



Grant Procedures Manual

Version 7

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Grant Procedures Manual

This Grant Procedures Manual for Blue Action Fund sets out the key operating policies and procedures for each step of the grant-making process. Furthermore, it describes the key procedural guidelines for the grant-receiving NGOs with regards to project implementation and monitoring. The aim is to ensure a standard approach for each project and adherence to policies that safeguard Blue Action Fund's projects and comply with donor requirements.

The Manual is a “work-in-progress document” that will be reviewed regularly and amended to reflect new requirements and best practices. NGO users are invited to offer feedback on the appropriateness and usability of the policies, procedures and forms.

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List of Abbreviations/Definitions

BMZ	German Federal Ministry for Economic Cooperation and Development
CCRF	Code of Conduct for Responsible Fisheries
EBSA	Ecologically and Biologically Significant Marine Area
EHS	Environmental, Health and Safety
EUR	Euro
E&S	Environmental and Social
FAO	Food and Agriculture Organization of the United Nations
FPIC	Free Prior and Informed Consent
IFC	International Finance Cooperation
ILO	International Labour Organisation
IUCN	International Union for the Conservation of Nature
KfW	KfW Development Bank
MPA	Marine Protected Area
NGO	Non-governmental Organisation
ODA	Official Development Assistance
PS	Performance Standards
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
UN	United Nations
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security
VGSSF	Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries
WB OP	World Bank Operating Procedures

1 About Blue Action Fund

Although our oceans are of immense value, presently only a marginal fraction is protected. Among several important international initiatives to respond to that deficiency is a Ten-point Plan of Action for Marine Conservation and Sustainable Fisheries developed by the German Federal Ministry for Economic Cooperation and Development (BMZ). As part of that plan, Blue Action Fund was founded by BMZ in conjunction with KfW Development Bank. Since its founding, Blue Action Fund has also been joined by the government of Sweden through the Swedish Foreign Ministry and France through the Agence Française de Développement (AFD).

Blue Action Fund supports non-governmental organisations (NGOs) in their efforts to conserve oceans and coastlines by promoting the safeguarding of marine biodiversity, namely the creation of new protected areas and improvements in the management of existing ones, as well as the sustainable use of marine biodiversity in fisheries, aquaculture and tourism.

Blue Action Fund will concentrate on the partner regions for international development cooperation in accordance with the policies of the donors of the funds. Interested organisations may submit their proposals in response to public tenders directly to the Blue Action Fund, which reviews them and ensures especially that they are consistent with national and international protection strategies. The proposals must also support the United Nations Convention on Biological Diversity (CBD), the UN Agenda 2030 and the Call for Action of the UN's The Ocean Conference 2017.

Blue Action Fund is a non-profit foundation established under German law.

1.1 Blue Action Fund's focus

Blue Action Fund's overall goal is to reduce the dramatic loss of marine biodiversity and improve incomes in coastal fishing communities. It is dedicated to supporting Marine Protected Areas (MPAs) and the most sensitive coastal waters of Africa, Latin America and Asia/Pacific. The Blue Action Fund therefore focuses on projects that result in measurable outcomes, including:

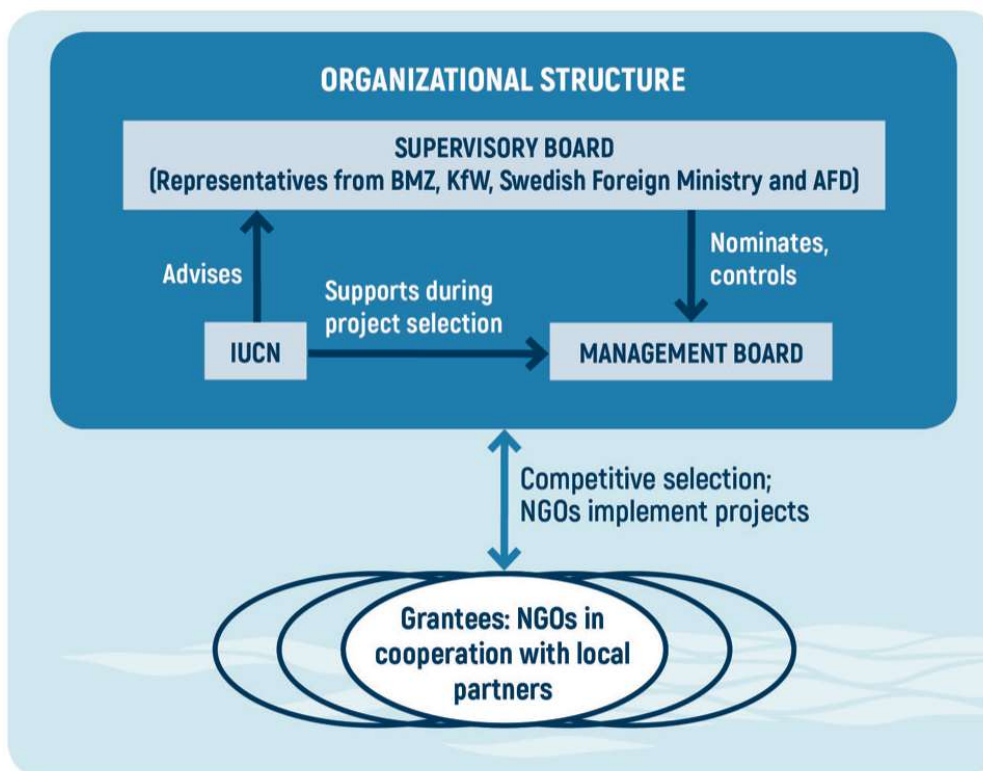
1. Newly established or better managed MPAs of regional importance or networks of MPAs;
2. Conservation of biodiversity and recovery of fish stocks;
3. Enhanced livelihood conditions and food security.

