United Nations Development Programme
Country: BOLIVIA
PROJECT DOCUMENT

Project Title: Fifth Operational Phase of the GEF Small Grants Programme in Bolivia

UNDAF Outcome(s):

1. UNDAF Outcome 4: Institutional capacities, including those of production organizations, strengthened for increased production and job creation through sustainable management of natural resources and the environment.

UNDP Strategic Plan Environment and Sustainable Development Primary Outcome: Expanding access to environmental and energy services for the poor.

UNDP Strategic Plan Secondary Outcome: Mainstreaming environment and energy

Expected CP Outcome(s): Outcome 3: Strengthened capacities for the design and implementation of environmental policies.

Expected CPAP Output (s): Output 3.1 Conservation, management and sustainable use of natural resources in agricultural and non-agricultural production processes promoted; Output 3.2 Production systems using natural resources and managed by rural communities improved through the combined application of traditional knowledge and modern technologies for food security, prioritizing women initiatives; Output 3.3 Production systems in areas with significant biodiversity strengthened, and certification of sustainable and organic production, prioritizing initiatives led by women; Output 3.4 Increased use of renewable energy technologies to meet the energy needs of rural production processes in off-grid areas.

Implementing Partner: United Nations Office for Project Services (UNOPS)

Brief Description

The project objective is to secure global environmental benefits through strategic and integrated community-based actions in biodiversity conservation, climate change mitigation and sustainable land management in the Chaco eco-region of Bolivia. This will be achieved through four inter-related outcomes: 1) Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions; 2) Climate change mitigation through promoting investments in renewable energy technologies and through land use, land use change and forestry in community lands; 3) Reduced land degradation by maintaining or improving the flow of agro-ecosystem services in community lands for sustainability and improved livelihoods; and 4) Community capacities to address global environmental challenges developed & knowledge acquired through project implementation documented, shared and applied. Building on the achievements and experience from previous phases of the GEF Small Grants Programme (SGP) in Bolivia, the project will support some130 community-based initiatives over a four-year period to overcome capacity barriers for the adoption of sustainable practices for biodiversity conservation and use, reduced land degradation, renewable energy technologies, and maintaining carbon stocks.

The project will be executed by UNOPS as Implementing Partner using the existing mechanism of the SGP in Bolivia, including grant approval by the National Steering Committee and day-to-day management by the Country Programme Team under the leadership of the Country Programme Manager. The project will collaborate with a large number of partners including national and local Government institutions, national and local NGOs, scientific institutions, and the private sector.

Programme Period:	4 years
Atlas Award ID:	00068335
Project ID:	00083591
PIMS #	4562
Start date:	1st July 2011
End date:	30 June 2015
Management Arrangements	UNOPS Implementation
PAC Meeting Date	14 June 2012

Total resources required:	$10,166,667
Total allocated resources:	$4,166,667
○ Regular	$0
○ Other:	$0
○ GEF	$4,166,667
Parallel financing	
○ Government	$ 784,682
○ UNDP	$1,192,250
○ Other grant	$2,364,659
○ Other In-kind	$1,658,409

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Tables and Figures

Annexes

Acronyms/Abbreviations

APR	Annual Project Review
AWP	Annual Work Plan
BD	Biodiversity
BTOR	Back-to-office Report
CBD	Convention on Biological Diversity
CBO	Community-based Organization
CBP	GEF-Carbon Benefits Project
CC	Climate Change
CCA	Common Country Assessment
CCM	Climate Change Mitigation
CD	Capacity Development
CEO	Chief Executive Officer
CFV	Bolivian Council for Voluntary Forest Certification
CITES	Convention on International Trade in Endangered Species
CLO	Community Land of Origin (TCO – Tierra Comunitaria de Origen)
CP	Country Programme
CPAP	Country Programme Action Plan
CPMT	Central Programme Management Team
CO	Country Office
CO_2	Carbon Dioxide
CSO	Civil Society Organization
EE	Energy Efficiency
EEG	UNDP Environment and Energy Group
ERC	Evaluation Resource Centre
FCPF	Forest Carbon Partnership Fund
FSC	Forest Stewardship Council
FSP	Full Size Project
GEF	Global Environment Facility
GHG	Green-house Gases
GoB	Government of Bolivia
IW	International Waters
LD	Land Degradation
LULUCF	Land Use, Land Use Change, and Forestry
MC	Management Committee
M&E	Monitoring and Evaluation
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NAIM	Natural Area for Integrated Management
NBSAP	National Biodiversity Strategy and Action Plan

NDP	National Development Plan
NGO	Non-governmental Organization
NSC	SGP-National Steering Committee
OAS	Organization of American States
PA	Protected Area
PENSAT	Strategic Plan for National Land Titling
PES	Payments for Ecosystem Services
PIF	Project Identification Form
PIR	Project Implementation Review
PNCC	National Plan on Climate Change
POPs	Persistent Organic Pollutants
PPR	Project Progress Report
QPR	Quarterly Progress Report
RE	Renewable Energy
REDD	Reduced Emissions from Deforestation and Forest Degradation
RR	Resident Representative
RTA	Regional Technical Advisor
SBAA	Standard Basic Assistance Agreement
SERNAP	National Protected Area System of Bolivia
SFM	Sustainable Forest Management
SGP	GEF Small Grants Programme
SLM	Sustainable Land Management
STA	Senior Technical Advisor
STAP	Scientific and Technical Advisory Panel
STAR	System for the Transparent Allocation of Resources
tCO2 e	Tons of CO2 equivalent
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

I. PART A.1 SITUATION ANALYSIS

1.1 Global Significance

1. The Gran Chaco is a transboundary eco-region shared by Argentina, Bolivia, Brazil, and Paraguay encompassing some 850,000 Km^2 stretching from about 17° to 33° South latitude and between 65° and 60° West longitude. The eco-region harbours the largest forested area in the Continent after the Amazon region and shows an impressive wealth of plant and animal diversity. The predominant vegetation of the Gran Chaco is open dry woodland dominated by *Schinopsis sp* with cacti and bromeliads, stretching continuously over large areas, with a grass ground cover. Other typical vegetation types are palm savannahs, savannah parkland, low tree and shrub savannah, with halophytic shrubs on saline patches. The eco-region is an important bird migration route between the southern (Austral) and northern (Neotropical) regions. The Chacoan Pecary (*Catagonus wagneri*), discovered in the 1970's is undoubtedly the most famous endemic mammal in the region. The Chaco is also a center of endemism for armadillos with at least ten species. Other important species include the lesser mara (*Pediolagus salinicola*), giant tuco-tuco (*Ctenomys conoveri*); greater rhea (*Rhea americana*), brushland tinamou (*Nothoprocta cinerascens*), Chaco chachalaca (*Ortalis canicollis*), black-legged serieman (*Chunga burmeisteri*), paraguayan caiman (*Caiman yacare*), southern boa (*Boa constrictor occidentalis*), false water cobra (*Hydronastes gigas*), horned frog (*Ceratophrys sp.),* and argentine walking frog (*Phyllomedusa sauvageii*).

2. The Bolivian Chaco, which encompasses approximately 15% of the Gran Chaco area, covers the Eastern and South Eastern parts of the Departments of Chuquisaca (18,772 km^2), Santa Cruz (22,737 km^2), and Tarija (86,246 km^2). Large tracts have high soil fertility and a topography that is favourable for agricultural development, but this is in combination with aspects that are challenging for farming: a semi-arid to semi-humid climate (600–1300 mm annual rainfall) with high evaporation levels, a six-month dry season and sufficient fresh groundwater restricted to roughly one third of the region, two thirds being without groundwater or with groundwater of high salinity. Soils are generally prone to wind erosion once the vegetation cover has been cleared.

3. The Bolivian Chaco is sparsely populated with an estimated 300,000 inhabitants. Population density in the 3 Departments is as follows: 4 inhabitants per km^2 in Santa Cruz, 3 inhabitants per km^2 in Chuquisaca, and 2 inhabitants per km^2 in Tarija. According to the last census (2001) 57% of the population of the 3 Departments is urban. This means that the average population density in the rural areas of the Chaco is approximately 1 inhabitant per square kilometre. There are several settlements of Ayoreo, Chiquitano, Weenhayek and Guarani indigenous peoples who maintain their languages and traditional lifestyles, often combining hunter-gathering activities with agriculture depending on the season. According to the 2001 census the indigenous population in the Bolivian Chaco is about 80,000 of which 78% live in poverty. The population of the Chaco eco-region also includes cattle ranchers and large and small-scale farmers.

4. The Government of Bolivia is making a concerted effort to protect this fragile eco-region and to arrest current degradation trends. In the last 15 years four new protected areas were established, all of which allow for legal occupation and use by indigenous peoples and have double category, i.e., they also include a core area with strict conservation objectives (IUCN Category II). The four protected areas are: *Kaa-Iya del Gran Chaco National Park and Natural Area for Integrated Management (1995)*; *El Palmar Natural Area for Integrated Management (1997); Serrania del Aguaragüe National Park and Natural Area for Integrated Management (2000); and Serrania del Iñao National Park and Natural Area for Integrated Management (2004)*. Together, these protected areas encompass 38,719 Km^2 or 22% of the entire Bolivian Chaco eco-region. These four areas and their buffer zones have been prioritized for SGP

interventions in the next 4 years. The SGP Steering Committee and other program stakeholders believe that integrated community interventions that are geographically-focused would bring about synergies between biodiversity conservation, sustainable land management, and climate change mitigation, increasing positive impacts and yielding significant global environmental benefits and local benefits.

5. Below is a brief description of the environmental and social significance of the selected protected areas (See PA maps in Annex 1):

6. ***KAA-IYA National Park and Natural Area for Integrated Management***. Established in September 1995 as a National Park and Natural Area for Integrated Management, Kaa-Iya was also declared Indigenous Territory. This 3,441,115 hectares protected area – the biggest protected area in Bolivia and perhaps the largest in South America – is located in the South of the Department of Santa Cruz and includes the ¨Sabana del Chaco¨ bio-geographic unit. The National Park is a reservoir of an extraordinary diversity of wild animals and wild and cultivated plant genetic resources. It is estimated that some 880 species of vascular plants are present in the area as well as 514 animal species. These include endemic species (*Catagonus wagnery, Tolypeutes matacus, Chlamyphorus retusus, Dolichotis salinicola, Ctenomys conoveri*), rare mammals such as the Guanaco (*Lama guanicoe*) – a camelid native to South America -, large numbers of felidae, over 300 bird species, as well as frogs (*Chacophrys pierottii, Lepidobatrachus laevis*), and reptile species such as *Geochelone carbonaria, Geochelone chilensis, Acanthochelys sp*, and Caiman yacare.

7. Indigenous peoples of Izoceño-Guarani, Chiquitano, and Ayoreo ethnicity living within and around the protected area participated in its establishment and are involved in the implementation of the Protected Area (PA) management plan, as well as in the implementation of the management plans that exist for some fauna species. The management of the national park is being carried out under shared administration, within the framework of an agreement with the Upper and Lower Izozog Authority (Capitanía del Alto y Bajo Izozog), an indigenous Izoceño-Guaraní organisation, signed on 24th November 1995. The development committee is composed of representatives from the municipalities of Charagua, Pailón, San José de Chiquitos, and the sub-mayoralty of Isoso, as well as the founding organisations of TURUBO, CABI, CICHIPA (Indigenous Office for Chiquitano Communities of Pailón), Santa Teresita (Ayoreo Community), CIMCI, and representatives of the government, the Protected Area System Authority (SERNAP) and the Departmental Prefecture. The largest population concentration is located in the Western sector of the PA, distributed in 24 indigenous communities of Izoceño-Guarani ethnic origin. In the Northern sector there are 2 communities of Chiquitano ethnic origin. There are also Ayoreo nomadic groups in the area who may have not yet been contacted. Some sites of the PA have mystic or sacred significance for Ayoreo and Izoceño-Guarani indigenous peoples.

8. ***EL PALMAR Natural Area for Integrated Management***. Established in May 1997 it is located in the Department of Chuquisaca, and has a surface of 59,484 hectares. A flora that includes some 270 species is the result of the area's topography, geological variation and wide altitudinal range (from 1000 to 3,200 meters above sea level). El Palmar has three ecological zones: between 1000 and 2000 m, the vegetation is dominated by species adapted to prolonged dry periods such as *Schinopsis haenkeana, Loxopterigium grisebachii, Pitadenia boliviana, Aspidosperma quebracho-blanco, Anadenanthera colubriana, Prosopis ssp, Acacifurcatispina, Coccoloba tiliácea,* and *Celtis spinosa*. Between 2000 and 2500 m, the dominant shrub vegetation is *Dadonea viscosa, Baccharis dracunculifolia* and *Eupatorium buniifolium*. The most important tree associations are with *Podocarpus parlatorei, Alanus acuminata, Schinus molle* and *Myrcianthes cisplatensis*. The spots of endemic palms (*Parajubaea torallyi*) start approximately from 2,400 meters above sea level continuing up to 3,200 meters. There are 24 mammal species recorded in El Palmar of which 5 are in the CITES red lists (*Tremarctos ornatus, Felis concolor, Felis jacobita, Tayassu tajacu, Mazama americana*). There are 112 recorded bird species of which the most representative are *Vultur gryphus*, *Penelope dabbenei*, and *Piaya cayana*. Also, six species of amphibians and 42 species of butterfly have been identified.

9. The human population – some 2,500 inhabitants (400 families) – is dispersed, with small communities located in the valley zones, because of the abrupt topography. The most important settlement is located in the buffer zone with 553 habitants (151 families).

SERRANIA DEL AGUARAGÜE National Park and Natural Area for Integrated Management. Established in April 2000, this 108,307-hectare PA is located in the Tarija Department. The area includes Sub-humid Sub-montane forests and Deciduous forests, which constitute specific bio-geographic units in the Chaco. The most representative flora species are *Podocarpus parlatorei, Blepharocalyx salicifolius, Myrcianthes pseudo-mato, Cedrela lilloi, Juglans australis, Zanthoxylum coco, Phoebe porphyria, Ocotea ouberula, Nectanra sp,* and *Viburnum seemanii*. There are also several species of "quebracho" which is used for the production of tannins, among others, *Schinopsis quebracho-colorado* and *Aspidosperma quebracho-blanco*. Among important, rare or endangered animal species, the following have been recorded: *Myrmecophaga tridactyla, Tamandua tetradactyla, Mazama americana, Mazama gouazoubira, Nasua nasua, Cerdocyon thous, Phantera onca, Felis geoffroyi, Felis pardalis, Ortaliz canicollis, Chunga burmeiteri,* and *Penelope spp*.

10. Thirty communities with a total population of 10,221 habitants live in the PA. The PA borders to the East with the Weenhayek Indigenous Territory and to the West with the Itikaguasu Indigenous Territory. Weenhayek indigenous people live within the protected area boundaries.

11. ***SERRANIA DEL IÑAO National Park and Natural Area for Integrated Management***. Established in 2004 this PA is located in the Department of Chuquisaca, and is the latest PA gazetted in the country. It covers an area of 263,090 hectares and with 500 plant species recorded Iñao is one of the richest plant diversity areas of Bolivia. Although more research is needed, there are possible plant endemisms within the Acanthacea family, and also some endemic cacti and orchid species. There are 31 mammal species recorded including, among others, bats (5 sub-families), primates (*Cebus apella* y *Alouatta caraya*, both listed in CITES appendix II), and carnivores, with 5 families represented and including species such as the Spectacled bear (*Tremarctos ornatus)* listed in CITES appendix I. Among the felidae family, there are 5 species all of which are listed in appendix I (*Leopardus wiedii, Leopardus pardalis*, *Oncifelis geoffroyi*, *Puma concolor* and *Panthera onca).* There are 140 bird species in the protected area, that is over 10% of all bird species recorded in Bolivia. Notably, 40 species of freshwater fish have been recorded, and amphibian and reptile biodiversity is also high.

12. There is no indigenous population within this protected area and its buffer zone, however, there are 17 communities of mestizo farmers with an estimated population of 3,742.

1.2 Threats and barriers

13. The main threats to Bolivia's biodiversity are the loss, conversion, and degradation of forests and other natural habitats. According to greenhouse gas inventories made by the PNCC, the vast majority—83 percent—of CO2 emissions stem from changes in land use, in particular the conversion of forests to fields and pastures for agriculture and livestock grazing. It is estimated that over 300,000 hectares of forest nationwide are being lost each year due to an expanding agriculture/livestock frontier (large-scale agro-industry, including possible biofuel crops, and small-scale colonization), forest fires, large-scale infrastructure projects (roads, dams, oil and gas prospection and infrastructure), and illegal logging. The GHG inventory of 2004 estimated yearly emissions of 38,203 Gg from LULUCF. Climate change may further exacerbate biodiversity loss by causing alterations in geographical and altitudinal distribution of species and ecosystems or by reducing populations of sensitive species, making them more susceptible to overexploitation. The Chaco ecoregion is being particularly affected by land use change and deforestation processes north and east of Santa Cruz. Between the years 1993 and 2000, 436,115 hectares were deforested in the Chaco. The current annual rates of deforestation in the 16 municipalities covered by the project vary from a low 0.1 to a high 7.3 per cent.

14. Droughts are chronic in the Chaco leading to significant losses of cattle and crops. The government has declared the Chaco an area of natural disaster in several occasions in the last few years. Land degradation due to eolic erosion, over-grazing, soil compaction, and vegetation cover loss is increasing. The Department of Chuquisaca is the most affected with and estimated 91% of its territory with severe land degradation followed by the Department of Tarija (16.4% degraded) and Santa Cruz (12.5% degraded).

15. Unsustainable exploitation of selected animal species (due to subsistence hunting, sports hunting and commercial wildlife exploitation) is another important cause of biodiversity loss in the Chaco. Unsustainable biomass burning to meet the energy needs of local populations is another factor degrading the fragile ecosystems of the Chaco, particularly in the drier areas. There is no consolidated data about the extent to which fuelwood collection and charcoal production contribute to forest degradation in the Chaco region, but it is known that a family of 5 uses an average of 12,000 kg of fuelwood per year. Most rural families use fuelwood for cooking and therefore, it may be concluded that the annual use of fuelwood in the rural Chaco is approximately 309,600 tons (there is an estimated 25,800 families). Given that charcoal production is not regulated nor controlled, statistics for the Chaco region are not available.

16. Overgrazing and uncontrolled fires resulting from poorly managed extensive cattle ranching significantly affects the Kaa-Iya and Serranias de Aguaragüe national parks. Illegal hunting to eliminate cattle predators and for subsistence, and unsustainable wildlife trade are significant threats to many animal species in the Serranias de Aguaragüe. Large-scale monoculture for commercial agriculture as well as expanding small-scale agriculture affects all four protected areas. The activities related to oil and gas prospection and extraction in the Kaa-Iya PA area, which include drilling, road and pipeline construction, have negative environmental impacts such as habitat loss, changes in the hydrological system, and opening up pristine areas to new settlements or to exploitation of natural resources by *colonos*. The lack of proper demarcation compounded with a lack of land tenure security is a major driver for unsustainable land management and use of natural resources in El Palmar protected area. Allocation of land and land tenure disputes are still a major issue in rural Bolivia although the national Government has done much to address this problem. The Strategic Plan for National Land Titling 2007-2013 (PENSAT) seeks to distribute and title 20 million ha among indigenous and other communities without land, and to complete sanitation in the national territory by 2013. From 2006 to 2009, 1,009,626 ha were delivered to farmers in the Departments of La Paz, Beni, Santa Cruz and Tarija.

Barriers to biodiversity conservation and sustainable land management by communities:

17. *Weak knowledge of the legal regime of protected areas and BD among local communities.* Communities do not have a good understanding of the limitations and opportunities brought about by the national legislation on protected areas. This results in illegal exploitation of natural resources and illegal settlements within the core conservation area of the PAs, and in missed sustainable development opportunities.

18. *Weak community participation in the governance of PAs and in the development and implementation of PA management plans.* All four protected areas selected by SGP allow legal occupation by farmer communities and indigenous peoples in the zones demarcated as Natural Areas for Integrated Management. These communities are expected to actively participate in the governance of the Natural Area and in the development of the PA management plan. So far the Kaa-Iya is the only PA with a management plan and a functioning system to allow participation of indigenous peoples organizations in its implementation. The management plan of the Iñao PA is under development, while the Serrania de Aguaragüe and El Palmar PAs lack management plans. There is an overlap between indigenous peoples lands including *Tierras Comunitarias de Origen (TCOs)* or Community Lands of Origin (CLO) and the PAs such as in the case of the Weenhayek community. The Weenhayek Indigenous Territory Management Plan and the PA management plan need to be harmonized.

