

## **GEF Small Grants Programme (SGP) Operational Guidelines**

### **Purpose of this Document**

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

The guidelines and models set forth herein are meant to apply generally to all GEF SGP country programmes. It is recognized, however, that different contexts and situations will require different responses and adaptations. What works in one place will not always work in another. Any questions about the application of particular guidelines may be referred to the GEF SGP Global Manager and Deputy Global Manager and to the UNOPS Senior Portfolio Manager (as the head of the UNOPS-SGP cluster).

## List of Acronyms

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

## **PART I: GEF SGP PROGRAMME STRUCTURE**

1. The structure of the UNDP/GEF Small Grants Programme (SGP) is decentralized and country-driven. Within the parameters established by the GEF Council and Secretariat and reflected in the Project Document for its Operational Phases and the GEF SGP Strategic Framework, it provides for maximum country- and community-level ownership and initiative. This decentralization is balanced against the need for programme consistency and accountability across the participating countries for the achievement of the GEF global environmental objectives and the SGP's particular benchmarks as stated in its Project Documents.

### **GEF Global Structure**

2. The overall direction for the GEF has been established by the GEF participating countries or Assembly which meets every three years. It is governed by a Council formed of 32 member countries, and an independent Secretariat. The GEF Council meets twice a year. Operational responsibility rests with the three GEF Implementing Agencies: UNDP, UNEP, and the World Bank, each of which functions under its own institutional structure and arrangements. The GEF Small Grants Programme is an integral part of the Global Environment Facility Corporate Business Plan, approved for funding by the GEF Council on a rolling replenishment, and implemented on behalf of the GEF by UNDP and executed by UNOPS. Within the UNDP framework, the SGP, as a global programme, is handled differently from national or regional programmes.<sup>1</sup>
3. Like all other GEF-funded activities, the Council's approval of funding for the SGP is based on a Project Document which sets forth the objectives and activities to be undertaken. SGP Project Documents provide the framework for SGP operations in accordance with the GEF mandate, including specific benchmarks for project achievements. It also sets forth many of the programme and financial reporting requirements for which UNDP has responsibility. Regular reports and requests for annual funding replenishments based on projected workplans are submitted to the Council through the GEF Secretariat, which is charged with ensuring that Council mandates are accomplished.

### **GEF SGP Headquarters Structure**

4. A UNDP GEF Unit at UNDP Headquarters in New York manages all of its GEF activities, including the SGP. The **SGP Central Programme Management Team (CPMT)**,<sup>2</sup> located in New York, is composed of the Global Manager, Deputy Global Manager, Programme Officers, Knowledge Facilitator, Programme Assistant, and consultants as needed. The CPMT is responsible for overall programme management, provides operational guidance and support to the country programmes, including identification and establishment of the SGP in

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<sup>1</sup> For more information about global programming, please see the UNDP Programming Manual, especially Section 8.3. The Programming Manual is available in UNDP Country Offices and at the following website: <http://www.undp.org/osg/pm/index.htm>.

<sup>2</sup> Formerly called the New York Coordination Unit (NYCU).

new countries, and reports to the GEF Council. Through a global monitoring and evaluation framework and communications strategy, it monitors country programmes and coordinates the documentation and dissemination of lessons learned from the programme's community-based experiences.

5. The **United Nations Office for Project Services (UNOPS)** provides programme execution services and project management for the GEF SGP in the following areas: (1) personnel recruitment and contract administration for project staff and consultants; (2) subcontracts for national host institutions; (3) authorization of country programme grant allocations and disbursements; (4) country operating budget administration, including authorization and monitoring of expenditures; (5) training and guidance on the above to country-level staff in areas of UNOPS responsibility; (6) procurement of relevant SGP equipment, (7) coordination and preparation of logistical arrangements for workshops, and (8) support for initiation of the programme in new countries.

### ***Roles and Responsibilities***

6. Key headquarters staff and their roles and responsibilities include: The **UNDP GEF Executive Coordinator** and his/her Deputy are responsible, both to UNDP and to the GEF Secretariat and Council, for all UNDP/GEF activities, including the SGP.
7. The **GEF SGP Global Manager** and his/her alternate, the **Deputy Global Manager**, are responsible for overall management of the SGP and coordination and support of the country programmes, specifically:
  - Achievement of agreed annual workplans and benchmarks as defined in the current Project Document and subsequent workplans.
  - Overall management of country programme implementation, including supervision of substantive work of the National Coordinators; decision on country allocations; responding to country-level inquiries and requests for assistance; and providing direct field technical assistance and/or facilitating access to technical resources.
  - Country programme visits for supervisory, advisory, evaluatory, troubleshooting, and problem resolution purposes.
  - Reviewing, commenting, and approving country programme strategies as they undergo periodic revisions.
  - Assuring that country programmes fit with the GEF Operational Strategy and Programs by providing strategic guidance on better articulating global benefits and securing co-financing for "baseline" components of approved projects.
  - Monitoring implementation of country programmes and project portfolios for technical content and to identify significant lessons-learned through review of periodic monitoring and evaluation reports and country visits (in line with the GEF SGP Monitoring and Evaluation Framework).
  - Reviewing annually the performance of the National Coordinators as a basis for decisions on contract renewal.

- Managing, initiating, and supporting the start-up of new GEF SGP country programmes through country visits and follow-up of launching activities.
  - Working with UNDP Country Offices, SGP National Coordinators and UNOPS to improve and streamline programme management and administrative procedures at country level.
  - Liaising with UNOPS on programme administration issues, including financial monitoring, contracts, and personnel.
  - Lead responsibility for resource mobilization and communications strategy at the global level, and providing guidance to country programmes for action in these areas.
  - Under the overall responsibility of the UNDP GEF Executive Coordinator:
    - Building functional links (mainstreaming) with other GEF programming initiatives, other UNDP programmes and those of international and local foundations, NGOs, and in-country representatives of bilateral donors.
    - Preparing reports for GEF Council, reporting to Council at GEF Council meetings, and representing the programme at NGO Consultations.
    - Liaising with GEF Secretariat and GEF Council members on strategies, implementation and replenishment.
  - Identifying global level tasks requiring consultant/specialist support, drawing up TORs and managing these assignments.
8. The **Programme Officers** are responsible for overall guidance on the GEF Focal and specific GEF thematic areas and are tasked to keep the SGP Country Teams informed of all changes or new operational programmes.
9. The **GEF SGP Programme Associates** are responsible for overall daily administration and information management, and facilitates responses to requests for information and guidance. The Programme Associates monitors completion of SGP workplans, and assists in CPMT activities, tasks, and correspondence.
10. The **UNOPS SGP Cluster Coordinator** and his/her team work closely with the SGP Global Manager and Deputy Global Manager to provide programme execution support services and project management in the following areas:
- Personnel recruitment and contract administration for all project staff and national/international consultants.
  - Negotiation, supervision and administration of subcontracts with host institutions and other service providers at the country and global levels.
  - Country Operating Budget (COB) authorization and administration, including monitoring of expenditures.
  - Country grant allocation authorization and administration, including supervision of MoAs prior to disbursement authorization.
  - Procurement of equipment.
  - Country programme audit preparation and follow-up.
  - Training and day-to-day guidance for country programme staff in areas of UNOPS responsibility, in particular financial processing through ATLAS database system.
  - Provision of legal advice on personnel, contractual, and other matters.

- Provision of advice on resource mobilization modalities and procedures.
- Coordination and provision of guidance for areas under UNOPS responsibility during launch period of new country programmes.
- Contributing to administrative, financial, and operational policies and guidelines.
- Assistance and overall coordination of workshops, i.e. logistical and travel arrangements (including contracting).
- Liaising with SGP Global Manager on technical and substantive implications of administrative and financial matters.