Blue Action Fund operates through a programme of grants to NGOs working (typically in partnerships with various local actors) on marine/coastal conservation. Blue Action Fund is hence primarily a grant-maker. It complements existing conservation initiatives through the provision of grants to organisations that will be responsible for financial and technical implementation of the grant projects. NGOs, beneficiaries and governments should solicit significant co-funding to the grants approved by Blue Action Fund.

1.2 Blue Action Fund governance and major stakeholders

As Blue Action Fund is set up as a non-profit foundation entrusted with public money, its organisational structure follows principles of good governance, effective control rights, and efficiency.

Figure 1: Blue Action Fund organisational structure



Blue Action Fund Boards: The two constituent bodies of Blue Action Fund are the Supervisory Board and the Management Board. The Supervisory Board reviews the Management Board recommendations and makes the final decision on funding awards. The Management Board through its Executive Director is responsible for the general representation and administration of Blue Action Fund and the implementation of its grant-making programme.

Blue Action Fund Service Providers: The Management Board uses the services of the International Union for the Conservation of Nature (IUCN) to support 1) review of Concept Notes and advice on pre-selection, 2) review of Full Proposals and monitoring and evaluation.

Blue Action Fund Grantees: NGOs take the role of executing agencies of the individual grant projects. They are invited to respond to the call for proposals. Once selected for the grant programme, they take on responsibility for implementing the programme according to the mutually agreed project requirements. The NGOs are to act as contracting partner for the implementation of the grant and are thus responsible and accountable for the proper delivery of funds and/or services, the financial and administrative management of the projects, reporting to Blue Action Fund and its donors, and monitoring at project level.

For more information on Blue Action Fund's organisational structure and the roles of its management and supervisory boards, please refer to its website: www.blueactionfund.org.

2 Blue Action Fund funding eligibility requirements

Blue Action Fund funding is geared towards the conservation of networks of globally significant MPAs and their sustainable use. In line with this ambitious goal, Blue Action Fund eligibility requirements concern the project content (“what”), project approach (“how”) and the implementing organisation (“who”). Applicants should consider carefully if they fulfil the criteria and have the capacity to offer and implement projects of this nature.

What: projects that...

- have an integrated approach and contribute to marine protection as well as sustainable livelihoods;
- support areas with significant biodiversity, such as Ecologically or Biologically Significant Marine Areas (EBSAs), Hope Spots or other internationally recognised classification systems for marine biodiversity;
- are realised in an area (including buffer zones) that is recognized as an MPA (including through community designation and management) or has the potential to get formal recognition as an MPA during the lifetime of the project;
- contribute to the Blue Action Fund Programme Results Matrix set forth in Annex 1;
- contribute to fulfilling SDG 14 and Aichi target 11;
- are embedded into regional planning processes, such as regional sea conventions, therefore having an impact on MPA networks or promoting regional approaches; and
- fulfil additional call-specific criteria and priorities announced with each call for proposals.

How: projects that...

- are located in the marine waters (territorial waters and/or exclusive economic zones) of countries eligible to receive official development assistance (ODA)¹;
- show a quick impact (within the project cycle);
- include a component to establish long-term financing mechanisms that support MPA management beyond the duration of the project itself, or foresee strong cooperation with existing financing mechanisms that can provide such support;
- contribute to capacity building of local NGOs and communities;
- are tested and scalable;
- include significant field investments (for sustainable livelihoods and infrastructure);
- demonstrate cooperation with relevant governmental organisations and civil society;²
- contemplate a Blue Action Fund contribution of EUR 1–3 million depending on the call (which may allow bigger project volumes);
- usually have a duration of three to five years; and
- demonstrate a sound implementation concept.

Who: NGOs³ that...

- have experience in the region and with the project type proposed;
- are willing to cooperate with local partners;
- have sufficient implementing capacity, necessary safeguards, especially with regard to

¹ A list of ODA countries can be found here: <https://www.oecd.org/dac/stats/daclist.htm>

² The project must have the endorsement of the appropriate authority/authorised body of the country or region. A signed letter of consent indicating such endorsement must be presented to Blue Action Fund by Full Proposal stage at the latest.

³ Intergovernmental organisations, such as UN bodies, are not regarded NGOs. In case of doubt about eligibility, please contact the Blue Action Fund.

