



## Global Environment Facility

Monique Barbut  
Chief Executive Officer  
and Chairperson

1818 H Street, NW  
Washington, DC 20433 USA  
Tel: 202.473.3202  
Fax: 202.522.3240/3245  
E-mail: mbarbut@TheGEF.org

October 19, 2009

Dear Council Member,

UNDP as the Implementing Agency for the project entitled: *4th Operational Phase of the GEF Small Grants Programme (RAF2) Global (Afghanistan, Argentina, Bulgaria, Bolivia, Brazil, Belarus, Cote d'Ivoire, Chile, Cameroon, China, Costa Rica, Cuba, Cape Verde, Dominican Republic, Ecuador, Egypt, Ethiopia, Fiji, Guatemala, Honduras, Haiti, Indonesia, India, Iran, Jamaica, Kenya, Kazakhstan, Lao PDR, Sri Lanka, Morocco, Madagascar, Mongolia, Mauritius, Malawi, Mexico, Malaysia, Mozambique, Namibia, Nigeria, Nicaragua, Panama, Peru, Papua New Guinea, Philippines, Pakistan, Romania, Seychelles, Slovak Republic, Suriname, Syria, Thailand, Turkey, Tanzania, Uganda, Ukraine, Uzbekistan, Venezuela, Vietnam, South Africa, Congo DR)*, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with UNDP procedures.

The Secretariat has reviewed the project document. It is consistent with the objectives of the program approved by the Council in April 2009. The scope of the project activities, however, has changed since work program entry. The GEF grant amount has increased by \$2,596,943, representing the RAF fund endorsements from 59 countries. The increase will strengthen SGP country programs in Kenya, Bolivia and Suriname and a new program in Ukraine will be made operational. Funds will be invested using individual country RAF utilization strategies and global benefits will be generated through projects in relevant focal areas.

We have today posted the proposed project document on the GEF website at [www.TheGEF.org](http://www.TheGEF.org) for your information. We would welcome any comments you may wish to provide by November 16, 2009, before I endorse the project. You may send your comments to [gcoordination@TheGEF.org](mailto:gcoordination@TheGEF.org).

If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbours", enclosed within a hand-drawn rectangular box.

Attachment: Project Document

Copy to: Alternates, GEF Agencies, STAP, Trustee



**REQUEST FOR CEO ENDORSEMENT/APPROVAL**  
**PROJECT TYPE: Full-sized Project**  
**THE GEF TRUST FUND**

**Submission Date: 10/08//2009**

**PART I: PROJECT INFORMATION**

**GEFSEC PROJECT ID:** 3871  
**GEF AGENCY PROJECT ID:** 3952  
**COUNTRY(IES):** Global  
**PROJECT TITLE:** 4<sup>th</sup> Operational Phase of the GEF Small Grants Programme  
**GEF AGENCY(IES):** UNDP,  
**OTHER EXECUTING PARTNER(S):** UNOPS  
**GEF FOCAL AREA(S):** Multi-focal areas  
**GEF-4 STRATEGIC PROGRAM(S):**

Expected Calendar (mm/dd/yy)	
Milestones	Dates
Work Program (for FSPs only)	2/01/2009
Agency Approval date	01/13/2009
Implementation Start	07/01/2009
Mid-term Evaluation (if planned)	
Project Closing Date	06/30/2010

Biodiversity	Climate Change
BD-SP1-PA Financing	CC-SP1-Building EE
BD-SP2-Marine PA	CC-SP2- Industrial EE
BD-SP3-PA Networks	CC-SP3-RE
BD-SP4-Policy	CC-SP4-Biomass
BD-SP5-Markets	CC-SP5-Transport
BD-SP6-Biosafety	CC-SP6-LULUCF
BD-SP7-Invasive Alien Species (IAS)	
BD-SP8-ABS-Capacity Building	

**NAME OF PARENT PROGRAM/UMBRELLA PROJECT: OPERATIONAL PHASE OF THE GEF SMALL GRANTS PROGRAMME**

**A. PROJECT FRAMEWORK** (Expand table as necessary)

Project Objective: Global environmental benefits in biodiversity and climate change focal areas secured through community-based initiatives and actions								
Project Components	Indicate whether Investment, TA, or STA <sup>2</sup>	Expected Outcomes	Expected Outputs	GEF Financing <sup>1</sup>		Co-Financing <sup>1</sup>		Total (\$) c=a+ b
				(\$ a)	%	(\$ b)	%	
1. Community based biodiversity conservation and governanc.		Sustainable community protected area governance approaches recognized, strength and adopted by national partners, protected area systems, and multilateral processes; Sustainable use of biodiversity established in production landscapes/seascapes (including agriculture, forests, fisheries and tourism) through community based conservation	More than 400 community based projects funded for sustainable community protected areas, including World Heritage Sites; More than 120 community based projects funded on sustainable use of biodiversity through innovative approaches, including market	27,363,481	50	27,000,000	50	54,363,481

		innovative approaches, and market mechanisms	mechanisms.					
2. Replication, up scaling or mainstreaming of climate change mitigation barrier removal models		Intensify the replication, up scaling or mainstreaming of climate change mitigation barrier removal models that have been successfully tested and practically applied at the local level, in national development priorities and plans	More than 250 community based projects funded to remove climate change mitigation barriers and support replication, upscaling and mainstreaming of good models	15,289,314	50.00%	15,000,000	50	30,289,314
3.								
4.								
5.								
6.								
7.								
8. Project management				2,559,168		2,500,000	50	5,059,168
<b>Total Project Costs</b>				<b>A45,211,963</b>		<b>B44,500,000</b>		<b>89,711,963</b>

<sup>1</sup> List the \$ by project components. The percentage is the share of GEF and Co-financing respectively of the total amount for the component.

<sup>2</sup> TA = Technical Assistance; STA = Scientific & Technical Analysis

**B. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT** (expand the table line items as necessary)

<i>Name of Co-financier (source)</i>	<i>Classification</i>	<i>Type</i>	<i>Project</i>	<i>%*</i>
Project Government Contribution	(select)	(select)	9,000,000	
GEF Agency(ies)	(select)	(select)	7,000,000	
Bilateral Aid Agency(ies)	(select)	Grant	3,000,000	
Multilateral Agency(ies)	(select)	Grant	4,000,000	
Private Sector	(select)	(select)	3,000,000	
NGO	(select)	(select)	9,000,000	
Others	(select)	(select)	9,500,000	
	(select)	(select)		
	(select)	(select)		
<b>Total Co-financing</b>			<b>B44,500,000</b>	<b>100%</b>

\* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

**C. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)**

	<i>Project Preparation a</i>	<i>Project b</i>	<i>Total c = a + b</i>	<i>Agency Fee</i>	<i>For comparison: GEF and Co-financing at PIF</i>
GEF financing	0	A45,211,963	45,211,963	1,808,480	
Co-financing	0	B44,500,000	44,500,000		
<b>Total</b>	<b>0</b>	<b>89,711,963</b>	<b>89,711,963</b>	<b>1,808,480</b>	

**D. GEF RESOURCES REQUESTED BY AGENCY(IES), FOCAL AREA(S) AND COUNTRY(IES)<sup>1</sup>**

<i>GEF Agency</i>	<i>Focal Area</i>	<i>Country Name/ Global</i>	<i>(in \$)</i>		
			<i>Project (a)</i>	<i>Agency Fee ( b )<sup>2</sup></i>	<i>Total c=a+b</i>
UNDP	Biodiversity	52 SGP RAF countries	29,005,290	1,160,210	30,165,500
UNDP	Climate Change	28 SGP RAF countries	16,206,673	648,270	16,854,943
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
(select)	(select)				
<b>Total GEF Resources</b>			45,211,963	1,808,480	47,020,443

<sup>1</sup> No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

<sup>2</sup> Relates to the project and any previous project preparation funding that have been provided and for which no Agency fee has been requested from Trustee.

**E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF amount(\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
Local consultants*				
International consultants*				
<b>Total</b>				

\* Details to be provided in Annex C.

**F. PROJECT MANAGEMENT BUDGET/COST**

<i>Cost Items</i>	<i>Total Estimated person weeks/months</i>	<i>GEF amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
Local consultants*				
International consultants*				
Office facilities, equipment, vehicles and communications*				
Travel*				
Others**				
<b>Total</b>				

\* Details to be provided in Annex C. \*\* For others, it has to clearly specify what type of expenses here in a footnote.

