



SGP The GEF
Small Grants
Programme



Business Incubator and Accelerator for Mountains and Islands

Information Booklet

FAO-MPS & GEF SGP

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Definitions:

Business Incubator and Accelerator (BIA) grants: The provision of financial non-repayable support from the Food and Agriculture Organization of the United Nations (FAO) – Mountain Partnership Secretariat (MPS) or from the Global Environment Facility Small Grants Programme (GEF SGP), implemented by the United National Development Programme (UNDP), for the implementation/completion of works or projects. These works or projects are governed by a grant Agreement, with the grantee and FAO-MPS or GEF SGP.

GEF SGP: The GEF SGP is a corporate programme of the GEF implemented by the United Nations Development Programme (UNDP) since 1992. SGP grant-making in over 125 countries promotes community-based innovation, capacity development and empowerment through sustainable development projects of communities' local civil society organizations with special consideration for indigenous peoples, women and youth. GEF SGP projects support biodiversity conservation, climate change mitigation and adaptation, prevention of land degradation, protection of international waters and reduction of the impact of chemicals, within a sustainable development framework that promotes sustainable livelihoods and citizen empowerment.

Mountain Partnership (MP): The Mountain Partnership (MP) is a United Nations voluntary alliance of partners dedicated to improving the lives of mountain peoples and protecting mountain environments around the world. In collaboration with the Global Island Partnership (GLISPA) the MP also advocates globally for the protection of island ecosystems and the resilience of their populations. The MP supports small-holder producers in developing countries through value chain improvement, marketing strategy development and the granting of an MP label to selected high-value products.

FAO-MPS: The MP is supported by a Secretariat which is hosted by the Food and Agriculture Organization of the United Nations (FAO) in Rome. For this project, FAO-MPS acts as a coordination hub and is also involved in the evaluation and selection process. Moreover, the FAO-MPS is one of the two entities providing funds for this project.

Mountain Facility (MF): The Mountain Facility is the multi-donor financing mechanism operated by the MP to respond rapidly to members' requests and needs with specific grants.

Grantee: Beneficiary of a BIA grant.

Investment: The term investment used in the context of the BIA project, is the principal object of the proposal to be submitted to the BIA Call for Application. The applicants will be evaluated on the basis of their investment's objectives and sustainability, and if the investment effectively responds to an identified necessity of the producers.

Grant Agreement: A formal agreement between FAO-MPS or GEF SGP and a named grantee, describing the conditions, required activities/works (including any milestones associated with payment), budget/total award and payment schedule.

Application (proposed project): The form submitted by the NGO or Producer Organization to apply for a BIA grant.

Lead applicant: The NGO or Producer Organization who submits the BIA grant application (proposed project).

Partner applicant(s): Any eligible organization that supports the Lead applicant in the proposed project.

BIA Global Technical Advisory Group (GTAG): The GTAG is comprised of FAO-MPS technical staff, who will review and shortlist the applications, with specific reference to eligibility criteria and selection criteria.

BIA Selection Committees (SCs): The SC is responsible for reviewing, evaluating, accepting or rejecting the applications shortlisted by the GTAG. Different SCs will be responsible for evaluating the applications, depending on the country of the investment.

Matching contribution: The BIA grant programme involves an applicant's contribution of a minimum 50 percent of the grant.

Grant contribution: The grant contribution for each project is between USD 15 000 and USD 50 000.

Non-governmental organization (NGO): An NGO is defined as a non-profit organization that operates independently of any government, typically one whose purpose is to address a social, environmental or political issue. This definition includes also Civil Society Organizations. For the purpose of this project, only NGOs that have been legally formed for at least 1 year can apply.

Producer Organization (PO): Farmers' organizations are autonomous membership-based professional organizations, structured on either a product or a territorial basis. Their members are primary producers, including smallholders, family farmers and rural producers, pastoralists, artisanal fishers, landless people and Indigenous peoples. They include: cooperatives, community-based organizations and associations of producers that provide for sharing of profits/benefits among the members. For the purpose of this project, only POs that have been legally established for at least 1 year and have at least 5 members can apply.

Mountains: Mountains are defined according to the official UNEP-WCMC definition. The classification defines seven types of mountains considering mountain altitude, local elevation range and slope:

- **Class 1:** elevation > 4,500 m
- **Class 2:** elevation 3,500 – 4,500 m
- **Class 3:** elevation 2,500 – 3,500 m
- **Class 4:** elevation 1,500 – 2,500 m and slope $\geq 2^\circ$
- **Class 5:** elevation 1,000 – 1,500 m and slope $\geq 5^\circ$ or local elevation range [7 km radius] > 300 m
- **Class 6:** elevation 300 – 1,000 m and local elevation range [7 km radius] > 300 m
- **Class 7:** isolated inner basins and plateaus less than 25 km² in extent that are surrounded by mountains but do not themselves meet criteria of classes 1–6

Participatory Guarantee Systems (PGS): PGS are locally focused quality assurance systems that certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange.