Environmental and Social Safeguard Requirements (see Annex 3), and networks to allow for professional and timely project implementation;

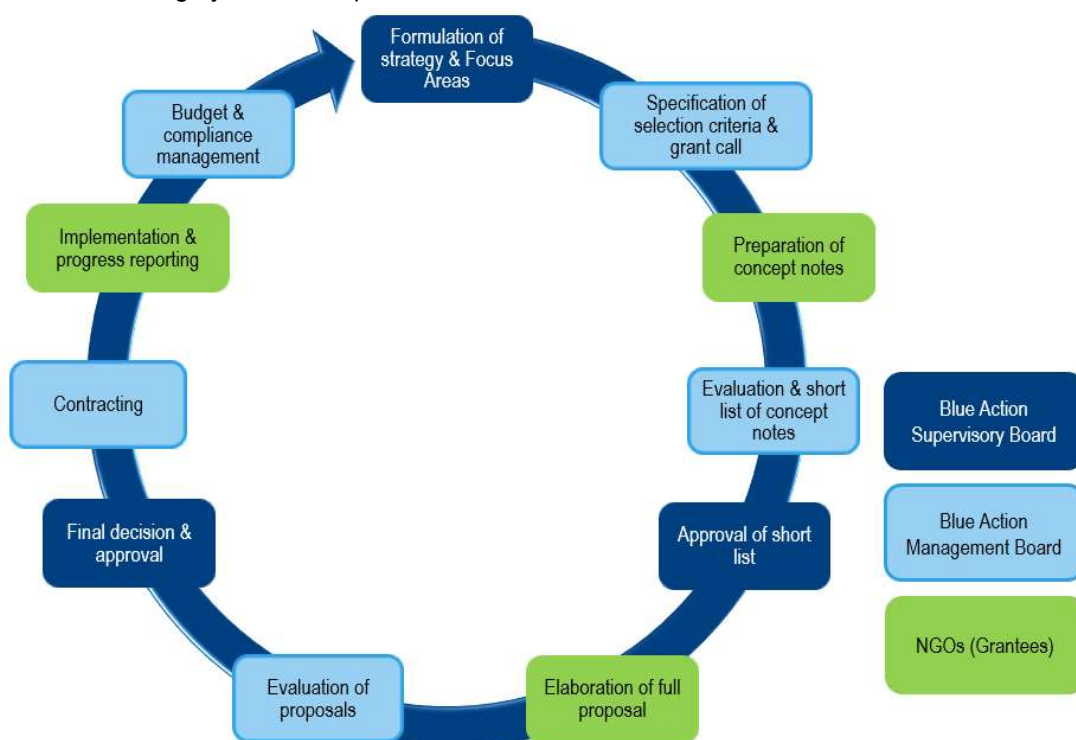
- have a sufficiently large annual budget (the budget of the NGO proponent should be about twice the proposed annual project budget or more); and
- are willing to fund at least 25%⁴ of the total project costs (“match funding”), including funds from their own resources (“own contribution”)⁵ and co-financing; co-financing can be sourced from other public donors, but may not include any resources from the funders of the Blue Action Fund⁶.

Blue Action Fund welcomes applications from consortia of NGOs that demonstrate clearly the task sharing and synergies between the applicants. Consortia have to submit a signed letter of intent of collaboration that designates the Consortium lead which assumes full responsibility for the project implementation. It will be a positive consideration when evaluating a proposal if it contains clearly defined investment packages for Blue Action Fund and for other donors’ funding.

3 Grant-making procedure

Blue Action Fund’s grant-making process is based in principle on an open call for proposals. As more fully described below, each call for proposals may set a strategic and geographic focus that will need to be considered in addition to the general requirements of this Manual. The grant-making procedure involves the steps set out in Figure 2.

Figure 2: Grant-making cycle and responsibilities



⁴ Should the project concern a country affected by conflicts the required contribution to the total project costs is reduced to 10%. Countries affected by conflicts will be indicated in the call for proposals.

⁵ “Own contributions” include cash and in-kind contributions such as direct financial co-funding, human resources seconded to the project at no costs, provision of operational facilities such as office/vehicles, etc. They can, for example, be provided by local offices, through private donations, or through sponsorship.

⁶ I.e. German, Swedish or French government funding.

3.1 Formulation of strategy and focus areas

The Management Board presents the strategy and focus area(s) of each call for proposals to the Supervisory Board for approval. The Supervisory Board determines the budget foreseen for the call.

3.2 Specification of selection criteria

The strategy, focus area(s) and other relevant criteria of a particular call for proposals may be further defined in the call document. The Management Board will publicly announce each call by publishing the call document on Blue Action Fund's website as well as on relevant websites for conservation NGOs. Each call will also refer to the latest version of this Grant Procedures Manual.

3.3 Preparation of Concept Notes

NGOs can submit Concept Notes using the Concept Note Template until the deadline specified in the call document.

3.4 Evaluation and shortlist of Concept Notes

Concept Notes and applicant organisations are evaluated by the Management Board with the help of IUCN using standardised evaluation tools. Projects proposed in the Concept Notes are screened for basic eligibility, and subsequently evaluated. The evaluation includes, among other things, the assessment of Theory of Change, underlying assumptions, the expected outcomes and the capacities of the proponents to deliver the project's results. Ultimately, the Management Board prepares a shortlist of Concept Notes for approval by the Supervisory Board. Upon the Supervisory Board's decision about which projects to pursue, the Management Board informs all organisations of the results⁷.

3.5 Elaboration of Full Proposal

NGOs whose projects were shortlisted are asked to elaborate Full Proposals. At this point, the project must have the endorsement of the appropriate authority/authorised body of the country or region, with a signed letter of consent indicating such endorsement and with the agreed cooperation and co-funding modalities presented.

