



Empowered lives.
Resilient nations.

GLOBAL ENVIRONMENT FACILITY SMALL GRANTS PROGRAMME

OPERATIONAL PHASE 6

MOLDOVA

APPLICATION GUIDELINES

May 2018

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ABBREVIATIONS AND ACRONYMS

NC	– National Coordinator
NSC	– National Steering Committee
CV	– Curriculum Vitae
GEF	– Global Environment Facility
OP	- Operational Phase
IDNO	– State Identification Number
COs	– Community organizations
NGO	- Non-Governmental Organization
UN	– United Nations
CSOs	– Civil society organizations
PNUD	– United Nations Development Programme
POPs	– Persistent Organic Pollutants
SGP	– Small Grants Programme
USA	– United States of America
UNOPS	– United Nations Office for Project Services

INTRODUCTION

1. MISSION OF GLOBAL ENVIRONMENT FACILITY SMALL GRANTS PROGRAMME

Small Grant Programmes (SGP) of the Global Environment Facility (GEF) was established in 1992, embodying the very essence of sustainable development by "thinking globally, acting locally". By providing financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihoods, Small Grants Programme demonstrates that community action can maintain the fine balance between human needs and environmental imperatives.

SGP participates in solving environment and sustainable development issues by providing small grants to communities, community organizations to implement projects in accordance with the strategic priorities of the Global Environment Facility and sustainable development principles. The initiatives supported by GEF are crosscutting the poverty reduction actions and communities' capacities.

Participation, democracy, flexibility, and transparency are key approaches of Small Grants Programmes.

2. PROGRAMME STRUCTURE

The Programme is financed by Global Environment Facility, implemented by the United Nations Development Programme (UNDP) and is executed by the United Nations Office for Project Services (UNOPS). Established in 1991, the Global Environment Facility represents a partnership of 182 member states – international institutions, civil society organizations (CSOs) and private sector – to approach global environment issues.

Central Programme Management Team of GEF SGP located in New York, is responsible for general programme management and ensures necessary support to programmes in different countries.

The United Nations Office for Project Services provides programme implementation services, including administrative, financial, operational, and legal and procurement services on behalf of SGP.

SGP is decentralized and is focused on the needs of every country through the National Coordinator and National Steering Committee (NSC), with the financial and administrative assistance provided by the UNDP Country Office. National Steering Committee ensures general coordination of national programme and contributes to strategies' development and implementation to support the national programme sustainability.

NSC is overseeing the examination, selection and approval of projects, guaranteeing technical quality and the content in accordance with the strategic objectives of the SGP. NSC members may take part in project pre-selection and monitoring/evaluation visits.

Step-by-step grant application process consists in the following:

1. **Contact SGP National Coordinator.** First of all, the project initiator has to contact the National Coordinator in the country to discuss the details of SGP National Strategy, including priorities set forth by the National Steering Committee. NC will provide the initiator with application guidelines and forms.
2. Initially, the idea behind the whole project should be submitted on a **Project Concept Form**. The CBOs/NGOs wishing to submit Project Concept, should answer the questions raised on the form and consult the National Coordinator.

3. Project Concept is a **mandatory** document for those wishing to get a **Planning Grant for developing the project proposal**. The planning grant amount for developing an ordinary project proposal is 1,000 US dollars, and for strategic grants – 5,000 US dollars. The grant for the project proposal development can only be granted after the approval of the project concept. Application of a grant for the drafting of a project proposal is not mandatory and is only required in cases where this is unavoidable and will improve the drafting of the project proposal. Receiving a Planning Grant is **not** assuring that the applicant will obtain a grant; also, one of the main results of the Planning Grant requires that the applicant must prepare and submit a Project Proposal. Project concepts can be submitted at any time (no time limit for submitting Project Concepts).
4. **Project proposals are developed** by the applicant or applicant's partners.
5. **NSC evaluation of project proposals**. The first step of the evaluation process will consist in the verification of the compliance with the general rules of GEF SGP. Eligible project proposals are submitted for examination to the NSC. NSC examines the proposals accepting, rejecting or returning them for improvement. NC will communicate the NSC decision on the project within 10 working days from the date of signing the minutes by the President of NSC. In case of conditional approval of project proposals by the NCC, the applicant is obliged to reflect these conditions in a certain period of time set by the NC, but not longer than 2 weeks from the date of receiving the information on NCC decision.
6. **Project implementation**. Grant applicants will sign financing agreements with UNDP Moldova on behalf of SGP. The grant is normally paid in three installments: an up-front payment to initiate the project; a mid-term payment upon receipt of a satisfactory progress report; and a final payment upon receipt of a satisfactory project completion and final reports. NC will participate actively in overseeing project implementation, as well as its monitoring and evaluation.