19. *Lack of community know-how and resources to develop and implement sustainable land use plans that mainstream biodiversity conservation. The same barrier exists for the development and implementation of sustainable fauna and flora species management plans, and for watersheds and forest management.* Land use change is progressing rapidly in the absence of livelihood alternatives that would arrest the expansion of extensive cattle ranching and unsustainable farming practices. On the other hand, there is a total absence of land use plans that would reduce land and water resource degradation in areas currently under production or that would guide the expansion of the agricultural/livestock frontier. While the Bolivian legislation provides avenues for adopting more sustainable land use practices, the actual conditions on the ground are quite challenging. Communities and local authorities lack skills, know-how and financial resources to develop sustainable land use plans that integrate biodiversity, neither do they have the ability to develop natural resource management plans that would satisfy international or national environmental standards and would make business sense. Despite the fact that Bolivia is a pioneer country in certified forest management, biodiversity considerations are often neglected in the management plans that mostly focus on the sustainability of commercially valuable tree species rather than the entire ecosystem. International certification is not within reach of these remote local communities and is not viable for small-scale timber operations.

20. *Lack of resources and staff within national and local agricultural extension institutions to provide technical assistance and financial resources to communities to implement SLM practices and sustainable livelihoods using natural resources*. Due to the remoteness of the PAs and insufficient human and financial resources government institutions are seldom present in the geographic areas of this project.

21. *Lack of community and local authorities awareness on the importance of forest ecosystem services and lack of know how and incentives for communities to maintain forest areas avoiding land use change, and to improve vegetation cover in agricultural lands, maintaining or enhancing carbon stocks.* In 2007, there were about 25,000 fires in Bolivia, most of which were the result of the traditional practice of using fire to clear land for planting and pasture (chaqueo), used in both large and small-scale agriculture. Controlling these fires would significantly reduce the release of CO2 into the atmosphere and avoid destruction of carbon sinks. On the other hand, deforestation caused by commercial timber operations and local use for lumber, firewood and charcoal production is rapidly expanding. Opportunities to tap into emerging mechanisms such as REDD+ and PES to arrest land use change depend on the abilities of NGOs and local communities to assess and monitor ecosystems and carbon stocks.

22. *Lack of access to renewable energy alternatives to meet the energy needs of communities without emitting GHG and depleting forests and other vegetation types.* Renewable energy (RE) or energy efficient (EE) technologies have not reached these remote rural areas to support agro-industry development and household heat and electricity needs. Awareness raising about the consequences of degrading or destroying woodland areas, as well as demonstration of RE technologies to meet local energy needs are the necessary first steps.

1.3 Long-term Solution / Project Approach

23. SGP will build on the enabling environment created by the 2007 Constitution (which was approved in 2009) and other initiatives promoted by the Government of Bolivia (GoB) and its development partners, to implement cost-effective and sustainable community-based initiatives to conserve biodiversity, promote sustainable land management, and enhance carbon stocks in the Bolivian Chaco. SGP will aslo build on its experience in other parts of the country and on its network of partners to help address the gaps identified in the baseline. The GoB has emphasized the role of "social movements" and marginalized groups in the day-to-day operations of government. Increasing reliance on social movements for local control, monitoring, and oversight -- traditionally government functions --, is having a notable influence on the enforcement of laws and regulations in the country. To strengthen the roles of local actors, the government is providing financial support directly to these groups, as well as to municipalities, to

promote local economic development. This brings about new opportunities to work at the grassroots level in the country.

24. Working in and around four protected areas in the Chaco ecoregion, SGP will complement government efforts by building the capacity of indigenous peoples and farmer communities for environmental management, creating awareness of the importance of ecosystem services to local livelihoods, creating incentives for BD conservation and sustainable use of land and natural resources, and establishing a mosaic of community interventions in the production landscape that demonstrate that it is possible to enhance the quality of life of communities without compromising the fragile Chaco ecosystems. Substituting production practices such as extensive cattle ranching with more intensive and sustainable land use is a key element of the project strategy to reduce the rate of land use change in the Bolivian Chaco and the loss of carbon stocks. The project will also promote the adoption of renewable energy practices to meet local development needs and reduce unsustainable of biomass in the project area.

25. Individual initiatives receiving grants from this project will contribute concrete outputs to the achievement of four inter-related outcomes:

- Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions.
- Climate change mitigation through promoting investments in renewable energy technologies and through land use, land-use change and forestry in community lands.
- Land degradation reduced by maintaining or improving the flow of agro-ecosystem services in community lands for sustainability and improved livelihoods.
- Community capacities to address global environmental challenges developed, and knowledge acquired through project implementation documented, shared and applied.

1.4 Stakeholder and Baseline Analysis

1.4.1 Stakeholder Analysis

26. The main stakeholders of the project are local communities, and in particular indigenous peoples, that live within the 4 protected areas and their buffer zones. Ethnic groups that will benefit from SGP support are Izoceño-Guarani, Chiquitano, Ayoreo, and Weenhayek. Communities of “mestizo” farmers who live within the buffer zones of the PA will also be involved. SGP will partner with national NGOs with technical and financial management skills that are present in the project areas. Their role is essential as they will mentor community groups and will contribute to SGP capacity building efforts and monitoring on the ground.

27. In order to improve the likelihood of sustainability of community actions, and in accordance with the Autonomy Low of Bolivia, SGP will invite local municipal authorities and indigenous peoples organizations to participate in all activities and will partner with national Government institutions relevant to the objectives of the three focal areas to ensure policy feedback. These include, among others, the Ministry of Environment and Water and its Vice-ministries and specialized departments and branches; the National Service of Protected Areas; the National Authority on Forest and Lands; the Ministry of Rural Development and Lands and its specialized departments and branches; and the Ministry of Energy and Hydrocarbons, among others. Research and academic institutions will be invited to initiate relevant basic and applied research projects directly involving local communities to improve the knowledge on biodiversity and further develop sustainable use techniques and practices building on traditional knowledge, and that could be replicated with SGP support.

28. Institutions and private entities working on renewable energy will be invited to provide technical assistance to local communities and to invest in promoting renewable energy technologies in the project focus areas.

1.4.2 Baseline Analysis

Protected area and buffer zone management:

29. The project results framework (Section B) and the protected area management effectiveness tracking tool (Annex 12) present baseline information for each protected area. Annex 2 provides a summary of baseline investments in each of the protected areas.

30. Bolivia has established policies and frameworks for protected area management. These policies reflect international best practice and they are supportive of local community participation in PA management planning and implementation. PA management is regulated by the "General Regulation for Protected Areas S.D 24781 of 1997". The 2007 Constitution explicitly recognizes the relationship between cultural identity and territory, and the right to autonomy concerning indigenous territorial management, and the right of indigenous peoples to benefit with exclusivity from the use of renewable natural resources within their territories (Article 30 of the Constitution). An important recent piece of legislation is the Framework Law on Autonomy (*Ley de marco de Autonomías*) approved in 2010. Under this law, the Departments and Municipalities will propose land use policies in their jurisdiction in which the needs of protected areas should be incorporated. This is an opportunity to improve PA and buffer zone management, and land use planning.

31. However, practical implementation in the four PAs selected for this project is not always consistent and satisfactory, and has mixed results. There are several challenges. Firstly, there is little coordination between the various stakeholders, which include PA managers, local and provincial authorities, indigenous peoples authorities, farmer organizations, national sectoral agencies present in the area, and CSOs. Secondly, human capacities are generally low and there is little technical assistance available for planning and designing an implementation program. Often there are considerable delays in the approval of planning instruments due to lack of consensus among stakeholders or lack of coherence between the various instruments. Thirdly, there is a chronic shortage of financial resources. While the gap between resources available and PA operational needs is slowly being reduced, the PA system largely depends on resources from international cooperation. The 2011 budget for the 4 protected areas includes the following amounts: Kaa Iya, $394,917 (6% of the total PA system budget); El Palmar, $132,570 (2%); Iñao, $251,004 (4%); and Aguaragüe, $61,605 (1%). The above annual budget for the 4 PAs includes trust fund resources provided by GEF and several external donors (e.g., KfW, and Danish, English, Dutch, Swiss governments) to the PA system. The PA system of Bolivia uses 71% of its annual budget to cover recurrent costs, leaving only 29% for investment.

32. The National Protected Area System (SERNAP) developed a Strategic Institutional Plan (PEI for its acronym in Spanish) to guide priority setting and resources mobilization for the period 2009 - 2013. An important result was the establishment in 2011 of a Basket Fund with resources from the Governments of Denmark and The Netherlands. These resources will be available until 2013 to support, among others, operational costs in the four protected areas in this project. In addition, since 2007, the Bolivian Treasury has allocated an amount to cover a small percentage of PA recurrent costs. These funds are secured for the period 2011 - 2016. None-the-less, implementation of the management plans is significantly affected by the scarcity of financial resources. For example, the only "public investment projects" shown in the 2011 budget of El Palmar and Iñao are $19,570 for a small farmer micro-irrigation project and $71,000 for camp construction respectively, which are clearly insuficient to address PA investment needs.

33. There is general guidance available on how to establish buffer zones for protected areas in Bolivia. This guidance is complemented by sectoral policies and laws such as the Forestry Law that provide a framework for land use, resource use, and production activities in these landscapes. However, the implementation of such policies and the enforcement of the law is very weak in the Chaco area. To date, there is no land use planning experiences in the buffer zones of the 4 PAs. This is a major barrier to PA sustainability. In the absence of land uses that consider environmental sustainability, short-term interests prevail, often leading to rapid ecosystem degradation.

Renewable energy:

34. Bolivia is a net exporter of energy, in particular gas. However, a large proportion of the rural population does not have access to any type of modern energy. According to a 2009 study by REEEP the national rural electrification rate was 33% and the government had set a goal of increasing the rate to 53% by 2010 which means most rural populations are not connected to the grid and will remain so for years to come, including communities in the Chaco region. The Second National Communication states that the government has set in place a hydropower program for the next 10 years, and has begun implementation of six large hydropower plants that will generate 3290 MW with an investment of US$ 5,600 million. The National Program on Climate Change through the Five Year Plan has developed various initiatives for local communities to reduce the use of diesel and biomass in power generation through the construction of several small hydroelectric plants. However, none of these initiatives is taking place in the project target area. The only programme in the project area is funded by GIZ with an approximate investment of $216,000 in photovoltaic panels. Without SGP support, GHG emissions equivalent to those expected to be mitigated through SGP would happen because communities would have used kerosene and fuelwood to meet their needs. Also, without SGP the BAU scenario would continue for many years given the week presence of relevant government and non-government organizations with energy expertise in this part of the country.

Land use change and forestry:

35. There is an estimated 11,585,590 hectares of forest in the Bolivian Chaco. Deforestation rates for the period 1993 – 2000 in the municipalities of the Chaco area varied between a low 0.1 and a high 7.8 per cent. The overall deforestation rate during the same period for the 11 municipalities in the Chaco for which information is available (Bolfor) was 2%, which is equivalent to 231,754 ha of forests. While the government has pledged to reduce GHG emissions in the LULUCF sector, such reductions are not expected to be significant during the project implementation period. In the Chaco area, particularly around the four protected areas, there are no reforestation and agroforestry activities or incentives for reducing land use change from forest to other uses. Forest degradation including from fuelwood collection is significant, although precise figures could not be found for the area.

Sustainable land management:

36. A large proportion (41%) of Bolivia's territory is affected by land degradation including a large part of the Chaco. Since the country's ratification of the UNCCD, the government has taken a number of steps to address the problem. In 1996-97 the country prepared a National Action Program to combat desertification that was later revised in 2002. While several projects were developed and some got off the ground, the implementation of the NAP has not been as successful as expected, primarily due to insufficient funding. GIZ has supported the National Focal Point within the framework of a Rural Development Program. It has also helped raise awareness about land degradation and desertification among farmer organizations. RIOD- Bolivia was established with 53 NGOs and 35 CBOs. In addition the government established four sub-networks of civil society organizations, one in each major ecosystem: Puna, Chaco, Valley and Amazon. A UNDP-UNEP project for the transboundary Gran Chaco Americano is currently at its inception phase. The project will promote best practices in sustainable forest management and sustainable land management, taking into consideration the carrying capacity of ecosystems for livestock and other economic activities within the production landscape. The project is selecting pilot sites for the implementation of SFM and SLM activities in agreement with local authorities. Project activities will, however, only directly benefit a very limited number of communities in each Bolivia.

NGO and CBO capacities:

37. Since 1993 SGP has worked to enhance the capacities of NGOs and CBOs to address environmental issues in Bolivia. Over 300 organizations across the country have benefited from SGP support with some 272 projects. However, communities in the Chaco eco-region were not very successful in developing eligible projects and as a result very few received SGP support. Local government capacities in the Chaco area, particularly in the more remote and poor municipalities, is also quite low and the many competing

demands for rural development and basic social services does not enable them to prioritize environmental issues.

1.4.3 SGP Experience

38. Since its inception in 1993, SGP has funded 272 projects with a value of $7.2 million of GEF funding and $7.5 million of cash and in-kind co-financing. Biodiversity conservation and sustainable use projects make up 68% of the overall portfolio while Climate Change mitigation projects are 27%. The remaining 5% includes Land Degradation and POPs initiatives.

39. Among other results, SGP has helped communities conserve 361 native plant and animal species; protect, restore or sustainably manage ecosystems in more tan 300,000 hectares; protect 20,000 hectares of forests through Payments for Hydrological Ecosystem Services; restore 15,000 hectares of degraded pastures and 60,000 hectares of forests; conserve in-situ *quinua* germplasm (2700 accessions); conserve and value 88 local potato varieties and ecotypes and conserve 60 native potato varieties in germplasm banks; conserve habitats and endemic species outside protected areas; reduce POPs through the promotion and application of organic agriculture; and reduce erosion and other forms of land degradation. SGP has helped generate multiple social and economic benefits, including strengthened capacities of at least 150 grassroots sustainable production organizations (each CBO formed by 20 to 40 families) that are now able to operate and sell their products within the norms and with increased income. SGP has helped form10 ecotourism enterprises each by 15 to 30 families, creating a significant number of jobs and revenue for their members, and strengthen the capacities of 500 communities for CBO governance, administration, project management, and environmental awareness and natural resources management.

40. SGP has also learnt many valuable lessons through its M&E activities. Programme evaluations have identified positive and negative lessons that have informed the development of this project. An important recommendation was to focus future SGP interventions geographically to improve impact and visibility of project results. Previous SGP national strategies had included a national coverage to provide equal opportunities to all marginalized grassroots organizations to benefit from SGP funding and to pilot a wide range of intervention types in different environmental and socio-economic conditions. Such stategy enabled SGP to identify and fund innovative community solutions to environmental problems and to test a wide range of practices in sustainable production, biodiversity conservation and climate change mitigation at community level. Through its knowledge management activities SGP identified good practices that have been replicated and upscaled. However, the strategy has also shown its limitations and, therefore, the programme has revised its strategy to focus interventions in 4 protected areas and their buffer zones, all within an important but often neglected ecosystem, the Chaco. In addition to its biodiversity significance, these 4 areas were selected because the low levels of government investment in sustainable development in the area, the presence of indigenous peoples and other communities within and around the PAs, and the existence of NGOs and scientific organizations that can support the work of community-based organizations. While there is a major gap in terms of conservation and sustainable development investments in the area, there is willingness on the part of PA authorities, local governments and other institutions and organizations present in the area to work with SGP towards meeting the project objectives.

II. PART A.2 PROJECT STRATEGY

2.1 Conformity of the project with GEF Policies

41. The GEF Small Grants Program (SGP) in Bolivia is a multifocal project that will draw STAR resources from the Biodiversity (70%), Climate Change (20%) and Land Degradation (10%) focal areas. The objectives and expected outcomes of the SGP in Bolivia for the 5th Operational Phase build directly on the agreed strategic priorities for GEF-5 for these focal areas. Community projects to be funded with grants under this FSP will focus on the following GEF-5 objectives: In the Biodiversity focal area, the project will aim at improving the management effectiveness of four protected areas of the National Protected Areas System of Bolivia through improved governance, conservation actions, and sustainable use of biodiversity by communities that live legally within these areas or in their buffer zones (BD-1). SGP will also integrate conservation and sustainable use of biodiversity into the production landscape in the buffer zones of the selected four protected areas, through community-based action (BD-2).

42. In Climate Change, SGP will help demonstrate renewable energy technologies in off-grid areas and increase investments in such technologies (CCM-3) to reduce unsustainable use of biomass and mitigate climate change. SGP will also support good management practices that maintain or enhance carbon stocks in forest and non-forest community lands (CCM-5).

43. SGP Bolivia will address land degradation through maintaining or improving the flow of agro-ecosystem services to enhance the livelihoods of rural communities (LD-1). SGP actions will increase agro-ecosystem resilience to climate change by introducing more sustainable agriculture and livestock management techniques, and water conservation, erosion control, and soil restoration practices in community lands.

44. SGP will focus all its interventions in the Bolivian Chaco eco-region. By embracing a landscape approach, SGP expects to create synergies across focal areas to achieve global environmental benefits while also supporting sustainable livelihoods of local communities. In accordance with the decisions of the GEF-SGP Steering Committee meeting that took place in Washington DC on 3 March 20101, a maximum of 20% of the STAR allocations may be used to support demand-driven community-based International Waters and Chemicals project proposals where synergies with the STAR focal areas can be found and within the geographic scope of the project. SGP-funded IW and Chemicals proposals will be aligned with the following objectives:

- IW Objective: Support transboundary water body management with community-based initiatives, particularly in the transboundary Bermejo river basin and areas that may affect the Pantanal ecosystem.
- Chemicals Objective: Promote and support phase-out of POPs and chemicals of global concern at community level, especially unintentionally produced POPs releases.

45. It is not possible to select a priori the outcomes and outputs for the IW and Chemicals focal areas; these will, however, be identified as and when grant proposals in these focal areas are approved by the SGP National Steering Committee.

46. A cross-cutting project objective will be knowledge management and capacity development of community-based and civil society organizations for: generation, access and use of information and knowledge; support to participatory processes that contribute to policy, legislation development, and good governance of protected areas and natural resources; awareness and implementation of Convention

[1] The minutes of the GEF SGP Steering Committee of 3 March 2010 read as follows: "For those countries that are fully dependent on STAR funds, the SGP country programmes can look at links and synergies between the IW and the Chemicals focal areas with those of Biodiversity, Climate Change, and Land Degradation focal areas so that funds can be shared but not to go beyond 20% of their original STAR allocation".

guidelines; and monitoring and evaluation of social and environmental impacts and trends. This is consistent with the GEF-5 capacity development objectives, specifically CD-2 and CD-5.

2.2 Country Ownership: Country Eligibility and Country Drivenness

2.2.1 Country eligibility

47. Bolivia has ratified the Convention on Biological Diversity, the UN Framework Convention on Climate Change, and the United Nations Convention to Combat Desertification, and is therefore eligible for GEF financing in the three Focal Areas.

2.2.2 Link to national strategies

48. The SGP in Bolivia is directly relevant to, supportive of, and consistent with national priorities and policies related to the country's responsibilities as a party to several multilateral environmental agreements for which the GEF is the financial mechanism[2]. This project is in the framework of the principles and legal bases of the new Political Constitution of the Plurinational State of Bolivia, and within the national priorities of the National Development Plan (NDP). The NDP established that "environmental resources include tangible goods such as forests, water resources, and biodiversity with all their biological richness and variety of environments, and intangible goods such as the hydrological cycle and carbon sequestration, which act to mitigate climate change, and which certification will generate advantages for the development of the country".

49. The NDP also includes strategies to reduce poverty in which environmental conservation plays an important role. It emphasizes harmony with nature, which is based on traditional economic and cultural linkages of local communities to nature and natural resources. The NDP speaks of reestablishing a balance between nature conservation and economic needs to improve livelihoods, particularly of indigenous communities. This development model is predicated on the following principles for the use of biodiversity and forest resources:

(a) Productive Transformation of the Forestry Sector; the focus of this principle is on commercial and industrial value-added processing of timber and non-timber forest products and the expansion of sustainable exploitation of forest resources. The NDP seeks to promote the export of value-added products to generate income and jobs for cooperatives, social groups, and "Community Lands of Origin" (CLO), less so for private sector companies.

(b) Sustainable Use and Conservation of Biodiversity; the NDP seeks to promote the sustainable use of biodiversity by strengthening the management and marketing capacity of community and indigenous organizations; undertaking research activities to promote new products and identify new markets; and establishing parastatal companies to promote and market natural products. Biodiversity strategies and programs considered in the NDP explicitly recognize the role of the state in promoting the sustainable use and conservation of biodiversity, working closely with indigenous and local communities.

