

OPERATIONAL MANAGEMENT SMALL GRANTS

In the Madagascar and the Indian Ocean Islands Biodiversity Hotspot

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FORENA



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OPERATIONAL MANUAL

Small Grants in the Madagascar and the Indian Ocean Islands Biodiversity Hotspot:

PROCEDURES FOR AWARD AND MANAGEMENT OF SMALL GRANTS

1. INTRODUCTION

1.1 ECOSYSTEM BASED ADAPTATION IN MADAGASCAR AND THE INDIAN OCEAN ISLANDS HOTSPOT

Madagascar and the Indian Ocean Islands Biodiversity Hotspot has a remarkable species and habitat diversity. Its biodiversity provides millions of people with fresh water, pure air, food, medicines, buffer against extreme weather, climate regulation and other ecosystem services that are essential to their survival.

However, the Comoros, Madagascar, Mauritius and the Seychelles are extremely vulnerable to climate change. People, agricultural land and infrastructure are concentrated in coastal areas, which are exposed to rising sea levels and increased frequency and severity of weather events. Ecosystem-based adaptation (EbA) promotes the conservation, improved management and restoration of ecosystems to provide the essential services people need to adapt to climate change and variability.

EbA funding has been insufficient so far and civil society organizations (CSOs) have been underfinanced. In response to the challenges of climate change in the Indian Ocean island countries, the [Critical Ecosystem Partnership Fund](#) (CEPF) has prepared a 10-year program entitled [Ecosystem-Based Adaptation in the Indian Ocean](#), with funding from the Green Climate Fund (GCF) through AFD as the GCF accredited entity, and from the European Union through AFD acting as the fiduciary agent. The program provides targeted funding to mobilize CSOs in implementing EbA, to promote the conservation, improved management and restoration of ecosystems to provide the essential services people need to adapt to climate change and variability.

This CEPF program is different from earlier CEPF investments, since its approach is aimed at improving the resilience of ecosystems, their services and the people who depend on them, compared to the previous CEPF grant-making investments that were foremost aimed at biodiversity conservation.

1.2 CRITICAL ECOSYSTEM PARTNERSHIP FUND

CEPF empowers people in developing and transitional countries to protect the world's biodiversity hotspots—some of the most biologically richest yet threatened ecosystems that are vital to humanity. By providing grants to civil society—nongovernmental, private sector and academic organizations—CEPF implements conservation strategies that are developed with local stakeholders. These investments are especially important because the hotspots are home to millions of people who are impoverished and highly dependent on nature for survival. CEPF is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Fondation Hans Wilsdorf, the Global Environment Facility, the Government of Japan,

and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation.

In each hotspot, CEPF grants are guided by the ecosystem profile, which is a thorough analyses of the biodiversity and socio-economic conditions in the hotspot. The ecosystem profile is produced through consultation with local stakeholders and results in regional conservation strategies. The grants go directly to civil society groups active in the biodiversity hotspot to build a vital constituency for conservation alongside governmental partners. The grants are essentially awarded on a competitive basis and must contribute to governments' efforts to meet targets related to the Global Biodiversity Framework (GBF), the UN Framework Convention on Climate Change, and Sustainable Development Goals (SDGs). CEPF's ambition is to create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts. CEPF's network achieves results through an ever-expanding network of partners working together toward shared goals.

In the Madagascar and the Indian Ocean Islands (MADIO) Biodiversity Hotspot, with the funding from the GCF, the CEPF investment niche for 2022-2027 described in the ecosystem profile, which was updated in 2022, is to integrate the fight against climate change (mitigation and adaptation) into conservation approaches. This investment of US\$ 14.1 million as grants is part of the 10-year Ecosystem-based Adaptation in the Indian Ocean program. The ecosystem profile contains a results framework with both geographic and thematic targets to be met by the end of the five-year investment.

1.3 REGIONAL IMPLEMENTATION TEAM

CEPF has enlisted a consortium of nongovernmental organizations to be its Regional Implementation Team (RIT) in the hotspot. Coordinated and led by IUCN NL, the RIT team includes SAF/FJKM for Madagascar, ID-ONG for Comoros, FORENA for Mauritius and SeyCCAT for Seychelles. These organizations are working with CEPF to implement the 2022-2027 conservation strategy for the hotspot and to strengthen local civil society's capacity.

The RIT is tasked with the following components throughout the five-year investment timeframe:

1. Coordinating the CEPF investment in the hotspot;
2. Supporting the integration of biodiversity and ecosystem-based adaptation into public policies and private sector business practices;
3. Communicating the CEPF investment throughout the hotspot;
4. Strengthening the capacity of civil society;
5. Supporting the CEPF Secretariat process for solicitation, review and monitoring of proposals for large grants and ensuring compliance with CEPF funding terms;
6. Managing the program of small grants, in compliance with the CEPF operational manual and this operational manual;
7. Monitoring and evaluating the impact of large and small grants;

8. Supporting the CEPF secretariat to monitor the large grants portfolio and ensure compliance with CEPF funding terms.

1.4 LARGE AND SMALL GRANTING MECHANISMS

CEPF awards two types of grants:

- “large grants”, which are grants over US\$ 50,000. These grants are awarded directly by the CEPF Secretariat, after consultation with the Regional Implementation Team (RIT). For more information on the large grant life cycle visit [CEPFs website](#).
- “small grants”, with a maximum of US\$ 50,000. These grants will be awarded directly by the RIT. The RIT will supervise and support the small grant grantees. This operational manual governs this type of grant making.

1.5 THE OPERATIONAL MANUAL ON SMALL GRANTS

This operational manual is for the operationalization of the small grant mechanism as implemented by the RIT for the MADIO hotspot. It is based on CEPF’s overarching operational manual, but highlights certain differences in modus operandi for this specific hotspot.