For additional information on SGP and GEF, refer to <http://sgp.undp.org> and <http://www.thegef.org/gef/>

3. PROGRAMME STRATEGIC AND RELATED INITIATIVES UNDER OPERATIONAL PHASE 6¹

GEF SGP in its operational phase 6 focuses on the development of the following initiatives:

- Community landscape conservation;
- Climate smart innovative agro-ecology;
- Low carbon energy system access co-benefits;
- Local to global chemical management coalitions;
- CSO-government policy and planning dialogue platforms;
- Promoting social inclusion:
 - Gender mainstreaming
 - Youth involvement.

Each field provides for the implementation of projects that will contribute to the outcomes described in the Table below.

¹ Project contest dedicated to capacity building will select for financing only the projects dedicated to subjects in the advertisement.

Table no.1 Strategic targets of the GEF Small Grants Programme and the targets of the Country Programme Strategy in the Operational Phase 6

OP6 Project components	Strategic targets
<p><u>Component 1 of SGP OP6:</u> <i>Community landscape conservation:</i></p>	<ul style="list-style-type: none"> • at least one legal draft document or public policy draft, where the provisions of biodiversity conservation are integrated or at least one management plan of water basins developed; • at least 1 touristic route marked or one developed touristic locality; • at least 20 ha of forestry windbreaks to protect agricultural fields or water basins planted; • at least 5 ha of trees planted; • at least 10 ha of windbreaks restored (at national scale); • at least 1 local specie/habitat promoted and reproduction conditions ensured; • at least 3 training workshops organized, 75 persons trained (50% women-50% men), promotional materials developed; • at least 2 information events organized;
<p><u>Component 2 of SGP OP6:</u> <i>Climate smart innovative agro-ecology:</i></p>	<ul style="list-style-type: none"> • at least 2 practices that provide measures to decrease the CO2 emissions implemented; • at least 2 farmers who produce multiple cultures; • agricultural best practices adapted to climate changes implemented on 5 ha or at least 5 ha with sustainable management of agricultural land; • At least 2 guidelines in rational and sustainable management of natural resources developed and published; • at least 2 ecology hours organized; • at least 1 continuous training programme developed; • at least 60 households informed about best agricultural practices adapted to climate changes;
<p><u>Component 3 of SGP OP6:</u> <i>Low carbon energy system access co-benefits:</i></p>	<ul style="list-style-type: none"> • at least 2 innovative solutions adapted to local level demonstrated and documented; • at least 20 households provided with access to electricity and heating from renewable energy sources; • at least 10 ha of viable energy plantations created; • at least 1 biomass project for energy production implemented
<p><u>Component 4 of SGP OP6:</u> <i>Local to global chemical management coalitions:</i></p>	<ul style="list-style-type: none"> • at least 60 households trained on adequate chemicals management; • at least 60 households trained on integrated pest management; • at least 60 households collect separate domestic e-waste from non-toxic waste; • waste management system improved by e-waste collection in a population of at least 2000 residents; • at least one national network in the field of safe chemical management consolidated
<p><u>Component 5 of SGP OP6:</u> <i>CSO-government policy and planning dialogue platforms (Grantors+):</i></p>	<ul style="list-style-type: none"> • at least 20 projects contributed to the development and maintenance of the dialogue; • at least 4 thematic communication and dialogue platforms consolidated; • Environment NGOs network extended: 5 NGOs in environment-related fields cooperate with the members of environment NGOs network
<p><u>Component 6 of SGP OP6:</u> <i>Social inclusion promotion (Grantors+):</i></p>	<ul style="list-style-type: none"> • at least 20 projects address social inclusion; • all projects secure gender equality; • at least 5 projects include activities with direct involvement of youth and children; • at least 2 projects include inclusion of socially vulnerable groups.
<p><u>Component 7 of SGP OP6:</u></p>	<p>All publications will be downloaded into the global digital library</p>

GEF SGP projects are based on **local community initiatives and actions** and will involve the communities at most project phases, from the idea and design to project implementation, monitoring and evaluation. Based on such participation, the members of communities will learn in practice how to design a project proposal, how to apply for financing, how to implement a project, and by owning the outcomes generated in this process – the efficiency and continuity of activities initiated by the project will be ensured.

