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14 October 2013

Dear Ms. Fujii,

Subject: Project Preparation Grant: Federated States of Micronesia: Implementing an Integrated “Ridge to Reef” Approach to Enhance Ecosystem Services, to Conserve Globally Important Biodiversity and to Sustain Local Livelihoods in the FSM – PIMS 5179 – ATLAS BU: FJI10 – Proposal No.: 00076246 – Project No.: 00087749

I am pleased to delegate to you as the UNDP Resident Representative the authority to sign the Initiation Plan for the above-mentioned Project Preparation Grant (PPG) / Programme Cooperation Budget (PCB) on behalf of UNDP, and to commence development of the main project. The Initiation Plan, which amounts to a total of US\$150,000, has received its final approval in accordance with the established GEF procedures (CEO approval letter attached for ease of reference).

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

Next steps and mandatory GEF-specific requirements:

1. ***Issuance of Authorized Spending Limit (ASL):*** To facilitate a quick start to the PPG/PCB, once the Initiation Plan is signed, please kindly ensure that the Atlas-generated *Annual Work Plan (AWP)* based on the *Total Budget and Annual Work Plan* in the attached document, along with a copy of the signed cover page, is sent to Mr. Johan Robinson, Regional Technical Advisor (RTA) in Bangkok.

Any proposed budget revisions should be forwarded to the UNDP RTA together with a clear explanation of the changes proposed as any significant changes require review and approval. In addition, please note that UNDP GEF is not in a position to increase the project budget above the amount already approved by the GEF Council. Therefore, any over-expenditure on this project would have to be absorbed by other Country Office resources.

2. ***GEF-specific project management requirements:***

- Any changes with respect to the objectives of the initiation plan will have to be discussed with and approved by the RTA, as they will have to be reported to the GEF.

Ms. Akiko Fujii
Resident Representative
UNDP
Suva, Fiji

United Nations Development Programme

- The final project document and annexes must be ready by November 2014 as outlined in the Initiation Plan. The RTA will advise you of the expected timeline for submission of the final project document for the purpose of internal UNDP clearance prior to submission to the GEF Secretariat.
- All efforts should be made to completely commit the GEF PPG resources by the time the project document is submitted to the GEF for CEO endorsement. A report on the use of the PPG resources is included in Annex C of the GEF CEO Endorsement template.
- If the PPG activities and resources have not been fully completed/committed by CEO endorsement, the same reporting table must be submitted with the first project implementation report (APR/PIR) due one year after project document signature.
- This preparatory phase must be operationally completed in Atlas once the main project is endorsed by the GEF CEO. Financial closure should follow within 12 months, but preferably within the same calendar year.
- In order to accord proper acknowledgement to the GEF for providing funding, full compliance is needed with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Full compliance is also required with UNDP's branding guidelines. These can be accessed at <http://intra.undp.org/coa/branding.shtml>, and specific guidelines on UNDP logo use can be accessed at: <http://intra.undp.org/branding/useOfLogo.html>.

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

Yours sincerely,



Adriana Dinu
UNDP/ GEF Officer-in-Charge
and Deputy Executive Coordinator

cc: Mr. Haoliang Xu, Assistant Administrator and Bureau Director, RBAP
Mr. Johan Robinson, UNDP/GEF Regional Technical Advisor, Bangkok, Thailand

Annexes

Annex 1 CEO approval letter for PIF



Naoko Ishii, PhD
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September 12, 2013

Ms. Adriana Dinu
Deputy GEF Executive Coordinator
United Nations Development Programme
One United Nations Plaza
304 East 45th St.
FF Bldg., 10th floor
New York, NY 10017

Dear Ms. Dinu:

I am pleased to inform you that I have cleared the project concept detailed below for inclusion in the upcoming work program. I have also approved your request for project preparation grant.

Decision Sought:	Project Identification Form (PIF) Clearance for Work Program Inclusion and Project Preparation Grant (PPG) Approval
GEFSEC ID:	5517
Agency ID:	5179 (UNDP)
Agency(ies):	UNDP
Focal Area:	Multi Focal Area
Project Type:	Full Size Project
Country(ies):	Micronesia
Name of Project:	R2R Implementing an Integrated "Ridge to Reef" Approach to Enhance Ecosystem Services, to Conserve Globally Important Biodiversity and to Sustain Local Livelihoods in the FSM
Parent Program:	Regional: R2R- Pacific Islands Ridge-to-Reef National Priorities -" Integrated Water, Land, Forest and Coastal Management to Preserve Biodiversity, Ecosystem Services, Store Carbon, Improve Climate Resilience and Sustain Livelihoods
Indicative GEF Project Grant:	\$4,689,815
Indicative Agency Fee:	\$422,083
PPG Grant:	\$150,000
PPG Agency Fee:	\$13,500
Funding Source:	GEF Trust Fund

* Out of the above indicative Agency fee amount, Trustee will commit the first tranche (40%) of the Agency fee which is \$168,833 at the time of Council approval of the work program. The second tranche (60%) of the Agency fee which is \$253,250 will be committed at the time of CEO endorsement of the FSP.

¹For Trustee: Please note that the approved PPG Grant Amount and PPG Agency Fee should be tagged against and deducted from the parent program PMIS ID 5395 listed above.

Annex 2: Project Cycle Management Services

Stage	Country Office ¹	UNDP/GEF at regional and global level
Project Development	<i>Initiation Plan:</i> <ul style="list-style-type: none"> • Management and financial oversight of Initiation Plan • Discuss management arrangements 	RTA and PA role: <ul style="list-style-type: none"> • Technical support, backstopping and troubleshooting. • Support discussions on management arrangements • Facilitate issuance of DOA
	<i>Project Document:</i> <ul style="list-style-type: none"> • Support project development, assist proponent to identify and negotiate with relevant partners, cofinanciers, etc. • Environmental and social screening of project before PAC. • Review, appraise, finalize Project Document. • Negotiate and obtain clearances and signatures – Government, UNDP, Implementing Partner, LPAC, cofinanciers, etc. • Respond to information requests, arrange revisions etc. • Prepare operational and financial reports on development stage as needed. 	<ul style="list-style-type: none"> • RTA role: Sourcing of technical expertise. • Verification of technical reports and project conceptualization. • Guidance on SOF expectations and requirements. • Negotiate and obtain clearances by SOF • Respond to information requests, arrange revisions etc. • Quality assurance and due diligence.
<p><i>Key UNDP/GEF management performance indicators/targets for Project Development:</i></p> <ol style="list-style-type: none"> 1. Time between PIF approval to CEO endorsement for each project: <ul style="list-style-type: none"> • Target for GEF trust fund project: FSP = 18 months or less, MSP 12 months or less. • Target for LDCF and SCCF: FSP/MSP = 12 months or less. 2. Time between CEO endorsement (or PAC for non GEF funded projects) to first disbursement for each project: <ul style="list-style-type: none"> • Target = 4 months or less 		

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