The timeframe for elaborating the Full Proposals is a minimum of six weeks. During the elaboration process, NGOs can submit questions, and the answers are sent to all parties invited to submit Full Proposals. NGOs have the opportunity to request a grant of up to EUR 10,000 to support the elaboration of Full Proposals, e.g. to cover travel costs of smaller or local NGOs participating in preparation meetings or to commission studies to identify benchmarks.

3.6 Evaluation

The Full Proposals will be evaluated by the Management Board with support from IUCN. The evaluation includes the enhanced assessment of the partner and governance structure of the project, as well as the assessment of the project concept, the project logframe, its contribution to the Blue Action Fund Programme Results Matrix, the mechanisms to reach the promised impacts, and the suitability of the proposed budget.

⁷ The following information of NGOs invited to pursue full proposals will be shared with all NGOs that submitted concept notes: Name of NGO and partners, project title and countries of the proposed project.

3.7 Final selection and approval

The Management Board agrees which project proposals to recommend for funding and presents them to the Supervisory Board. Taking the Management Board's recommendations into account, the Supervisory Board makes the final funding decisions.

4 Implementation, monitoring and evaluation of the projects

4.1 Due Diligence

Between the Supervisory Board's funding decision and contracting, Blue Action Fund will implement a light due diligence process. Among others, Blue Action Fund will ask for copies of IDs of the project leader or the leader of the grantee. Blue Action Fund will also ask for a list of board members as well as private contributors exceeding 15% of the annual resources of the grantee or the Blue Action Fund supported project, verify the absence of respective persons from the relevant financial sanctions lists. Blue Action will also request relevant documents concerning the organisation (registration certificate, statutes) and financial documents.

4.2 Contracting

Blue Action Fund will contract the grantee using a standard-format Grant Agreement. The Full Proposal will serve as an attachment to the Agreement. Subsequent significant changes altering the project proposal (e.g. due to changing circumstances after approval) need to be approved by Blue Action Fund.

4.3 Grant opening and work plans

Blue Action Fund shall supervise and provide support to the grantee as required. Within Blue Action Fund, a designated staff member will coordinate the work and be the main point of contact for grantees.

Once the Grant Agreement enters into force, grantees may begin to work on the grant project and payments can be made as outlined in the Agreement. At the beginning of the project, grantees are required to submit a detailed project work plan covering the term of the project and dividing workstreams into quarterly actions and deliverables. Every six months the grantee shall report on the project work plan to reflect actions and deliverables achieved and important changes, and – if needed - shall submit an updated work plan to Blue Action Fund. The work plan and its updated versions will be the basis for Funding Advance Requests (see next section).

4.4 Finance and funding requests

Grantees are required to have strong financial management and internal control systems. This includes adequate provisions for planning and budgeting, internal control and accounting, as well as funds, cash flow and assets management. Blue Action Fund may review grantees' financial management systems, for instance by conducting site visits.

Grantees must open a separate bank account for the project or dispose of a sub-account, or a separate and internally tracked and traceable bookkeeping entry in the financial management system. This ensures transparency regarding financial transactions and renders financial reviews more efficient. In any case, all grant funds are to be kept, as far as possible, in Euro in the country of the grantee in order to avoid losses from currency devaluation and to allow retransfer at all times. Local currencies can only be paid according to a three-monthly requirement (in order to minimise currency exchange risks).

On a six-monthly basis, grantees are expected to submit Funding Advance Requests in relation to the upcoming work. Such funding requests will include: a budget and detailed activity plan for the upcoming

work period; the initial or updated project work plan; and, for all periods after the first work period, a progress report that references the work plan, and the budget for the previous work period. The first progress report covers the inception phase (usually the first 6 months of the project).

At the end of each year, grantees must issue a Charitable Donation Certificate to Blue Action Fund (template to be provided by Blue Action Fund).

4.5 Procurement policy⁸

Procurement of goods, works and related services and other consulting services funded through Blue Action Fund shall be based on strict ethical principles and best international procurement practices for NGOs, and shall conform to the procurement policy as described in this section and related guidelines.⁹ The contracting party must ensure that all grantees (including all consortium members, sub-grantees or sub-contractors) comply with Blue Action Fund's procurement policy as described in this section.¹⁰

The following thresholds apply to all types of procurement for *consulting* services:

Contract value (without VAT) ¹¹	Procurement method
< EUR 10,000	Discretionary award (= direct award)
EUR 10,000 to EUR 99,999	Limited competitive bidding/price quotation (at least 3 qualified bidders)
≥ EUR 100,000	Open competitive bidding

The following thresholds apply to all types of procurement for works, *goods and services other than consulting*:

Contract value (without VAT)	Procurement method
< EUR 5,000	Discretionary award (= direct award)
EUR 5,000 to EUR 99,999	Limited competitive bidding/price quotation (at least 3 qualified bidders)
≥ EUR 100,000	Open competitive bidding

Discretionary award: Prior to the first direct award, the grantee will obtain Blue Action Fund's no-objection to a standard request for proposal and standard contracts for this type of procurement to be used by the grantees in the project (which shall include an agreed declaration of undertaking).¹²

Limited competitive bidding: Prior to the first tender, the grantee will obtain Blue Action Fund's no-objection for the standard tender documents and standard contracts for this type of procurement (which shall include an agreed declaration of undertaking). The suitability of the shortlisted bidders must be documented by the grantees – exceptions to this rule require a special explanatory statement by the specific grant recipient for Blue Action Fund and subsequent approval by Blue Action Fund.