The overall purpose of the operational manual is to ensure that:

1. guidelines and procedures are compiled and accessible to all stakeholders and grantees;
2. project activities are implemented in a manner consistent with the relevant guidelines and procedures set up by CEPF;
3. project sub-grantees, partners and contractors have the necessary guidance to implement relevant project components; and
4. project stakeholders understand their roles and responsibilities during all stages of implementation.

In this manual more insight is provided on the project cycle. In addition, conflicts of interest, the grievance mechanism and the code of conduct are highlighted.

This operational manual is a living document and is expected to be revised and updated as necessary to incorporate lessons from practical implementation and the evolving needs of the projects, as well as to facilitate adjustments in view of external changes that may influence implementation.

Templates, links and other references are provided in the additional information section of this document (chapter 2). For further details and ways of working, see [CEPF’s operational manual](#). For more information, reach out to the RIT MADIO Programme coordinator cepfproposals@iucn.nl or CEPF Grant Director, cepf@cepf.net.

This table provides the links to the documents and information as discussed in this manual.

Table 1: Additional links and information

| | General information | Link | Chapter / page |
|--|---|-------------------------|-----------------------|
| | Ecosystem profile Madio | EN / FR | |
| | CEPF operational manual (O.M.) | EN | |
| | Call for proposals | | |
| | See social media and website (and table 2 in this manual) | | |
| | Template Lol | EN / FR | |
| | Template Lol budget | EN / FR | |
| | Q&A List | EN / FR | |
| | Grant by Invitation template | EN | |
| | Reviewing template | EN | |
| | Additional information | | |
| | Logical framework | EN / FR | |
| | Workplan template | EN / FR | |
| | Detailed budget template | EN / FR | |
| | Risk Assessment Worksheet & Safeguards | EN / FR | |
| | Financial Health Check form | EN / FR | |
| | Screening security form | EN / FR | |
| | Labor and Working conditions | EN / FR | |
| | How to write web description | EN | |
| | Complaints procedure IUCN NL | EN | |
| | Code of conduct / ethics | EN | |
| | Monitoring | | |
| | Intermediate Progress reporting format | EN / FR | |
| | Quarterly financial report format | EN / FR | |
| | Final completion Impact Reports | EN / FR | O.M. pp 252 |
| | Procurements of goods and services format | EN | |
| | Gender Website CEPF | EN | |
| | Gender Tracking Tool (GTT) | En / FR | O.M: pp 263 |
| | Civil Society Tracking Tool (CTT) | EN / FR | O.M: pp 273 |
| | Management effectiveness tracking tool (METT) - optional | EN / FR | O.M: pp 287 |
| | Site visit template | EN | |

2. TYPES OF CALL FOR PROPOSALS

2.1 OPEN COMPETITIVE CALLS

The RIT will publish a number of small grant call for proposals during this 2022-2027 CEPF investment phase. A schedule for calls for proposals will be determined by the RIT, in consultation with the CEPF Secretariat. The RIT aims to publish one call per year per country, (if relevant) during the first three years of the project. Content of the calls will be determined by the RIT, based on careful consideration of (1) geographic and thematic priorities within the context of the CEPF investment strategy described in the ecosystem profile, (2) the funding available for each strategic direction presented in the results framework and (3) the evolving gaps in fulfilling the portfolio targets set out in the framework. It is anticipated that the scope of the calls for proposals will become progressively narrower, as the grant portfolio develops and both geographic and thematic targets are expected to be met.

A spending target will be established each year, as a guide to the number and size of grant awards. If the level of response to calls for proposals exceeds expectations, the number of applications selected for award may exceed the spending target. In such case, the RIT, in consultation with the CEPF Secretariat, will agree on a response, which may include requesting each applicant to make a reduction to its budget request, increasing the spending target (while making a corresponding reduction to the target of future calls), holding back some small grants whose activities are less time-sensitive for contracting the following year, or other appropriate action.

Calls for proposals will be posted on [CEPF website](#), the websites of the four RIT organizations plus that of IUCN NL. In addition, the calls will be advertised via a wide array of channels, as appropriate, to reach local stakeholders (e.g. local press, [X](#), [Instagram](#) and [LinkedIn](#)). Each call will typically be open for six to eight weeks. During these weeks, the RIT will be available for any prospective candidate to ask questions and obtain guidance.

Table 2. Media outreach

| Org | Website | Twitter | Facebook | Instagram | LinkedIn |
|----------|---|----------|-----------------------------------|-------------------------------|---|
| CEPF | www.cepf.net | n/a | CriticalEcosystem PartnershipFund | cepf_official | Critical Ecosystem Partnership Fund |
| IUCN NL | www.iucn.nl | IUCNNL | iucn.nl | iucn.nl | IUCN NL |
| SAF/FJKM | http://saf-fjkm.org/ | SAF/FJKM | SAF/FJKM | n/a | SAF/FJKM |
| ID-ONG | www.id-ong.org | n/a | initiative.development | n/a | Initiative Développement - ONG |
| SeyCATT | https://seyccat.org/ | SeyCCAT | SeyCCAT | seyccat | SeyCCAT |

| | | | | | |
|--------|---|---|-----------------------------|------------|---|
| FORENA | https://www.forena.mu/ | https://twitter.com/Forena2008 | fondationressourcesetnature | Forena2008 | FORENA (Fondation Ressources et Nature) |
|--------|---|---|-----------------------------|------------|---|

2.2 RESTRICTED CALLS WITH GRANTS BY INVITATION

Essentially all calls for proposals will be awarded on an open and competitive basis as described above. However, the RIT, in agreement with and pre-approval of CEPF, might initiate a grant by invitation process when and if needed. A grant by invitation is defined as a grant that is awarded without going through an open, competitive call for proposals, but rather through a restricted call. A particular organization is asked to apply for a grant. Grants by invitation are the exception. It may be appropriate to request a grant by invitation when an open call for proposals has not generated suitable proposals to fill in gaps of the portfolio targets.