Each project will contribute to the **implementation of the sustainable development principle**, by integrating the environment protection actions in local social-economic development. Hence, the projects will contribute to the achievement of some alternatives of sustainable economic development in communities by promoting and achieving income generating activities based on sustainable use of natural resources (for instance, eco/agro-tourism; collection, processing and sale of mushrooms, forest berries, honey, medicinal plants, etc.), renewable energy sources, etc.

Projects will start with a well-assessed **baseline** and will show the evolution achieved through activities suggested in solving environment-related problems (socio-economic, etc.) compared with the baseline. The baseline (needs to be detailed in the project) is an aggregation of data related to the status of the area of interest before the intervention, which describes the situation requiring the project intervention and will serve as a starting point for project performance evaluation (by means of indicators), with an important role in the monitoring process.

GEF SGP encourages **active cooperation and partnership** between various institutions and organizations: national and international NGOs, community organizations (COs), local communities, central and local administration, high education institutions, private companies, other GEF SGP and UNDP projects, as well as other national and international programmes and donors. The partnership between the organization requesting the financing and community/local organizations in the area of project implementation is especially encouraged.

NGOs and COs will seek to ensure the **continuity of project activities and outcomes** through additional financing, capacity development and knowledge of local partners, as well as by developing income generating activities, active cooperation and participation of communities.

Projects should demonstrate the **replication and outcome dissemination** potential in other localities or regions. Replication means the possibility to implement the vision, experience, practices, services, etc. in other localities of the country.

To measure the outcomes, the projects have to apply one or more indicators for each project activity. **At least one** of the applied indicators should be found among the reference indicators of the Programme.

The CSOs are encouraged to contribute to both dialogue development and maintenance between the CSOs and the Government or local public administration and to approach social inclusion in the project.

I. FINANCIAL ASSISTANCE AND CO-FINANCE

Maximum amount of a **grant provided** is **USD 50,000**, taking into account the implementation capacity of the grantee and partners. For **strategic projects** that are covering few communities and more NGOs/COs, the maximum amount provided is **USD 150,000**.

One organization cannot receive more than USD 50,000 in one operational phase, irrespective of the number of projects. The project initiator may submit next project proposal only after successful completion of the initial project.

The branches of an organization are considered separate organizations, if separately registered and if having different state identification numbers (IDNO).

To prove project's local support and outcomes sustainability, **the project should ensure co-financing in the amount of at least 50% of total project costs**. The co-financing may be in cash or in-kind (own contribution of the organization that require financing and/or partner organizations, other donors, municipalities, private sector, etc.). **Out of total co-financing, about 50% should be in cash and 50% in-kind**.

The project initiator will include the grant amount for project development in the total amount of project proposal, which will not exceed USD 50,000 (category financial sources allocated by GEF SGP) for which mandatory co-financing is necessary.

IMPORTANT: If the amounts are supported by proper supporting documents (for instance, copies of payment orders, invoices, receipts, etc.), and respective expenditures are made during the project implementation period, then this type of **co-financing** is considered **cash**. If the amounts are not supported by supporting documents, but by a letter from co-financing institution/organization that explains the calculation method of respective co-financing (see Annex 1), then the **co-financing** is considered **in-kind**.

The evidence of co-financing received should be submitted as an Annex to the project proposal. If the GEF SGP offers financing, cash and in-kind co-financing shall be reported per co-financer in both interim and final reports based on supporting documents. If the interim reports show that expected co-financing has not been received, then the total grant amount/next installments of the grant will be amended accordingly (in percentage). GEF SGP reserves the right to pay an amount smaller than the amount requested in the project proposal.

