

Small Grants Programme: Joint Evaluation Report

GEF Council

November 14-16

Agenda Item 9

Background

- Previous evaluations not considered sufficiently independent
- Important questions not yet answered:
 - Linkage with other GEF activities?
 - Are global environmental benefits targeted?
 - Are they achieved – what is expected impact?
 - Trade-off with local benefits?
 - Cost-effectiveness?
- New issues: SGP and RAF, Graduation

Key questions

- Relevance to GEF and to country sustainable development and environmental priorities
- Effectiveness in generating global environmental benefits
- Efficiency
- Key factors affecting results
- M&E of the SGP
- June 2007: request of the Council to look at potential impact of graduation policy, especially on SIDS and LDCs

Implementation

- Independent Evaluation Office of UNDP became a partner in the evaluation
- Desk studies, datasets, literature reviews,
- Country programme case studies – 22
- Project sample survey – 229 grants
- Interviews, on-line survey
- More than 25 evaluators involved
- Total cost: circa \$ 400,000
- Triangulation, validation and verification were made possible through variety of tools and data sources

Relevance and results (1)

- Conclusion 1: The SGP has a slightly higher success rate in achieving global environmental benefits and significantly higher rate in sustaining them than Medium and Full Size Projects

	MSPs and FSPs	SGP
% of satisfactory outcomes	84	90
% of low risks to sustainability	61	80

Relevance and results (2)

- Conclusion 2: SGP has contributed to numerous institutional reforms and policy changes in the recipient countries to address global environmental issues.
- Conclusion 3: The SGP has contributed to direct global environmental benefits while also addressing the livelihood needs of local populations.

Relevance and results (3)

Table 5: Relevance and Effectiveness of Outcomes (percentage of projects)

Rating	Outcome Relevance	Outcome Effectiveness
Highly Satisfactory	50%	37%
Satisfactory	34%	42%
Moderately Satisfactory	11%	15%
<i>Satisfactory Range</i>	<i>96%</i>	<i>94%</i>
Moderately Unsatisfactory	3%	4%
Unsatisfactory	1%	2%
Highly Unsatisfactory	0%	0%
<i>Unsatisfactory Range</i>	<i>4 %</i>	<i>6%</i>

(Relevance: Projects reviewed=180; projects rated=180, unable to assess=0; Effectiveness: Projects reviewed =180; projects rated =167, unable to assess = 13)

Relevance and results (4)

- Conclusion 4: The SGP has made significant progress in targeting its efforts to help the poor
 - From OP2 to OP3 grants targeted to the poor increased from 55% to 72%
 - In SIDS this was 39% and in LDCs 89%
 - Grants targeted to women: 26%
 - Indigenous and ethnic groups were reached, but not specifically targeted

Relevance and results (5)

- Conclusions 5: The SGP country programmes, especially the older ones, are effective in promoting the GEF agenda
- Some elements are:
 - Developing and strengthening institutional capacity
 - Reaching out to stakeholders, raising awareness and knowledge sharing
 - Stakeholder participation
 - Partnerships
 - Programmatic approach

Efficiency / cost-effectiveness (1)

- Conclusion 6: All country programmes reviewed had interaction with other GEF projects
- Conclusion 7: The SGP's overall knowledge sharing practices have been satisfactory
- Conclusion 8: Although M&E has improved significantly, there is scope for further improvements

Efficiency / cost-effectiveness (2)

- Conclusion 9: The SGP is a cost-effective instrument for the GEF to generate global environmental benefits through NGOs and community based organizations
- Elements are:
 - Management costs
 - Mobilization of co-financing
 - Efficiency of the country programmes
 - Efficiency in grant delivery
 - Efficiency of grant outcomes

Efficiency / cost-effectiveness (3)

- Management costs:
 - SGP somewhat more expensive but delivers more services which are essential to the SGP's success
 - Decrease in costs in OP3 was made possible by an increase in overall funding and same level of involvement in countries – strain on central management is increasing
- Mobilization of co-financing:
 - Not completely on target but OP3 closed earlier

Efficiency / cost-effectiveness (4)