A grant by invitation may be used when one or more of the following criteria are met:

- Grant supports an actor known to possess a unique capability to implement a critical piece of the investment strategy; AND/OR
- Grant addresses persistent gaps in the portfolio that repeated calls for proposals have not been able to fill; AND/OR
- Grant responds to an emergency situation (e.g. an emerging threat or opportunity) where waiting for the next competitive call would significantly diminish the prospects of a successful outcome.

To activate this grant-making modality, the RIT will fill in a Grant by Invitation (GBI) justification template which will then be reviewed by the CEPF Grant Director. The [template](#) for the GBI can be viewed in table 1. Upon approval of the GBI justification by the Grant Director, the RIT will then be able to contact the particular organization to apply for a grant. Requests will only be approved when the RIT and CEPF Secretariat determine that an open call for proposals has not or will not result in a suitable application in terms of quality, timeliness and appropriateness of the applicant. Lols submitted in response to the invitation are subject to all standard review procedures as described for the granting cycle of the open and competitive call for proposals.

2.3 GRANTS TO CONSERVATION INTERNATIONAL

Conservation International (CI) being one of the CEPF donors and the host of CEPF Secretariat, cannot receive a small grant from the RIT. The CEPF Secretariat must make the award of any small grants to CI directly, as per CEPF Operational Manual.

3. GRANT-MAKING PROCESS

Small grants will be the responsibility of the RIT, although the RIT will remain in close communication with the CEPF Grant Director throughout the process, to ensure a strategic composition of the large and small grant portfolio.

3.1 PROGRAMME CYCLE

Small grants will be awarded directly by the RIT through its dedicated small grants mechanism. The small grants mechanism operates as follows:

1. **Call for proposals:** The RIT will publish a small grant call for proposals via its communication channels.
2. **Guidance:** The RIT will provide guidance to interested parties and will share answers to questions raised by interested parties publicly. Guidance is initially done through (virtual) workshops and emails. Workshops will be open to all interested organizations, in order to ensure fair and open competition. Workshops will be held in English, French and/ or Malagasy where appropriate, in order to ensure accessibility to all in the respective project countries.
3. **Letter of Inquiry (LoI):** Applicants for small grants will be required to submit a LoI. The contents of the LoI are outlined in the call for proposals.
4. **Selection process:** Award decisions will be made by the RIT. The selection process contains the following steps which are described in more details in the subsequent sections:
 - Eligibility screening;
 - Review of eligible LoIs;
 - Pre-shortlisting;
 - Presentation of the pre-shortlisted projects to CEPF and CEPF Consultative Committee;
 - Notification of final decision to all applicants;
5. **Request for additional information:** Following provisional approval, the RIT will ask successful grantees for additional documentation.
6. **Security screening:** a screening of grantee employees and consultants is carried out.
7. **Contracting** and funds transfer.
8. **Regular monitoring and evaluation.**
9. **Amendments:** when required, the RIT will process amendments to integrate and formalize agreed upon technical and/ or financial changes. Technical changes requiring amendments are those impacting the deliverables, the project impacts and/or the overall timeline of the project. Financial changes requiring amendments are those corresponding to more than 10% of the total budget, a change in the financial transfer, or changes to the subgrants and management support costs.
10. **Project close out.**

3.2 ELIGIBILITY CRITERIA

Applications are initially screened against the eligibility criteria as indicated below or otherwise specified in the call for proposals. Lols not meeting these criteria will not be deemed eligible and will therefore not be further reviewed. These applicants will be notified that their application was ineligible and for what reason. Candidates of ineligible Lols will be informed simultaneously with candidates who received an approval or rejection letter. The RIT aims to notify candidates within 8 weeks after the submission date. Below are the eligibility criteria enlisted:

- Eligible applicants;
- Strategic direction;
- Geographical area;
- Incomplete Lols, budget and/or timeframe;
- Date of submission;
- Language of Lol;
- In certain cases: only one application per applicant per call is eligible. This will be specified in the call for proposals.

1. Eligible Applicants

- Nongovernmental organizations, community groups and associations, universities and research institutes, private enterprises and other civil society organizations may apply for funding.
- Individuals are not eligible.
- A government-owned enterprise or institution is eligible only if it can establish that it:
 - Has a legal personality independent of any government agency or actor.
 - Has the authority to apply for and receive private funds.
 - May not assert a claim of sovereign immunity.
- Applicants based outside the eligible geographic areas may submit an application as long as the project deliverables are focused on the conservation needs of the call within its eligible geographies.
- Joint projects with multiple organizations are eligible, as long as one lead organization submits the application and project partners have clear roles stated in the application.

Applying organizations must have their own bank accounts and be legally entitled to receive grants.

Potential applicants who are uncertain of the eligibility of their organization are encouraged to contact the RIT at: cepfproposals@iucn.nl.

2. Strategic Direction

The core of the Lol should refer to one Strategic Direction selected among those indicated in the Call for Proposals under which the application is submitted. Strategic Directions are based on CEPF's ecosystem profile for the MADIO Hotspot. Calls for Proposals will always indicate at least one eligible Strategic Direction. When project activities fall under more than one Strategic Directions, the applicant has to select the Strategic Direction that best describes its project overall.

3. Geographic area

The project is located in the Madagascar and the Indian Ocean Islands Biodiversity Hotspot, includes Madagascar, the Mascarenes (Reunion, Mauritius and Rodrigues), the Comoros (including Mayotte), Seychelles and the Scattered Islands. Reunion, Mayotte and the Scattered Islands are not eligible to CEPF funds.

Multiple country proposals are eligible, and even encouraged to support regional approaches and collaborations. South-South, inter-hotspot or north-south projects are eligible. In the call for proposals, the eligible KBAs, protected areas and/ or sites are indicated. These are also based on CEPF's ecosystem profile.

An interactive map showing priority KBAs eligible for the respective Call for Proposals will be made available per call, as well as priority KBAs or non-priority KBAs not eligible for each call.