The evidence of co-financing consists in the decision of the management body of the entity, which provides the co-financing that mentions the value and its nature (cash or in-kind). For instance, in case of co-financing from local public administration, the financing application will enclose the decision of local Council. If the local Council does not meet during the preparation of project proposal, a declaration of the Mayor that mentions ensured co-financing may be enclosed. If the project proposal is a winner, the signing of the co-financing agreement is conditioned by the enclosed Decision of the local council.

GEF SGP does not finance:

- Activities to establish or rehabilitate some leisure areas or waste collection, **if** these activities do not influence directly environment development in the priority areas of GEF SGP and does not ensure their continuity;
- Re-granting activities;
- Participation in seminars/symposiums/conferences, **if** these are not directly related to project implementation;

- Building construction;
- Land, vehicle, building procurement;
- Payment to employees of public institutions, state companies, departments and private companies who are project partners (for instance, municipalities, Moldsilva etc.). **IMPORTANT: The Project contribution related amounts of the employees of public institutions, state companies, departments, private companies, etc. may be quantified during the project as cash or in-kind co-financing on behalf of respective partner institutions/companies of the project;**
- Expenditures related to **foreign** consultants/experts, including firms/companies;
- Office rent or rent of other premises;
- Bonuses, entertainment and alcoholic beverages;
- Utilities.

GEF SGP can finance:

1. *Equipment/materials*

Procurement of equipment and necessary materials for project activities implementation provided that the selection of the supply company is made in accordance with the procurement procedures of the Programme that have to be visualized in the Implementation and Reporting Guidelines².

This category admits, based on a well-reasoned justification, procurement of office equipment, which total value should not exceed **4%** of the grant value and which selection was made in accordance with the above regulations.

The procurement of technical equipment for the project that does not exceed 35% of the grant is allowed.

2. *Training/seminars/workshops/business trips*

Costs for organization/support of seminars, conferences, training, meetings, etc., as project components (for instance, rent of a venue, rent of the equipment, costs for participants: transport, accommodation, catering). Costs for coffee break cannot exceed 5 USD per person, while for lunch break – not more than 10 USD per person.

This category will include travel costs (accommodation and transportation on the territory of Moldova only) of persons involved in project implementation (including volunteers), as well as costs of monitoring and evaluation activities, with community's participation.

3. *Contract services*

Consultancy, studies and expertise contract (technical, financial, planning, business, and others) concluded **only** with consultants/experts/companies/firms **from Moldova**. Value of consultancy costs should not exceed 25% of the grant.

Research/studies activities (applied - practical research, if necessary for the project), data and information collection and analysis.

Costs for goods manufacture and service provision (if we are talking about a project which activities generate income). Contracting project services (only by observing Programme's procurement procedures). This category includes design, printing, and distribution of information materials, awareness, promotion (publications, brochures, stickers, posters, T-shirts, audio/TV

² <http://sgpmoldova.org/ro/proposals>

spots, etc.), by observing the Editing guidelines for communications and promotional materials of GEF SGP.

Each project financed by the GEF SGP will develop a video spot or slideshow to present activities and outcomes obtained during the project.

4. Other expenditures

If a planned expenditure cannot be included under any budget item, list it under other expenditures and provide an explanation of what this money will be spent on.

In the same category, include **3%** of grant value as **“Contingencies (Unforeseen)”**. This amount will cover occasional costs of meetings/training organized at **programme level**, as well as unexpected expenditures that result from project implementation, provided that these expenditures are approved beforehand by the NC. The remaining unspent amounts from this budget line may be allocated during the last project implementation period, with prior approval of the NC for the implementation of activities that would contribute to the final project outcomes. **The audit is compulsory for projects that require more than USD 10,000. Project audit can be financed from the grant (not exceeding 3% of the grant).**

Bank commissions may be financed in the amount not exceeding 1% of the grant.

5. Miscellaneous

Specify other forms of support requested from the SGP not included in the budget. The requested support may cover technical or administrative matters, but CANNOT refer to additional financing. For instance: technical consultancy; procurement procedure support, etc.

When the budget is drafted, please consult the Implementation and Reporting Guidelines. Some procurements require placing advertisements in newspapers with national coverage. Implementation guidelines may be found on the webpage of the SGP Moldova <http://sgpmoldova.org/ro/proposals>

Co-financing

Cash co-financing may be ensured by the applicant and/or any other partners and may be provided under any budget line.

