

German Financial Cooperation with the ASEAN Centre for Biodiversity (ACB)  
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Small Grants Programme by the ASEAN Centre for Biodiversity II  
“ASEAN Heritage Parks Small Grants”

**Programme Management Manual**  
**ASEAN Heritage Parks Small Grants Programme - II**  
**Viet Nam**

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## List of Acronyms and Abbreviations

ACB	ASEAN Centre for Biodiversity
ACM	Activity-Cost-Milestone
ACTA	Assistant Chief Technical Adviser
AHP	ASEAN Heritage Park
AMP	Annual Management Plan
AMS	ASEAN Member States
APS	Annual Program Statement
ASEAN	Association of South East Asian Nations
ASOEN	ASEAN Senior Officials on the Environment
AWGNCB	Working Group on Nature Conservation and Biodiversity
BBP	Biodiversity Based Products
BCA	Nature and Biodiversity Conservation Agency
BCCP	Biodiversity and Climate Change Project
CBD	Convention on Biological Diversity
CBO	Community-Based Organization
CEPF	Critical Ecosystem Partnership Fund
CfP	Call for Proposals
CHM	Clearing House Mechanism
Co-management	Collaborative Management
CTA	Chief Technical Advisers
DoNC	Department of Nature Conservation
ED	Executing Director
ESMF	Environmental and Social Management Framework
ESDD	Environmental and Social Due Diligence
EUR	Euro
FC	Financial Cooperation
FFI	Fauna and Flora International
FS	Feasibility Study
FZ	Finanzielle Zusammenarbeit/Finance Cooperation
FZS	Frankfurt Zoological Society
GFS	Grant Fund Statement
GITEC	Government Information Technology Executive Council
GIZ	Gesellschaft fuer International Zusammenarbeit
GoVN	Government of Viet Nam
GPS	Global Positioning System
GraMMS	Grant Management Monitoring System
HQ	Headquarters
IA	Implementing Agencies
ICTA	International Chief Technical Advisers
IPLCs	Indigenous Peoples and Local Communities



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ISB	Institutional Strengthening of Biodiversity
IUCN	International Union for Conservation of Nature
KfW	German Development Bank
LH	Livelihood
LogFrame	Logical Framework
LU	Land Use
M&E	Monitoring & Evaluation
MARD	Ministry of Agriculture and Rural Development
MONRE	Ministry of Nature Resource and Environment
MoU	Memorandum of Understanding
MP	Management Plan
NCG	National Coordination Group
ND-CP	Nghi dinh – Chinh Phu or Decree - Government
NGO	Non-Government Organization
NRM	Nature Resource Management
NTFP	Non-timber Forest Product
NWT	National Working Team
PA	Protected Area
PD	Project Document
PEA	Programme Executing Agency
PES	Payment for Environment Services
PIA	Project Implementing Agency
PLUP	Participatory Land Use Planning
PMM	Programme Management Manual
PMU	Project Management Unit
PoO	Plan of Operations
PPC	Province People Committee
PR	Public Relation
PSGAP	Participatory Small Grants Action Plans
REDD	Reducing Emissions from Deforestation and Forest Degradation
REM	Review and Evaluation Meeting
RPCU	Regional Programme Coordination Unit
SG	Small Grants
SGP	Small Grants Programme
SP	Service Provider
TA	Technical Assistant
TC	Technical Cooperation
TWG	Technical Working Group
VAT	Value Added Tax
VCF	Viet Nam Conservation Fund
VEA	Viet Nam Environment Administration

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VND	Vietnamese Dong (currency)
WCS	Wildlife Conservation Society

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## Project Summary Sheet

<b>Overall Programme Objective (Impact level)</b>	The protection of biological diversity and the sustainable management of natural ecosystems in the ASEAN region contribute to the improvement of livelihoods of the local population.
<b>Components</b>	<p><b>National Component:</b> Implementation of Small Grants in selected AHP in Viet Nam successfully.</p> <p><b>Regional Component:</b> Strengthening ACB's role in promoting biodiversity protection among the ASEAN member states.</p> <p><b>Consultant:</b> Financing and management capacity development measures for implementation partners at regional, national and local level as well as support in the management of the Programme.</p>
<b>Module objective (outcome level):</b>	<p><b>National Component:</b> The successful implementation of Small Grants in selected AHP in Viet Nam contribute to:</p> <ul style="list-style-type: none"><li>- improve biodiversity protection in selected AHPs and adjacent areas in Vietnam;</li><li>- improve the livelihood of local communities directly dependent on selected AHPs or adjacent areas in Vietnam;</li><li>- improve capacity and coordination for biodiversity conservation of AHP system in Vietnam, including monitoring and evaluation system.</li></ul> <p><b>Regional Component:</b> to strengthen the role of ACB in promoting biodiversity conservation protection among the ASEAN member states.</p> <p><b>Consultant:</b> to strengthening financing and management capacity for implementation partners at regional, national and local level as well as support in the management of the Programme.</p>
<b>Outputs:</b>	<p><b>Output 1 (national component):</b> SGs for improvement of biodiversity and park management in selected AHP parks in Vietnam are implemented;</p> <p><b>Output 2 (national component):</b> SGs for improvement of livelihood of local communities living in and around selected AHPs in Vietnam are implemented</p> <p><b>Output 3 (national component):</b> capacity, coordination mechanism and policy framework for biodiversity conservation in AHPs in Vietnam is strengthened</p> <p><b>Output 4 (regional component):</b> Regional conservation and management action plans are developed by ACB and implemented strengthening regional mechanisms to effectively manage AHPs:</p> <ul style="list-style-type: none"><li>• Local, national and regional systems of AHP management established or enhanced.</li><li>• Networking and collaboration among stakeholders of AHPs at the local, national and regional levels strengthened</li><li>• Scientific knowledge and technologies, including good practices among AHPs disseminated and applied</li><li>• Sustainable financing mechanisms for AHPs developed and implemented</li></ul>

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**(Key) activities****Under output 1****General park management**

- Up-dating of Park Management Plans
- Participatory management planning & Zoning
- Participatory boundary demarcation and Facilitation of processes/capacities for encouraging stakeholder participation & participation

**Wildlife research and biodiversity monitoring**

- Wildlife monitoring equipment (camera traps, binoculars)
- Participatory research (natural resource use groups)
- Data management information systems
- Survey training

**Law enforcement**

- Patrolling in protected areas/buffer zones
- Boundary demarcation & monitoring
- Informants networks
- GPS and digital cameras
- Law enforcement training

**Habitat and species management**

- Reforestation (native trees)
- Forest fire management
- Wetland restoration
- Ecosystem restoration
- Conservation of endemic species
- Small Demonstration plots for new NTFP species

**Community outreach and conservation awareness**

- Awareness raising for conservation activities
- Problem household engagement
- Enforcement agency awareness raising
- Media (local radio, videos, multimedia, exhibitions).

**Under output 2****Community development**

- Village natural resource management and land-use planning
- Travel for meetings and information exchanges
- Farming
- Small-scale animal husbandry; fish farms
- Agro-forestry, nurseries
- Fruit trees, timber trees, NTFPs,
- Initiative material to replace firewood
- Small economic activities; women empowerment
- Water harvesting
- Community capacity building
- (Upgrading of) selected infrastructure such as elementary schools

**Ecotourism**

- Community-based ecotourism
- Village guides
- Entrance fee sharing

**Under output 3**

- 
- Policy support for AHP management
  - Grant selection and approval
  - Capacity building and Training for AHP management
  - M&E the SGP II implementation in Viet Nam
  - Awareness raising
  - Guidelines and scientific research for AHPs management in Vietnam
  - Database system development, information sharing, clearing house, networking, experience sharing

**Under output 4**

- Develop M&E and reporting systems for AHPs
- Conduct assessment of AHP management effectiveness
- regional support the development and updating of management plans of other AHPs
- Conduct regional forum including IPLCs in AHP Management
- Document and apply models for multi-stakeholder participation, collaboration and institutionalization
- Implement exchange of grant champions and experiences with all ASEAN countries (e.g. support AHP Committee Meetings, and AHP Conferences and workshops)
- Organize trainings for key AHP stakeholder groups (relevant national and local government institutions, park management staff, CBOs including IPLCs, and local NGOs) Conduct regional studies for effective PA management (e.g., invasive alien species assessment, ecosystems assessment (e.g., wetlands management), etc.)
- Update AHP knowledge and data and production and dissemination of education materials
- Develop a common information platform among AHPs
- Conduct regional scientific expeditions and explorations in AHPs
- Develop business plans for AHPs
- Develop enabling mechanisms for PES
- Identify and disseminate good practices on national PA financing (e.g., ecotourism financing from local and national governments).
- Supports nomination of additional AHPs in the region.

**Project Area in Viet Nam** AHPs that meet the stressors (eligibility criteria) of (ANNEX 04). The selected AHPs are Hoang Lien National Park, Ba Be National Park, Kon Ka Kinh National Park and Chu Mom Ray National Park.

**Summary of SGP** The SGP supports the management of AHPs that meet specific selection and eligibility criteria. From AHPs nominated in Viet Nam four AHPs currently meet these criteria and it is anticipated that the SGP will provide support to these sites over a 5-years programme period. To access funds from the SGP, eligible applicants in cooperation with AHP management must submit proposals. Activities included in these proposals must address the priority issues defined in Management Plans (MPs) and budgets. However, during the first year of operation, grant proposals will be accepted from eligible applicants providing that there is a clear agreement to prepare a Protected Area Management Plan. The SGP provides grant

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and technical support to prepare these MPs. It is expected that each SGP site in Viet Nam will have one MP that can accommodate the needs of the park management and local communities. Furthermore, the MPs will be used as a basis to run the programme. The development of MPs will follow the national policies, laws and regulations implemented in Viet Nam and/or at the local levels, if there should be any. The development of MPs should be conducted prior to the call for proposals of the grants with the assistance of the Service Providers (SPs) in selecting the grantees. The MPs will be applied in the SGP context to ensure grant funds are focused only on (a) the eligible sites supporting biodiversity conservation in Viet Nam, (b) priority conservation activities in eligible sites, and (c) livelihood support. Grant selection will be on a competitive basis – only those representing good value for money in terms of conservation impact will be selected. The past performance of applicants in park management and grant management will also be an important consideration. All grant proposals, grant packages, and budgets will be reviewed by country-based National Working Group and ACB SGP Regional Programme Coordinating Unit (RPCU), to ensure that funds are used for eligible sites and activities are consistent with national protected area management plan and objectives of the SGP.

This Programme Management Manual (PMM) guides the operations of the SGP and describes the procedures for grant proposal review, approval, disbursement of funds, and reporting.

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## Executive Summary

The ASEAN Centre for Biodiversity (ACB) and the German Development Bank (KfW) have agreed to implement the second phase of Small Grants Programme (SGP), with the focus on four ASEAN Heritage Parks (AHP) in Viet Nam. The SGP overall objective is to contribute to biodiversity protection and management of natural resources in the ASEAN region, and to improve the livelihood of the people living in and around the AHPs. The SGP goals are 1) to improve biodiversity protection in line with the interest of local population directly dependent on selected AHPs and adjacent areas; (2) to improve the livelihood of local communities directly dependent on selected AHPs or adjacent areas; and (3) to strengthen the role of ACB in promoting biodiversity protection among the ASEAN member states. In Viet Nam, the SGP will be implemented in four selected AHPs: Hoang Lien National Park, Ba Be National Park, Kon Ka Kinh National Park, and Chu Mom Ray National Park.

The SGP supports a participatory and co-management approach for government-managed protected area landscapes and adjacent areas through multi-level co-management as means to link the protected area officials with the local stakeholders. This approach highlights eight thematic fields of protected area management - General Park Management; Wildlife Research and Monitoring; Law Enforcement; Habitat and Species Management; Community Outreach and Conservation Awareness; Community Development; Ecotourism; and Sector Policy Development. Utilizing and based on existing Sustainable Forest Management Scheme (SFMS) and Social-Economic plans of the AHPs, an initial expected outcome of the co-management approach at the planning phase will be a jointly developed 5-year Participatory Small Grants Action Plans (PSGAP) for each park that will direct/guide small grants investments towards priorities for conservation and livelihood investments in the eight thematic fields.

The Programme Management Manual (PMM) serves as a “living document” which will be reviewed and/or updated regularly according to SGP progress, experiences from the processes, interactions and actual realities in the course of SGP implementation to reflect its purpose as a user-friendly document that provide basis for the AHP management in Viet Nam.

The SGP II has two main phases: (a) Planning Phase, which covers sensitization and capacity building for participatory PA management planning; and (b) Investment Phase, which covers Calls for thematic proposals within the geographic foci and based on priorities set in the respective PSGAPs, and development works with complementary technical capacity development support.

Small Grants Programming will be implemented and organized in a three-tier delivery structure. Tier 1 is the AHP site-based planning and implementation. Tier 2 is the National Project Coordination and Selection of Small Grants. For Viet Nam, National Project Coordination is through the National Working Team (NWT), the Project Management Unit (PMU) and the National Coordination Group (NCG). Tier 3 is the Regional Coordination and Management, which is under the responsibility of ACB. Overall supervision of the programme is the responsibility of ACB, in conjunction with its Governing Board (GB) and ASEAN Senior Officials on the Environment (ASOEN). Final approval and awarding of the grants are at Tier 3 level.

Eligible proponents may be: AHP Management Park, Communities in AHPs and adjacent areas (“buffer zones”) and national and international Civil Societies Organisations (CSOs) supporting biodiversity conservation and community development related to AHPs and adjacent areas, which include national and international Non-government Organisations (NGOs) and Community-based Organisations (CBOs). Eligible Activities and Investments include inter alia activities for conservation management, small equipment and investments for park and wildlife management, planning exercises and processes for

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stakeholder participation, livelihood alternatives and improvements as well as small, localized studies, awareness campaigns and conservation training.

The Grant types may range from: (i) Micro-Grants (up to eight months and 10,000 EUR); and (ii) Small Grants (06 to 15 months / 10,001 – 100,000 EUR). The Grantees are to provide project co-financing in the form of cash or in-kind contribution, where in-kind contribution in the form of voluntary work may constitute up to 50% of the co-financing required for the project; own contribution within the remaining scope shall be in the form of cash. The indirect cost shall be limited up to 6.75% of the approved grant stated in the contract and may be used to cover project overhead costs or operating costs directly linked to the project.

The small grants programming steps, which may be altered on a case-by-case basis to improve the efficiency and effectiveness of processing and application and/or implementing an activity, are as follows: (1) Call for Proposals; (2) Application Preparation (Concept Notes, Technical and Financial Proposal, Activity Cost Milestone Plan); (3) Technical Review and Evaluation by the National Working Team; (4) Submission of Proposal Package by PMU to ACB; (5) Proposals Review and Acceptance by the ACB; (6) Final Approval of Proposals by PMU; (7) Grant Document Preparation, Negotiation and Determination of Grant Awarding; (8) Grant Awarding and Signing; (9) Grant Implementation; (10) Grant Monitoring; (11) Disbursement and Progress Reporting; and (12) Completion.

The ACB developed the Grant Management and Monitoring System (GraMMS), which follows the same templates in the PMM, to provide a transparent, systematic and centralized data organisation and management of grants. The design of the system is in accordance to the same processes and procedures stated in the PMM.

The Grant becomes effective on the date the Agreement is signed by both Grantee and Grant Authority. The grant funding period proceeds with the date indicated in the proposal as start date, until the end of project implementation indicated as number of months that the project will be implemented. The Grantee is obliged to implement the approved project in compliance with the time frame and financial conditions stipulated in the grant contract. The grantee is further obliged to acknowledge ACB-SGP's support of the project (1) on all premises where events take place as part of the project, (2) in all communication materials distributed as part of the project and (3) on all websites connected with the project, including the grantee's websites.

The section on Financial Management provides assistance and guidance to the users and stakeholders on the relevant disbursement procedures, accounting policies and reporting requirements. The Service Provider(s) for grant-making must have appropriate accounting and internal control systems in place that reliably record and report the financial transactions of the project; and provide sufficient financial information for managing and monitoring project activities. Disbursement will be observed in three tranches: first tranche of 50% within 10 working days upon signing of Contract by the Parties; second tranche of 40% upon submission of withdrawal application with evidence that 75% of the first tranche has been incurred; and the final tranche of 10%, upon submission of the service provider/grantee and acceptance of ACB of the final technical and financial report / completion report. Funds may only be used for verifiable, reasonable and customary local costs (eligible costs). All costs claimed must be realized and paid by the service provider during the contracted implementation period and recorded in the project journal.



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Procurement of goods and services shall be carried out in accordance with the ACB and KfW standards, especially the KfW Procurement Guidelines as stipulated in the PMM. The intended procurement method shall always be indicated in the annual work programme. Where appropriate, and as required by the KfW Guidelines, support to tendering processes for investment services or contractors will be provided by the Consultant.

For grants that will be implemented for less than six (6) months, financial and technical reports shall be submitted at mid-term of implementation, and upon grant closure/completion. Grants that are six (6) or more months in duration shall require quarterly technical reports and semi-annual financial reports. The reporting intervals start from acknowledgement of receipt of grant effectiveness. The financial and technical reports must be received by ACB not later than 30 calendar days after the end of period under review. All narrative and financial reports must be separately signed by the grantee's statutory representative.

Following a new requirement from KfW as discussed during SGP II progress meeting in Hanoi in December 2019, it is important to have the environmental and social safeguard assessment prior to the implementation of the Programme. In this regard, an Environmental and Social Management Framework (ESMF), including Environmental and Social Due Diligence (ESDD) checks for the targeted AHPs, eligibility criteria for selecting sub-projects /activities/interventions as well as appropriate environmental and social management procedures for sub-projects was developed and will be implemented. This will ensure potential impacts resulting from the proposed Project and its associated sub-projects comply with the international E&S Standards as stipulated by KfW's Sustainability Guideline (2019). ACB, as Project Executing Agency, shall be responsible for the preparation, implementation and operation of the Project in compliance with the KfW Sustainability Guideline, while the Project Management Unit (PMU) as Project Implementing Agency, is responsible for the day-to-day supervision of SGP funded projects' implementation. The PMU and ACB will ensure the environmental and social due diligence, including supervision of any contractors hired for small civil and other development works. The ESM specialists shall review existing SGP II documentation, all documentation of PIA and targeted AHPs administration that are relevant to assure implementation of ESMF, and ESS documentation of the supported measures. The ESM Specialists shall support the ACB and PMU in improving the documents as necessary during the SGP II implementation and shall also provide on-site due diligence of measures on the ESS performance and compliance to the ESCOP/ESMPs. All grant-funded projects shall incorporate into the budget and workplan the management and implementation of the ESMF.

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## **1 BACKGROUND INFORMATION**

### **1.1 ASEAN**

The Association of Southeast Asian Nations (ASEAN) region is rich in biological diversity with approximately 20 percent of the world's species in 3 percent of its area. Indonesia shows the highest biodiversity worldwide, while Myanmar ranks second within the ASEAN Region. The services provided by regional ecosystems encompass (i) the preservation of global environmental processes, (ii) an important contribution to the economic development and in particular to the export economy of the region, and (iii) the income and food security for the rural poor.

The challenges on the environmental degradation are significantly increased nowadays, both in terrestrial and marine biodiversity in the Southeast Asia Region. Part of the challenge is caused by the rapidly expanding population and economic development which leave significant impact especially to those who are dependent on the natural resources-based sectors. The significant pressures to the environment also cause the changing landscape and natural habitat. Today, Indonesia, Malaysia, the Philippines, Thailand, and Viet Nam experience the highest numbers of threatened species of all taxa.

In order to emphasise the regional importance of biodiversity across boundaries and to bolster national protection strategies, the ASEAN Member States (AMS) established the ASEAN Centre for Biodiversity (ACB), a regional institution tasked with working on regional strategies towards the implementation of the Convention on Biological Diversity (CBD).

### **1.2 ASEAN Heritage Parks and the ASEAN Heritage Parks Programme**

The AMS have declared certain national parks and reserves as ASEAN Heritage Parks (AHPs) based on their uniqueness, diversity and outstanding values, for their importance as conservation areas to be appreciated regionally and internationally. This effort is one of the important strategies to tackle the challenges mentioned above, as part of ACB's contribution in the region.

AHPs are defined within the ASEAN context as *“protected areas of high conservation importance, preserving in total a complete spectrum of representative ecosystems of the ASEAN region”*. There is now a total of 49 AHPs across the ASEAN region. The AHP network is motivated by recognition of the high biodiversity values of Southeast Asia and the need to address common threats. Major categories of AHPs include natural parks, natural reserves, cultural sites, prehistoric sites and Peace Parks.

Nevertheless, AHPs and the contained biodiversity, with little exception, are not immune. They encounter the common problems of any protected area, e.g. rapid population expansion, fast economic growth and persistent poverty, weak laws and enforcement, land use intensification and urbanisation, land tenure and resource use rights conflicts with local communities, and loss of habitat. As with any other protected area, populations living in adjacent areas do not have familiarity about AHPs and its benefits to their livelihoods.

The AHP Programme is one of the flagship programmes of ASEAN designed to promote biodiversity and improve the livelihood of the communities by developing or enhancing the capacity of AHP managers and other multi stakeholders involved, including the communities that depend on the forest and other natural resources. As secretariat of the AHP Programme, the ACB regularly organizes AHP conferences to strengthen coordination and collaboration among AHPs and with partner organizations working on protected area management. In addition, the ACB also conducts other relevant activities and

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programmes/projects to achieve its objectives. One of them is to implement the Small Grants Programme (SGP) in selected AHPs.

### 1.3 ASEAN Heritage Parks in Viet Nam

Viet Nam has ten (10) AHPs of which four have been selected for implementation of the SGP II. A brief overview of the four AHPs for SGP implementation in Viet Nam is as follows.

**Hoang Lien National Park.** Hoang Lien has a total natural area of 28,498 ha located in the Hoang Lien mountain range belonging to Sa Pa district, Lao Cai Province and Tan Uyen district, Lai Chau province and includes Viet Nam's highest peak, Mount Fansipan (3,143 m). The park supports a wide variety of habitat types: elevations below 1,800 m support lower mountain evergreen forest; elevations between 1,800 and 2,500 m support upper mountain evergreen forest, elevations between 2,500 and 2,800 m support sub-alpine forest, while the vegetation above 2,800 m is dominated by stands of dwarf bamboo with scattered, stunted trees. The park has many endemic tree species which constitutes 25% of the total endemic tree species in Viet Nam. Around 555 terrestrial vertebrate animal species are found in the park (96 mammals, 346 birds, 63 reptiles and 50 amphibians), of which 60 species are rare and valuable as recorded in the Viet Nam Red Data Book (1992), and 33 species are in the IUCN Red List. These include 5 endemic birds of Viet Nam and 25 other endemic birds of Hoang Lien Mountain<sup>1</sup>.