4. Incomplete LoI, budget and timeframe

Submitted LoIs that are incomplete are ineligible, unless decided otherwise by the RIT, in agreement with the CEPF grant director (e.g. if the proposed project is of high strategic importance).

The maximum amount for small grants is USD\$50,000, but this threshold can be lowered at the discretion of the RIT and explicitly indicated in the call for proposal. Applications with a budget exceeding the maximum amount will not be eligible for review. To apply for a grant above USD\$50,000, see the link to the Call for Letters of Inquiry for Large Grants on the [CEPF website](#).

The grantee may allocate up to 15% of the total grant between direct cost line items, not to exceed the approved total.

The timespan of small grant projects will not exceed 31 December 2026. The RIT will award the majority of the small grants in the first three to four years of the investment phase.

5. Submission date

LoIs are due no later than the indicated day and time on the call for proposals. The time zone being considered will be indicated in the call for proposals, and in case it is not, the time is Madagascar time zone. LoIs submitted after the deadline will not be eligible and will not be reviewed.

6. Language

Small grant applications can be either in French and or English. Other languages are not considered for review.

7. In certain cases: Only one application per applicant

In certain instances the RIT may decide that each applicant can submit only one application per Call for Proposal. This will be specified clearly in the call for proposals if this applies.

3.3 REVIEWING AND SCORING LOI

All eligible LoIs will be reviewed internally by at least two RIT members, one by the national focal point and one from the RIT coordination team (consisting of the RIT coordinator and IUCN NL). The review will be based on scoring each LOI against the LOI review template described below. If the subject proposed in the LOI is not covered by any of the RIT's internal expertise, external peer reviewers with relevant technical expertise will be invited to review and provide advice. The RIT aims to send an approval or rejection letter within 8 weeks after the submission date.

The scoring card contains the following review criteria:

- i. How well does the project contribute to achieving the priorities of the CEPF Investment Strategy of the Ecosystem Profile?
- ii. Are the project approach and methodology likely to achieve its stated objectives, and contribute strongly to sustainable conservation outcomes?
- iii. Does the applicant have the capacity and experience to implement this project effectively and efficiently, given its scale and complexity?
- iv. Will the project help to strengthen civil society organizations in the Madagascar and the Indian Ocean Islands hotspot?
- v. Does it appear that project results can be sustained beyond the phase of CEPF funding?
- vi. Is the proposed funding request commensurate and reasonable given the project's scale, objectives and likely cost of the work?

Furthermore, the RIT prioritizes LoIs that specifically address the following issues:

- Climate change. Up to what degree does the LOI:
 - Has a close fit to the investment strategy as set out in the ecosystem profile?
 - Addresses priorities identified in national climate change policy or strategy documents of the country of implementation?
 - Adopts EbA approaches that increase the resilience of ecosystems and ecosystem services in the priority KBAs?
- Synchronization with existing programs. Up to what degree is the LOI:
 - Complementary to existing projects and coordinating or partnering with other organizations to prevent duplication of efforts?
 - Supported by relevant local authorities?
- Strengthening local communities and Indigenous peoples. Up to what degree does the LOI:
 - Supports indigenous and local communities in community-based or co-management activities for EbA and actions that enhance local communities' tenure and resource use rights?
 - Has a strong impact on local communities, thereby enhancing their resilience and capacity to protect biodiversity?

- Demonstrates positive impacts on women in all their diversity and other marginalized groups?
- Project sustainability. Up to what degree is:
 - The budget linked to the outcomes and planned activities and effective and efficient use of funds is demonstrated?
 - A planning made for continuation and/or replication after initial CEPF funding?
 - Co-financing or the ability to leverage additional funds available?
 - A clear strategy for achieving financial sustainability demonstrated?

Grants may not be used for:

- Use of child labor or forced labor.
- The purchase of land, physical resettlement of people, or activities that have potential to cause adverse impacts to critical habitat.
- Removal or alteration of any tangible cultural heritage.
- Construction or rehabilitation of large or complex dams.
- Fund salaries or salary supplements of government personnel, or to purchase of firearms or other weapons unless all CEPF safeguards have been met and CEPF has provided through explicit written permission.
- Activities that introduce or use potentially invasive, non-indigenous species.
- Activities involving the use of formulated pesticide products that meet the criteria of carcinogenicity, mutagenicity, or reproductive toxicity as set forth by relevant international agencies.
- Activities that promote the trade in or use of any substances listed under the Stockholm Convention on Persistent Organic Pollutants, or other chemicals or hazardous materials subject to international bans, restrictions or phase outs due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer.
- Purchase and use of pesticides that fall in the World Health Organization classes IA and IB, or in class II ([ENG](#) / [FR](#)) if they are likely to be used by, or be accessible to, lay personnel, farmers or others without training, equipment and facilities to handle, store and apply these products properly.

3.4 SHORTLIST

Small grant award decisions will be made by at least two RIT members. The regional coordinator, one of the four RIT focal points and/or one reviewer of IUCN NL. Decisions are based on the scores of each LoI. Then a final selection will be made with the overarching strategic vision and existing portfolio (geographic location and synergy with large grants) in mind as well. The RIT decides on how to spend funding fairly, efficiently and strategically across the hotspot.

There must be a consensus decision among the RIT coordinator, the Focal Point and IUCN NL; at no point will a grant award decision be made by any one individual or one organization. In case a decision cannot be reached, a third or fourth RIT national focal point is asked to review and score

the proposal to arrive at a decision whether or not the applicant will be shortlisted. As stated above, the RIT aims to review and inform the applicants within a timeframe of 8 weeks after the submission date.

3.5 CEPF CONSULTATIVE COMMITTEE

Once a shortlist of projects is established, the shortlisted LoIs will be shared with an independent consultative committee, the CEPF Consultative Committee (CCC). In line with what is done for the large grant applications, the CCC will preferably be informed on key project information (e.g. organization, project objective and project location). The CCC is composed of CEPF donors' in-country representatives, the National Designated Authorities (NDAs) as representatives of the Green Climate Fund (GCF) and any relevant partner in the hotspot.