50. With respect to Biodiversity, this project is aligned with the National Biodiversity Strategy and Action Plan (NBSAP) approved in 2001 by the then Ministry of Sustainable Development and Planning. According to the NBSAP ¨The Bolivian State articulates efforts and develops strategic alliances and actions for the conservation and sustainable use of biodiversity contributing to sustainable development¨. The policy guidelines of the NBSAP, include the ¨Recognition of the strategic character of biodiversity

[2] Bolivia has ratified the Convention on Biological Diversity (CBD), the United Nations Convention to Combat Desertification (UNCCD), and the UN Framework Convention on Climate Change (UNFCCC). It has also ratified other relevant multilateral agreements such as the Ramsar Convention on Wetlands, and the Convention on International Trade in Endangered Species (CITES)

for national development¨ and the "Conservation of biological diversity of ecological, economic and cultural importance¨. The SGP project is also consistent with the General Regulation on Protected Areas (Supreme Decree No 24 781), the key policy instrument for managing the National Protected Areas System.

51. With regards to Climate Change, SGP responds to priorities identified in the National Climate Change Program (NCCP). The NCCP is responsible for the implementation of Bolivia's commitments as a Party to the UNFCCC and is a program of the General Directorate of Environment and Climate Change of the Viceministry of Environment, Biodiversity, Climate Change and Forest Management and Development. The NCCP produced national GHG inventories in 1994, as well as various studies on mitigation and adaptation such as GHG mitigation options, vulnerability and adaptation studies for the health and food sectors, technology transfer needs, and education and awareness programs. The project is also consistent with the Second National Communication (2009) that confirmed that the largest source of GHG emmisions in Bolivia is land use, land use change and forestry, which in 2004 accounted for 50%, followed by the energy sector. This FSP will finance renewable energy initiatives of communities in the Chaco eco-region to be jointly identified with the NCCP to avoid duplication of other government CC efforts and to mobilize co-financing. In 2009 Bolivia adopted a National Forest and Climate Change Strategy. The vision of the Strategy is to conserve forests and the environmental goods and services they provide without affecting the role of forests in supporting the livelihoods of the poorest communities, and their contribution to national economic development. The main objective of the Strategy is reduce the social, economic and environmental vulnerability of forest-dependent communities and other Bolivian citizens to climate change effects through poverty reduction initiatives that generate incentives for the integrated management of forests and that are within the framework of the "living well" paradigm. The SGP is fully aligned with this Strategy as well as with the National Plan for Integrated Forest Management (2008) as both are fairly consistent. Bolivia's policy concerning Reduced Emissions from Deforestation and Forest Degradation (REDD) is that these activities must necessarily respect and promote the rights and interests of Indigenous and local communities, ensuring their active participation and their right to free prior informed consent in designing and implementing REDD+ initiatives, in full compliance with international human rights conventions and other relevant and applicable national and international laws. Bolivia does not support carbon markets for REDD, stating that REDD should establish an alternative source of funds and should enable the transfer of new and additional financial resources from developed to developing countries.

2.2.3 Links with UNDAF and with ongoing UNDP and GEF programmes and projects

52. The current UNDAF cycle for Bolivia (2008-2012) focuses on increasing national productivity in the context of sustainable development. The UNDAF aims at achieving a balance between development goals and natural resource conservation, and UNDP is playing a major role in supporting the government in meeting those goals. Outcome 4 of the UNDAF seeks to strengthen the capacity of institutions and organizations to increase productivity and generate employment while improving environmental management. Country Programme Outcome 3 includes 4 outputs relevant to SGP activities in Bolivia: (i) conservation, management and use of natural resources for agricultural and non-agricultural processes promoted; (ii) production activities based on natural resources enhanced through combining traditional knowledge and modern technology to improve food security; (iii) production activities in areas of significant biodiversity increasingly under organic and sustainable production certification; and (iv) access to renewable energy technologies in off-grid rural areas increased. Initiatives led by women are given priority across all UNDAF outputs and outcomes.

53. Table 1 summarizes initiatives relevant to this project, including other GEF interventions, with which SGP will coordinate to achieve the objectives of the project.

Table 1: Coordination with other relevant initiatives

Initiative and Organization(s)	Relevance to SGP	Brief description of coordination, synergy or complementarity with SGP
National Climate Change Program (NCCP) Ministry of Environment and Water (MMAyA) - Vice-ministry of Environment, Biodiversity, Climate Change, and Forest Management (VMABCC)	The National Climate Change Program created by Supreme Decree No 25030 of 1998, of the MMAyA-VMABCC is responsible for national commitments to the UNFCCC; its function is to coordinate, articulate, orient and channel efforts to identify and implement adaptation measures and mitigation options for CC.	SGP-Bolivia's support to communities in CC will be co-financed by the National Climate Change Program, which is funded by bilateral cooperation from the Netherlands.
United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD)	The Bolivia project document was completed in May 2010. The UN-REDD Programme is jointly implemented by FAO, UNEP and UNDP and seeks to support the government on Bolivia to achieve REDD + readiness by 2013. The component on carbon stock assessments and monitoring is particularly relevant to SGP as well as the capabity building and demonstration activities at local/community level.	UNDP Bolivia will provide the framework for SGP's participation in relevant UN-REDD activities and consultations. It is hoped that SGP grantees and partner NGOs will be able to benefit from capacity building activities under the Joint UN-REDD programme.
PROMARENA project for the reduction of desertification in the Chaco Area Ministry of Environment and Water (MMAyA) -Vice-ministry of Water Resources, Department of Watershed Management and Water Resources	Component 3 of the SGP project, is consistent with the national priorities on land degradation and desertification established by the Vice Ministry of Watershed Management and Water Resources	Support to communities by SGP-Bolivia will complement the support that the Vice-Ministry of Watershed Management and Water Resources is providing to PROMARENA
Sustainable Forest Management in the Transboundary Gran Chaco Americano Ecosystem GEF project implemented by UNDP and UNEP in partnership with OAS, the Chief of the Cabinet of Ministers, Argentina; Vice-Ministry of River Basins and Hydraulic Resources of the Ministry of Water, Bolivia; Environment Secretariat, Ministry of Environment, Paraguay	The objective of this transboundary project is to reverse land degradation trends in the Gran Chaco through support to sustainable land management in the productive landscape. This is fully consistent with the objective of the SGP program in Bolivia.	Component two of the Gran Chaco project deals with the application of a range of SFM and SLM practices involving a number of producers and an area large enough so that these can be perceived as feasible alternatives to clear-cutting for agricultural purposes by non-project participants. This is highly relevant to the SGP, which may be able to replicate some of these practices within and around the four selected PAs.
UNEP/GEF Strategic Action Program for the Bermejo Bi-national Basin, which includes Argentina and Bolivia	Information generated by this GEF International Waters projects and its experience in arresting land degradation in the basin is of relevance to the SGP	To be determined at project inception stage.

2.3 Project Goal, Objective, Outcomes, Outputs and Activities

54. The project Goal is to support the implementation of national policies on biodiversity conservation and sustainable use, climate change, and land degradation to conserve the Bolivian Chaco ecosystems and mitigate climate change, while contributing to improve the livelihoods of local communities.

55. The long-term Project Objective is to secure global environmental benefits through strategic and integrated community-based actions in biodiversity conservation, climate change mitigation and sustainable land management in the Chaco eco-region of Bolivia.

56. The project will achieve global environmental benefits by supporting at least 136 community-based initiatives that will collectively contribute to overcoming organizational and individual capacity barriers to the conservation and sustainable use of biodiversity, to sustainable land management, and to mitigate climate change in the production landscapes of the Bolivian Chaco. Individual small grants and other project activities will deliver concrete outputs to achieve four interrelated Outcomes: (i) Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions; (ii) Climate change mitigation through promoting investments in renewable energy technologies and through land use, land-use change and forestry in community lands; (iii) Land degradation reduced by maintaining or improving the flow of agro-ecosystem services in community lands for sustainability and improved livelihoods; and (iv) Community capacities to address global environmental challenges developed, and knowledge acquired through project implementation documented, shared and applied.

57. To the extent possible the project will take an integrated approach whereby individual activities contribute to deliver more than one outcome, and individual organizations and initiatives link up to achieve economies of scale, learning and replication.

58. Outputs and activities designed to achieve the project objective and outcomes are described below:

Outcome 1: Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions		
Total Cost: $ 5,931,167	**GEF Funds: $ 2,381,167**	**Co-financing: $ 3,550,000**

59. Outcome 1 seeks to 1) address protected area management effectiveness by supporting community participation in the development and implementation of PA management plans; and 2) mainstream biodiversity conservation and sustainable use in the production landscape in and around PAs.

60. PA governance that allows for participation of indigenous peoples organizations will be strengthened. Community leaders and other members of their organizations will be trained on PA and natural resource management legislation, as well as on the importance of ecosystem services. This component will also support the development of plant and animal species management plans because these are essential to implement livelihood initiatives that are consistent with the objectives of the PA. Eight species will be selected for conservation or sustainable use initiatives in consultation with PA authorities, specialized organizations and local communities, using criteria such as: (i) species listed either in the Red Book of Bolivian Vertebrates or in the Red Book of Bolivian Crop Wild Relatives; (ii) species for which successful sustainable management experiences exist; and (iii) animal and plant species with local cultural significance or those that are currently hunted/harvested by local communities (see Annex 3 for a list of potential species and their status). SGP will promote participation of local community members in applied research projects alongside academic institutions to increase community knowledge of local biodiversity while building on indigenous knowledge and practices.

61. SGP will also help communities to mainstream BD conservation into Indigenous Territories Management Plans, which guide land and resource use in indigenous territories within and around PAs. For this component SGP will also work with small-scale farmers to mainstream biodiversity conservation in the production landscape in PA buffer zones. SGP Bolivia will use the Millennium Ecosystem Assessment approach and will consider all ecosystem services in developing territorial and/or land use plans. At the inception of the project SGP will develop guidelines for the preparation of community land

use plans using state-of-the-art material and information from a variety of sources. The extent and depth of mainstreaming will be assessed using indicators established at the beginning of each participatory land use planning process. Various BD-friendly income-generation activities (ecotourism and non-timber forest products) will be promoted. Measures to off-set any significant CO2/GHG emissions resulting from ecotourism or other income-generation activities will be built into the grants. Environmental certification tools will be applied to improve land management and resource use while opening new markets for these products. SGP will apply existing national certification standards in all interventions, and will use international certification systems where available and as appropriate. For example, for tropical forests, the Bolivian Council for Voluntary Forest Certification (CFV) has developed national standards that have been accepted by the Forest Stewardship Council (FSC). There are also FSC-compliant standards for Brazil nut production in Bolivia. SmartWood certification has been used in the lowland forests of Bolivia. For agro-ecosystems (organic agriculture) and non-timber forest products SGP will apply the provisions of Law 3525 and the Technical Norms for Ecological Production (2006) developed by the Bolivian National Council for Ecological Production, which regulate law 3525 (the Norms address, among others, organic agriculture, apiculture, animal husbandry, and collection of wild resources). Fair Trade certification will also be sought for community-based products. There is a growing number of recognized entities that provide certification services such as IMMO Control and Bolicert. The Bolivia Forestry Chamber provides support for certification of communities' forest products.

Output 1.1.1: PA governance mechanism engaging local communities and indigenous peoples organizations in the management of the Natural Areas for Integrated Management zones.

62. This output is designed to address the barriers hindering effective participation of local communities in the governance and planning of the NAIM of the four protected areas by means of strengthening the Management Committees (MC), which are bodies representative of the local population in the planning and oversight of PAs. By the end of the project, the MC of Aguaragüe would have been established, and the MCs of all four PAs will function efficiently and effectively with approved by-laws, regular meetings, and documented decisions. This output will also help address coordination among bodies and institutions relevant to the management of these territories, taking into account the relationship between the Protected Area System (Sernap) and individual PA Directorates, and the Departments, Municipalities and Community Lands of Origin. The linkages between different planning tools such as Municipal Development Plans and Protected Area Management Plans will be reviewed where geographic areas of common interest exist.

63. The main activities to deliver this output are: awareness raising among communities and local and regional entities on the importance of the MC; consultations with community and PA representatives to develop by-laws that enable effective participation of stakeholders in the MC and create accountability; and establishing a timetable for MC meetings with clear agendas. SGP will identify CSOs present in the region to support local communities review existing planning instruments and identify areas that require improvement or harmonization as an input to the work of the MC. The above activities will be the basis to enable communities contribute to the development, revision, harmonization or implementation of the following planning instruments for each PA as follows:

- *Aguaragüe*: a) Protected area Management Plan; b) Strategic Plan for the Integral Development of Aguaragüe and Ancestral Territory of the Guarani People.

- *Iñao:* a) Protected Area Management Plan; b) Fauna and Flora management plans; c) PA linkages with the municipalities of Muyupampa, Monteagudo, Padilla, and Villa Serrano, including their development plans.

- *Kaa Iya:* a) Updating and implementation of the PA Management Plan; b) development and implementation of a Tourism Management Plan; c) strengthening of a management plan for sustainable trade in selected animal skins in the CLO Izozog; d) the linkages between the PA, the CLO Isoso, and the development plan of the municipality of Charagua.

- *El Palmar*: a) Protected Areas Management Plan; b) Fauna and Flora management plans; c) and linkages between the PA and the municipality of Presto.

Output 1.1.2: Training programme on PA legal aspects and land tenure issues designed and delivered

64. This output is designed to This output will address community information needs concerning existing legal frameworks governing their rights and responsibilities with respect to land use planning, natural resource use, protected areas, and land tenure. SGP has identified a set of common training needs among communities but further consultation will take place to ensure training activities are relevant to each community. Below is a tentative list of topics per PA:

- *Aguaragüe*: Roles and responsibilities of national and local authorities in PA and NAIM management; norms and legal frameworks governing the use of natural resources.

- *Iñao*: Legal framework for PA and biodiversity conservation and sustainable use; land use tenure and status of implementation of land titling (disencumbrance) in the area.

- *Kaa Iya:* Land tenure and land titling; legal framework for tourism activities in protected areas; legal framework for land use planning.

- *El Palmar:* Community forest management; environmental law; archeological heritage; land rights; and tourism in PAs.

65. The target is to train at least 400 community leaders during the lifetime of the project. The main activities to deliver this output are: identification of institutions with relevant expertise; further consultations with local communities to develop a training programme for each area; signing MOUs or grant agreements with the institutions that will deliver the training, with defined quality standards and means of assessing results of training.

Output 1.1.3: El Palmar PA management plan updated with community involvement.

66. This output will support efficient and effective community participation during the various stages of updating the El Palmar management plan. The plan will be instrumental to regulate the use of plant and animal species, helping conserve endemic plants such as the *Parajubaea torralyi* palm and *Podocarpus parlatorei,* which is listed in the CITES appendix. While the PA Directorate will lead this activity, SGP and its partners will support the preparation of communities so that their inputs are well informed, and their leaders truly convey the views of community members during the plan development process. Community representatives will also need support to address any conflicts that may arise between and within communities. The following nine communities will be involved: Joya, Charal, Molani, Rodeo, Aramasi, Loman, El Palmar, Trancas Horno Kasa, Torco Torco y Pasopaya (sector Chacra Mayu).

Output 1.1.4: Aguaragüe PA management plan and Weenhayek Indigenous Territory Management Plan harmonized.

67. This output will enable the harmonization of various land use planning instruments: Strategic Plan for the Integral Development of the Aguaragüe and the Ancestral Territory of the Guarani People; the Management Plan of the Indigenous Territory of the CLO Weenhayek; and the Aguaragüe PA Management Plan. SGP contribution will be to support consultations within each group, between the Weenhayek and Guarani populations, and also between them and the PA directorate and SERNAP. The main activities will include the identification of gaps and areas that require harmonization, information meetings in each community, preparation of a timetable and agenda for consultations, and defining agreed outputs of the process.

Output 1.1.5: Community initiatives conserve threatened and near threatened species and promote sustainable use of plant and animals with potential use in accordance with protected areas zoning.

68. This output will help address technical capacity barriers for the implementation of PA management plans that integrate the conservation sustainable use of biodiversity. Annex 3 includes a list of species so far identified and describes their status. SGP will support the development of 8 species management plans

and will fund at least 20 community initiatives for their conservation and sustainable use, as appropriate. SGP will work with its partners to identify organizations with relevant expertise to ensure communities have adequate technical assistance for the development, implementation and monitoring of the species management plans.

Output 1.1.6: Training program for engaging local community members in basic and applied research for BD conservation and sustainable use in partnership with PA authorities and research institutions.

69. This output will help ensure that communities directly benefit from the knowledge arising from research activities within PAs and NAIMs, and that such new knowledge builds on communities' own ancestral knowledge of ecosystems. SGP will promote a training-by-doing program whereby community members can acquire research and data management skills as well as knowledge that can be applied to land and resource use management projects. In consultation with SERNAP and selected academic institutions, a list of priority research topics for each PA will be established. This includes topics that are supportive of this project's objective and of interest to local communities. SGP will co-finance the participation of community members in research activities, including the training of 60 community members, men and women, with emphasis on the youth. At least 6 community research initiatives will be supported by SGP and partner organizations.

Output 1.1.7 Community-based ecotourism as a conservation strategy for protected areas.

70. Ecotourism has been identified as an economic activity that may also contribute to the conservation of the PAs and NAIM, as well as a means to improve social integration between communities, and to develop entrepreneurial skills. While an Ecotourism Strategy for the National System of Protected Areas exists, there are no ecotourism facilities in the 4 selected PAs. There is an incipient process to design tourism development plans for the PAs, and some PAs already have a menu of potential adventure, scientific, historic and archeological tourism activities. This output will enable authorities and CBOs design and pilot three sustainable tourism activities involving 9 communities. SGP financed projects will include a training component for participating communities, including business plan development, facilities management, quality standards, and others as required.

Output 1.1.8 Implementation of BD components of 2 Indigenous Territory Management Plans within 2 PAs.

71. Existing planning instruments in Aguaragüe and Kaa Iya include biodiversity conservation and sustainable use components. This outcome will contribute to address barriers to the effective implementation of BD components of these plans by communities, as well as to improve cooperation between communities and PA authorities. In Aguaragüe, SGP will support the Organization of the Weenhayek Indigenous Peoples *(Organización de Capitanías Weenhayek de Tarija -ORCAWETA-, and Consejo de Capitanes Tapiete de Tarija - CCGTT-*) as well as the *"capitanías zonales* of Villamontes, Yacuiba and Caraparí" to implement selected projects. In Kaa Iya, SGP will support initiatives developed by the Assembly of the Guarani People in the Municipality of Charagua, CLO Isoso. Some potential initiatives are: forest enrichment with meliferous plant species, or with species that have artisanal, food, fodder or other economic uses; reforestation with commercial tree species; aquaculture with native species or repopulation of water bodies with native species; and management of animal species such as iguana. It is envisaged that SGP will support 15 initiatives involving 30 community groups.

Output 1.2.1 Community land use plans mainstreaming BD in PA buffer zones.

72. This output aims at removing the capacity and coordination barriers to develop and reach consensus on land use plans that mainstream biodiversity conservation and sustainable use in the four PA buffers zones. The target is do develop 8 land use plans covering an area of some 132,352 hectares, including the two watersheds mentioned in Output 1.2.4. It is possible that some land use plans will include sub-plans to be developed by specific community groups targeting priority areas, such as in the case of the Buffer Zone of Aguaragüe. The project will bring together provincial and municipal authorities, CLO authorities, PA staff, farmers and ranchers in the buffer zones to prepare "community land use plans" that take into

account existing livelihood activities, as well as communities' interests and future needs in each of the target areas. To deliver this output the following activities will take place:

- Consultation with communities about priority buffer zone areas preselected by PA Directorates. For example, in Kaa Iya, the following areas within the buffer zone have been prioritized: Lake Porvenir and surrounding areas in the Chiquitos province in the municipality of Pailón; the Bañados zone and adjacent areas in the Cordillera province, municipality of Charagua; and Isiporenda - Misiones zone in the province of Cordillera, municipality of Charagua.
- Identification of government and non-government organizations with presence in the areas that can offer technical assistance to communities and local authorities on land use planning;
- Development of guidelines for the preparation of land use plans; the guidelines should include suggestions for identification of relevant indicators that would allow communities to monitor the status of ecosystem services and BD;
- MOUs with CSOs supporting communities in the development of the land use plans and facilitating consultations and consensus building.

Output 1.2.2 Improved livestock management and agricultural production initiatives in PA buffer zones to reduce negative impact on BD.