**Ba Be National Park.** Ba Be AHP is located in Ba Be district of Bac Kan province, with just 50 km away from Bac Kan city and about 250 km away from Hanoi Capital. The total area of the AHP is around 7,610 ha of which 3,226 ha is categorised as critical protected area (core zone) with 300 ha freshwater lake. About 1,281 plant species are found in Ba Be with 182 orchid species recorded and some of them only exist in this area. In addition, around 81 mammals, 27 reptilian, 17 amphibian, 322 bird, 106 fish, and 553 insect and spider species are also recorded, many of them rare, valuable and endangered. Ba Be Lake has a length of up to 8 km and a width of 800 m, located in the centre of the park at 178 m above sea level. Ba Be Lake is a "mountain lake" that has special significance in Viet Nam. It lies on the limestone mountain which has many caverns.

**Chu Mom Ray National Park.** Located in the North-West of Central Highland and in the West-part of the Kon Tum province in Sa Thay and Ngoc Hoi districts, the total area of Chu Mom Ray is around 56,621 ha, of which 40,566 ha in core zone, 12,137 ha in ecological restoration zone and 3,918 ha as administration and tourism zone. The west part of the AHP is bordering with Laos and Cambodia. The National Park boasts of up to 114 species in the Viet Nam Red Data Book. There is over 9,000 ha pastureland in Ja Book Valley which is considered the largest pastureland in Viet Nam. Chu Mom Ray National Park has recorded many hoofed mammals and predators such as tiger, bull, Asian elephant, bear, and reptiles. There are 49 plant species listed in the Viet Nam Red Data Book.

**Kon Ka Kinh National Park.** Kon Ka Kinh AHP is in the North-East part of Gia Lai province (in KBang, Mang Yang and Dak Doa districts) and is just 50 km far from Pleiku city. The total natural area of Kon Ka Kinh is 42,057 ha at the boundary area of Pleiku and Kon Ha Nung Highlands. It contains 687 flora species of which the class of Magnoliopsida is with 528 species. Other plant species are Pteridophyta (40 species) and gymnosperm (8 species). In addition, Kon Ka Kinh National park is also home to several endangered and protected endemic species, with most of the park covered by protozoa with the above-mentioned

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<sup>1</sup> Source: from the Sustainable Forest Management Scheme for duration 2020-2030 of Hoang Lien AHP and approved by PPC Lao Cai on 1<sup>th</sup> July 2020

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typical flora. KKKNP is home to 428 animal species, of which, 223 species are land vertebrates (34 orders, 74 families) and 205 species Invertebrates (such as butterfly) of 10 families of (Lepidoptera).

#### **1.4 The Small Grants Programme (SGP) for ASEAN Heritage Parks – Viet Nam**

The ACB has initiated a dynamic and innovative Small Grants Programme (SGP) with assistance of German Financial Cooperation in support of the AHPs' efforts to protect biological diversity, while simultaneously assisting livelihood development in and around the ASEAN Heritage Parks. Based on Feasibility Studies (FS) of 2011 and 2012, Indonesia, Lao PDR, Myanmar and Viet Nam are regarded as the initial countries to pilot the SGP. KfW and ACB decided to focus the SGP's initial phase on selected AHPs in the two countries of Indonesia and Myanmar; and since 2017 to continue with the second phase in Viet Nam (SGP II). Of huge significance to the SGP, Viet Nam has the best policy framework for promotion of collaborative management in protected areas, livelihood investments in the buffer zone, and establishment of sustainable funding mechanisms in forested protected areas through the payments for environmental services (PES) scheme.

This programme intends to develop successful small grant models and adequate funding mechanisms which improve biodiversity conservation inside the core zones while simultaneously improving the livelihoods of people in and around the ASEAN Heritage Parks. Beneficiaries of the programme comprise the national park management boards, the buffer zone communities in and around the selected AHPs, and other stakeholders. These parties will gain from planning and implementing small grants projects together, thus to better protect the biodiversity and natural resources on which the livelihoods of the buffer zone communities often depend on.

##### **1.4.1 Programme Objectives and SGP Approach**

The overall programme objective is the protection of biological diversity and the sustainable management of natural ecosystems in the ASEAN region contributes to the improvement of livelihoods of the local population. The SGP II aims to:

- improve biodiversity protection in line with the interest of local population directly dependent on selected AHPs and adjacent areas;
- improve the livelihood of local communities directly dependent on selected AHPs or adjacent areas;
- improve capacity and coordination for biodiversity conservation of AHP system in Viet Nam, including monitoring and evaluation system;
- strengthen the role of ACB in promoting biodiversity protection among the ASEAN member states.

The SGP aims to support a co-management approach for government-managed protected area landscapes and adjacent areas through multi-level co-management as means to link the protected area officials with the local stakeholders. This approach highlights eight thematic fields of protected area management, introduces the concept of establishing protected area working groups and proposes a bridging supervisory body be established linking the core zone and the buffer zone agendas, comprising key landscape stakeholders. The outcome of this link will be a jointly developed 5-Year AHP Participatory Small Grants Action Plan (PSGAP ), which will direct small grant investments towards priorities for conservation and livelihood investments in eight thematic areas.

The Small Grants Programme follows an open approach and shall invite eligible grantees such as international and local NGOs, national institutions, community organizations and park administrations to propose Small Grants packages for selected AHPs.

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#### 1.4.2 Components of the SGP

The SGP II consists of two distinct, but closely linked components: (1) a regional component to be implemented in the ASEAN region and (2) a national component to be implemented in Viet Nam. Both components concern the protection of biodiversity in line with the interests of the local population.

The **national component** objective is for the successful implementation of Small Grants in selected ASEAN Heritage Parks (AHPs) in Viet Nam that will contribute to:

- improve biodiversity protection in selected AHPs and adjacent areas in Viet Nam;
- improve the livelihood of local communities directly dependent on selected AHPs or adjacent areas in Viet Nam;
- improve capacity and coordination for biodiversity conservation of AHP system in Viet Nam, including monitoring and evaluation system.

The **regional component** objective is to strengthen the role of ACB in promoting biodiversity conservation protection among the ASEAN member states.

To achieve the objectives, the following activities are financed from the Financial Contribution:

- Small Grants Programming: Financing the development and implementation of small grants for biodiversity protection with the participation of the local population in and around AHPs in Viet Nam.
- Regional Coordination and Management: Financing dissemination/PR material workshops, training and exposure as well as management of the Project to be facilitated by the ACB.
- Consultant: Financing capacity development measures for implementation partners at regional, national and local level as well as support in the management of the Project.

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## **2 THE PROGRAMME MANAGEMENT MANUAL**

The Programme Management Manual (PMM) is intended for the guidance of the stakeholders involved and responsible for the creation of proposals and in the implementation of the project. The structure of the PMM includes the necessary principles and processes to be followed in accessing, screening, evaluating, awarding, implementing, monitoring and reporting of a grant award. It also describes the responsibilities of all stakeholders involved. The PMM is based on internationally acknowledged procedures and standards and combines established ACB and country-specific requirements for planning and disbursement of a grants-programme. It is applicable to all activities that are financed in full or in part from funds of German Financial Cooperation. Information provided in the PMM establishes on the minimum requirements for application and award of Grants and contracts under the SGP.

### **2.1 Basic Principles**

The Programme Management Manual (PMM)<sup>2</sup> is prepared by the Project Executing Agency (PEA) in consultation with the PIA and PMU for guidance of the Service Providers, managers, staff, and applicants responsible for creation of proposals and the implementation of the Project. The PMM describes the common principles, procedures, and organizational responsibilities that apply across all the implementing agencies and country-specific implementation guidelines.

The PMM serves as a guide for all stakeholders involved in the SGP including, but not limited to, (i) ACB, (ii) PMU, (iii) NCG Viet Nam, (iv) NWT Viet Nam, (v) Park Managers, (vi) Service Providers in the context of the SGP, and (vii) CBOs and/or CSOs

### **2.2 References**

The PMM is prepared based on the following documents (listed in the order of precedence):

- a) ACB Organizational Strategic Framework 2010-2020
- b) ACB Establishment Agreement
- c) Financing Agreement for the SGP II;
- d) Separate Agreement for the SGP II;
- e) Memorandum of Understanding between Viet Nam's VEA and ACB dated 28 of February 2019;
- f) KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries<sup>3</sup>;
- g) Approved Project Documents of SGP II by the Minister of Ministry of Natural Resources and Environment (MONRE);
- h) Decree No. 93/2009/ND-CP of the Government of October 22, 2009, issuing regulations on management and use of foreign non-governmental aid.

### **2.3 Validity and Scope of the PMM**

The Manual is prepared for the SGP to assist the stakeholders involved in grant development and implementation. The PMM provides guidance and information on the SGP and its processes (calls, development, selection, implementation, closure of projects) and procedures (finances, reporting, M&E) for application to Viet Nam, the roles, functions and tasks of key stakeholders in implementation of SGP II. The Manual is based on internationally acknowledged procedures and standards, established by ACB and country-specific requirements for planning and disbursement of a grants-programme. It is applicable

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<sup>2</sup> The document uses the terms "PMM" and "Manual" interchangeably.

<sup>3</sup> KfW Version January 2019

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to all activities that are financed in full or in part from funds of German FC. Information provided in the Manual establishes the minimum requirements for application and award of Grants and contracts under the SGP.

This version of the PMM addresses the specific conditions of Viet Nam and is valid for the SGP II in Viet Nam only. It is subject for review after the first cycle of grants is awarded to assess whether this PMM is implemented effectively and efficiently. It is a “living” document without an expiry date, meaning it is flexible and can be amended as the programme progresses, subject to the agreement of the parties involved.

## **2.4 Access and Use**

The Manual describes the framework under which participating AHPs and CSOs can receive grants for conservation and livelihood interventions. It provides guidance to lead programme implementation process such as:

- who is eligible for funding;
- for what purposes funds may be used;
- how and by whom applications for support are prepared, submitted and approved;
- how technical assistance services, training, goods and works are procured and delivered;
- how funds are disbursed, managed and accounted for; and
- what are the reporting, monitoring and evaluation requirements and whose responsibilities?

The Manual provides relevant information on project implementation. Applicants should therefore read the entire Manual carefully. Applicants need to provide clearly justified reasons in the application form should they not follow these processes.

The Manual is part of the SGP application pack, which also includes the following documents<sup>4</sup>:

- the terms of reference of the call
- the application forms
- the co-financing statement template

## **2.5 Structure of the Manual**

The ACB Small Grants Programme Management Manual builds upon steps typical for most grant programmes:

- a) Background Information - This chapter introduces the significance of the ASEAN region's biodiversity and its contribution within and outside the region; the role of ACB; the AHP Programme; SGP; and the Viet Nam context in relation to SGP.
- b) Programme Management Manual - A brief overview of the current document and the principles of its use.
- c) Project Design and Organization - This chapter provides in detail the design and approaches of the SGP, and the organizational structures that are involved in the implementation of the project.
- d) Grant Making Policies - This chapter discusses the policies relevant and related to Small Grants Programming, including the ESMF; intervention priorities; grant types and categorization; eligibilities of proponents, expenditures and interventions; evaluation criteria; grant award effectiveness and closure; dispute and penalties, and force majeure.

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<sup>4</sup> The above documents will be made available on the programme's website, [https://aseanbiodiversity.org/key\\_programme/small-grants-programme/](https://aseanbiodiversity.org/key_programme/small-grants-programme/)

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- e) Grant Making Procedures - This chapter includes the steps and procedures to be followed in grant making, including the optimum number of days for each step; and the obligations of the ACB and of the grantee at implementation stage.
  - f) Financial Management and Cost Policy - This chapter elaborates the necessary policies and procedures to be followed in financial management of the grants, as well as cost policies to be observed including cost norms.
  - g) Procurement - The chapter on procurement largely follows and abides by the KfW procurement procedures.
  - h) Monitoring and Evaluation - This chapter provides guidance on how the small grants will be monitored and evaluated.
  - i) Reporting - This chapter provides additional guidelines on reporting obligations and procedures that have been mentioned in previous chapters.

This PMM follows in its structure these steps, supplemented by information necessary to appreciate the SGP and its salient features. The ANNEXES to the Manual are numbered in accordance to its main Chapters, i.e. the respective details and forms can be found there.



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### 3 PROJECT DESIGN AND ORGANISATION

#### 3.1 Project Design

The SGP aims to develop programme management in order to distribute the grants properly in a transparent and accountable manner, in line with the ACB mandate and its policies and regulations. It addresses the inherent, central conflict between in-situ biodiversity conservation sites (the parks) and the utilisation of natural resources by the population living either on or adjacent sites.

Aspects to be addressed are the biodiversity management to common threats such as

- under-resourced parks and insufficient financial support;
- resource-dependent communities and the challenges of creating sustainable livelihoods which can respect protected areas and their use limitations; and
- complexities in addressing illegal activities of parks exploitation such as wildlife trade and illegal logging and the underlying interests and networks.

Grants from the SGP can be used to support a wide range of conservation and livelihood-related activities, including engaging with local communities, developing co-management agreements, environmental education and awareness, habitat and species management, strengthening the implementation of laws and regulations for PA management, capacity-building and management planning.

Underlying the program is the need to develop, inform, strengthen and foster the enabling environment through experience gained in implementation of pilot activities in Viet Nam, which are either replicable in other areas of the country and / or could influence the discussion within the ASEAN Context.

**Results Matrix.** The issues pertaining to the AHPs and identified in the feasibility study and appraisal report remain valid, i.e. the general thrust and concept of the programme are responsive to these issues. The Intervention Logic, as presented in the Results Matrix (ANNEX 03) remains valid and unchanged.

#### 3.2 Threat Mitigation for AHPs in Viet Nam

The four selected AHPs in Viet Nam face various threats that consist both biodiversity conservation and livelihood related issues. Among these are illegal hunting, illegal logging, legal constraints, limited staff and financial resources, as well as spatial planning issues. In 2019, a protected areas specialist conducted the consultancy to identify the preliminary specific threats in the four selected AHPs. Based on his initial findings, the threat mitigation measures at the AHPs include:

**Ba Be National Park** - the interventions should continue to promote community-based wetland management of the lake, reduce small scale farming, illegal selective logging, hunting of wildlife and unsustainable collection of NTFPs and fuelwood.

**Hoang Lien National Park** - the interventions should assist village land use planning within the seven inner buffer zone villages (and other villages). The interventions should promote the delivery of livelihood grants to the villages, with the park staff assisting in linking the assistance to threat mitigation. The cultivation of cardamom under the tree canopy is expanding. Forest fires also pose a major threat. Hunting and trading rare and endangered species is another threat. A national park stakeholder forum should be promoted, including the membership of the Sun Group tourism company.

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**Kon Ka Kinh National Park** - the interventions should promote the delivery of livelihood grants to the 18 Banna villages, with the park staff assisting in linking the assistance to threat mitigation. This could become a good model for on-going PES and Decision 24 livelihood assistance. Outreach should also be continued, focusing on mitigating the external trading threats on the natural resources. Family planning and health education should also be promoted.

**Chu Mom Ray National Park** - the interventions should reduce traditional agriculture (shifting agriculture), uncontrolled grazing, unsustainable NTFP collection, illegal selective logging, and wildlife hunting in some of the 46 priority villages. Presently, the main approach to addressing these threats is through enforcement.

### **3.3 Priorities for Viet Nam**

In Viet Nam, and elsewhere, need-based models for successful conservation interventions, building local knowledge and skills, and multi-stakeholder processes and partnerships are underdeveloped. Hence, management planning needs to be expanded outside the boundaries of the parks and engage the population utilizing natural resources in the aim to offer tangible benefits which will reduce pressure on the AHPs. Under such involvement, beneficiaries will gain from planning and implementing small grants projects that will improve their livelihood and, at the same time, better protect biodiversity and natural resources on which their livelihoods often depend on.

In order to meet the objectives, the small grant approach caters to the identified needs of (i) park managers and (ii) communities through flexible funding mechanisms with smaller investment volumes. Catering to the needs of communities implies shifting the focus from the respective AHP's core zone to the local population in areas adjacent to the park. This is done to improve livelihoods of these population segments dependent on natural resources, which in turn is a means to reducing pressure on the parks.

Eight main thematic areas were discussed and agreed in Viet Nam with BCA and Park Managers, under which the small grants shall be structured to address both core management activities and livelihood intervention. These are:

- a) General park management
- b) Wildlife research and monitoring
- c) Law enforcement
- d) Habitat and species management
- e) Community outreach and conservation awareness
- f) Community development
- g) Ecotourism
- h) Sector policy development

Against the SGP objectives, programmes of work under the SGP shall be divided into the above eight main themes or priorities. Grant projects shall be developed based on priorities identified in the respective 5-Year Management Plans for each targeted AHP.

SGP funds can only be used to support priority conservation and livelihood interventions in (i) AHPs, (ii) their surrounding / adjacent areas, and (iii) within the above thematic areas. Proposals that do not meet these principal criteria will be rejected.

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Additional eligibility criteria for sites and activities have been designed for use as screening tools to help ensure that funds are used only for these purposes, and the 5-Year Management Plans and respective Annual Working Plans will rank conservation and livelihood activities in order of priority to ensure SGP grant support is used to support priority needs.

### 3.4 Objectives for Viet Nam and Anticipated Changes from Small Grants Interventions<sup>5</sup>

The objective of this programme is to develop successful small grant models and adequate funding mechanisms which improve biodiversity conservation and the livelihoods of people in and around the four selected AHPs in Viet Nam.

The specific objectives and priorities on the programme implementation of SGP II in Viet Nam, indicated below, follow the 2019 assessment report made by the international specialist. These are subject to change and modification based on updated situation and needs of the four AHPs following the results of the baselines as well as the park management action plans<sup>6</sup>.

#### Specific Objective 1: Sustainable livelihoods

Priority villages and priority households should benefit directly from the small grants programme, with improvements to their livelihoods:

- Availability of village land-use plans with accompanying rules
- Food shortage months should decline
- Food shortage incidences should decrease
- Adoption of cross slope barriers should be implemented
- Use of fodder banks for animals should be improved
- Adoption of permanent raised vegetable beds in back yard
- Time spent trying to meet daily needs improved
- Availability of secure water supplies improved
- Access to rice mills and corn shellers improved
- School attendance improved

#### Specific Objective 2: Biodiversity Conservation

Threats to the four AHPs should be reduced.

- Trends in vegetation cover may improve
- Populations of key species may increase
- Counts of rare key species should increase

#### Specific Objective 3: Co-management strengthened

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<sup>5</sup> The indicators provided per specific objective are undergoing further review and updating.

<sup>6</sup> **Law enforcement** is assessed in a separate rapid assessment to consider the compliance in AHPs with the KfW Sustainability Guideline which requires that law enforcement adhere to the UN Code of Conduct for Law Enforcement Officials, the Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the Voluntary Principles on Security and Human Rights. The assessments determined that the AHP's are in partial compliance with the KfW requirements. However, the assessment did not review the actual law enforcement practice in the four AHPs involved in the Project. **Based on the assessment, and in discussion with KfW of the findings, the PMU and ACB decided to exclude most activities related to law enforcement.** (*Environmental and Social Management Framework, SGP II Vietnam, April 2022*)

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Political and social support should be increased for the integrity of the AHPs and their values by Township officials, government agencies and local stakeholders.

- Support from agricultural extension staff should increase
- Managers access to community development support increased
- Changes in zoning recognized
- Participatory management plans evaluated
- Effectiveness of AHP management may improve
- Attitudes and behaviour of villagers may improve

### **3.5 Participatory Small Grants Action Plan and Multi-Stakeholder Involvement**

To ensure the involvement and acceptance of all stakeholders to the small grant action plan of the project, a participatory planning approach that will actively engage all stakeholders was applied. This is similar to the Collaborative Management Planning approach which is applied in the SGP I. To speed up the mechanism of SGP II investment in the targeted AHPs, action plans for each targeted AHP are developed based on existing Sustainable Forest Management Plan (SFMP) and Local Social-Economic plans (LSEDP) that are developed by local authorities. These action plans shall meet the objectives of SGP II as stipulated in the MoU and GA, requirements of the SGP II investment and Financial Cooperation with KfW, and in line with Viet Nam Government regulation and policies. Such approach will reduce time consumption in planning and approval process.

The development of the action plan involved the following steps: 1) a thorough review of existing SFMP as approved by the Province Peoples Committee (PPC), and Socio-Economic Development Plans (SEDP), if any, of the local authority; 2) identify and elaborate together, through a consultation, with relevant stakeholders (such as AHP, DARD, DPC, CPC, Village Heads, SP, PMU, ACB and consultants) on the measures and activities to address the biodiversity conservation and livelihood issues; and 3) development of an action plan agreed with and accepted by all stakeholders. The Participatory Small Grant Action Plan (PSGAP) will be signed by all stakeholders and will be used as a commitment for the grant making and implementation of SGP II.

The implementation for the grant projects includes appropriate management and maintenance concepts for long-term sustainability of the interventions, multi-stakeholders' participation and involvement, creation of ownership, definition of beneficiaries' contributions, and identification of (other) external funding sources. All proposed grants should be well integrated into park or community planning processes.

Grant proponents and their partners may lack the sufficient expertise on participatory planning processes and the technically correct biodiversity conservation activities. Service providers for planning and implementation will support and provide technical assistance to the proponents in grant development as well as the implementation.

#### **3.5.1 Baselines**

Establishment of baseline data on biodiversity and socio-economic in the respective targeted AHPs is necessary to evaluate the effectiveness of SGP implementation. The biodiversity baselines comprise assessments of rare and endangered species. The socio-economic baselines include, among others, pre- and post-villager attitude surveys towards the national parks, biodiversity values, livelihood options for the local communities and its changes, should there be any; the pre- and post-assessments of the value of the small grants and their effectiveness to mitigate threats; and pre- and post-attitude assessments of

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the National Park Stakeholder Forum members towards the collaborative/participatory approach and PSGAP.

The baselines are specifically designed for each respective park so that they will contribute useful information to the on-going management of the AHPs. The only indicator which may require special attention during the socio-economic assessments is the villagers' attitudes indicator. At each AHP, the National Park Director, senior management team, and the SPs should run through the baseline indicators, determine which ones are relevant to the management of each AHP, and determine how they can be undertaken as part of mainstream management activities.

### **3.6 Target Groups**

The intervention's target group is the population of Viet Nam which depends on the ecosystem services and goods for their livelihoods and lives in adjacent areas of participating AHPs.

#### **3.6.1 Beneficiaries**

The primary beneficiaries of the programme will be the local communities and CBOs in AHPs and adjacent areas. These would be farmers, fishermen, hunter-gatherers, and other communities dependent on the natural resources in and around the AHPs, with strong vested interests (short to medium term income generation opportunity and longer-term natural resource sustainability) in the grant project interventions offered. Women and the poorer segments of society, including ethnic minorities, are actively encouraged to participate in grant project planning and implementation.

Other core partners / beneficiaries that will be institutionally strengthened within the scope of the SGP are professionals and executives of the environment, forestry, water, energy and other relevant sector authorities in the ASEAN member states; the nature conservation administrations; the management of ASEAN Heritage Parks (AHPs) as well as universities and NGOs. Local government field staff (agriculture/forestry technicians) engaged in community-based resource management shall be capacitated to provide the required extension support. In addition, village leaders, key farmers and NGOs are also seen as target group for capacity building.