Bio-cultural heritage: Bio-cultural heritage refers to living organisms or habitats whose present features are due to cultural action in time and place.

Agrobiodiversity: The variety and variability of animals, plants and micro-organisms that are used directly or indirectly for food and agriculture, including crops, livestock, forestry and fisheries. It comprises the diversity of genetic resources (varieties, breeds) and species used for food, fodder, fibre, fuel and pharmaceuticals. It also includes the diversity of non-harvested species that support production (soil micro-organisms, predators, pollinators), and those in the wider environment that support agro-ecosystems (agricultural, pastoral, forest and aquatic) as well as the diversity of the agro-ecosystems.

Native biodiversity: Native biodiversity refers to the diversity of species that occur naturally in a geographic area.

Products from naturalized species: Products from naturalized species are those products that, over centuries, have become entangled with the culture of a given population, although deriving from alien species, imported to a geographic area and reproducing consistently over many life cycles.

Agroecology principles: The ten principles of agroecology, as per the FAO official definition are: diversity, co-creation and sharing of knowledge processes, synergies, efficiency, recycling, resilience, human and social values, culture and food traditions, responsible governance and a circular and solidarity economy.

Social enterprise: A social enterprise is a company that focuses on providing a social benefit rather than maximizing profit for the owners, and that are owned by investors who seek social benefits such as poverty reduction, health care for the poor, social justice, global sustainability, and so on, seeking psychological, emotional and spiritual satisfaction rather than financial reward.

Nature-based solutions: Nature-based solutions are actions to protect, sustainably manage and restore natural and modified ecosystems that address societal challenges effectively and adaptively, simultaneously benefiting people and nature. Nature-based solutions address societal challenges through the protection, sustainable management and restoration of both natural and modified ecosystems, benefiting both biodiversity and human well-being. Nature-based solutions are underpinned by benefits that flow from healthy ecosystems. They target major challenges like climate change, disaster risk reduction, food and water security, biodiversity loss and human health, and are critical to sustainable economic development.

Agroforestry: Agroforestry is a collective name for land-use systems and technologies where woody perennials (trees, shrubs, palms, bamboos, etc.) are deliberately used on the same land-management units as agricultural crops and/or animals, in some form of spatial arrangement or temporal sequence.

Acronyms:

BIA	Business Incubator and Accelerator
DBG	Direct Beneficiary Grant
FAO	The Food and Agriculture Organization of the United Nations
MP	Mountain Partnership
MPS	Mountain Partnership Secretariat
MF	Mountain Facility
NGO	Non-Governmental Organization
PO	Producer Organization
PGS	Participatory Guarantee Systems
TPC	Third Party Certification
GTAB	Global Technical Advisory Group
SC	Mountain Facility Selection Committee
GEF SGP	The Global Environmental Facility Small Grant Programme implemented by the United Nations Development Programme
UNEP-WCMC	The United Nation Environment Programme World Conservation Monitoring Centre

Background, purpose, and scope

1. This Information booklet outlines processes to award grants and capacity development support under the framework of the Business Incubator and Accelerator (BIA) for Mountains and Islands. The BIA for Mountains and Islands combines the efforts of the Mountain Facility of the Mountain Partnership (MP) with the Global Environment Facility Small Grants Programme (GEF SGP), implemented by the United National Development Programme (UNDP).
2. The Mountain Facility (MF) is the multi-donor financing mechanism operated by the MP to respond rapidly to members' requests and needs with specific grants and technical assistance.
3. The GEF SGP provides financial and technical support to projects that conserve and restore the environment while enhancing people's well-being and livelihoods.
4. The BIA for Mountains and Islands will target the following areas of work:
 - Biodiversity;
 - Sustainable forest management;
 - Climate change mitigation and community-based adaptation;
 - Natural resources management; and/or
 - Strengthening of local economies;
5. Overall, the BIA for Mountains and Islands will run over a period of two years and includes seven core components/steps, namely:
 - Publication of a call for proposals and the establishment of a timeframe for application
 - Submission of applications
 - Screening and scoring of applications
 - Incubation of shortlisted applications
 - Re-submission of applications, final selection and notification of results
 - Establishment grant agreement
 - Acceleration
6. The programme will end once the final reports of the funded projects are submitted and verified.
7. The BIA for Mountain and Islands may provide three types of support:

