



# Global Environment Facility

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## REPORT ON PROGRESS MADE IN IMPLEMENTING THE GEF SMALL GRANTS PROGRAMME

(Prepared by the United Nations Development Programme)

**REPORT ON PROGRESS MADE IN IMPLEMENTING THE  
GEF SMALL GRANTS PROGRAMME**

05 April, 1999

(GEF/C13/Info14)

**UNITED NATIONS DEVELOPMENT PROGRAMME**

**GEF Council Decision, October 1998:**

“With regard to the proposal to provide additional financing for the Small Grants Programme, many Council Members welcomed the evaluation that had been completed and the incorporation into the program of lessons learned. A number of Council Members expressed their interest in seeing an increase in the number of countries benefiting from the Small Grants Program. It was suggested that there is a need to give serious consideration to the continuity of projects financed under the small grants program once GEF financing is fully utilized. **UNDP was requested to report to the Council at its next meeting on progress made in consolidating a strategic framework for the program.**” (Emphasis added.)

## I. INTRODUCTION

1. This Information Paper will report on progress made in achieving the first three deliverables that were specified in Annex K2 to the project document for the Second Operational Phase of the Global Environment Facility Small Grants Programme (GEF/SGP). This progress is provided in Section II.

2 UNDP/GEF is also taking preliminary steps to assure that future deliverables will be met in a timely manner:

- It has recruited a Global Manager for the Small Grants Programme who will take up her duties in April.
- The new “SGP-Xchange,” an electronic network linking all country programmes and headquarters, will contribute significantly to Outputs 4 (capacity building) and 5 (global and country communications and outreach strategies).
- Proposals for co-financing SGP activities on a multi-country basis are under consideration by a U.S. philanthropic foundation and a multilateral development agency.

3. Progress made in achieving these and other specified deliverables will be reported to subsequent meetings of the GEF Council.

4. Please note that the project document was signed by UNDP and the United Nations Office for Project Services (UNOPS), the principal executing agency for the SGP, on 18 February 1999. This date becomes, in effect, the date of replenishment.

5. Annexes to this report include:

**Annex A:** *Annex K2, Deliverables for the GEF/SGP (January 1999 – November 2001)*

**Annex B:** *Small Grants Programme: Strategic Framework*

## II. PROGRESS MADE IN IMPLEMENTING THE GEF SMALL GRANTS PROGRAMME

(As at 01 April 1999)

Deliverable and Indicators	Date Due	Status of Achievement
<p><b>A. Consolidation of GEF/SGP Strategic Framework and country strategies to ensure fit with GEF OS and OPs.</b></p> <p>1. GEF/SGP Strategic Framework and Operational Guidelines prepared and translated into three languages within four months after replenishment.</p> <p>2. Fifteen hundred copies of both the Strategic Framework and Operational Guidelines will be distributed to 46 countries within five months after replenishment.</p> <p>3. Revised country strategies are approved and applied according to the Global Strategic Framework six months after replenishment.</p>	<p>18 June 1999</p> <p>18 July 1999</p> <p>18 August 1999</p>	<p>a. The Strategic Framework document has been completed<sup>1</sup> and translated from English into Arabic, French and Spanish.</p> <p>b. The Operational Guidelines from the First Operational Phase are currently being revised; a draft revision will be circulated for comments in May 1999; the revision will be completed by 07 June 1999; translations will be completed by 18 June.</p> <p>c. The Strategic Framework was disseminated electronically in English to participating countries on 08 March and in other languages by 26 March.</p> <p>d. The Operational Guidelines will be sent out electronically in English on or about 07 June 1999; translations will be disseminated on or about 21 June.</p> <p>e. SGP headquarters has established a new electronic network (the “SGP-Xchange”) linking all country programmes to headquarters and to each other; widespread electronic dissemination of the Strategic Framework may reduce the number of printed copies to be made available.</p> <p>f. The 46 SGP national programmes have already been asked to revise their country strategies so that they are consistent with the Global Strategic Framework.</p>

<sup>1</sup> Although completed, the Strategic Framework is regarded as a “living document” to be reviewed and revised based on experience.

Deliverable and Indicators	Date Due	Status of Achievement
<p><b>B. Progress on monitoring and evaluation strategy at project, country programme and global programme levels.</b></p> <p>4. GEF/SGP M &amp; E strategy in place and applied by country programmes within six months after replenishment.</p> <p>5. Up-to-date (as of 90 days) databases covering all relevant aspects of programme and project implementation at headquarters and country programme levels.</p>	<p>18 August 1999</p> <p>Unspecified</p>	<p>g. Responses are due from English-speaking programmes by 30 April; programmes which received the Strategic Framework later, owing to time invested in translation, may reply as late as 15 May.</p> <p>h. The revised country strategies are being reviewed at headquarters as they are received and returned to participating countries with comments; it is expected that all revised country strategies will be approved by 31 May.</p> <p>i. An M &amp; E strategy has been drafted and is being “field tested” in five SGP participating countries: Chile, Jordan, Kazakhstan, Pakistan and Turkey.</p> <p>j. A revised draft will be circulated to all participating countries for their comments on or about 01 June 1999.</p> <p>k. A final version will be completed and disseminated by 30 June 1999; translations will be completed and disseminated by 15 July 1999.</p> <p>l. Country-level application will begin by 31 July in every country.</p> <p>m. All participating countries have been asked to provide new or updated data on projects financed by the SGP. Entries include:</p> <ul style="list-style-type: none"> <li>• Beginning and ending dates of project.</li> <li>• GEF focal area.</li> <li>• GEF Operational Programme.</li> <li>• Organization presenting the project proposal (name and type).</li> <li>• Project implementor.</li> </ul>