#### **3.6.2 Stakeholders**

The principal stakeholders with a potential interest in the SGP, particularly in monitoring its progress, include, but may not be limited to:

- a) Direct beneficiaries of small grant projects (esp. villagers);
- b) Local Community and CBOs;
- c) AHP Management Board and staff;
- d) Line departments at the provincial and district level;
- e) AHP authority at the national level (Nature Biodiversity Conservation Agency, MONRE/Department of Nature Conservation, Ministry of Agriculture and Rural Development);
- f) ACB / KfW

### **3.7 Phasing**

The implementation of the SGP II in Viet Nam is phased according to the sequential logic of the Collaborative Protected Area Management Approach. Therefore, the financial support through grants and services of the SGP provided through ACB need to be delivered in close alignment to existing and emerging

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SFMPs for each AHP. After the initial phase of supporting sensitization, planning and organisational capacities building of communities and local structures in the AHPs and the adjacent areas, KfW starts its investments proceedings and its engagement supporting implementation.

The SGP II has the following phases:

Inception Phase:	Completion of the project document based on the requirement of Vietnamese Government, Screening of NGO presence, assignment clarification to stakeholders, achieving procedural security, adaptation and adjustment procedures and lessons learned from SGP-I, preparing PMM;
Preparatory and Planning Phase:	Selection of Service Providers, consultation processes and the application of agreed planning processes, result/area-based planning, training need assessment and capacity building for relevant stakeholders, completion of all project guidelines. This phase also includes conducting baselines in four AHPs, selecting organisations/consultants to develop the PSGAPs and Environmental and Social Management Framework (ESMF).
Grant delivery, implementation and M& E phase:	Full scaling-up application for grant, call for thematic proposals within the geographic foci and based on priorities set in the PA PSGAP, development works with complementary technical capacity development support, SG implementation and monitoring, evaluation of implementation results;
Consolidation Phase:	Initial Impact Assessments, lessons learned and adaptation of SG approach, final project evaluation workshop for the National component.

### **3.8 Organizational structures of SGP II Viet Nam**

The ASEAN Centre for Biodiversity (ACB) is the Programme Executing Agency (PEA) and shall cooperate closely with the Government of Viet Nam for the preparation and implementation of the SGP and shall determine the aspects essential for its operation. The ACB governing board provides regional programme oversight, policy alignment and policy mainstreaming.

The small grants programme will be embedded into ACB's existing activities and engagements to both provide and receive input. The programme is based on a decentralised scheme that will be coordinated by the Member Countries, which will also support the programme through their technical, administrative and financial capabilities.

The Ministry of Natural Resources and Environment (MoNRE), through the Viet Nam Environment Administration (VEA) and its appointed Project Management Unit (PMU), will be the Programme Implementing Agency (PIA) in Viet Nam.

The SGP follows an open approach and will invite eligible grantees such as international and local NGOs, community organizations and park administrations to submit grant proposals within the framework of the eight thematic areas. The SG Programming will be implemented and organized in a three-tier delivery structure. Figure 1 shows the organizational structure of the SGP in Viet Nam that follows the three-tier delivery design of the programme. ANNEX 03 provides the Project Management Regulation, which

includes further details of the different structures and its establishment and shows the complete Organigram of the programme.

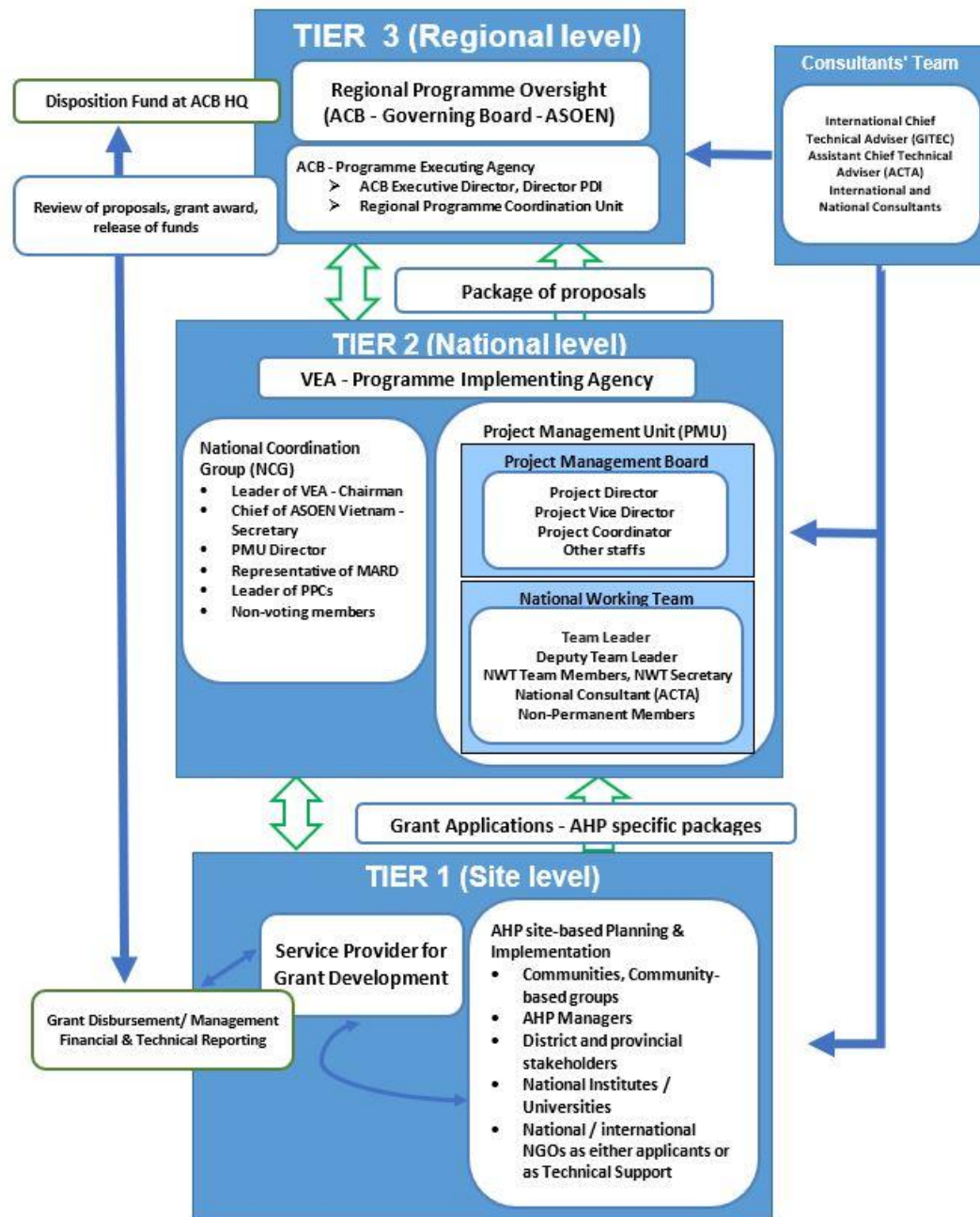


Figure 1. Three-tier organizational and delivery structure of the SGP II Viet Nam

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### **3.8.1 Tier 3 - Regional Programme Coordination (ACB)**

The Regional Programme Coordination Unit (RPCU) at ACB will review and recommend / endorse<sup>7</sup> country packages with assistance of the SGP Consultant. Review of the small grants packages are done against the pre-defined criteria. The approved grant portfolios will be prepared for information of the ACB Governing Board. The ACB Executive Director, upon the recommendation of the Regional Programme Coordination Unit, shall sign the grant contracts with the Grantees (international or national NGOs) and Service Providers.

The RPCU shall oversee SGP and ESMF implementation in coordination with the PIA.

The ACB shall submit Summary Evaluation Reports of eligible grant proposal from EUR 100,001 onwards to KfW Project Management Sector Team for technical no-objection. The RPCU shall advise KfW of all specific changes – if any – to the processes and procedures, when awarding individual grant holders/grantees.

Overall financial coordination, as well as administrative and technical supervision of the programme shall be undertaken by the ACB SGP Coordinator and the technical assistance team with the support of the SGP Consultant Team (GITEC-Consult).

### **3.8.2 Tier 2 - National Project Coordination and Selection of Small Grants (Viet Nam)**

To select and prioritize the proposed Small Grants Packages, a national working team consisting of the responsible ACB national contact point, technical staff from the respective Ministries with the support of a Consultant will initiate at least one call for proposals. The call for proposals will mainly focus on proposals for conservation and livelihood activities and investments. Prior to the call, the programme will be guided by the agreed Participatory Small Grant Action Plan (PSGAP) and Sustainable Forest Management Plan (SFMP). Forty percent (40%) of the grants fund will cover proposals that focus on the biodiversity conservation related issues while sixty percent (60%) of the grants will cover proposals that focus on the livelihood improvement of the local communities.

**Programme Implementing Agency (PIA).** The VEA serves as the Programme Implementing Agency on behalf of the MONRE and is responsible for project coordination and selection of small grants.

The PIA will have the following tasks:

- a) Take responsibility as the Project Owner for the SGP at the national level;
- b) Approve the PMM, in collaboration with ACB;
- c) Create the National Coordination Group (NCG) for the SGP in Viet Nam consisting of representatives of VEA, People's Provincial Committee (PPC), and Ministry of Agriculture and Rural Development (MARD);
- d) Appoint the Project Management Unit (PMU) for the SGP in Viet Nam;
- e) Create the SGP National Working Team (NWT);

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<sup>7</sup> The word “recommend / endorse” is used to emphasize any government’s prerogative to approve activities on its territory. ACB will review proposed grants first and the appointed National Coordination Group will approve packages.



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- f) Coordinate and allocate in-kind and in-cash contribution for national level (domestic capital) as counterpart to SGP implementation;
  - g) Approve the Implementation Plan for Viet Nam;
  - h) Oversee the implementation of ESMF in coordination with the RPCU.

**National Coordination Group (NCG).** The National Coordination Group is established following the Decision of the Viet Nam Environment Administration (VEA) (see ANNEX 03), and is chaired by the Director General of the VEA. The NCG's principal function is to provide strategic guidance for the SGP in Viet Nam, and thus ensures meeting the overall programme objectives. The NCG shall receive support and technical assistance in its operations from the SGP Consultant Team.

The NCG shall assist the PIA in project management to ensure compliance with the objectives and contents stated in the MoU signed on 28th February 2019 between the VEA and ACB, as well as compliance with the provisions in the PMM. The NCG will support the VEA and its appointed PMU in addressing and solving project implementation concerns and issues. The NCG is further tasked to:

- a) Support the programme in linking its lessons learned and experiences to policy development and to improving development approaches and procedures at local and country levels;
- b) Disseminate information about the SGP through their own networks and enhance visibility of the programme;
- c) Promote and facilitate coordination, communication and synergies among donors, NGOs Government and other stakeholders involved in conservation of AHPs;

**Project Management Unit (PMU).** The Project Management Unit (PMU) was established based on Decree No. 93/2009/ND-CP and Circular No. 07/2010/TT-BKH on 30/03/2010 of the Ministry of Planning and Investment (see ANNEX 03). The PMU will, on behalf of the VEA, carry out and manage the daily activities, including financing and project budget according to their competence and assigned tasks. The PMU will have the following detailed tasks on the SGP programme in Viet Nam:

- a) Coordinate SGP implementation at the national level;
- b) Develop and submit the 3-year work plan and annual work plan for No Objection of ACB
- c) Organize training and capacity-building activities to implement SGP at national level and paid for out of the Budget;
- d) Recommend potential candidates as service provider to the ACB for selection of the service providers for Ba Be National Park, Chu Mom Ray National Park, Hoang Lien National Park, and Kon Ka Kinh National Park based on agreed criteria;
- e) Coordinate the work of service providers in consultation with ACB;
- f) Coordinate the cooperation of all stakeholders, especially of the service providers and AHP management boards;
- g) Launch call for concept notes and proposals;
- h) Review and accept concept notes;
- i) Guide the NWT to evaluate, prioritize, and submit small grant proposals packages to ACB (RPCU) for review and acceptance;
- j) Final approval of select small grant proposals and packages after review and acceptance by the ACB;

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- k) Issue “no-objection letter” to all implementation progress reports (technical) and reports on grant implementation results before submitting to ACB (for both service providers and grantees/applicants);
  - l) Provide information and planning documents relevant to the selected AHPs as part of the counterpart contribution;
  - m) Conduct periodic monitoring and evaluation missions to project sites following the prescribed schedule of implementation;
  - n) Provide regular progress reports about the project to ACB, based on monitoring missions and as will be specified in the PMM;
  - o) Organize regular project workshop and other specific (theme/topic-related) workshops;
  - p) Cooperate with the SGP Consultant team;
  - q) Facilitate and prepare formalities for the assignment of consultants in the project area;
  - r) Use the counterpart fund and ACB allocated funds for national coordination and monitoring effectively;
  - s) Ensure the availability and timely contribution of national resources (human and financial) for project implementation;
  - t) Perform other necessary works to facilitate the implementation of SGP in Viet Nam.

In relation to national coordination of the AHPs, the PMU will mainly facilitate the following:

- a) Strengthen the system of policy and law for the AHPs in Viet Nam:
  - Review the national framework for policy and law system and propose new policy for management of AHPs in Viet Nam;
  - Evaluate the implementation of biodiversity law in AHPs;
  - Study and propose operation plan for the AHPs;
  - Support for activities on development of law on biodiversity and sustainable management of nature ecosystems and gene to support for management of AHP;
  - Adapt the AHP policies and criteria to country circumstances;
- b) Build and strengthen the management capacity of the AHP management boards:
  - Training on capacity building for AHP staff and project counterparts;
  - Training on law enforcement and biodiversity conservation and management for AHP staffs;
  - Increase awareness for local peoples inside and in adjacent area of the selected AHPs;
- c) Strengthen the monitoring and evaluation of project implementation in the selected AHPs and share the information with all AHPs in Viet Nam:
  - Carry out monitoring and evaluation of project implementation in the selected AHPs;
  - Organize regular project progress meeting to evaluate and provide solution to speed-up of project process;
  - Review, survey and standardization of information and data, and updating data on ecosystems and species in the AHPs;
  - Establish the information and experience sharing mechanism among the AHPs in Viet Nam;
  - Organize project evaluation workshops to provide and share experiences with all project stakeholders.

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**National Working Team (NWT).** The NWT has a key role in the SGP grant-making process in Viet Nam. The NWT is part of the Tier 2 (country delivery system/national co-ordination and selection of small grants) of the general management set-up and will also receive support and technical assistance in its operations from the SGP Consultant Team.

The composition of the NWT should be large enough to ensure effective representation from key stakeholders, and small enough to ensure constructive dialogue and decision-making. Its composition shall have gender balance and ensure the participation of local individuals.

The NWT supports the PMU to meet the overall objectives of the SGP in Viet Nam through the provision of written and justified recommendations of grant proposals that will be financed under the SGP in Viet Nam.

The NWT has the following functions and responsibilities:

- a) Act as gatekeeper for the SGP selection process;
- b) Assist the PMU in the call for proposals;
- c) Review grant proposals according to meeting administrative and technical completeness and formal requirements;
- d) Technically and financially review and rank the proposals for selected AHP based on agreed evaluation criteria and procedures;
- e) Prepare the evaluation report, including the reviewed proposals, for the PMU Director before sending to ACB for review and acceptance;
- f) Communicate the grant suggestions, as recommended / accepted and reviewed by the ACB, to the PMU for final approval;
- g) Provide technical support to the PMU in order to achieve the outputs and outcomes of the national component;
- h) Ensure the compliance of the SGP II with the PMM and ESMF;
- i) Promote local communities' participation & coordination in sustainable development of AHPs by ensuring that the conservation community in AHPs is represented in the selection procedure;
- j) Liaise with and provide guidance for Service Providers and proponents in grant project design;
- k) Monitor the progress of the grant projects in each AHP and advise on the resolution of any issues that may arise during implementation;
- l) Propose amendments to proponents on the project proposals based on the NWT assessment when and where necessary;
- m) Establish and maintain the "reserve-list" of fundable projects.

### **3.8.3 Tier 1 - AHP site-based planning and implementation**

Following the experience gained in SGP I, under the guidance of the PIA and AHP Managers, Service Providers (SP) with the support from International Consultants and in consultation with NGOs, community-based organisations (CBOs), local communities in AHPs and adjacent areas, will propose Small Grants Packages.

The small grants programme is individual grants, which will be proposed and delivered by the grant proponents ("bottom-up"). The proponents will be communities in and around AHPs, park managers and

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their staff as well as Civil Society Organisations (CSOs) including NGOs, INGOs and public institutions through the open calls. They identify the needs at the point of intervention and develop their initial conservation ideas and project design.

The implementation concept for grants project includes appropriate management and maintenance for long-term sustainability of the interventions, creation of ownership, definition of beneficiaries' contributions, and identification of (other) external funding sources. The selected grant proponents shall carry out the activities in a collaborative way with other stakeholders (communities, park managers, civil society groups) that are relevant to the proposed grant project.

**The AHP Management Board-** The AHP management board will work closely with project implementers and the SPs, as well as with CSOs and communities inside or in adjacent area (buffer zone) of the park in supporting the development of the PSGAP. The AHP management board will provide support to the PMU in monitoring the small grants implementation progress.

**Local Authorities.** In the buffer zones of the AHPs, the local authority is the representative of the local communities who will support the SPs, CSOs and community organizations in adjacent area (buffer zone) of the park in preparing the PSGAP and grant project implementation.

**Service Provider for Grant Development and Implementation.** The Service Providers will lead the planning and implementation support to the respective AHPs in close coordination with park and local authorities, and the PMU.

The Service Provider will facilitate the grant-making process and provide assistance to possible grant proponents. The Service Provider will work together with AHP Park Managers and facilitate communities to bundle grant proposals into micro grant packages. The SPs will ensure that grant proposals meet well defined selection criteria, and compliance with the ESMF. SPs will send relevant reports to AHP managers and PMU for review. The reports are then submitted to ACB for approval.

SP site-level technical assistance on planning and implementation for the selected AHPs include (but not limited to):

- organise and run the multi-stakeholder planning workshops at the beginning of the grants process at each site;
- proposal development workshops;
- mentoring the proposal development process;
- support proposal submission and revision when comments are received;
- support grant proponents on labour contracting and risk assessment in compliance with the ESMF;
- support financial and technical reporting by grantees as necessary.

Details on the function and tasks of SPs are in ANNEX 03.

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## 4 GRANT MAKING POLICIES

The AHPs to be supported under the SGP are Ba Be National Park (BBNP), Chu Mom Ray National Park (CMRNP), Hoang Lien National Park (HLNP), and Kon Ka Kinh National Park (KKKNP). The criteria which led to their selection are listed in ANNEX 04. Areas adjacent to these parks are considered eligible. The identification of geographic focal areas can be found in the PSGAP of each AHP.

### 4.1 Environmental and Social Management Framework

In order to identify, assess, avoid, mitigate and manage potential environmental and social risks and impacts under the ACB projects, all projects shall comply with the Environmental and Social Management Framework (ESMF) of SGP II. The ESMF serves as a safeguard instrument to provide integrated Programme procedures that will ensure environmental and social aspects are considered in the grant selection of activities and to support the assessment, management and monitoring of environmental and social impacts of approved proposals. This will enhance the potential benefits of investments – as well as avoid, minimise and reduce, mitigate, and/or offset potential adverse risk in accordance with the risk management hierarchy. The ESMF therefore includes principles for community outreach and engagement, and procedures for feedback and grievances to ensure that proponents are well informed about the SGP and relevant ESMF requirements. The ESMF will ensure the SGP funded projects/ sub-projects comply with the relevant Environmental and Social Safeguards as stipulated in KfW's Sustainability Guidelines ([https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie\\_EN.pdf](https://www.kfw-entwicklungsbank.de/PDF/Download-Center/PDF-Dokumente-Richtlinien/Nachhaltigkeitsrichtlinie_EN.pdf) ).

The overarching SGP risk as reflected in the ESMF SGP II Viet Nam is B+ (substantial). The substantial risk is associated with the Programme's open setting and large spatial coverage the implementation of some of the planned activities may result in adverse impacts on the environment and the population. These include possible constraints of land use and resource access, unintended adverse impacts on ethnic minorities, activities as well as contextual human rights risks over which the Programme may have only limited control or influence. Therefore, the Programme will engage of KfW's Competence Centre for Environmental and Social Sustainability throughout the preparation and implementation of the Programme and ensure that all applicable safeguards are given due attention during Programme preparation and implementation.

Specific objectives of the ESMF include:

- Integrating the environmental and social considerations into the identification, design and implementation of all Programme interventions in order to ensure that those are environmentally sustainable and socially feasible;
- Ensuring all relevant environmental and social issues are mainstreamed into the design and implementation of the Programme;
- Considering in an integrated manner the potential environmental and social risks, benefits and impacts of the program and identify measures to avoid, minimize and manage risks and impacts while enhancing benefits;
- Ensuring compliance with national and KfW requirements;
- Guiding the development of detailed E&S management plans, as appropriate to the Programme components and grant projects;

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- Defining the agency and organizational roles and responsibilities for managing and monitoring grant project activity environmental safeguards;
  - Managing and resolving E&S related grievances;
  - Reviewing and assessing the adequacy of proposed safeguard mitigation measures and monitoring plans; and
  - Ensuring capacity-building and support for environmental and social focal points and related personnel to implement any required safeguard-related measures during preparation and implementation, including monitoring, reporting and evaluation.

### **Role of PEA and PIA in ESMF implementation**

The PEA i.e., ACB, shall be responsible for the preparation and overseeing ESMF implementation and operation of the Programme in compliance with the KfW Sustainability Guideline that are in line with World Bank's environmental and social standards. The PIA i.e. the Viet Nam Environment Administration (VEA) is responsible for the supervision of SGP funded projects' implementation and jointly with ACB to ensure the environmental and social due diligence, including oversight of SPs' supervision of any contractors hired for small civil and other development works.

The PMU will report the results of implementation and monitoring to the PEA. The PEA may, from time-to-time, conduct field visits to ensure the compliance of ESMF application for the granted projects under SGP II.

ACB together with the PMU shall:

- Develop and oversee the implementation of Environmental and Social Management Framework (ESMF)** that is commensurate to the risks of the grant projects of ACB and proportionate to the potential risks and impacts of the project and commensurate with its nature, financial volume, size and location according to World Bank Environmental and Social Policies Safeguards<sup>8</sup> and World Bank Group's General EHS Guidelines<sup>9</sup>, the EHS Guideline for Forest Harvesting Operations and any other relevant EHS Guideline.
- Conduct Rapid Environmental and Social Assessments** and, based on the said assessment, provide guidance to develop the ESMPs / ESCOPs for individual grant projects to be in compliance with the above mentioned ESMF.
- Monitor and report all requirements resulting from the ESMP/ESCOP.** The PMU, supported by the ESM Consultants, shall monitor and ensure the assigned service providers as well as all grantees of SGP II to comply with the social requirements as set out under a-b)
- Use the established ESMF for screening and selecting grant projects /activities/interventions** in the targeted AHPs funded by SGP II, and adaptation of appropriate ESCOPs or ESMP for SGP II implementation to avoid, minimize and mitigate any adverse environmental or social impact. Whenever possible, SGP II should prioritize grant projects with low impacts, which only require an ESCOP.

