700,000
Nepal	I	1,200,000
Nicaragua	IIa	700,000
Niger	I	1,200,000
Nigeria	I b (new country, high STAR)	700,000
Palau	I	1,000,000
Palestinian Authority	Global /sub-regional	600,000
Panama	I b	900,000
Papua New Guinea	I (high STAR)	0
Paraguay	I b	900,000
Peru	II b (high STAR)	0
Romania	Global	600,000
Russia	new country OP5, high STAR	600,000
Rwanda	I	1,200,000
Samoa sub-region (Cook Islands, Niue, Samoa, Tokelau)	I	2,400,000
Sao Tome and Principe	new country OP5	750,000
Senegal	I	1,200,000
Seychelles	I	1,200,000
Sierra Leone	new country OP5	750,000
Slovakia	Global	600,000
Solomon Islands	I	1,200,000

South Africa	I Ib (high STAR)	0
Sri Lanka	I Ic	350,000
St. Kitts and Nevis	I	1,000,000
St. Lucia	I	1,000,000
St. Vincent & the Grenadines	I	1,000,000
Sudan	new country OP5, high STAR	600,000
Suriname	I	1,200,000
Syrian Arab Rep	I Ia	700,000
Tajikistan	I b	900,000
Tanzania	I (high STAR)	0
Thailand	I Ic (high STAR)	0
Timor Leste	new country OP5	750,000
Togo	I	1,200,000
Trinidad & Tobago	I	1,200,000
Tunisia	I Ic	350,000
Turkey	I Ic (high STAR)	0
Turkmenistan	new country OP5	750,000
Uganda	I Ic	350,000
Ukraine	I b (new country, high STAR)	700,000
Uruguay	I b	900,000
Uzbekistan	I b (new country, high STAR)	700,000
Vanuatu	I	1,200,000
Venezuela	I b (new country, high STAR)	600,000
Vietnam	I Ib (high STAR)	0
Yemen	I	1,200,000
Zambia	I	1,200,000
Zimbabwe	I Ic	350,000