Deliverable and Indicators	Date Due	Status of Achievement
<p><b>C. Programme administration</b></p> <p>6. Agreement on specific measures to improve the delivery of programme support services between GEF/SGP management and UNOPS within three months after replenishment.</p>	<p>18 May 1999</p>	<ul style="list-style-type: none"> <li>• Type of project, i.e., demonstration, capacity-building, etc.</li> <li>• Characteristics of project.</li> <li>• Description of project.</li> <li>• Co-financing.</li> <li>• Status.</li> </ul> <p>n. Responses have been received from 30 countries and a database has been compiled at headquarters on the 1,002 projects funded in these countries; data from additional countries will be entered as received.</p> <p>o. All national coordinators will have direct access to the database so that they may continuously update entries on projects in their countries.</p> <p>p. Data entries will be monitored by headquarters to ensure timely country-level inputs.</p> <p>q. Headquarters negotiations have begun between UNDP and UNOPS. It has been agreed that:</p> <ul style="list-style-type: none"> <li>• Budget lines to be managed by UNDP will be reconsidered no later than June 1999.</li> <li>• UNDP and UNOPS will review and negotiate institutional arrangements at country level, based on a set of pre-agreed criteria, by 01 September 1999.</li> </ul>

05 April 1999

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## ANNEX A

### ANNEX K2 OF PROJECT DOCUMENT: DELIVERABLES FOR THE GEF/SGP (JANUARY 1999 - NOVEMBER 2001)

Year	Report to GEF Council on achievement of specific deliverables	Indicators
End of Year 1 ** (Nov. 1999)	<p>Interim report with the following deliverables:</p> <ul style="list-style-type: none"> <li>• Consolidation of GEF/SGP strategic framework and country strategies to ensure fit with GEF OS and OPs.</li>   <li>• Progress on monitoring and evaluation strategy at project, country programme and global programme levels.</li>   <li>• Programme administration.</li> </ul> <p><u>(The GEF/SGP will report on progress on the above 3 deliverables to the May 1999 Council meeting.)</u></p> <ul style="list-style-type: none"> <li>• Mobilization of non-GEF resources for “baseline” activities.</li>   <li>• Initiation of capacity building efforts at country and community levels to ensure congruence with GEF OS and OPs.</li>   <li>• Plan of action for building functional links with GEF-wide initiatives.</li>   <li>• Work plan for the next two years.</li> </ul>	<ul style="list-style-type: none"> <li>• GEF/SGP Strategic Framework and Operational Guidelines prepared and translated into 3 languages in 4 months after replenishment.</li> <li>• 1,500 each of both the Strategic Framework and Operational Guidelines distributed to 46 countries within 5 months after replenishment.</li> <li>• Revised country strategies are approved and applied according to Global Strategic Framework 6 months after replenishment.</li>   <li>• GEF/SGP M&amp;E strategy in place and applied by country programmes within 6 months after replenishment.</li> <li>• Up-to-date (as of 90 days) databases covering all relevant aspects of programme and project implementation at headquarters and country programme levels.</li> <li>• Agreement on specific measures to improve the delivery of programme support services between GEF/SGP management and UNOPS within 3 months after replenishment.</li>   <li>• Global and country resource mobilization strategies in place within 6 months after replenishment.</li> <li>• Co-financing and leveraging achieved in the range of 5 million in cash &amp; 5 million in kind.</li>   <li>• Regional workshops held with training modules on GEF/SGP Strategic Framework and new strategies on resource mobilization, M&amp;E, and communications &amp; outreach, within 6 months after replenishment.</li> <li>• Stakeholder workshop materials are revised and contain paradigm cases based on GEF/SGP projects reflecting global benefits and incremental costs.</li> </ul>



<b>Year</b>	<b>Report to GEF Council on achievement of specific deliverables</b>	<b>Indicators</b>
End of year 2 (Nov. 2000)	<p>Interim report with the following deliverables:</p> <ul style="list-style-type: none"> <li>• GEF/SGP “fit” with GEF Operational Strategy and Programs.</li> <li>• Mobilization of non-GEF resources for “baseline” activities.</li> <li>• Functional links with GEF-wide initiatives.</li>   <li>• Outreach and awareness</li>   <li>• Progress on monitoring and evaluation strategy at project, country programme and global programme levels.</li>   <li>• Knowledge base management.</li>   <li>• Mainstreaming within UNDP.</li> <li>• Expansion of programme.</li> <li>• Capacity building at country and community levels.</li> <li>• Work plan for the next two years.</li> </ul>	<ul style="list-style-type: none"> <li>• Yearly country evaluation reports show that all new projects respond to revised country strategies and operational guidelines.</li> <li>• Co-financing and leveraging achieved in the range of 10 million in cash and 10 million in kind.</li> <li>• On an average each established country programme will include at least 2 linkage demonstration projects with large GEF projects.</li> <li>• At least 20 medium-size project proposals result from a scaling-up of GEF/SGP projects.</li> <li>• UNDP/GEF focal points included in NSC in at least 30 SGP countries.</li> <li>• SGP’s decentralized institutional structure increasingly providing a mechanism for broad-based awareness raising about global environmental concerns.</li>   <li>• Communications and outreach strategy and associated materials completed at global and country levels.</li> <li>• At least 2 projects per country per year receive favorable media coverage.</li>   <li>• By the end of the year, 2 new projects will have incorporated lessons learned from other projects.</li> <li>• Case studies prepared on best practices and lessons learned.</li>   <li>• In SGP countries where the services are provided all NCs have access to the web.</li> <li>• Database of GEF/SGP projects can be accessed directly by all country programmes where technically possible.</li>   <li>• NCs participate in relevant UNDP Project Appraisal Committees.</li> <li>• Five new countries added in accordance with established selection criteria.</li>   <li>• At least 1 stakeholder workshop held in all countries.</li> </ul>