The ESM consultants shall review existing SGP II documentation, all documentation of PIA and targeted AHPs administration that are relevant to assure implementation of ESMF, and ESS documentation of the supported measures. The ESM consultants shall support the ACB and PIA in improving the documents as

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<sup>8</sup> <https://www.worldbank.org/en/projects-operations/environmental-and-social-policies#safeguards>

<sup>9</sup> <http://documents1.worldbank.org/curated/en/157871484635724258/pdf/112110-WP-Final-General-EHS-Guidelines.pdf>

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necessary during the SGP II implementation and shall also provide on-site due diligence of measures on the ESS performance and compliance to the ESCOP/ESMPs. The ESM consultants shall communicate closely with the ACB, PIA and international Chief Technical Advisor and serve as ACB liaison expert to KfW on matters related to environmental and social impact management in general, and implementation of the ESMF in particular.

All grant-funded projects shall incorporate into the budget and workplan the management and implementation of the ESMF.

#### **4.2 Intervention Priorities**

SGP funds can only be used to support priority conservation and livelihood interventions activities. Priorities will be defined in the PSGAPs and interventions supported by the Programme identified in the White List (ANNEX 04). SGP funds cannot be used (i) to substitute for funds committed from the Government of Viet Nam or other sources; and (ii) for large scale infrastructure and other items as identified in the Black List<sup>10</sup> (ANNEX 04).

#### **4.3 Grant Types and Categorization**

The projects may be categorised as follows:

- (i) Micro-Grants - up to 10,000 EUR, for a duration of up to 8 months  
Micro-grants may be allocated for community based and stakeholder processes and specific (targeted) conservation interventions.
- (ii) Small Grants - 10,001 – 100,000 EUR, for a duration of 6 to 15 months  
Small Grants may be allocated for capacity building, livelihood and conservation management, campaigns.

In exceptional, justified cases, the grant project duration may be extended without additional cost upon consent and approval of ACB. ACB and PMU will conduct a case-by-case review based on the Grantee's written and fact-supported justification.

#### **4.4 Grant Project Proponent and Eligibility**

The Small Grants Programme follows an open approach and will invite eligible proponents such as international, national and local CSOs, CBOs, and park administrations to propose Small Grants and/or Small Grants packages for selected AHPs.

Eligible proponents are as follows:

- Park administration/management
- Communities in AHPs and adjacent areas/buffer zones (in the form of group with recommendation/endorsement from respective Park Manager/Authority);
- Organizations supporting biodiversity conservation and community development and livelihood related to AHPs and adjacent areas:
  - NGOs (including universities, academe, research institutions) registered at national/local level, and with recommendation/endorsement of Park Manager/Authority;

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<sup>10</sup> The Black List is subject for updating upon the establishment of the ESMF.

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- CBOs registered at national/local level, and with recommendation/endorsement of Park Manager/Authority; and
  - International and national NGOs working in the field of biodiversity conservation and livelihood development which are officially registered or have signed MoU with respective government authorities for the implementation or proposed activities in the relevant areas, and with recommendation/endorsement of Park Manager/Authority.

Grant proponents must demonstrate sufficient capacities (technical and personnel) for, and experience with, the proposed activities to be funded under the SGP, and sufficient capacities for administration of and accountability for grant funds. Grant proponents have to ensure that there is appropriate contribution to the grant package (e.g. 20% in cash and / or kind).

Communities / community organizations that will apply for grants should be a legal entity (registered, could open or has existing bank account). All grant proponents are required to understand the PMM and PSGAP fully, work closely with the AHP authorities and the respective Service Providers in the planning and implementation process.

#### **4.5 Eligible Expenditure, Co-financing and In-Kind Contribution**

Expenditure is considered eligible according to general rules, in line with Chapter 6 Financial Management of the PMM. Cost of new or second-hand equipment that is necessary for project implementation is eligible under the project. Detailed conditions for the settlement of direct costs shall be specified in the grant agreement.

As stated in Chapter 6, salaries of government staff are a non-eligible expenditure. Costs incurred for activities directly related to the implementation of the project involving mobilization of personnel (e.g. ranger for patrolling) may be permitted if clearly justified (particularly sustainability issues) and offering the best value available.

The SGP will provide up to 80 percent of eligible cost in the approved total budget; the remaining 20 percent is the required cost sharing. The SGP may also co-finance interventions that have funding from other sources, minimum of 20%. Should these AHPs receive substantive level of international support for conservation management outside of the SGP or have accepted support for major infrastructure or other development (planned, under implementation or completed) and is rendered to be inconsistent with the objectives of the SGP or the AHP, they will be considered ineligible.

The Project Grantee provides project co-financing in the form of cash or in-kind. In case of projects implemented by NGOs, in-kind contribution in the form of voluntary work may constitute up to 50 percent of the co-financing required for the project. Own contribution within the remaining scope is in the form of cash.

Where in-kind contribution is provided to the project in the form of unpaid voluntary work, the value of that work is calculated by the grantees considering the standard hourly and daily rate for a given type of work provided

In cases when a community or community-based organisation is the main recipient of a Grant and unlikely to provide cash co-financing, the cash-contribution is waived in favour of in-kind contribution.



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#### 4.6 Eligible interventions or investments

The SP shall target priority areas, package and handle grants. The ACB, the NCG/PMU and the NWT have the responsibility to ensure that funds are targeted effectively to address top conservation and livelihood priorities identified in the PSGAPs. It is a priority of the SGP to promote and support local stakeholder engagement in AHP management, e.g., through piloting co-management agreements and participatory planning of AHP management. Hence support for rural/community development is eligible for SGP support. Surveys of biodiversity can only be funded if this activity is a high priority in the MP and only if the surveys are designed as a basis for improving the management of the AHP and its adjacent areas.

Eligible Activities and Investments include, inter alia, activities for conservation management, small equipment and investments for park and wildlife management, planning exercises and processes for stakeholder participation, livelihood alternatives and improvements as well as small, localized studies, awareness campaigns and conservation training.

Examples of activities that can be supported by SGP are listed in Table 1. Preference will be given to activities that meet the criteria introduced under Section 4.9 below.

ACB-SGP funds the improvement of AHP-related conservation and livelihood issues. The proposed interventions need to be within the framework of the following themes (Table 1) and must confirm the SGP overall objectives (see Section 1.4.1) described in this document. Approximately 60 percent of the small grant funds will be used for livelihood improvement, and 40 percent for biodiversity conservation.

As part of the ESMF integration, the exclusion should be clarified to ensure that additionally, activities cannot be approved where:

1. The risk rating is A or B+ under the KfW Sustainability Guideline.
2. The activity area experience competing claims and conflict, including any such concern related to resource and land distribution.
3. Use of agrochemicals is required.
4. The activity supports production which alters natural forest ecosystems (for example, cardamom production in sensitive/protected areas).
5. The activities may cause harm to cultural heritage (tangible or intangible).

In addition, while biodiversity conservation commonly imposes restrictions to existing livelihoods and resources, SGP can only fund proposals that fully avoid restrictions or have minor restrictions referring to the Black List (ANNEX 04), which are fully compensations through the proposed activity to all affected individuals. Potential restrictions and adequacy of compensatory measures will be assessed during the review and where inadequate, proposals shall be redesigned or rejected.

The following table introduces examples for eligible activities and investments.

**Table 1: Examples of specific activities and investments**

Area of management	Examples of specific activities and investments
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<b>General park management</b>	Establishment of multi-stakeholder groups to provide advice on management
	Facilitation of processes/capacities for encouraging stakeholder participation
	Travel for meetings and information exchanges
	Human wildlife conflict management
	Participatory management planning
	Payment for Ecosystem Service (PES) (including Reducing Emissions from Deforestation and forest degradation (REDD))
	Study tours (in-country)
<b>Wildlife research and biodiversity monitoring</b>	Wildlife monitoring equipment and infrastructure (e.g., camera traps, binoculars) <sup>11</sup>
	Participatory research (natural resource use groups)
	Data management information systems
	Survey training (wildlife)
	Pilots for wildlife survey and monitoring
	Biodiversity inventory and developing indicators
	Biodiversity monitoring programme
<b>Law enforcement</b>	Travel for meetings and information exchanges
	Human rights training
<b>Habitat and species management</b>	Special protection measures for the management of species
	Necessary equipment (e.g., fire-fighting equipment, nursery materials etc.)
	Training required for this component
	Reforestation (native trees) (e.g., reforestation interventions and the removal of invasive species)
	Forest fire management (e.g., village meetings, prescribed burning and fire-fighting activities)
	Wetland restoration
	Ecosystem restoration
	Restoration of rare and endemic species
	Small demonstration plots for new NTFP species
	Technology for monitoring forest loss and degradation
<b>Community outreach and conservation awareness</b>	Necessary equipment (e.g., overhead projectors, printing materials, student booklets etc.)
	Training required for this component
	Community conservation meetings
	Student and teacher conservation activities
	Awareness activities at public events, in schools
	Problem household engagement
	Enforcement agency awareness raising
	Media (local radio, videos, multimedia, exhibitions, social media)
<b>Community development</b>	Village natural resource management and land-use planning
	Sustainable arming activities e.g., organic farming
	Sustainable small-scale animal husbandry; fish farms
	Agroforestry, nurseries
	Woodlots
	Fruit trees, timber trees, NTFPs

<sup>11</sup> Watch towers were previously considered but are excluded from consideration.

	Energy efficient alternatives <sup>12</sup>
	Small economic activities; women empowerment <sup>13</sup>
	Water harvesting
	Travel for meetings and information exchanges
	Community capacity building and training
<b>Ecotourism</b>	Community-based tourism and ecotourism (including tourist destination management, traditional crafts and souvenirs)
	Establishment of village guides; village tourism cooperatives
	Establishment of entrance fee sharing mechanisms
	Promotional materials (e.g., brochures, website, social media, video documentation etc.) about biodiversity of the protected areas and related tourism activities offered
	Capacity building – hospitality services; tourism products, equitable sharing negotiation, traditional crafts for tourism product etc.
	Small scale tourism facilities e.g., maintenance of trails, view- points, sign boards, tourist informative board
	Development of cultural tourism packages
<b>Sector Policy Development</b>	<p>Policy to strengthen the AHP management in Viet Nam:</p> <ul style="list-style-type: none"> <li>• Propose policy for management of AHPs in Viet Nam</li> <li>• Evaluate the implementation of biodiversity law in the AHPs</li> <li>• Propose action plan for AHPs in Viet Nam</li> <li>• Ecosystem services valuation</li> <li>• Climate change response</li> <li>• Assessment of climate change impacts in the AHP</li> <li>• Sustainable financing mechanism for AHP</li> <li>• Strengthen the coordination and information sharing mechanism between AHPs and national database system:</li> <li>• Evaluate of project reports and implemented activities AHPs in Viet Nam</li> <li>• Monitor project pilot sites</li> <li>• Regularly evaluation meetings</li> <li>• Standardisation of information sources, update of biodiversity conservation information into national database system</li> <li>• Set-up sharing mechanism of information and experiences between AHPs</li> <li>• Capacity building on AHP management and biodiversity conservation</li> </ul>

The above constitute general categories. The detailed White and Black List of activities and investments are found in ANNEX 04.

The SPs play an important role in ensuring adequate outreach and support to potential grantees, in particular ethnic minorities and seeking gender equality.<sup>14</sup> The outreach serves to avoid elite capture of the Project as well as ensure that grantees can submit proposals that enable a review of potential environmental and social risk.

<sup>12</sup> Small biogas systems, woodlots, efficient stoves and similar.

<sup>13</sup> Value added production, small handicrafts and similar.

<sup>14</sup> The ESDD noted the potential for exclusions based on gender, ethnic minority group and language, as well as livelihood status.

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#### **4.7 Proposal Format and Language**

For SGP proposal submissions, proponents shall use only the forms for technical and financial sections provided in ANNEX 05. The NWT shall not accept proposals in other formats. The language of submitted proposals is English and Vietnamese.

#### **4.8 Evaluation Criteria for interventions or investments**

As a general rule, preference will be given to projects that are the closest fit to the **PSGAP** and demonstrate a leading role for local civil society organizations.

Priority will be given to grant projects which:

- Responsive to the Call for proposals
- Demonstrate coherence of proposed project goals/objectives, organization set-up, and ToR of project key personnel
- Demonstrate multi-stakeholder engagement, in particular involving ethnic minorities / local cooperatives/ commune / women groups/ youth groups/ elderly groups/ vulnerable groups as their implementing partners
- Demonstrate participatory approaches in innovative ways to address the problem statement;
- Establish a clear, logical relationship between the problem statement, the objective of the project, and the activities proposed.
- Describe potential project risks and provide clear mitigation measures
- Demonstrate a clear implementation and technical monitoring concept with adequate technical specifications and clearly defined roles and responsibilities of all stakeholders
- Present strategies to capture and communicate project results including lessons learned, best practices and model approaches which have potential to be scaled up
- Demonstrate sustainable project results, including financing and stakeholder engagement
- Demonstrate cost-effective grant activities.

The Grant Proposals for the ACB AHP Small Grants Programme submitted by proponents are evaluated through the Evaluation System for Grant Proposals.

**Table 2: SGP Evaluation Criteria**

AHP:

Proponent:

Reviewer:

Criteria		MAXIMUM Points	Percentage awarded	Score Proponent
<b>1. Quality of Technical Proposal/ Technical approach (70%)</b>				
<b>1.1</b>	<b>Strategic Fit (30 pts)</b>			
	<b>· Responsiveness to Call for Proposals (Thematic Areas)</b>	8		0.00
	- Contribution toward SGP national objectives			
	- Clearly established relationship with the collaborative management plan / participatory small grant action plan			
	- Probable positive impact(s) on livelihoods and biodiversity conservation in the targeted area			
	- Project addresses the priorities areas			
	<b>Sustainability of project results (outcomes)</b>	10		0.00
	- Project will contribute to a policy institutionalizing the best practices from the project			
	- Presence of strategies to ensure relevant engaged stakeholder / local government / AHP continues to implement the results after the project ends			
	- Presence of strategies of financing the project outcomes after the project ends			
	- Presence of strategies to incentivize the relevant stakeholders to protect their surrounding environment and improve the social conditions			
	- Having clear benefit-sharing scheme as part of the sustainability of project results in terms of socio-economic criteria			
	<b>Coherence of proposed project's goals / objectives, organizational set-up, ToR of project staff</b>	4		0.00
	<b>Multi stakeholder engagement</b>	8		0.00
	- Proposed project engages ethnic minorities / local cooperatives/ commune / women groups/ youth groups/ elderly groups/ vulnerable groups as their implementing partners			
		30	0.00%	0.00
<b>1.2</b>	<b>Content (60pts)</b>			
	<b>Clearly defined problem Statement;</b>	5		0.00
	<b>Goals, Objectives and Activities clearly outlined</b>	10		0.00
	<b>Clear and concise project design:</b>			
	(a) Clear methodologies for planned activities	10		0.00
	(b) Strategy to improve the capacity of project participants / communities	2		0.00
	(c) Strategy to improve social conditions of final beneficiaries	2		0.00
	(d) Strategy to improve biodiversity conservation / environmental protection	4		0.00
	(e) Strategy to actively engage of women, youth, ethnic minorities, vulnerable groups (elderly, handicapped, poor etc.)	4		0.00

	(f) Clear monitoring system of proposed activities (e.g. indicators, target outputs)	4		0.00
	(g) Ensuring sustainability and stakeholder engagement after the project ends	4		0.00
	<b>Potential risks and solutions identified</b>	5		0.00
	<b>Strategies to capture and communicate project results including lessons learned, and best practices</b>	10		0.00
		<b>60</b>	<b>0.00%</b>	<b>0.00</b>
<b>1.3</b>	<b>Organizational capabilities of Local group / cooperatives</b>			
	Experience in implementing similar activities project management	3		0.00
	Presence of clear ToR for each proposed project personnel	2		0.00
	Work competence and experience of the proposed personnel	3		0.00
	Experience in collaborating with AHPs / local commune/ local authorities	2		0.00
		<b>10</b>	<b>0.00%</b>	<b>0.00</b>
	<b>2. Quality of financial proposal / Cost effectiveness (30%)</b>			
	Technical planned activities and proposed personnel are reflected in financial planning	30		0.00
	Ratio of time/staff cost to activity cost is reasonable (indicating that the project funds are prioritized for implementation and not for salaries and other management costs.*70:30)	40		0.00
	Presence of Cost-sharing / counterpart funding, in cash or in kind; Cost-sharing / counterpart funding, in cash or in kind, adheres to minimum 20% of overall cost	15		0.00
	Organizational overhead is not more than 6.75% of the total project cost	15		0.00
		<b>100</b>	<b>0.00%</b>	<b>0.00</b>
	<b>Points Awarded for Technical proposal</b>	<b>100</b>	<b>0.00%</b>	<b>0.00</b>
	<b>Points Awarded for Financial proposal</b>	<b>100</b>	<b>0.00%</b>	<b>0.00</b>
	<b>Weighted Score for Technical proposal (70%)</b>			<b>0.00</b>
	<b>Weighted Score for Financial proposal (30%)</b>			<b>0.00</b>
	<b>Total Score</b>			<b>0.00</b>

[a = higher the level, higher the score; b = lower the level, higher the score]

<b>Scale and Evaluation:</b>			
60% and above: Pass	FALSE		
55% to <60%: for revision		FALSE	
<55%: fail			REJECT

#### 4.9 Grant Award and Effectiveness

Grants will be awarded by ACB as the Grant Authority through the communication with the grantee in both, paper and electronic form. To this end, ACB will issue a Grant Agreement. The Grant becomes effective on the date the Agreement is signed by both Grantee and Authority. The ACB Executive Director,

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as representative of the Grant Authority, awards the grant in writing. Additional items such as a) final negotiated budget(s), b) special provisions, and c) any other attachments can be added if need be.

The grant funding period, henceforth Project Implementation, proceeds with the date indicated in the proposal as start date, until the end of project implementation indicated as number of months that the project will be implemented. The transfer and receipt of the first tranche of Grant Funds (see Chapter 10 Financial Management for process) does not indicate the start of project implementation.

#### **4.10 Grant Closure**

At Grant completion, all grantees will be required to prepare the Final Grant Completion Report through the GraMMS with the certification of SP and submit it to the PMU (see ANNEX 05 for template). PMU will approve and issue a letter of request to ACB for approval of the contract completion. ACB AHP small grants will be closed upon verification that all deliverables have been completed; all progress, financial, and audit reports have been reviewed and approved; and 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 returned and credited back to the portfolio for future grants.

After the grant is closed, ACB will officially notify the grantee in a Certificate of Acceptance (see ANNEX 05 that the grant is complete, indicating that the final technical and financial reports and all deliverables are accepted. If applicable, the final payment or refund request will be processed at this time. Any unused funds received by the grantees should be refunded to the nominated ACB Account and subtracted from the reported eligible expenditures. These funds are then available for other grants. Refer to Chapter 6 (Financial Management) for details on the return of unspent funds.

#### **4.11 Disputes and Penalties**

**Disputes.** Grantees must, as part of the grant agreement, ensure that a contact person is identified and communicated to communities in the relevant area of influence. This contact person may be a SP staff member where appropriate. The aim is for any issues to be resolved at the community, or lowest level possible. The contact person is required to manage any feedback or grievances that may arise, and handle information provided in a confidential manner. Issues should be forwarded to SPs monthly, be compiled and shared with the PMU and ACB in the biannual progress report. The report should reflect:

- Date and location of issue.
- Information on complainant but allow for anonymous submissions.
- Issue raised.
- Approach for verification, response, and resolution.

Where needed, grantees and SPs can refer conflicts or grievances to prominent community members, in accordance with the Law on Grassroots Mediation.

Where issues cannot be resolved at a local level, a case may require escalation to grant project management at an earlier stage or as part of an appeal. The SPs will have the discretion to determine the need for escalation and forward issues to the PMU Director and ACB. The Director will assign an impartial agent<sup>15</sup> to oversee the resolution process, with the ACB SGP Coordinator providing guidance for appeals.

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<sup>15</sup> This may be an appointment which is done on a case-by-case basis, in order for the impartial agent to have relevant background to resolve issues that have escalated.

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However, escalation is required to be immediate in any case that involves fraud, abuse of power or violence (including gender-based violence and abuse). Where necessary, the PMU will report to relevant authorities.

**Penalties.** Failure to fulfil the conditions stipulated in the PMM may result in financial penalty in the amount of 20 percent of the approved budget or in termination of the grant. A recommendation report, based on results of monitoring and evaluation of the project, shall be made by the SPs in the direction of the PMU, should a Grantee be found not fulfilling its obligations. The PMU will endorse to the ACB Executive Director the recommendation to impose penalties on the Grantee. The decision shall be made by the ACB Executive Director and will officially inform the Grantee of such decision. Grant recipients who misuse funds will be blacklisted from further support from the SGP.

#### **4.12 Force Majeure**

Implementation of projects is subject to force majeure events including, without limitation, acts of God, war, acts of terrorism, government regulations, political and/or economic events, national emergency, disaster, strikes (except by the relevant Party's own employees), civil disorders, pandemic disaster, or other emergencies making it illegal or reasonably impossible for that Part to perform its obligations hereunder. In the case of a force majeure event, implementation may be suspended or terminated further reasonable prior written notice from either Party to the other without any liability other than for remuneration for services duly provided and/or costs properly incurred and documented up to the date of the force majeure event.