Open competitive bidding: Grantees will inform Blue Action Fund as early as possible about their intention to implement open competitive bidding, and are required to provide Blue Action Fund with the

⁸ Grantee's project partners or sub-contractors identified in the Project Proposal shall not be subject to the Procurement Rules if the role and responsibilities of the Project Partner or sub-contractor are clearly defined in the Project proposal, and the respective costs are outlined and assessed as economically viable in the course of the proposal selection process.

⁹ Blue Action Fund will make its no-objection determinations according to KfW's "Guidelines for the Procurement of Consulting Services, Works, Plant, Goods and Non-Consulting Services in Financial Cooperation with Partner Countries".

¹⁰ If the standards and procedures of grantees foresee stricter thresholds, stricter procurement methods may also be used.

¹¹ Contract value per consultant over the entire project period.

¹² Relating, among other things, to free, fair and competitive contracting procedures.

tender documents prior to invitation to tender and the tender evaluation reports for no-objection. Tenders must be advertised in recognised national, regional and international newspapers as well as on the website of German Trade and Invest (GTAI). Prior to the conclusion of contracts, grantees are required to submit to Blue Action Fund the negotiated draft contract for no-objection. The same applies to any subsequent contract amendments. Exemptions from international bidding (i.e. national bidding) must be agreed by Blue Action Fund.

For all procurement methods relevant documentation to demonstrate compliance must be stored, complying with the relevant legislation of the country. Documentation shall be forwarded to Blue Action Fund or the auditor upon request and is subject to review for compliance by the auditor. All selection processes must be confidential. While the tender procedure is ongoing neither the Grantee nor Blue Action Fund will release any information on the assessment of the bids or the recommendations on the award of contracts to bidders or to any other persons who are not officially involved in the selection procedure.

4.6 Management Effectiveness Tracking Tools

Blue Action Fund asks its grantees to measure MPA management effectiveness through Management Effectiveness Tracking Tools (METTs) (see Programme Results Matrix Annex 1). Blue Action does not require its grantees to use a particular tool. Efforts to promote the protected area to make it eligible for the IUCN Green List¹³ are welcomed.

4.7 Environmental and social policy

An Environmental and Social Management System (ESMS) will ensure compliance with international and national safeguards (see Annex 3).

4.8 Communications policy

The grantees should acknowledge Blue Action Fund on all publications, reports, banners, press materials and all other products that the grants help produce (including its [logo](#) and full name). If appropriate, Blue Action Fund should also be acknowledged on the grantees' social media posts and website. In addition, grantees need to ensure that easily legible signage displaying Blue Action Fund's logo and full name is erected on the project site. The Blue Action Fund logo and name can only be used after approval from Blue Action Fund.

The grantee shall provide Blue Action Fund with electronic copies of any articles, reports, media interviews or other publication directly relating to activities covered under the Grant Agreement.

In addition, grantees are asked to grant Blue Action Fund the rights to copy, distribute and publish derivatives of the work, in particular photos, for non-commercial use.

4.9 Annual report

In addition to the work & activity plans and progress reports submitted in connection with funding advance requests, grantees shall submit a comprehensive Annual Report (the first and last such reports may cover a period more or less than one year, depending on project commencement and termination). The Annual Report shall, among other things, include information and data to assess progress towards the agreed project logframe and the Blue Action Fund Programme Results Matrix as well as reporting on the environmental and social management system. In addition, the financial portion of the report shall detail expenses actually incurred during the reporting period, total project expenses to date and the

¹³ <https://www.iucn.org/theme/protected-areas/our-work/iucn-green-list/3-green-list-areas>

remaining grant balance.

4.10 Monitoring, evaluation and project review

Blue Action Fund regards monitoring of the grant activities as essential to effective grant-making. Grantees have the main responsibility for monitoring at project-level. Monitoring, internal evaluation and reporting will mainly be done through the funding advance requests and annual reports. Blue Action Fund may conduct monitoring missions on-site and at grantees' offices. The goal of the missions is to review project progress (similar to mid-term reviews) and to learn from project successes and challenges for Blue Action Fund's own portfolio. In addition, each grant project requires a Mid-term Financial Review and Technical Review and a Final Financial Review and Technical Review, for which exact dates will be agreed. The Technical Review will follow a monitoring concept still to be defined. The Technical Review will be commissioned and funded by Blue Action Fund outside the grant budget.

4.11 Grant completion & follow up projects

The grant can only be closed once all required documents have been submitted and verified. Grantees are required to submit a final narrative and a final financial report at the end of their project. Blue Action Fund will verify that all deliverables have been completed and all progress, financial, and review reports have been reviewed and approved, and that the total grant amount has been reconciled. Reconciliation includes verification that all advances have been accounted for, the final payment has been issued, and any unspent funds have been returned and credited back to the portfolio for future grants. Blue Action Fund will notify the grantee without undue delay about the approval of all deliverables and completion of the grant.