Year	Report to GEF Council on achievement of specific deliverables	Indicators
End of year 3 (Nov. 2001)	<p>Interim report with the following deliverables:</p> <ul style="list-style-type: none"> <li>• Progress on achievement of strategic benefits and global environmental benefit.</li> <li>• Expansion of programme.</li> <li>• Capacity building efforts at country and community levels.</li> <li>• Mobilization of non-GEF resources for “baseline” activities.</li> <li>• Linkages with other non-GEF environment and development programmes/agencies.</li> <li>• Work plan for two years.</li> </ul>	<ul style="list-style-type: none"> <li>• Results of technical review to assess strategic role of the GEF/SGP and achievement of global environmental benefit.</li> <li>• Five additional countries included in GEF/SGP in accordance with established selection criteria.</li> <li>• At least 1 stakeholder workshop held in all countries</li> <li>• Co-financing and leveraging achieved in the range of 15 million in cash and in kind.</li> <li>• On an average each GEF/SGP country programme will include at least 1 linkage demonstration project.</li> <li>• At least 5 other development environmental programmes/agencies are using GEF/SGP approaches and strategies.</li> </ul>

*\*\* The deliverables for November 1999 have been selected bearing in mind that they must be achieved over a 7 to 8 month period, and not a 12 month period.*

**ANNEX B**  
**GEF SMALL GRANTS PROGRAMME**  
**STRATEGIC FRAMEWORK**

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## **I. Purpose of this Document**

1. This document provides guidance to GEF/SGP country programmes, above all the National Coordinators and National Steering Committees, for the revision or elaboration of country programme strategies and the development of projects that better fit the GEF Operational Strategy and Programs. It is based on recommendations of the Second Independent Evaluation of the GEF/SGP, the objectives and outputs of the Project Document for the GEF/SGP Second Operational Phase, and on operational phase country programme strategies and experiences.
2. The Strategic Framework will form part of the GEF/SGP Handbook, which will be made up of the following documents:
  - Project Document
  - Strategic Framework
  - Operational Guidelines
  - Monitoring and Evaluation Framework
  - Resource Mobilization Strategy
  - Communications Strategy

The Handbook will be distributed to all country programmes and will also be posted on the GEF/SGP website. The various frameworks and strategies will be revised periodically.

## **II. Introduction to the Global Environment Facility**

3. The Global Environment Facility is a unique international entity. Its mission, governance, management and internal procedures constitute innovative responses to the spirit and mandate of the 1992 Earth Summit in Rio de Janeiro. The GEF's mission is the protection of the global environment. It was created to fulfill a particular purpose: the achievement of global environmental benefits through funding programs and projects in four focal areas — biodiversity, climate change, international waters, and ozone layer depletion — and those that combat land degradation, desertification, and deforestation as they relate to the focal areas.
4. The GEF is governed by the Global Environment Facility Assembly, Council, and Secretariat. The Assembly, which is composed of representatives of all participating countries, meets every three years and reviews and evaluates the general policies and operation of the GEF based on reports from the Council. The Council, comprised of 32 members representing constituency countries in the donor and developing world and the CIS, is responsible for developing, adopting, and evaluating the operational policies and programs for GEF-financed activities, and meets twice a year. The Council reviews and approves the work program prepared by the Implementing Agencies. The Secretariat reports to the Council, and is charged with implementing the decisions and policies of the Assembly and Council, and coordinating and ensuring the execution of the work program in conjunction with the Implementing Agencies.

5. The GEF has been designated the interim financial mechanism for the Convention on Biological Diversity and the permanent financial mechanism for the United Nations Framework Convention on Climate Change: these Conventions provide the GEF with eligibility criteria, programme priorities and policy guidance. An important component of GEF's work is assisting participating countries in fulfilling their Convention obligations. The GEF project portfolio, particularly in terms of the priorities and policies of the Biodiversity and Climate Change Conventions, has followed operational strategies in each of its focal areas. For example, in biodiversity, the major objective is to develop projects in ecosystems of global significance aimed at securing biodiversity protection. In climate change, the strategy focusses on long-term mitigation measures by (a) removing the barriers to adoption of efficient renewable energy technologies and (b) reducing the cost of some of the more promising technologies that are not yet viable. In international waters, the GEF strategy promotes collaboration in resolving critical transboundary concerns.<sup>2</sup>
6. The Implementing Agencies of the GEF are the World Bank, the United Nations Environment Programme (UNEP), and the United Nations Development Programme (UNDP). Governments may apply directly for funding from the regular GEF program; these GEF projects average US\$5.5 million and take several years to implement. GEF medium-sized projects (MSPs), which are processed by expedited procedures, may be submitted by governments, non-governmental organizations (NGOs), academic institutions, national and international institutions, local communities, and private sector entities; the ceiling on MSPs is US\$1 million in GEF financing.
7. The GEF Small Grants Programme (GEF/SGP) is administered by the UNDP, and is currently offered in 46 countries. While it is an integral part of the GEF Corporate Business Plan and the UNDP GEF unit, the implementation of the GEF/SGP is decentralized and country driven. The SGP complements the regular and medium-sized GEF project funding by providing a window for the direct participation of NGOs, local communities, and other grassroots organizations. The GEF/SGP is rooted in the belief that global environmental problems can only be addressed adequately if local people are involved, and that with small amounts of funding (maximum US\$50,000 per project) local communities can undertake activities which will make a significant difference in their lives and their environment.

### **III. The GEF Small Grants Programme in the Second Operational Phase**

8. Since its inception in 1992, the GEF/SGP has occupied a strategic niche within the GEF system by supporting community-based initiatives that respond to the GEF criteria and objectives. The GEF/SGP has promoted outreach and awareness regarding global environmental concerns; built capacities of communities and NGOs to address these concerns; and provided a mechanism for demonstrating and disseminating community-level

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<sup>2</sup> For more information on the policies, procedures, programs, and projects of the Global Environment Facility, please see the following documents available in print and on the GEF website ([www.gefweb.org](http://www.gefweb.org)): "Instrument for the Establishment of the Restructured Global Environment Facility," "The GEF Operational Strategy," and "GEF Operational Programs." The GEF was established in 1991 and restructured in 1994.

and community-led solutions to global environmental problems. In this sense, the GEF/SGP offers the GEF system and the environment and development sector as a whole, field-tested approaches that may be replicated and expanded to benefit the global environment.

