



REQUEST FOR CEO APPROVAL

PROJECT TYPE: Medium-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

For more information about GEF, visit TheGEF.org

PART I: PROJECT INFORMATION

Project Title: Supply Change: Securing Food, Sustaining Forests			
Country(ies):	Global	GEF Project ID:	5776
GEF Agency(ies):	UNEP (select) (select)	GEF Agency Project ID:	01267
Other Executing Partner(s):	Forest Trends	Submission Date:	20/03/2015
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	24
Name of Parent Program (if applicable):		Project Agency Fee (\$):	180,500
<ul style="list-style-type: none"> ➤ For SFM/REDD+ <input checked="" type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/> 			

A. FOCAL AREA STRATEGY FRAMEWORK

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
(select) BD-2	Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.	Actionable steps for new conservation policies and decisions by producers, processors, policy-makers and practitioners	GEF TF	1,900,000	2,725,000
Total project costs				1,900,000	2,725,000

B. PROJECT FRAMEWORK

Project Objective: To inform and promote the integration of public policies and private finance in order to scale up and mainstream forest, biodiversity, and ecosystem conservation in commodity production landscapes.

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
Component 1 - State of the art, objective information and analysis to support decisions that favor sustainable commodity sourcing and/or production	TA	1.1 Increased awareness of corporate sustainability commitments to low- or zero-deforestation in sectors with intensive land area impacts 1.2: Increased transparency and accountability for corporate commitments to sustainable forestry	1.1.1: A global assessment of commodities/ crops that derive value from assuring their positive environmental footprint, focusing on commodity sectors with an unarguably significant forest footprint – palm oil, cattle, paper/pulp and soy – and investigating associated corporate commitments to low or zero deforestation/	GEF TF	789,945	1,310,000

		<p>and land use</p> <p>1.3: Illuminate intersection of commitments to certification of low-deforestation ag/forest products, and regional REDD+ certification of and financing for reduced deforestation in production landscapes</p>	<p>degradation/ conversion, social conflict mitigation and other sustainability indicators in these sectors;</p> <p>1.1.2: For commodities under review, build a robust primary data set (tracking >75% of relevant programs and proportion of commodity volume comparable to other tracking initiative results) with support from existing tracking and industry initiatives;</p> <p>1.2.1: Secure corporate commitments to annually disclose performance data and/or support Forest Trends in development of research product(s);</p> <p>1.2.2: Develop mutually informative relationships with relevant supply chain actors and regional governments;</p> <p>1.3.1: Rigorous data collection tracking REDD+ finance flows to and implementation of jurisdiction-scale programs in relevant regions (piloting in Latin American states), identifying opportunities for optimizing jurisdictional REDD+ activities/finance, corporate deforestation targets and on-farm certifications (also informing Project</p>			
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			Component 2); findings made publicly available.			
Component 2 - Mainstreaming biodiversity and ecosystem conservation in supply chains	TA	<p>2.1 Uptake of financing mechanisms that encourage/ support sustainable agriculture production</p> <p>2.2 Availability of models that mainstream biodiversity and ecosystem values in public and private sectors</p> <p>2.3. Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems</p>	<p>2.1.1 Produce two case studies of existing financial mechanisms that encourage agricultural sustainability, including successes and lessons learned that can be applied in the development of new financial mechanisms;</p> <p>2.1.2 Design one or more opportunities for new or modified financial mechanisms that can address agricultural sector barriers to sustainability while incentivizing improved practices and biodiversity conservation.</p> <p>2.1.3 Conduct consultations on financing mechanisms with supply chain actors (4+), nonprofit or commercial credit institutions (2+), commodity roundtables (1+), tropical forest country institutions (3+), donor governments (2-4), and development finance institutions (2).</p> <p>2.2.1 Development of one or more new sustainable funding models to support jurisdiction-scale sustainable production landscapes E.g. 'Jurisdictional REDD+ Bonds'. Funding</p>	GEF TF	645,701	835,000

			<p>models could link global REDD+ values with local ecosystem service values.</p> <p>2.2.2 Conduct with UNEP FI stakeholder consultations (2+) on potential sustainable funding models including among UNEP FI financial institution network; also conduct in-depth consultations on funding models with donor governments (2-3), development finance institutions (2), tropical forest country institutions (2-3), commodity roundtables/ supply chain actors (2+)</p> <p>2.3.1 Develop guidance for regulatory framework(s) and/or policy(ies) that effectively account for environmental and social risks in commodity supply chains as well as identify levers for change in current fiscal frameworks so that they support the removal of deforestation from commodity supply chains.</p> <p>2.3.2 Conduct consultations on frameworks and policies with development financial institutions, private finance actors, and institutional investors.</p>			
Component 3 - Enhancing effective dialogue in the	TA	3.1: New conservation policies and decisions in the	3.1.1: Forward-looking report outlining actionable steps for	GEF TF	339,354	430,000