**G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? yes  no**

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

**H. DESCRIBE THE BUDGETED M &E PLAN:**

The GEF Small Grants Programme (SGP) Monitoring and Evaluation (M&E) Plan, including the comprehensive follow up actions on strengthening country program oversight, improving the reporting of site visits and enhancing the quality of database entries addressed in the "Small Grant Programme: Follow-up to the 2007 Joint Evaluation" (Council Document April 2008), is already budgeted as part of the SGP Core funds of US\$110 million. The Core funds were approved earlier by the Council as part of the SGP Project Document that covers the entire OP4 (see the Project Document attached). The RAF funds herein requested for endorsement will be entirely used for additional grant making in the biodiversity and climate change focal areas.

Although the SGP OP4 M&E Plan is not going to be financed by the proposed RAF replenishment, it includes an enhanced M&E framework that links the systems and strategies at the project, country programme, and global levels. At the country programme level, M&E includes regular visits by the country programme teams to projects, an annual country programme report as well as an annual Performance and Results Assessment (PRA) by SGP Central Programme Management Team (CPMT) of the progress of work of the National Coordinator, and regular updates through an on-line and off-line database. The M&E Plan also includes financial and management audits based on a risk management system that assesses the prioritization of country programs for audits. The SGP M&E framework has been upgraded to give importance to impact assessment and the development of global indicators. In OP4, country programme teams assess further the projects they have supported and report on impacts. The global database now includes an "outcomes/impacts" field, and are utilized to regularly review the portfolio with updates on trends, and progress on targeted impacts. In addition, the results of ex-post studies, which started in 2004, are inputted into the system for tracking the impacts and sustainability of the initiated projects. Because of cost-cutting measures in OP4, support from other donors for ex-post studies will be solicited. Assessment of SGP impacts is facilitated by the identification of geographic and/or thematic focus by the SGP Country Programmes, which allows better assessments of baselines and consequently better assessments of portfolio and project impacts. The programme's further development of this M&E system is being linked to that of the larger GEF family.

At the project-level, RAF-financed projects will be monitored and evaluated based on the M&E Plan stipulated in the SGP RAF Country Strategy of each country programme under the supervision of the National Steering Committee. In addition to the above, detailed actions taken and to be taken to strengthen SGP M&E have been discussed in SGP Regional Workshops where a representative of the GEF Evaluation Office also participated to highlight the relevant recommendations of the 2007 Joint Evaluation of the programme.

## **PART II: PROJECT JUSTIFICATION:**

**A. STATE THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:** Launched in 1992, SGP is rooted in the belief and has successfully demonstrated that global environmental problems can best be addressed if local people are involved and direct community benefits and ownerships are generated. The direct implementation of projects by communities and CSOs, together with decision-making on grants by National Steering Committees has produced a "very high degree of national ownership of SGP." Stakeholders, including government institutions, have expressed appreciation of the SGP as a fast and effective delivery mechanism for GEF resources. SGP, with its focus on supporting local communities, builds capacity and initiates new actions for co-managing their natural resources.

There is also increasing utilization of SGP as a delivery mechanism and procedures in the microgrants components by some full-sized projects (FSP) of the GEF as well as other donors in order to enhance GEF's overall efficiency and effectiveness. It not only benefits FSP in reaching local communities but also helps SGP in up scaling its impact through FSP networks. This modality to seek nexus and synergy between SGP and FSPs has proven particularly effective when small stand-alone community-based projects are challenged to address region-wide issues, and has been identified as good practice and encouraged by the 2007 Joint Evaluation. It should be noted, however, that when SGP partners with an FSP as a delivery mechanism it should lead to synergy and mutual benefits. The FSP must also provide SGP with needed management support to handle the additional work the FSP is asking SGP to help with. Funds channeled from the FSP are not considered as co-financing to SGP and therefore should be separately budgeted and reported as part of the respective FSP projects prepared by the relevant Agencies.

To further strengthen SGP's achievements in the OP4, SGP aligns itself with the GEF4 strategic priorities and replenishment cycle, and support the implementation of GEF4 Focal Area Strategies through hundreds of demand-driven community-based projects implemented by NGOs and CBOs.

The SGP OP4 Project Document sets out the level of outcomes to be achieved, particularly in SGP Country Programmes that have developed higher level of capabilities. Through the replenished RAF funds in biodiversity

and climate change, SGP will contribute directly to biodiversity conservation governance and climate change mitigation efforts, particularly in mature country programmes. While the earlier approved OP4 Project Document provides the SGP overall strategy, approach and direction, each National Steering Committee of the respective Country Programmes that will receive RAF funds, has prepared their GEF4 RAF Country Strategy that defines the priorities and focus in a log-frame for the use of RAF funds for the relevant focal area(s) taking into consideration the specific country context including the SGP niche for the country. This then is the basis for decentralized and country-driven grant making activities following the normal SGP procedures.

SGP RAF biodiversity projects to be funded in the 52 countries with individual RAF allocations will contribute to the SGP OP4 Project Document Outcome 1 ('Sustainable community protected area governance approaches recognized, strengthened and adopted by national partners, protected area systems, and multilateral processes') and Outcome 2 ('Sustainable use of biodiversity established in production landscapes/seascapes, (including agriculture, forests, fisheries and tourism) through community-based conservation, innovative approaches, and market mechanisms'). In particular, SGP projects will lead to strengthening of protected area systems of its participating countries in terrestrial as well as marine/freshwater ecosystems by promoting the participation and capacity building of local communities and indigenous groups in the design, implementation; management and monitoring of efforts to promote biodiversity conservation and sustainable use; mainstreaming biodiversity in production landscapes/seascapes by demonstrating improved livelihoods based on sustainable use and harvest; and the generation, dissemination and uptake of good practices through increased innovation in project design and implementation. The target is to influence at least 50 Protected Areas and 100 Community Conserved Areas and the community involvement in the conservation of at least 150 species of endangered flora and fauna. Furthermore, 600 projects on sustainable use and market labeling of biodiversity-friendly products as well as 400 projects to protect native crops, medicinal plants, non-timber forest products and other biodiversity-based products, using both core and RAF funds are expected to be supported by the end of SGP OP4.

SGP RAF climate change projects to be funded in the 28 countries with individual RAF allocations will contribute to the SGP OP4 Project Document Outcomes 3 ('Intensify the replication, up scaling or mainstreaming of climate change mitigation barrier removal models that have been successfully tested and practically applied at the local level, in national development priorities and plans'). In particular, SGP projects will lead to the promotion of sustainable mobility through non-motorized transport; electricity production from rural renewable energy installations; and support growth of interest in low-GHG emitting electricity generating technologies. By the end of SGP OP4, at least one region (West Africa) and at least 20 SGP mature countries have models or approaches for the promotion of energy efficiency, renewable energy or sustainable transport at the local level mainstreamed into policy, market mechanisms, and national development programs.

**B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL AND/OR REGIONAL PRIORITIES/PLANS:**

A country is only allowed entry to SGP upon receipt of a formal application from its GEF Operational Focal Point (OFP), manifesting government interest in joining the programme to better implement its national environmental priorities through community-based approaches and civil society participation. Participation in SGP also commits the country to follow SGP's implementation modality, particularly the establishment of a National Steering Committee (NSC) or a National Focal Group (NFG, for sub-regional programmes) with a non-governmental majority to assure that grant support to community and CSO/CBO needs yet is also coherent with national priorities.

As for new countries, appraisal visits determine the country's level of need and readiness to participate in SGP; its track record in the implementation of its environmental commitments; the presence, adequate implementation capacity, and resource mobilization potential of local CSOs and CBOs; and the willingness of government and the UNDP Country Office to provide support. Start-up visits proactively support the organization of SGP Country Programmes to develop strategies that meet country driven priorities and to organize appropriate institutional arrangements.

All countries participating in SGP have prepared an individual Country Programme Strategy (CPS) as well as a specific GEF4 RAF Country Strategy to ensure maximum coherence and complementarity with the country's RAF-related policies and priorities. Individual RAF Country Strategies have been developed by the multi-stakeholder NSCs and approved by the GEF Operational Focal Points for the duration of GEF4. Each of the RAF Country Strategies has addressed the critical national concerns identified in the National Biodiversity Strategy and Action Plans (NBSAPs) and National Communications for Climate Change. These strategies also stipulate specific outcomes and outputs aligned with the global outcomes of the SGP OP4 ProDoc as well as other GEF strategies and the M&E activities to be implemented to assess progress.

**C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH [GEF STRATEGIES](#) AND STRATEGIC PROGRAMS:**

SGP's OP4 Project Document priority outcomes for Biodiversity (Outcomes 1 and 2) and Climate Change (Outcome 3) are designed to align with the impact orientation and strategic priorities of the GEF during GEF4. In previous phases, projects were programmed over a wide area to gain knowledge and experience, raise awareness of the GEF and global environmental issues, build capacity at the community level and develop broad based partnerships. During OP4, SGP is in the process of strengthening its efforts at the country level to increasingly support geographic and thematic consolidation.