I) Financial support through grants:

- **Minimum grant is USD 15 000; maximum grant is USD 50 000**
- **Applicant's matching contribution is minimum 50 percent of the requested grant, either in cash and/or in-kind;**

Examples:

Grant requested	Applicant's minimum contribution	Total budget
50 000	25 000	75 000
25 000	12 500	37 500
15 000	7 500	22 500

II) **Technical support through the "business incubator"**: it provides technical assistance to the Applicant to improve business plan and budget in order to increase the feasibility, sustainability, potential impact, replicability and economic efficiency of the grant proposal. It also specifies the technical needs of the Applicant and collects baseline data to monitor the impact of the investment.

III) **Capacity development through the "business accelerator"**: it provides capacity development and/or technical assistance to boost businesses, by seizing existing growth opportunities. The type of support is based on the specific needs of each grantee.

The type of support will be decided according to the specific needs of each grantee and can include, but it is not limited to, activities aimed at:

- Promoting sustainable businesses in fragile ecosystems
- Improving marketing skills and market access
- Establishing guarantee systems for organic agriculture
- Upgrading skills and meeting production needs
- Strengthening networks with relevant stakeholders in considered sectors

8. Target countries for this Call for Proposals are: Dominican Republic, Guatemala, Fiji, Kyrgyzstan, Ethiopia, Mongolia, Nepal, Peru, Philippines and Uganda.

9. All recipients will be selected competitively.

Priority will be given to project proposals that:

- Provide matching contributions in cash;

- Request a grant of about USD 25 000 (within the eligible funding range of USD 15 000 to 50 000);
- Request a grant for fixed assets (such as machinery, equipment and vehicles) and each equipment included in the proposal has a value of maximum USD 10 000;
- Are joint projects in which the lead applicant is supported by a partner organization;
- Include a social business as a partner organization;
- Include social businesses approaches, such as addressing the lack of a linkage between farmers and a profitable market, overcoming poverty, creating employment, sharing part of the profit to social or humanitarian activities, not maximizing investor's profit and reinvesting company profits within the company for expansion and improvement. Farmers involvement as shareholders in the business, where possible, is highly recommended;
- Promote mountains and islands' biodiversity and agrobiodiversity conservation, through improved production, productivity, quality, clean technologies, processing, access to markets and value addition;
- Promote value chains that are linked to the biological and cultural heritage of the populations living in the considered mountain or island;
- Promote value chains that generate positive externalities for mountain and islands ecosystems and biodiversity (for example pesticide-free, adopting agroecological practices for water management, climate change mitigation and adaptation, agroforestry practices such as shaded coffee or wild honey);
- Promote value chains that represent products with sufficient economic potential either at a local, national or global level;
- Promote commercial development of producer organizations and/or social businesses, strengthening local producers' participation and governance, applying gender transformation approaches and including substantial and equal participation and power allocation to women, youth, and/or marginalized and/or Indigenous groups;
- Promote mountain and island products as well as short value chains as a strategy for food security; and
- Promote organic certified products either through a Participatory Guarantee Systems (PGS) or third-party certification (TPC), or actively encourage the development of PGS schemes to certify farming systems.

IDEAL APPLICANT EXAMPLE

The Producer Organization **Mkulima Moroto**, in the Northeastern part of Uganda, cultivate three coffee varieties, native from their territory, in an agroforestry and shaded system, intercropped with other fruit trees.

They recently partnered with the social company **Maisha afya** to commercialize coffee in the local market of their region and in Kampala.

Part of the producers certified their organic and agroecological farming practices through a Participatory Guarantee System and many other producers are willing to be part of the initiative.

The PO Mkulima Moroto is planning to invest in improving coffee production and processing, in order to safeguard and add value to their coffee varieties.

They would like to invest and purchase sun dryer tables, an automatic cleaner machine and a packaging machine.

They have a budget (8.500 USD) to invest for this purpose, however it is not sufficient to cover all the costs.

They are the ideal candidate for the BIA programme and can be selected for the Incubation phase.

During this phase, they will define the details of their business plan and their technical assistance need (i.e. training on coffee cleaning for improved quality; training on PGS record keeping;)

1. Eligibility

An application (proposed project) is eligible if **all** the following criteria are met.