11. Additional expert advice and support as needed is provided by consultants.

### **Overview of GEF SGP Programme Structure**

12. The GEF SGP operates in a decentralized and country-driven manner through a National Coordinator (NC) and National Steering Committee<sup>3</sup> (NSC) in each participating country, and with limited management, financial, and administrative support from the UNDP Country Office (CO). In the case of Sub-regional Programmes, a Sub-Regional Steering Committee (SRSC) and a Regional Coordinator (SRC) will manage the programme. However, projects will be reviewed and approved by a voluntary National Focal Group (NFG) with facilitation by a National Focal Person (NFP) (supported with an honorarium). In some countries, a National Host Institution (NHI) or host NGO<sup>4</sup> is responsible for programme implementation in conjunction with the NC and NSC. For the SGP to operate in a certain country, the government agreement is required. While the GEF SGP is a global programme, at the country level it operates under the overall UNDP SBAA agreement. As a global programme it is not considered a part of the CCF or UNDP core functions. The SGP CPMT and the UNOPS provide global guidance, coordination, support, and supervision.
13. The CPMT has overall responsibility for monitoring and supervising country programme performance and the technical and substantive quality of SGP grants and projects. UNOPS has primary responsibility for administrative, financial, and contractual supervision and guidance. To ensure that country programmes are efficiently and professionally run, and that grants and projects meet GEF and SGP criteria, the global programme relies on highly qualified NCs and NSCs or SRCs, SRSCs & NFGs for Sub-Regional Programmes with a range of expertise including in the GEF focal areas. (More detailed information can be found in Part II.)

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<sup>3</sup> During the Pilot Phase, the committees were called “National Selection Committees.” The name was changed to “National Steering Committees” in the Operational Phase to reflect a broader and more strategic role in guiding the direction of the country programmes.

<sup>4</sup> National Host Institution or NHI and host NGO are used interchangeably in this document because SGP country programmes commonly employ both terms.

## *Roles and Responsibilities*

14. The **National Coordinator (NC) or Sub-Regional Coordinator (SRC)** has lead responsibility for managing country or sub-regional programme implementation. The National Coordinator's major functions include:

- Promoting the programmes's objectives, procedures, and achievements among non-governmental organizations (NGOs), community-based organizations (CBOs), and other key stakeholders;
- Developing and revising the Country Programme Strategy (CPS) or Sub-Regional Programme Strategy (SRPS) in collaboration with the NSC or SRSC and NFG and other stakeholders;
- Implementing the CPS or SRPS, and ensuring that SGP grants and projects meet the criteria of the CPS or SRPS;
- Assisting NGOs and CBOs in the formulation of project proposals, and ensuring their technical and substantive quality;
- Serving as the NSC's or SRSC's secretariat, pre-screening project proposals, and otherwise supporting the work of the National Steering Committee;
- Facilitating NGO and CBO access to technical support services;
- Developing and implementing communications and information dissemination strategies which will reach a wide range of target audiences.
- Ensuring sound programme monitoring and evaluation, including periodic project site visits; providing relevant documentation and overall assistance in audits/evaluations of SGP;
- Mobilizing resources for co-financing projects, in particular "baseline" activities;
- Supervising other SGP local staff; and
- Reporting to the CPMT and UNOPS as required (see Part III).

15. The **National Steering Committee (NSC) or SRSC and NFG for Sub-regional Programmes** is composed of voluntary members from NGOs, academic and scientific institutions, other civil society organizations, the UNDP Country Office, and government, with a majority of members coming from the non-governmental sector. It provides overall guidance and direction to the country programme, and contributes to developing and implementing strategies for country programme sustainability. In collaboration with the NC/SRC the NSC/SRSC and NFG helps to develop the country programme strategy in accordance with the global Strategic Framework and national environmental priorities, and oversees its implementation. The NSC/SRC and NFG are responsible for selecting and approving projects, and for ensuring their technical and substantive quality. NSC/SRSC and NFG members are encouraged to participate in pre-selection project site visits and in project monitoring and evaluation. The technical capacity of the NSC/SRSC and NFG is an important criterion in determining composition, and the NSC/SRSC and NFG membership should include experts in the three GEF focal areas of biodiversity, climate change and adaptation, international waters, sustainable land management and persistent organic pollutants. The inclusion of the UNDP or government GEF operational focal point in the committee would also be desirable. (See Annex 3 for Terms of Reference (TORs) for

NSC/SRSC and NFG members and paragraphs 50-63 for more information related to NSC responsibilities and procedures.)

16. The **UNDP Country Office** provides management support to the SGP country programme. The Resident Representative in each Country Office assigns a senior staff person (typically the Sustainable Development Advisor or environment focal point) to serve as the SGP focal point. The Resident Representative or the focal point as his/her delegate participates in the NSC/SRSC. Each UNDP CO also contributes to monitoring programme activities – usually through broad oversight by the designated focal point as part of NSC/SRSC responsibilities; facilitates interaction with the host government; and develops links with other in-country financial and technical resources. The CO is also responsible for providing financial and administrative services to the programme, including: recruitment of NC/SRC (following selection by the Global Manager); appointment of NSC/SRSC and NFG; negotiation and preparation of contracts for SGP personnel following UNOPS guidance and authorization; purchasing when required; and supervision of audits and selection of local auditors under overall guidance of UNOPS. The Resident Representative signs the Memoranda of Agreement (MOA) with NGO/CBO/community grantees, on behalf of UNOPS. The Country Office administers the disbursement of grant payments in accordance with the terms of the MOA and as authorized by UNOPS<sup>5</sup>. It also plays a fundamental role in launching a new SGP programme. In most countries, the SGP is based in the UNDP CO.
  
17. In some countries, the SGP is located in a **National Host Institution (NHI)**, normally a national non-governmental organization (NGO). UNOPS administers a sub-contract with the host NGO that outlines the technical support and administrative services to be provided and an operating budget. The sub-contract contains rules of collaboration with the host organization as defined in the offer or terms of reference, both of which are integral parts of the sub-contract. This contract is supervised and administered by UNOPS. All country programmes, whether based in the UNDP or in a host NGO, equally respond to the SGP Strategic Framework and Operational Guidelines.

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<sup>5</sup> UNOPS may sign directly in certain cases.

## **PART II      IMPLEMENTATION AND ADMINISTRATION OF GEF SGP COUNTRY PROGRAMMES**

21. This section covers the implementation and administration of a GEF SGP country programme. It discusses in more detail the roles and responsibilities of the National Coordinator, National Steering Committees/Sub-regional Steering Committees and National Focal Groups, UNDP Country Office, and National Host Institution. Country Operating Budget (COB) mechanisms and procedures are also described. Part III discusses the steps involved in developing, implementing and administering SGP community-based projects, including the grant instrument.

### **In-Country Institutional Arrangements**

22. The SGP is a decentralized programme which is managed globally on behalf of the GEF by UNDP. While the GEF SGP is a global programme, at the country level it operates under the overall UNDP SBAA agreement. As a global programme it is not considered a part of the CCF or UNDP core functions. The programme operates under the auspices of the UNDP in-country, but it is accountable to the CPMT/UNOPS Headquarters and, ultimately, to the GEF Council. The SGP CPMT and the UNOPS provide global guidance, coordination, support, and supervision. Because of the GEF SGP's unique operating structure, the negotiation and maintenance of appropriate and supportive in-country institutional arrangements is of critical importance to effective programme implementation.
23. The CPMT has overall responsibility for monitoring and supervising country programme performance and the technical and substantive quality of SGP grants and projects. UNOPS has primary responsibility for administrative, financial, and contractual supervision and guidance. To ensure that country programmes are efficiently and professionally run, and that grants and projects meet GEF and SGP criteria, the global programme relies on highly qualified NCs/SRCs and NSCs/SRSCs with a range of expertise including in the GEF focal areas.
24. There are two basic modalities for SGP institutional arrangements: in most countries, the programme is housed in the UNDP CO while in a handful of countries, the programme is based in a national host institution (NHI), normally a national umbrella NGO. In a few countries, the programme is hosted by the UNDP, but is physically located outside of the CO premises. Hosting by universities or colleges can also be made should this be advantageous to the country programme. In all cases, the UNDP CO provides support for SGP in-country operations under overall guidance and direction from the CPMT and UNOPS and provides feedback to the CPMT and UNOPS, as appropriate.
25. National Coordinators/Sub-Regional Coordinators report to the Global Manager and on particular administrative matters to the UNOPS Portfolio Manager, and is also accountable to the UNDP Resident Representative for programme expenditures. The

- UNDP Resident Representative with members of the NSC/SRC is responsible for preparing the annual evaluation of the NC's performance and recommendation concerning contractual status for review by CPMT and UNOPS.
26. An audit of the SGP programme will be carried out each year in participating countries, to be selected by the CPMT and UNOPS. UNOPS will provide terms of reference and guidance to the Resident Representative for the selection of an independent auditor, and to the auditing company for the audit assignment. The NC/SRC and NSC/SRSC and NFG should not be involved in the selection process. Audit reports will be sent to the CPMT and UNOPS with comments of the NC/SRC and the Resident Representative.
  27. SGP compensates the UNDP Country Office for its support to the programme using UNDP's Universal Price List