73. This output aims at removing the knowledge and capacity barriers to improve livestock and agricultural production practices in buffer zones of PAs. SGP will build on activities discussed under Outcome 3 on sustainable land management. Current livestock management practices for cattle and sheep are based on deforestation of large areas and with a minimum level of technification. Agriculture is also based on slash and burn practices and is itinerant, leading to significant deforestation. Both livestock and extensive agriculture are moving the agricultural frontier towards the PAs. SGP will work with ranchers and farmers and with NGOs with relevant expertise to identify management practices that enable communities maintain or improve their production levels while reducing deforestation and forest degradation rates. The following activities will take place to deliver this output:

- Assessment of current livestock and agricultural practices in each of the buffers zones and selection of priority areas within the context of the land use plans (see Output 1.2.1).
- Identification of possible interventions for each type of ecosystem. For example, in El Palmar, high altitude areas (above 3,000 meters) composed of sub-alpine law graminoid herbaceous vegetation (*Stipa ichu, S. mucronata, Eragrostis sp., Elionorus muticus*) and other gramineae from the genera Deyeuxia, Aristida, Setaria and Paspalum, and arbustive species such as *Baccharis incarum* and *B. latifolia* have permanent presence of bovine and sheep livestock. There is a need to change the grazing and browsing practices to reduce current negative impact on this ecosystem. Fodder production to supplement grazing may be explored. In other areas it may be possible to produce protein from pigs or other animal species that can be kept enclosed. Examples of improved agricultural practices include implementation of systems for fire control, introduction of fruit trees and cultivation of other perennial species, implementation of agroforestry and agrosilvicultural practices.
- Engagement of communities in applied research and demonstration activities through grants to local community organizations and NGOs. SGP will co-finance 15 initiatives, 4 each in Kaa Iya, El Palmar and Aguaragüe, and 3 in Iñao.
- Support business plan preparation and market development for new products.
- Review and evaluation of results and dissemination of best practices through training, and farmer-to-farmer visits, among others.

Output 1.2.3 Sustainable use of non-timber forest products to conserve BD and improve livelihoods around PAs.

74. Biodiversity in the Chaco offers multiple opportunities for sustainable use of non-timber forest products. SGP aims at identifying and supporting the implementation of a wide range of sustainable use

practices compatible with the PA and buffer zone management plans and within the framework of existing legislation. SGP will build on previous experience from elsewhere in the country, on the results of research from a variety of institutions, and on indigenous knowledge of local ecosystems and species. SGP will co-finance 20 community initiatives involving research, production, product development, and marketing of non-timber forest products such as: sustainable apiculture; production of aromatic, ornamental and medicinal plants; collection of wild fruits, other food species and fibers for handicrafts, among others. Delivery of this Output will be done in coordination with Outputs 1.1.5 through 1.1.8 to help achieve economies of scale when similar products are being produced in different areas and to use local markets emerging from ecotourism.

Output 1.2.4 Ecosystem services valued and plans for integrated watershed management (2 watersheds).

75. This output will address the capacity barriers to apply the Millennium Ecosystem Assessment approach at local level to review the status of ecosystem services and for valuing such services as a foundation for possible PES schemes. Water ecosystem services will have priority given their importance for the Chaco eco-region. Two watersheds have been prioritized, one each in Aguaragüe and El Palmar. In cooperation with the Vice-Ministry for River Basins and Hydrological Resources, relevant NGOs may undertake an assessment of the aquifers in the Aguaragüe PA and develop a watershed management plan. In El Palmar SGP aims at supporting the development of an integrated watershed management plan for El Rodeo river basin. Two watersheds near Iñao, *Río Azero* and *Río Grande*, have been identified as important areas requiring management plans. These may be developed if additional resources are mobilized. Activities under Outcomes 2 and 3 (renewable energy, carbon stock enhancement, SLM) may be implemented in these priority watersheds to enhance potential impact.

Output 1.2.5 Environmental certification of community production landscapes

76. This output aims at removing the information and capacity barriers that hinder certification of community products and services in the Chaco area. SGP will support activities that improve access to relevant information concerning standards and certification processes for various products and services, and facilitate the application of such standards in sustainable livelihood activities funded through SGP grants (see Outputs 1.1.5 through 1.1.8, Output 1.2.3, and possible products under Output 3.1.1). Many standards are defined in Bolivian sectoral laws and guidelines, such as those regulating the collection of wild resources or those under the Forest Law. Often, obtaining permits to use natural resources require demonstration that these standards will be met. This output involves activities related to information and training with respect to standards and certification processes but obtaining the certification will be considered within each SGP grant on SLM, non-timber forest products, wildlife management, etc. This Output will be implemented taking into consideration activities for Output 1.1.2 above on legal aspects of PA management.

Outcome 2: Climate change mitigation through promoting investments in renewable energy technologies and through land use, land use change and forestry in community lands		
Total Cost: $ 1,705,333	**GEF Funds: $ 680,333**	**Co-financing: $ 1,025,000**

77. Outcome 2 seeks to demonstrate community practices that contribute to mitigate climate change. On one hand, the project will seek to increase investments in renewable energy technologies that help meet community energy needs without depleting biomass in remote off-grid areas. For example, SGP will support run-of-the-river micro-hydro electricity generation (without reservoirs), solar dryers, photovoltaic panels and other technologies that meet specific energy needs of local communities. On the other hand, carbon stocks in forest and non-forest community lands will be enhanced through avoidance of use of fire in agricultural and livestock practices and through promoting silviculture, agro-forestry, reforestation and natural regeneration. SGP will also work with NGOs and local organizations to obtain baseline data and set-up a system for measuring carbon stocks and monitoring the effect of interventions. This is essential to pave the way for communities' access to REDD+ or PES incentives. Concerning monitoring of carbon stocks, SGP is also in discussions with the GEF Carbon Benefits Project (CBP) to assess the possibility of

using the carbon stocks monitoring methods and tools under development. The CBP toolset includes a simple assessment method of the impact of proposed land management changes on carbon stocks and GHG emissions that will be suitable for use at the planning stages of community project activities. The method requires hypothetical information on which land management interventions will be used and where these will occur, and similar information on what would happen on the land if the project did not occur (the baseline scenario). There are also other CBP planning tools being developed for looking at the potential economic or social impacts of a proposed project, which may also be useful to SGP stakeholders. SGP will explore whether carbon monitoring systems can be integrated in the land use plans mentioned above.

Outputs 2.1.1 and 2.1.2 "Renewable energy units installed" and "Partnerships with government and private entities to disseminate renewable energy technologies including photovoltaic, hydroelectric and biomass to increase investment in project area".

78. These two outputs are designed to help overcome the information and capacity barriers hindering community access to renewable energy technologies in the project area. Through these outputs SGP will create awareness of RE technologies and will make available the technical expertise required to identify and implement RE solutions for rural communities not yet connected to the national grid and where fuelwood and kerosene are the only energy sources available to them. It will also identify new partners that can assist financially and technically to disseminate these technologies, building local demand for RE in the project area. SGP aims at addressing a combination of energy needs including: lighting and other electricity needs at the household level; and agro-industry energy needs such as electricity for irrigation and for small rural businesses, or for drying agricultural products. Table 2 below summarizes the three RE technologies so far selected, the number of units to be installed, and the expected CO2 mitigation targets during the lifetime of the project (please also see Annex 4 (a) and (b) for detailed calculations and sources of information). A minimum of 2 new entities/organizations is expected to partner with SGP to double the current investment in RE in the project area.

Table 2: Emissions avoided by replacing fossil fuels with renewable energy

	2012		2013		2014		2015		TOTAL	
Technology*	**# of new units/ year**	**tCO_2 Year 1**	**# of new units/ year**	**tCO_2 Year 2**	**# of new units/ year**	**tCO_2 Year 3**	**# of new units/ year**	**tCO_2 Year 4**	**total # of units**	**tCO_2 cumulative**
PV Panels										
SGP	150	7.57	200	17.66	100	22.71	50	25.23	500	73.16
Replication	0	0	50	2.52	100	7.57	100	12.61	250	22.71
Sub-total	150	7.57	250	20.18	200	30.27	150	37.84	750	95.87
Micro-hydro										
SGP	3	4204.71	0	4204.71	0	4204.71	0	4204.71	3	16818.84
Replication	0	0	2	1906.14	0	1906.14	1	4232.74	3	8,045.01
Sub-total	3	4204.71	2	6110.85	0	6110.85	1	8437.45	6	24,863.85
Solar dryers										
SGP	5	1.25	15	4.98	20	9.97	10	12.46	50	28.65
Replication	0	0	5	1.25	10	3.74	10	6.23	25	11.21
Sub-total	5	1.25	20	6.23	30	13.70	20	18.69	75	39.87
									TOTAL	**25,000**

***Assumptions**: Solar panels with a capacity of 16,2 kWh/month
Micro-hydros of 100 kW with a generation capacity of 3000 kW/month
Solar dryers with a capacity of 4 kWh/m2 day and 120 kWh/month

79. Under these outputs the following activities will take place:

- Identification of organizations, entities and individual experts that can offer financial and technical support on RE to communities in the Chaco rural areas;
- Development and signature of memoranda of understanding specifying the roles and expected deliverables of each partner;
- Awareness raising and dissemination of information concerning climate change and renewable energy technologies in the target areas;
- Identification of energy needs and development of renewable energy projects with strong involvement of local communities, both men and women.
- Design and implementation of individual projects to be funded by SGP and its partners. These projects will also include specific mechanisms to ensure communities have continued support to maintain the systems beyond the lifetime of the project;
- Assessment of community acceptance of RE systems, level of engagement in their maintenance, performance of systems, and installation and maintenance costs, and analyze and document lessons learnt.
- Make results and lessons available to local authorities, relevant national entities, donors and other potential partners and develop recommendations for next steps in creating an enabling environment for further replication and upscaling.

Output 2.2.1 Forest and non-forest lands under good management practices such as agro-forestry and silvicultural systems to reduce deforestation and forest degradation.

80. This output is designed to overcome the awareness and capacity barriers to the adoption of more sustainable forest and agricultural management practices by local communities. In cooperation with government and non-government institutions present in the area SGP will support communities identify agriculture and silviculture practices appropriate to their local conditions and that would result in enhanced carbon pools in their lands. While the specific subsystems to be implemented have not been identified, Annex 5 contains a list of potential species. SGP expects to establish at least 5,000 hectares of agroforestry and silvicultural systems with six communities.

Output 2.2.2 Reforestation, natural regeneration and forest enrichment in community lands.

81. This output aims at removing the awareness and capacity barriers to the restoration of degraded forests and of community forestlands currently devoid of trees. SGP aims at supporting communities to establish at least 5,000 hectares of forest plantations and to establish the conditions for natural regeneration in some 90,000 hectares of degraded forests and, when possible, undertaking enrichment planting in these areas. SGP will help some 30 communities develop at least 10 initiatives. Annex 5 shows potential tree species for reforestation and enrichment planting. It should be noted that as a matter of policy SGP will support the propagation and planting on indigenous tree species, in particular for enrichment planting in areas under natural regeneration or sustainable forest management. However, if communities select exotic species for reforestation in degraded areas, SGP will help ensure that these do not cause negative impacts on biodiversity, soils or water resources.

82. Table 3 shows the types of interventions that will take place under Outputs 2.2.1 and 2.2.2. The table also provides the target in number of hectares per intervention and the estimated CO2 e mitigation benefits (for detailed calculations see Annex 6 [a] and [b]). Both Outputs have been designed to help communities implement good management practices to reduce deforestation and forest degradation and increase carbon stocks in areas already degraded.

83. Activities to deliver outputs 2.2.1 and 2.2.2 are:

- Identification of organizations, entities and individual experts that can offer financial and technical support on forest management and reforestation to communities in the Chaco;

- Development and signature of memoranda of understanding specifying the roles and expected deliverables of each partner;
- Meetings in various communities involving men and women to raise awareness on the importance of sustainable forest management and forest conservation and restoration, and to identify opportunities for improved management practices in forest and non-forest community lands;
- Design and implement community projects to be funded by SGP and its partners. These projects will include provision for the establishment of local cost-effective tree nurseries for the propagation of tree native species;
- Conduct training courses on silvicultural practices and agroforestry;
- Conduct exchange visits between communities to jointly assess project results.
- Make results and lessons available to local authorities, forest and national park authorities, donors and other potential partners and develop recommendations for next steps in creating an enabling environment for further replication and upscaling.

Table 3: Carbon benefits expected from good management practices in land use and forestry

	2012		2013		2014		2015		TOTAL	
Intervention	**Ha**	**Baseline**	**# ha/ year**	**tCO2 Year 2**	**# ha/ year**	**tCO2 Year 3**	**# ha/ year**	**tCO2 Year 4**	**# of ha**	**tCO2 e cumulative**
Agroforestry	0	0	1,000	11,013	2,000	36,710	2,000	146,840	**5,000**	**194,563**
Reforestation	0	0	500	18,355	1500	110,130	3000	403,810	**5,000**	**532,295**
Natural regeneration	90014*	18,835,159	1250	18,355	2750	80,964	86014	2,841,796	**90,014**	**21,776,274**
TOTAL									**100,014**	**22,503,132**

***** Number of hectares of degraded forests where SGP will implement natural regeneration or forest enrichment

Output 2.2.3: Baseline data and monitoring system for measuring carbon stocks in target areas.

84. This output aims at establishing a system whereby communities can directly monitor deforestation, forest degradation and changes in carbon stocks in their lands. This will enable communities to assess their contribution to climate change mitigation and facilitate their participation in future REDD+ or PES mechanisms. There are several methods and approaches being developed and tested in various countries. SGP will assess results of implementation of these methods and use the CBP tools on a pilot basis before making a final decision on the approach to be followed in the Chaco.

85. Activities to deliver this output are:

- Sign a Memorandum of Agreement with the National Programme on Climate Change of the Vice-Ministry of Environment for collaboration concerning Carbon monitoring;
- Identify and engage an expert and other relevant partners with expertise in Carbon monitoring willing to provide technical assistance and support in the selection and application of a Carbon monitoring method at community level;
- Review existing literature and contact institutions in other countries (e.g., REDD+ early actions in Mexico) working on similar issues to become familiar with available methods and with results from their application;
- Continue dialogue and engagement with the CBP to determine whether it is worth piloting their tools with this project;
- Decide on a Carbon monitoring method and design a training package for local communities;

- Support communities for data collection;
- Assess the results of the application of the selected method to provide feedback to the National Programme on Climate Change

Outcome 3: Land degradation reduced by maintaining or improving the flow of agro-ecosystem services in community lands for sustainability and improved livelihoods.		
Total Cost: $ 840,167	**GEF Funds: $ 340,167**	**Co-financing: $ 500,000**

86. Outcome 3 aims at demonstrating and promoting sustainable land management and soil restoration techniques in areas affected by severe land degradation. SGP will work with partners to identify practices such as reduced tillage, conservation of crop genetic diversity, water conservation, silviculture with native species or improved fodder production that could be adopted by local communities. SGP will also work with its partners to create the conditions to achieve replication or up-scaling of successful practices. Lessons will be documented and widely disseminated in the project area and beyond through activities such as field visits, peer-to-peer learning, and by working with government extension services in the area. The SLM component will be implemented in an integrated manner with the LULUCF component and with activities aimed at sustainable use of biodiversity in PA buffer zones.

Output 3.1.1 Sustainable land management activities with techniques such as reduced tillage, water management, conservation of crop genetic diversity, sustainable fodder production, and fire management and control.

87. This output aims at removing the technical capacity barriers for sustainable land management at the local level. SGP will focus on the most arid and vulnerable municipalities of the Chaco. In the Department of Tarija SGP will work with communities in Carapari, Yacuiba and Villamontes; in the Department of Chuquisaca SGP will work in Monteagudo and Villa Vaca Guzman; in the Department of Santa Cruz, SGP will work in Charagua and Boyuibe. SLM practices will be selected for their potential contribution to reducing the loss of soil fertility (chemical, physical and biological aspects). The target is to have at least 200 hectares with improved agro-ecosystem management practices. Interventions should contribute to soil erosion control, as well as to reducing the loss of humidity in the soil (also see Outcome 3.2). SGP will also support local communities maintain important crop genetic diversity. Among other crops, maize, chilies, squash, peanuts, and beans will be considered. SGP will promote organic agriculture with an agro-ecological approach and will reduce the use of fire in agricultural activities. Where relevant, SGP will help identify and recover traditional cultivation practices that enable communities reduce their dependence on external inputs and technologies, and that maintain or increase yields while improving soil conditions.

88. SGP will also assist communities implement water conservation techniques such as rainwater harvesting, drip irrigation, spring protection, and integrated micro-watershed management.

Output 3.2.1 Soil restoration, natural regeneration, and reforestation in degraded community lands.

89. This output aims at removing the information and technical capacity barriers for implementing soil management and conservation in areas already affected by land degradation, particularly as a result of overgrazing and deforestation. SGP will identify relevant organizations such as those NGOs that are part of RIOD that can provide technical assistance and other support to communities for the implementation of agronomic and mechanical practices for soil management and conservation such as reduced tillage, silt fences, contour terraces, artificial swales for rainwater infiltration, crop rotation, cover crops, organic matter enrichment, etc. With SGP support, communities will change the use of at least 100 hectares of severely degraded land to other uses such as forest or agrosilvopastoral use, and will implement soil erosion control in at least 20 hectares to demonstrate soil conservation techniques. The following techniques for addressing overgrazing may be implemented: management of grazing areas (rotation of grazing fields, restoration of degraded grazing areas through fencing, natural regeneration, enrichment

with native grasses); partial enclosure of livestock; and fodder production. Concerning land degradation resulting from deforestation, SGP will promote reforestation with native species, natural regeneration, agroforestry and silvopastoral systems, and live fences, among others.

90. Activities to deliver the two outputs above are:

- Identify and engage relevant partners to provide technical assistance and support in the implementation of SLM practices at community level;
- Establish partnerships with local authorities and agricultural extension systems to mainstream agroecological approaches in rural development programmes;
- Undertake community consultations to identify practices adequate to the local ecological, social and economic conditions of the Chaco, as well as for the selection of crops and livestock management techniques;
- Implement demonstration plots and organize training on soil management and cultivation/livestock management techniques;
- Document and disseminate lessons in the project area and beyond through activities such as field visits, peer-to-peer learning and by working with government extension services in the area. SGP will ensure that lessons are shared with the transboundary Gran Chaco Americano GEF FSP

Outcome 4: Community capacities to address global environmental challenges developed, and knowledge acquired through project implementation documented, shared and applied.

Total Cost: $ 330,000 GEF Funds: $ 140,000 Co-financing: $ 190,000

91. Outcome 4 will support cross-cutting capacity building at the institutional and individual level. It will also help build awareness of both global environmental challenges and the role communities play in finding local solutions to these problems. This component will also create an enabling environment to help ensure projects are successfully designed and implemented by communities.

Output 4.1.1 Training materials on sustainable livelihood options and addressing BD, CC and LD, produced and used in capacity development activities.

92. This output will address the information and knowledge barriers to communities' contribution to identifying global and local environmental problems and proposing solutions. While there is much literature on these topics it is not easy to find training materials that focus on sustainable livelihood options to address BD, CC and LD concerns and that are easy to understand by local communities with very basic educational levels. SGP will partner with relevant NGOs to review existing materials (including materials developed and used in the context of SGP activities in other regions of the country), adapt those that respond to the needs of these communities, and design and deliver a comprehensive training program.

Output 4.2.1 Knowledge management products.

93. SGP will produce at least 4 knowledge management products summarizing good practices in BD, LD and CC and presenting lessons learnt during the project. These products may be printed materials, electronic material to be disseminated via SGP's website, or audiovisual material to be used for various communications and training activities. SGP will strive to identify innovative ways of presenting what has been learnt such as in project fairs, site visits for journalists and diplomats, exchange visits and others.

Output 4.2.2 Awareness and communications materials for various media.

94. This output will help address the lack of visibility of communities' interventions. A minimum of 3 communications materials will be generated during the lifetime of the project, i.e., one per year.

Output 4.3.1 Capacity development programme on GEF project formulation, indicators and M&E.

95. Under this output SGP will work with national and local NGOs to design and deliver a training program that would encompass all stages of the project management cycle. Monitoring and evaluation will receive special attention as an essential tool for knowledge management and successful project implementation.

2.4 Project Indicators, Risks and Assumptions

2.4.1 Indicators

96. The project indicators are provided in the Project Results Framework in Section B. The Framework includes indicators for the Project Objective and for the Outcomes along with their baseline and target values and means of verification. Progress indicators for specific Outputs and activities will be developed and measured as part of the annual operational plan and reporting exercises.