In-kind co-financing may be ensured by the applicant and/or other partners and may include: salaries, volunteering, materials, equipment, premises, land, etc. The calculation of in-kind co-financing value is done in accordance with the recommendations of Annex 1. Financial documents shall be kept seven years after project conclusion.

Project duration

The implementation period of a project financed by the GEF SGP is, as a rule, 12-18 months, but it should be determined in consultation with NC, without exceeding, however, **24 months**.

II. FINANCING REQUEST AND APPROVAL PROCEDURES

1. ELIGIBILITY

Organizations that are eligible to directly apply to the GEF SGP are non-government organizations (NGO) and community organizations (COs) legally registered in Moldova, with at least one partner in project implementation area that would carry out project activities. Previous experience of direct applicants in partnerships, especially with local partners in the project implementation area and/or with local communities in the project’s area is seen as an advantage.

The NGO and CO that carry out their activities in different areas, provided that their interests correspond to the goals and principles of GEF SGP, may lodge financing applications.

Direct applicants should prove the capacity to implement the proposed project. In this regard, they need to demonstrate the following:

- Previous experience in project design, implementation and evaluation;
- Human resources experience in priority areas of GEF SGP;
- Project implementation logistics (office space, computers, fax, telephone line, internet access, etc.).

Also, direct applicants need to demonstrate:

- That they are legally registered in Moldova, in accordance with the legislation in force (enclose copies of registration certificate, statute, certificate of statistical codes and bank certificate);
- that they are non-profit, autonomous and independent organizations;
- that they are not subordinated to a government institution.

In all cases, the funds received from the GEF SGP should be used locally in the project implementation area.

Direct applicants cooperate in project design, implementation and evaluation with various **partners** who provide their insights (financial or other) in achieving project objectives. The partners can be:

- local public authorities;
- representatives of local communities;
- national and local government institutions (ministries, research institutions, agencies, etc.);
- other NGOs and/or COs, professional associations, land owners' associations, farmers associations, etc.;
- private companies;
- social and education institutions (hospitals, retirement homes or orphanages, community centers, institutions for persons with special needs, as well as schools, universities, etc.).

Proposals submitted by two (2) or more applicants will be rejected if any of the following is discovered:

- A. have at least one partner as auditor, director or member in common; or
- B. any of them receive or have received a direct or indirect subsidy from another one; or
- C. have the same legal representative for this call for proposals, or
- D. have a relation with another one directly or through third parties, placing it thus in the situation to have access to information on or influence on proposal of another applicant with regard to this process;
- E. are each other's contractors or a subcontractor in a proposal submitted through another proposal on behalf of or as a main applicant;
- F. an expert suggested in the applicant's team, participates in more than one proposal received for this call. This condition does not apply to subcontracts included in more than one proposal;
- G. implementation units and NGOs that participate in public institutions' duties based on contracts concluded between them.

Project proposals will be developed in the format approved and in accordance with Project Proposal Development Guidelines.

The documents shall be sent electronically at SGPMoldova@unops.org.

The offers will be marked: 'GEF SGP, 2018, [name of the applicant NGO]'.

After receiving project proposals, the NC will verify the conformity with the general rules of GEF SGP:

- The Project should be relevant in one or more priority fields of GEF,
- The Project should reflect the needs of the community or communities and/or parties involved,
- The Project should include marginalized, poor and vulnerable communities, especially, if there are no other donors and where the initial development conditions are not met,
- The Project should reflect the needs of the Country Programme Strategy of GEF SGP,
- Every project proposal should contain the CVs of persons who will implement the project,
- If the project proposal foresees contracting, the project should include the Terms of Reference for each planned contract,
- Every project proposal should include a monitoring and evaluation plan,
- Every project proposal should include a summary in English language,
- The co-financing share should be 50% or as the NCC decides. The general requirement of GEF SGP is to get co-financing in the amount of USD 1:1 for each grant dollar,
- No grant beneficiary may receive funds exceeding USD 50,000 during one operational phase.
- No payments to members of AO or family of President of AO should be made from the GEF SGP funds. These payments should be foreseen from co-financing.

After receiving project proposals, NC may request additional information and documents. The applicant should provide additional information in maximum 5 days after the NC request.