In case a grantee sees opportunities to scale up its work or achieve even more ambitious targets through follow up work, grantees are welcome to approach Blue Action regarding possible follow up work. This should not happen before the mid-term review is finalised.

4.12 Sharing lessons learned

Grantees are expected to communicate about their work, lessons learned and the MPAs they are working on, among others feeding into decision making processes, or relevant websites.

4.13 Feedback and complaints

At project level, each grantee shall have a process for handling feedback and complaints, which will consist of effective, accessible and transparent procedures to receive and resolve complaints. Feedback/complaints shall be encouraged among all stakeholders throughout the project and resolved without undue delay. Any stakeholder of the project (project staff, beneficiaries, partners) can file a feedback or complaint. As a rule, the submitter needs to be directly concerned with the project, however, exceptionally he/she can also act as the representative of a concerned group if its members are not able to file the complaint on their own.

Feedback should be reported on in progress reports to the Blue Action Fund. In addition, grantees are encouraged to provide constructive feedback and complaints to the Blue Action Fund, which can be submitted at any time. Only if issues cannot be solved at project level do stakeholders have the opportunity to file a complaint to the [Blue Action Fund](#). Anonymous complaints will not be considered; however, complainants' identities will be kept confidential upon their written request.

Annexes

Annex 1: Blue Action Fund – Programme Results Matrix

All projects are expected to significantly contribute to the Blue Action Fund Programme Result Matrix. Indicators 1.1, 1.2 and 1.3. are compulsory indicators for all funded projects. In addition, project log-frames should integrate a number of the outcome and output indicators below.

	Indicators
Goal (Impact / Overall Objective) Networks of globally significant marine protected areas are conserved.	<p><u>Indicator 1.1:</u> At the end of the project, the biomass of one or more relevant umbrella/ indicator species is maintained or increasing in the project areas.</p> <p><u>Base value (At project start):</u> x tons of relevant umbrella species in the project areas (umbrella/ indicator species will be determined by grantee in collaboration with IUCN or another competent scientific advisor).</p> <p><u>Target value (End of project):</u> The biomass of umbrella species in the project areas is maintained or increased.</p> <p><u>Indicator 1.2:</u> At the end of the project, there are improved livelihood conditions of affected households in project areas.</p> <p><u>Base value (At project start):</u> Average household income in affected project sites.</p> <p><u>Target value (End of project):</u> Average household income in affected project sites increased.</p> <p><u>Indicator 1.3:</u> At the end of the project, substantially more households affected in project areas have a positive attitude towards protection of marine biodiversity.</p> <p><u>Base value (At project start):</u> ---</p> <p><u>Target value (End of project):</u> On average, >75% of households affected in project areas have a positive attitude towards protection of marine biodiversity.</p>
Outcome The management of globally significant marine protected areas and their sustainable use is improved in close cooperation with relevant stakeholders.	<p><u>Indicator 2.1:</u> Creation of new MPAs or substantial expansion of existing MPAs.</p> <p><u>Base value (At project start):</u> To be defined in project proposals (km² per IUCN MPA category)</p> <p><u>Target value (End of project):</u> To be defined in project proposal</p> <p><u>Indicator 2.2:</u> Management effectiveness of supported marine protected areas has improved.</p> <p><u>Base value (At project start):</u> Average METT or similar instrument at beginning of project.</p> <p><u>Target value (End of project):</u> Average METT or similar instrument + 10%.</p> <p><u>Indicator 2.3:</u> At the end of the project, key fisheries are operated within the maximum sustainable yield.</p> <p><u>Base value (At project start):</u> To be determined during inception phase of projects.</p> <p><u>Target value (End of project):</u> Operated within MSY.</p> <p><u>Indicator 2.4:</u> Adoption of sustainable employment opportunities and initiatives for improved value chains by project target groups.</p> <p><u>Base value (At project start):</u> To be defined in project proposal.</p> <p><u>Target value (End of project):</u> To be defined in project proposal.</p> <p><u>Indicator 2.5:</u> At the end of the project, new effective instruments to reduce key direct threats to marine biodiversity are under implementation.</p> <p><u>Base value (At project start):</u> ---</p> <p><u>Target value (End of project):</u> To be defined in project proposal.</p>
Outputs	
Output 1: MPA management plans and new protected areas are established.	<p><u>Indicator 3.1.1:</u> Maximum of three years after project inception, marine protected areas dispose of effective planning documents, such as updated MPA-management plans, multi-year MPA-budgets, MPA-communication plans, MPA-monitoring plans, fisheries management plan in accordance with the FAO Voluntary Guidelines for Small Scale Fisheries & FAO Code of Conduct for Responsible Fisheries</p> <p><u>Base value (At project start):</u> To be defined in project proposal.</p> <p><u>Target value (End of project):</u> To be defined in project proposal.</p>