97. At the Objective level, 13 overall indicators with specific targets have been identified to enable monitoring progress towards the project objective as well as towards key GEF Strategic Objectives. These are: (i) increased area of sustainably managed landscapes by local communities within protected areas with dual category; (ii) biodiversity mainstreamed in the production landscape within the buffer zones of 4 protected areas, measured by the number of hectares that obtain certification for their sustainable management; (iii) increased investments in renewable energy technologies in the project area; (iv) tCO2 equivalent mitigated through RE; (v) maintained carbon stocks measured by the number of hectares under good forest management practices; (vi) tCO2 e mitigated through avoided deforestation, reforestation, and natural regeneration; (vii) increased number of hectares of community lands under sustainable land management and with increased vegetation cover; (ix) increased area of community land with higher productivity measured by tons of harvested products per hectare; (x) improved gender equity as a result of increased income resulting from sustainable livelihood activities within the buffer zones of 4 PAs; (xi) increased capacity of SGP stakeholders to diagnose and understand global environmental problems and develop local solutions; (xii) enhanced public awareness of communities' contributions towards addressing global environmental challenges; and (xiii) increased capacity of SGP grantees to monitor and evaluate their projects and monitor local environmental trends.

98. In addition, the project has selected a set of 21 indicators to be applied to clusters of community activities to measure progress towards the four project Outcomes. It should be noted that individual community projects (grants) will have specific objectives and outcomes and therefore, will include specific indicators, baseline and target values against which they will be individually monitored and evaluated. Only a few relevant indicators, as indicated above, will be applied across several grants to aggregate results within and across project target ecosystems or types of interventions.

99. Outcome 1 on improved management effectiveness of four protected areas and biodiversity mainstreamed in the production landscape of the PA buffer zones will be measured by the number of: (i) protected area management plans developed, approved and under implementation with input from local communities; (ii) improved governance mechanisms of PAs that enable informed and effective local community participation; (iii) community members able to contribute to applied research; (iv) community-based initiatives on applied research for biodiversity conservation and sustainable use in partnership with government and non-government entities; (v) community-based initiatives conserving and sustainably using threatened and near-threatened plant and animal species; (vi) ecotourism ventures established with local communities within the Natural Areas for Integrated Management as a conservation strategy; (vii) land use plans developed, and number of sustainable livestock and agricultural production initiatives; and (viii) community-based initiatives on sustainable non-timber forest products and other sustainable livelihood activities in production landscapes around PAs.

100. Outcome 2 on climate change mitigation through the promotion of investments on renewable energy and through land use, land use change and forestry will be measured by: (i) the number of RE technologies adopted and the number of households and communities using RE; (ii) the number of hectares of community lands with agro-forestry systems established and tons of CO2 e mitigated; (iii) the

number of hectares of forestlands with increased vegetation cover and tons of CO2 e mitigated; and (iv) the number of hectares of forestlands lands previously devoid of trees with forest cover and tons of CO2 e mitigated. Another indicator to measure progress against this outcome will be the establishment and application of a carbon monitoring system at local level.

101. Outcome 3 on reduced land degradation in community lands will be measured by: (i) the increased number of communities applying sustainable land management techniques in agro-ecosystems; (ii) the increased amount of food available to each family throughout the year; (iii) the increased yield per hectare; (iv) the improved income from agricultural products; and (v) the reduced soil erosion in community lands.

102. Outcome 4 on improved community capacity to address global environmental challenges and improved knowledge management systems will be measured by: (i) the number of eligible projects demonstrating communities' understanding of global environmental issues; (ii) the number of SGP grantees able to monitor and evaluate their projects in accordance with GEF SGP standards; (iii) the increased number of contributions by SGP to local and national publications and media, as well as to UNDP and global SGP knowledge products.

103. SGP Bolivia will also use the indicators defined for the Global SGP (as relevant), the list of which is in Annex 7.

2.4.2 Risks and Assumptions

104. There are few new risks to be faced by the SGP in Bolivia, since the program is well established and has been operating for 15 years. Past performance of the SGP portfolio in Bolivia has shown that about 70% of grants achieve their objectives. A 30% failure rate is considered an acceptable risk given that innovation and working with marginal communities are important SGP features. However, the geographic focus of this operational phase may bring new challenges resulting from the isolated and specific circumstances of the Chaco area. SGP takes risks seriously and will be monitoring for them on an on-going basis and updating the UNDP Risk Log module in ATLAS on a quarterly basis (see M&E section and Annex 8). The Project Results Framework includes risks at the objective and outcome levels. Table 4 below summarizes potential risks and proposes mitigation measures.

Table 4: Main project risks and mitigation measures

RISK	RISK RATING	MITIGATION MEASURES
Running a grants program with civil society organizations that have a low level of technical and management capacity	Medium	SGP has a past performance rating of 70% achievement. Risk mitigation systems in place will be strengthened to improve this rate of achievements. The concentration of SGP grants within a specific geographic region will enable the program to monitors projects more regularly and to work with all grantees to help build capacities, identify appropriate rates of disbursement, link grantee to learn from each other (peer-to-peer), and work in a flexible manner that responds to the strengths and comparable advantages of grantees. This risk will also be reduced by supporting replication of good practices that have proven to deliver on GEF strategic priorities at the community level. The National Steering Committee (NSC) further provides technical support for effective design of SGP projects.
Turnover of local government and PA staff may create project implementation disruptions or weaken political support for the projects	Medium	SGP will periodically inform the authorities about grant implementation and will keep communication channels open to enhance ownership at the local level.

Area of intervention is susceptible to the effects of Climate Change	Medium	The grant review process will consider the specific climatic change/variability risks and identify risk mitigation measures for the projects. The M&E program will include monitoring such risks.
Governance weaknesses in community organizations	Medium	SGP will assess each potential grantee organization and develop a plan to address any weaknesses.
Undeveloped markets for community produced goods and services	Medium-high	This risk will be mitigated by involving organizations with business expertise from the unset of project design. Business plans will be developed for each product/service. Local markets will be targeted as much as possible.

Financial Risk Management (Implementing Partner)

Risk	Impact	Likelihood	Mitigation
Misappropriation of Funds	Low	Very Low	Standard MOA Procedures, UNOPS standards for financial M&E at local level; 50% first installment rule
Encumbrances (POs) and ULO creation	Medium	Medium	Periodic review of open POs in Atlas and reminding the country programme to expedite the payments
PO and Vouchers entered wrongly	Medium	Medium	Dashboard monitoring, Atlas
Double accounting	High	Very Low	Expenditure report analysis (Reporting tools)
Financial reporting errors and untimely reporting	High	Low	Dashboard Reporting Tool and Management Workspace and SGP Database
Over-expenditure of projects	Medium	Low	Dashboard Reporting Tool and Database
Early financial commitment to projects	Low	Low	Atlas, Dashboard Reporting Tool
Reputational Risk	High	Low	Mitigated through the involvement of the NSC, UNDP CO and UNOPS lawyers

Process Risk Management (Implementing Partner)

Risk	Impact	Likelihood	Mitigation
Incorrect Procurement Process	Low	Low	Local: UNOPS SOPs and UNDP CO oversight; Global: UNOPS leads process and has produced standardized guidance

Incorrect HR Process and Poor Performance	Low	Low	Local: UNOPS SOPs and UNDP CO oversight; Global: UNOPS leads process and has produced standardized guidance; SGP PRA System
Non-compliance with legal standards	Medium	Low	UNOPS has produced standard templates and reviews each legal document; legal advice available
Loss of cohesion	Medium	Medium to High	Standardization of processes: Operational Guidelines, CPS, SOPs, etc.
Deterioration of Security Situation	High	Low to Medium	MOSS compliance assessment and frequent review / updates; Security Tests
Conflict of Interest	High	Very Low	Ethics Course, Certificate and Training; NSC and family members not eligible for grants
Other un-ethical behavior	High	Very Low	Ethics Course, Certificate and Training

105. The Project Results Framework includes the most important assumptions to achieve the project outcomes and eventually its objective. A major overall assumption is that the Country Team will continue receiving effective support from its traditional partners – the NSC, national NGOs and local government, which is essential for a two-staff team to deliver on a large, complex and demanding project like this one.

2.5 Expected Global and Local Benefits

2.5.1 Global Environmental Benefits

106. The following global environmental benefits will be delivered:

- *Improved management effectiveness in four protected areas of the Chaco eco-region,* specifically in 666,760 hectares of community lands within the Natural Area for Integrated Management zones.
- *Increased area of sustainably managed production landscapes that integrate biodiversity conservation*: 132,352 hectares in the buffer zones of the 4 protected areas.
- *Climate change mitigated through increased investments in renewable energy in the Chaco eco-*region: 25,000 tCO2 e avoided in 4 years
- *Carbon stocks enhanced and emissions reduced in community-owned forestland and agricultural areas*: 22,503,132 tCO2 e mitigated through avoided deforestation, reforestation and natural regeneration.
- *Reduced land degradation*: 320 hectares of community lands with sustainable land management practices.

2.5.2 Main Local Benefits

107. As in the past, SGP will generate socio-economic benefits for indigenous peoples and other local communities such as improved food security, increased income and employment, gender equity, and meeting some energy needs. Socio-economic benefits are essential to sustain global environmental benefits in the long term. According to an evaluation of SGP implementation during the period 2005-2009, 42% of projects improved communities' income, and 35% of projects generated direct and indirect

jobs. SGP has also helped integrate local products into broader production and market chains. During the 5th operational phase SGP expects to increase these percentages building on experience gained. In addition, SGP helps generate other types of social benefits, such as improved CBO governance, increased individual and organizational capacity for project technical design and management, financial management, and project evaluation, among others. A major expected social benefit is to contribute to maintain local knowledge systems and enhance knowledge management capacities by involving community members, in particular indigenous peoples in ecosystem and species monitoring work and in applied research with academic institutions that also takes stock of and builds on traditional knowledge.

108. SGP Bolivia provides grants up to a maximum of $50,000, however, the average is about $25,000 per grant. In GEF-5 SGP expects to support some 136 grants for a total value of $3,400,000. In addition, SGP will develop the capacities of community members in a wide range of environmental and technical subjects as relevant to individual community initiatives.

109. The project results framework includes several socio economic indicators to measure community benefits. Specific social and economic development targets will be established for each project and grantee organization during the grant eligibility assessment and approval process, once the baseline data for the communities is obtained, including gender-disaggregated data and indicators.

110. As in previous phases, SGP Bolivia will ensure that women's groups benefit from SGP support (out of a total of $6,986,478 in grants since its inception, SGP has allocated 1,134,268 to women's groups). SGP will also ensure that all projects include a gender approach, and it will address and implement gender mainstreaming actions, including consultation with both men and women and participation of both men and women in project formulation, management and decision-making. All project interventions will undertake systematic examination of roles, relations, opportunities and positioning between men and women within specific communities were interventions are targeted to identify determining factors, and consequences of interventions in relation to men and women.

2.6 Cost-effectiveness

111. The selected approach is cost-effective because it is geographically focused and builds on prior SGP work. Cost-effectiveness is a necessary ingredient for sustainability because market conditions will prevail over time and continued subsidies to communities are not possible or advisable. Cost-effectiveness is an important criterion for the approval of SGP grants by the NSC. The budgets of project proposals are compared with those of prior similar interventions and assessed against expected environmental and social benefits. In all cases, communities are expected to contribute substantial in-kind co-financing (i.e., labour, infrastructure, equipment, tools, land) and help mobilize other in-kind or cash resources from development partners and local government. Co-financing mobilized during previous phases of SGP amounts to $7,258,636 while the total grants funds awarded was $6,986,478. The NSC also assesses whether there may be more cost effective alternatives to achieve the same global environmental benefits before approving SGP grants. This ensures that GEF funds are applied in the most cost-effective manner.

2.7 SUSTAINABILITY OF INDIVIDUAL AND INSTITUTIONAL CAPACITIES.

112. The Bolivia-SGP has a positive track record concerning sustainability of its interventions. This is the result of a strategy that involves ensuring that (a) capacities developed by community members are retained; (b) activities implemented to deliver environmental benefits also yield socio-economic benefits for the local populations; (c) local government and other relevant national government entities present in the region become involved; and (d) partnerships with specialized NGOs are developed for sustained technical assistance. Communities contribute a large proportion of the resources needed to implement the projects, which is essential to reduce the risk of relying exclusively on external support. Concrete SGP actions to sustain capacity development gains include, among others, active promotion of employment of

local community members by specialized NGOs and research organizations; opportunities to apply acquired knowledge by participating in biodiversity conservation and SLM activities on the ground; acquiring technical skills such as those required for installing and maintaining renewable energy technologies; securing long term technical and financial support from national government bodies and local government; mobilizing new partners to co-finance community initiatives after the life of the project; and using qualified community members to train or support other community organizations so that they practice their skills and gain self-confidence.

113. Community-based sustainable development promotes self-governance through a grassroots democratic process, both essential ingredients to achieve project outcome sustainability. Under such a process, decision-making is consensual and participatory, communities identify their own conservation and development priorities and goals, and establish how activities will be carried out, by whom, and in what order. Good governance enhances the likelihood that CBOs will continue serving their communities after SGP support comes to and end.

2.8 Replication and up-scaling

114. The project will emphasize replication and up-scaling within the selected geographical area. SGP financed field interventions will be carefully selected by the NSC based on their replication potential. Project Component 4 is devoted to knowledge management and capacity development of community organizations and their members, which are essential for replication. SGP will help identify and codify best practices and make this information available to other communities and development practitioners to promote uptake by other communities within the project target areas and beyond. During this phase SGP will place particular attention to further develop its knowledge management system. This system will be used to analyse what works, what doesn't and why, and to make these lessons available through various means. SGP will establish a system by which CO2 can be measured and monitored for each relevant project intervention. Annual SGP reports will condense this data to nurture the Country´s efforts to maintain Carbon stocks and to draw relevant lessons to communicate how small actions taken locally have larger impacts on Climate Change mitigation.

115. The project will actively pursue upgrading and up-scaling of prior successful practices in other parts of the country.

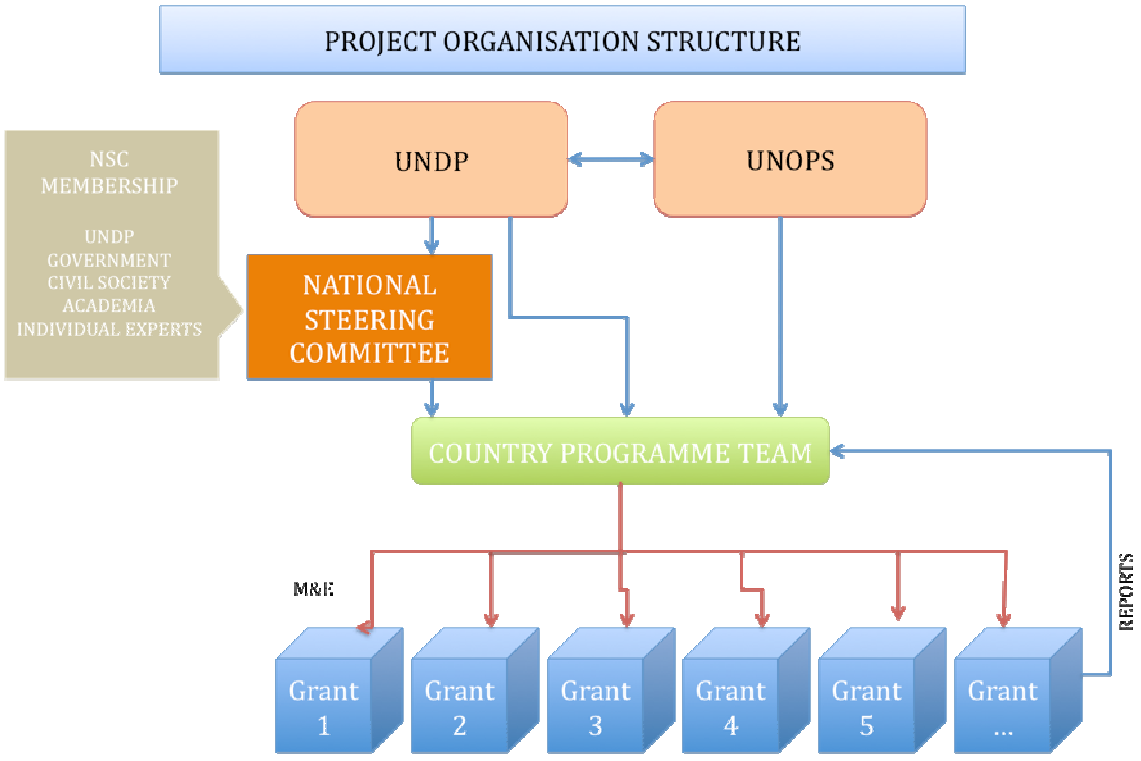
III. PART A.3 IMPLEMENTATION ARRANGEMENTS

3.1 Organizational structure and arrangements

116. SGP has, since 1992, continuously refined and modified its implementation approach to ensure the most efficient use of resources possible in generating global environmental benefits through community action. The cost-effectiveness of the SGP and the Bolivia programme have been extensively and independently reviewed and analysed. A 2007 GEF Council technical paper reviewed and analysed the GEF-SGP cost-effectiveness compared to other programmes, and found that with the current structure, "overall the SGP is comparable to other programs in terms of cost efficiency of management". A later GEF council paper following up on the 2008 joint evaluation of the SGP and the 2007 technical paper reviewed the cost-effectiveness of alternative execution / implementation arrangements. Based on the previous reviews and analysis, a November 2009 GEF Council paper recommended maintaining and continuing to improve the current arrangements for GEF-5, which was supported by the GEF Council. As part of the preparation of the PIF, Bolivia reviewed the options for implementation and execution arrangements and concluded that the present approach will continue to be the most cost-effective. This UNDP initiative will therefore be implemented by UNOPS, through a small Country Programme team.

117. The diagram below shows the project organizational structure. The roles and responsibilities of the various parties to the project are described in the SGP Operational Guidelines (see Annex 9) and will further be defined in a Roles and Responsibility Matrix – finalized during Q3 of 2012.

Figure 1: Project Organization Structure



118. UNDP will provide overall program oversight and take responsibility for standard GEF project cycle management services beyond assistance and oversight of project design and negotiation, including project monitoring, periodic evaluations, troubleshooting, and reporting to the GEF. UNDP will also provide high-level technical and managerial support through the recently established Communities Cluster within EEG, and from a UNDP Regional Technical Advisor (RTA) and other members of the regional teams, who will be responsible for project oversight for upgraded Country Programme projects. SGP CPMT will monitor for compliance of upgraded Country Programmes with SGP core policies and procedures.

119. In accordance with the global SGP Operational Guidelines (see Annex 9) that will guide overall project implementation in Bolivia, and in keeping with past best practice, the UNDP Resident Representative will appoint the National Steering Committee (NSC) members. The NSC, composed of government and non-government organizations with a non-government majority, a UNDP representative, and individuals with expertise in the GEF Focal Areas, is responsible for grant selection and approval and for determining the overall strategy of the SGP in the country. NSC members serve without remuneration and rotate periodically in accordance with its rules of procedure. The Government is usually represented by the GEF Operational Focal Point or by another high level representative of relevant ministries or institutions. The NC will report to the NSC on Country Program progress, to the UNDP RR as primary supervisor, and to CPMT regarding the SGP Operational Guidelines. The NSC also contributes to bridging community-level experiences with national policy-making.

120. The Country Office is the business unit in UNDP for the SGP project and is responsible to ensure the project meets its objective and delivers on its targets. The Resident Representative signs the grant agreements with beneficiary organizations on behalf of UNOPS. The Country Office will make available its expertise in various environment and development fields[3]. It will also provide other types of support at the local level such as infrastructure, HR support and financial management services, as required. UNDP will be represented in the NSC, and will actively participate in grant monitoring activities. The UNDP CO Finance Unit will engage with UNOPS on the important budget mirroring process which is a requirement for the UNDP CO to record expenditures.

121. The country team - recruited competitively and composed of a National Coordinator and a Program/Financial Assistant - is responsible for the day-to-day operations of the program. This includes supporting NSC strategic work and grant selection by developing technical papers, undertaking ex-ante technical reviews of project proposals; taking responsibility for monitoring the grant portfolio and for providing technical assistance to grantees during project design and implementation; mobilizing cash and in-kind resources; preparing reports for UNDP, GEF and other donors; implementing a capacity development program for communities, CBOs and NGOs, as well as a communications and knowledge management strategy to ensure adequate visibility of GEF investments, and disseminating good practices and lessons learnt.

122. Grants will be selected by the NSC from proposals submitted by CBOs and NGOs through calls for proposals in thematic and/or geographic areas relevant to the SGP strategy. The Project Template and Guidelines to potential grantees in Annex 10. Although government organizations cannot receive SGP grants, every effort will be made to coordinate grant implementation with relevant line ministries, decentralized institutions, universities and local government authorities to ensure their support, create opportunities for co-financing, and provide feedback on policy implementation on the ground. Contributions from and cooperation with the private sector will also be sought.