9. The primary objective of the second operational phase of the GEF/SGP is to assist in securing global environment benefits in the areas of biodiversity, climate change, and international waters — three of the four GEF focal areas — through community-based approaches that also generate local benefits. (The GEF/SGP does not fund projects in the GEF focal area of ozone depletion.) The GEF/SGP aims to protect the global environment by funding community conservation and sustainable natural resource use projects. Since different local and national conditions require different kinds of interventions, project components may include one or more of the following: demonstration, capacity-building, targeted research, policy dialogue and information dissemination, and raising awareness among critical constituencies.
10. Achieving a better fit with the GEF Operational Strategy and Programs and demonstrating the global benefits obtained through implementing local, community-based projects are high-priority goals in the second operational phase. The approach of the programme continues to be premised on the belief that local solutions to global environmental problems are feasible and have been successfully implemented by the SGP, while at the same time recognizing that there is significant potential to enhance the global benefits of the programme. This will be achieved through more rigorous focussing of projects consistent with GEF criteria, increased capacity-building and technical assistance, better monitoring and evaluation, and more effective communications and outreach. Projects encouraging environmentally sound practices but which are not directly related to the GEF focal areas will not be eligible for GEF/SGP funding.

#### **IV. The SGP Participatory Approach to Country Strategy Development**

11. Participation, democracy, flexibility, and transparency are cornerstones of the SGP approach. The programme encourages and supports the participation of communities, local people, NGOs, CBOs (community-based organizations), and other stakeholders in key aspects of programme implementation:
  - the formulation of country programme strategies;
  - the development, presentation, and execution of project concept papers and proposals;
  - building partnerships to broaden the scope of the programme and to communicate and replicate successful SGP initiatives;
  - raising public awareness of global environmental issues and changing public attitudes and practices;
  - influencing government environmental policies and programmes; and
  - mobilizing in-kind and monetary resources to support project and programme sustainability.

12. The National Coordinators (NCs) and the National Steering Committees (NSCs) — composed of government, UNDP, and civil society<sup>3</sup> representatives — will ensure that participatory, democratic, and transparent procedures are established and practiced at the country level in accordance with this framework and the GEF/SGP Operational Guidelines. The SGP in each country will develop its own country programme strategy to shape and guide programme implementation.
13. Similarly, the NCs and NSCs are responsible for the operation of flexible, rapid, transparent, and broad-based project identification, selection, and monitoring and evaluation mechanisms. The NSC is also charged with setting general programme policies and strategies which correspond to the guidance provided by this and other SGP documents, and which fall within a participatory, community-based approach that increases public awareness of global environmental issues and builds local capacities to address those challenges.
14. SGP country programme strategies integrate the GEF focal areas and operational programs (OPs) with national environmental priorities as outlined in NEAPs, NFPs, Biodiversity and Climate Change Strategies and Action Plans, etc. The incorporation of both GEF criteria and national environmental priorities into the country programme strategy is essential for project and programme coherence and congruence with other GEF projects and national environmental programmes. It also enhances the possibilities for collaborating with national programmes and projects; influencing government and international organization policies and funding priorities; replicating and expanding the impact of successful SGP initiatives; and mobilizing in-country and international resources.<sup>4</sup>
15. In order to create a critical mass of projects sufficient in size and concentration to contribute to GEF's overall mission and implement GEF operational programs within the three focal areas, the GEF/SGP country programmes may consider incorporating biogeographical/regional or thematic foci in their country programme strategies. There is a need — and demand — for projects everywhere, but given varying environmental and social conditions, capacities, and national priorities, as well as the objective of global benefit, the country programmes may wish to develop strategies that focus on particular ecosystems (or biogeographical zones) or themes. In the second operational phase, country programmes should strive to develop an integrated country portfolio that contains a set of strategically-designed projects that are linked thematically or geographically, instead of funding a group of unrelated initiatives. Simultaneously, it is crucial to expand and replicate successful GEF/SGP projects to at least regional levels to further increase impact and contribute to global environmental benefit.

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<sup>3</sup> Most NSCs are composed of representatives of host governments, UNDP country office staff (the Resident Representative or his/her delegate), NGOs, universities/research institutions, and other civil society organizations. Some NSCs have included donor organizations and the private sector. It is also important to ensure the participation of technical experts in the GEF focal areas; these experts may be affiliated with the government, NGOs, universities, or environmental movements.

<sup>4</sup> See "Summary Report. Study of GEF Project Lessons," (January 1998) pp. 6-7.

## V. Developing GEF/SGP Projects that Better Fit the GEF Criteria

16. “The underlying rationale for support of all GEF projects is that some global environmental benefit is at stake, and the project seeks to address the threat(s) or need(s) to ensure that the global environmental benefit is conserved, or sustainably used and managed.”<sup>5</sup> GEF funds are not substitutes for regular or traditional sources of development funding: GEF financing will always be additional to the funds required for national development, and are solely for the purpose of obtaining global environmental benefits.
17. GEF/SGP grants provide funds to support activities in the three GEF focal areas of biodiversity conservation, climate change mitigation, and international waters protection (and corresponding operational programs). The SGP’s starting point in terms of global benefit is to ensure that each project concept/proposal fits the GEF criteria, and that each proposal clearly articulates how project objectives and activities would have an impact in the GEF focal areas and associated operational programs. In many cases, CBOs and NGOs may not be able to accomplish this on their own, and will require assistance from the NC and other technical experts to rework and revise proposals to improve project design.<sup>6</sup>
18. It is recognized that to be effective GEF/SGP projects should address both the GEF criteria and community needs and interests. The SGP usually works with communities and localities that confront a multitude of social and economic development problems, of which those in the GEF focal areas are only a part. For SGP interventions to have relevance and utility at the community level, these non-GEF circumstances are taken into account in project design. To this end the SGP approach has been and will continue to be that of promoting sustainable livelihoods as an entry point. The sustainable livelihood strategy, discussed in the following section, allows communities and households to achieve both global and local benefits in the GEF focal areas while improving their economic condition.
19. The first question to consider when designing a GEF/SGP project is whether there is a situation warranting GEF intervention in the proposed project area. Does a threat exist in one of the GEF focal areas, e.g., of globally significant biodiversity loss, inefficient, nonrenewable energy use, or degradation of international waters? Does the proposed site and intervention correspond to one of the operational programs? Section X gives the parameters for GEF/SGP projects in the three focal areas and operational programs.
20. Once the applicability of a GEF focal area and one of the corresponding OPs has been established, the next step is to determine the nature of the threat. Defining the threat usually involves an analysis of the current livelihood and natural resource management or energy use situation. This analysis could also include a description of the project area ecosystem and socio-economic factors that are proximate threats.