The CCC assesses the anticipated shortlisted LoIs from a more strategic viewpoint. See the [ToR](#) as signed by the CCC. They are asked to ensure the selected projects address national priorities and present synergies of action at national, local and regional levels in alignment with the ecosystem profile that defines the CEPF program's investment priorities.

The RIT will take into consideration the inputs of the CCC into the projects' full proposals before grant contracting and /or to foster collaboration between the organizations and other stakeholders. The RIT will submit a report to the CCC members with the final results of each call for proposals.

The mandate of the CCC members is valid until June 2027 (end of the current 5-year investment phase). Membership/non-membership of this committee will remain on a voluntary basis and as a pro-bono contribution without any form of compensation. In the event that any CCC member considers that he/she may have a conflict of interest with the LoI or applicant (member of the board, partner or contractor, family ties), he/she should immediately disclose the situation to the RIT, so that he/she can be recused from the process of that particular LoI.

3.6 NOTIFICATIONS TO APPLICANTS

After final decisions have been taken by the RIT, the applicants will be informed of provisional approval or final rejection of their LoI via email. The RIT aims to answer within eight weeks after the call for proposals deadline.

Time permitting, the RIT will endeavor to provide points for improvements to each unsuccessful applicant to increase chances in a next call for proposals. In case of any questions, unsuccessful applicants may contact the RIT. In case an unsuccessful applicant feels unfairly treated, a grievance can be submitted. Read more on the grievance mechanism in chapter 6.

3.7 REQUEST FOR ADDITIONAL INFORMATION

Following provisional approval of the LoIs, the RIT will ask successful applicants for additional documentation. These documents may support how to improve the project, how the project

contributes to CEPF's overarching outcomes, and how to evaluate the (financial) risk level. Documents that are requested include the following:

- the framework with SMART¹ project impacts
- the project contributions to the relevant portfolio indicators;
- the detailed budget;
- the grievance mechanism;
- the safeguard questions;
- the labor management questions;
- a financial health check;
- a web summary;
- the Civil Society Tracking Tool;
- the Gender Tracking Tool.

The RIT may request to improve the LoI if deemed necessary. The final project proposal should be an improved version of the initially LoI. A newly developed proposal (with different objectives) is not accepted. The RIT may meet with applicants to provide guidance on project design and proposal development, in order to maximize the outcomes of the project.

To reduce risk and ensure compliance with heightened screening requirements of various anti-money laundering ("AML") and counter-terrorist financing ("CTF") legislation and AML/CTF related donor obligations, as the administrator of CEPF, CI is required to conduct due diligence for all CEPF funding recipients to demonstrate that all funds are used for charitable purposes and that funds are not used to support sanctioned entities or individuals. In order to meet those requirements, a security screening of all grantees and service providers has to be performed. Personal data obtained in the processing of the Security Screening will not be retained in the RIT, CEPF or CI once the Security Screening is complete. All security screenings are conducted by CI's finance division.

All selected grantees will therefore be asked to complete the Security Screening Form before they can enter into a grant agreement with the RIT. The entity and individual names on the Security Screening Form must be cleared for the Security Screening to be considered complete.

To process a new Security Screening for a new grant or consulting/services agreement:

- The grantee forwards the filled out screening format to the RIT, who will share the Security Screening form to CEPF who will share with the CI contact point.
- The grantee or consultant completes the form, signs it and returns it to the RIT country focal point or RIT coordinator, who returns it to CEPF.
- The Grants and Contracts Unit within the CI Finance Division conducts the screening based on the information provided in the completed Security Screening Form.

¹ SMART means: Specific, Measurable, Achievable, Relevant, and Time-Bound

- If a match between a screened name provided in the Form and one of the sanctions lists is identified, the Grants and Contracts Unit will inform the RIT who will in turn request additional information (e.g., address or date of birth) on a confidential basis.

3.8 CONTRACTING

Grant agreements for small grants will be issued by IUCN NL, following a small grant agreement template that has been approved by the CEPF Secretariat, and that flows down all relevant requirements of CI, as well as provisions from the financing agreement with the Agence Française de Développement and the Green Climate Fund.

During the small grant masterclass, specifics of the grant agreement are highlighted to grantees, such as the code of conduct, grievance mechanism etc. In case of any questions concerning the grant, grantees are invited to ask before signing the agreement.

When the grant agreement is signed by both parties, the grant is considered approved and becomes active in IUCN NL's and CEPF's (ConservationGrants) grants management systems. The grant commitment will then be obligated, the grantee may begin work as per the project start date, and payments can be made as outlined in the agreement. The RIT aims to get a grant agreement signed after four or five months after the submission date.

4. MONITORING AND EVALUATION

Monitoring and evaluation is a collaborative process of learning and demands responsibility on the part of all team members. RIT staff members are available to answer questions from small grantees about reporting and project specifics as well as to discuss implementation challenges. This includes the grantee's progress and financial performance, tracking progress and completion of deliverables, reviewing payment requests, discussing grant issues with the grantee and local partners, establishing the grievance mechanism, implementing safeguard mitigation plans and ensuring adequate follow up of any issues that arise. The process is designed to ensure mutual learning during the investment phase for the grantees, RIT and CEPF. The learning trajectory is mostly 'on the job' through the work itself and through technical training. Summative learning happens at the end of the project period in which several benchmarking tools (e.g. gender tracking tool, the civil society tracking tool, etc.) assess the learnings over the project period.