[3] UNDP will deploy a professional staff part time to support and follow-up SGP project implementation. This professional will represent UNDP in the SGP National Steering Committee. At least 3 UNDP professional staff, including those engaged with other GEF-related projects will contribute to SGP's activities as required and will participate in monitoring missions. Their expertise in governance, poverty reduction and environmental management will be made available to SGP. Support staff in the financial and administrative sections will support procurement and financial management and liaise with UNOPS.

123. SGP utilizes consultants for specialized services, mostly for baseline data collection, capacity development activities, business development support, and to assist grantees when specialized expertise is required, or for tasks that require an external independent view such as the mid-term and terminal evaluations.

124. UNOPS will provide Country Programme implementing services, including human resources management, budgeting, accounting, grant disbursement, auditing (if applicable and budgeted), and procurement. UNOPS is responsible for SGP financial management and provides periodic financial reports to UNDP through the ATLAS PDR process. The UNOPS SGP Standard Operating Procedures (see Annex 11) guides the financial and administrative management of the project

125. UNOPS will not make any financial commitments or incur any expenses that would exceed the budget for implementing the project as set forth in this Project Document. UNOPS shall regularly consult with UNDP concerning the status and use of funds and shall promptly advise UNDP any time when UNOPS is aware that the budget to carry out these services is insufficient to fully implement the project in the manner set out in the Project Document. UNDP shall have no obligation to provide UNOPS with any funds or to make any reimbursement for expenses incurred by UNOPS in excess of the total budget as set forth in the Project Document.

126. UNOPS will submit a cumulative financial report each quarter. The report will be submitted to UNDP through the ATLAS Project Delivery Report (PDR) system and follow the established ATLAS formats and PDR timelines. The level of detail in relation to the reporting requirement is indicated in the Project Document budget, which will be translated into the ATLAS budgets. The ATLAS budget structure initiated by UNOPS may differ in order to best fit the needs of the country programme. UNDP will include the expenditure reported by UNOPS in its reconciliation of the project financial report.

127. Upon completion or termination of activities, UNOPS shall furnish a financial closure report, including a list of non-expendable equipment purchased by UNOPS, and all relevant audited or certified financial statements and records related to such activities, as appropriate, pursuant to its Financial Regulations and Rules.

128. Title to any equipment and supplies that may be furnished by UNDP or procured through UNDP funds shall rest with UNDP until such time as ownership thereof is transferred. Equipment and supplies that may be furnished by UNDP or procured through UNDP funds will be disposed as agreed, in writing, between UNDP and UNOPS. UNDP shall provide UNOPS with instructions on the disposal of such equipment and supplies within 90 days of the end of the Project.

129. The arrangements described in this Project Document will remain in effect until the end of the project, or until terminated in writing (with 30 days notice) by either party. The schedule of activities specified in the Project Document remains in effect based on continued performance by UNOPS unless it receives written indication to the contrary from UNDP. The arrangements described in this Agreement, including the structure of implementation and responsibility for results, shall be revisited on an annual basis and may result in the amendment of this Project Document.

130. If this Agreement is terminated or suspended in accordance with the above paragraph, UNDP shall reimburse UNOPS for all costs directly incurred by UNOPS in the amounts specified in the project budget or as otherwise agreed in writing by UNDP and UNOPS.

131. All further correspondence regarding this Agreement, other than signed letters of agreement or amendments thereto should be addressed to the UNDP-GEF Executive Coordinator and the UNDP Resident Coordinator.

132. UNOPS shall keep UNDP fully informed of all actions undertaken by them in carrying out this Agreement.

133. Any changes to the Project Document that would affect the work being performed by UNOPS shall be recommended only after consultation between the parties. Any amendment to this Project Document shall be effected by mutual agreement, in writing.

134. If UNOPS is prevented by force majeure from fulfilling its obligations under this Agreement, it shall not be deemed in breach of such obligations. UNOPS shall use all reasonable efforts to mitigate the consequences of force majeure. Force majeure is defined as natural catastrophes such as but not limited to earthquakes, floods, cyclonic or volcanic activity; war (whether declared or not), invasion, rebellion, terrorism, revolution, insurrection, civil war, riot, radiation or contaminations by radio-activity; other acts of a similar nature or force.

135. Notwithstanding anything to the contrary, UNOPS shall in no event be liable as a result or consequence of any act or omission on the part of UNDP, the government and/or any provincial and/or municipal authorities, including its agents, servants and employees.

136. UNDP and UNOPS shall use their best efforts to promptly settle through direct negotiations any dispute, controversy or claim which is not settled within sixty (60) days from the date either party has notified the other party of the dispute, controversy or claim and of measures which should be taken to rectify it, shall be referred to the UNDP Administrator and the UNOPS Executive Director for resolution.

137. This project will be implemented by UNOPS in accordance with UNOPS' Financial Rules and Regulations provided these do not contravene the principles established in UNDP's Financial Regulations and Rules.

138. UNOPS as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations security management system. Subject to the SGP Country Team being housed in the UNDP CO, the local UNDP security oversight applies.

3.2 Communications and visibility requirements

139. Full compliance is required with UNDP's Branding Guidelines. These can be accessed at http://intra.undp.org/coa/branding.shtml, and specific guidelines on UNDP logo use can be accessed at: http://intra.undp.org/branding/useOfLogo.html. Amongst other things, these guidelines describe when and how the UNDP logo needs to be used, as well as how the logos of donors to UNDP projects need to be used. For the avoidance of any doubt, when logo use is required, the UNDP logo will be used alongside the GEF logo. The GEF logo can be accessed at: http://www.thegef.org/gef/ GEF_logo. The UNDP logo can be accessed at http://intra.undp.org/coa/branding.shtml.

140. Full compliance is also required with the GEF's Communication and Visibility Guidelines (the "GEF Guidelines"). The GEF Guidelines can be accessed at: http://www.thegef.org/ gef/sites/thegef.org/files/documents/C.40.08_Branding_the_GEF%20final_0.pdf. Amongst other things, the GEF Guidelines describe when and how the GEF logo needs to be used in project publications, vehicles, supplies and other project equipment. The GEF Guidelines also describe other GEF promotional requirements regarding press releases, press conferences, press visits, visits by Government officials, productions and other promotional items.

141. Where other agencies and project partners have provided support through co-financing, their branding policies and requirements should be similarly applied.

IV. PART A.4 MONITORING AND EVALUATION

142. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures. Project M&E will take place at three levels: For the portfolio of up-graded SGP country programmes; for the Bolivia SGP Country Programme; and for individual community grants. It will also pay attention to the development of skills at local level to enable grantees to monitor and assess their own activities and achievements.

143. LULUCF is a new concept that SGP will pilot in selected areas during GEF 5 through community-based initiatives. In order to meet expected standards, SGP will work with communities and

other national and local partners during the first months of project implementation to collect the necessary data to establish a baseline against which progress can be monitored periodically and reported on to GEF. SGP will explore the possibility of using the tools and methods for carbon stock assessment and monitoring being developed by the GEF Carbon Benefits Project.

144. SGP-Bolivia will apply the relevant Global SGP indicators to monitor individual projects and the national portfolio, and to report to UNDP and GEF. The Logical Framework Matrix in Section B provides performance and results indicators. In addition, Annex 7 provides global SGP indicators relevant to this project.

145. The project will be monitored through the following M&E activities.

4.1 Portfolio of upgraded Country Programmes

146. The UNDP Communities Cluster at HQ will monitor the implementation of the portfolio of upgraded SGP Country Programmes and will promote and support cross-fertilization and learning among Country Programmes and with the global SGP. The SGP CPMT will monitor SGP Country Programmes for compliance with the global SGP Operational Guidelines.

4.2 Country Programme Level

4.2.1 Project start

147. A Project Inception Workshop will be held within two months of project start with those with assigned roles in the project organization structure: the UNDP Regional Technical Advisor, the UNDP Country Office SGP Focal Point, National Steering Committee members, the SGP Country Programme Manager (formerly SGP National Coordinator) and, where feasible, a UNOPS headquarters representative. The Inception Workshop is crucial to brief all participants on the new SGP requirements as a GEF Full-Size Project and to build ownership for project results. The Inception Workshop should carry out a number of key activities including:

- Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of the UNDP Communities Senior Technical Advisor (STA), Regional Technical Advisor (RTA), and Country Office (CO), and of UNOPS vis-à-vis the project team and the National Steering Committee (NSC). Discuss the roles, functions and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms.
- Based on the project results framework, finalize the first annual work plan and agree on a schedule for grant approvals for the entire project life.
- Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements and roles. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- Validate the information provided in the GEF Tracking Tools (TT), which will also be up-dated at mid term and at the end of the project and validated by the independent evaluations (See Annex 12 for BD1 TT). It should be noted that given the limited number of staff and resources, SGP will only monitor the TT items relevant to the project. The tracking tool for BD2 will be completed at project inception.
- Discuss financial reporting procedures and obligations, and audit arrangements (if applicable and budgeted).

148. An Inception Workshop report is a key reference document and must be prepared by the SGP Country Programme Manager with RTA review and shared with participants to formalize various agreements and plans decided during the meeting.

4.2.2 Quarterly

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on information recorded in ATLAS by UNOPS, UNDP will have access to updated financial information in an on going manner.
- Information on the grant portfolio shall be updated in the SGP Global Database using the indicators provided in Annex 7.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS (see Annex 8). Risks become critical when the impact and probability are high.
- Based on the information recorded in Atlas by the CO and the SGP Country Programme Manager, Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

4.2.3 Annually

149. Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (1 July to 30 June). The APR/PIR combines both UNDP and GEF reporting requirements. The SGP Country Programme Manager will prepare the PIR with inputs and supervision from the UNDP CO SGP Focal Point and the RTA. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - with indicators, baseline data and end-of-project targets (cumulative).
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports.
- Risk and adaptive management.
- ATLAS QPR.
- Portfolio level indicators, in this case the global SGP Indicators as outlined in Annex 7 will be used on an annual basis.
- Copy of the Annual Project Review/Project Implementation Reports (APR/PIR) will be sent to the GEF National Focal Point and to Government agencies linked with the SGP activities.

150. The RTA may conduct joint visits with the Country Programme Manager to selected project sites as an input to PIR preparation. A Field Visit Report/BTOR will be circulated to the project team and other relevant project stakeholders, as appropriate, no less than one month after the visit.

4.2.4 Mid-term of project

151. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (approximately July 2013). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course corrections, as needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation, and management. The mid-term evaluation should validate the information entered in the GEF tracking tools. Findings of the mid-term review will be incorporated as recommendations for enhanced implementation during the second half of the project's term. Ideally, the Mid-term Evaluation should be conducted with similar terms of reference for all GEF5 SGP upgraded country programmes and concurrently, if possible. The objective is to facilitate the comparison of experiences between all upgraded countries and distilling common lessons to inform similar processes for other Country Programmes. The organization, terms of reference and timing of the mid-term evaluation will be decided in consultation with the SGP Central Programme Management Team, the UNDP-GEF Results Management Advisor, the Communities STA,

the RTA, the CO and the Country Program Managers. The Terms of Reference for the Mid-term evaluation will be prepared by CPMT based on guidance from the GEF Evaluation Office and UNDP-GEF, and will be validated by the UNDP Evaluation Office. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

4.2.5 End of project

152. An independent Evaluation will take place three months prior to the expected end date (approximately on April 2015). The evaluation will focus on the delivery of the project's results as initially planned or as corrected as a result of monitoring activities. The evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The UNDP STA, in consultation with SGP CPMT, will prepare the Terms of Reference for this evaluation. The UNDP Evaluation Office shall validate the TOR. Given the pilot nature of the first group of upgrading SGP Country Programmes, the evaluation should also undertake an assessment of costs and benefits of the upgrading process, summarize lessons learned, and provide recommendations to the GEF Secretariat and the Global SGP concerning the upgrading of other Country Programmes. The evaluation requires a management response, which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC).

153. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also layout recommendations for any further steps that may need to be taken to ensure sustainability and help replication of project results.

4.2.6 Learning and knowledge sharing

154. Particular attention will be paid to the GEF Focal Area "learning objectives" to ensure that experiences emerging from local level implementation of technologies, approaches and policies are fed back to the wider portfolio. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons that might be beneficial in the design and implementation of similar future projects, in particular to other SGP upgrading countries.

155. The project team will participate in at least one workshop with other SGP upgraded countries to share experiences. Ideally, this workshop should take place as part of the evaluation. The detailed objective(s), venue, agenda, and timing of the workshop will be determined by the STA in consultation with the SGP country teams, the respective RTAs and the evaluation team.

156. Finally, there will be a two-way flow of information between this project, other SGP upgraded countries and the global GEF SGP programme. Such flow of information should cover substantive and operational information, experiences and lessons.

4.3 Individual Grant Monitoring and Evaluation

157. The following minimum standards shall be applied for individual grant M&E:

4.3.1 Ex-ante Visits

158. The project team should undertake ex-ante visits on a risk basis to grant-requesting organizations upon grant-approval by the NSC and prior to the signature of the MOA between UNDP and the grantee.

4.3.2 Field monitoring visits

159. Every project should be visited at least twice in its lifetime, upon receipt of the first progress report from beneficiary organizations and during the following year. NSC members with relevant expertise in project-related technical areas may join the Country Programme Manager during these visits as appropriate.

4.3.3 Progress reports

160. Beneficiary organizations should submit half-yearly progress reports to the Country Programme Manager along with a financial report. A forecast of resources needed in the following period should be submitted by the grantee to the Country Programme Manager as a requirement for disbursement of next instalment.

4.3.4 Final report

161. Beneficiary organizations should submit a final report summarizing global benefits and other results achieved, outputs produced, and lessons learned. The final report should also include a final financial statement.

4.3.5 Final Evaluation

162. A final evaluation will be done for each project. The Country Programme Manager should validate the terms of reference for these evaluations and vet the evaluation consultant. The cost of this evaluation will be part of the grant budget.

4.3.6 Small Grant Projects Audit

163. The SGP Country Programme Manager will organize audits of selected grantee organizations on a risk basis. The cost of these audits will be charged to the grant project budget.

4.4 M&E Workplan and Budget

164. The Workplan and Budget for monitoring and evaluation activities at the programme and individual grant level are summarized in Table 5 below.

Table 5: M&E Workplan and Budget

Type of M&E activity	Responsible Parties	Budget US$ *Excluding project team staff time*	Time frame
Country Programme Level			
Inception Workshop and Report	▪ GEF-SGP Country Program Manager ▪ NSC ▪ UNDP RTA and CO ▪ UNOPS	Indicative cost to project: $ 2,000 Travel cost of RTA from IA fee Local inception workshops (3 – one per sub-region) $ 15,000	Within first two months of project start up Within first quarter of project start up
Measurement of Means of Verification of *project results*.	▪ Country Program Manager will oversee the hiring of specific assistance (i.e., carbon monitoring method) ▪ Local consultants (Adaptation of the existing M&E system in 4 protected areas)	To be finalized during Inception Phase and Workshop Local Consultants for M&E and Knowledge Management: $ 5,000	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress *on output delivery and*	▪ Oversight by GEF-SGP Country Program Manager ▪ Local consultants (Adaptation of the existing	To be determined as part of the Annual Work Plan preparation Local Consultants for M&E and Knowledge Management: $20,000	Annually, prior to ARR/PIR and to the definition of annual work plans

Type of M&E activity	Responsible Parties	Budget US$ *Excluding project team staff time*	Time frame
Country Programme Level			
implementation	M&E system in 4 protected areas)		
ARR/PIR	▪ UNDP RTA ▪ GEF-SGP Country Program Manager ▪ CO	No cost to project budget Annual visit by RTA – Travel cost from IA fee	Annually
Periodic status/ progress reports	▪ GEF-SGP Country Program Manager and team	No cost to project budget	Quarterly
GEF-SGP Global Database update	▪ GEF-SGP Country Program Manager ▪ Local consultant for data quality assurance	Indicative cost to project: $ 4000	Quarterly
Mid-term Evaluation (+ validation of tracking tools) Country Program Managers experience exchange workshops with other countries	▪ GEF-SGP Country Program Manager and team ▪ UNDP STA ▪ GEF-SGP CPMT ▪ Local and International Consultants (Evaluation team)	Indicative cost of evaluation Consultants (as specified in Annex C) - Local Consultants: $22,800 - International consultants: $11,668, travel: $5,000 Indicative cost of country team participation in upgraded countries exchange workshop: $8,000	At the mid-point of project implementation.
Final Evaluation (+ validation of tracking tools)	▪ GEF-SGP Country Program Manager and team ▪ UNDP CO ▪ UNDP RTA ▪ Local and International Consultants (Evaluation team)	Indicative cost: Consultants (as specified in Annex C) - Local Consultants: $22,800 - International consultants: $11,668, travel: $5,000	At least three months before the end of project implementation
Project Terminal Report	▪ GEF-SGP Country Program Manager and team ▪ UNDP CO ▪ Local consultant (Publication editing, proofreading, and layout,)	Indicative cost: $8,000 (includes editing, layout and printing)	At least three months before the end of the project
SUB-TOTAL *Excluding project team staff time and UNDP staff and travel expenses*		**US $**	**140,936**

Individual grant level			
Type of M&E activity	**Responsible Parties**	**Budget US$**	**Time frame**
Ex-ante visit	▪ GEF-SGP Country Program Manager and team ▪ NSC members	Indicative cost: $10,000	Risk based (approx. 20% of total number of grants)
Field monitoring visit	▪ GEF-SGP Country Program Manager and team ▪ NSC members ▪ Evaluation Teams	Indicative cost: $ 25,000	At least twice in the lifetime of project (mid-term and final evaluations) Additional visits on a risk basis
Monitoring of and technical support to community application of M&E methods and	▪ GEF-SGP Country Program Manager ▪ National consultant for technical support and training	Local Consultants for M&E and Knowledge Management: $29,900 (as per Annex C)	Half-yearly and as decided in the annual work plans

tools	▪ NSC members	M&E trainings to grantees in 4 protected areas: $ 19,164 (as described in annex C)	
Progress reports	▪ Beneficiary organization ▪ GEF-SGP Country Program Manager	No cost	Half-yearly
Final report	▪ Beneficiary organization ▪ GEF-SGP Country Program Manager	No cost	End of project
Final evaluation	▪ National consultant ▪ GEF-SGP Country Program Manager ▪ Beneficiary organization	Included in project grant budget	End of project
Audit	▪ UNOPS (advice as necessary) ▪ GEF-SGP Country Program Manager ▪ Beneficiary organization	Included in project grant budget	Risk based
SUB-TOTAL COST ***M&E of approx 136 projects. Excluding project team staff time.***		**US$**	**84,064**
TOTAL indicative COST **(Country Programme level + individual grant level)**		**US$**	**225,000**

V. PART A.5 LEGAL CONTEXT

165. This document together with the CPAP signed by the Government of Bolivia and UNDP, which is incorporated by reference, constitute together a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) and all CPAP provisions apply to this document.

166. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

167. The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

SECTION B: STRATEGIC RESULTS FRAMEWORK (SRF) AND GEF INCREMENT

PART B.1: PROJECT LOGICAL FRAMEWORK

This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:

Strategic line IV: Institutional capacities and capacities of local production organizations strengthened for sustainable use of natural resources and the development of businesses with environmental sustainability criteria. **Component 2:** Poverty and lack of equity reduction. Outcome 2: Strengthened production capacities for the design and implementation of policies (productivity, employment and income); **Outcome 3:** Strengthened capacities for the design and implementation of environmental policies.

Country Programme Outcome Indicators:

1. Number of institutions and local organizations with strengthened capacities to develop and implement projects consistent with environmental policies;
2. Development and implementation of programmes and projects that strengthen the management and use of natural resources.

Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one): 4. Expanding access to environmental and energy services for the poor.

Applicable GEF Strategic Objective and Program: BD-1; BD2; CCM-3; CCM-5; LD-1; CD-2; and CD-5

Applicable GEF Expected Outcomes: BD Outcome 1.1 and 2.1; CCM Outcomes 1.2, 1.3, 5.2 and 5.3; LD Outcomes 1.2 and 1.3; CD Outcomes 2.2, 2.3 and 5.2

Applicable GEF Outcome Indicators: BD Indicator 1.1: Protected area management effectiveness score as recorded by Management Effectiveness Tracking Tool**. BD Indicator 2.1:** Landscapes and seascapes certified by internationally or nationally recognized environmental standards that incorporate biodiversity considerations (e.g. FSC, MSC) measured in hectares and recorded by GEF tracking tool; **CC Indicators 3.2:** Volume of investment mobilized. **3.3**: Tons of CO2 equivalent; **5.2**: Hectares restored; and **5.3**: Tons of CO2 equivalent. **LD Indicator 1.3** Maintained/Increased flow of services in agro-ecosystems; **CD Indicators**: Stakeholders are better informed via workshops and trainings about global challenges and local actions required; Public awareness raised through workshops and other activities (Number); Capacities for monitoring of projects and programs developed (Number).