	Indicators
	<p><u>Indicator 3.1.2:</u> MPA management plans will incorporate climate change mitigation and adaption, including documentation on mitigation and climate change adaptation outputs or impacts.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): To be defined in project proposal.</p>
Output 2: Resources, instruments, and capacities for the implementation of management plans of marine protected areas and their sustainable use are improved.	<p><u>Indicator 3.2.1:</u> Maximum of three years after project inception, at least 50% of measures planned in management or operational plans have started implementation.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): At least 50% of measures have started implementation at end of project.</p> <p><u>Indicator 3.2.2:</u> Demarcation of protected areas is documented in relevant legal form.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): Documentation of designation is finalised.</p> <p><u>Indicator 3.2.3:</u> Cost-effective monitoring, control and enforcement techniques to prevent illegal fishing / use of unsustainable practices are successfully adopted.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): To be defined in project proposal.</p> <p><u>Indicator 3.2.4:</u> Efficient and effective data collection relevant for marine conservation adopted.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): To be defined in project proposal.</p> <p><u>Indicator 3.2.5:</u> Realistic strategies for sustainable financing of MPAs are developed for supported MPAs and first mechanism to their end have started implementation.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): To be defined in project proposal.</p>
Output 3: Sustainable Livelihoods are promoted	<p><u>Indicator 3.3.1:</u> Number of initiatives to create sustainable employment opportunities.</p> <p>Base value (At project start): --- Target value (End of project): To be defined in inception phase of project.</p> <p><u>Indicator 3.3.2:</u> Number of initiatives to increase value added in supply chains of marine related activities (e.g. certification).</p> <p>Base value (At project start): --- Target value (End of project): To be defined in inception phase of project.</p> <p><u>Indicator 3.3.3:</u> Increase in number and proportion of women in leadership positions of fisheries or MPA management and number of women with increased economic empowerment.</p> <p>Base value (At project start): To be defined in project proposal. Target value (End of project): To be defined in inception phase.</p>

Annex 2: Eligible measures and budget information

The following table presents the costs categories used in the budget and examples of eligible and ineligible measures. Ineligible measures must not be part of the project, independent from the exact funding source (Blue Action Fund or match funding). The table should be read in conjunction with the list of ineligible measures in the Blue Action Fund's Environmental & Social Management System. Questions as to the eligibility of a measure should be discussed with Blue Action Fund during the development of the Concept Note or at latest as part of the development of the Full Proposal.

Group	Cost Category	Examples Eligible measures
1	1.1 Capital expenditures, equipment and direct payments.	<u>Capital expenditures and equipment:</u> equipment for monitoring, control and surveillance; surveillance posts and huts along the coastline; stationary data collection devices; sanitary measures for the handling of fish along the value chain (including plastic trays on the boat, improvements to the transport capacity and at the fish market); investments into cold chains (incl. small-scale storage facilities and durable insulation boxes); exchange programmes for sustainable fishing gear (larger mesh sizes, more selective methods); by-catch prevention measures; fishers meeting house improvements to promote participatory co-management; cell phones; IT; motorcycles. Direct financial support for women's group saving and credit schemes, setting-up a livelihood-support fund to finance future activities in favour of the community. During the initial years of a set-up of a no-take zone, financial support to the community is possible until higher income due to spill over kicks in (e.g. cash-for-work programmes for local infrastructure [e.g. road repairs] or coverage of school fees for the community).
1	1.2 Operational and maintenance costs	Temporary support for operating costs such as salary supplements for MPA personnel (sustainable impact must be demonstrated). Operating and maintenance costs of facilities and equipment.
1	1.3 Capacity development, training and workshops	Stakeholder engagement meetings, travel costs of participants, capacity building of local NGOs and communities to ensure project outcomes will be sustained once the project ends. Support to implement management plans, investment programmes, monitoring agreements on local, national and transboundary level. Training on participatory fisheries management ("co-management") and site-specific possible surveillance measures; joint zonation of the MPA by all user groups; training on catch data handling and compilation; traceability and certification.
1	1.4 Consulting services	Development/Establishment of MPAs or community access rights. Preparation of MPA and MPA network Development Plans, business plans, tourism development plans and their implementation. Elaboration and support to implement business models for pro-poor livelihood diversification based on sustainable marine biodiversity use. Formation of cooperatives to gain better selling prices of fish; establishing cross-sector transfer payments to fishers for their MPA surveillance (e.g. dive bases collect a dollar-a-day from tourists); house gardening for improved vegetable supply; plastic and garbage collection, as well as waste separation and recycling programmes;
1	1.5 Other marine activities	Beach Support Units.
1	1.6 Communication and Awareness	Handbook on sustainable fisheries and MPA management for user groups; poster campaigns with jointly agreed user rules and MPA zonation; radio-shows on marine resource over-utilisation and benefits of MPAs, environmental education curricula development in local schools.
2	2.1 Staff (Field)	Usually all field staff is expected to work 75-100% but at least 50% of its time on the project. Usually there is a dedicated project manager for the overall project. Staff with specific expertise that works less time on the project and only supports one activity, e.g. establishment of tourism development plans, or communications staff working on a brochure, can be directly budgeted into an activity in the budget template.
2	2.2 Staff (admin)	Salaries for administrative staff based within the target region, including finance staff.
2	2.3 Travel staff	All staff travel, including fare, accommodation and daily allowances
2	2.4 Other operational costs	Costs directly related to ensuring sound field implementation (share of office rental, telecommunication, office services, electricity, 3 rd party financial reviewing of the project)
2	2.5 Contingency	Projects are expected to calculate at least 4-5% contingency.
3	3.1 International Staff	Salary of any staff based outside the target region (counted as indirect costs to the project)
3	3.2 Other indirect costs	Project-related overheads admin outside the target region.