2. PROJECT PROPOSAL EVALUATION

Once received, the eligibility criteria and all documents of the project proposals should be verified. If additional information is necessary, the NC may ask the organization to provide missing data in a period set by the NC and accepted by project initiator. To be able to start the evaluation, the organization will provide all the information in accordance with the set period.

Eligible and complete project proposals are evaluated by NCC members based on the following evaluation criteria:

- Compliance with the thematic areas of GEF SGP and immediate objectives;
- Share of co-financing of at least 50% of total project value;
- Conformity with expected outcomes at project level and by using corresponding indicators in thematic and related areas;
- Accuracy of evaluation and description of the baseline as well as estimated contribution of the project to the achievement of the GEF SGP Programme objectives;
- Extent to which the project contributes to public awareness on environmental matters with global impact;
- Extent to which the project develops the capacities of local communities to participate in decision-making;
- Extent to which the project promotes sustainable life styles by generating benefits for local communities;
- Extent to which the project contributes to poverty reduction in the community of intervention (for instance, implementation of income generating activities through sustainable use of natural resources);
- Extent to which the project involves local community in project implementation, including in monitoring and evaluation activities;

- Extent to which the project involves women from community, the youth and vulnerable groups;
- Replication potential (repeat in another location) and/or project extension (application at a larger scale);
- Project continuation;
- Dissemination of learned lessons and best practices;
- Cooperation and partnership between different organizations and institutions during all project phases;
- Correct justification of the budget.

3. SELECT PROJECTS FOR FINANCING

The selection of projects eligible for financing is done by the National Steering Committee. The Committee members evaluate each project and give a score according to evaluation grid, taking into account the following evaluation criteria:

1. Compliance with the thematic areas of GEF SGP and specific objectives;
2. Share of co-financing;
3. Partnership quality;
4. Experience and capacity of direct applicant;
5. Project objectives;
6. Impact and expected outcomes of the project and use of proper indicators for thematic and related areas;
7. Consulting interested parties, including community members in project proposal development;
8. Accuracy of evaluated and described baseline;
9. Estimated project contribution in achieving objectives;
10. Ensured synergies with other projects implemented in the respective locality;
11. Involvement of women, youth, poor, and/or other vulnerable groups;
12. Promote activities that contribute to capacity building of local communities;
13. Promote and implement income generating activities through sustainable use of natural resources with impact on poverty reduction;
14. Project multiplication and/or extension potential (applied at a larger scale);
15. Project's sustainability;
16. Dissemination of experience and best practices;
17. Cooperation and partnership between different organizations and institutions during all project phases;
18. Project implementation period;
19. Budget justification.

Final decision on project financing should be taken by consensus in a joint meeting. In this meeting, the NSC may invite independent experts (without the right to vote) to assist with the evaluation of discussed projects, or may take into account their written opinion.

If the NGO representative tries to influence the opinion of one or more members of the NSC, during the evaluation period, this application is automatically rejected.

The Committee may take the following decisions regarding a financing proposal:

- Approve the project for financing (with or without conditions);
- Reject the project;
- Return the project to the applicant with recommendations to amend/supplement in order to resubmit. The NSC decision with recommendations of amendments/supplements does not

guarantee project approval. The NC will communicate the NSC decision as well as its motivation in written form to the applicant.

If the project proposal is selected for financing by the NCC, a financing Agreement will be signed. If the approval was conditioned, the agreement will be signed **only after** all conditions are met.

Financing is given usually in three installments:

- first installment **(50%)** after signing the financing agreement;
- second installment **(40%)** after the submission and approval of the first interim report;
- third installment **(10%)** after the submission and approval of the second interim report.

If the project characteristics and implementation of activities require another distribution of payments, the applicant may suggest another payment scheme by providing a strong motivation. During the evaluation, the NCC may approve or reject this scheme.

After finalizing the project activities, the organization that received the funds has to draft the **final report**, which includes the entire project implementation period.

Amounts from the financing agreement are expressed in USD, but the transfers are made in Moldovan lei at the official exchange rate of the UN in the month of payment. The amounts that are financial assistance of the GEF SGP during the contract are transferred to the organization that implements the project through a dedicated account for grant administration.