Project Goal: To support the implementation of national policies on biodiversity conservation and sustainable use, climate change, and land degradation to conserve the Bolivian Chaco ecosystems and mitigate climate change while contributing to improve the livelihoods of local communities.

	Indicator	**Baseline**	**Targets End of Project**	**Source of verification**	**Risks and Assumptions**
Project Objective: Global environmental benefits secured through strategic and integrated community-based actions in biodiversity conservation, climate change	Improved BD conservation and sustainable use in four existing PAs inhabited by indigenous communities: • KAA-IYA National Park and Natural Area for Integrated Management (NAIM). • EL PALMAR Natural Area for Integrated Management. • SERRANIA DEL	51,696 ha under sustainable management by communities in the geographic area of the project: - Kaa-Iya: 41,901 ha in the NAIM/CLO[4] Isoso area of the NP. - Aguaragüe: 4,468 ha in the NAIM/CLO "Weenhayek" and "Guarani Peoples Assembly-Yacuiba" areas of the NP. - El Palmar: 2,973 ha which corresponds to 5% of the total target area.	666,760 ha of PAs and community lands with biodiversity conservation practices and under sustainable management: - Kaa-Iya: 446,369 ha in the NAIM of the PA which include areas in the CLO Isoso. - Aguaragüe: 108,307 ha, i.e 100% of the total area of the PA which is both National Park and NAIM and that includes the CLOs of Weenhayek	• BD1 GEF Management Effectiveness Tracking Tool (METT) completed at inception (Annex 12), midterm and end of project • BD2 GEF Tracking Tool completed at inception (to be prepared), midterm	Risks: Large development projects, such as oil and gas exploration and exploitation that are inconsistent with the objectives of the protected areas and proceed without sufficient consultation with PA authorities and communities in Kaa-Iya, Aguaragüe, and Iñao or concern for social and environmental impacts

[4] NAIM/CLO is the acronym for Natural Area for Integrated Management/Community Land of Origin.

mitigation and sustainable land management in the Chaco eco-region of Bolivia.	AGUARAGÜE National Park and Natural Area for Integrated Management. • SERRANIA DEL IÑAO National Park and Natural Area for Integrated Management. (Measured by the number of hectares under sustainable management by local communities) • Biodiversity mainstreamed in the production landscape in the Buffer zones of the 4 PAs (Measured by the number of hectares that obtain certification for their sustainable management)	- Iñao: 2,354 ha which corresponds to 4% of the total target area • While there are several national and international certification mechanisms that have been applied in different parts of Bolivia, communities in the PAs and buffer zones covered by this project have yet to obtain any type of certification. Therefore, the baseline is zero	and Guarani People Assembly (APG) Yacuiba. - El Palmar: 59,848 ha which correspond to the total area that is NAIM - Iñao: 52,600 ha which correspond to 20% of the total area under National Park and NAIM categories. • Sustainable livelihood interventions implemented by local communities in 132,352 ha and the process to obtain national or international environmental certification initiated. At least 20% of applications achieve certification during the lifetime of the project.	and end of project. • Project mid-term and final evaluation reports	(e.g., gas pipeline through Kaa-Iya; oil wells in Aguaragüe; overlap between the oil block of Azero with 90% of the NP/NAIM Iñao). Low education levels and weak managerial capacities among communities may affect their ability to adopt sustainable practices during the short duration of the project. Certification processes may be too complex and slow to enable communities obtain certification before project completion. Institutional instability at national level is a latent risk <u>Assumptions</u>: There will be timely and adequate coordination between the headquarters of SERNAP and the Directorates of each Protected Area to facilitate project implementation Climatic conditions will be favourable to the implementation of the project with few or no severe weather events, in particular prolonged droughts or flooding. These events could significantly delay project implementation, for
	Increased investment in renewable energy technologies (Measured in number of RE systems installed, value and number of institutions making such investments) Tons of CO2 e mitigated	• Renewable energy investments in the Chaco region are very low, almost 0 in most Chaco localities. GIZ has invested approximately US$216,000 in photovoltaic panels in the following locations: - Villamontes (Chaco Tarijeño): 200 systems of photovoltaic panels - Muyupampa (Chaco Chuquisaqueño): 250 systems of photovoltaic panels	• Renewable energy investments increased by at least 100% with contributions from at least 3 entities other than GIZ. • 25,000 t/CO2 e avoided in 4 years through RE applications in the Chaco area (see Annex 4 for data used in calculations)	• Grantee reports showing number of renewable energy systems installed and their value • Reports of institutions such as NGOs, local governments, private sector and others showing RE investments • Project M&E reports.	

	Carbon stocks maintained in the Chaco area through good forest management practices in forest and non-forest lands including reforestation and natural regeneration. Tons of CO2 e mitigated	There are 11,585,590 ha of forest in the Chaco. Deforestation rates for the period 1993 – 2000 in the municipalities of the Chaco area varied between a low 0.1 and a high 7.8 per cent. The overall deforestation rate during the same period for the 11 municipalities in the Chaco for which information is available (Bolfor) is 2%, which is equivalent to 231,754 ha of forests.	Carbon stocks maintained or enhanced in 100,014 ha through avoided deforestation, reforestation, and natural regeneration. • 22,503,132 t/CO2 e mitigated (see Annex 6 for data used in calculations)	• Carbon Monitoring System • Satellite images and GIS data. • Project monitoring reports. • Mid-term and final project evaluation report	example, by making access to project sites difficult. There will be no wildfires of natural or anthropogenic origin that result in a major loss of vegetation cover in the project area. The National Programme on CC of the Vice-Ministry of Environment will assist in monitoring carbon stocks in the project area. The tools from the GEF Carbon Benefit Measurements project will be ready on time and will be adequate to monitor SGP interventions. The surplus of agricultural production of local communities will find local markets and the price will enable communities to sustain SLM practices overtime The interest of the national media concerning the environment and natural resources management issues will continue to increase
	Avoided land degradation and increased resilience of agro-ecosystems to climate change (Measured as a proxy by the number of hectares of community land under SLM practices and with increased vegetation cover, and by the percentage of community land with increased productivity measured in tons per hectare)	• To be determined once specific community projects are approved. National statistics on land degradation are: 41% of the national territory has some degree of land degradation, i.e., more than 45 million has, including a large part of the departments of Oruro, Potosí, Chuquisaca and Tarija, 32% of the department of La Paz, 46% of Cochabamba and 33% of Santa Cruz. There is no specific data for the Chaco eco-region, however, it is known that there are serious degradation and desertification problems, a deficit of water resources, unsustainable use of natural resources, and low diversification of agricultural production, a cause for land degradation and loss of biodiversity.	320 ha of community lands with sustainable land management practices that reduce land degradation including increased vegetation cover: - 200 ha with sustainable agro-ecological/agro-forestry management practices; - 100 ha with improved vegetation cover through reforestation and natural regeneration; - 20 ha with soil erosion control. - At least 30% of the land of SGP supported communities shows increased productivity	• Maps • Community project reports with information on agricultural production (tons/hectare) • Project M&E reports.	
	Improved gender equity as a result of increased income generation	• 75% of the Chaco population live in poverty • Very few projects financed in the Chaco region	• At least 20% of initiatives supported by SGP are managed by women groups and	• Project proposals • Minutes of project reviews by NSC	

	opportunities for women from sustainable livelihood activities within the buffer zones of four PAs. (Measured as a proxy by the percentage of increase in women's income)	consider gender equity. • Baseline data will be obtained for specific communities once SGP grants are approved	generate income from sustainable use of non-timber forest products and sustainable production practices in production landscapes around PAs (e.g., sustainable use of species for handicraft production, organic apiculture, medicinal plants, etc.) • All SGP projects involve both men and women in their design and implementation	• Project reports • Portfolio monitoring report • Mid-term and final project evaluation reports	
	Increased capacity of SGP stakeholders to diagnose and understand the complex and dynamic nature of global environmental problems, and to develop local solutions	Capacity of local communities to understand global environmental issues is very low in the Chaco eco-region because SGP has had very few interventions and activities with local NGOs and CBOs (only 8 projects implemented in the Chaco since SGP inception)	70% of participating community members (both men and women) will be able to describe the relation between the SGP-supported intervention and the global environmental benefits it generates At least 80% of projects will be rated satisfactory or above with respect to meeting their objectives	• Interviews by SGP programme team • Mid-term and final project evaluation reports	
	Enhanced public awareness of communities' contributions towards addressing global environmental challenges	Awareness continues to be low among the general public in spite of previous SGP efforts and those of other NGOs	30% of SGP-funded interventions will be featured by the national and local media	• Paper clippings, ratio/TV broadcasting, copies of other printed or electronic materials	
	Increased capacity of SGP grantees to monitor and evaluate their projects according to GEF policies, strategies, objectives and indicators; increased capacity of	Only a handful of local communities in the Chaco have implemented projects funded by international donors or institutions with complex monitoring and evaluation systems, therefore, capacities for M&E are extremely low	At least 80% of SGP grantees demonstrate application of adaptive management to their projects as a result of M&E activities, gather and maintain relevant data (social, economic and	• Project progress reports • Mid-term and final project evaluation reports	

	grantees to monitor local environmental trends	The is no information in community activities that contribute to monitoring local environmental trends	environmental), and their reports meet GEF/SGP standards		
Outcome 1: Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions.	Increased number of Protected Area management plans with input from local communities developed, approved and under implementation.	The following is the status of PA management plans: • El Palmar: Draft management plan formulated and revised but not yet approved (1st Version in 2005 and 2nd version in 2006) • ¨Strategic Plan for the Integral Development of the Aguaragüe and the Ancestral Territory of the Guaraní People" in preparation. • Management plan for the Aguaragüe PA as well as an Indigenous Territory Management Plan for the Weenhayek indigenous people, at early stages of preparation. • The Kaa-Iya management plan was developed and approved in 2001. • The Iñao management plan is being reviewed for approval	The project target concerning development and approval of PA management plans includes two areas: • Management plan for El Palmar updated and approved. • Management Plan for the Aguaragüe formulated within the framework of the "Strategic Plan for the Integral Development of the Aguaragüe and the Ancestral Territory of the Guaraní People", harmonized with the Indigenous Territorial Management Plan of the CLO Weenhayek. It is expected that the Plan will be reviewed, approved and under implementation by the end of the project. Concerning PA management plan implementation the targets are: • 15 initiatives with 30 communities supported by SGP within the Indigenous Territory of Kaa-Iya and Aguaragüe PAs contributing to the implementation of the management plans.	• Approved management plan documents. • Minutes and reports of meetings and workshops between PA authorities and indigenous peoples organizations • Project reports • Portfolio monitoring reports	Assumptions: Indigenous peoples' organizations (APG, ORKAWETA) and their members will contribute to the development, harmonization and implementation of the PA management plans and of those of their territories, and will have an active participation in their governance structures. SERNAP, the PA Directorate Offices, and local government entities will continue providing financial and technical support to local communities in and around PAs. Strengthened networks and governance of communities' associations will enable them to access local or national markets for their sustainably produced goods and services. Community produced goods and services will meet quality standards. Research institutions will increase their support to

	Improved governance mechanisms of PAs that enable informed and effective local community participation.	The status of the Management Committee (MC)[5] in each selected PA is as follows: - Kaa-Iya: The MC was established in 1996 and is functional - El Palmar: The MC was established on 15 November 2008 and is operating but requires strengthening - Iñao: The MC was established in 2008 and operates, but it does not have by-laws or Internal Regulations and requires strengthening. - Aguaragüe: It does not yet have an MC. A co-management agreement between SERNAP and 3 Guarani communities (Yacuiba, Carapari and Villamontes) was signed on 9 December 2008. In this agreement it is stipulated that the MC should be established. • Indigenous peoples leaders and members of the MC in the 4 Pas have not been trained on legal aspects related to protected area management.	The following are the targets for the project: • MC for Aguaragüe established and functioning in a participatory manner; MCs for Iñao, El Palmar and Kaa-Iya with strengthened capacities for the participatory management of the PAs • Capacities of at least 20 community leaders, men and women from indigenous peoples and other communities, as well as other members of the MC, on legal issues developed (i.e., constitutional mandates on protected areas, legislation on protected areas, and legislation on land tenure and rights, among others). • Leaders trained transfer these capacities to other community members (at least 10 people per community)	• By-laws of the Management Committee of Aguaragüe and Iñao • Formal minutes of MC meetings. • Proceedings of MC meetings in Kaa-Iya, Palmar and Aguaragüe. • Contents of the Training Programme on legal issues and evaluation from participants • Terms of reference of experts hired to deliver the training • List of participants trained and workshop quality assessment made by trainees and trainers • Report documenting the replication of the training	community initiatives for integrated applied research and are willing to train and involve them in research activities.
	Increased number of community members able to contribute to applied research, and number of community-based initiatives on	• Education standards in the Chaco are low and people with secondary education (about 50% of the population) are mostly concentrated in urban areas.	• At least 60 community members trained in species management, data collection and interpretation, monitoring and other	• MoU or Agreements with research institutions. • Project reports • Portfolio	

[5] The Management Committee (MC) is a body representative of the local population for its participation in the planning of PA management and for contributing to the oversight of the management of the PA.

	applied research for biodiversity conservation and sustainable use in partnership with relevant government and non-government entities	Therefore, the capacities of local rural communities to contribute to applied research are low, although communities contribute their traditional knowledge to research initiatives. • There is no inventory of research initiatives in PAs and their buffer zones that integrate community members. A few research activities with participation of local communities and indigenous peoples' organizations in the Kaa-Iya PA have been identified.	technical issues with SGP support. • At least 6 of community research initiatives supported by SGP and partner organizations generate information for sustainable management of species and other biodiversity conservation and environmental management issues.	monitoring report • Lists of community members hired as research assistants locally.	
	Increased number of community-based initiatives conserving and sustainably using threatened and near threatened plant and animal species,	• Threatened and near threatened plants and animal species of the Chaco are identified in the Red Book of vertebrates and Red List Book of CWRs. • Two animal species in the Kaa-Iya PA, i.e., Taitetu *(Tayassu tajacu)* and Peni *(Tupinanbis rufescens)* have management plans. • There are initiatives to promote sustainable use of a few plants in El Palmar PA such us *Euterpe Precatoria* and *Bactris Gassipae* • There is no consolidated baseline on initiatives conserving threatened and near threatened species in these PAs.	• At least 8 animal and plant species (see list in Annex 3 for potential species and their status) sustainably managed and conserved through the development of management plans and the implementation of 20 community-based initiatives	• Species management plan documents • Project reports including monitoring of species populations within area • Portfolio monitoring report	
	Number of ecotourism ventures established with local communities	• An Ecotourism Strategy for the National System of Protected Areas was	• 3 sustainable tourism activities involving 9 communities established	• Business plans for sustainable tourism initiatives	

	within the Natural Areas for Integrated Management zones of the PAs as a conservation strategy	approved to guide tourism activities within the PAs. • There are no ecotourism facilities within the NAIM zones of the PAs.	and under implementation	• List of visitors • Project reports • Portfolio monitoring report	
	Improved capacity of communities to mainstream biodiversity in land use planning, and to consider environmental sustainability in livestock management and agricultural production within 132,352 ha of production landscapes	• There are no community land use plans in the PA buffer zones. • There are some initiatives on sustainable livestock management and agricultural production in the buffer zones of the Iñao PA.	• Guidelines for the preparation of community land use plans developed at project inception • At least eight land-use plans in PA buffer zones developed by communities and their partners using information from a variety of sources and following the Millennium Ecosystem Assessment Approach, and considering as much as possible all ecosystem services. • Additional initiatives on sustainable livestock management and agricultural production in PA buffer zones reducing negative impacts on BD from these economic activities: (Kaa-Iya: 4 initiatives; Aguaragüe: 4 initiatives; El Palmar: 4 initiatives; and El Iñáo: 3 initiatives) • Sustainable use of non-timber forest products and sustainable production practices in production landscapes around PAs. At least 20 initiatives.	• Land use plan documents • Project reports • Portfolio monitoring report • Report documenting the gender-based approach and results of projects.	

	Improved local capacity for valuation of ecosystem services and for integrated watershed management	• There are no ecosystem services valuation studies for watersheds in the area and no watershed management plans developed	• At least 2 watersheds with ecosystem services valued and plans for integrated watershed management developed in buffer zones of PAs	• Ecosystem valuation document • Integrated watershed management plans	
Outcome 2: Climate change mitigation through promoting investments in renewable energy technologies and through land use, land use change and forestry in community lands.	Increased adoption of renewable energy technologies in target areas measured by the number of RE technologies adopted and the number of households and communities using RE	• There isn't a full inventory of existing renewable energy installations in the project areas. Known RE installations are: - PV panels: 450 - Micro-hydro: 2 Communities targeted by SGP currently use generators to meet energy needs. • There is some cooperation, between private and public entities to promote RE initiatives in the project area (GIZ, the Chaco Foundation, FEGACHACO, and NGOs such as ENERGETICA and Pro Leña), for the promotion of photovoltaic technology at household level and for other uses such as electric fences around pastures	• At least 3 RE technologies adopted through at least 10 initiatives: - PV panels: 500 - Micro-hydro: 3 - Solar dryers: 50 • MoUs with 2 or more entities to support and contribute additional investments in RE resulting in at least: - PV panels: 250 - Micro-hydro: 3 - Solar dryers: 25	• Carbon Monitoring System. • Project reports • Portfolio monitoring report • MoUs	Assumptions: Bolivia will develop a national system to monitor deforestation and forest degradation. Bolivia's National Focal Point on CC is committed to facilitate the development and maintenance of a carbon monitoring system that works at community level. Key partners from the public and private sectors will support additional RE initiatives to develop a critical mass of interventions to encourage uptake of RE systems in the project area. Locally based-NGOs and government institutions present in the area will be able to contribute their technical expertise
	• Number of hectares of community lands with agro-forestry systems established and tons of CO2 e mitigated • Number of hectares of forestlands with increased	The baseline for these activities is 0 because agroforestry and silviculture are seldom practiced by communities in the project area The estimated baseline for existing degraded forests were natural regeneration and enrichment activities will take place is 8,835,159 t/CO2 e (see Annex 6 for calculations)	14 community-based initiatives with 30 communities implement: - 5,000 hectares with agro-forestry systems mitigating 194,563 t/CO2 e - 90,014 hectares with natural regeneration mitigating 21,776,274 t/CO2 e	• Carbon Monitoring System • Maps • Project reports • Portfolio monitoring report	

	vegetation cover and tons of CO2 e mitigated • Number of hectares of forestland previously devoid of trees with forest cover and tons of CO2 e mitigated		- 5,000 hectares reforested mitigating 532,295 t/CO2 e - (See Annex 6 for calculations on CO2 mitigation)		
	Baseline data established and monitoring system adopted for measuring carbon stocks at local level in target areas to contribute to the national forest database, and to land use and land use change monitoring.	• Baseline data on carbon stocks in the project area is not available • There is no monitoring system available for measuring carbon stocks in the project area • The Forestry Directorate (Direccion Forestal) under the Vice-Ministry of Environment in cooperation with the Authority for Forests and Lands (Autoridad de Bosques y Tierras) plan to monitor REDD+ pilot sites with support from UN-REDD. However, none of these sites are in the Chaco.	• Monitoring system for carbon stocks designed and operational by end of first year. • Training to communities (men and women of indigenous peoples and community members) and supporting organizations (NGOs and staff of municipalities) at local level within second year of project along with validation of protocols and method. • Community carbon monitoring system designed with SGP support transferred to the PNCC-VMA at the end of the project for maintenance and administration	• Data records • Monitoring system for measuring carbon stocks at local level in the Chaco region • MoU between PNCC and SGP for cooperation in carbon monitoring	
<u>Outcome 3:</u> Land degradation reduced by maintaining or improving the flow of agro-	Increased number of communities applying sustainable land management techniques in agro-ecosystems	• There are no interventions on sustainable land management (SLM) in the project area, except for some soil management initiatives in the buffer zone of El Palmar PA	• At least 8 community-based initiatives on sustainable land management (e.g., techniques such as 0 tillage, water management and	• Project technical reviews • Project reports • Portfolio monitoring report	<u>Assumptions:</u> National and local government institutions get involved and provide support after completion of the SGP project in the framework of the National

ecosystem services in community lands for sustainability and improved livelihoods.			conservation, crop diversification, conservation of crop genetic diversity, sustainable fodder production, fire control, etc.). Selection of SLM techniques to be determined with communities.		Plan to Combat Desertification in Bolivia. Germplasm of native species for reforestation and agriculture is available and pressure on farmers to use improved seed varieties will decrease Prices in local/regional markets are attractive to farmers
	• Increased amount of food available to each family throughout the year • Increased yield per hectare • Improved income from agricultural products	• To be determined for each project at approval stage	• An average of 10% increase in food availability per household • To be determined at project inception per crop • 15% increased income	• Surveys • Project progress reports • Portfolio monitoring reports	
	Reduced soil erosion in community lands	• Extent of degraded area in community lands to be determined during 1st semester of 1st year of project	• Soil erosion reduction of at least 30% in project areas	• Soil erosion control reports • Project reports • Portfolio monitoring report	
<u>Outcome 4:</u> Community capacity to address global environmental challenges developed & knowledge acquired through project implement-ation documented, shared and applied.	Increased number of eligible projects demonstrating community understanding of global environmental issues and with viable local solutions	• The share of SGP eligible projects from the Chaco region in the past was 6% of the total portfolio in Bolivia • Stakeholders from the Chaco region are not aware of global environmental challenges and cannot identify local actions to address them	• At least 50% of project proposals received from CBOs are eligible for SGP financing.	• Project proposals • Project technical reviews and NSC minutes • Training workshop agendas and training materials covering BD, CC and LD subjects • Workshop reports and list of participants • Evaluation reports	<u>Assumptions:</u> Communication among PA Directorates, Indigenous People Organizations and disperse community leaders remains strong to ensure adequate representation of communities interest in policy debate. Ability of SGP team to produce timely and high quality knowledge and information products that can be taken up by media
	Enhanced capacity of SGP Grantees to	• Current capacity is very low because local	• Some 200 community members trained on	• NSC minutes	

	monitor and evaluate projects according to GEF policies, strategies, objectives and indicators.	communities have not had the opportunity to develop, implement, monitor and evaluate sustainable development projects, nor have they received training	project M&E • At least 20% of community members demonstrate a good understanding of M&E and contribute to data collection and project monitoring activities. • At least 80% of projects achieve adequate monitoring and reporting standards, and apply an adaptive management approach to project implementation	• Project proposal reviews • Evaluation of workshop participants' knowledge at the beginning and end of training • Contents of the training program • Grantee reports • Evaluation reports	and other sustainable development practitioners in spite of the high demands placed on the team by day-to-day work. Trained community members will train other community members to create an enabling environment for replication of SGP good practices in project development and implementation
	Increased number of contributions from SGP Bolivia to local and national publications and media, as well as to knowledge products of the Global SGP and UNDP	• SGP-Bolivia project results have been disseminated through the national media and experiences and lessons from project implementation have been highlighted in global SGP publications. However, SGP projects implemented in the Chaco have never been featured.	• At least 6 SGP projects picked-up by the media. • Six knowledge products available in SGP's website and disseminated in hard copy • At least 4 projects in Bolivia selected as best practice by the Global SGP or UNDP	• Press releases and formal and informal publications, broadcasting and other communications materials.	