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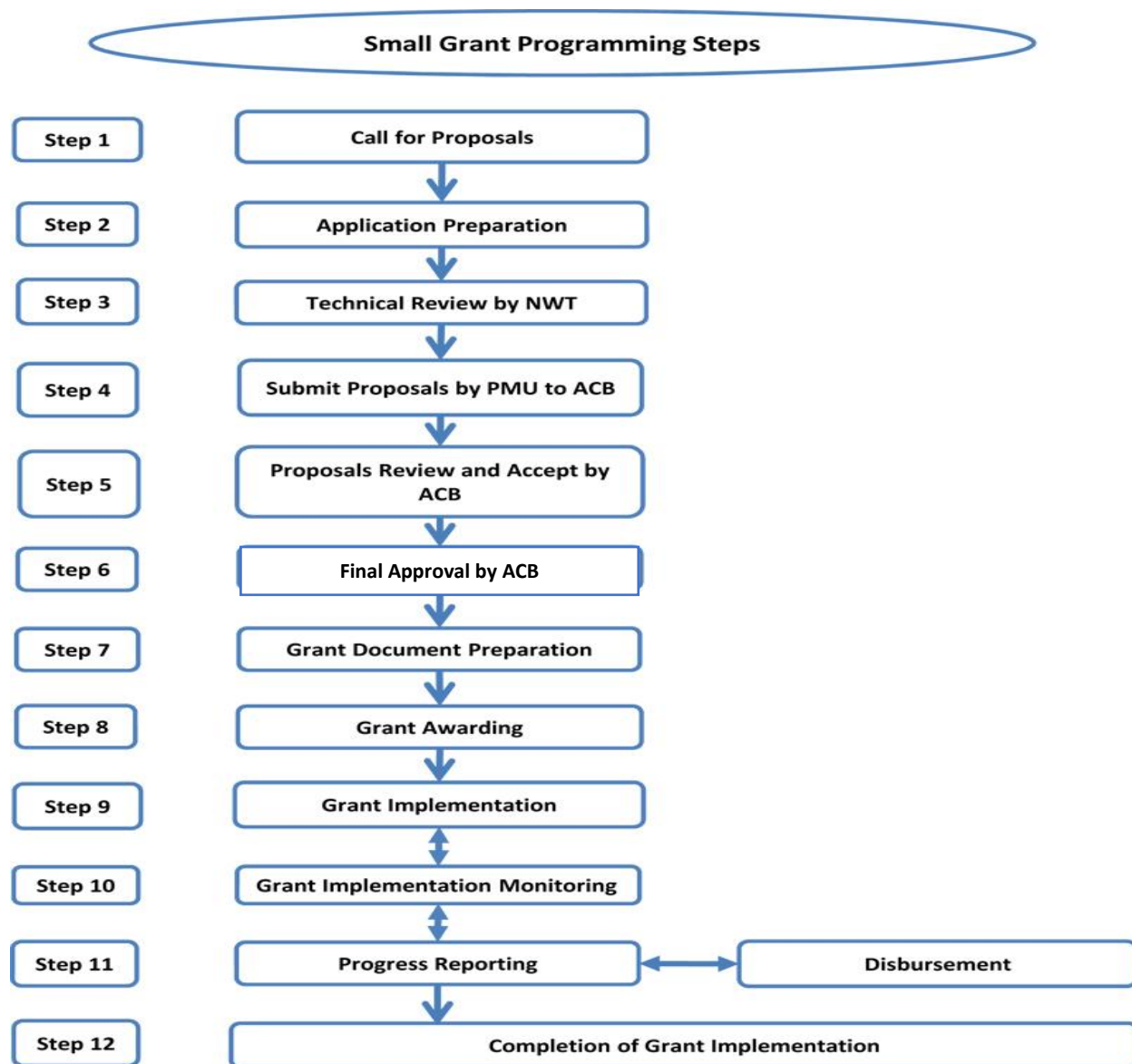
## **5 GRANT MAKING PROCEDURES**

### **5.1 Small Grants Programming Steps**

The Small Grants will be implemented in accordance with the following twelve steps. However, the ACB, in consultation with the PMU and the SPs, may alter the steps and sequence on a case-by-case basis to improve the efficiency and effectiveness of processing an application and/or implementing an activity.

To have a more systematic and centralized way of organizing the processes and the documents needed from accessing the grants up to its completion, the ACB developed the Grant Management and Monitoring System (GraMMS). The GraMMS is a web-based system which maintains, audits, and tracks grants awarded in the past, present, or planned to be requested in the future. It also tracks the full cycle of the, which is detailed in the steps below. The system can only be accessed online through <https://gramms.aseanbiodiversity.org>. Everyone can view and visit the system from the homepage, but only registered users will be able to log-in to the system. Details of the GraMMS user registration is described in Step 2. The GraMMS was developed using the templates and formats in the Annexes of the PMM.

Figure 2 below provides a diagrammatic flow of the Small Grants Programming Steps.



**Figure 2. Small Grants Programming Steps**

**Step 1 Call for Proposals.** A call for proposals will be launched at the beginning of the project cycle by ACB and PMU, with the support of the SP. The topics and priorities of the call will be agreed and decided by ACB and PMU. For the whole project duration, there will be at least one call for proposals.

- A. Preparation and submission of Concept Notes – For the pre-selection of proposals, a concept note is required to be prepared and submitted by potential proponents. A Concept Note is the description of the first idea of the proposal to ensure that the proposal conforms to the called theme of the project. Concept notes shall be a maximum of 2 pages and will be submitted in Vietnamese language. The concept note will be described by the proponents and must follow a pre-defined template with the following structure (template format is found in ANNEX 5):

- 
- I. Title of the project; thematic focus (tick from drop down list)
  - II. Implementing organization (name, address, main contact person for the project, partners involved in the project);
  - III. Background, problem statement and project specific objectives;
  - IV. Project site/location and target beneficiaries;
  - V. Project Concept (including approach and main steps on how they intend to achieve the objectives; project duration and expected outputs);
  - VI. Estimated budget (in EURO)
- B. Screening of Concept Notes by PMU – SPs will collect the Concept notes from potential proponents and will submit to PMU for screening. PMU will inform SPs about the screening results **after 2 working days** and SPs will inform the selected proponents for the development of the proposal.
- C. Development of Proposals – The notification of selected proponents will include required information that the potential Grantees need to comply in order to become registered users of the Grants Management and Monitoring System (GraMMS). This includes:
- a) Organization Name; and
  - b) Email Address
- The SP will provide support to the proponent in aligning the proposal with the PSGAP, the call for proposal, and compliance with administrative documents. The SPs will facilitate the submission of the proposal packages to the NWT.

Proposals will be submitted in English language.

**Step 2 Application Preparation and Submission through GraMMS.** The ACB prepares the GraMMS user accounts for the potential grantees. The GraMMS user accounts are set up once the ACB receives the required information from the potential Grantees specified in Step 1C. The ACB must be provided of the required information from the potential grantees **at least 1 day prior** to their intended date of submission. The accounts are set up within a maximum of 24 hours upon ACB's receipt of the required information from the potential grantees. The potential grantees need to log-in to the system through their account in order to submit their proposals. All proposals shall be submitted through the GraMMS. The Service Provider will provide assistance to the potential grantees in entering their proposals into the GraMMS.

The selected Proponents must prepare the Small Grant Application (template format is found in ANNEX 5) in English with the support of Service Providers to the best of their abilities. The proponent should consult with the respective AHP management and other concerned stakeholders in the development of the proposal. The proposal in English language shall be directly encoded into the system, attaching the Vietnamese proposal using the upload function. The Activity-Cost-Milestone (ACM) Plan (template format is found in ANNEX 5) is an integral part of each application. The plan presents all work to be done on a summary task basis; specifies personnel, materials, and other support; and presents clearly defined and quantified achievements or Milestones and products that vouch for achievement. The complete Application package consists of:

- a) answers to all questions found on the application form;
- b) completed ACM Plan;
- c) justification for all costs on the ACM Plan;

- 
- d) description of Cost Sharing and how it will be valued

The applications of proposals are then submitted to the Secretariat of the National Working Team (NWT) through the GraMMS in accordance with the requirements for submission (as per PMM). Contact details of the PMU will be provided at each call.

- Step 3      Technical Review by the NWT.** The NWT will review and select the proposals in each AHP based on the technical requirement for field implementation to ensure that the proposed activities can be implemented according to the requirements on biodiversity management and conservation in the National Parks and Protection Area (e.g. indigenous species, alien species, ecosystem stability). As applications are received by the NWT Secretariat, the NWT Secretary will:
- a) Conduct the initial administrative review in accordance with the PMM, through the GraMMS;
  - b) Enter accepted applications into the GraMMS;
  - c) Assign a minimum of two NWT members (permanent members) to review the application; accepted proposals will be distributed to the reviewers;
  - d) Notify the reviewers of their deadline (5 – 10 working days).

Once the review by each NWT member is completed, a Review and Evaluation Meeting (REM) will be scheduled and the NWT Secretariat will invite the members. Other NWT members may include external Technical Specialist(s)<sup>16</sup> and a Finance Specialist. There should be a minimum of three voting members plus the ACB appointed officer present at each REM.

At the onset of the REM, the NWT Secretary presents the grant proposals as entered into the GraMMS database, and Technical Specialists review the technical aspects of the project and discuss the pros and cons of awarding the grant. All NWT members are free to ask questions about the rankings and once all voting members are satisfied, the proposal applications shown on the GraMMS database are approved or rejected (one-by-one) – this is done directly on the application which also includes a space for NWT members' names, signatures, approvals, non-approvals, etc. A proposal is accepted if it reaches the minimum passing score and gets the approval of half of the voting members of the NWT.

After the review, the NWT Secretary will enter the consolidated NWT scores in the GraMMS database. If an application is rejected<sup>17</sup> at the REM, the NWT Secretariat will notify the related Proponent in writing within 10 days of the decision.

### **ESMF Review**

The environmental and social review of grantee proposals will happen as part of an overall review and scoring of proposals. However, the environmental and social review may render a proposal ineligible, regardless of scoring. Where this is the case, the review panel may

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<sup>16</sup> The Technical Specialist assigned to evaluate an Application cannot vote on the Application during REM.

<sup>17</sup> The REM will state the reasons for which an application is rejected, which may include, but not limited to, non-compliance or non-accordance of the proposal applications with the terms of reference as indicated in the call for proposals, and / or technical content and substance and financial proposal do not meet the quality as provided in the evaluation criteria.

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request a revision of the proposal to comply with environmental and social requirements. Overall eligibility is provided in Chapter 3 of the ESMF document.

The National ESMF Consultant will determine whether additional information is needed to finalise the review. Where the information is sufficient to determine mitigation measures and the proposal is granted funding by the review panel, the Consultant will incorporate environmental and social conditions in the agreement with the grantee. The conditions will, at a minimum, include:<sup>18</sup>

- Code of Conduct
- Standard Mitigation Measures
- Incident reporting requirements
- Applicable measures from ESCOP

The above items are all contained in the ESMF Annexes.

Where information is insufficient or where activities are clearly a higher risk under Category B, the National ESMF Consultant will organise a field assessment and apply the Site Assessment Tool (Annex 2 of the ESMF) and develop a site-specific ESMP to guide implementation.

The project may, where certain typologies of supported activities emerge, develop standard guidance related to – for example – nursery establishment.

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<sup>18</sup> For activities developed during the continued COVID-19 pandemic, aspects of Annex 4 of the ESMF may apply and activities that involve earth movements and excavation will also require incorporation of the Chance Find Procedures (Annex 7 of the ESMF).

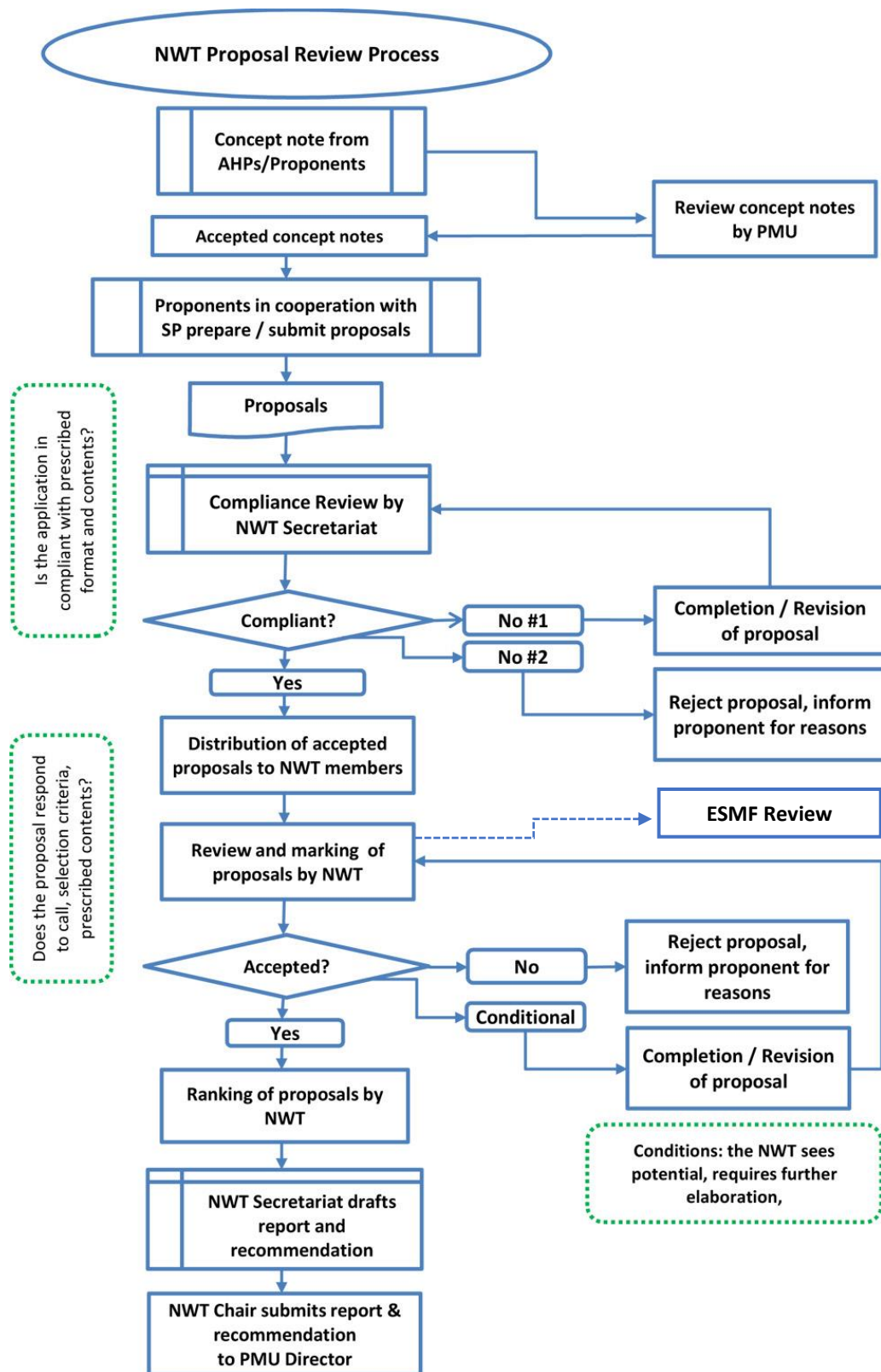


Figure 3. NWT Proposal Review Process

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**Step 4      Submit Proposals from PMU to ACB.** Once the REM agrees on the grant applications for funding, and prior to entering into a grant agreement, the NWT will assemble all grant applications into a grant package including the evaluation report and related documents for the whole project and submit to PMU.

The PMU Vice Director sends the entire grant package as received to ACB RPCU for review and acceptance. The entire grant package for submission includes: 1) Cover-letter; 2) Grant Proposal; 3) final Activity-Cost-Milestone Plan; and 4) NWT Evaluation Report

**Step 5      Proposals Review and Acceptance by ACB.** The RPCU of ACB review the submitted grant packages independently, but against comments and recommendations made by REM/NWT. After the review, the ACB will enter the consolidated ACB scores in the GraMMS database.

For proposals with scores between 55% and 60%, the Grant Authority will request clarifications and/or modifications of proposals in writing to proponent, with the NWT copied to the communication. In case of proposals that are accepted yet require clarifications and/or modifications, the Grant Authority will negotiate such changes with the proponents. The Grant Authority will set a suitable deadline for the improvement. In case negotiations with Proponents on budgets are required, the ACB Executive Director will appoint a person to lead the negotiation.

ACB will consolidate the NWT and ACB RPCU scores in the GraMMS to generate the Grant Agreement Number.

ACB will submit all grants above €100,000 to KfW for no-objection. Proposals that will be getting a high E& S rating will also have to go through KfW for no objection. Once the RPCU of ACB have reviewed and accepted the grant, they will return accepted proposals including the no-objection of KfW for grants above €100,000 back to PMU Director/Vice Director for final approval.

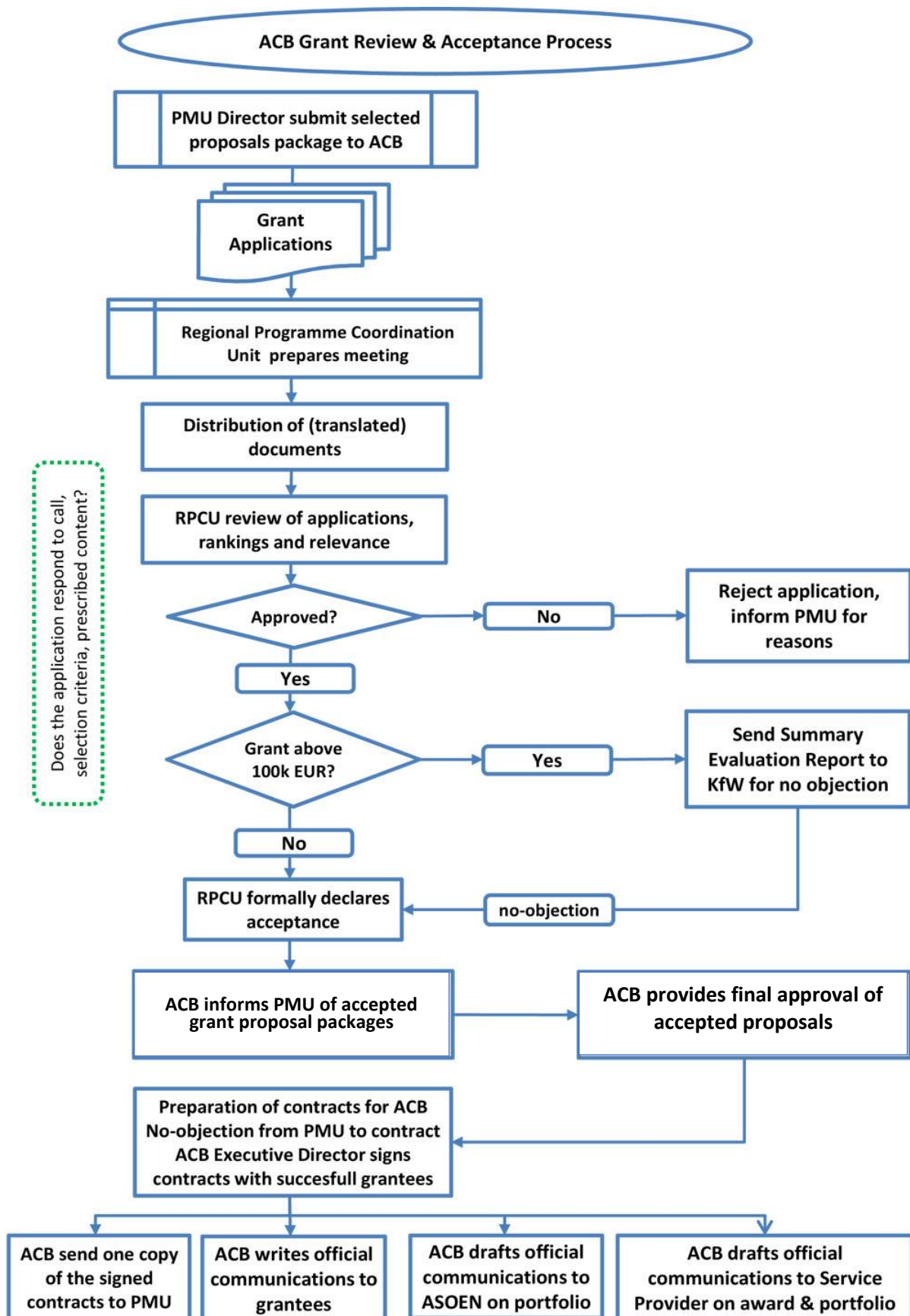


Figure 4. Grant Review and Acceptance



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**Step 6 Final Approval of Proposals by ACB.** The ACB will inform the PMU of the consolidated results of the NWT and PMU evaluation of proposals. The ACB will provide final approval of accepted proposals and the entire approved proposal package together with supplementary documents will be prepared for grant awarding by the ACB Executive Director.

**Step 7 Grant Document Preparation, Negotiation and Determination of Grant Awarding.** The ACB will provide the Grant Agreement numbers to the SP for the preparation of Grant Agreements (template format is found in ANNEX 5) including all related documents, and negotiate with the grantee (if necessary) for each proposal. The final draft of the negotiated grant agreements done by the SP will be provided to ACB for consideration, together with no-objection letter from the PMU for the final contracts.

**Step 8 Grant Awarding and Signing of Grant Agreements with Grantees.** The ACB Executive Director, as representative of the Grant Authority, awards the grant in writing, with the following items to be included to complete the grant award:

- a. Grant Agreement (including Special Provisions)
- b. Grantee's Project Proposal
- c. Activity Cost Milestone Plan (to reflect the Final Negotiated Budget)
- d. any other attachments (should it be needed)

The effectiveness of a grant can only be on or after ACB's signature has been obtained. After grant agreement between ACB and the Grantee has been signed, ACB will send the copies of the signed agreements to PMU and the SP (one copy for each) for monitoring of the implementation.

**Step 9 Grants Implementation.** After awarding the grants and signing the grant agreement with the grantees, project implementation in the field will proceed according to the planned schedule and ACM. The implementation of grants will be carried out by the grantees with support of the SP and in close cooperation with related AHP management board to ensure the technical quality, as well as the best benefits for the beneficiary (the AHP). The grant proponents' main responsibilities are: a) identifying of needs and designing of need-based conservation interventions (PLUP, "bottom-up"); b) drafting of project design (incl.: detailed interventions, costs & benefits, stakeholders, accessible funding from all sources; c) submitting of grant proposal to grant making team for revisions and approval; d) implementing sanctioned grant. The PMU will elaborate and approve technical guidelines based on regulations for management of the AHP in the AHP system of Viet Nam. The PMU will organise training courses on related technical aspects.

**Step 10 Grant Monitoring.** The monitoring mechanism detailed in Chapter 8 shall be followed for the monitoring of project grants and grantees. The Technical Specialists of the NWT, together with the ACTA, the AHP managers and the assigned SP will monitor the implementation of grant activities on a regular basis. Quarterly visits will be done by the National ESMF Consultant to review compliance. The quarterly visits should be conducted in a timely manner to precede the PMU deadlines related to semi-annual progress reports to ACB and submission to KfW. Visits may include review and examination of technical, administrative, financial, desk audits, and all other aspects of the grant. Indicators and targets to be used for monitoring and evaluation will be discussed with the grantees at the onset of implementation and will be reflected in the required progress reporting. The NWT Secretary in cooperation with the ACTA will support the grantees by addressing questions and helping to resolve issues. The NWT Secretary will keep ACB management fully apprised of implementation progress and of any issues that may arise.

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**Step 11 Disbursement and Progress Reporting.** Disbursement and reporting follows the procedures introduced in Chapter 6 (Financial Management) and Chapter 9 (Reporting) of the PMM.

All requests for payments will be made for actual costs incurred, when accompanied by supporting documentation for costs such as copies of receipts, timesheets, and others that may be required. All requests for payments must correspond to the ACM specified in the Grant Agreement and verified by the Park Manager in writing (if any) in maximum 2 weeks after receipt of the reports. The NWT Secretary reviews the payment request and forwards it to the ACB RPCU for review of the Milestones and acceptance of the delivery. The SPs work the reconciliation against accounting records and approves the payment. ACB reserves the right to independently verify the Milestone. In some cases, it may do so by means of verification by a third party of its choice. In case the progress falls under the requirements, the disbursement will be pended or cancelled. PMU will identify the action to recommend to ACB for final decision.