commodities sectors		public and agricultural sectors. 3.2: Increased visibility and incentives for voluntary public reporting and sharing of best practice.	new conservation policies and decisions by producers, processors, policy-makers and practitioners. 3.1.2: At least one “Katoomba-like” event focused on the theme of sustainable commodities to build impetus and awareness. 3.2.1: At least 6-8 articles/year; and mainstream media coverage, with a target of 2-3 articles (or the equivalent)/year. 3.2.2: Reporting system to publicize achievements/commitments 3.2.3: Dissemination of peer-reviewed findings via Katoomba event/s, and commitment relevant official gatherings. Host additional 2+ annually educational and inclusive report/research launch events engaging public/private sector and producer community stakeholders in order to inform, involve, and incentivize high-profile stakeholder buy-in.			
Evaluation	TA			GEF TF	30,000	
Subtotal					1,805,000	2,575,000
Project management Cost (PMC)				GEF TF	95,000	150,000
Total project costs					1,900,000	2,725,000

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
Executing Agency	Forest Trends ¹	Cash	2,425,000
Other Multilateral Agency (ies)	UNEP DEPI	In-kind	300,000
Total Co-financing			2,725,000

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
UNEP	GEF TF	Biodiversity	Global	1,900,000	180,500	2,080,500
Total Grant Resources				1,900,000	180,500	2,080,500

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	79,000	0	79,000
National/Local Consultants	84,500	0	84,500

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF²

- A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc. N/A
- A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. N/A
- A.3 The GEF Agency’s comparative advantage: N/A
- A.4. The baseline project and the problem that it seeks to address: N/A
- A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project: N/A
- A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: N/A
- A.7. Coordination with other relevant GEF financed initiatives N/A

The ProDoc emphasizes the strong coordination with the GEF6 Integrated Approach on Deforestation-free Commodity Supply Chains and the key implementing agencies driving that IA, in particular UNEP. The Supply Change project will

¹ With support from: World Bank, USAID, Germany/ICI, NORAD, CLUA, Moore Foundation, MacArthur Foundation and Credit Suisse

be overseen by a Project Steering Committee (PSC) composed of key personnel from UNEP, Forest Trends and other participating agencies (described in detail in Section 4 and Appendix 9).

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

The success of Supply Change depends very heavily on the involvement and active engagement with many stakeholders described in Section 2.7 and Section 5, and through detailed consultations carried out under Component 2, some of in concert with UNEP.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF): N/A (Global Program)

B.3. Explain how cost-effectiveness is reflected in the project design: Refer to Section 3.4, Intervention Logic and leverage across multiple partners, and Section 3.7, Incremental Cost Reasoning.

C. DESCRIBE THE BUDGETED M &E PLAN:

UNEP will be responsible for managing the mid-term review/evaluation and the terminal evaluation. The Project Manager and partners will participate actively in the process. The PIR will serve as the project Mid-Term Review (MTR). An MTR or MTE would only be conducted in case of extension of the project duration. If undertaken, the Project Steering Committee will participate in the MTR or MTE and develop a management response to the evaluation recommendations along with an implementation plan. It is the responsibility of the UNEP Task Manager to monitor whether the agreed recommendations are being implemented. An MTR is managed by the UNEP Task Manager. An MTE is managed by the Evaluation Office (EO) of UNEP. The EO will determine whether an MTE is required or an MTR is sufficient.

An independent terminal evaluation (TE) will take place at the end of project implementation. The EO will be responsible for the TE and liaise with the UNEP Task Manager throughout the process. The TE will provide an independent assessment of project performance (in terms of relevance, effectiveness and efficiency), and determine the likelihood of impact and sustainability. It will have two primary purposes:

- (i) to provide evidence of results to meet accountability requirements, and
- (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP and executing partners.

While a TE should review use of project funds against budget, it would be the role of a financial audit to assess probity (i.e. correctness, integrity etc.) of expenditure and transactions.

The TE report will be sent to project stakeholders for comments. Formal comments on the report will be shared by the EO in an open and transparent manner. The project performance will be assessed against standard evaluation criteria using a six point rating scheme. The final determination of project ratings will be made by the EO when the report is finalised. The evaluation report will be publically disclosed and will be followed by a recommendation compliance process. The direct costs of reviews and evaluations will be charged against the project evaluation budget.

The GEF tracking tool for BD2 is attached to the Project Document as Appendix 13.

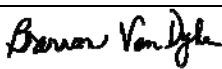
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

- A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
N/A			

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Brennan VanDyke Director, GEF Coordination Office, UNEP		March 20, 2015	Kristin Mclaughlin Task Manager	+1 202 974 1312	kristin.mclaughlin@unep.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Included in the ProDoc, pages 40-44.

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

A PDF file with UNEP's Review and Responses to the PIF is attached to the endorsement request.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: 100,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Component 1	52,000	52,000	
Component 2	33,333	33,333	
Component 3	14,667	14,667	
Total	100,000	100,000	0

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

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

N/A