

Technical Paper on Management Costs of the Ongoing Joint Small Grants Programme Evaluation

June 11, 2007



Introduction

- Joint Evaluation of SGP being conducted by the Evaluation Offices of the GEF and UNDP
- The overall objectives of the evaluation are to assess:
 - The relevance and ‘fit’ of SGP in relation to the overall GEF mandate and operations;
 - The effectiveness of SGP’s country and local level activities in contributing towards conservation of the global environment;
 - The efficiency and cost-effectiveness of the SGP.

Objectives of the technical paper

To provide preliminary review of management costs of SGP

- To compare SGP management costs with other small grant programs
- Compare the services provided by the SGP with other small grant programs.

Methodology

Limitations

- Difficult to measure management costs accurately due to differences in accounting and reporting practices.
- The assessment of services provided by programs is based on general impressions.

Key Features of Selected Grants

- 12 programs:
 - 4 country or overseas territory based;
 - 8 regional or global scale programs.
- Total grants from 8000 (civic engagement WB) to 18 grants (ICEF) – SGP about 7500 grants
- Total portfolio size: \$ 180 m (SGP) to \$ 1.1 m (PACT)

Key Preliminary Findings

- Actual Management costs of SGP
 - The reported management costs: 25%
 - Grants useful for program management tasks: 4 % of the total grants for OP 3 (historically 5%)
 - Agency fees: 4 %
 - **Total Management costs: 31%**
- Significant variation in management costs in SGP Country Programs.
 - Explanatory variables: cost of living; total amount of grants made annually; country program maturity.

Key Preliminary Findings

- Management Cost of reviewed programs are mostly between 20 to 35% – outliers at 10-12% and 41-46%;
- The management costs of SGP match well with the services it provides.
 - Management costs in upper middle range
 - More attention to building capacities of the grantee institutions
 - Higher emphasis on program level M&E
 - Greater presence at the country level
 - Generation of co-funding

Thanks

Methodology

- Key hypothesis: more services more management costs
- Interviews, literature review; web search; review of project databases of the selected programs.
- Cost of program fund-raising not included.
- Management cost estimates will be revised as more reliable information becomes available.