The estimated period between final project proposal and first payment approval during the SGP funding is about one month – something that should be taken into account when developing the project work plan.

III. PROJECT DEVELOPMENT

1. PROJECT MANAGEMENT

Non-governmental or community organizations that applied and obtained funding from GEF SGP are directly responsible for the implementation of all project activities, in accordance with the work plan, for the use of funds accordingly, as well as for the timely presentation of complete reports to the GEF SGP Office.

Organizations will observe the GEF SGP regulations and national legislation in force.

Organizations financed by GEF SGP will conclude partnership contracts with project partners, contracts that would clearly define the role of every partner in the implementation of project activities, resources, reporting method to the NGO that received the financing, etc. Partners will submit progress reports on the activities implemented to financed organization. These reports will be enclosed to the reports submitted by the grantee to the GEF SGP.

If necessary, the **financed organizations may hire sub-contractors by** observing the procurement procedures of the GEF SGP and national legislation in force. Procurement procedures are detailed in the Implementation and Reporting Guidelines. ***The Programme will not refund the expenditures made by not observing the requirements stipulated in the Implementation and Reporting Guidelines.*** The Implementation and Reporting Guidelines may be accessed on the webpage <http://sgpmoldova.org/ro/proposals> or requested from the SGP team.

Wage payment to public institutions, state companies, departments and private companies' staff, who are project partners (for instance, municipalities, Moldsilva etc.), as well as procurement of goods/services for them do not represent eligible costs for GEF SGP grants. These amounts can be declared as **cash or in-kind** co-financing of respective project partner institutions/companies.

When developing and disseminating **all** promotional materials and information developed during project implementation (books, brochures, leaflets, articles, banners, webpages, films, T-shirts, stands, etc.), the **Branding Guide** shall be observed strictly, which is available in the Implementation and Reporting Guidelines.

Before publication, the texts and graphic presentation of all promotional materials and dissemination of information will be submitted for approval to the National Coordinator of GEF SGP. Publication of materials can be done only after the approval of NC. If this condition is not fulfilled, the GEF SGP may refuse to cover the costs of publication, even if these costs were included in the approved project budget.

The Project manager has to maintain permanent liaison with the NC, informing about the status of the project implementation, planned seminars/meetings, and other important events under the project.

2. AMENDING AND STOPPING THE FINANCING

During project implementation, the *activity plan or project budget* might need adjustments. If the adjustment exceeds 10% per budget line, the project manager should request and justify the proposed amendments to the NC. The procedure is the same for amendments regarding the action plan. The amendments will be operated after the approval of the NC. If the action plan and/or revised budget

imply amendments of the reporting period or project implementation period, an amendment to the financing agreement describing the amendments should be concluded.

Prior approval of the NC is necessary for **any expenditure** under the contingencies budget line (3% of the amount financed by GEF SGP).

The Project manager will inform the NC about any other modifications in the implementation of the approved project, including the value of co-financing. When the co-financing is inferior to the one planned in project proposal, next grant installments should be reduced proportionally.

GEF SGP has the right to terminate the financing agreement and stop the payment of the funds, if modifications are made without prior approval of NC, the reports are not submitted on time, or monitoring/evaluation confirms that the organization does not implement the project properly or spends improperly the funds of the GEF SGP. **In case of reporting illegible expenditures to the GEF SGP, the corresponding amount will be returned to GEF SGP or deducted from the next financing installment, when necessary.**

All GEF SGP funds that are not spent at the end of the project will be refunded through bank transfer into the UNDP account, unless there is another agreement based on the consultation with and approval by the NC.

3. MONITORING AND EVALUATION

Permanent monitoring of activities and costs, periodic project progress evaluation and introduction of new corrective actions when necessary are key duties of the project manager during project implementation.

To reduce the risk of not observing the planning, alternative and contingency plans are doubled, activities with unsure elements are monitored and good communication is ensured between project team members, partners, key representatives of the community who participate in project implementation, etc.

GEF SGP recommends active involvement of communities in project development and implementation, and its monitoring and evaluation. The NGOs/COs will include in the budget **necessary resources** for the implementation of monitoring and evaluation activities with the participation of the community. The evaluation process recommends and encourages the participation of the representatives of other categories involved directly or indirectly in the project, such as: local authorities, private sector, education institutions, etc.