As noted in section B above, the RAF Country Strategies developed and adopted by the SGP NSCs and duly endorsed by the respective GEF Operational Focal Points, have been targeted to improve geographic and/or thematic focus for synergy and greater impacts of project portfolios. The SGP OP4 outcomes are consistent with the following GEF4 strategic priorities: Catalyzing Sustainability of Protected Area; Mainstreaming Biodiversity in Production Landscapes and Sectors; Replication, up scaling or mainstreaming of climate change mitigation barrier removal models, and; Supporting pilot and demonstration projects for adaptation to climate change.

As part of an ongoing delivery mechanism of the GEF, SGP is thus engaged in the process of programming its funds for OP4, particularly those contributed from individual country RAF allocations, in a focused and consolidated manner to meet each country's RAF priorities and objectives.

**D. JUSTIFY THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES.**

Funding requested in this document will be used to support small CSOs/CBOs and poor local communities, particularly in remote areas to address global environmental issues through local action. The funding should be provided in grant because small CSOs and poor local communities have very limited resources in meeting various development and environmental needs. They are the most in need of GEF funding for capacity building and demonstration of good models and practices. These CSOs and local communities, however, will also be asked to provide co-financing in both cash and in-kind in order to demonstrate their commitment and project sustainability. Thus, small projects (with a maximum amount of \$50,000 per project) will be funded to support CSOs and local communities. Some good practices as well as small initiatives that require broader and region-wide supports will seek opportunities to be upscaled by GEF FSPs or other donor programs under separate project documents.

It should be noted that GEF funds utilized by SGP is not just about supporting small projects on the ground. As part of its processes for small grants project development and implementation, SGP builds the capacity of these grantee-partners by: (1) building awareness and understanding of global environmental issues and their link to local needs; (2) developing their ability to translate such awareness and understanding into effective local level actions; (3) supporting local empowerment through the organization of stakeholder groups and networks; (4) providing for opportunities to manage GEF resources and to link up with cofinancing partners, and; (5) helping them draw out lessons from projects, disseminate them, and use them for improving policy and development planning. The indicator that these capacities have been built are not only the successful and sustained projects of local communities but also the increased and expanded presence of active and organized networks of grassroots constituencies in 121 countries working in collaboration with government counterparts in national multi-stakeholder environment and sustainable development bodies.

Co-financing at 1:1 (half in cash and half in-kind) at the programme will be secured. SGP project co-financing at the country level are followed up systematically through inputs into the database of every project approved. Co-financing, both in cash and in-kind at the community level, is encouraged and integrated in the project design and review processes as part of building community ownership and project sustainability. Updates on the progress of raising co-financing is also recorded in the SGP database and reported at the end of the Operational Phase.

It should be also noted that remaining SGP OP4 core funds will continue to be utilized during the remaining OP4 to finance management costs and grant making of the countries that belong to the RAF group category. It will also be used to add grant funds to those countries that have indicative GEF 4 RAF country allocations of \$15 million and below in either the climate change or biodiversity focal area at an annual cap of \$200,000.

#### **E. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:**

SGP is a GEF corporate programme and as such there is close coordination with other GEF Agencies at the global and country levels directly and through its Steering Committee. SGP provides broader support to the GEF as a ready delivery mechanism for GEF agencies and other international and government donors in larger GEF projects administered by their respective GEF Agencies under separate Project Documents but where a critical need for including community and CSO participation is identified. SGP has continued to support the creation and implementation of small grants components of large GEF projects. For example, SGP has been integrally involved in the development of the GEF-supported and World Bank-implemented Nile Trans-boundary Environmental Action Project (NTEAP) for which GEF SGP's procedures and Operational Guidelines were adopted to set up a micro-grants programme in six Nile Basin countries while also being responsible for overseeing the implementation of the NTEAP micro-grants programmes. GEF SGP has also signed an MOU to help implement a small grants component within the GEF Niger River Basin project. SGP actively participated in the design of the GEF Niger River Basin project, and is assisting in the implementation of its micro-grants component of about \$5 million. Both of these efforts involve more than one GEF implementing agency (UNDP and the World Bank). In a similar manner, SGP is also helping as a delivery mechanism for the GEF full-sized project on community-based adaptation (CBA) in ten pilot countries implemented by UNDP. The project is designed to share lessons and experience with other SGP country programmes thereby benefiting them by building their capacity on CBA as well as with other development partners, while integrating into the portfolio of the UNDP Energy and Environment Group (EEG), which includes that of UNDP GEF for greater impact. SGP country programmes in Central America have also continued to work closely with the World Bank and the UNDP GEF Mesoamerican Biological Corridor projects in promotion, capacity-building, planning, and project implementation at the local level. SGP also has a partnership with UNEP in the implementation of the UNEP Regional Strategic Action Programme in the South China Sea.

SGP has participated with the World Bank's Development Marketplace in some of its country programmes where the SGP National Coordinator and National Steering Committee members have joined the Development Marketplace's review and selection panels. Recently, discussions for SGP's support to the implementation of the Development Marketplace in Latin America have been initiated. SGP experience and lessons learned has been inputted into the strategy for implementation of this activity in the region. As SGP is also involved in Community-Based Adaptation (CBA), it has participated in the review of some of the proposals submitted to the World Bank and GEF-supported CBA-themed Development Marketplace. Furthermore, as both SGP and the Development Marketplace share the same objective of supporting very innovative NGO projects, though SGP follows a proactive capacity-building approach targeting local CBOs and NGOs vis-à-vis the Marketplace's competitive approach, the plan is for SGP to also eventually share lessons learned, explore joint production of knowledge products, and support the exchange and linking of grantees of both programs.

Contact has also been made with the GEF-supported FSP "Improving policy and practice interaction through civil society capacity building" which is part of TerrAfrica. Coordination and joint efforts will be supported along common objectives and activities such as documentation and sharing experiences and publication of position papers on Sustainable Land Management (SLM), community dialogue with policy makers, training of leaders on advocacy, and development of national registers of credible CSOs. SGP will also encourage its excellent projects

to participate in the SLM Innovation Awards of this project and will help disseminate the case studies of award winning projects.

In GEF4, coordination and joint efforts have increased between SGP and the GEF NGO Network. The strategy being followed in this is in the Council approved paper "Enhancing Civil Society Engagement and Partnership with the GEF". Coordination are in the areas of joint efforts in a global knowledge network involving CSOs at the global and country levels as well as the linking of SGP networked CBOs and NGOs to the GEF NGO Network. Towards these, GEF NGO Network Regional Focal Points have been invited and joined SGP Regional Workshops where operational coordination at country and local levels were discussed and planned.

The 2007 Joint Evaluation of the SGP also reiterated that "the GEF created SGP to ensure that conservation and sustainable development strategies and projects that protect the global environment are understood and practiced by communities and other stakeholders". The reason for this dual approach is that in developing countries, environmental resources are key assets for poverty reduction. Yet very poor communities are forced to destroy these very same resources in desperate attempts at survival. Thus SGP also links with the broader concerns of the Millennium Development Goals (MDGs) as well as of efforts promoting good governance not as primary objectives but as means to effective environmental action and for sustaining community support for such action. In those cases where the development needs of communities are outside GEF-eligibility criteria, then SGP and its grantees seek cofinancing partners. Again, the aim is to synergistically link environment with development, a more potent combination to promote GEF objectives with poor and vulnerable communities.

**F. DISCUSS THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT DEMONSTRATED THROUGH INCREMENTAL REASONING :**

RAF funds requested for SGP in this document target poor local communities for community-based biodiversity conservation and climate mitigation while promoting local benefits. For local communities, poverty reduction and short-term economic returns are often perceived as higher priority than biodiversity conservation and climate mitigation. Poor communities lack the necessary means and instruments to implement biodiversity conservation or climate change mitigation while at the same time sustaining or improving their livelihoods. Without GEF intervention at the community level, local people and communities tend to sacrifice global environmental benefits for personal and immediate economic returns. As a result, biodiversity conservation and climate change mitigation are often seen in conflict with short-term economic gains. For example, local farmers are shifting to high-yielding hybrid rice and other crop varieties for increased income in many cases through monoculture practices that clear forests and degrade land. As consequence, the valuable genetic biodiversity that is in wild crops are being lost so as long term economic benefits. GEF support is critical for communities to develop practices and models that conserve their crop diversity and their forests while promoting local livelihoods. In addition, most of such communities in developing and least developed countries are in remote and distant areas often left out of mainstream development efforts. Yet, like the indigenous peoples, they are often those who have lived in these areas for generations, and thus should be at the frontline of any concrete effort to protect and sustainably manage these areas. SGP's localized and community-based approach fills the gap in many regional, national and global conservation efforts.