### ***National Host Institution***

28. In keeping with the spirit and mandate of the GEF SGP to develop and foster the capacities of NGOs and CBOs in participating countries, it is hoped that as individual country programmes mature it will be possible to transfer them from the UNDP CO to national host non-governmental institutions. The decision to adopt the host NGO modality ideally responds to the recognition that the SGP and the country's NGO community would benefit from moving the programme outside the UNDP CO. It should be based on a full consultative process and analysis of key factors (outlined below), and must be approved by the SGP Global Manager in consultation with the UNDP Resident Representative.
29. The relationship with an NHI may range from purely locational, with the NC/SRC and NSC/SRSC and NFG carrying full responsibility for programme management, through one in which the NHI is responsible for providing specifically agreed services, such as technical advice and support, to one where the NHI carries full responsibility for managing the SGP programme. The extent of responsibility will be clearly identified in the contract for services signed by UNOPS and the NHI and may evolve over time.
30. The identification of a pool of suitable national host institutions may be done through a process of competitive bidding, or by gradually accumulating a list of available and interested organizations in consultation with key stakeholders. The national host institution would preferably be a national umbrella NGO, environmental fund, or foundation but an independent academic/scientific institution could also be appropriate. Local representation of international NGOs would not normally be eligible. The legitimacy and neutrality of potential NHIs within the national NGO community are essential qualifications to carry out SGP grant-making activities. Once a pool of organizations has been established, the following factors should be considered in order to select the best candidate.

- National stature and credibility.
- Demonstrated compatibility with the procedures, objectives, and grant-making functions of the SGP, GEF, and UNDP.
- Significant experience in community-based, participatory environment and development.
- Substantial involvement and technical expertise in environmental issues related to the GEF focal areas.
- Proven programme management and administrative capacity with systems in place.
- Good working relationships with other NGOs and CBOs, including participation in environment/development networks, and credibility as an unbiased grant administrator.
- Good relationships with UNDP and the GEF.
- Experience with small grants administration.

31. It must be pointed out that this is not a one-way process. In some cases, when the national host institution modality has not been effective, the SGP has been transferred to the UNDP CO or to another NHI.

32. When the SGP country programme is housed outside of UNDP in a host institution — normally a national NGO — operational funding is provided through a contract for services between UNOPS and the host institution. The terms of the contract are negotiated with the host institution by UNOPS through the UNDP Country Office, and in consultation with the SGP Global Manager. The TORs of the contract for services normally define the relationship and responsibilities between the parties, and set forth the operating modalities. Typically, the contract for services consists of a contract letter covering such items as the specific responsibilities of the Contractor and the budget and terms and schedule of payment. The duration of the contract is variable. The service contract is signed by UNOPS and the director of the host institution. UNOPS supervises contract compliance and ensures that the host institution submits timely and adequately documented administrative and financial reports.

33. The National Coordinator/Sub-Regional Coordinator is normally an employee of UNOPS which is administratively managed by the UNDP CO on behalf of UNOPS. In some cases, the NC/SRC position is covered under the terms of the contract with the host institution or the responsibilities normally covered by a NC/SRC may be fully absorbed by the NGO. For substantive programmatic purposes, the NC/SRC reports to the SGP Global Manager and the UNOPS Portfolio Manager, but is also accountable to the UNDP Resident Representative (per paragraphs 43, 106). The range of options available for NC contractual arrangements may be discussed with the SGP Global Manager and the UNOPS Portfolio Manager.

34. All SGP grant disbursements are authorized by UNOPS and disbursed by the UNDP CO according to schedules established in the signed MOAs. Host institutions may not be awarded nor use SGP grant funds. To date, host NGOs have not administered

SGP grant funds. As country programmes evolve, however, it may become desirable to include direct grants administration as part of host NGO responsibilities under UNOPS service contracts or other mechanisms, thereby increasing the level of country ownership of and civil society participation in the programme. Mechanisms will need to be devised to ensure that the administration of grant allocations and their transferal to grant recipients remain straightforward and fluid.

## **National Coordinator/Sub-Regional Coordinator**

### ***Recruitment/Hiring Process***

35. The selection of the National Coordinator/Sub-regional Coordinator is done through a publicly advertised and competitive selection process. As a general rule, the recruitment process for the SGP National Coordinator/Sub-Regional Coordinator is managed on behalf of the CPMT by the UNDP CO SGP focal point under the overall supervision of the Resident Representative. This is ordinarily the case even if the NC/SRC will be placed in a host institution; however, the NHI may manage NC/SRC recruitment or designate one of its staff members as NC/SRC if this is specified in the terms of the NHI contract for services agreement.
36. A selection panel composed of UNDP, NGOs (including the NHI if applicable), and government representatives, or a sub-committee of the NSC normally reviews the job applications and forms a short list of candidates to be interviewed. Once the panel has interviewed and ranked the candidates, the top three curriculum vitae with the panel's recommendation are sent to Headquarters for review. Final approval of the candidate selected by the panel (regardless of institutional arrangements) must be obtained from the GEF SGP Global Manager and the UNOPS Portfolio Manager.
37. The National Coordinator/Sub-Regional Coordinator is usually an employee of UNOPS; in some cases, if provided for in the NHI contract for services agreement, the NC/SRC is a direct employee of the NHI. The NC/SRC is normally a national of the host country or participating countries, and has if under a service contract the status of an independent contractor performing services for a particular project. S/he does not have the status of a core staff member of UNDP. The rights and obligations of the NC are defined by the terms and conditions of the UNOPS contractual arrangement.<sup>6</sup> Contract terms and remuneration are negotiated by the UNDP CO — in consultation with UNOPS/CPMT — with the selected candidate.

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<sup>6</sup> If the programme is housed in a national host institution, in some cases the NC/SRC may be an employee of the host entity. When circumstances warrant such an arrangement, it must be approved by the GEF/SGP Global Manager and UNOPS and included in the NHI service contract agreement. In such cases, the NC/SRC's salary is covered by the contract between UNOPS and the host institution, but any dispute that arises between the NC/SRC and the host institution must be resolved by the two parties. UNOPS is legally unable to intervene. If it is agreed that a staff member of the NHI is to act as NC/SRC, the NHI will be fully accountable for the NC/SRC's performance.

### ***Role of the National Coordinator/Sub-Regional Coordinator***

38. The National Coordinator/Sub-Regional Coordinator is responsible for the overall functioning of the UNDP/GEF Small Grants Programme in each participating country, and for the achievement of the benchmarks established for country programme implementation in the GEF SGP Project Document and Strategic Framework, and for the fulfillment of the CPS. The NC/SRC is expected to have full-time dedication to the SGP.<sup>7</sup> The NC/SRC reports to the SGP Global Manager regarding technical, substantive, and strategic areas and to the UNOPS Portfolio Manager on administrative and financial matters. The NC/SRC is also accountable to the UNDP Resident Representative for programme expenditures, and is responsible for keeping the Resident Representative apprised of programme activities.
39. Establishment and ongoing support of a functioning and viable National Steering Committee or and Sub-Regional Steering Committee and National Focal Group for Sub-Regional Programmes is a key task of the SGP National Coordinator or Sub-Regional Coordinator. The NC/SRC serves as the NSC/SRSC and NFG's secretariat and facilitates its work, including pre-screening project concepts and proposals. Once the NSC has approved a project concept, the NC and NSC members often work directly with NGOs and CBOs in project development, as a means of ensuring the technical and substantive quality of the projects, and assist them in obtaining access to technical support during project implementation. They may also recommend a planning grant for this purpose. The NC/SRC is responsible for ensuring sound programme monitoring and evaluation, and laying the foundation for programme sustainability. The NC is also responsible for planning and implementing resource mobilization and communications strategies.
40. The NC/SRC, jointly with the UNDP CO, bear direct responsibility for all programme expenditures, including both the country operating budget and project grants. A critical aspect of the NC/SRC's job performance is to carefully monitor and supervise these expenditures under the overall supervision of UNOPS and to ensure accountability and transparency. The NC/SRC is also responsible for supervising other SGP country programme staff.
41. The National Coordinator/Sub-Regional Coordinator usually represents the SGP in local and national meetings, workshops, and other events, and may be accompanied by members of the NSC/SRSC and NFG and SGP project directors and participants. However, for legal and financial purposes, only the UNDP CO Resident Representative may represent the SGP in-country (on behalf of UNOPS). In practice this means that:

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<sup>7</sup> The NC should not accept any other functions unless a cost-sharing arrangement can be negotiated with the UNDP CO or host NGO and validated by CPMT/UNOPS. For example, in several countries the NC coordinated both the SGP and the Africa 2000 or LIFE programme, and the personnel costs are split accordingly.