The figure below is an overview of the monitoring, evaluation and learning tools as applied in the project period.

| Type of Monitoring and Evaluation | Phase of Project Cycle | Monitoring and Evaluation Tools | Monitoring and Evaluation Products | |
|------------------------------------|--------------------------------------|--|--|---|
| | | | Documents | Process Results |
| Formative Learning “During” | <i>Project Preparation</i> | <ul style="list-style-type: none"> • Economic, financial, institutional analysis • Baselines • Logical Framework • Monitoring and evaluation plans | <ul style="list-style-type: none"> • Logical Framework • Project proposal application (1 & 2) • Civil Society Tracking Tool (CSTT) • Gender Tracking Tool (GTT) • Management Effectiveness Tracking Tool (METT (if applicable)) | Improved: <ul style="list-style-type: none"> • Design • Transparency • Participation |
| | <i>Project Implementation</i> | <ul style="list-style-type: none"> • Supervision events • Performance reviews • Implementation plans • Monitoring and evaluation plans | <ul style="list-style-type: none"> • Monitoring and evaluation reports • Implementation schedules • Financial progress report | Improved: <ul style="list-style-type: none"> • Execution • Performance • Transparency • Participation |
| Summative Learning “After” | <i>Project Completion</i> | <ul style="list-style-type: none"> • Ex-post evaluation • Impact assessment | <ul style="list-style-type: none"> • Final project completion report • Final CSTT • Final GTT • Final METT (if applicable) | Improved learning: <ul style="list-style-type: none"> • Project designs • Policies • Strategies • Portfolio |

The RIT applies the following monitoring frequency and tools for the small grants:

| Item | Report type | Frequency |
|------|---|---|
| 1 | Progress Report | Every 6 months |
| 2 | Financial Report | Every 3 months |
| 3 | Final Completion and Impact Report (FCIR) | Due date 30 days after end of grant |
| 4 | Civil Society Tracking Tool (CSTT) | Upon signing grant agreement and end of grant (within the next 30 days) for local organizations |
| 5 | Gender Tracking Tool (GTT) | Upon signing grant agreement and end of grant (within the next 30 days) for local organizations |
| 6 | Management Effectiveness Tracking Tool (METT) | At start and end of grant (for selected grantees) |

4.1 PROGRESS REPORT

Small grantees are required to submit technical reports according to the reporting schedule defined in their grant agreement. All reports submitted by small grantees are reviewed by the RIT. Any performance issues that are identified should be discussed directly with the grantee. Key questions that the reviewer will bear in mind when reviewing:

- Is the period of the report accurately indicated in the report and are the activities described referring to this period?
- Does the report contain an adequate level of detail to describe activities accomplished during the period?
- If any planned activities were not accomplished, have they been rescheduled and explained?
- Do activities from this reporting period present sufficient changes or concerns that a discussion or site visit should be conducted?

Progress reports for small grants are submitted by email to the RIT as per the contact person(s) specified in the grant agreement. If the start date of the grant falls in the middle of a reporting period, the first progress report should include the remainder of that reporting period and the next full reporting period. After reviewing the submitted reports, the RIT aims to do this within 4 weeks after submission, if any changes or clarifications are needed, the RIT Focal Point sends an email to the grantee and, once clarified, uploads the approved report in ConservationGrants and informs the grantee.

4.2 FINANCIAL REPORTS

The grantee must submit financial reports no less frequently than as set forth in their grant agreement as determined by the Financial Risk Assessment. Financial reports are due 21 days after the end of the reporting period. If the start date of the grant falls in the middle of a reporting period, the first financial report should include the remainder of that reporting period and the next full

reporting period. For example, if an agreement requiring quarterly reports begins on 1 May, the first financial report would cover the period from 1 May through 30 September, and would be due 21 days later (or 21 October).

In general 30% of the budget is transferred to grantees after the grant agreement is signed. The schedule of the subsequent transfers is stated in the grant agreement and varies per grantee, but usually consists in a schedule of two additional transfer of 30% each and a final transfer of 10% upon reception and approval of the final reports (Final Completion and Impact report, final CSTT, final GTT, final financial report). The grantee reports against the approved budget included in the grant agreement. Financial reports include prior period expenses, current period expenses, total expenses to date, and budget balance. RIT staff will analyze financial reports for accuracy and reasonableness in light of the project's progress to date.

Quarterly financial reports for small grants are submitted by email to the RIT. After reviewing the submitted reports, if any changes or clarifications are needed, the RIT Focal Point sends an email to the grantee. After all comments have been addressed, the RIT Focal Point uploads the approved report in ConservationGrants. Only once a report has been approved can any advance payment for the next period be released. The RIT aims to respond within a month.

The procurement procedures to be followed by the grantees are outlined in the Grant Agreement by IUCN NL. Procedures for assessing procurement compliance include a thorough budget review during project design. Procurements are specifically reviewed as an integral part of the review of quarterly financial reports. For example, reviews include assessment of the relevant budget line items (furniture and equipment and professional services and supporting documentation) for over-expenditures. Procurement review is also part of the financial site visits, where relevant.

4.3 REPORTS AT CLOSE OUT

At project completion, all grantees will be required to submit a Final Completion and Impact Report which includes quantitative reporting on project results and impacts. To monitor CEPF's global indicators, CEPF will aggregate the data that all grantees submit (large and small), to determine the overall impact of CEPF investment in the hotspot. The aggregated results of all grantees will be reported on in CEPF annual impact report and other communications materials. The approved Final Completion and Impact Report of each grantee will be posted on the CEPF website. The RIT will ensure that the information provided in each of the Final Completion and Impact Report pertains to the entire project, from start date to project end date. The RIT will also ensure that the data provided is coherent throughout the report and will therefore engage with each grantee to be able to approve each report.

In addition, grantees that submitted baseline monitoring tools at the start of their grant (CSTT, GTT and/or METT) will be required to submit final versions at the end, to allow changes over the

duration of the grant to be monitored. The RIT will review these final versions in light of the baseline versions and may contact the grantees in case of doubt or question, prior to approval.