If the applicant does not meet **any** of the below criteria, the application will be automatically rejected:

- The lead applicant is either an NGO that is at least 1 year old, OR a Producer Organization (cooperative, community-based organization, association) that is at least 1 year old and has at least 5 members.
- The lead applicant is formally registered in the country where the project is based.
- The lead applicant submits only one application.
- The lead and partner applicants are not bankrupted, liquidated or administered by the courts.
- The lead applicant and/or the partner applicant operate in a mountainous area¹ or on an island in one of the following ten countries: Dominican Republic, Guatemala, Fiji, Kyrgyzstan, Ethiopia, Mongolia, Nepal, Peru, Philippines and Uganda.
- The lead applicant provides all the necessary documentation which proves that the above criteria are met.
- The proposed project includes an applicant's matching contribution of no less than 50 percent of the requested grant.
- The lead applicant provides evidence of ability (i.e. physical and legal) to use capital and/or other assets that are involved in their investment plan (i.e. agricultural land, building, machinery, labour, skills, etc.).
- The lead applicant is a member of the Mountain Partnership (MP). If not, the lead applicant shall join the MP before the establishment of the grant agreement.
- The proposed project targets one of the following areas of work:
 - o Biodiversity;
 - o Sustainable forest management;
 - o Climate change mitigation and community-based adaptation;
 - o Natural resources management; and/or
 - o Strengthening of local economies.
- 1. National and local government institutions, as well as social businesses can participate as partner applicants and contribute either in cash and/or in-kind to the project, but they cannot be the lead applicant, which means that they cannot be the recipients of the grant.
- 2. Ineligible investments include: procurement of illegal material, harmful or exploitative forms of labour and violation of basic principles of non-discrimination, equal opportunities, occupational safety and health, and/or child labour prevention contrary to applicable national employment and labour laws and FAO's Environmental and Social Standards (ESS).²

¹ Mountainous areas are defined according to the UNEP-WCMC definition of mountains. For more information, please refer to the Applicant Information Booklet.

² Particularly ESS 7 – Decent work. FAO,2015: [Environmental and Social Management Guidelines](#)

2. Selection of beneficiaries

The selection of grantees for **BIA** will be through a **competitive selection process**, considering: the applicants' profile, the applicant's goal and strategy, the investment's objectives and sustainability, the investment alignment with BIA values and priorities.

Step I: Call for proposals

1. FAO-MPS and GEF SGP will launch a joint international call for proposals to invite NGOs and Producer Organizations in Mountains and Islands to apply. The FAO-MPS and GEF SGP will communicate the scope of available support, the eligibility and selection criteria and scoring, the application process and timeframe for submission. The Call will also be advertised at the national level through SGP channels where relevant. All information will be available in the **BIA Portal** and the MP website. MP membership is a requirement for the release of the grants: applicants that are not MP members can apply for the grant and if selected they shall join the MP, free of charge, before signing the grant agreement(s).
2. The MPS is available for any clarification, for example on the topic, procedure, drafting and selection criteria. For any request please contact: MP-BIA@FAO.org

Step II: Submission of applications (project proposals)

3. Applications shall be submitted through the **BIA Portal** within the deadline and by the means specified in the call for proposals. Any applications received after the deadline will not be considered.
4. If an applicant does not have any internet connection, applications may be submitted as hard copies to the GEF SGP country office.
5. The lead applicant formulates and submits the project proposal through the **BIA Portal**. Only one application may be submitted for each lead applicant. If a lead applicant submits multiple applications, only the first one will be considered (all the following ones will be automatically discarded). Whenever possible, applications shall be completed using exclusively the **BIA Portal**. Applications that do not include all the items and supporting documents required in the application form will be given the opportunity for integration within a deadline, after which they will be rejected.

Step III: Screening of applications

6. Following the closing date for the submission of applications, the BIA Global Technical Advisory Group (GTAG) will screen, review and score the applications.
7. The GTAG is comprised of FAO personnel. Each application will be screened for eligibility, completeness of information, applicants matching contribution and documents.

Step IV: Evaluation and shortlisting of applications

8. The GTAG will evaluate all eligible applications against the following selection criteria:
 - a. Applicant profile
 - b. Applicant's goal and strategy
 - c. Investment's objectives and sustainability
 - d. Project alignment with BIA values and priorities
 - e. Application strategic fitting
9. Applications that score less than 50 percent of the available points according to the selection criteria will not be considered for the next stages.
10. The GTAG will shortlist applications against the selection criteria and can request additional information/clarifications from the applicants. The GTAG may avail itself of additional assistance from GEF SGP country programmes in the country where applicant organizations are based, or where the project will take place, to verify the eligibility requirements and information provided in the application.
11. The Selection Committees (SCs) will receive the list of applications shortlisted by the GTAG and will be responsible for taking a final decision on the shortlisted applications that will have access to the Incubation phase. Selection Committees are composed by either FAO technical experts or National SGP technical experts, depending on countries.
12. The SCs will have one week to provide the GTAG with their final list of shortlisted applications that will move into the Incubation Phase. If the GTAG does not receive any indication by the deadline (one week after receiving the shortlisted applications), it will decide autonomously on the shortlisted applications that will move into the Incubation Phase.