- a. Only the UNDP CO Resident Representative can sign SGP grant Memoranda of Agreement. NC/SRC's usually prepare the MOAs but they cannot legally sign the documents.
  - b. While the NC/SRC may initiate and undertake cofinancing and other negotiations for the programme, s/he should never sign cofinancing agreements. The UNDP Resident Representative on behalf of SGP is responsible for concluding and signing any cofinancing arrangements.
  - c. The NC/SRC may sign some non-binding collaborative agreements between the SGP and other projects and programmes. However, if the agreement calls for legally-binding commitments on the part of the SGP, the NC/SRC should refrain from signing. The rule of thumb for NC/SRCs is if in doubt, do not sign, but do consult the UNOPS Portfolio Manager and CPMT for substantive technical matters.
42. SGP has made a renewed commitment to build NC capacities to effectively manage the programme. In this sense, the SGP has organized Global Coordinators Meetings and established the SGP electronic exchange and database. SGP also facilitates regional Coordinators meetings in the years between the biennial global Coordinators meetings. Additionally, NC/SRCs are encouraged to avail themselves of relevant, short-term national and international training opportunities – study tours, exchange visits, workshops, and conferences – especially in cases where this can also promote the visibility of the SGP as part of the communications strategy. The CPMT and UNOPS may establish country “twinning” arrangements whereby newer NC/SRCs can profit from the experience and advice of seasoned Coordinators, and more intensive mutual exchange is made possible.

***Annual Evaluation and Contract Renewal of the National Coordinator and Sub-Regional Coordinator***

43. The performance of National Coordinators/Sub-Regional Coordinators is evaluated annually. The evaluation has two parts: a self-assessment by the NC/SRC and a performance evaluation with NSC/SRSC inputs under the charge of the UNDP Resident Representative. The completed and signed evaluations are submitted to the SGP Global Manager with copies to the UNOPS Portfolio Manager. Evaluations are reviewed by the CPMT and UNOPS in addition to their own assessments, and final decisions are then taken on contract renewal.

**National Programme Assistant**

44. In most countries, the National Coordinator/Sub-regional Coordinator works with a Programme Assistant. The country programme may hire a Programme Assistant with technical and/or administrative skills and functions depending on local needs. People

with a technical background, especially in the GEF focal areas, can contribute to project design, implementation, and monitoring and evaluation, and can be delegated by the NC/SRC to provide these services to NGOs/CBOs and SGP projects as necessary. As in the case of the NC, the Programme Assistant is recruited by the UNDP CO (or if applicable, the NHI) on behalf of UNOPS. Each NC should develop TORs for the Programme Assistant position as suited to the needs of the country programme; the TORs should be reviewed by the UNDP CO SGP focal point and, if necessary, the UNOPS Portfolio Manager. Recruitment of this and other staff or consultants must receive prior authorization by the UNOPS Portfolio Manager, but candidate CVs do not need to be sent to Headquarters for review and ratification. Once the Programme Assistant has been selected, however, a copy of the CV and TORs must be sent to UNOPS for the contract to be processed. The programme assistant is supervised by the NC.

### **National/Sub-Regional Steering Committee/National Focal Group**

45. The NSC/SRSC/NFG is a central element of the SGP and provides the major substantive contribution and oversight to the programme, in coordination with the NC/SRC. The NSC/SRSC/NFG is normally composed of voluntary members from the NGO sector, academic and scientific institutions, other civil society organizations, UNDP (usually the Resident Representative and/or the SGP focal point in the Country Office), and the host government. A majority of members should be from the non-governmental sector. The NSC/SRSC/NFG provides overall guidance and direction to the country programme, including the development, periodic revision, and implementation of the country programme strategy, and adaptation of global policies and criteria to country circumstances. It contributes to establishing mechanisms for country programme sustainability. The NSC/SRSC/NFG is responsible for selecting and approving projects and for ensuring and monitoring their technical and substantive quality. NSC/SRSC/NFG members are also encouraged to participate in pre-selection project site visits, providing advice on proposal reformulation or redesign if necessary and possible, and in project monitoring and evaluation. NSCs/SRSCs/NFGs are encouraged to review the annual workplan proposed by the NC/SRC, and to conduct biennial substantive assessments of the programme with a view to identifying success stories and lessons for wider dissemination, as well as pitfalls to be avoided in the future. It is important that prospective NSC/SRSC/NFG members understand that while project selection and approval is the core activity of the committee, their contribution in the other areas mentioned here is also crucial. It is also expected that NSC/SRSC/NFG members will disseminate information on the SGP through their own networks and in general enhance visibility of the programme.
46. Under the GEF SGP mandate and operational structure, the NSC or NFG with support from the SRSC is the key country-level body responsible for the strategic direction of the programme and for project selection and technical quality in accordance with GEF and SGP criteria and the CPS. While staffing and operational

management of the SGP is undertaken through UNDP/UNOPS structures, no SGP project may be undertaken at the country level without the approval of the NSC or of the NFG with “no objection validation” by SRSC. As such, the NSC/NFG must do its best to ensure the technical and substantive content of SGP grants, and the administrative and financial capacity of the NGO/CBO grant recipients. The UNDP Resident Representative or his/her delegate, as members of the NSC/SRSC, are encouraged to provide any relevant information about these concerns, especially the financial and organizational integrity of NGOs and CBOs. Operationally, the decisions of the NSC or NFGs are considered final provided they are consistent with these operational guidelines and the global strategic framework. However, neither the NSC or SRSC and NFG as a body, nor its individual members, hold any legal or fiduciary responsibility for the SGP or its activities.

### *NSC/SRSC/NFG Appointment and Terms of Service*

47. The selection of NSC/SRSC and NFG members is normally done by the NC/SRC in consultation with the UNDP Resident Representative. For new country programmes, the NSC/SRSC and NFG is often established as a result of a preparatory mission or in the initial stages of launching the programme. Members of the NSC/SRSC and NFG are formally appointed by the UNDP Resident Representative. The composition of the NSC/SRSC and NFG, and subsequent appointment of new members, is subject to ratification by the SGP Global Manager.
48. NSC/SRSC and NFG members usually serve for a period of two years. Each country or sub-regional programme must decide whether this term is renewable, and how eligibility for renewal is determined. In some countries, a few members of the NSC have served since the establishment of the SGP because of their exceptional experience and commitment to the programme. In general, periodically inviting new members is a sound and healthy policy that brings new ideas and expertise to programme implementation. However, changing the entire membership at one time should be avoided
49. Participation in the NSC/SRSC and NFG is without monetary compensation. Travel expenses for project site visits or to NSC/SRSC and NFG meetings can be covered by the SGP country operational budget.
50. Most NSCs/SRSCs and NFGs function under the principle of **consensus**, and rarely resort to voting to determine whether a project is approved or a particular course of action is taken.
51. The NC/SRC serves *ex officio* on the NSC/SRSC and NFG, participating in deliberations, but not voting in the project selection process. The NC/SRC usually convenes the NSC/SRSC and functions as its secretariat, including preparing minutes of meetings and maintaining a historical record of programme decisions and