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<sup>5</sup> See Kanta Kumari and Ken King, “Paradigm Cases to Illustrate the Application of the Incremental Cost Assessment to Biodiversity,” GEF Secretariat Paper, March 1997, p. 1.

<sup>6</sup> This point will be further discussed in the Operational Guidelines and in the Monitoring and Evaluation Framework.



21. The next question relates to the potential course(s) of action that could be taken to ameliorate the threat and to ensure that the biodiversity/international water body/natural resource or energy base of global significance be conserved or rehabilitated or, in the case of energy, reduced to sustainable levels of use and management. This step helps to identify a GEF/SGP intervention that would deal with the threat and contribute to eliminating it. A carefully thought-out project concept or proposal, by following this reasoning, makes explicit the link between the proposed intervention and potential global environmental benefit, by focussing on benefits in the GEF focal areas which meet both global conventions and local objectives. The GEF/SGP can also identify proactively project themes which CBOs/NGOs can consider when they develop their own project concepts/proposals.
22. For the SGP, demonstrating and reporting better compliance with the GEF criteria requires creativity and experimentation at the country level, and enhanced guidance and follow-up at all levels. Significant global benefit may only be assessed in indirect, relative terms by analyzing the potential possibilities of impact if a successful SGP project were to be replicated, expanded, and/or scaled up. What can be directly assessed are the local benefits of SGP activities in the GEF focal areas. In some cases the benefits can be measured in a straight-forward fashion using simple indicators; in other cases the benefits are quite diffuse and can only be discussed in qualitative terms. Since the concept of global benefits can be interpreted differently by different stakeholders, the SGP can make a contribution by concentrating on analyzing and reporting local benefits in the GEF focal areas and OPs, and on the sum of these benefits as represented by the country portfolios.<sup>7</sup>

## **VI. Sustainable Livelihoods and Resource Mobilization**

23. One of the guiding philosophies of the programme has been to reach marginal populations and isolated communities, especially when there are no other donors or NGOs present, where development “baseline” conditions simply have not been met. In these all too common situations, the GEF/SGP — given its limited grant funding — may need to mobilize other resources and organizations (NGOs, private sector concerns, international donors, government agencies, UNDP programmes) 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 often vital to achieving local acceptance and ownership of SGP interventions. The burden to meet the development baseline would be spread among a network of organizations rather than rest on the GEF/SGP alone.
24. Many GEF/SGP projects have already been designed and implemented in this way — indeed, the programme has learned that its objectives are often best achieved through partnerships. GEF/SGP country programmes should develop such linkages to be able to secure co-financing and technical assistance for projects to complement or augment SGP grants whenever possible. The participation of partner donors and local and national stakeholders in project implementation also enhances the sustainability of the SGP intervention. This may include, for example, strengthening cooperation with the

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<sup>7</sup> See GEF/SGP Monitoring and Evaluation Framework regarding indicators, assessment, and reporting.

private sector to provide financing for livelihood components in the form of “soft-soft” loans. It is hoped that NGO or donor partners would also look to the GEF/SGP when designing their projects to provide them the focus on global environmental concerns.

25. The programme has also learned that beneficial impact in the GEF focal areas comes about through using sustainable livelihood strategies. The sustainable livelihood perspective posits that communities will more readily design and participate in SGP interventions if their economic and other interests are taken into consideration. Thus an essential part of SGP projects is often an income-generation component linked to one of the GEF focal areas. Moreover, communities must be given viable alternatives to economic and cultural practices that may endanger biodiversity, contribute to climate change, or degrade international freshwater or marine systems. These alternatives include, for example, substituting the use of a plentiful, renewable resource for reliance on an endangered species, or creating alternative livelihood or income-generation possibilities that relieve the pressure on fragile or diminishing habitats and ecosystems, or providing access to more efficient energy sources.
26. While the sustainable livelihoods approach will continue to underpin SGP projects, in situations where community development or baseline goals and needs are unmet, co-financing for baseline activities shall be sought. Resource mobilization to fund these non-GEF/SGP components will be increasingly important in the second operational phase as the programme will continue to direct its grant-making and technical assistance activities to economically-disadvantaged and marginalized communities, including country-specific emphasis on gender and indigenous peoples’ issues. The programme as a whole has a two-year resource mobilization target of US\$ 15 million in cash and US\$ 15 million in kind. This means that GEF funding for SGP grants needs to be matched equally by resources from other sources, including community contributions. The GEF/SGP global programme will develop resource mobilization strategies for co-financing the programme and SGP-funded projects. Resources will be mobilized from community, national, bilateral, multilateral, and private sources. Of these resource mobilization targets, some funding can be raised at the global level, but most will have to be raised at country level, so this will become a crucial task for NCs.
27. Given the nature of the GEF/SGP programme, it has been agreed that it would not be realistic to require that a detailed incremental vs. baseline cost calculation be prepared by potential grantees on an individual project basis. Nevertheless, as a GEF programme, the issue will need to be addressed broadly and strategically at the programmatic level, both for country programmes as a whole, and for the global programme. To this end, at the project development stage in the project cycle, NCs will work with potential grantees to identify those activities which will directly generate global benefits, and at the same time provide guidance on how to secure co-financing for activities which clearly fall under the definition of baseline costs. The capacity of NCs to undertake these tasks will be enhanced through GEF Country Workshop training programmes, stakeholder workshops and targeted training for resource mobilization (as discussed in Section VII). These workshops will include paradigm cases from existing GEF/SGP projects that illustrate these issues, which can serve to guide project development at the local level.