Small grants will be closed upon verification that all deliverables have been completed (unless duly explained why not), all progress, monitoring, financial, and audit (when relevant) reports have been reviewed and approved and that the total grant amount has been reconciled. Reconciliation includes verification that all advances have been accounted for, the final payment has been issued, and any unspent funds have been either dis-obligated or returned and credited back to the portfolio for future grants.

Once a small grant can be closed, the RIT will officially notify the grantee in a close-out letter that the grant is complete, and all deliverables have been approved. The close-out letter will be uploaded in the ConservationGrants system. If applicable, a final payment or refund request will be processed at this time. The RIT aims to have reviewed all closing out reports within maximum 3 months.

4.4 MONITORING TOOLS

Grantees are required upon signing their grant agreement, to submit a baseline CSTT and GTT report. The final CSTT and GTT are due no later than 30-60 days after the project end date. However, there are 3 exceptions for grantees to not complete a CSTT or GTT:

Grantees that are never required to submit a CSTT/GTT include:

1. an individual.
2. an international NGO's headquarters and/or local office.

Grantees that may not be required to submit a CSTT/GTT include:

3. a sub-grantee because it is not their project but the grantee's project on which sub-grantees are partnering in. However, a Partner CSTT/Partner GTT may be requested, but that decision is at the discretion of the RIT based on the type of project.
4. a private enterprise. That decision is at the discretion of the RIT.

Grantees that are not requested to submit a CSTT/GTT for a project include:

5. a grantee implementing a project for a period shorter than 12 months (unless the project includes capacity building of the grantee or gender capacity building - then the appropriate tracking tool is requested);
6. a grantee implementing more than one project in the hotspot at a time. In such a case, CSTT/GTT reports should be requested only for one of the projects (and not for each of the projects);
7. a grantee implementing a second project. Grantees that have already implemented one project with CEPF, will only have to complete a (final) CSTT/GTT at the end of their second project (the baseline CSTT/GTT of their first project will serve as the baseline of their second project).

Civil Society Tracking Tool (CSTT)

This scorecard measures change in a civil society organization's capacity in terms of: (i) human resources; (ii) financial resources; (iii) management systems; (iv) strategic planning; and (v) delivery. The tracking tool is designed to enable self-assessment by a small group of the organization's staff and/or board members, selected to represent the variation in roles and responsibilities that exists within the organization. The assessment may be facilitated by the RIT or other relevant party, who will ensure sufficient staff participate and that the assessment is realistic and accurate.

Gender Tracking Tool (GTT)

This scorecard measures change in a civil society organization's understanding of and commitment to gender issues. This scorecard consists of seven questions and is completed upon signing the grant agreement and at the end of each grant (within the next 30 days).

Management Effectiveness Tracking Tool (METT)

Requirements for submission of METT reports do not appear in the grant agreement. METT reports are completed by protected area authorities rather than the grantees themselves, and therefore it is not appropriate to require their submission in a legally-binding document.

Instead, each grantee with project activities that pertain to the management of a public Protected Area (PA) will be requested by the RIT to include, in their logical framework's deliverables, the delivery of a METT report for each PA that they will work in during their project, unless another grantee involved in the same PA has already been or is expected to be tasked with securing and submitting the METT reports.

4.5 PROGRAMMATIC SITE VISITS

The RIT will conduct programmatic site visits to each small grant project at least once during their periods of implementation. In addition, for selected small grants representing an elevated risk due to their grant size, their financial risk assessment, their triggering of Environmental and Social Standards, or other factors specific to the grants in question, the RIT may conduct additional visits.

Site visits help to confirm progress with activities and impacts to date reported through technical reports, and compliance with Environmental and Social Standards. It also allows the RIT to review financial documents and filing processes. The RIT staff can assess the grantee's capacity to continue implementation as planned and review or identify any potential constraints to success. The RIT staff can provide tailored capacity trainings on the spot.

Formal site visits result in a written site visit report containing key findings, recommendations, concerns, and follow-up steps, as appropriate. Recommendations and follow-up steps are

subsequently shared with grantees by email within one month after the site visit. The site visit report is uploaded by the RIT in ConservationGrants.

4.6 AMENDMENTS

In principle, amendments for small grants should be avoided. However, when required, the RIT will process amendments to integrate and formalize agreed upon technical and/ or financial changes. Technical changes requiring amendments are those impacting the deliverables, the project impacts and/or the overall timeline of the project. Financial changes requiring amendments are those corresponding to more than 10% of the total budget, a change in the financial transfer, or changes to the subgrants and management support costs. An official request for the amendment should be submitted by the grantee. The grantee will indicate to the contact person(s) indicated in the grant agreement that there is a need for an amendment. The amendment needs to be substantiated by support documentation and clear reasoning of the request.

5. CONFLICT OF INTEREST

CEPF implements CI's Conflict of Interest policy, which is applicable to all its employees and grantees.

A conflict of interest arises when a CEPF or RIT staff has interests that could, or could reasonably be perceived to, improperly influence the impartiality of the staff's review and/or grant-making process. For example, a RIT staff or their family member is an employee, officer, director or other governance member of a project applicant (paid or unpaid).

To avoid conflict of interest, the four National RIT Focal Point organizations and IUCN NL, will not be eligible for additional grants in the Madagascar and the Indian Ocean Islands Biodiversity Hotspot. Also applications from formal affiliates of these National Focal Point Organizations or of IUCN NL, having an independent operating board of directors, will be accepted, but subject to additional external review.

CEPF and RIT staff will also promptly disclose any conflict of interest with respect to any project applicant to the rest of the rest of the RIT and IUCN NL will inform the CEPF Grant Director. The staff then follows any conflict mitigation instructions issued by the RIT or the CEPF Secretariat and recuse themselves from the process of the respective Lol and subsequent project implementation and monitoring.

In case of a conflict of interest of one RIT staff with a small grant application, the mitigation measure which will be put in place consists in other RIT members and/or an external reviewer to

carry out the assessment to ensure transparency in decision making. The conflict of interest will also immediately be disclosed to the CEPF Secretariat.