Outcome 1 will be achieved through the following outputs:

Output 1.1.1: PA governance mechanism engaging local communities and indigenous peoples organizations in the management of the Natural Areas for Integrated Management zones (4 PAs)

Output 1.1.2: Training Programme on PA legal aspects and land tenure issues designed and delivered (>400 community members)

Output 1.1.3: El Palmar PA management plan update with community involvement

Output 1.1.4: Aguaragüe PA management plan and Weenhayek Indigenous Territory Management Plan harmonized

Output 1.1.5: Community initiatives to conserve threatened and near threatened species and promotion of sustainable use of plant and animals with potential use in accordance with protected areas zoning (>8 species management plans and > 20 initiatives)

Output 1.1.6: Training program for engaging local community members in basic and applied research for BD conservation and sustainable use in partnership with PA authorities and research institutions (> 60 community members and >6 initiatives)

Output 1.1.7: Community-based ecotourism as a conservation strategy for protected areas (> 3 initiatives with 9 communities)

Output 1.1.8: Implementation of BD components of 2 Indigenous Territory Management Plans within 2 PAs (> 15 initiatives with 30 communities)

Output 1.2.1: Community land use plans mainstreaming BD in PA buffer zones (> 8 plans)

Output 1.2.2: Improved livestock management and agricultural production initiatives in PA buffer zones to reduce negative impacts on BD (>15 initiatives)

Output 1.2.3: Sustainable use of non-timber forest products to conserve BD and for improved livelihoods around PAs (> 20 initiatives on honey, medicinal plants, handicraft, etc.)

Output 1.2.4: Ecosystem services valued and plans for integrated watershed management (2 watersheds)

Output 1.2.5: Environmental certification of community production landscapes (>30 requests for certification through various certification mechanisms).

Outcome 2 will be achieved through the following outputs:

Output 2.1.1: Renewable energy units installed (> 10 initiatives demonstrating 3 RE technologies)

Output 2.1.2: Partnerships with government and private entities to disseminate RE technologies including photovoltaic, hydroelectric, and from biomass to increase investment in project areas. (> 2 entities support and invest in renewable energy)

Output 2.2.1: Forest and non-forest land under good management practices such as agro-forestry and silviculture systems to reduce deforestation and forest degradation (> 4 initiatives with 6 communities)

Output 2.2.2: Reforestation, natural regeneration and forest enrichment in community lands (> 10 initiatives with 30 communities)

Output 2.2.3: Baseline data and monitoring system for measuring carbon stocks in target areas.

Outcome 3 will be achieved through the following outputs:

Output 3.1.1: Sustainable land management activities (> 8 initiatives implementing techniques such as 0 tillage, water management, conservation of crop genetic diversity, sustainable fodder production, fire management and control, etc.)

Output 3.2.1: Soil restoration, natural regeneration, and reforestation in community degraded lands (> 7 initiatives in 5 communities)

Outcome 4 will be achieved through the following outputs:

Output 4.1.1: Training materials on sustainable livelihood options and addressing BD, CC, and LD produced and used in capacity development activities.

Output 4.2.1: Knowledge management products (> 6)

Output 4.2.2: Awareness and communication materials for various media (> 3)

Output 4.3.1: Capacity development program on GEF project formulation, indicators and M&E (200 community members)

PART B.2: INCREMENTAL COST ASSESSMENT

B.2.1 Baseline scenario and alternative strategy

Outcome 1: Improved management effectiveness of four protected areas with dual category, and biodiversity conservation and sustainable use mainstreamed in the production landscape of PA buffer zones through community initiatives and actions. This outcome will focus on: protected area governance with full engagement and participation of indigenous communities; enhanced land use planning instruments that harmonize indigenous peoples territorial management plans with protected area plans; community capacity development concerning legal instruments related to PA management and land tenure; increased participation of local communities in applied research activities that lead to better management of species and ecosystems; and design and application of sustainable livelihood activities compatible with biodiversity conservation.

Table 6 (a): Baseline scenario and alternative

Baseline scenario	**Alternative/incremental strategy**
Bolivia has established policies and frameworks for protected area management. These policies reflect international best practice and they are supportive of local community participation in PA management planning and implementation. PA management is regulated by the "General Regulation for Protected Areas S.D 24781 of 1997". The 2007 Constitution explicitly recognizes the relationship between cultural identity and territory, and the right to autonomy concerning indigenous territorial management, and the right of indigenous peoples to benefit with exclusivity from the use of renewable natural resources within their territories (Article 30 of the Constitution). An important recent piece of legislation is the Framework Law on Autonomy (*Ley de marco de Autonomías*) approved in 2010. Under this law, the Departments and Municipalities will propose land use policies in their jurisdiction in which the needs of protected areas should be incorporated. This is an opportunity to improve PA and buffer zone management, and land use planning. However, the practice is not always consistent and satisfactory, and has mixed results in the four PAs selected for this project. There are several challenges. Firstly, there is little coordination between the various stakeholders, which include PA managers, local and provincial authorities, indigenous peoples authorities, farmer organizations, national sectoral agencies present in the area, and CSOs. Secondly, human capacities are generally low and there is little technical assistance available for planning and designing an implementation program. Often there are considerable delays in the approval of planning instruments due to lack of consensus among stakeholders or lack of coherence between the various instruments. Thirdly, there is a chronic shortage of financial resources. While the gap between resources available and PA operational needs is slowly being reduced, the PA system largely depends on resources from international cooperation. For example, in 2010, 83% of funds for operational costs of national	In consultation with PA management authorities and other stakeholders, SGP identified a number of concerns in which it can contribute to remove barriers to protected area management effectiveness in the Kaa Iya, Aguaragüe, El Palmar, and Iñao PAs. In particular, SGP is well positioned to help improve stakeholder coordination for land use planning, and to help address the governance and technical capacity barriers that hinder effective community participation in the development and implementation of PA management plans and other indigenous peoples territories' management plans. SGP will demonstrate the importance of implementing sustainable livelihood options to help ensure the sustainability of PAs in the Natural Areas for Integrated Management. A broad range of sustainable production initiatives will be implemented with local communities to help maintain ecosystem services, conserve endangered plant and animal species, and improve the living conditions of local communities. SGP also aims at revitalizing and maintaining indigenous knowledge systems that are compatible with the objectives of the project and to enable local youth and community leaders, both men and women, to participate in activities that generate new knowledge about these ecosystems and the resources within them, particularly through their involvement in applied research led by scientific organizations. All Outputs under Outcome 1.1 are mutually reinforcing and collectively contribute to achieving this project Outcome.

protected areas and the central management system were made available by international donors. The National Protected Area System (SERNAP) developed a Strategic Institutional Plan (PEI for its acronym in Spanish) to guide priority setting and resources mobilization for the period 2009 - 2013. An important result was the establishment in 2011 of a Basket Fund with resources from the Governments of Denmark and The Netherlands. These resources will be available until 2013 to support, among others, operational costs in the four protected areas in this project. In addition, since 2007, the Bolivian Treasury has allocated an amount to cover a small percentage of PA recurrent costs. These funds are secured for the period 2011 - 2016. None-the-less, implementation of the management plans is significantly affected by the scarcity of financial resources. The project results framework (Section B) and the protected area management effectiveness tracking tool (Annex 12) present baseline information for each protected area. Annex 2 provides a summary of baseline investments in each of the areas.	
There is general guidance available on how to establish buffer zones for protected areas in Bolivia. This guidance is complemented by sectoral policies and laws such as the Forestry Law that provide a framework for land use, resource use, and production activities in these landscapes. However, the implementation of such policies and the enforcement of the law is very weak in the Chaco area. To date, there is no land use planning experiences in the buffer zones of the 4 PAs. This is a major barrier to PA sustainability. In the absence of land uses that consider environmental sustainability, short-term interests prevail, often leading to rapid ecosystem degradation.	To help avoid PAs becoming islands in a degraded landscape, SGP will work with relevant municipalities, communities, CSOs and PA authorities to develop their capacities for land use planning in the buffer zones. Ecosystem services will be taken into consideration in such plans, in particular those related to water ecosystem services. In addition, SGP will work towards establishing a mosaic of sustainable community livelihood practices in the production landscape that consider biodiversity conservation and sustainable use. The aim is to work with communities and their development partners to meet the best possible sustainability and quality standards in their economic activities, and to implement them in the framework of the land use plans. While it may not be possible to achieve certification during the lifetime of the project for all communities' products and services, it is expected that all will be working towards meeting defined standards and at least 20% of the applications for national or international certification will be successful.

Outcome 2: Climate change mitigation through promoting investments in renewable energy technologies and through land use, land-use change and forestry in community lands.

Table 6 (b): Baseline scenario and alternative

Baseline scenario	**Alternative/incremental strategy**
Bolivia is a net exporter of energy, in particular gas. However, a large proportion of the rural population does not have access to any type of modern energy. According to a 2009 study by REEEP the national rural electrification rate was 33% and the government had set a goal of increasing the rate to 53% by 2010 which	SGP will help speed-up the adoption of RE in the Chaco region by demonstrating the viability of renewable energy to meet electricity and heat needs of rural communities, as well as by establishing partnerships that would enable a larger scale intervention that creates a critical mass of users, an essential first step towards

means most rural populations are not connected to the grid and will remain so for years to come, including communities in the Chaco region. The Second National Communication states that the government has set in place a hydropower program for the next 10 years, and has begun implementation of six large hydropower plants that will generate 3290 MW with an investment of US$ 5,600 million. The National Program on Climate Change through the Five Year Plan has developed various initiatives for local communities to reduce the use of diesel and biomass in power generation through the construction of several small hydroelectric plants. However, none of these initiatives is taking place in the project target area. The only programme in the project area promoting household photovoltaic systems is funded by GIZ. Without SGP support, GHG emissions equivalent to those expected to be mitigated through SGP would happen because communities would have used kerosene and fuelwood to meet their needs. Also, without SGP the BAU scenario would continue for many years given the week presence of relevant government and non-government organizations with energy expertise in this part of the country.	sustainability and up-scaling.
There is an estimated 11,585,590 hectares of forest in the Bolivian Chaco. Deforestation rates for the period 1993 – 2000 in the municipalities of the Chaco area varied between a low 0.1 and a high 7.8 per cent. The overall deforestation rate during the same period for the 11 municipalities in the Chaco for which information is available (Bolfor) was 2%, which is equivalent to 231,754 ha of forests. While the government has pledged to reduce GHG emissions in the LULUCF sector, such reductions are not expected to be significant during the project implementation period. In the Chaco area, particularly around the four protected areas, there are no reforestation and agroforestry activities or incentives for reducing land use change from forest to other uses. Forest degradation including from fuelwood collection is significant, although precise figures could not be found for the area. The National UN-REDD Bolivia Programme was agreed in May 2010. The main objective is to assist Bolivia in achieving readiness for implementing a National REDD+ Programme within the framework of the National Forest and Climate Change Strategy by 2013. There is one REDD+ pilot project in Bolivia: The Indigenous Program for Reducing Emissions from Deforestation and Forest Degradation in the Amazon (REDD- Amazon). The Noel Kempff Climate Action (PAC-NK) project covers and area of 634,000 hectares and is located at the Noel Kempff Mercado National Park. By protecting forests and reducing emissions from deforestation and degradation (REDD), the project simultaneously addresses climate change, conserves biodiversity and brings sustainable benefits to local communities. There are no similar	With participation of local communities, CSOs and NGOs, SGP will develop a variety of interventions to reduce GHG emissions in the LULUCF sector in the Chaco area and demonstrate that it is possible to achieve community land use practices that mitigate climate change and that also improve livelihoods. Importantly, in cooperation with relevant government institutions, it will develop and pilot a system for carbon monitoring at community level. SGP will keep abreast of UN-REDD activities in Bolivia and participate as much as possible in "readiness" processes and consultations to ensure maximum collaboration and consistency with Bolivia REDD+, in particular with the following: (i) monitoring and assessing carbon stocks (part of outcome 1 of UN-REDD); (ii) programme for social participation in REDD+ (part of outcome 2 of UN-REDD); and outcome 3 "Generating REDD plus-related experience at a local level, with the participation of territorial bodies and the civil society".

projects planned for the Chaco area in the near future.	

Outcome 3: Land degradation reduced by maintaining or improving the flow of agro-ecosystem services in community lands for sustainability and improved livelihoods.

Table 6 (c): Baseline scenario and alternative

Baseline scenario	**Alternative/incremental strategy**
A large proportion (41%) of Bolivia's territory is affected by land degradation including a large part of the Chaco. Since the country's ratification of the UNCCD, the government has taken a number of steps to address the problem. In 1996-97 the country prepared a National Action Program to combat desertification that was later revised in 2002. The specific objectives of the NAP are: to integrate the Program in the government's policies and priorities; to create awareness about land degradation and the NAP among national authorities; to ensure participation of all stakeholders in its implementation; to promote the implementation of integrated actions to combat desertification at all levels with participation of municipalities; to exchange information and experiences among institutions involved; to develop a plan to address drought, including a plan for early warning, mitigation, land rehabilitation, and food security; and to develop the capacities of stakeholders and provide technical assistance to communities and others implementing projects. While several projects were developed and some got off the ground, the implementation of the NAP has not been as successful as expected, primarily due to insufficient funding. GIZ has supported the National Focal Point within the framework of a Rural Development Program. It has also helped raise awareness about land degradation and desertification among farmer organizations. RIOD- Bolivia was established with 53 NGOs and 35 CBOs. In addition the government established four sub-networks of civil society organizations, one in each major ecosystem: Puna, Chaco, Valley and Amazon. Within the development and implementation of the Sub-regional action plan to combat desertification, the Governors and Prefects of the provinces in the Gran Chaco in Argentina, Bolivia, and Paraguay worked with UNEP and UNDP to develop a GEF full size project. The project, already approved, is expected to promote best practices in sustainable forest management and sustainable land management, taking into consideration the carrying capacity of ecosystems for livestock and other economic activities within the production landscape. The project is selecting pilot sites for the implementation of SFM and SLM activities in agreement with local authorities. Project activities will, however, only directly benefit a very limited number of communities in each country.	SGP and the Gran Chaco Americano GEF FSP have similar SLM objectives. The value added of SGP is that it will take a bottom up demand-driven approach, focusing on the needs of local communities in some of the most affected areas. SGP will strengthen the capacities of local CBOs and NGOs to create a knowledge base in the area, establishing the conditions for replication. SGP will take advantage of the technical expertise in the GEF FSP team, inviting them to review and provide input to the projects submitted by CBOs for SGP financing. SGP will also invite the GEF FSP staff to undertake site visits to SGP-funded initiatives to share experiences and assess results of such interventions. The GEF FSP is an important vehicle for disseminating SGP results beyond the project area and to mainstream lessons into the rural development programs and projects of the government institutions involved.

Outcome 4: Community capacity to address global environmental challenges developed & knowledge acquired through project implementation documented, shared and applied.

Table 6 (d): Baseline scenario and alternative

Since 1993 SGP has worked to enhance the capacities of NGOs and CBOs to address environmental issues in Bolivia. Over 300 organizations across the country have benefited from SGP support with some 272 projects. However, communities in the Chaco eco-region were not very successful in developing eligible projects and as a result very few received SGP support. Local government capacities in the Chaco area, particularly in the more remote and poor municipalities, is also quite low and the many competing demands for rural development and basic social services does not enable them to prioritize environmental issues.	The Government of Bolivia and the SGP National Steering Committee made a joint decision to focus activities of the SGP's fifth operational phase in this part of the country. A geographically focused intervention will enable SGP to design and deliver a capacity development program that is relevant to the needs of the region and that will benefit a large number of CBOs in the Chaco. Documenting and disseminating lessons will also be easier if community activities are not too dispersed and revolve around a limited set of topics.

SECTION C: TOTAL BUDGET AND WORK PLAN (UNDP ATLAS)

The total cost of the Project is US$10,166,667 of which GEF grant funding is US$4,166,667. Cash and in-kind co-financing in the order of US$6,000,000 will be mobilized from a variety of sources including the Government of Bolivia, UNDP, bilateral aid agencies, international NGOs, the private sector and NGOs and CBOs participating in the Project. Table 7 shows the breakdown of estimated co-financing in cash and in-kind to the GEF contribution. Commitment letters from co-financing partners are presented in a separate attachment (See Part III).

Table 7: **Project Co-financing by Source**

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount ($)
National Government	Ministry of Environment	Grant	$ 392,341
National Government	Ministry of Environment	In Kind	$ 392,341
GEF Agency	UNDP	In Kind	$ 192,250
GEF Agency	UNDP	Grant	$ 1,000,000
CSOs	Grantees	Grant	$ 1,658,409
CSOs	Grantees	In Kind	$ 1,658,409
Others	To be determined	Grant	$ 706,250
		Total:	**$ 6,000,000**

The National Climate Change Programme (The Netherlands) has already committed a cash and in-kind parallel contribution of US$784,682. UNDP Bolivia will contribute $192,250 in-kind, as follows: (i) three studies on climate change in Bolivia; and (ii) staff time, both professional and general service staff, to assist the SGP project on programmatic and administrative matters. The professional staff time includes UNDP's representation in the SGP National Steering Committee during the 4-year period as well as technical assistance by: a socioeconomic expert for the establishment of community-based enterprises, development of business plans and marketing of community produced goods; an environmental specialist with experience in PA and natural resources management; an energy specialists; and a risk management

expert. The Bolivia SGP with UNDP's support has a consistent track record of leveraging significant cash and in-kind co-financing to further enhance cost-effectiveness of delivering Global Environmental Benefits on behalf of the GEF partnership. It is estimated that UNDP will mobilize at least $1,000,000 of cash contributions for the project during the life of the project. SGP grantees and their partners will contribute in-kind and cash resources at the amount of $ 4,023,068 for each category. Co-financing commitment letters are included in Part III.