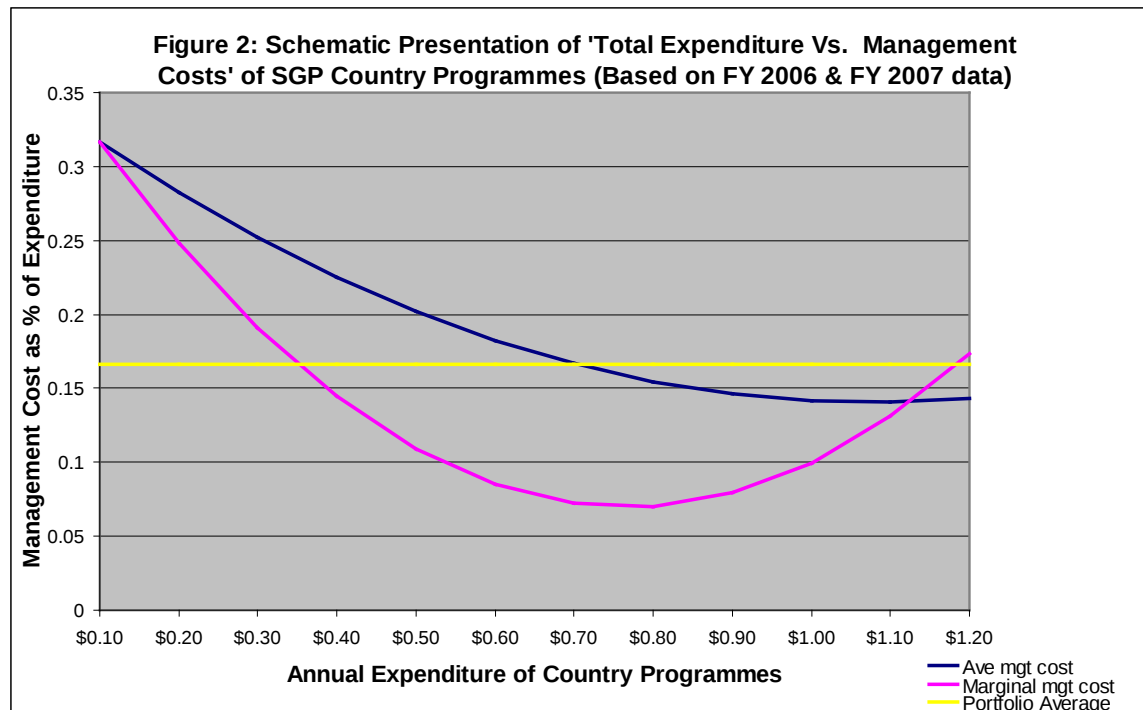
- Country programmes:
 - Programme management was *efficient* or *highly efficient* in all 22 countries studied
- Grant delivery:
 - SGP more efficient than small grants components of MSPs and FSPs and less delays in grant cycle
- Grant outcomes:
 - 94% rated satisfactory on efficiency of achieving outcomes

Graduation policy

- Policy of December 2006: countries with 8 years of funding will need to graduate from SGP and will no longer receive GEF funding
- Council requested an *analysis* not an evaluation
- Analysis:
 - Well established country programmes have become a cost-effective way of achieving sustainable global environmental benefits
 - SIDS and LDCs: less cost-effective, but SGP is well suited to address absorptive capacity in SIDS and operational capacity issues in LDCs