Step V: Incubation: Business plan development, technical assistance needs assessment and baseline data collection

13. Shortlisted applications are given the opportunity to participate in the incubation phase. During this phase, a specialized service provider will offer technical support to: improve/integrate/co-design business plans, define the technical needs of the applicant projects, and collect a first set of baseline data.
14. If the applicant intends to apply for grant support, the three documents jointly produced by the service provider and the applicant(s) will have to be co-signed by all parties (service provider, lead applicant and partner organizations - if any) and re-submitted in the **BIA Portal**;
15. The GTAG will set a deadline for re-submission through the **BIA Portal** after the completion of the incubation phase. Once the re-submission is completed, the GTAG will re-evaluate the applications.

Step VI: Final selection of applications and notification of results

16. Following the incubation phase and applications re-submission, the project proposals will be re-scored by the GTAG.
17. Subsequently, the Selection Committees (SCs) are responsible for the final selection over the award of the grants and acceleration phase, accepting or rejecting the applications re-scored by the GTAG. Different Selection Committees are responsible for the final decision in different countries.
18. If needed, the SCs can request amendments/clarifications to the applicants. Exclusively the best applications out of these re-submission process will be awarded the final grant.
19. The SC will compile a Selection Committee Report.
20. FAO-MPS/GEF SGP through the **BIA Portal** will inform all applicants of the outcome of the selection process. In case of rejection, no further correspondence or discussion shall be exchanged following the published confirmation of this outcome. For those applicants that submitted a hard-copy application to the GEF SGP country office, the GEF SGP country office will be responsible for communicating the result to the applicant.

3. Establishment of grant agreement(s)

1. FAO-MPS and GEF SGP are responsible for developing grant agreement(s) with selected grantee, governing the performance of the specific works and/or activities. The contents and structure of this agreement(s) may vary by investment, subject to specific objectives.
2. Upon final selection, FAO-MPS and GEF SGP will follow up with the grantee to gather the information required to define the grant agreement(s): scheme of works and activities, specific milestones, approved budget (detailed list of equipment; possible suppliers and quotations; matching contributions) and payment schedule and modalities.
3. Payments will be made in instalments, according to the sets of terms, number of tranches, milestones, disbursement amounts and dates defined by the grant agreement. The applicant is entirely responsible for requesting a loan if needed to provide the in-cash matching contribution.
4. The applicant together with an appointed expert is responsible for verifying the correct delivery and well-functioning of the equipment.

4. Implementation of the BIA grants

Step VII: Delivery of support

1. FAO-MPS and GEF SGP will manage the grant agreement(s) in compliance with applicable rules and regulations of each organization.
2. FAO-MPS/GEF SGP will directly manage BIA payments and disburse funds to grantees through direct electronic bank transfers to the grantees' accounts. The payment disbursement(s) will follow the signed grant agreement(s).
3. As per regulations, payments in currency other than USD will be processed at the official United Nations Operational Rates of Exchange applicable when the payment is issued.
4. The grantee will report to FAO-MPS or GEF SGP any possible deviation or anticipated delay relative to the schedule and conditions set out in the grant agreement(s). Any amendments should be subject to FAO-MPS or GEF SGP approval.
5. Achievement of milestone(s) should be certified by the grantee to FAO-MPS or GEF SGP country offices, providing evidence of the milestones' achievement before the release of payments, according to the grant agreement(s). Monitoring and evaluations visits will be carried out.

Step VIII: Acceleration – Implementation of technical support

6. To enhance the effectiveness and sustainability of the support, ad-hoc experts will deliver needs-based, complementary, tailored assistance such as market analysis, market and commercial strategical planning, coaching, consulting and field visits. These services will be assessed and, if considered necessary, delivered by FAO-MPS/GEF SGP jointly with the service provider, the lead applicant and, when applicable, partner organization. Additional funding resources will be made available for those services.

Step IX: Monitoring

7. The FAO-MPS in collaboration with GEF SGP country offices will set up a monitoring system based on:
 - **Social Impact** – Focused on producers
 - **Economic Impact** - Focused on commercial activities
 - **Environmental Impact** – Focused on producers' activities
8. The grantees are responsible for providing correct and reliable data that will be used for monitoring activities.