SGP also produces value-added results by providing new knowledge and development models that can be used across countries, including the donor community as well as by informing policy-making processes that have positive ramifications beyond local communities in which the projects have been implemented. Through GEF SGP interventions, global environmental benefits will be further generated through effective mechanisms of replication, upscaling and mainstreaming. Good practices and models will be developed and disseminated through SGP's well established national and global network of stakeholders – from NGOs, academe, government, the private sector and the international development community that are in its National Steering Committees and its partnerships utilizing national level events, international conferences, and the media at large. SGP will continue building synergy with GEF full-sized and medium-sized projects to promote community approaches and help to deliver community benefits.

The SGP will also further enhance its contribution to global benefits in the knowledge management area through its global database which now houses key information on its more than 11,000 projects to date. Access will be expanded, selectively at first, but more broadly eventually. Presently, access to all relevant information on SGP and its projects is available through its global website which is being enhanced to include video links as well as connections to SGP country programme websites which are build set up for all country programmes. Sharing between countries will also be through proactive regional exchanges and cross visits to SGP projects. This is now occurring through the participation of SGP National Coordinators in National Dialogue Initiatives and GEF Regional Constituency Meetings with visits to SGP project sites integrated into the agenda. Coordination with as well as regular SGP contributions of newsbriefs, info material and updates to the GEFSEC website and newsletter have been agreed and will further expand the effect of local SGP outcomes more globally.

SGP collaborates closely with various national and international CSO networks to promote GEF agenda. In particular, SGP works closely with the GEF NGO network to ensure SGP good practices and lessons learnt are disseminated and replicated through the global CSO community. Through the funding of this replenishment request, it is expected that more than 770 NGOs and community-based organizations (CBOs) will be additionally incorporated and linked to SGP's existing global network of more than 11,500 grantees/projects as of June 2009. GEF funding through a global corporate SGP approach allows community action that eventually creates global impact.

**G. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:**

The main risks associated with the implementation of SGP relate to the low capacity and awareness of the local CSOs and CBOs to address the concerns of the GEF in a number of the participating countries. Through its programmatic approach at the country level, SGP will ensure that civil society efforts for the global environment are networked in order to spread the risk associated with weak CSOs and CBOs by linking them with higher capacity organizations at the national level.

Risk reduction from project failure will also be addressed by "phasing" small grants to communities over a number of tranches and installments linked to the reporting requirements of the programme as outlined in the SGP Operational Guidelines. SGP also invests a large part of its management costs financed by the Core funds in capacity building activities as well as in site visits to verify project proposals and to support and monitor project implementation. In mature Country Programme, "low risk" and previously successful projects from earlier phases (OP3 or before) may be considered for additional GEF support in order to consolidate the GEF investment during OP4 with organization with demonstrated capacity to deliver on GEF4 target outcomes. The presence of a National Steering Committee with strong participation from country's leading non-governmental leaders as well as from government and donors also provide further support to the effective design and implementation of SGP projects.

SGP will also contribute to helping communities improve their climate change adaptive capacity, reduce their vulnerability and contribute to improving the resilience of their ecosystems, although community-based adaptation will have to be supported through co-financing and will not be financed by the RAF funds request. In particular, SGP is working in partnership with UNDP in the implementation of the Community Based Adaptation project (CBA) with resources from the Strategic Priority on Adaptation (SPA). Several co-financing donors have also already been approached SGP to provide with funds to further expand its contributions to community-based adaptation efforts. All these will help SGP, and the GEF as a whole, to develop necessary experiences, tools and methods for effective implementation of adaptation projects at the local level beyond the initial pilot levels.

**H. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:**

Over the past 16 years, the GEF has invested substantial financial resources in the development and implementation of SGP. This investment now provides a good foundation for scaling up both at the country level and the global level. SGP cost-effectiveness is also promoted by the high sustainability of community-based

approaches that foster local ownership, capacity building, institutional and legal empowerment, and partnership building.

At country level, this investment has resulted in extensive portfolios of community based projects yielding positive and lasting impacts on local livelihoods, the capacities of local organizations to constructively participate in sustainable development activities, policy dialogue and, ultimately, global environmental benefits. SGP results and impacts have grown over the years in many countries thanks to the installed capacity of the SGP Country Programmes.

Each of these country programmes is managed by a full-time National Coordinator (NC) with guidance from a National Steering Committee (NSC) that is charged with Country Programme policy and decision making. NGO/CBO/civil society representatives comprise the majority of NSC members with the remainder consisting of academic experts, government representatives, business leaders and donors – all providing free and voluntary services to the program. Multi-stakeholder NSCs thus provide a unique opportunity to foster collaboration across sectors and involvement at both the grassroots (e.g. local communities) and upstream policy-making levels (e.g. Ministry/Cabinet). It should also be noted that Country Programmes consist not only of their staff and basic infrastructure, but also of the experience embodied therein, as well as the networks, partnerships and knowledge generated and maintained by the Programme, particularly UNDP and the UN System and its stakeholders. Support systems are thus in place to reach even the most remote and vulnerable groups such as indigenous communities. The installed capacity of the SGP team at country and global levels allow SGP to have depth and breadth of action with the least need for outside consultants. SGP has been able to expand fast to new countries as mature NCs are able to mentor new ones and provide successful procedures and policies that new ones can easily adapt to. New Country Programmes included in this request will not be exceptions to the above mentioned established best practice.

SGP is a global GEF corporate programme, yet decentralized and country-driven. It has allowed the programme to adapt well to many unique country-specific situations yet maintaining global coherence. Within the global strategy and under the guidance of the SGP Central Programme Management Team (CPMT), Country Program Strategies and RAF Country Strategies are developed, resulting in very local projects that are linked to the effective implementation of national plans and strategies, and eventually to the creation of global environmental benefits.

For newly joining countries, the need for cost effectiveness was and will be always addressed as part of the discussion during the start-up missions with the relevant government and UNDP CO representatives. SGP will continue to proactively transfer the accumulated experiences for cost-effective operation, which was acknowledged during the 2007 Joint Evaluation, to the new countries through trainings and other knowledge sharing opportunities, while NCs and NSCs in the new countries will be guided to apply such knowledge in screening and implementing grant proposals. UNOPS will also ensure the application of same cost-effective operation standard to the new country programmes in order to secure global standard and coherence for ensures cost-effectiveness.

The cost effectiveness of SGP described in the above was assessed and positively evaluated in the 2007 Joint Evaluation, while intensively discussed in the approval process of the "Follow-up Report to the Jon Evaluation 2007"(Council Document April 2008). The cost of the implementation of the requested second half RAF funds in this document continue be secured through the SGP's established effective and efficient programming and operations practices as explained in the above.

## **PART III: INSTITUTIONAL COORDINATION AND SUPPORT**

### **A. INSTITUTIONAL ARRANGEMENT:**

#### **a) CORE COMMITMENTS AND LINKAGES**

GEF SGP RAF-funded projects focus on the relevant GEF focal areas in biodiversity and/or climate change, while also supporting sustainable livelihoods and local empowerment. As such, the programme is supportive of the broader concerns of the United Nations Millennium Development Goals (MDGs) as well as the core UN values such as human rights and gender mainstreaming. SGP is the GEF modality most linked to the provisions of Agenda 21 as well as the WSSD, which emphasize civil society participation and support for marginalized and vulnerable groups. The programme is also linked to the governance capacity building element of the RAF policy. The programme is also linked to the governance capacity building element of the RAF policy. Part of the core-funds also provides grant money allocation to those countries that receive RAF funds up to 15 million in either the climate change or biodiversity area in GEF4.

At the country level, SGP, working closely with the UNDP Resident Representatives, supports the mandate of "One UN" reform for strengthened partnership between UNDP and other GEF agencies on sustainable development matters, as well as coordination with the World Bank through the process of Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF).

#### **b) CONSULTATION, COORDINATION AND COLLABORATION BETWEEN IAS, AND IAS AND ExAs, IF APPROPRIATE.**

Being a GEF corporate programme, a major goal of SGP OP4 is a fuller realization of its potential. The newly introduced GEF SGP Steering Committee during the OP4 is aimed at further strengthening operational consultations at a regular basis through its consensus-based decision making process, by bringing SGP together with the GEF Secretariat and the IAs to discuss issues and themes of common interest and explore opportunities for SGP mainstreaming into larger projects. This is essentially the same Committee that serves the National Dialogue Initiative, therefore back-to-back meetings will be promoted whenever appropriate to improve efficiency and save on time and costs. The Committee provides SGP with needed strategic guidance in the consensus basis that complements its decentralized and country-driven operations. It would also provide critical support for SGP resource mobilization and for its mainstreaming, scaling up and replication with IAs as well as with other GEF programs. Likewise, SGP has initiated organization of a network of "supporters of SGP" within the GEF family and plans to formalize this network in OP4.