The monitoring and evaluation process measures project's achievements based on objectives stipulated in project proposal, using compulsorily at least one indicator for each category: environment, poverty reduction and communities' capacity. Each indicator will be monitored and reported on:

- (1) initial value (from the baseline);
- (2) value suggested to be achieved by the project;
- (3) real value achieved for respective indicator at the moment of monitoring (to be filled in during project implementation).

To be valid and useful in project monitoring and evaluation, the indicators have to meet the following qualities:

- Clarity in defining the criteria to measure project's success;
- Importance or relevance for project goals;

- Plausibility – there is a link between what is wanted to be measured and manner of illustration.

Taking into account that the environment effects are often observed after a year or longer, the financed organizations should plan evaluation methods of such effects at a further moment.

4. REPORTING REQUIREMENTS

It is recommended to consult the reporting guidelines when developing project proposals to foresee possible costs or aspects on procurement procedures. The reporting guidelines can be accessed at <http://sgpmoldova.org/ro/proposals> .

Annex 1

CALCULATION OF IN-KIND CONTRIBUTION

Activity	Calculation of in-kind contribution
Cost of labor force (professionals, experts, students, project staff)	Adequate use of rates/day/person valid/used in the country or region, calculated per days or months.
Use of office equipment	Linear depreciation of the total cost of equipment is calculated for 5 years and is considered as share in the project, depending on its use in the project. For instance, an equipment which value is 5000 \$/per unit shall be depreciated over 5 years = 1000 \$/year. If used for six months in the project, the in-kind contribution will be 500 \$.
Use of software	The following may be applied: <ul style="list-style-type: none"> - cost of software license during the project, if possible; - or similar calculation by using the equipment, but the depreciation period is considered 3 years.
Use or supply of materials or components which cost cannot be recuperated (for instance, the product is not selling)	The market price of supplied materials/components is used.
Use or supply of data/license/patent for NGO/CO	If data already exist but not in public field, the following can be used: <ul style="list-style-type: none"> - cost of time/labor force necessary to obtain the data; - equivalent cost for data procurement;
	- or data are considered 'rented' for the entire period of project and the cost is calculated based on 3 year period of depreciation.
Use of land	<ul style="list-style-type: none"> - If the land is administrated or donated for project activities for a period sufficient to achieve planned outcomes and impact, the total price of the land may be shown that is proved with official supporting documents (land deed, cadaster, sale and purchase contract, etc.). - if the land is given or borrowed for project activities only for the duration of the project, the official rental price per month multiplied by the number of months shall be used. The price calculation should be supported by an official and/or rental agreement.
Use of buildings/premises	<ul style="list-style-type: none"> - If the buildings/premises are administrated or donated for project activities, for a period sufficient to achieve planned outcomes and the impact, and stay in the property of the NGO, the total price of the building should be mentioned supported by official documents proving the price (land deed, cadaster, sale and purchase contract, etc.) or a document signed by the owner/donor. - If the buildings/premises are rented for project activities during project implementation, the official price for monthly rental multiplied by number of months. Price calculation should be supported by an official document and/or rental agreement.
Vehicle	If the vehicle (private or of the NGO) is borrowed for the needs of the project: <ul style="list-style-type: none"> - an average monthly or daily official price for car rental should be used (specific for respective locality) multiplied by used days/months, or - depreciation cost in case of rented vehicle is calculated as follows: the fuel cost/km is deducted from the official UN rate for km of transportation with the personal car in Moldova, and this value is multiplied by the approximate number of km driven during the project.

	<p>- If the fuel is provided as in-kind contribution (not financed by SGP or other partners and no receipt is submitted), use total cost of official UN rate for transportation with personal car, multiplied by the approximate number of driven km during the project.</p>
Volunteers	<p>Contribution of volunteers is calculated per day or month by filling up forms and list of attendees by the volunteers. One of the following methods will be applied:</p> <ul style="list-style-type: none"> - volunteering is calculated based on the official rate for such activities, if such rate is available; - convenient average rate/day used in the country or region; - official minimal monthly salary in the economy (divided by 22 and multiplied by the number of worked days), ex. $1300 \text{ MDL} / 22 = 59 \text{ MDL}$.