Please note:

- It is expected that a substantial share of funding will be used for sustainable livelihoods activities and for capital expenditures, equipment and direct payments.
- Indirect costs, consisting of "other indirect costs" as well as salary and travel costs for staff from outside the target region is expected to be less than 15% of the overall project budget. The

absolute limit for indirect costs is 20% of the overall project budget. Lower levels of indirect costs will be evaluated positively.

- Only 10% of Blue Action Fund's grant can contribute to indirect costs.
- Blue Action Fund will share a budget template with organisations invited to prepare full proposals.

The following will NOT be considered appropriate for funding through Blue Action Fund (please read this list in conjunction with the exclusion list in Blue Action Fund's [ESMS](#)):

- Projects involving or requiring the destruction of critical habitats¹⁴;
- Salary or travel costs of government officials;
- Salaries above local rates;
- "Dish-outs" (100% project grant contributions without own contribution by beneficiaries) for procurement of productive assets (such as cold storage equipment, fishing gear, etc.).
- Import duties. Import duties, if part of the contract value, shall be stated separately in the contracts for the goods and services, and in the invoices. Import duties cannot be funded with by Blue Action Fund resources;
- Capacity development independent from infrastructure or equipment management or from the implementation of MPAs, e.g. measures such as capacity building for national and regional coordinating structures;
- Infrastructure, equipment and training for *national* and *regional* organisations *unless* there is a direct linkage with establishment, surveillance, protection, monitoring or sustainability of MPAs;
- Research other than for the establishment of baselines, establishment of MPAs or pilots for innovation testing;
- Education and acquisition of formal qualifications in marine protection and management;
- Measures for the promotion of commercial value chains based on marine biodiversity unless they directly contribute to improved sustainable use or protection of a specific MPA or a network of MPAs;
- Transboundary interventions to protect specific habitats (e.g. mangroves) without reference to several specific MPAs;
- Global/regional interventions on commercial and non-commercial trade barriers and quota to protect specific species through application of international conventions;
- Measures to combat the trade in illegally acquired fish and fish products at global or regional level, for example capacity building for customs control, strengthening of the legal prosecution system, legal improvements, etc.;
- Demand reduction for illegally acquired fish and fish products in the consumer countries, for example through awareness building;
- International conferences, workshops, study tours as stand-alone activities, i.e. if they are not part of a project concept in which they are necessary to achieve the project's objective;

If, however, one of the above-mentioned measures is considered indispensable for the project, the applicant shall propose it with due justification.

¹⁴ •Critical habitats include (i) areas of high value in terms of biodiversity as defined by the IUCN classification criteria, including the habitats necessary for the survival of endangered species defined by the IUCN Red List, endangered species or any national legislation; (ii) areas of particular importance for endemic or restricted-area species; (iii) critical sites for the survival of migratory species; (iv) areas hosting a significant number of gregarious species; (v) areas with unique assemblages of species or species that are associated with key evolutionary processes or that fulfil key ecosystem services; (vi) and territories with biodiversity of significant social, economic or cultural significance to local communities. Primary forests or high conservation value forests should also be considered as critical habitat.

Annex 3: Environmental and Social Safeguard Requirements

Blue Action Fund's [Environmental and Social Management System \(ESMS\)](#) is based on an approach of IUCN but integrates as well the Performance Standards of the International Finance Corporation (IFC) and requirements of KfW's Sustainability Guideline¹⁵. The ESMS and its Annexes defines procedures, tools and responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with projects supported by the Blue Action Fund throughout the entire project lifecycle, in line with its international and national requirements. It is an integral part of the Blue Action Fund's grant procedures and the grant agreement itself. Among others the following international standards, guidelines and principles are applicable to all projects financed by the Blue Action Fund:

- ILO Core Labour Standards;
- The World Bank Group's Environmental, Health and Safety Guidelines;
- FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security;
- FAO Code of Conduct for Responsible Fisheries;
- FAO Voluntary Guidelines for Securing Sustainable Small-Scale Fisheries;
- BMZ's Guidelines on Incorporating Human Rights Standards and Principles, Including Gender, in Programme Proposals for Bilateral German Technical and Financial Cooperation;
- KfW Sustainability Guideline - Assessment of Environmental, Social, and Climate Performance: Principles and Process

Upon invitation to elaborate full proposals, NGOs identify the key environmental and social issues of the proposed project and indicate how negative impacts will be minimised and mitigated.

In addition, NGOs submit information regarding their own practices/policies/guidelines for E&S management of projects, e.g. E&S Policy, Environmental and Social Management Standards/Guidelines/Processes, Stakeholder Engagement Framework, examples from projects implemented, etc.

Blue Action Fund will assess the information provided and determine the risk level of the project and – depending on the outcome - request a partial or full Environmental or Social Impact Assessment or other relevant information, documentation, or management plans. The required documentation will be reviewed by the Blue Action Fund and comments provided as appropriate. The final versions of the documentation are subject to no-objection by the Blue Action Fund. The grantee will then diligently implement the provisions as per the project's environmental and social safeguard documentation during further project preparation and project implementation and will monitor the E&S performance of the project, including regular reporting.

¹⁵ https://www.kfw-entwicklungsbank.de/PDF/Entwicklungsfinanzierung/Themen-NEU/Nachhaltigkeitsrichtlinie_EN.pdf