Several partnerships have been implemented and are planned with the GEF NGO Network, in addition to region-based consultations with National Coordinators by taking the opportunities of SGP Regional Workshops to be cost-efficient. Specific partnerships with UNEP, such as in its NEPAD poverty and environment programme and the Regional Strategic Action Program in the South China Sea have been started and will be continued. Other similar partnerships are under development and others will be pursued with GEF IAs and EAs. Partnerships already initiated with the World Bank -such as with its small grants program as well as with the Development Marketplace will be expanded. SGP will continue to collaborate with UNDP in developing country-level coordination aimed at maximizing synergies as well as global-level collaboration for optimum impacts.

### **B. PROJECT IMPLEMENTATION ARRANGEMENT:**

SGP is implemented by UNDP and executed by UN Office of Project Services (UNOPS). UNDP oversees SGP as a UNDP implemented project funded by GEF, and is accountable to the GEF Council under the agreement between GEF and UNDP signed in 1991. SGP operates based on the normal policy and procedures of UNDP as the IA. UNOPS is responsible for providing programme execution support services.

While the SGP CPMT provides global guidance, coordination, support, and supervision to ensure global coherence, in each participating country, SGP continues to operate in a highly decentralized and country-driven manner through a National Coordinator and a National Steering Committee (NSC) with support from the UNDP Country Office and in some countries from an NGO or university National Host Institution (NHI). Given the unique decentralized modality of SGP, UNDP Resident Representatives in the SGP participating countries have delegated authority to provide in-country assistance required to execute SGP effectively and efficiently at the local level.

For specific Small Island Developing States (SIDS) where the Country Programmes are small and administrative costs are likely to consume a large portion of nationally allocated funds, SGP has pioneered a sub-regional implementation approach whereby several islands join together under the leadership of a single national host institution and one sub-regional coordinator, thereby increasing the likelihood that that SGP remains within its 25% non-grant cost ceiling. National Focal Groups (NFGs), which serve in lieu of NSCs in such SGP sub-regional programmes, have been organized for a number of SIDS in the Caribbean and the Pacific.

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

As mentioned in the Part III A, following the rolling replenishment financial strategy for SGP, its budget was earlier proposed and approved in the SGP OP4 Project Document by the Council, which included the full utilization of its US\$110 million Core funds for the entire GEF-4 as well as the budgeted \$18.3 million of RAF funds that participating countries have committed as part of their first half of GEF-4 RAF allocation. The approved first half of GEF-4 RAF allocation has been fully allocated to the respective countries (see Annex B for details). The Project Document states on page 43 that "as additional RAF funds that participating countries can commit in the second half of GEF-4 are contributed to SGP within the guidelines set by the GEF SGP Steering Committee, then such funds as projected in budget Table 6 (of the Project Document) shall be added to the budget replenishment of SGP in its OP4 2nd Yr and 3rd Yr periods upon endorsement of the GEF SGP Steering Committee and approval of the GEF CEO".

The PIF document was prepared and approved for the second half of RAF allocation to SGP based on the participating governments' written commitment to support the same project objective defined in the Project Document, particularly Outcome 1, 2 and 3 that relate to the focal areas of biodiversity and climate change supported under RAF. Each relevant Country Programme has also prepared the RAF Country Strategy to support and implement such financial commitment by the respective government. Following the approval of the PIF document with the project budget amount of \$44,423,500 by the Council, this project document is prepared to request for CEO Endorsement while addressing the comments received from the Council members in the main document and Annex B.

This project document has been developed based on the Council approved PIF as well as the approved SGP OP4 Project Document, and corresponds to \$47,020,443 (with the total project budget of \$45,211,963, and the Implementing Agency fee of \$1,808,480) in GEF financing as requested by the SGP participating countries from their individual country RAF allocations (details in Annex F). Due to the additional government RAF contribution letters from Bolivia, Kenya and Ukraine that were received by SGP after the submission of the PIF request in January 2009, the contribution from Suriname, as well as the reduction from Seychelles, this document includes an additional \$2,596,943 on the top of the amount requested in the PIF, representing additional contributions of \$300,000 (from Kenya for biodiversity), \$600,000 (from Bolivia for biodiversity and climate change), \$400,000 for Suriname (for biodiversity), \$1,496,943 for Ukraine (climate change) and reduction by \$200,000 from Seychelles (for biodiversity). There is also a correction on the allocated amount from Peru which wanted its RAF contribution to be in the biodiversity focal area.

The marginal increase in fund request (\$2,596,943) on top of the original amount in the approved PIF is necessary and reasonable as this request represents the total of 59 countries RAF fund endorsement, unlike many other full-sized projects which only require RAF fund endorsement from one country or a few more countries. Particularly, some new country programmes of SGP submitted their RAF endorsement letters only after the PIF was approved.

It is justifiable to include the additional endorsements as the OP4 Project Document specifically obliged SGP to start up 21 new country programmes. Therefore, the RAF fund requests included in this document are in alignment with the original PIF, and should be approved and released upon the endorsement of the GEF CEO.

**PART V: AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.					
Agency Coordinator, Agency name	Signature	Date <i>(Month, day, year)</i>	Project Contact Person	Telephone	Email Address
Yannick Glemarec		09/24/2009	Delfin Ganapin	212-906-6191	delfin.ganapin@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

**OBJECTIVE 1**

**Consolidate community-based interventions through focused GEF SGP country programme portfolios in alignment with GEF IV focal area strategic priorities**

**BIODIVERSITY**

Project Strategy	Objectively Verifiable Indicators			Sources of Verification	Assumptions
	Indicator	Baseline	Target		
<p><b>Outcome 1:</b></p> <p>Sustainable community protected area governance approaches recognized, strengthened and adopted by national partners, protected area systems, and multilateral processes</p>	Number of protected areas (PAs) strengthened by engaging local and indigenous communities	Over 800 GEF SGP projects funded in PA landscapes and buffer zones, including UNF ‘COMPACT’ partnership for 8 WH sites	All like-minded Megadiverse countries within GEF SGP either adopt or initiate efforts to recognize community protected area governance approaches	GEF SGP database, project reports and monitoring visits	Governments and international agencies commit to CBD obligations regarding local and indigenous populations
	Number of Community Conserved Areas (CCAs) and indigenous areas recognized and strengthened	Over 200 projects funded in CCAs and indigenous areas	Community projects consolidated to influence landscape-level conservation in all “mature” GEF SGP countries	COMPACT planning framework for GEF SGP grant-making at landscape level	
	Number of Local Consultative Bodies (LCBs) set up in protected areas	Cost-effective LCBs in place in 6 natural World Heritage sites	At least 50 PAs influenced, especially in “mature” countries	GEF Tracking Tools for certain aspects of formal PA governance with multiple stakeholders	
	Number of countries that incorporate CCA governance in legislation and policy, as appropriate	CCAs currently un-recognized in most GEF SGP countries	At least 100 CCAs and indigenous areas influenced in all GEF SGP countries	IUCN and WH Committee State of Conservation reports on WH sites	
	Number of GEF SGP projects consolidated in critical landscapes such as World Heritage sites, Biosphere Reserves, biological	Existing complementation between GEF SGP and Meso-American Biological Corridor	Community involvement in the conservation of at least 150 species of endangered flora and fauna	Partnership on bird monitoring indicators with RSPB/Birdlife International	

	corridors, hotspots, important bird areas and flyways				
<p><b>Outcome 2:</b></p> <p>Sustainable use of biodiversity established in production landscapes/seascapes, (including agriculture, forests, fisheries and tourism) through community-based conservation, innovative approaches, and market mechanisms</p>	<p>Number of GEF SGP projects contributing to the conservation of native crops, medicinal plants, NTFPs, and other biodiversity-based products</p> <p>Number of GEF SGP projects contributing to the conservation of fisheries</p> <p>Number of GEF SGP projects contributing to the promotion of biodiversity through ecotourism</p> <p>Number of GEF SGP projects contributing to sustainable use of biodiversity-based products through market value-added labels (FSC, organic, fair trade, etc.)</p>	<p>Over 1,500 projects in the production sectors of agriculture, forests, fisheries and tourism</p> <p>“Mature” country portfolios in place for particular supply chains (i.e. honey, agrobiodiversity products, ecotourism, NTFPs)</p> <p>Analysis of needs of GEF SGP marketing projects completed in 2005</p> <p>Thematic workshop on ‘Product Development, Marketing and Certification’ held in 2006</p>	<p>At least 600 projects on sustainable use and market labeling of BD-friendly products provide business models for market-based approaches (mainly in “mature” GEF SGP countries)</p> <p>Community-based conservation implemented in at least 400 projects for the protection of native crops, medicinal plants, NTFPs, and other biodiversity-based products</p> <p>GEF priority areas: ‘Important agrobiodiversity hotspots of West Asia, South Asia, South-East Asia, and Arab States’; as well as ‘Central and South American semi-wild and domesticated production landscapes’</p>	<p>GEF SGP database, project reports and monitoring visits</p> <p>Focused case studies on the development of business models, including reference to income indicators in GEF SGP database</p>	<p>Market differentiation of value-added labels sufficiently “scale-sensitive” to meet the needs of small producers</p>