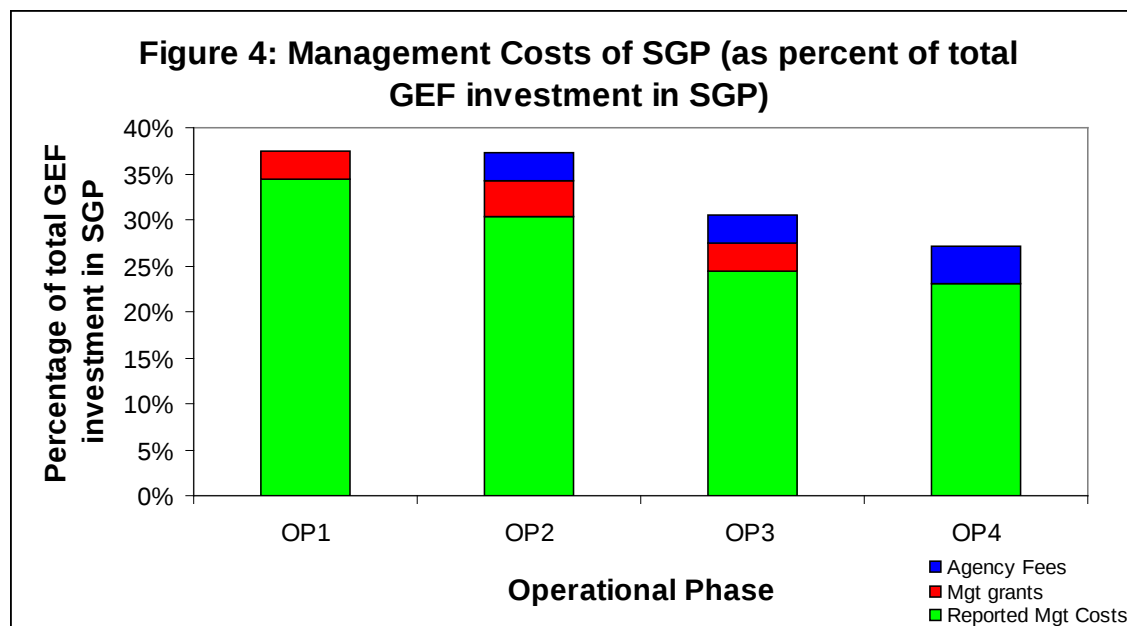
Efficiency / cost-effectiveness (5)

- Conclusion 11: SGP Country Programmes operate at maximum cost efficiency at an annual expenditure level of \$ 1 to 1.1 million



Efficiency / cost-effectiveness (5)

- Conclusion 12: The higher level of GEF investments in SGP during OP 3 facilitated SGP in operating at greater cost efficiency levels than OP 1 and OP 2



Efficiency / cost-effectiveness (6)

- Conclusion 13: The current management model of SGP has reached its limits and is not suitable for a new phase of growth
 - Rapid increase in countries from 100 → 120 – thus the same amount needs to be spread thinner
 - Increasing demands on CPMT
 - More differentiated needs of country programmes
 - Less possibility to interact
 - More competition with other GEF agencies and programs

Recommendations (1)

- Recommendation 1: The level of management costs should be established on the basis of services rendered and cost-efficiency rather than on the basis of an arbitrary percentage
 - Move away from an arbitrary percentage to more transparency and better accountability
- Recommendation 2: A process needs to start to change SGP's central management system suitable for the new phase of growth and to address the risks of growing complexity

Recommendations (2)

- Recommendation 3: Country programme oversight needs to be strengthened
 - Conflict of interest procedures need to be improved
 - Audits should be budgeted and carried out
 - Grievance procedures
- Recommendation 4: Monitoring and Evaluation needs to be strengthened further
 - Database and record keeping needs to improve further

Recommendations (3)

- Recommendation 5: The current criteria for access to SGP resources should be revised to maintain cost-efficiency
 - December 2006: limit of total funding – $SGP + RAF = \$600,000$ – this is below highest efficiency level for management costs
 - Requirement of matching ($SGP = RAF$) also leads potentially to lower efficiency level for management costs of country programme

Recommendations (4)

- Recommendation 6: The intended SGP country programme graduation policy needs to be revised for GEF 5 to address the risks to GEF achievements and cost-effectiveness, especially in SIDS and LDCs
 - Argument for graduation from SGP core funding is persuasive
 - Funding from RAF of older country programmes could be considered
 - Older programmes could continue to apply the success factors of the SGP, without drawing on support from CPMT or core-SGP funding
 - If 20 older country programmes could graduate from SGP to become “franchise” versions – the load on CPMT would be reduced from 120 → 100
 - The “franchise” programmes would need to address strategic priorities of the GEF focal areas