Proposed mitigation measures for any conflict of interest that pertains to CEPF's Executive Director will be submitted to the Donor Council for consideration, and decision-making for the conflicted transaction will be elevated outside of the Executive Director's chain of command.

Also, CEPF and RIT staff members are not eligible for compensation, consulting fees or grants under any project under consideration or approval and may not request or accept any sort of monetary compensation or other material benefits from the project applicants/beneficiaries during the proposal or implementation stage.

In the event of a violation of the conflict of interest procedure by a RIT staff (as determined by the CEPF Secretariat) or a CEPF staff, the CEPF Secretariat will immediately inform the General Counsel's Office of CI (as the host of CEPF Secretariat) who will investigate the matter and determine any necessary action with respect to the project at issue.

CEPF has transparent and globally consistent eligibility criteria and decision-making processes that are approved by the CEPF Donor Council and widely publicized. An ecosystem profile for each region is also approved by the Donor Council and clearly sets out the parameters for investment. These investments adhere to environmental and social policies of its donors.

All CEPF grant recipients, including the RIT, also agree to adhere to specific ethical standards pertaining to the use of CEPF funds, as detailed in the grant agreement.

The RIT is committed to ensuring that its transactions, engagements, and relationships are transparent and do not inappropriately benefit interested persons and organizations.

Additional measures to be put in place for CEPF operations and decision-making that may present an actual or apparent conflict of interest are further discussed in CEPFs operational manual.

6. GRIEVANCE MECHANISM

The RIT team will notify all grantees whether or not their application has been successful. Applicants can contact the relevant National RIT Focal Point in case of additional questions about the final decision. If the applicant is not satisfied with the response, a grievance may be submitted to IUCN NL as per the process described below. The complainant will receive an acknowledgement of receipt.

The RIT strives to ensure best practice in its everyday operations. Therefore, the highest standards of conduct and professional ethics are expected. IUCN NL's Code of Conduct provides guidance towards compliance with such standards. The Code of Conduct and other guidelines and policies,

and procedures on complaints, can be found here: <https://www.iucn.nl/en/who-we-are/> Scroll down to guidelines and policies in English or French.

IUCN NL also has a published complaints procedure with the objectives of doing justice to the complainant, as well as enhancing the quality of IUCN NL's services. The [Complaints Procedure](#) is publicly available on IUCN NL website. All complaints may be submitted formally in writing to the IUCN NL Complaints Committee via submitted formally in writing to IUCN NL Complaints: mail@iucn.nl or use the telephone number: +31 (0)20 626 1732.

IUCN NL will share all grievances received with the CEPF Grant Director within 15 days. If the claimant is not satisfied following the RIT's response, the claimant will have the option of submitting their grievance directly to CEPF, via the CI Ethics Hotline at www.ci.ethicspoint.com or via phone to a toll-free telephone line: +1-866-294-8674.

Any complaints submitted to the CI Ethics Hotline will be investigated promptly and treated as confidential to the extent possible. CEPF and the RIT will not retaliate against any person or organization that submit such complaints in good faith.

CEPF has also established specific procedures to enable local communities and other stakeholders to raise a grievance at all times to applicants, grantees, RITs, and the CEPF Secretariat related to the implementation of safeguards. These are detailed in sections 3.6 of the CEPF Operational Manual.

Any person or group of people affected by the environmental or social aspects of a project funded by the CEPF as part of its program entitled "Ecosystem-based adaptation in the Indian Ocean", funded by the Green Climate Fund (GCF), through the French Development Agency (AFD) as an accredited entity, who would have exhausted all possibilities of dialogue with the RIT and via the "CI Ethics Hotline" » can use the environmental and social grievance mechanisms of the AFD and the GCF.

For the AFD mechanism, grievances can be sent:

- by filling out the [form](#) online on the AFD website (www.afd.fr)
- by sending an email to: reclamation@afd.fr
- by mail to the attention of:
French Development Agency
Secretariat of the Environmental and Social Complaints Management System
5, Rue Roland Barthes
75598 Paris Cedex 12
France

For the GCF mechanism, grievances can be sent:

- by completing the online form on the GCF website (<https://irm.greenclimate.fund/>)
- by sending an email to: irm@gcfund.org
- By telephone: +82.32.458.6585
- By mail to the attention of:

Independent Redress Mechanism
Green Climate Fund
Songdo Business District
175 Art Center-daero
Yeonsu-gu, Incheon 22004
Republic of Korea

Stakeholders are informed in English about the grievance mechanism via:

- This operational manual;
- The websites of all RIT organizations;
- Accompanying grant agreements.

7. ETHICS CODE

The national RIT Focal Point organizations and IUCN NL take a zero-tolerance approach to fraud, bribery, and corruption and will uphold all applicable laws relevant to countering and investigating such activities across their operations. In the grant agreement an ethics code is included for the grantee to sign.

The RIT complies with [Conservation International's Ethics Policy](#) as described in the [CEPF operational manual](#) 2.4. The Ethics Policy applies to the CEPF Secretariat, RIT, and CEPF grantees .

In addition, the RIT and grantees comply to IUCN NL's [code of conduct](#) and [corruption policy](#) as depicted on IUCN NL's [website](#) and stipulated in the grant agreement.

IUCN NL and the national RIT Focal Point organizations are committed to:

- developing an anti-fraud culture across their organizations;
- seeking to minimize the opportunities for fraud, bribery and corruption;
- having effective systems, procedures and controls in place to enable the prevention and detection of fraud, corruption and bribery;
- ensuring that their staff are aware of the risks of fraud, bribery and corruption and understand their obligations to report any actual or suspected incidents of fraud, bribery or corruption;
- taking all reports of fraud, bribery and corruption seriously, and investigating them proportionately and appropriately;
- meeting their obligations to report any incidents of fraud, bribery and corruption to appropriate external authorities.