Outputs	Activities
<p>1.1 Community protected area governance approaches integrated and implemented within GEF SGP country programme strategies, as appropriate *</p>	<ol style="list-style-type: none"> <li>1 Assess lessons from COMPACT and mature countries in OP3 for improvement of Country Programme Strategy focus on national system of protected areas, transboundary protected areas, corridors and community conserved areas (CCAs) (*priority for “mature” SGP countries)</li> <li>2 Work with IUCN and other partners in connection with global and national policy revision of protected area systems to recognize CCAs (and indigenous territories in particular) as legitimate governance types, and to incorporate them in legislation and policy, as appropriate to each context</li> <li>3 Collaborate with UNEP WCMC on inclusion of CCAs and indigenous areas in the World Database on Protected Areas (WDPA)</li> <li>4 Develop, implement and promote new methodologies for geographic and thematic “clustering” of projects for individual protected areas, corridors and CCAs</li> <li>5 Incorporate adaptive management techniques in at least 25 countries for landscape level conceptual models, site strategies and multi-stakeholder forums to bring together donors, PA managers/authorities, academia, and private sector active at the respective sites</li> <li>6 Work with Conservation Measures Partnership (CMP) and IUCN to improve glossary of terms and threats-based analysis for protected areas within GEF SGP project database</li> <li>7 Influence the mainstream legal and management practice for UNESCO World Heritage Sites and national protected areas through the institutional replication of Local Consultative Bodies</li> <li>8 Engage in follow-up to the policy findings of the sub-global assessments on indigenous peoples perceptions of “ecosystems” produced by the Millennium Ecosystem Assessment</li> </ol> <p>* Priority will be placed on individual BD RAF allocation countries and Megadiverse countries (RAF and non-RAF)  * Group allocation, LDCs and SIDs countries will be expected to incorporate lessons from mature countries by the end of GEF 4</p>
<p>1.2 Sustainable use and innovative approaches, including market mechanisms, reflected in all projects approved in the biodiversity focal area*</p>	<ol style="list-style-type: none"> <li>9 Prepare guidelines and toolkits for sustainable use, innovative approaches and market mechanisms at the global and country levels, preferably in local languages (*priority for “mature” SGP countries to share with new programmes).</li> <li>10 Conduct thematic workshops on specific sustainable use and marketing clusters; training in certification and labeling standards; consumer education; and other country-level activities to be determined as appropriate at national and regional levels.</li> <li>11 Review NSC composition, or NSC “sub-committees”, to ensure participation by marketing, business and sustainability experts in particular for biodiversity and climate change focal areas.</li> <li>12 Participate in international meetings (CBD COP, IUCN Congress) related to cutting edge programmes and thematic areas (i.e. COMPACT, revolving loans, blended grant/loan sustainability model).</li> <li>13 Develop the strategic projects pipeline of GEF SGP projects up to US\$150,000 with a particular focus on the consolidation of supply chains and influencing local, national and regional markets.</li> <li>14 Engage in policy fora including fair trade fairs, organic BioFach and other market-related meetings</li> <li>15 Develop partnerships with other private sector UN partners including UNCTAD BioTrade group, IFC, ISEAL, UNDP Growing Sustainable Business and others</li> <li>16 Mainstream GEF SGP in at least 3 market-related MSP and FSP projects (i.e. CAMBIO project working with regional development bank in Central America)</li> </ol> <p>*Priority will be placed on individual RAF and countries expected to “graduate” from dependence on GEF resources by the end of GEF 4 to implement measures linked to sustainability and market mechanisms</p>

## CLIMATE CHANGE MITIGATION

Strategy	Objectively Verifiable Indicators			Means of Verification	Assumption
	Indicator	Baseline	Target		
<b>Outcome 3:</b> Intensify the replication, up scaling or mainstreaming of climate change mitigation barrier removal models that have been successfully tested and practically applied at the local level, in national development priorities and plans	Number of countries incorporating components of innovative models/approaches at local levels, for promotion of energy efficiency, renewable energy or sustainable transport in national development	Existing models/approaches have been tested successfully by some SGP Country Programmes.	At least one region (West Africa) and at least 20 SGP mature countries have models or approaches <sup>1</sup> (or their components) for the promotion of energy efficiency, renewable energy or sustainable transport at the local level mainstreamed into policy, market mechanisms and national development programmes	Project reports, thematic portfolio review, country progress reviews reports	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.
<b>Outputs</b>	<b>Activities</b>				
3.1 Sustainable frameworks in place for implementing local climate change activities that are linked to market mechanisms, policy interventions or national development priorities	<ol style="list-style-type: none"> <li>1 Strengthen and initiate partnerships with governments, IAs/EAs and other development partners for scaling up, replicating or mainstreaming RE, EE and sustainable transport activities in specific regions or countries.</li> <li>2 Promote and support projects that are implemented in partnerships or linked to commercial/market mechanisms, policy interventions or larger national initiatives</li> <li>3 Document share widely illustrative case studies for the promotion of replication, up-scaling or mainstreaming by development partners, Governments and the private sector.</li> <li>4 Support a portfolio of projects with innovative approaches for replication, up-scaling or mainstreaming.</li> <li>5 support capacity building projects/activities that are linked to processes for replication, mainstreaming, or up-scaling.</li> <li>6 In mature SGP country programmes, assess and document the socio-economic and development costs and benefits, to illustrate the incremental reduction of costs and expansion of benefits from initial pilots to replicated, up-scaled or mainstreamed models or approaches.</li> </ol>				

<sup>1</sup> The five models/ approaches relate to barrier removal activities for energy efficiency, renewable energy and environmentally sustainable transport on livelihoods and development themes such as: energy access through renewable energy, efficient or environmentally sustainable transport practices or use of renewable energy in housing and micro enterprise sector, energy efficiency in brick making, cooking and lighting, biofuel, solar drying and sustainable transport.

## **Response to the Comments from the Government of France**

### **1. Actions to address recommendations by Joint Evaluation 2007**

*Comments:*

The PIF doesn't provide some clear directions to answer to the previous recommendations of the "2007 Joint evaluation of the Small Grant Program":

- Proposing a level of management costs on the basis of services rendered and cost-efficiency rather than on the basis of a stated percentage;
- Starting a process to change SGP's central management system suitable for the new phase of growth and to address the risks of growing complexity;
- Strengthening country programme oversight;
- Further strengthening monitoring and evaluation;
- Proposing a revision of the current criteria for access to SGP resources to maintain cost efficiency; and
- Further developing a graduation policy for the SGP country programmes which takes into account the identified risks to GEF achievements and cost effectiveness, especially in SIDS and LDCs.

*Responses:*

The "Follow-up Report to the Joint Evaluation 2007" (Council Document April 2008) has addressed the six recommendations of the 2007 Joint Evaluation of SGP one by one, with clear directions and comprehensive actions as response to the recommendations. These set of detailed follow-up actions have been implemented by SGP as part of its overall funding in GEF4 that includes its previously released core funds and first half of RAF funds and now this request for the 2<sup>nd</sup> half of RAF funds. Some highlights of the actions include:

- **Level of management costs.** SGP provided a detailed assessment of its management costs to the Council last April 2008. With this, the appropriate management cost was approved on the basis of services rendered rather than on the basis of a stated percentage.
- **SGP management system.** Management processes are being streamlined through the development and implementation of Standard Operating Procedures (SOP), and the upgrading of the programme's ATLAS financial management system.
- **Country program oversight.** A risk-based analysis and a comprehensive audits programme are currently being undertaken in the first group of priority countries, with the aim to audit all SGP country programmes by the end of OP4; policies to avoid conflict of interest have been implemented, including a policy of no access to grants by NGOs with members sitting in the NSC; all SGP staff have taken also taken a web-based interactive training program on ethics and conflict of interest issues.
- **Strengthening M&E.** All SGP National Coordinators have been tasked to file reports of project visits and a system for inputting these reports into the global database is being developed. Substantive country programme reports that include personnel performance against agreed Key Result Areas (the SGP Performance Review Assessment) and the first set of annual Country Programme Reports have been received.
- **Revision of fund access criteria.** Initial revisions of funds access criteria were included in follow-up report to the SGP evaluation that has been approved by the Council in its April 2008 meeting. Fund access criteria for GEF5 that will be linked to the categorization of SGP country programmes with the aim to increase cost efficiency and effectiveness will be included in a paper to be presented to the Council in November 2009.
- **Graduation policy:** An expanded SGP Steering Committee consultation workshop convened in January 2009 recommended an "upgrading" of mature country programmes rather than "graduation". A study is underway on SGP upgrading with the resulting paper to be presented to the Council in its November 2009 meeting.