## **VII. Capacity-Building and Technical Assistance**

28. GEF/SGP NCs, NSC members, NGOs, and other stakeholders will participate in regular GEF Country Workshops. The GEF workshop program seeks to build country project development and implementation capacity and public awareness of the GEF criteria. The GEF Country Workshops are intended to educate a broad-based national audience about the GEF — its mission, strategy, policies and procedures. They will also promote country level coordination and sharing of information; provide practical information on how to attain access to GEF resources and how to propose, prepare and implement GEF-financed activities; and disseminate information on best practices and lessons learned. The SGP module will include presentations on host country SGP projects, how SGP projects fit with the GEF criteria and how they can be followed up with medium-size or regular projects, monitoring and evaluation, and resource mobilization.
29. A GEF/SGP global training workshop will also be organized for the NCs in 1999. It will include modules on compliance with GEF criteria, resource mobilization, capacity-building techniques and approaches, communications and outreach, and monitoring and evaluation. It will also provide an opportunity to share programme experience, train new NCs, and coordinate the implementation of the workplan and accompanying reporting requirements.
30. The GEF/SGP Stakeholder Workshops will also be organized at the country level to promote understanding of GEF criteria among potential NGO and CBO grant applicants and other key programme stakeholders such as representatives of environmental ministries, international organizations, donor agencies, and civil society groups. These workshops will present accessible information on the GEF focal areas and operational programs and how to fit project concepts and proposals to GEF criteria. They will take participants through the project cycle from proposal development to monitoring to final participatory evaluation and show how global environmental benefit can be articulated at each stage.
31. The composition of the NSCs will be periodically reviewed to ensure the participation of technical experts in the GEF focal areas, be they government, academic or NGO representatives. This is essential for rigorous project concept and proposal evaluation and selection that complies with the GEF criteria.
32. Similarly, the NC will gradually establish a roster of local experts and consultants in the GEF focal areas who may be called upon to provide technical assistance for project appraisal, revision, and implementation, and also assist in project and programme monitoring and evaluation. NCs may also undertake visits to other country programmes to exchange experiences and share lessons learned.
33. An underlying premise of the SGP is that local groups and communities have the knowledge and ability to achieve results with modest resources and grants that can eventually lead to global environmental benefits. This is in contrast with top-down, expert-reliant interventions. The SGP believes that tapping local knowledge and practice

about sustainable development can be effectively combined with capacity-building and technical assistance as needed. In this sense, SGP projects should include capacity-building and awareness-raising components that are related to the GEF focal areas. Project participants will also have the opportunity to participate in exchange visits among projects as a means of sharing information about and lessons learned from the SGP's community experience.

## **VIII. Mainstreaming, Communications, and Outreach**

34. Mainstreaming the programme's methodology and experience in other UNDP programmes and in the GEF system is a key goal of the second operational phase. GEF/SGP country programmes will increase their links with other UNDP programmes such as LIFE, Africa 2000, and those involving poverty alleviation, community development, gender issues, and indigenous peoples. Country programmes should join forces with GEF projects and programmes, including medium-sized projects, to achieve a greater impact in the GEF focal areas. Successful GEF/SGP projects can be replicated and expanded using the medium-sized GEF project mechanism. Country programmes should also seek to coordinate efforts with GEF projects, including providing support for community-based components.
35. As part of the overall communications strategy that will be developed and implemented during the second operational phase, each GEF/SGP country programme — as well as the global programme — should set up a working archive of successful replicable experiences and "best practices" as well as learning from negative experience. The programme has accumulated a substantial body of knowledge about sustainable, integrated community-based projects that may have a positive effect on global environmental problems. Proven approaches and techniques, as well as practices to be avoided, should be proactively shared and communicated to interested communities and NGOs and "mainstreamed" within other environment, development and small grant programmes; local and national governments; the UNDP and GEF systems; international environmental NGOs, other practitioners, and other donor agencies. As a first step, lessons learned and "best practices" must be identified, documented, and systematized. Parallel to this effort, case studies of significant GEF/SGP projects should be prepared. These materials would then be disseminated to NGOs, communities, and other stakeholders at the local level, and NGO/CBO networks, partner agencies, and government bodies at the national level. Finally, the programme may work for the institutionalization of the lessons of experience, including through legislative and executive action. In this manner, lessons gained will be more lasting and secure.
36. Key to the communications strategy of the programme in the second operational phase will be the creative applications of information technology, including establishment of a GEF/SGP website and country programme websites. An array of materials will be posted, including the GEF/SGP Handbook (see section I above), country programme strategies, project proposal formats, lists of funded projects, case studies, and evaluations. The websites will permit more efficient and widespread exchange of experiences and lessons learned among country programmes and other interested parties. The websites may be used to create public awareness of GEF objectives and the achievements of

the SGP. Electronic communications will also help the SGP establish links with other projects, programmes, and agencies, thus promoting mainstreaming. Audio/visual techniques and materials will also be used for promotional, informational, and training purposes.

## **IX. Achieving Project and Programme Sustainability**

37. It is a challenge to make SGP initiatives sustainable beyond the life of the GEF/SGP grant. Project sustainability depends in large part on community ownership of a project; this in turn is based on community control of its implementation. It also means incorporating the essence of the project — working towards local and global environmental benefit — into community practices over the medium to long-term. In this sense, a feasibility plan for long-term sustainability should be required in every approved project proposal — one that whenever possible considers other options besides pursuing additional donor funding after termination of GEF/SGP funding. Linking GEF focal areas to sustainable livelihoods, especially income-generating strategies, will help to secure enduring global environmental benefits. The GEF/SGP could work with project participants to develop mechanisms for commercializing products yielded by project activities. This may include support in the areas of marketing, quality control, small business management, etc. Empowering communities through capacity-building, participatory decision-making, and the experience of managing a project is another key to sustaining project activities over the medium to long-term. Country programmes should also identify external funders for baseline and further project activities, and explore other modalities like service management contracting with other donors/funding facilities and other similar schemes. By joining forces with other donor and governmental agencies working at the local level, as well as with partner programmes in the UNDP (LIFE, Africa 2000, etc.) and the GEF, the GEF/SGP could realize a broader impact and enhance sustainability.