To the extent practicable, all Grantee payments will be made by bank transfers in order to reduce risk associated with hand carrying large amounts of cash to the field. The Grant Authority pursues a full disclosure policy concerning grants recipients and awards. The ACB-SGP website is a freely accessible repository for information such as allotments, disbursements, and reports.

SGP Grantees are required to submit quarterly (technical and financial) and final reports in accordance with the guidelines indicated under Monitoring and Evaluation (Chapter 8) through the GraMMS using the same user account created by ACB at the application process (Step 2), unless otherwise advised. In support of a payment request, the Grantee is required to provide an assessment of work progress; constraints identified and/or problems encountered; and to state actions that have been or will be taken to remove the constraints or correct the problems in a timely and adequate manner. Progress, constraints/problems, and corrective actions must be presented with reference to specific work tasks.

**Step 12 Completion.** Grants will be closed in accordance with the PMM. When requesting the final tranche, SGP Grantees will be required to submit to PMU and ACB the following:

- a) A Final Report (Grant Completion Report) using the Format in ANNEX 05 in English and Vietnamese version. The Grant Completion Report shall be submitted through the GraMMS<sup>19</sup>. The same user account created by ACB specified in step 2 shall be used by the Grantee;
- b) A Completion Certificate (template format is found in ANNEX 5) issued by the PMU and ACB, endorsed by the ACTA, which certifies completion of all activities.

**Table 3: Small Grants Programming – Procedures in Summary**

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<sup>19</sup> The English version of the report shall be encoded into the GraMMS. The Vietnamese version of the report, together with the Completion Certificate shall be submitted together with the English version of the report through the upload file facility.

Step	Activity	Main Responsibility	Support	Maximum Duration
				(DAYS)
<b>Step 1: Call for proposal (CfP)</b>	Announcement of call for concept notes / proposals for small and medium grants	PMU / SP	NWT, SP, ACTA	7
	Development and submission of concept notes by Proponents based on call for proposal	Proponents	SPs	5
	Review of concept notes by NWT	NWT	ACTA	2
	Announcement of accepted concept notes per email and confirmation of proponents for proposal submission	PMU / SP		3
<b>Step 2: Proposals Preparation</b>	Development and submission of Proposals by proponents; - include consultation with respective stakeholders e.g. AHP, commune / villages - Include proposal writing training workshop and coaching - Include GraMMS training for proponents	Proponents	SP, ACTA/CTA	33
<b>Step 3: Technical and Financial Proposal Review by NWT</b>	Conduct administrative review and provide comments / inputs on based on the ESMF	NWT Secretariat	ACTA ESM specialist SP	3
	Technical and financial proposals review by the NWT	NWT's members	ACTA	4
	Consolidation of results / Review and evaluation meeting e.g. Entering the scores in the MASTER LIST; notify rejected proponents;	NWT Secretariat	ACTA	2
<b>Step 4: Submission of Proposals to ACB</b>	NWT submit the proposal package including evaluation report and relating documents to PMU Vice Director for sending to ACB for review and acceptance	NWT Secretariat	ACTA	2
	Sending Grant Package to RPCU and Technical Working Group (TWG) of ACB	PMU	ACTA	
<b>Step 5: Proposals Review and Acceptance by ACB</b>	Grant package review by ACB RPCU	ACB	CTA	2
	Send all grants above € 100,000 to KfW for no-objection	ACB		14 <sup>20</sup>
	Issuing no-objection letter for all grants upward € 100,000 by KfW	KfW		
	Return the accepted proposals to PMU/NWT	ACB		
<b>Step 6: Final Approval of Proposals</b>	Final approval accepted proposals by the PMU Vice Director	PMU Vice Dir	NWT Secretary	5
	Sending approved grant package back to ACB – ED for grant award	PMU	NWT Secretary	

<sup>20</sup> The number of days may be lessened to maximum of 5 days for Step 5 should there be no grant proposals above EUR100,000

<b>Step 7: Grant Document Preparation</b>	Preparing of Grant Agreements and send to ACB	SPs	CTA/ACTA	5
	Preparation of Annual Procurement Plan (APP) by grantees	Grantees	SPs	5
	Consideration of draft grant agreements by ACB and send to PMU for No-objection	ACB		5
	PMU issue No-objection letter to final contracts before signing	PMU		2
<b>Step 8: Grants Awarding</b>	Grants award/Signing of contracts	ACB ED / Grantees	SPs	5
	Sending copies of signed contracts to SPs and PMU for monitoring	ACB	ACTA	
<b>Step 9: Grant implementation</b>	Grant implementation	Grantees	SPs	up to 18 months
<b>Step 10: Grant Monitoring</b>	Regular monitoring of the implementation of grant activities and handholding activities	SP, PMU	ACTA, NWT Secretary,	
<b>Step 11: Fund Disbursement and Progress Reporting</b>	First disbursement of grant funds to grantees	SPs		
	Submission of quarterly report (technical and financial) by the Grantees to SP	Grantees	SPs	
	Submission of quarterly report (technical) by the SP to AHP manager/Local authorities	SPs		
	Verification of reports by AHP manager/Local authorities	AHP manager/Local authority		10
	Submission of quarterly verified report (technical and financial) to NWT	SPs		
	Review of technical report of SP by PMU and forward to ACB	PMU	ACTA	7
	Review of technical report of SP by ACB	ACB	CTA	7
	Succeeding disbursements to SPs	ACB		
<b>Step 12: Completion</b>	Submission of Final Report	Grantees	SP	
	Verification of Final Report	SP, AHP Managers, NWT/PMU/ ACB	ACTA / CTA	22
	Presentation of projects	grantees	SPs	3
	Issuance of Completion Certificate	ACB	SPs	7

## 5.2 Microgrants Application Steps

The application for microgrants follow a simpler procedure and shall be mainly facilitated by the Service Providers. Microgrants application may be on a rolling basis, and it is the

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responsibility of the SP to announce the call. The basic steps<sup>21</sup> to be followed in the microgrant application are as follows:

- a) SP determines the thematic focus of the call for microgrant proposals
- b) SP conducts an outreach activity for potential microgrants proponents, including an orientation on the compliance with the ESMF
- c) Potential proponents develop microgrant proposals
- d) SP submits microgrants proposal packages to PMU for evaluation
- e) PMU conducts evaluation of microgrant proposals and provides approval
- f) PMU endorses SP to award the microgrants
- g) SP signs the grant agreement with the micrograntees

Microgrants are implemented for a duration of up to 8 months. SPs are responsible in monitoring the implementation of the microgrants, and may provide technical assistance to grantees should it be requested.

### **5.3 Obligations (Grant Implementation)**

#### **5.3.1 ACB**

ACB will make available the grant funds in a timely manner, in accordance with the Disbursement Procedure (Chapter 10) and under the terms and conditions of the grant agreement. No further disbursement or replenishment of funds will be made by ACB unless proper accounting of funds earlier issued is provided by the Grantee and supported by satisfactory performance of field activities. Upon request signed by the Grantee, the Fund may make payments to a third party for works carried out or services or goods delivered, for the undertaking of the Project (according to Procurement Chapter 11).

#### **5.3.2 The Grantee**

##### **5.3.2.1 General condition for implementation**

The grantee is obligated to implement the approved project in compliance with the time frame and financial conditions stipulated in the grant contract. The project shall be financed by the SGP according to the regulations introduced in Chapter 06 (Financial Management) and specified in ANNEX 06.

##### **5.3.2.2 Branding**

The grantee is obligated to acknowledge the ACB-SGP's support of the project (1) on all premises where events take place as part of the project, (2) in all communication materials distributed as part of the project and (3) on all websites connected with the project, including the grantee's websites. News and features about the project may be published in the ASEAN Biodiversity Magazine and the ASEAN Biodiversity Updates electronic newsletter. All acknowledgements must carry the visible logo of the ACB-SGP, including the project seal provided by the German Embassy, and, if on-line, must be directly linked to [www.aseanbiodiversity.org/sgp](http://www.aseanbiodiversity.org/sgp). Acknowledgements in event venues must be present for the duration of the events; acknowledgements on-line must remain active for the whole contractual period of the grant project, at minimum.

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<sup>21</sup> Additional steps may be applied depending on conditions and compliance with the Grant Making Policies in Chapter 4.

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AHP Site-Based projects shall bear sign boards, with the MoNRE logo, ACB-SGP logo and the Project seal from the German Embassy that will contain at least the following message:

“A development project of the ASEAN Centre for Biodiversity,  
co-financed by the Federal Republic of Germany through KfW.”

The Grantee must consult the Authority regarding the content of any promotion or publicity regarding the Project particularly if it proposes to use any of the Authority’s branding or logos in accordance with the PMM. Where the Authority directs that its funding must not be acknowledged, the Grantee shall comply with this instruction. Publicity for the project shall follow the ACB Writing and Branding Guidelines (ANNEX 05), including the use and order placement of the logos, to ensure consistency in corporate look.

The grantee is obligated to issue a press release for every public event that takes place as part of the grant project. Each press release must contain acknowledgement of the ACB-SGP’s support of the project. The project shall allocate funds, under Regional Coordination and Exchange, for research and writing about success stories in the field for publication in the ASEAN Biodiversity Magazine.

#### **5.3.2.3 Notification of Changes in Contractual Conditions**

The grantee shall immediately notify the ACB of any changes in contractual conditions (e.g. changes of the budget, project partners, contractual period or project name) in a letter signed by the grantee’s statutory representative accompanied with a copy of relevant documents declaring the changes. The Executive Director decides on such changes, if necessary. All changes are possible only within the contractual period.

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## 6 FINANCIAL MANAGEMENT AND COST POLICY

### 6.1 Introduction

The purpose of this chapter is to provide assistance and guidance to the users and stakeholders on the relevant disbursement procedures, accounting policies and reporting requirements. The Service Provider for grant-making herein referred to as Service Provider must have appropriate accounting and internal control systems in place that:

- Reliably record and report the financial transactions of the project; and
- Provide sufficient financial information for managing and monitoring project activities.

The Service Provider shall:

- Implement the project in conformity with sound financial management practices;
- Provide guidance, management and monitor the disbursement of the proponents and grantees according to the financial regulations of this regulation;
- Keep books and records clearly identifying all costs of the services and supplies for the project;
- Observe national standards and regulations of the Ministry of Finance for correct bookkeeping.

The detailed guideline on financial management for the SGP may be found in ANNEX 06 of the PMM.

### 6.2 Cost Policy

ACB's position is that, whenever possible, specifically allocable costs of an applicant organization's project should be requested and justified in the proposal as direct costs. ACB as a regional entity is not committed to matching the indirect cost rates of e.g. the U.S. government or other entities. However, ACB's policy is consistent with both, many private foundations and certain government entities that have a flat or maximum rate that caps the amount an applicant institution can charge.

#### 6.2.1 Direct Costs

The purpose of SGP funding is to improve conservation and livelihoods, i.e. is field-oriented. All eligible costs associated with the proposal may be included in the budget submitted to ACB. The following policies and practices apply to the direct costs that the ACB SGP funds, ACB, the NWT, and the PMU will conduct a line-item review of all budgets of awarded grants according to these policies and practices and issues a budget comments for response document as part of the grant signing process. Satisfactory responses, which may include a revision of the budget, are a requirement for grant signing. Supporting documentation for costs included in the budget is not required at the application stage, but ACB reserves the right to request supporting documentation for any and all costs presented in the budget.

**Table 4: Direct Cost Examples**

Both grants and contracts if DIRECTLY ATTRIBUTABLE TO THE PROJECT	GRANTS ONLY if DIRECTLY ATTRIBUTABLE TO THE PROJECT & NEWLY ACQUIRED SPECIFICALLY FOR THE PROJECT
<ul style="list-style-type: none"><li>➤ Salaries of employees:<ul style="list-style-type: none"><li>• Can include Project Management</li><li>• Can include directly attributable administrative support, legal or accounting functions, with distinct and measured effort on the project.</li></ul></li><li>➤ Fringe benefits of employees</li></ul>	<ul style="list-style-type: none"><li>➤ Equipment purchases [Note that all existing equipment would represent indirect costs.]</li><li>➤ Newly-acquired facilities such as:<ul style="list-style-type: none"><li>• A new field clinic</li><li>• New testing laboratories</li><li>• New project implementation unit office</li></ul></li></ul>

Both grants and contracts if DIRECTLY ATTRIBUTABLE TO THE PROJECT	GRANTS ONLY if DIRECTLY ATTRIBUTABLE TO THE PROJECT & NEWLY ACQUIRED SPECIFICALLY FOR THE PROJECT
<ul style="list-style-type: none"> <li>➤ Travel for employees</li> <li>➤ Consultants</li> <li>➤ Supplies</li> <li>➤ Sub-grants (defined as work sourced from the primary grantee to another organization, where funding is provided up front)</li> <li>➤ Sub-contracts (defined as work sourced from the primary grantee to another organization, where funding is provided in arrears)</li> </ul>	<p>[Note that all existing facilities would represent indirect costs.]</p> <ul style="list-style-type: none"> <li>➤ Utilities for newly acquired facilities</li> <li>➤ Newly acquired Information Technology equipment and support for the project</li> </ul>

### 6.2.2 Indirect Cost Policy<sup>22</sup>

The ACB SGP defines indirect cost<sup>23</sup> as:

- Overhead expenses or on-going operational costs incurred by the applicant organization on behalf of the organization’s activities and projects, but that are not easily identified with any specific project.
- Administrative or other expenses which are not directly allocable to a particular activity or project.
- Expenses related to general operations of an organization that are shared among projects and/or functions.
- Basic examples include executive oversight, existing facilities costs, accounting, grants management, legal expenses, utilities, and technology support.

While the definition of indirect costs is subject to some interpretation, ACB has in table 6 below listed certain indirect costs (this is not an exhaustive list).

**Table 5: Examples of Indirect Cost**

<ul style="list-style-type: none"> <li>➤ Existing facilities costs (e.g. rent, maintenance, etc.) such as: <ul style="list-style-type: none"> <li>• University headquarters</li> <li>• Country/regional offices</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>➤ Utilities for existing facilities</li> </ul>
<ul style="list-style-type: none"> <li>➤ Existing Information technology equipment and support (e.g. centralized IT systems, networks, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>➤ Existing shared equipment</li> </ul>
<ul style="list-style-type: none"> <li>➤ Existing equipment maintenance</li> </ul>
<ul style="list-style-type: none"> <li>➤ Depreciation on equipment</li> </ul>
<ul style="list-style-type: none"> <li>➤ Insurance</li> </ul>
<ul style="list-style-type: none"> <li>➤ Communications expenses (e.g. phones, etc.)</li> </ul>
<ul style="list-style-type: none"> <li>➤ Administrative office supplies</li> </ul>
<ul style="list-style-type: none"> <li>➤ General administrative support: <ul style="list-style-type: none"> <li>• Executive management (CEO, COO, CFO, etc.)</li> <li>• Executive administrators</li> <li>• General ledger and grants accounting</li> <li>• General financial management staff</li> <li>• Internal audit function</li> <li>• Institutional legal support</li> </ul> </li> </ul>

<sup>22</sup> This section is based on the Indirect Cost Policy by the Bill & Melinda Gates Foundation

<sup>23</sup> Indirect costs are sometimes referred to as “overhead costs” and more recently as “facilities and administrative costs.” For purposes of this document, indirect costs and overhead costs may be used interchangeably.



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- |   |
|---|
| <ul style="list-style-type: none"> <li>• Research management personnel</li> <li>• Information technology support staff</li> <li>• Facilities support personnel</li> <li>• Scientific support functions</li> <li>• Environmental health/safety personnel</li> <li>• Human resources</li> <li>• Library &amp; information support</li> <li>• Shared procurement resources</li> <li>• General logistics support</li> <li>• Material management (e.g. tracking procurement, inventory management, shipping)</li> <li>• Other shared resources not directly attributable to the project</li> </ul> |
|---|

### **6.2.3 Maximum Indirect Cost Rates**

Under the SGP, indirect cost rates for grants and contracts are limited. Up to 6.75%<sup>24</sup> of the approved sum may be used to cover project overhead costs (operating costs directly linked to the project). ACB reserves the right to increase the allowable amount for overhead costs.

### **6.3 Fund Management**

The procedure to transfer funds to Viet Nam into a FOREX account held by the Service Provider shall be consistent with what is currently practiced in Viet Nam. The SGP will undertake direct payments to the Service Provider, if these have the required legal status (see Eligibility). The service provider will, based on Grant Agreement and ACM, disburse monies to the grantees.

For disbursements these conditions apply:

- ACB and grantee / service provider have signed the grant-agreement;
- The Service Providers receives aggregated funds from ACB and distributes grant monies in local currency to grantees in accordance with Grant Rewards of this regulation and disburses;
- The proceeds of the grant shall be applied for the financing of project expenditures in accordance with the grant-agreement and for measures approved by ACB in writing as per Grant Agreement.
- If there is no evidence proving the use of the financial contribution for the purpose stipulated or does not fulfil any other obligations under the agreement, the Service Provider shall repay the fund plus interest earned.

### **6.4 Disbursement Procedure**

#### Disbursement procedure from ACB to the SPs and Project Management Unit (PMU)

1. The disbursement from ACB to the PMU shall be based on the annual work plan. Transfer of fund shall be done on annually every second (2<sup>nd</sup>) week of January of the current year. Unspent funds from the preceding year shall be taken into account prior to the actual transfer of funds.
2. The disbursement from ACB to the Service Providers (SPs) will be based on the request of the implementation progress and at least 75% of the allocated funds are already disbursed. But the duration must not less than 3 months and not more than 6 months from the last transfer (exception for the first transfer).
3. Conditions for the first disbursement/transfer:
  - a. PMU - the first disbursement is the annual amount of the year and the following conditions must be satisfied:

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<sup>24</sup> This rate follows what is allowed and approved by KfW in SGP I for Indonesia and Myanmar

- 
- + Present the operation and financial plan for the next 3 – 6 months; and
  - + Request for advanced payment.
  - b. Service Providers - for the first transfer the followings conditions must be satisfied:
    - + Present the signed service contract with the ACB/project;
    - + Present the operation plan and financial plan for the next 6 months; and
    - + Request for advanced payment.
  - 4. Condition for the next replenishments:
    - a. PMU - for the next replenishments/transfers the followings conditions must be satisfied:
      - + Present the project progress report from the last accounting period;
      - + Present the operation and financial plans for the next 6 months; and
      - + Request for Replenishment.
    - b. SPs - for the next replenishments/transfers the followings conditions must be satisfied:
      - + Present the progress report for technical and the last accounting period which has been accepted and issued with a no-objection letter by the PMU (Vice Director);
      - + Present the operation and financial plans for the next 6 months for ACB and PMU to consider; and
      - + Request for Replenishment.
  - 5. Management of bank accounts and calculation of exchange rate:
    - a. The SPs as well as the PMU must open an (01) account in Euro currency in a trust local bank for receiving and managing the money transferred from ACB.
    - b. For each payment or transfer to the grantees the PMU or SP must request the bank to withdraw the payment/transfer amount from Euro account after exchange into VND based the actual exchange rate of the day of transfer/payment.
    - c. The PMU and SPs must note all exchange rates of all transfers/payments for calculation of mix-exchange rate.
    - d. In the request for replenishment the paid amounts must be exchanged into Euro currency. The calculation of the applied exchange rate for the reporting period must be following the MIX-EXCHANGE-RATE calculation of all exchange rates of the withdrawals/transfers from the Euro-account into VND account for the accounting period.
  - 6. The withdrawal application of the SPs and PMU sent to ACB must be signed, endorsed and certified correct by the authorized representative. The SPs and PMU shall submit the following documents in English. Documents in any other language must be accompanied by a translation into English.
    - + Request for replenishment which should bear the project reference number, numbered consecutively and signed by authorized representatives of the Service Providers/PMU.
    - + Statement of Expenditures (ANNEX 06); and
    - + Detailed breakdown of Expenditures (ANNEX 06);
  - 7. ACB will not be liable for delays caused by transferring banking institutions in the disbursement of funds;
  - 8. ACB will not be liable for delays caused by late transferring of funds from the KfW to ACB.
  - 9. ACB reserves the right to reduce the volume of the disbursement.

ACB will not disburse funds after December 30, 2024.

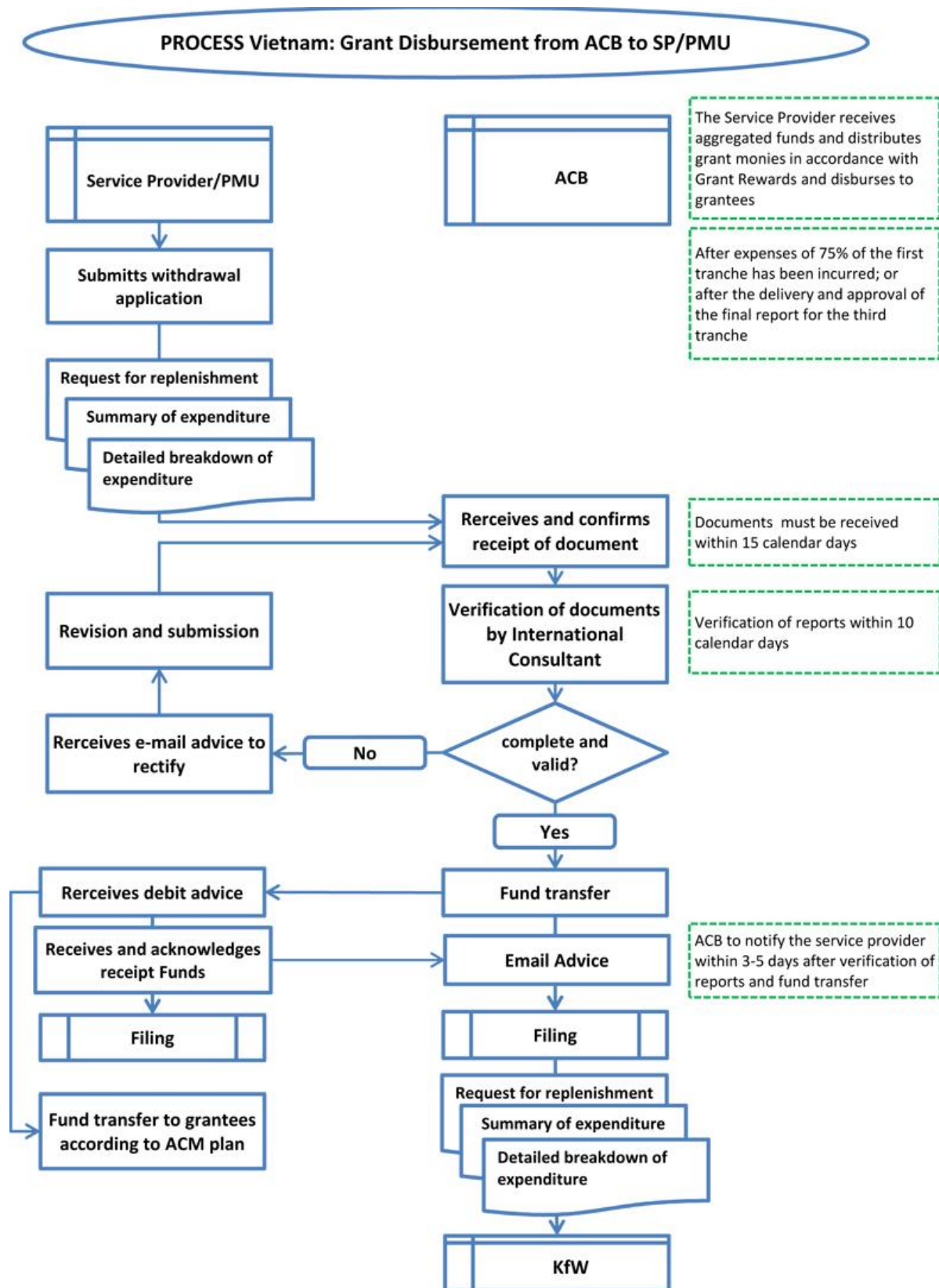


Figure 5. Disbursement procedure from ACB to PMU and SPs

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### Disbursement procedure from Service Provider to the Grantees

1. The grants will be disbursed by the SP in tranches:

- a. The transfer of fund to the SPs as well as to the Grantees must be based on the grant implementation progress and the approval by the PMU. The PMU will review and endorse each request before forwarding the request to ACB;
- b. For grants with duration of 6 months or less, 90% of the agreed amount shall be advanced within 10 working days from the signing of grant contracts by the relevant parties and provided to ACB. The balance is payable upon submission of completion and/or final reports which have been verified by the concerned AHP managers and accepted by the contracted SP and PMU;
- c. For grants with duration of more than 6 months, the schedule of disbursement is as follows:

First Tranche	50 %	Within 10 working days upon signing of Contract by the Parties and provided to ACB.
Second Tranche	40 %	Upon submission of progress report which has been verified by the concerned AHP manager and accepted by the contracted SP and the PMU Vice Director (no-objection letter) together with the withdrawal application with evidence that 75% of the first tranche has been incurred and properly disbursed.
Third Tranche	10%	Upon submission of final report (Grant Completion Report) which has been verified by the concerned AHP manager and accepted by the contracted Service Provider, the PMU (Vice Director) and the ACB.