These set of actions implemented by SGP to address the recommendations of the 2007 Joint Evaluation as summarized above were not included in the PIF for the 2<sup>nd</sup> half of RAF funds because the commitment and process of their implementation had proceeded before the PIF formulation. Furthermore the costs related for these actions are not covered by the requested RAF fund, but by SGP core fund. In the SGP OP4 Project Document that was earlier approved by the Council, the core funds of \$110 million cover all of SGP's management cost.

## 2. SGP as a delivery mechanism for FSPs

### *Comments:*

The PIF mentions that: "There is also increasing utilization of the GEF SGP mechanisms and procedures in the micro grants components by some full-sized projects of the GEF [...]". Some independent evaluation should be directed to clarify that this utilization of GEF SGP resources is not a mean to compensate derivation or inefficient use of resources from GEF full size-project, but participates to a clear and efficient complementary use of financial means.

### *Response:*

Using SGP as a delivery mechanism for SGP will enhance GEF's overall efficiency and effectiveness. It not only benefits full size-project (FSP) reaching to local communities, but helps SGP in upscaling its impacts through FSP network. It will help both FSPs and SGP to enhance efficiency and effectiveness, not SGP to compensate for FSPs' ineffectiveness. This is particularly true for International Waters focal area in which small standing-alone community-based projects will have challenges to address basin-wide issues, without linking with bigger initiatives. This modality to collaborate with FSPs has been identified as good practices and is being further encouraged by the 2007 Joint Evaluation.

At the same time, it should be noted that the RAF fund herein requested will not be used in any way to compensate for inefficiencies of FSP projects. Rather, SGP's participation in the FSPs as delivery mechanism was mentioned in the PIF to describe additional opportunities for complementation of funding to scale up SGP work as well as increase synergy between GEF SGP and FSPs. Furthermore, if SGP participates as a delivery mechanism for any FSP, the partner FSP provides the programme with needed funds to implement the additional delivery work on aspects where SGP has a distinct comparative advantage, i.e. links to local NGOs and CBOs.

## Response to the Comments from the Government of Switzerland

### 1. Cost-Effectiveness the overall Programme

#### *Comments:*

The proportion of the core funds within the SGP is very high. Thus, with such a high proportion, is the criterion of cost-effectiveness of the overall programme really satisfied?

#### *Response:*

The cost effectiveness of SGP was assessed by the GEF EO in its 2007 Joint Evaluation of the programme and intensively discussed by the Council in its consideration of the recommendations of the "Small Grants Programme: Follow Up to the 2007 Joint Evaluation" (Council Document April 2008). In both, the conclusions were than SGP is cost effective in its practice and in its planned use of GEF4 funds that includes this requested 2<sup>nd</sup> half of RAF funds.

It should be noted that SGP core funding is the sole source of support to cover the programme's management costs at both the global and country levels for the whole of SGP OP4. Core funds are also the sole source of grant allocations of those countries that are in the "group" RAF category and in part for those that have RAF allocations below \$15 million in either the climate change or biodiversity focal areas. Thus, should core funds be reduced, cost effectiveness will actually suffer. On the other hand, should RAF funds allocated to SGP is increased, it will correspondingly increase SGP's cost effectiveness especially in countries where because of limitations of available core funds the grant making is low and the full utilization of the country programme's potential is unrealized.

## **2. The project framework**

### *Comments:*

The project framework (the table below chapter A of the PIF) specifies only in very general terms the expected outcomes and outputs. In order to provide an adequate orientation and guidance to the individual country projects and to guarantee a sufficiently differentiated reporting by the individual countries facilitating the up-scaling of the information to the overall program level, particularly on the global environmental benefits, we are convinced that the current project framework (and the log-frame) has to be specified further.

### *Response:*

The project framework included in the PIF is the global project framework that was approved as part of the SGP OP4 Project Document, remains valid throughout the entire OP4 period, and used as the overall framework to the SGP as a global and multi-country programme. For that reason, it is also included as Annex A of this document. Due to SGP's highly decentralized approach, each Country Programme developed and adopted its own Country Programme Strategy, based on which RAF Country Strategy has been also developed and adopted specifically focused on the use of RAF allocation during the OP4. These Country specific strategies (Annex G) include detailed country-specific information, including the clear and targeted outcomes and outputs for the use of the RAF funding by each country.

## **3. Co-financing**

### *Comments:*

We recognize that at this stage, it is not possible to provide detailed information on the expected co-financing. However, we expect that the SGP will pay attention to a systematic follow-up of the commitments on co-financing and report accordingly on this aspect to the GEF.

### *Response:*

For SGP, the raising of co-financing, especially by the grantee-partners, is important to enhance ownership and sustainability. Thus, systematic follow-up of commitments is of high importance. It is regular practice that approved projects and its co-financing, both in cash and in-kind, are immediately inputted into the SGP global database. These inputs are checked and monitored by SGP Central Programme Management Team's Regional Focal Persons. The amounts of co-financing raised by each country programme is part of the criteria for rating the performance of National Coordinators and country programmes and is reported as part of country programme reports and of the SGP's replenishment proposal for the next phase.

## **4. SGP as a delivery mechanism for FSPs**

### *Comments*

Following the project PIF "SGP has continued to support the creation and implementation of small grants components of large GEF projects". Please do not only provide one good example but indicate which proportion of the total amount of the SGP country allocations are directly supporting small grants components of large GEF projects. Please provide that information at country level.

### *Response:*

Being a GEF corporate programme, a major goal of SGP is the fuller utilization of its potential to provide access to GEF resources to local NGOs and CBOs and poor and vulnerable communities. Through the SGP Steering Committee, SGP with the GEFSEC and the IAs discuss issues and themes of common interest and explore opportunities for SGP mainstreaming into larger projects. Existing successful examples are listed under Section E on coordination with other related initiatives.

However, it should be noted that no proportion of the total amount of the SGP country allocations are used to fund the small grants components of large GEF projects in any given country. When SGP is asked to help deliver small grants for FSPs, the FSP partners provide for the appropriate transfer of the FSP's own allocation for small grants to involved SGP country programmes plus the needed management cost to deliver these grants effectively.

Please also see Point 2 under the response to the Government of France.

## 5. Data on the contributions to SGP for the first half of GEF 4

*Comments:* Please complement Annex 1 with data on the contributions to SGP for the first half of GEF 4.

*Response:* Please find the data below.