- implementation. A copy of NSC/SRSC and NFG minutes, signed by NSC/SRSC and NFG members, and other pertinent material should be filed at the UNDP CO.
52. Ideally, the NSC/SRSC and NFG members' dedication and commitment to the programme's philosophy and goals lead them to invest their time and expertise in the SGP. While there is no recipe for creating such a committee, it is important to choose individuals who have an abiding interest and commitment to working with communities and who share a vision of what sustainable development and "thinking globally, acting locally" might mean in terms of linking the GEF focal areas with community needs and concerns. The NC/SRC and NSC/SRSC and NFG together are responsible for ensuring that participatory, democratic, impartial, and transparent procedures for project review and approval as well as all other aspects of programme implementation are established and practiced at the country level in accordance with SGP's Project Document and global Strategic Framework.
  53. In nominating members for the NSC/SRSC and NFG, NCs should consider both the expertise and qualifications of the individual candidates, and the overall composition and balance of the committee. In most countries, there is a balance between individual and institutional representation on the NSC. This means that while certain institutions (NGOs, including the host NGO, the UNDP, and appropriate governmental ministry or agencies) must be included in the NSC/SRSC and NFG, members should also be chosen who as individuals would contribute significantly to the committee and the programme. An effective working NSC/SRSC and NFG is frequently achieved only through a process of trial and error. The NC/SRC may recommend and effect changes in the composition of the committee if it becomes clear that a particular member's participation is not contributing to the programme.
  54. The technical capacity of the NSC/SRSC/NFG is another important factor in determining composition, especially given the Second Operational Phase's emphasis on SGP compliance with GEF criteria. The NSC/SRSC/NFG membership should thus include experts in the five GEF focal areas of biodiversity, climate change, international waters, sustainable land management and POPs. This is essential for rigorous project concept and proposal evaluation and selection that ensures a close fit with the GEF focal areas and operational programs. These experts may be affiliated with universities, research institutes, NGOs, or environmental movements. The inclusion of the UNDP or government GEF operational focal point in the committee would also be desirable. It is important though to note that SGP also aims to create impacts related to poverty reduction and local empowerment in its process of achieving effective environmental management. Thus, individuals that can contribute expertise on these should also be sought as NSC/SRSC/NFG members.
  55. Strong, experienced, and technically competent civil society representation on the NSC/SRSC/NFG is crucial as a means of keeping the SGP responsive to its mandate to work with NGOs and CBOs. In this sense, NSC/SRSC/NFG members experienced in participatory approaches and methodologies would be especially suitable. People

- who are well-respected in their fields can enhance the credibility of the SGP programme.
56. In general, only one government representative on the NSC/SRSC/NFG is required. Depending on the circumstances, some country programmes have found it useful to have additional government representatives, but majority representation should be avoided.
  57. In some cases, it may be potentially interesting to recruit to the NSC/SRSC/NFG a representative from the private sector to act as advisor on and provide referrals to non-traditional, private sources of funding, and to advise on feasibility of livelihood activities if their success is to depend on a wide market, etc. This could be most helpful since the programme will increasingly work with grantees to develop sustainable income-generating and productive activities in the GEF focal areas or as complements to GEF-funded initiatives. Similarly, donors who are contributing to programme cost-sharing may be invited to sit on the NSC/SRSC/NFG.
  58. The objectivity and credibility of the NSC/ SRSC/NFG is of paramount importance to the success of the country programme, and to maintaining good relations among stakeholders. For this reason, it is advisable to proceed with caution regarding project proposals submitted by NSC/SRSC/NFG member organizations. Many country programmes have simply decided not to consider proposals associated with sitting NSC/SRSC/NFG member organizations, arguing that an NGO may freely submit proposals when its representative has finished the term of service and is no longer on these committees. Other countries, especially where the NGO community is nascent or small, may decide to allow NGOs represented on the NSC/SRSC/NFG to submit proposals under specified conditions. For example, it would be unacceptable for NSC/SRSC/NFG members to benefit directly from an approved SGP grant. In general, no NSC member should participate in the review or approval of any project proposal in which s/he, or an organization with which s/he is associated, has a financial or personal interest. In such cases, the member is excused from both the discussion and voting on the proposal. NSC/SRSC/NFG rules of procedure should be prepared in accordance to these Guidelines.

### **The Country/Sub-regional Programme Strategy**

59. Before any grant-making or other programme activities may take place each SGP participating country must revise have an approved Country Programme Strategy (CPS) to ensure congruence with SGP Project Documents and the global Strategic Framework. The CPS serves as the framework for country programme operations. For new SGP country programmes, the development of a country programme strategy is one of the first tasks of the NC/SRC and newly-formed NSC/SRSC/NFG. In both cases, it is important to involve key SGP stakeholders in the CPS revision/elaboration process and to fully involve the NSC/SRSC/NFG.

60. The development or revision of the Country Programme Strategy serves several broad purposes:
- Foster a common understanding of the mission and strategic goals of the UNDP GEF Small Grants Programme.
  - Ensure that SGP activities are clearly related to the overall GEF objective of contributing to global environmental benefits in the GEF focal areas.
  - Adapt the global Strategic Framework and Project Document to national circumstances and priorities.
  - Provide a strategic framework for allocating resources and guiding programme implementation, especially selection of projects, through biogeographic and/or thematic focus.
  - Constitute a basis for the assessment of programme achievements and impact.
61. The most important objective of the CPS revision/development, however, is to ensure that country programme project portfolios comply with GEF criteria, and that all projects that are designed and approved fit the GEF focal areas and operational programs. The GEF Council has mandated that the SGP must demonstrate compliance with the GEF criteria in all aspects of programme implementation, but especially in the quality and consistency of the country portfolios and the design, selection, and execution of projects.
62. The global programme and all country programmes will be developing resource mobilization strategies since the SGP is required by the GEF Council to aim at globally matching the GEF contribution. SGP targets for resource mobilization should at least equal the total grant from GEF, half in-cash and half in-kind. Since SGP grants can only be used to fund activities that comply with GEF criteria, there will also be a need to seek co-financing for non-GEF project components that involve community sustainable development needs and priorities. Although cofinancing is not required for each SGP project, the country programme should make every effort to raise matching cofinancing resources for the country programme as a whole.
63. The process of developing or revising the CPS is an important and substantive capacity-building exercise which strengthens the awareness and ability of key stakeholders to address global environmental and sustainable livelihood concerns in an integrated manner, and contributes to country ownership of the SGP.
64. The development/revision of a CPS should be undertaken as a participatory process that engages the range of stakeholders. It should be seen not as a document to be produced only to satisfy global programmatic requirements, but as a process which has value in its own right. The key players in the process are the National Coordinator or Sub-regional Coordinator (who staffs and facilitates the process, and does the bulk of the drafting) and the NSC/SRSC/NFG (which provides input and guidance throughout the process, and approves the end product).

65. The process normally takes up to three to six months, including review and approval. Steps to developing the Country Programme Strategy usually include:
- An initial brainstorming session with the NSC/SRSC/NFG based on the current Project Document and global Strategic Framework.
  - Consultations with key stakeholders (including CBOs when possible) to discuss relevant issues.
  - Preparation of a draft Country Programme Strategy or Country Strategies and Sub-regional Strategy in the case of Sub-regional Programmes by the NC/SRC and circulation for review and adoption by the NSC/SRSC/NFG.
  - Submission of the draft Country Programme Strategy/and/or Sub-Regional Strategy to the SGP Global Manager/CPMT for review and approval.
  - If necessary, further revision of both the CPS or SRS for Sub-regional Programmes based on comments and recommendations of the CPMT by the NC/SRC and NSC/SRSC/NFG for final approval by the SGP Global Manager.
  - Completion and circulation of final version of the CPS or the SRS for Sub-regional Programmes.
66. Before grant funds are committed to projects, the Country Programme Strategy or the Sub-regional Programme Strategy (with its individual country strategies) must be approved by the SGP Global Manager at Headquarters.

### **The Stakeholder Workshops**

67. Stakeholder Workshops refer most commonly to the workshop held to launch the programme or to introduce different stakeholders to the programme. A Stakeholder Workshop may be held, as before, to present the programme and the GEF criteria to new audiences. It may also be used to revise the country programme strategy, to assess the performance of the country programme, or as part of the process of project proposal development when broad consultation or capacity-building is required. The NSC/NFG, SGP grant recipients, the NGO community, and other interested parties are usually involved in stakeholder workshops.
68. While the stakeholder workshops focus principally on the specific mission and work of the SGP, they can build capacity more generally in dealing with issues of communities, sustainable livelihoods, and global environmental benefit, including:
- Fostering broader awareness and understanding of the linkages between local environment, sustainable livelihood concerns, local empowerment and the GEF focal areas.
  - Building capacity in developing and implementing SGP projects that are compliant with the GEF criteria, initially by introducing the GEF focal areas and operational programs.

- Applying participatory approaches, methods, and tools as well as innovative approaches to improve access to SGP resources particularly, to indigenous peoples and vulnerable groups with respect to project formulation, implementation, monitoring, and evaluation.
69. Stakeholder Workshops may be organized by an appropriate, experienced NGO as an on-the-ground capacity building project and financed by a grant. However, in many cases the NC/SRC organizes the Workshop and the country operating budget is used to cover the expenses (as in the approved COB). Other sorts of events, such as experience exchange or capacity-building workshops for SGP grantees, are also funded by grants when organized by an NGO, and through the country operating budget when organized by the NC/SRC. (See sections below on the country operating budget and the grants instrument.)