2. Procedure for the Disbursements:

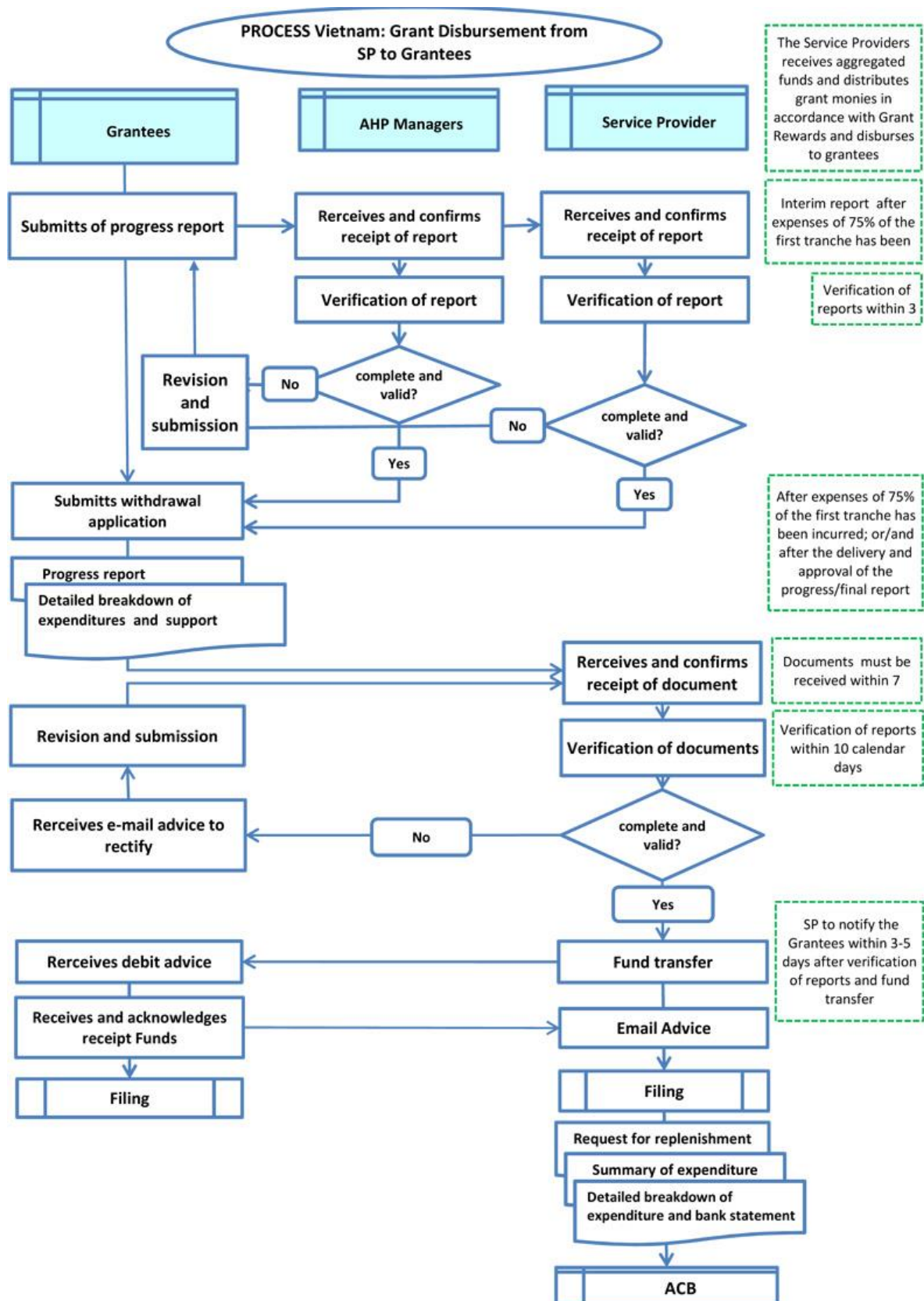
- a. The first tranche is disbursed to the Grantees within 10 working days after the delivery of the signed contract to ACB;
- b. Subsequent tranches are disbursed upon the delivery and approval of complete and duly prepared progress/final reports. After expenses of 75% of the first tranche have been incurred and properly disbursed, the Grantees shall submit a withdrawal application signed, endorsed and certified correct by the authorized representative. The Proponents and Grantees shall submit the following documents:
  - + Request for replenishment which should bear the project reference number, numbered consecutively and signed by authorized representatives of the Grantees;
  - + Statement of Expenditures;
  - + Detailed breakdown of Expenditures;
  - + No-objection letter issued by PMU (Vice Director)
- c. The final tranche usually amounts to about 10% of the grant's total sum and is payable after the delivery of the final report (Grant Completion Report), which have been verified by the concerned AHP managers within 7 days, after this time, being considered as deemed approval of AHPs, and approved by the contracted Service Provider and the PMU.

3. The SP will not be liable for delays caused by late fund transfer from ACB to the SP;

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4. The SP will not be liable for delays caused by transferring banking institutions in the disbursement of funds;
  5. The SP may recommend reduction of the volume of the disbursement upon consultation and approval by PMU and ACB;
  6. The SP will not disburse funds after September 30, 2022<sup>25</sup>.

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<sup>25</sup> This deadline may be extended according to progress of implementation duration of the SGP II and upon consultation with KfW



**Figure 6. Disbursement procedure from SPs to Grantees**

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## **6.5 Accounting**

### **6.5.1 Accounting Principle**

1. The accounting books and supporting documents must be legible, uninterrupted and systematically filed. Account holder or Chief Accountant is absolutely not allowed to sign empty cheques or invoices. Use of abbreviations and corrections on supporting documents and accounting books are prohibited.
2. The Service Provider shall keep a separate project journal and observe the national standards for correct bookkeeping. All project-related receipts and expenditures shall be recorded in chronological order and in accordance with the measures agreed-upon.
3. The original vouchers for each payment and entry operation shall be kept in chronological order and numbered consecutively with the respective entry.
4. Project journal and original vouchers must be kept until at least five years after completion of project and will be accessible at all times for inspection by ACB or third parties authorized by ACB or will send them on request to ACB or third parties authorized by ACB.
5. The Service Provider and individual grantees shall maintain the following records:
  - a. Cash Book: All payments in cash and transaction to other accounts will be recorded and maintained by the Service Provider in a Cash Book for each operational account. The cash book records every payment and receipt and includes detailed information such as cheque and voucher numbers. Conversions from EUR to VND will be recorded in the cash books.
  - b. Journal: The journal will be used by the accountant for making any corrections that may be required or for bringing into the accounting system any items not dealt with in the cash books, such as provisions and accruals at the end of an accounting period. The ACB Accountant will authorize these.

### **6.6 Supporting Accounting Documents**

1. Supporting accounting documents are writing evidences about economic and financial business, accounting which occurred and really completed;
2. Any economic and financial business, accounting relating to use of funds and receive, disburse of funds must be documented. The evidences which will be used as basic for accounting must be as legal, reasonable and conform to regulations and must include following factors:
  - a. Designation of the document (receipt, payment voucher, invoice...);
  - b. Date of issue of the evidence;
  - c. Number of evidence;
  - d. Name and address of the issuing organization or individual;
  - e. Name and address of the receiving organization or individual;
  - f. Content of the paid activity;
  - g. Other quantity and value indicators of evidence;
  - h. Signatures of the persons who are responsible for the correct of the business. The evidence which reflects the relationship of legal persons must include the signature of the inspector (chief account) and the approver (the Chief), with stamp of the organization.
3. The supporting documents are official receipts, invoices, contracts/service agreements, acknowledgement receipts and other related documentation;
4. If any supporting document (i.e. items for goods purchased, services rendered, dates, name of vendor and recipient) is written in the language other than English, so the translation main contents of the document (at least the invoices/bills) into English must be attached for sending to ACB;

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5. The original / certified copy of documents (i.e. invoice, boarding pass, airport tax) should be glued or stapled on a blank paper (size A4);
  6. Documents supporting payments must be stamped with "Paid".
  7. Supporting documents should be put together according to their sub-item by individual bunch/lot. For example: supporting documents for sub-item 1 should be bundled together (i.e Ref. 01 - 06), then sub-item 2 (Ref. 07 - 20) should also be bundled together, and so on.
  8. The Service Provider or Grantee must provide a certification that the copies of the documents sent to ACB as an attachment to the financial report are the true copies of the original.
  9. A guide on the different expenditures and the required supporting documents for each expense are provided in ANNEX 06. All accounting procedures for Service Provider should be fully automated and computerized.

#### 6.7 Circulation of accounting documents

1. **For the Grantees:** All the original / certified copy of documents relating to the use/disbursement of project funds must be sent together with financial reports to the Service Provider. Before sending the financial report with supporting documents to the SP, the **Grantees** must make copies of all original documents, submit list of provided documents to SP and clearly indicate number of evidence, date, contents of receipt or payment voucher and amount of invoices. This list must be signed by the tabulator, chief accountant and leader (signature and stamp). Attached to this list are all copies of the original documents which will be used for the internal bookkeeping and must be kept in accordance to the actual government regulations. Those documents will be basics for accounting control and balancing/closing of project;
2. **For the Service Provider:** For the accounting documents sent by **Grantees**, after the disbursements verification of documents, the SP must inform the grantees about the verification results and approve the report with documents so the grantees can finalize the bookkeeping. The original accounting documents must be kept at the office of the SP and will have to be accessible for inspection by ACB or any third party instructed by ACB at any time.

#### 6.8 Eligible Expenses

The fund may only be used for verifiable, reasonable and customary local costs. All costs claimed must be realized and paid by the service provider during the contracted implementation period and recorded in the project journal.

All costs incurred for the bank processing of the financial contribution shall be considered as expense.

Taxes and other government charges incurred in connection with the implementation of the project, in addition to import duties, shall not be financed from the fund.

Up to 6.75% of the approved sum may be used to cover project overhead costs (**operating cost** directly linked to the project). ACB reserves the right to increase the allowable amount for overhead costs.

#### 6.9 Ineligible Expenses

Activities and investments related to large scale infrastructure (e.g. roads, large buildings), introduction of non-native species into protected areas, weapons and ammunitions, displacement or re-settlement of people and communities, travel costs that are not directly part of a project, conference travel, regular staff salaries and recurrent costs shall not be financed from the fund. Please refer to Chapter 4 for the eligible interventions and ANNEX 04 for the Black and White List.

Other ineligible expenses are:

- + Contingency or miscellaneous costs;



- 
- + Management fee;
  - + Salaries of organic full-time or part-time staff, unless they are dedicating a certain percentage of their work hours to the project;
  - + Attendance to conferences, training and workshops that do not directly contribute to the attainment of project objectives;
  - + Travel costs (lodging, per diem, transportation) of government staff;
  - + Capital expenditures, e.g. land, buildings, major equipment and vehicles, unless they are essential to the project (to be cleared by ACB ED);
  - + Actions that engage in partisan politics or religious practices;
  - + Actions which discriminate against individuals or groups of people on grounds of gender, sexual orientation, religious beliefs or lack of them, or their ethnic origin;
  - + Items already financed in another framework;
  - + Provision for debts and losses;

#### **6.10 Applied Cost Norm**

All disbursements from the financial contribution for the Small Grant Interventions including handholding and grant development, payment for activities implemented by the Project Management Unit (PMU) such as: (i) organization of training courses; (ii) capacity-building activities; (iii) conduct periodic monitoring and evaluation missions to project sites; (iv) perform other necessary works to facilitate the implementation of SGP in Viet Nam; and (v) other coordination and management works/activities must conform to the following regulations:

- + For small scale investments with villages/villagers for items such as seedlings, fertilizer and labor compensation for local work will be based on unit costs and will be awarded directly. Applied unit costs for similar items must comply with the agreed and KfW-approved cost norms found in ANNEX 06;
- + For medium and bigger scale investments over EUR 5,000 and up to EUR 100,000 must be elaborated according to the proposal format (ANNEX 04 of the Programme Management Manual - PMM). The unit cost applied in the Activity-Cost-Milestone of the proposal must comply with the agreed and KfW-approved cost norms<sup>26</sup> found in ANNEX 06;
- + The PMU shall follow and apply the same agreed and KfW-approved cost norms for implementation of national level coordination and activities. Other actual cost norms regulated by the Ministry of Finance of Viet Nam may also be applied.

#### **6.11 Budget Realignment**

Budget realignment may be allowed once within the project duration. The Grantee shall immediately notify the Authority of the budget realignment at mid-term of the project duration. The Grantee shall submit a justification to the proposed realignment, which should not be more than 20% of the total savings foreseen from the budget. The approved budget for each budget line is the maximum amount that can be spent even if savings in other lines have been obtained. Realignment may not be used to increase budget lines for personnel costs.

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<sup>26</sup> Cost norms may be updated as needed, upon agreement between ACB and PMU, and approval of KfW

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### 6.12 Endorsement of Funds Used

For Service Providers, the Executive Director or the duly designated representative shall endorse in writing for each progress and the Final Report the effective use of funds. Without endorsements, payments will not be made.

For Grantees, the PMU shall provide the no objection notification (email or letter) for each Progress and the Final Report (Grant Completion Report) the effective use of funds, and sign-off prior to payment of next tranche. Without no objection, payments will not be made.

If within a certain period (not more than 1 week) no response has been received, the Progress Report and Grant Completion Report shall be considered approved/accepted by the PMU. An official notification of such condition of approval will be communicated to the Service Provider, AHP Park Management and the PMU.

### 6.13 Unspent Funds

The Grant Authority and the Grantee, supported by the SP, shall work together to ensure effective management of the grant funding provided under this Grant Agreement.

The grant funding must be spent in the agreed Grant Funding Period for which it was approved. Funds may only be carried over *in exceptional circumstances* with the **prior written agreement** between the Grant Authority and the Grantee or may be re-allocated to other on-going projects within the same AHP. To this end, the SP facilitates Grantees to (i) inform the Grant Authority on unspent funds at the earliest possible time and (ii) provide a detailed proposal for the utilisation of such monies.

Funds unspent at the end of the grant period without such undertaking on the Grantee's side must be paid back to the ACB-SGP.

### 6.14 ACB Reservations

ACB will not be liable for delays caused by transferring banking institutions in the disbursement of funds. ACB reserves the right to reduce the volume of the disbursement. ACB shall have the right to refuse to make disbursements after December 30, 2024.

### 6.15 Other Provisions

In the event that service providers fail to submit the required reports/supporting documents within the required time and the issues are not eliminated within 15 days after ACB has issued a reminder, ACB may suspend disbursements and repayments to service providers.

### 6.16 Auditing

An annual financial audit may be carried out by ACB, where the Grantee (Service Provider) shall source an external auditor, and the Authority shall provide the budget to finance such annual audit. It will be the responsibility of the Service Provider to conduct their own audits for small grants packages at the community level / site level. Audits should ideally be carried out within the first quarter of each financial year (January - March). ACB shall inform the service provider of the essential results of the report. The service provider shall implement the recommendations of ACB ensuing from the results of the audit report promptly and shall furnish proof of this to ACB on request.

The SGP-NWT Secretary will be responsible for engaging the auditors and supporting their work. Audited reports will be presented to the ACB, SGP NWT and NCG/PMU and to any other parties as needed (e.g. major donors, partners, interested Ministries).

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The external auditors, as well as performing the normal statutory audits, will be expected to review the internal control systems established. Complete records of each grant should be maintained at SGP Secretariat to facilitate audits. The external auditors will audit a sample of grants each year and these audits will address both the investment and management of the grant fund, and the use and management of the income stream.

The service provider shall contract the services of the auditor in accordance with the KfW procurement guidelines. No auditor shall be appointed for more than five consecutive years, unless an exceptional circumstance exists that warrants the reappointment of the auditor exceeding five years

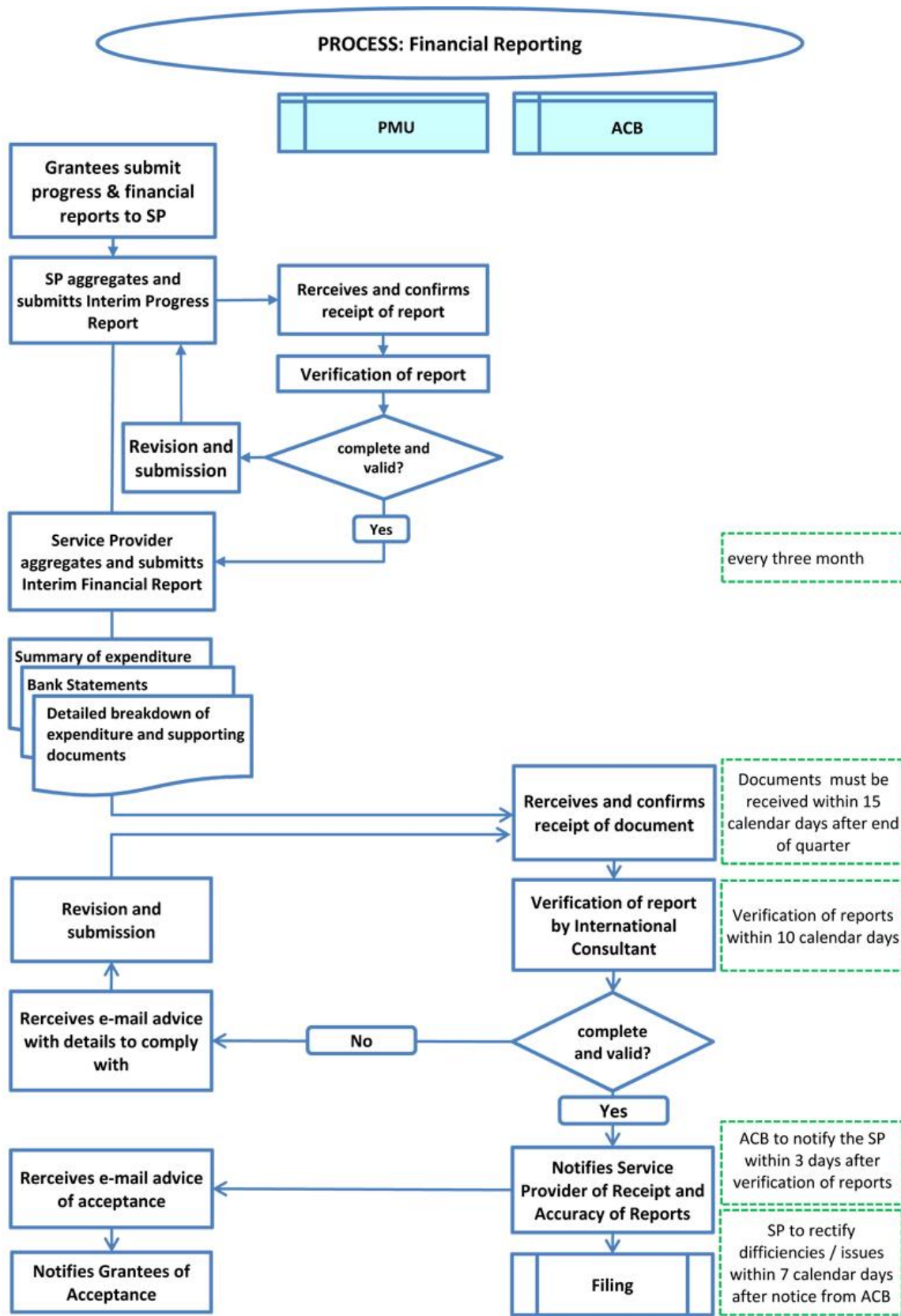


Figure 7. SGP Viet Nam – Financial Reporting Process

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## 7 PROCUREMENT

Procurement of goods and services (works) shall be carried out in accordance with the ANNEX 07 of this PMM, following ACB and KfW standards. Procurement within the SGP follows, in particular, the KfW Guidelines for Procurement for Consulting Services, Works, Goods, Plant and Non-Consulting Services. If there is a conflict between the two documents, the KfW Guidelines shall prevail.

Any contracts for goods and all other services (including consulting and expert services) financed from the financial contribution shall be awarded as follows:

- (1) Contracts for small scale investments with villages/villagers for items such as seedlings, fertilizer and labor compensation for local work will be based on unit costs and awarded directly. Unit costs will be developed by ACB assisted by the ICTA and will be submitted to KfW for consent.
- (2) All other **Small scale Goods and Services Contracts up to and including EUR 5,000** can be awarded by direct assignment / purchase. The procedure has to be documented.
- (3) **Assignments for Consulting Service contracts up to and including EUR 20,000** can be awarded directly, provided that the pre-conditions for the direct assignment are fulfilled (no competition possible, financial and technical adequacy of the proposal). The procedure has to be documented with no-objection from the ICTA.
- (4) **All other Goods and Services Contracts above EUR 5,000 and up to including 100,000 and Assignments for Consulting Service contracts above EUR 20,000 and up to including 100,000** shall be awarded by inviting at least three proposals or by a provincial/national/regional limited announcement. The respective procedure has to be assessed and documented by the project and requires no-objection by the ICTA. Exceptions from this regulation require a special explanatory statement by the project, and no-objection by KfW.
- (5) If the estimated amount of the **Goods and Services Contracts or Consulting Services exceeds EUR 100,000**, the contracts shall be awarded by way of international competitive bidding. The tender documents have to be submitted to KfW for approval prior to the start of tendering. Exceptions of tendering Supply and Work Contracts beyond EUR 100,000 via an international unrestricted public competition require a special explanatory statement by the project and no-objection by KfW.