## **X. GEF/SGP and the GEF Focal Areas and Operational Programs**

38. The GEF/SGP makes grants to NGOs and CBOs in the three GEF focal areas of biodiversity conservation, climate change mitigation, and international waters protection, and the corresponding operational programs.<sup>8</sup> The following table outlines the scope of intervention in each focal area and operational program as they relate to the GEF/SGP. The “potential eligible activities” are merely examples of project possibilities in each operational program. Identification and development of projects will depend greatly on local and national conditions and priorities, once the GEF criteria have been given due consideration.

39. GEF/SGP grants will fund demonstration projects in the focal areas for the most part. They may also support projects that concentrate on capacity-building, applied research and policy

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<sup>8</sup> For more detailed information on these critical issues, please review the “GEF Operational Strategy,” the “GEF Operational Programs,” the new paper (GEF/C.12/Inf. 10) on “A Framework for GEF Activities Concerning Conservation and Sustainable Use of Biological Diversity Important to Agriculture” (September 1998), and the “GEF Corporate Business Plan FY00-FY02,” (document GEF/C.12/11), September 1998.

analysis, or information dissemination, networking, and policy dialogue, by linking these activities directly to the focal areas.

40. The following is a schematic presentation of the kinds of projects which might be eligible within the second operational phase focussed approach. It is intended to be illustrative, not exclusive.

<p><b>Biodiversity Conservation Focal Area:</b><sup>9</sup></p> <p>Projects will be funded that support or promote the conservation and sustainable use and management of biodiversity in ecosystems (including agrobiodiversity and agroecological systems). The operational programs are restricted to <i>in situ</i> conservation activities and the conservation of the genetic variability of wild relatives of domesticated species.</p> <p>Projects should be located in areas that contain globally significant biodiversity.</p> <ul style="list-style-type: none"> <li>• Is the ecosystem or constituent species threatened or at risk?</li> <li>• Is it a “hot spot” (areas under threat that have exceptional concentrations of species unique to the area)?</li> <li>• Is there a significant presence of endemic species?</li> <li>• Is the site rich in species?</li> <li>• Does it contain habitats that are important to migratory species?</li> </ul> <p>Does it fall under international treaties, laws, agreements or conventions, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), IUCN Red Data Book on threatened species, Convention on Wetlands of International Importance Especially as Waterfowl Habitat (Ramsar Convention), Convention Concerning the Protection of the World Cultural and Natural Heritage, etc.?</p>	
<p>Operational Program 1: <b>Arid and Semi-Arid Ecosystems.</b> Projects will focus on the conservation and sustainable use of endemic biodiversity in dryland ecosystems including grasslands, and in mediterranean-type ecosystems, where biodiversity is threatened by increased pressure from more intensified land use, drought, and desertification.</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• prevention and control of land degradation through development of sustainable use methods for biodiversity conservation</li> <li>• demonstration of community-based approaches to the conservation of natural habitats and ecosystems in and around conservation areas, including protected areas</li> <li>• strategic interventions to rehabilitate degraded areas in and around communities, e.g., restoration of native fodder species/vegetative cover which are crucial to pastoral economies</li> <li>• capacity-building efforts that promote the preservation and application of traditional and indigenous knowledge and practices relevant to the conservation and sustainable use of biodiversity/agrobiodiversity</li> </ul>

<sup>9</sup> Please see “Designing GEF Biodiversity Projects,” UNDP/GEF Working Paper, available through the UNDP/GEF Intranet.

<p>Operational Program 2: <b>Coastal, Marine, and Freshwater Ecosystems</b> . Projects will concentrate on the conservation and sustainable use of biodiversity in coastal, wetland, mangrove, estuarine, marine, and freshwater ecosystems.</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• development of integrated management plans for communities and localities in coastal, lacustrine, and riverine areas</li> <li>• creation of community-based livelihood alternatives to relieve pressure on conservation and protected areas which conserve coastal, marine, and freshwater biodiversity</li> <li>• creation of community-based livelihood alternatives that rehabilitate populations of endemic species in those areas</li> </ul>
<p>Operational Program 3: <b>Forest Ecosystems</b> . Projects will support sustainable community-based activities in forest conservation areas, including protected areas, and those that demonstrate and apply sustainable use methods in forestry as part of integrated land management in agricultural and forest landscapes, focusing primarily on tropical and temperate forest ecosystems areas at risk.<sup>10</sup></p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• community-led (participatory research) inventories of forest biodiversity and traditional/indigenous sustainable knowledge and use of those resources</li> <li>• establishment of community sustainable development projects around protected areas</li> <li>• creation of participatory schemes for natural resource management by local and indigenous communities, including techniques to conserve wild relatives of domesticated plants and animals for the sustainable use of biodiversity</li> <li>• provision of alternative livelihoods for local and indigenous communities residing in buffer zones of globally significant biodiversity areas</li> <li>• promotion of sustainable production and use of non-timber forest products</li> <li>• development of environmentally sustainable ecotourism schemes with local participation and management</li> </ul>
<p>Operational Program 4: <b>Mountain Ecosystems</b> . Projects will address the conservation and sustainable use of biodiversity in areas under increasing human pressure and imminent threat of degradation, including the Mesoamerican, Andean, East African, and Himalayan regions and the mountainous regions of the Indochina peninsula, and tropical islands.</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• promotion of sustainable land use practices on mountain slopes in order to protect habitats of global significance</li> <li>• rehabilitation of mountain slopes as a means of promoting local agrobiodiversity through the incorporation of traditional/ancient terracing and water management approaches</li> </ul>
<p><b>Biodiversity as Related to Land Degradation Issues:</b> The GEF/SGP will fund activities that</p> <ul style="list-style-type: none"> <li>• Protect biodiversity and promote sustainable use in arid, semi-arid and mediterranean-type ecosystems, and</li> <li>• Prevent deforestation and promote sustainable use and sustainable management of forests in order to</li> </ul>	