### **The Country/Sub-regional Operating Budget**

70. The Country Operating Budget (COB) or Sub-regional Operating Budget (SROB) is the financial provision for country or sub-regional programme implementation. The country grant allocation is approved and managed separately from the COB/SROB, and is treated in Part III of these Guidelines. The COB/SROB covers the following operating expenses: personnel costs and local consultant fees; travel; expendable and non-expendable equipment; premises; operations and maintenance; reporting and outreach; and sundries (including communications costs).
71. The COB/SROB necessarily responds to global and country requirements and conditions. On the one hand, the COB/SROB should allow the country or sub-regional programme to fulfill the objectives of the Project Document; on the other hand, the COB/SROB should be responsive to specific country circumstances as reflected in the country or sub-regional programme strategy. The country budgeting process involves the NC/SRC, UNOPS, the UNDP Country Office, and, as appropriate, the host NGO and the NFPs in the office of sub-regional programmes. Within the overall parameters provided by UNOPS — which correspond to an equitable use of the global SGP budget given the limited funds available — the NC/SRC proposes an annual COB/SROB with appropriate justifications for the level of funding requested in each budget category.
72. NCs/SRCs should take care to elaborate COBs/SROBs that are congruent with their annual workplans, and to make necessary adjustments to each in order to ensure that all proposed activities are indeed funded, and to curtail unreasonable expenditures. A reasonable proportionality to the size of the grant allocation must also be maintained. The total COB including personnel cost should never exceed 25% of the total amount of the foreseen grant disbursements during the respective SGP year. An exception to this rule is made for countries that have been less than 2 years part of the SGP as they may require time to start-up their full portfolio. UNOPS offers guidance on the COB/SROB both when the country programme is being established and annually

thereafter. For example, UNOPS can give the NC a very good notion of the pattern of past expenditures (or typical expenditures for new country programmes) upon which s/he can base future budget planning.

73. Once the NC/SRC has proposed an operating budget, UNOPS reviews the budget and makes any necessary adjustments. After the operating budgets are approved, country programmes are expected to stay within the established operating budget on an annual basis. Budgets are subject to revision generally once a year given changing country circumstances. Any changes to the COB/SROB must be reviewed and authorized by UNOPS before commitments and/or expenditures can be made.
74. The NC/SRC manages the COB/SROB. On behalf of UNOPS, the NC/SRC, UNDP CO and host NGO (if applicable) are responsible for ensuring that all expenditures are correct, appropriately documented, and within the approved budget.
75. In countries where a NHI hosts the SGP, the COB/SROB is generally covered by the terms of the contract for services between the organization and UNOPS. In these cases as well, the NC/SRC manages the COB/SROB in consultation with the host NGO.
76. Exceptional expenditures, such as vehicles or new computer equipment, are negotiated with UNOPS with final approval from the Global Manager. Vehicles are authorized only when country circumstances warrant the expenditure. All other means of providing transport for the NC/SRC and his/her staff must be explored and exhausted. In most countries, the NC/SRC can fulfill all job obligations, including field project visits, with public or rented transportation (taxis, rental cars, buses, trains, air); these transportation costs are reimbursed by the travel budget line. Some country programmes subcontract car services as needed which may include vehicle, driver, and petrol. Others have secured the donation of a vehicle from another donor or the UNDP CO. UNOPS, when considering the transportation needs of country programmes, takes into account country conditions, the cost effectiveness of the various alternatives, the security of SGP personnel, and overall budgetary considerations.
77. Country operating budgets for new country programmes typically include: rental of adequate premises; furniture; cost-share of security costs and cleaning services; purchase and maintenance of equipment such as computer/printer/modem for NC/SRC and computer for assistant; telephone, fax, and photocopier if not available and accessible.

### ***Disbursal of Funds***

78. Once the country operating budget is finalized and approved, country operating budget funds will be authorized by UNOPS on a periodic basis in the form of a

requisition in ATLAS. The respective authorization will be sent to the UNDP CO for processing of all payments covered by the requisition. A copy of the authorization is always sent to the NC. This disbursement authorization contains the ATLAS Chart of Accounts (COA) which the UNDP CO also uses when reporting expenditures to UNOPS. The COA and account numbers are important because they allow the NCs, UNDP, and UNOPS to track operating budget expenditures through the course of the year.

79. Once the disbursement authorization has reached the UNDP CO, the generic process is as follows:

- The NC presents the UNDP CO Administrative Officer with an invoice and supporting documentation for a particular expenditure (e.g., purchase of office supplies, gasoline, report printing costs).
- The UNDP CO settles the expenditure with the service provider on the basis of the invoice and supporting documentation.
- The UNDP CO charges the expenditures to the provided ATLAS COA.
- The UNDP Country Office is being paid for their services to the SGP using the Universal Price List.

80. Under no condition should the NC open a bank account in the name of the SGP. If for any reason it would be desirable to open a bank account, for example to receive another donor's funding or cofinancing, instructions must be sought from UNOPS first.

## **PART III IMPLEMENTATION AND ADMINISTRATION OF SGP GRANTS**

### **SGP Grants and the Project Cycle**

81. The core of the GEF SGP is grant-making to eligible NGOs, CBOs and communities. The SGP recognizes the essential role that households, communities, and NGOs, applying locally appropriate solutions, can play in conserving biodiversity, reducing the likelihood of adverse climate change, protecting international waters, preventing land degradation and phasing out POPs. The programme operates on the premise that people will be empowered to protect their environment when they are organized to take action, have a measure of control over access to the natural resource base, have the necessary information and knowledge, and believe that their social and economic wellbeing is dependent on sound long-term resource management. The SGP tries to provide alternative sustainable livelihoods to communities who may otherwise be obliged to overexploit their natural resources. When communities perceive a direct benefit from SGP-funded interventions, the sustainability of project activities and objectives is greatly increased.
82. The SGP practice continues many of the procedures tested and perfected in the previous operational phases. There is, however, increased emphasis on targeted guidance to ensure project fit with GEF criteria and on seeking necessary co-financing for baseline activities. It has also been realized that participating organizations need technical and other support to assure that the project will be sustainable beyond the grant period. .
83. The following material describes the major steps in developing, implementing, and administering a SGP community-based project. The process of developing and implementing an SGP project should take place in a participatory and consultative manner and normally involves the following steps:
  - I. Country/Sub-regional Programme Strategy Approved
    - o NC/SRC and NSC/SRSC Prepare Eligibility Criteria and Guidelines for Project Concepts and Proposals Based on CPS/SPS
  - II. Programme Announcement
    - o Dissemination of Information about Eligibility Criteria and How to Prepare and Submit Project Concepts
  - III. CBO/NGO Identification of Problem/Threat in GEF Focal Area and Operational Program
  - IV. CBO/ NGO Preparation of Project Concept:
    - o Consultation with NC/SRC/NFP if Necessary
  - V. NC/SRC/NSC/NFG with SRSC Review and Selection of Project Concepts
    - o Planning Grants Authorized as Necessary
  - VI. Community-based Proposal Development:
    - o Analysis of Baseline Conditions
    - o Definition of Project Objectives, Expected Results, Activities, and M&E Plan in Accordance with GEF SGP and CPS/SPS Criteria

- VII. NSC/NFG with SRSC Review and Proposal Selection According to Established Eligibility and Selection Criteria and makes one of the following decisions:
  - Rejection
  - Approval
  - Reformulation
- VIII. Signature of Memorandum of Agreement (MOA) between Grant Recipient and UNDP Resident Representative on Behalf of UNOPS
  - UNOPS is provided with MOA and request for release of funds
  - Release of First Grant Disbursement
- IX. Project Implementation and Participatory Monitoring
- X. Release of Subsequent Grant Disbursements Based on Technical and Financial Reports- provided to UNDP CO – UNOPS authorizes release of funds
- XI. Project Participatory Assessment of Effects in the GEF Focal Areas / Global Benefit
- XII. Dissemination and Application of Lessons Learned and Best Practices by SGP and Project Stakeholders

84. Each SGP country programme should, after adopting or revising its Country Programme Strategy, prepare and issue an SGP Programme Announcement which includes SGP Project Preparation Guidelines setting forth the eligibility criteria and grant making priorities, the application/proposal review process and calendar, and the formats for project concept and proposal development. The information should clearly state that the SGP makes grants to NGOs and CBOs in the GEF focal areas, and that project costs may not exceed \$US 50,000. It should also state whether an NGO or CBO may present a subsequent proposal after completion of a first project

### ***Project Concepts***

85. NGO/CBO/community project concepts may be reviewed and selected by the NC/SRC/NFP or jointly with the NSC/NFG/SRSC. In many countries the NC/NFP/SRC is responsible for reviewing and selecting project concepts; in other countries, the NSC/NFG/SRSC approves concepts.<sup>8</sup> Each country programme should determine which modality it will follow, and to periodically review this decision to make sure that the modality chosen is working well. In both cases, project concept selection should be done on the basis of established eligibility and selection criteria in accordance with the CPS/SPS. Once the concepts have been selected, the proponent organizations will be notified of this decision and asked to develop complete project proposals.