### RAF Fund Endorsed for the First Half of GEF-4

Country	Biodiversity		Climate Change		Subtotal		Total
	BD Grant	Agency Fee	CC Grant	Agency Fee			
Argentina	144,546	5,454	144,546	5,454	289,092	10,908	300,000
Belarus	0	0	385,455	14,545	385,455	14,545	400,000
Bolivia	192,728	7,272	96,364	3,636	289,092	10,908	300,000
Brazil	867,273	32,727	0	0	867,273	32,727	900,000
Bulgaria	0	0	289,091	10,909	289,091	10,909	300,000
Cambodia	0	0	289,091	10,909	289,091	10,909	300,000
Cameroon	144,546	5,454	0	0	144,546	5,454	150,000
Chile	505,909	19,091	72,273	2,727	578,182	21,818	600,000
Costa Rica	289,091	10,909	0	0	289,091	10,909	300,000
Cote d'Ivoire	144,546	5,454	0	0	144,546	5,454	150,000
Cuba	130,091	4,909	130,091	4,909	260,182	9,818	270,000
Dom. Rep	289,091	10,909	0	0	289,091	10,909	300,000
Ecuador	851,461	32,130	0	0	851,461	32,130	883,591
Egypt	96,364	3,636	192,728	7,272	289,092	10,908	300,000
Ethiopia	144,546	5,454	96,364	3,636	240,910	9,090	250,000
Fiji	96,364	3,636	0	0	96,364	3,636	100,000
Haiti	144,546	5,454	144,546	5,454	289,092	10,908	300,000
Honduras	192,728	7,272	0	0	192,728	7,272	200,000
India	289,091	10,909	481,819	18,181	770,910	29,090	800,000
Indonesia	790,182	29,818	0	0	790,182	29,818	820,000
Iran	385,455	14,545	385,455	14,545	770,910	29,090	800,000
Jamaica	245,728	9,272	0	0	245,728	9,272	255,000
Kazakhstan	144,546	5,454	144,546	5,454	289,092	10,908	300,000
Kenya	163,818	6,182	125,273	4,727	289,091	10,909	300,000
Madagascar	674,546	25,454	0	0	674,546	25,454	700,000
Malaysia	366,182	13,818	272,709	10,291	638,891	24,109	663,000
Mauritius	289,091	10,909	0	0	289,091	10,909	300,000
Mexico	1,060,000	40,000	0	0	1,060,000	40,000	1,100,000
Mongolia	0	0	0	0	0	0	0
Morocco	96,364	3,636	96,364	3,636	192,728	7,272	200,000
Mozambique	173,455	6,545	0	0	173,455	6,545	180,000
Namibia	289,091	10,909	0	0	289,091	10,909	300,000
Nicaragua	0	0	0	0	0	0	0
Pakistan	144,545	5,455	337,273	12,727	481,818	18,182	500,000
Panama	192,727	7,273	0	0	192,727	7,273	200,000
Peru	770,909	29,091	0	0	770,909	29,091	800,000
Philippines	770,909	29,091	0	0	770,909	29,091	800,000
Romania	0	0	289,091	10,909	289,091	10,909	300,000
South Africa	481,818	18,182	0	0	481,818	18,182	500,000
Sri Lanka	352,603	13,306	0	0	352,603	13,306	365,909
Syria	0	0	120,455	4,545	120,455	4,545	125,000
Tanzania	289,091	10,909	0	0	289,091	10,909	300,000

Thailand	240,909	9,091	144,545	5,455	385,454	14,546	<b>400,000</b>
Turkey	192,727	7,273	192,727	7,273	385,454	14,546	<b>400,000</b>
Uganda	0	0	289,091	10,909	289,091	10,909	<b>300,000</b>
Vietnam	154,182	5,818	134,910	5,090	289,092	10,908	<b>300,000</b>
<b>Total</b>	<b>12,791,799</b>	<b>482,701</b>	<b>4,854,807</b>	<b>183,193</b>	<b>17,646,606</b>	<b>665,894</b>	<b>18,312,500</b>

**ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT USING GEF RESOURCES**

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

\* 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. PPG IS NOT APPLICABLE TO THE PROJECT.**
- B. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:**
- 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 Amount (\$)</i>				<i>Co- financing (\$)</i>
		<i>Amount Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Uncommitted Amount*</i>	
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
<b>Total</b>						

\* 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**

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

**ANNEX F: Second Half RAF Grant Allocation Table**

	Country	Endorsed RAF Contribution (2nd Half of GEF-4)						Total
		Biodiversity		Climate Change		Sub-total		
		Grant	Agency Fee	Grant	Agency Fee	Grant	Agency Fee	
1	Afghanistan	1,346,154	53,846	0	0	1,346,154	53,846	1,400,000
2	Argentina	528,846	21,154	528,846	21,154	1,057,692	42,308	1,100,000
3	Belarus	0	0	769,231	30,769	769,231	30,769	800,000
4	Bolivia	600,962	24,038	264,423	10,577	865,385	34,615	900,000
5	Brazil	1,442,308	57,692	0	0	1,442,308	57,692	1,500,000
6	Bulgaria	0	0	1,346,154	53,846	1,346,154	53,846	1,400,000
7	Cameroon	144,231	5,769	0	0	144,231	5,769	150,000
8	Cape Verde	173,077	6,923	0	0	173,077	6,923	180,000
9	Chile	841,346	33,654	120,192	4,808	961,538	38,462	1,000,000
10	China	480,769	19,231	480,769	19,231	961,538	38,462	1,000,000
11	Costa Rica	865,385	34,615	0	0	865,385	34,615	900,000
12	Cote d'Ivoire	144,231	5,769	0	0	144,231	5,769	150,000
13	Cuba	336,538	13,462	336,538	13,462	673,076	26,924	700,000
14	Democratic Republic of Congo	961,538	38,462	0	0	961,538	38,462	1,000,000
15	Dominican Republic	576,923	23,077	0	0	576,923	23,077	600,000
16	Ecuador	1,458,087	58,323	0	0	1,458,087	58,323	1,516,410
17	Egypt	96,154	3,846	769,231	30,769	865,385	34,615	900,000
18	Ethiopia	432,692	17,308	288,462	11,538	721,154	28,846	750,000
19	Fiji	192,308	7,692	0	0	192,308	7,692	200,000
20	Guatemala	192,308	7,692	0	0	192,308	7,692	200,000
21	Haiti	288,462	11,538	0	0	288,462	11,538	300,000
22	Honduras	384,615	15,385	0	0	384,615	15,385	400,000
23	India	673,077	26,923	865,385	34,615	1,538,462	61,538	1,600,000
24	Indonesia	1,519,231	60,769	0	0	1,519,231	60,769	1,580,000
25	Iran	384,615	15,385	384,615	15,385	769,230	30,770	800,000
26	Jamaica	245,192	9,808	0	0	245,192	9,808	255,000
27	Kazakhstan	365,385	14,615	432,692	17,308	798,077	31,923	830,000
28	Kenya	413,462	16,538	548,077	21,923	961,539	38,461	1,000,000
29	Laos	576,923	23,077	0	0	576,923	23,077	600,000
30	Madagascar	1,346,154	53,846	0	0	1,346,154	53,846	1,400,000

31	Malaysia	365,385	14,615	272,115	10,885	637,500	25,500	<b>663,000</b>
32	Mauritius	384,615	15,385	0	0	384,615	15,385	<b>400,000</b>
33	Mexico	1,057,692	42,308	0	0	1,057,692	42,308	<b>1,100,000</b>
34	Mongolia	288,462	11,538	0	0	288,462	11,538	<b>300,000</b>
35	Morocco	288,462	11,538	288,462	11,538	576,924	23,076	<b>600,000</b>
36	Mozambique	211,538	8,462	0	0	211,538	8,462	<b>220,000</b>
37	Namibia	192,308	7,692	0	0	192,308	7,692	<b>200,000</b>
38	Nicaragua	384,615	15,385	0	0	384,615	15,385	<b>400,000</b>
39	Nigeria	384,615	15,385	384,615	15,385	769,230	30,770	<b>800,000</b>
40	Pakistan	240,385	9,615	625,000	25,000	865,385	34,615	<b>900,000</b>
41	Panama	432,692	17,308	0	0	432,692	17,308	<b>450,000</b>
42	Papua New Guinea	961,538	38,462	0	0	961,538	38,462	<b>1,000,000</b>
43	Peru	1,538,462	61,538	0	0	1,538,462	61,538	<b>1,600,000</b>
44	Philippines	1,538,462	61,538	0	0	1,538,462	61,538	<b>1,600,000</b>
45	Romania	0	0	1,057,692	42,308	1,057,692	42,308	<b>1,100,000</b>
46	Seychelles	384,615	15,385	0	0	384,615	15,385	<b>400,000</b>
47	Slovak Republic	0	0	1,153,846	46,154	1,153,846	46,154	<b>1,200,000</b>
48	South Africa	480,769	19,231	480,769	19,231	961,538	38,462	<b>1,000,000</b>
49	Sri Lanka	802,010	32,080	0	0	802,010	32,080	<b>834,090</b>
50	Suriname	384,615	15,385	0	0	384,615	15,385	<b>400,000</b>
51	Syria	0	0	264,423	10,577	264,423	10,577	<b>275,000</b>
52	Tanzania	288,462	11,538	0	0	288,462	11,538	<b>300,000</b>
53	Thailand	0	0	576,923	23,077	576,923	23,077	<b>600,000</b>
54	Turkey	384,615	15,385	384,615	15,385	769,230	30,770	<b>800,000</b>
55	Uganda	192,308	7,692	307,692	12,308	500,000	20,000	<b>520,000</b>
56	Ukraine	0	0	1,439,368	57,575	1,439,368	57,575	<b>1,496,943</b>
57	Uzbekistan	0	0	576,923	23,077	576,923	23,077	<b>600,000</b>
58	Venezuela	480,769	19,231	961,538	38,462	1,442,307	57,693	<b>1,500,000</b>
59	Vietnam	326,923	13,077	298,077	11,923	625,000	25,000	<b>650,000</b>
	<b>Total</b>	<b>29,005,290</b>	<b>1,160,210</b>	<b>16,206,673</b>	<b>648,270</b>	<b>45,211,963</b>	<b>1,808,480</b>	<b>47,020,443</b>