<sup>10</sup> However, please note the restriction in Paragraph 36 of the “GEF Corporate Business Plan FY00-FY02”: “Among key strategic issues needing attention, the role of the GEF in sustainable forest management is key. In accordance with the OP, GEF would support sustainable forest uses. The one current exception would be sustainable logging, because the scientific debate on that matter is still ongoing. So far, the relevance of sustainable logging to conservation objectives remains very much open to question, and the GEF will need to consider seek advice from STAP. In the meantime, projects on sustainable logging will not be supported by GEF.”

conserve their biodiversity.	
<p><b>Climate Change Focal Area:</b> GEF/SGP projects will contribute to removing the cultural, institutional, technical, and economic barriers and promote dissemination of accessible, sustainable, climate-friendly technologies and measures throughout a locality or region. They will primarily involve building local capacity; raising public awareness of climate change and energy conservation and efficiency issues; and demonstrating and disseminating appropriate technologies and measures. The projects may also aim to reduce the cost of suitable technologies for communities by supporting applied and participatory research and development.</p>	
<p><b>Operational Program 5: Removing Barriers to Energy Conservation and Energy Efficiency</b></p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• participatory, community-based assessments of local energy use, resources, and alternatives</li> <li>• energy audits of homes, buildings, hotels, and factories linked to advocacy and training about energy efficient responses</li> <li>• capacity-building and awareness-raising activities about climate change and its repercussions at the local level, incorporating local knowledge about climatic history and patterns</li> <li>• capacity-building and awareness-raising activities about energy efficiency</li> <li>• advocacy to remove subsidies to inefficient and polluting sources of energy</li> </ul>
<p><b>Operational Program 6: Promoting the Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs</b></p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• demonstration projects involving the introduction of appropriate, renewable solar technologies at the community level: solar pumps for water purification and irrigation, as well as solar energy for cooking, heating, and electricity</li> <li>• demonstration projects involving wind-generated energy for community and municipal needs</li> <li>• biogas demonstration projects in appropriate contexts where there are incentives for sustainability</li> <li>• collaborative community/academic research and development in order to produce low-cost, sustainable energy options</li> <li>• introduction of locally-manufactured, improved cookstoves that reduce charcoal fuel consumption</li> </ul>



<p><b>Climate Change as Related to Land Degradation Issues:</b> The GEF/SGP will fund activities such as</p> <ul style="list-style-type: none"> <li>• rural renewable energy projects (solar, wind, and biomass energy for lighting, water heating, cooking, and water pumping),</li> <li>• energy efficiency projects (increased efficiency of wood or charcoal burning stoves) that contribute to reducing the unsustainable use of fuelwood,</li> <li>• biofuel activities that restore degraded land, and</li> <li>• biomass cover in order to produce, harvest, and utilize biomass in sustainable ways.</li> </ul>	
<p><b>International Waters Focal Area:</b> GEF/SGP grants will fund projects involving communities proximate to threatened waterbodies and transboundary threats to their ecosystems. Priority is placed on the threat posed to international waters by land-based sources of surface and groundwater pollution that degrade the quality of international waters. This means preventing the release of persistent toxic substances and heavy metals that cannot be neutralized by marine and freshwater ecosystems, or that accumulate in living organisms.</p> <p>High priority is also placed on:</p> <ul style="list-style-type: none"> <li>• abatement of common contaminants such as nutrients, biological contaminants, or sediments that endanger species or threaten ecosystems;</li> <li>• prevention and control of ecological degradation of critical habitats (such as wetlands, shallow waters, and reefs) that sustain biodiversity; and</li> <li>• management of unsustainable use of marine resources resulting from over-fishing, excessive withdrawal of freshwater, and resource extraction.</li> </ul>	
<p>Operational Program 8: <b>Waterbody-based Program.</b> Projects address the priority transboundary environmental concerns that exist in a specific waterbody, such as a transboundary river basin or a large marine ecosystem.</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• support for capacity-building and technical assistance for species and habitat conservation in fishing and coastal communities faced with biodiversity loss of critical marine, river, and lake species</li> <li>• provision of sustainable technical and livelihood alternatives in situations of excessive over-fishing and water resource extraction</li> <li>• small-scale demonstrations of approaches to reducing transboundary pollutant flows at the local level</li> <li>• projects which test approaches to implementing existing Strategic Action Programmes (SAPs) and National Strategic Action Programs (NAPs) at the local level</li> </ul>

<p>Operational Program 9: <b>Integrated Land and Water Multiple Focal Area</b>. These projects involve the integration of land and water resource management as a means of addressing the degradation of international waters. They can involve other GEF focal areas as well as the cross-cutting issue of land degradation (desertification and deforestation).</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• participatory inventories and community use assessments of unique or endangered marine and coastal biodiversity in a joint biodiversity/international waters multiple focal area project</li> <li>• development of integrated freshwater basin-coastal area management to address the causes and sectoral activities that endanger the reefs, wetlands, and mangroves that serve as nursery areas for the ocean's living resources, particularly transboundary fish stocks</li> <li>• capacity-building and technical assistance to combat salinization of coastal soils from over-use of freshwater and groundwater from transboundary aquifers for irrigation and household consumption (applicable in border towns and regions)</li> <li>• projects which test approaches to implementing existing Strategic Action Programmes (SAPs) and National Strategic Action Programs (NAPs) at the local level</li> </ul>
<p>Operational Program 10: <b>Contaminant-based Program</b>. This program includes activities that demonstrate ways of overcoming barriers to the adoption of best practices to limit contamination of international waters.</p>	<p>Potential eligible activities:</p> <ul style="list-style-type: none"> <li>• community initiatives to eliminate the causes of land and marine-based sources of pollution, particularly Persistent Organic Pollutants (POPS), nutrients and certain metals</li> <li>• reduction of agricultural run-off in the form of chemical fertilizers and pesticides</li> <li>• reduction of industrial waste dumping by promoting reuse and recycling</li> </ul>

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