86. It is important to support the development of good project proposals that meet the GEF and SGP criteria. While it is an important part of the NC's/SRSC's/NFP's responsibilities to work with NGOs and CBOs in proposal development, sometimes additional assistance is required. In these cases, there are two options: 1) A local consultant may be hired to help the NGO/CBO/communities according to terms of reference that the NC/NFP/SRC elaborates in coordination with the organization.

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<sup>8</sup> Please note that only the NSC/NFG is authorized to review and approve project proposals.

The TORs and the consultant's CV are sent to UNOPS and CPMT for authorization.  
2) The planning grant modality may be used.

### *Planning Grants*

87. Planning grants are useful tools for designing good project proposals that meet the GEF criteria. The NC/SRC or NSC/NFG/SRSC may authorize planning grants once project concepts have been selected. Again, each country programme should decide which option works best. Not all organizations will require a planning grant to develop a good proposal, but many NGOs, CBOs and communities with little experience in project design and management would benefit from this assistance. Hence, the planning grant has an important capacity-building function; it is a means to help NGOs, CBOs and communities to enhance their capacity to understand the project cycle and design effective project proposals that meet GEF criteria. The NC/NFP normally makes recommendations to the NSC/NFG about which organizations would require a planning grant.
88. A planning grant can be used by a CBO, NGO or community to organize community workshops or meetings to design the project in a participatory manner. It can be used to contract an experienced NGO or local consultants to work with the project proponents to elaborate the project, or to undertake baseline assessments, etc. Technical assistance in project development can be very important for a variety of purposes, including assessment of baseline environmental conditions in the relevant GEF focal area, development of a business plan (for sustainable livelihood projects), capacity-building in proposal design, or development of indicators and a monitoring and evaluation plan. It can also be used to organize a stakeholders workshop that would involve the project proponents, participants, and others affected or interested in the project at hand. An example would be a project proposed for the buffer zone of a protected area where it may be very useful to consult park managers, local government authorities, and surrounding communities in the process of project development.
89. Administratively, a planning grant is a grant like any other SGP grant. Therefore, planning grants can only be made to eligible NGOs, CBOs or communities. The project document for the planning grant specifies the activities to be undertaken, and the responsibilities of the parties concerned. The NC/SRC or NSC/NFG/SRSC approves the planning grant – depending on the agreed modality – and the MOA is signed by the grantee and the UNDP Resident Representative on behalf of UNOPS. A revised grant table is prepared for submission to UNOPS – along with a copy of the MOA – so that grant disbursements can be authorized. The planning grant is normally not more than USD5,000.

## ***Project Proposals***

90. SGP grants provide funds to support activities in the three GEF focal areas of biodiversity, climate change, international waters, land degradation and persistent organic pollutants (POPs). The SGP's starting point in terms of global benefit is to ensure that each project proposal fits the GEF criteria, and that each proposal clearly articulates how project objectives and activities would have an effect in the GEF focal areas and associated Operational Programs (OPs). In this sense, while a logical framework is by no means required, it would be advisable to include a Monitoring and Evaluation (M&E) workplan in each proposal (see SGP M&E Framework for more information). Most SGP projects combine demonstration, capacity-building, awareness raising, and dissemination of lessons learned components. (See Annex 11 for project proposal guidelines.)
91. As a demand-driven programme, SGP projects endeavor to 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, as well as those in the GEF focal areas. For SGP interventions to have relevance and utility at the community level, these non-GEF circumstances are taken into account in project design. 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, and where development baseline conditions simply have not been met. In these all too common situations, the SGP will need to mobilize other resources and organizations 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 (see next paragraph). These project components are usually vital to achieving local acceptance and ownership of SGP interventions.

## **The Grant Instrument and Funds Disbursement**

92. SGP grants may only be made to NGOs and CBOs for activities in the GEF focal areas. SGP grant funds cannot be used for any other purpose than NSC/NFG/SRSC-approved NGO/CBO/community projects in the GEF focal areas.<sup>9</sup> For more information on GEF criteria and the SGP approach, please refer to the global Strategic Framework and the CPS/SPS which serves as the framework for country programme implementation. In special cases grants for "strategic projects" could be provided at a maximum of \$150,000 SGP grants are normally limited to \$US 50,000 although some NSCs have chosen to set a lower ceiling. SGP grants often cover only a portion of project cost, other components being funded by the NGO/CBO/community itself or by other donors. Since SGP grants fund activities

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<sup>9</sup> Please note that if a country programme wishes to finance stakeholder workshops, capacity-building or training events, or other programme-related activities with grant funds, a suitable NGO/CBO must present a project proposal to organize and execute the activity in question, highlighting its relevance for the SGP, and the NSC/NFG/SRSC must approve the project.

that are directly relevant to the GEF criteria, cofinancing must be sought for community baseline or sustainable development needs. However, since it would be unrealistic to require a baseline/incremental cost exercise for each individual project, each country should instead endeavor to mobilize enough funding in cash or in kind to “match” the GEF grant allocation. The SGP Resource Mobilization Strategy addresses these issues in more detail.

93. Once the NSC/NFG/SRSC has selected a project for SGP funding, a Memorandum of Agreement (MOA) is signed between the grantee and UNDP on behalf of UNOPS. The NC/SRC is responsible for completing the standard MOA format (see Annex 10) and ensuring that it is congruent with the project proposal and budget. The standard format of the UNOPS Memorandum of Agreement should be used consistently and with no deviations from the standard text. Should modifications be required or requested by the NC, SRC, NSC, NFG/SRSC grant recipient or UNDP CO, advice should be sought from UNOPS prior to signing the agreement. The UNOPS legal department must approve any changes in the standard MOA format and text before the MOA is prepared and signed. In exceptional cases a version of the MoA is available that provides for the use of intermediary NGOs to facilitate the receipt of funds by CBOs without bank accounts or easy access to a UNDP Country Office. If the use of an intermediary NGO is the most feasible option UNOPS and CPMT must be consulted prior to any commitments being made. CPMT and UNOPS approval of such arrangement has to be received in writing prior to any commitments being made. The project proposal and budget constitute legal annexes to the MOA. The NC/NFP/SRC should explain the content of the MOA to the grant recipient and make sure the grantee understands the obligations entailed by signing the MOA.
94. The signatories on the MOA are the UNDP Resident Representative on behalf of UNOPS and the director or leader of the NGO, CBO or community awarded the grant. Copies of the signed MOA must be forwarded to UNOPS for audit purposes and the original and copy kept by the UNDP CO and the NC/NFP/SRC in the project files. As soon as MOAs are signed, the NC/SRC should input the project briefs and all pertinent information into the GSP database.
95. The standard MOA format indicates that projects are subject to financial audit. If and when the need arises to audit a particular SGP project, the NC/SRC should consult the UNOPS Portfolio Manager about auditing procedures and the required disbursement authorization. UNOPS will provide simple guidelines to the UNDP CO and NC/SRC for the selection of the independent auditing company to carry out the audit as well as standard TORs for the audit assignment.
96. SGP projects normally have a duration of between one and three years, although some may be longer. Each MOA establishes a grant disbursement schedule in accordance with the grant amount, grant period, and planned activities. The total disbursements must equal the grant amount. Funds are released according to the disbursement schedule upon the receipt and approval of technical and financial reports. This grant information is presented in a grants disbursement table which the

NC prepares and submits to UNOPS along with copies of the signed MOAs. The first grant disbursement is released upon signature of the MOA and acceptance of the grant table by UNOPS. The grants disbursement table format is shown in Annex 9.