Please see ANNEX 07 for the detailed Procurement manual.

## 8 MONITORING AND EVALUATION

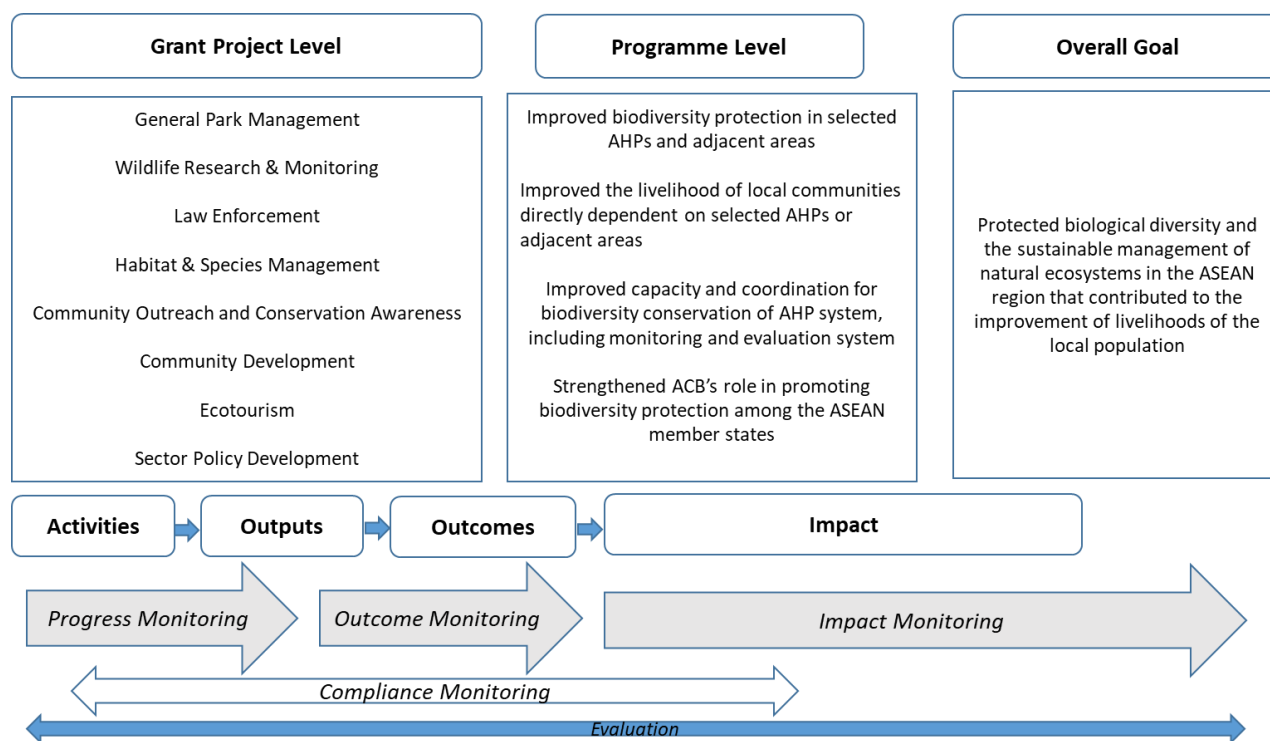
This chapter will only cover the technical component of the monitoring and evaluation of the small grants programming component. Financial monitoring and evaluation is detailed in the financial management section.

### 8.1 SGP Framework for Monitoring and Evaluation

The Small Grants Programme (SGP) follows a result-based monitoring and evaluation. Result-based management presents a clear logical process, manages the programme implementation to achieve results by carrying out specific activities to produce target outputs, and results to an intended change (outcomes) and further contribute to achieve programme objectives (impact).

The monitoring and evaluation system of SGP also observe compliance to rules and provisions set forth for agreements under SGP.

There is a two-tiered monitoring and evaluation covering the three levels of result. (1) At the grant or site-level where outputs are being monitored and evaluated based on project targets and objectives and (2) at the programme level where outcome and impact will be monitored and evaluated based on programme objectives.



**Figure 8. SGP Framework for Monitoring and Evaluation**

#### Why monitoring and evaluation?

Monitoring and evaluation help to improve the programme/project performance throughout the course of an intervention, determine the relevance and achieve effectiveness of intervention in the fulfilment of objectives and assess short-term and long-term impacts.

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The projects funded under the SGP and overall SGP implementation will be monitored and evaluated. The aim is to inform SGP managers and other relevant stakeholders to the compliance of the overall SGP grant implementation:

1. Complies with applicable guidelines, standards, rules and procedures

-> Compliance monitoring

- Compliance monitoring installs accountability. Accountability is particularly required since the funds utilized for SGP implementation comprise a grant provided by the Government of Germany. Accountability vis-à-vis the Government of Germany requires proper and transparent reporting verifying that the grant is spent in support of the conservation efforts in the AHPs.
- Compliance monitoring of grant projects also serves as a mechanism to account and report to SGP stakeholders on how the resources are used.

2. Progresses as planned

-> Progress monitoring

- Keep track of the SGP and grant project targets. There is a tendency to keep doing so many things. Progress monitoring helps to focus and keep track of the project targets.
- Intend to inform all stakeholders about the implementation status of the SGP grants.
- Improve implementation and/or adjust planning (re-enter planning if the context has changed, e.g., in case of disaster, political events, etc.)

3. Results in the projected outcomes

-> Outcome monitoring

- Improve implementation and/or adjust planning (re-enter planning if the context has changed, i.e., in case of disaster, political events, etc.)
- Establish success (or failure) of SGP implementation, particularly at grant project/AHP level.
- Distil and document lessons learned from SGP implementation, specifically in overcoming certain challenges, as well as its success.

4. Leads to the targeted effects

-> Impact Evaluation

- Establish success (or failure) of overall project implementation.
- Distil and document lessons learned from SGP implementation, specifically in overcoming certain challenges.

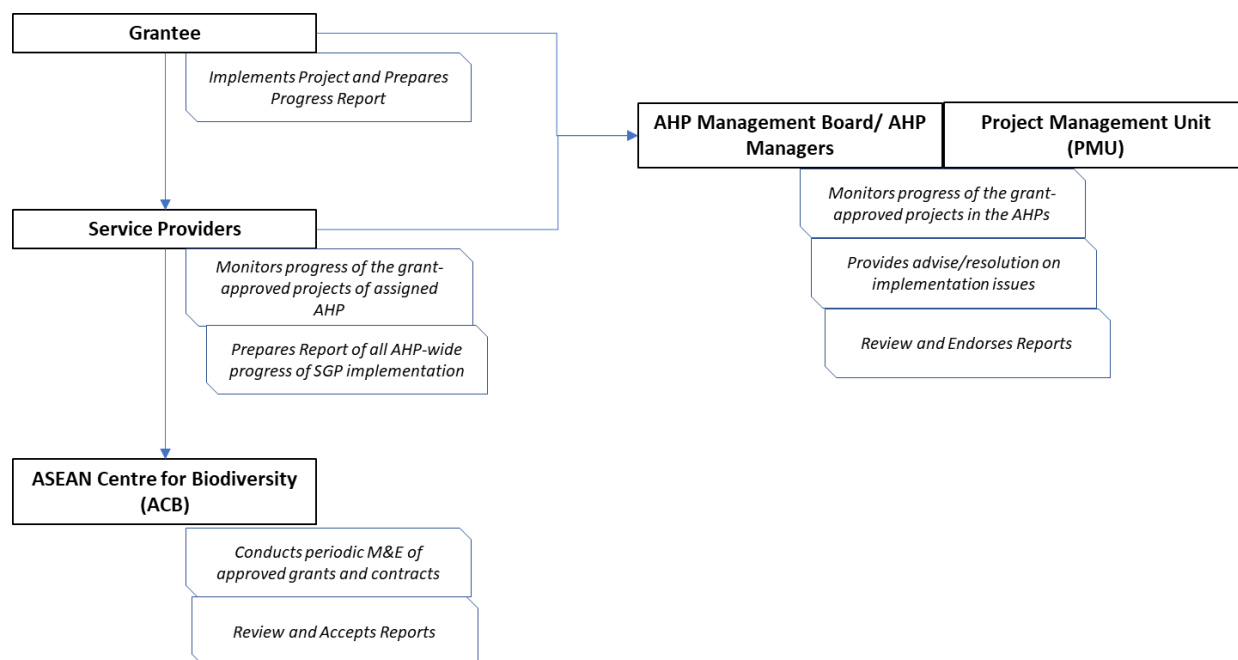
## **8.2 Who needs monitoring and evaluation information?**

The following SGP stakeholders require monitoring and evaluation information to steer, manage, contribute, understand, learn from, and report about small grant and overall SGP implementation:

- Direct beneficiaries of SGP (including communities/villagers in and near AHPs and, AHP managers and staff in the national park sites);
- Grantees (including CSOs, universities, government organizations);
- Implementing Agency (including NWT, PMU, NCG)
- Service Providers
- Project Executing Agency (ACB)
- Programme Consultants (International and National)
- Donor (KfW)

## Who conducts monitoring and evaluation?

For the SGP implementation in Viet Nam, the diagram below shows the key actors and their respective roles in the monitoring and evaluation.



**Figure 9. SGP Viet Nam Key Actors and their Roles in Monitoring and Evaluation**

## 8.3 The Formal and Conceptual Foundation for Monitoring and Evaluation

In the SGP, the foundation for monitoring and evaluation includes the following reference documents:

Type of monitoring	Reference documents												
Compliance monitoring	<ul style="list-style-type: none"> <li>Individual chapters of the PMM, particularly on:               <table border="1"> <thead> <tr> <th>Chapter No.</th><th>Compliance area</th></tr> </thead> <tbody> <tr> <td>4</td><td>Grant Making Policies</td></tr> <tr> <td>5</td><td>Grant Making Procedures</td></tr> <tr> <td>6</td><td>Financial Management</td></tr> <tr> <td>7</td><td>Procurement</td></tr> <tr> <td>8</td><td>Monitoring and Evaluation</td></tr> </tbody> </table> </li> </ul>	Chapter No.	Compliance area	4	Grant Making Policies	5	Grant Making Procedures	6	Financial Management	7	Procurement	8	Monitoring and Evaluation
Chapter No.	Compliance area												
4	Grant Making Policies												
5	Grant Making Procedures												
6	Financial Management												
7	Procurement												
8	Monitoring and Evaluation												
Progress monitoring	<ul style="list-style-type: none"> <li>SGP Implementation Plan<sup>27</sup></li> <li>SGP Annual Plan of Operations<sup>28</sup></li> <li>Activity-Cost Milestone Plan (ANNEX 04)<sup>29</sup></li> </ul>												

<sup>27</sup> covers all components and entire duration of programme

<sup>28</sup> covers all components but only one year of operation

<sup>29</sup> covers one small grant



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Outcome monitoring and evaluation	<ul style="list-style-type: none"><li>• SGP Logical Framework (ANNEX 03)</li><li>• SGP II indicators<sup>30</sup></li></ul>
Impact monitoring and evaluation	<ul style="list-style-type: none"><li>• SGP Logical Framework (ANNEX 03)</li><li>• SGP II indicators<sup>31</sup></li></ul>

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<sup>30</sup> SGP II Indicators to be further updated and reviewed

<sup>31</sup> SGP II Indicators to be further updated and reviewed

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SGP Impact Monitoring Module - Overview of Indicators to be Monitored

<b>AHP indicator No.</b>	<b>Indicator name</b>	<b>Source of data</b>
1	Count of key species	AHP administration records
2	Patrolling effort <sup>A)</sup>	AHP administration records
3	Arrests and cases referred for prosecution <sup>A)</sup>	AHP administration records
4	Attitudes and behaviour of villagers vis-à-vis AHP	Questionnaire-based household survey <sup>B) C)</sup>
5	Community rangers' / guardians' involvement in patrolling <sup>A)</sup>	AHP administration records
6	Conservation agreements signed / Conservation partnerships established	AHP administration records
7	Progress with AHP Management Plan (MYA) / Collaborative Management Plan (IDO) / Participatory Small Grants Action Plan (VIE) implementation	Evaluation form-based scoring carried out by Local Protected Area Management Advisory Working Group
8	Effectiveness of AHP management	METT (is also type of evaluation form-based scoring)
9	Number of international and domestic visitors <sup>D)</sup>	AHP administration records
10	Meetings of Local Protected Area Management Advisory Working Group <sup>E)</sup>	AHP administration records
11	Meetings of Local Community Development Working Group(s) <sup>F)</sup>	Minutes of Meeting, to be shared with AHP administration
12	Human-wildlife conflict cases	AHP administration records
13	Improved living conditions through SGP livelihood investments	Questionnaire-based household survey <sup>B) C)</sup>

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### 8.3.1 Guiding Principles for Monitoring

In the SGP, monitoring and evaluation is required to be:

1. Participatory
2. Constructive – remedial – recommendatory
3. Adaptive (supporting adaptive management)
4. Dynamic and in support of learning

### 8.3.2 Types of Monitoring and Evaluation under the SGP

#### A. Compliance Monitoring

Compliance monitoring in the SGP examines whether project implementation complies with the requirements outlined in applicable guidelines, standards, rules and procedures. It is done mainly at two levels and in regular intervals:

Level of compliance monitoring	Monitoring intervals	Performed by
1. Overall SGP implementation	Semi-annual	PEA (ACB)
2. Small grant implementation	Semi-annual	Grantee and/or SP

Compliance can be established by reviewing and evaluating financial records, financial reports and progress reports, and through on-site inspections. Compliance monitoring results are recorded as check lists / “tabular compliance records” (a set of yes-no statements for each requirement to comply with) can be found in ANNEX 08.

Auditing is a special form of compliance check formally providing assurance and accountability. Both SGP as a whole and small grant implementation need to be audited. These audits are done in accordance with agreed ToR:

Level of Audit	Applicable ToR (Sample)	Performed by	Frequency
Entire SGP	KfW-ACB Project Audit	External service provider	Annually
Small grant / AHP	See ANNEX 08 See ANNEX 08	External service provider (can also be done by ACB)	As the need arises

If prepared regularly and correctly, the compliance records document the compliance status of SGP and small grant implementation. In cases where compliance monitoring reveals a lack of compliance, SGP and small grant managers can take corrective action.

#### Monitoring Compliance of Overall SGP Implementation

Focus is compliance of ACB with:

- KfW-ACB Financing Agreement dated 01 February 2017
- Separate Agreement to KfW-ACB Financing Agreement dated 01 February 2017
- KfW Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non – Consulting Services in Financial Cooperation with Partner Countries (January 2019)
- Disbursement procedure

See ANNEX 08 for the SGP Programme Level compliance check.

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### Monitoring Compliance of Small Grant Implementation

Focus is compliance of grantees with:

- Programme Management Manual
- Individual grant agreement (see ANNEX 5)
- Ethical standards as per Declaration of Undertaking (see ANNEX 5)
- National and local government regulations and laws

See ANNEX 08 for the Grant Level compliance check.

### **B. Progress Monitoring of Approved Grants**

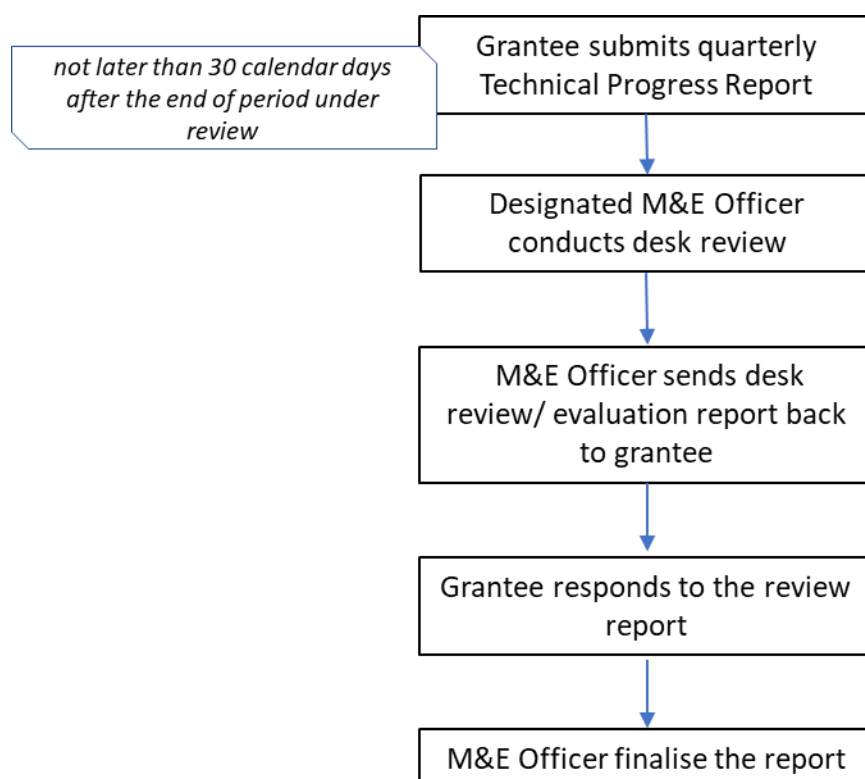
Progress monitoring is mainly done by the Service Providers, ACTA and Park Authority manager at the site/grant level; and the PMU, ACB and CTA at the programme level.

### Progress Reporting at Grant Project Level

To assess the degree made by grantees to achieve the project objectives, identify challenges and how to address these challenges, grantees are to submit quarterly progress report, see ANNEX 08 for the template. This should be duly reviewed and/or endorsed by the Park Manager of the specific AHP where grant projects are being implemented. Grantees are also required to submit completion report upon completion of the project, see ANNEX 08 for the template.

### Progress Review/Evaluation Process at Grant Project Level

Evaluation of progress reports submitted by the Grantee shall be done by either the Service Providers or the NWT, with proper reporting and information to ACB. The SPs or NWT can request the assistance of the ACTA and Park Manager for validation of the information and further evaluation of progress being reported. The process flow of progress review/evaluation at the grant project/AHP level is as follows:



**Figure 11. Process Flow of Grant Project Progress Review / Evaluation**

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Desk review or evaluation report, see ANNEX 08 for the template, is prepared for the grantee to address concerns and consider recommendations for the project implementation. Summary and key results of approved grant projects should be part of the SP and PMU report, in compliance to their respective individual contract or agreement with ACB.

#### Progress Monitoring at Programme Level

At the programme level, the progress reports received from all grantees are reviewed and analysed establishing the overall progress status of program implementation at the national and regional level. The results from this review and analysis are used for progress reporting to the donor.

The ACB shall be responsible for the reporting of progress at the programme level to KfW, with inputs from the progress reports, minutes of meetings and other form of monitoring document coming from the PIA (including NWT, PMU and NCG), ACTA, CTA and SP.

M & E of PMU and SPs deliverables in relation to the grants and the programme implementation shall be done according to the agreed work plan and signed contracts.

#### **C. Outcome Monitoring**

Outcome monitoring is mainly done by PMU, ACB and VEA to assess intermediate results of the intervention.

PMU, VEA and ACB receive the resulting information through the grantees' and SP's progress reporting and closure report (see above discussion on grant project level progress monitoring). ACB assesses the information vis-à-vis set of outcome indicators and contribution to achieve the programme goals.

In addition, ACB also monitors the outcomes of the other component of the programme, particularly for the national level and regional coordination and management components. If necessary, ACB will engage third party service provider to evaluate effectiveness of the programme and measures intermediate effect to beneficiaries.

The ACB and/or the PIA may engage a third-party service provider/evaluation to assess the outcome of all the projects being implemented vis-à-vis the programme objectives

#### **D. Impact Evaluation**

Impact evaluation will be done by ACB or KfW (through service providers), possibly with contributions made by grantees.

ACB keep all monitoring data up to date for references and supporting document for claims on the impacts of the programme. Upon disposition, KfW and/or ACB may engage a third-party service provider/ evaluator to measure impacts made by the programme. Impacts may not be limited to the indicators<sup>32</sup> set and may include unintended impact of the programme

Further, evaluation measures will not be limited to quantitative analysis but will include qualitative analysis. An evaluation design including programme theory and approach will be developed

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<sup>32</sup> SGP II Indicators to be further updated and reviewed

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## 9 REPORTING

The GraMMS provides a facility for Financial and Technical Reporting and Reviews. Given this, such undertaking shall be done through the GraMMS in accordance to this Chapter.

### 9.1 Frequency

The period of reporting depends on the duration of the grants. For grants that will be implemented for less than eight (8) months, financial and technical reports shall be submitted at mid-term implementation, and upon completion/closure of the grant. Grants that are eight (8) months or more in duration shall require quarterly technical reports and semi-annually financial reports. The reporting intervals start from acknowledgement of receipt of grant effectiveness. The financial and technical reports must be received by ACB not later than 30 calendar days after the end of period under review.

Financial and technical reporting is synchronised. Within each Progress and the Final Report, a narrative and a financial report is to be prepared by the grantee. All narrative and financial reports must be separately signed by the grantee's statutory representative. **The Park Managers shall countersign each progress and the Final Report to confirm the correct and effective use of funds provided under the SGP.**

Forms and formats for the preparation of Progress Reports and Final Reports (Grant Completion Report), additional instructions and other relevant forms are available in ANNEX 8 and 5, respectively.

### 9.2 Financial Reporting

#### 9.2.1 Frequency of Financial Report

The period for reporting discussed in this manual is every 6 months. The financial reports must be received by ACB not later than 30 calendar days after end of period under review.

#### 9.2.2 Form and Content of Financial Report

1. The standard form of the financial report of the SP to ACB comprise the following:
  - Request of Replenishment;
  - Reconciliation of bank account;
  - Statement of Expenditures;
  - Detailed breakdown of expenditures;
  - Copies of receipts to support expenses;
  - Certification that the copies of the receipts to support expenses is the true copies of the original.
2. The standard form of the financial report of the Grantees to SP comprise the following:
  - Detailed breakdown of expenditures;
  - Original receipts to support expenses.
3. Financial reports shall be:
  - Prepared and certified correct by the concerned finance and administration official;
  - Countersigned by the authorized party or representative of the service provider;
  - Submitted in English. Documents in any other language must be accompanied by a translation into English;
  - Prepared in Euro. Expenses paid in local currency will be translated using the prevailing exchange rate at the time of converting the euro amount to local currency or the calculated mix-exchange rate.

***\*The PMM is subject for review after the first cycle is awarded to assess whether this PMM is implemented effectively and efficiently.***