97. For a 12 month project period, a typical grant disbursement schedule would indicate:

- *30% upon signature of the MOA;*
- *30% upon receipt and acceptance by the NC and UNDP Country Office of the first project progress report (normally after the first quarter of the project period);*
- *30% upon receipt and acceptance by the NC and UNDP Country Office of the second project progress report (normally after the second quarter of the project period);*
- *10% upon receipt and acceptance by the NC and the UNDP Country Office of the final project report (normally during the last quarter of the project period).*

98. These amounts and schedules may differ, contingent upon the nature and length of project activities, but in no case should the first disbursement be more than 50% of the total project grant amount (except when justified and prior approval from UNOPS has been received). Before effecting a second, or any subsequent grant disbursement, certification of the receipt and acceptance of the relevant progress report should be made on the progress report itself as well as in the completed "Request for Direct Payment" form submitted to the UNDP Country Office.

99. The grant disbursement schedule in the MOA and grants disbursement table should be defined in US dollars. However, **all payments to grantees are made in local currency.** The MoA must also clearly indicate the project number assigned to the respective grant. Payments to grantees must be made by cheque in the name of the NGO/CBO/community representative or direct bank transfer to the NGO/CBO/community representatives bank account. No payments to third parties may be made by the UNDP CO on behalf of the NGO/CBO.

100. A standard MOA is used for all SGP grants, including planning grants. Changes in the originally signed MOA require an amendment. The standard MoA amendment form has been developed by UNOPS and distributed to the Country Programmes. This form should be used in all applicable instances. Any change must be approved by the NSC/NFG/SRSC before an amendment is drafted. The amendment must be signed by the UNDP Resident Representative and the grantee. If the changes modify the grants disbursement table originally submitted with the MOA, the information from the amendment must be entered in the same table and resubmitted. In case the legal and operational implications of an amendment are not clear, UNOPS and CPMT should be consulted prior to making any formal commitments.

## **PART IV REPORTING AND COMMUNICATIONS**

101. The National Coordinator/Sub-regional Coordinator has lead responsibility for communications between the country programme and the global programme. In general, the NC/SRC reports on substantive and technical matters to the CPMT and on administrative and financial issues to the UNOPS portfolio manager (with copies to the CPMT Regional Team member). The NC/SRC should also keep the UNDP CO informed of progress in programme implementation, usually through the SGP focal point. The NC's or SRSC's close working relationship with the UNDP CO administrative and financial officers regarding the COB and grants disbursements also serves to keep the UNDP CO abreast of SGP developments. Communications among country programmes are facilitated through the global, regional, and sub-regional list servers, the SGP workspace and the SGP website. The following paragraphs address normal global reporting requirements; these are complemented by periodic requests by the CPMT and UNOPS for information on specific subjects, for example when a report is being prepared for the GEF Council. Full guidance on all project and programme reporting is provided in the SGP Monitoring and Evaluation Framework

### **SGP Database**

102. In order to consolidate reporting requirements and to elicit additional information that will help the National Coordinators/Sub-regional coordinators and the CPMT monitor and analyze project and programme progress, a database has been developed for the SGP Intranet. National Coordinators should have entered information for all prior and current Operational Phases (including the Pilot Phase),. Information on programme-level resource mobilization should also be entered and maintained. It is imperative that NCs/SRCs update the database as soon as new projects come in and on a monthly basis on progress of projects since it is the foundation for all reporting and communications within the programme and to the GEF Council. This database and accompanying SGP website include visual documentation of SGP projects and country programmes, accounts of lessons learned, and case studies.

### **Quarterly Financial Report**

103. The NC should provide UNOPS with a quarterly spreadsheet report on expenses incurred from the country operating budget for each quarter of the SGP year. The reports should be submitted in form of the so-called "3-in-1 table" which is being provided by UNOPS. The reports should be submitted as soon as possible after the end of each quarter but no later than 4 weeks after the end of the quarter. The reports are cumulative, which means that expenditures from preceding quarters should also be indicated. All amounts used in the spreadsheet must be expressed in US dollars, converted from local currency at the prevailing UN exchange rate at the time of

expenditure. NCs are required to report on all country operating budget line items except for personnel costs. This financial report also includes petty cash expenditures.

## **Grants Disbursement Table**

104. Once the CPMT has approved a country/sub-regional programme strategy, the NC/SRC is notified of the grant allocation available for the current operational phase. After the NSC/NFG/SRSC has selected the new projects and MOAs have been signed by the grant recipients and the UNDP Resident Representative on behalf of UNOPS, the NC/SRC should prepare a grants disbursement table to send to UNOPS along with copies of all signed MOAs. (See Annex 9 for an example of a grants disbursement table.
105. The grants disbursement table should include:
  - project identification numbers in sequential order,
  - project names,
  - grant recipients,
  - date of signature of the MOAs,
  - total amount of the grants in US dollars,
  - total amount of the grants in local currency,
  - duration of the grants (with starting and ending dates),
  - disbursement schedules, i.e. date and amount of each disbursement in US dollars and local currency.
106. The grants disbursement table is cumulative. As more projects are selected, the same table should be updated and a copy sent to UNOPS. It is important to include all grant information in one table so that data can be reconciled and checked easily, both by the country programme and the UNOPS portfolio management team.
107. UNOPS reviews the grants disbursement table, and communicates with the NC if there are any problems or discrepancies. Once UNOPS has checked that the signed MOAs and the grants disbursement table are in order, an authorization to transfer funds to the grant recipients' accounts is sent to the UNDP CO or designated NHI. In certain cases direct fund transfers from UNOPS will be made when a facilitation mechanism for such transfers is still to be set up. Each disbursement, of course, is contingent upon the grant recipient/project meeting the requirements outlined in the signed MOA. The table must be revised and resubmitted if there are any amendments to the MOAs. The grants disbursement table will be available electronically in the SGP Intranet in the near future.

## **Progress Reports**

108. The National Coordinator/Sub-regional Coordinator is required to report on technical and substantive project and programme progress through the annual Performance and Results Assessment (PRA) system. The PRA complements the information that is entered monthly on the SGP database and should cover progress in meeting the year's deliverables as well as other important information such as: assessment of overall progress of the country programme portfolio; results of project monitoring and evaluation; key outcomes of SGP-sponsored events and; progress in strengthening working relationships with NGOs and other civil society groups as well as with government agencies and donors; results of resource mobilization efforts; development of SGP visibility as a GEF programme and other communications activities to share lessons learned and influence policy; and any special challenges and difficulties faced by the programme.

## **Programme Review Report**

109. The Programme Review is an overall assessment of country programme performance to be undertaken at the end of an SGP Operational Phase by the National Coordinator/Sub-regional Coordinator and the National Steering Committee/Sub-regional Steering Committee. SGP grantees and other stakeholders may also be invited to participate. The purpose of the Programme Review is to assess the cumulative progress of the country programme in a particular Operational Phase and provide strategic recommendations on the direction for the programme in the next Operational Phase.

## **Country Programme Audits**

110. Selected Country Programme audits will be conducted annually. The audits will cover management, financial, and administrative issues as they relate to the country programme as a whole, and will not normally include provisions for project-level inspection. The audits will focus on programme management and financial and administrative activities involving the NC/SRC, the NSC/NFG/SRSC, the UNDP CO, and the host NGO (if applicable). The purpose of the audits, in keeping with the SGP philosophy, is not to uncover evidence of wrongdoing or incorrect procedures, but rather to highlight good financial and administrative practices and to improve areas where country programme management may be weak. The audits will also serve to provide indications for better guidance from the CPMT and UNOPS and for subsequent revision of these Guidelines and other programme materials.
111. The CPMT and UNOPS will choose the countries to be included in the audits. Generic guidelines and standard formats and procedures for the country audits, prepared in collaboration with the UNDP Office of Audit and Performance Review and the UNOPS Legal Division, will be communicated to the UNDP Resident

Representatives and NCs/SRCs of the selected countries. The guidelines will include selection criteria to aid the UNDP Resident Representative in choosing a local company to conduct the audit, TORs for the auditor, and background material on the SGP. The country audit process will rely on the cooperation and active participation of the UNDP CO. The UNDP CO will have lead responsibility for adapting the generic guidelines and TORs to specific country situations (in consultation with UNOPS and the CPMT), choosing a local auditor in agreement with UNOPS through a local bidding process, signing the contract with the auditor on behalf of UNOPS, and eventually for making comments on the auditor's report. Where necessary and appropriate CPMT/UNOPS can lead audits using HQ units and resources.

112. The country programme audit report will be submitted to the CPMT, UNOPS, UNDP CO and NHI (if applicable) for review. The accepted findings and recommendations will form the basis for decisions about actions to be taken to improve programme management.