GEF Evaluation Office

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Joint Evaluation of the GEF Small Grants Programme

Country Program Case Study: Poland

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Foreword

In accordance with the 2006 Monitoring and Evaluation Policy of the Global Environment Facility (GEF), one of the overarching objectives of the GEF with respect to monitoring and evaluation is to promote learning, feedback, and knowledge sharing on results and lessons learned among the GEF and its partners as a basis for decision making on policies, strategies, program management, and projects; and to improve knowledge and performance. In this context, the GEF Evaluation Office is pleased to present nine country program case studies that were part of the data collected for the Joint Evaluation of the Small Grants Programme (SGP).

In June 2006, the GEF Council requested the GEF Evaluation Office undertake an independent evaluation of the SGP. The GEF Evaluation Office invited the United Nations Development Programme (UNDP) Evaluation Office to participate in this initiative. The purpose of the joint evaluation was to assess the relevance, effectiveness, efficiency, sustainability, and cost effectiveness of SGP objectives in relation to the overall GEF mandate. In addition the evaluation assessed the results of the SGP, the factors affecting these results, and the monitoring and evaluation systems of the program as implemented. It also traced the evolution of the SGP, the changes that have taken place in the program, and the drivers of these changes. Country case studies were prepared as part of the evaluation. Although the studies are unique and particular to each country, the analytical framework used was that provided by the evaluation's approach paper.

The case studies were undertaken under the direction of the GEF and UNDP evaluation officers with relevant regional experience. National consultants were hired to carry out the majority of the project site visits. Staff from the GEF and UNDP Evaluation Offices provided methodological guidance to the local consultants, participated in the initial site visits, and supervised the drafting of the case studies to ensure consistency within and among the country studies.

The contents of this report are based on the findings of the evaluation team and do not necessarily reflect the views or policies of GEF or UNDP.

The GEF Evaluation Office would like to thank all who collaborated with the evaluation: its staff and consultants, national coordinators, members of the national steering committees, and the staff from the country offices. In addition, we would like to acknowledge and thank the main authors of the reports.

Abbreviations

CBO	community-based organization
EU	European Union
FSP	full-size project
GEF	Global Environment Facility
M&E	monitoring and evaluation
MSP	medium-size project
NGO	nongovernmental organization
NSC	National Steering Committee
OP	operational program
POP	persistent organic pollutant
SGP	Small Grants Programme
UNDP	United Nations Development Programme

1 Conclusions and Recommendations

1.1 Main Findings and Conclusions

Between 1994 and April 2007, the Small Grants Programme (SGP) has made 372 grants with major financial allocations to the biodiversity (69 percent) and climate change (25 percent) focal areas. Multifocal projects accounted for 5 percent of total SGP disbursements, and minor initiatives were registered in the international waters and persistent organic pollutants (POPs) focal areas.

There are three major clusters of SGP projects, namely nature protection (52 percent of projects), renewable and efficient energy (24 percent), and agrobiodiversity (15 percent). Another 7 percent of projects dealt with sustainable transport initiatives, mainly for the design and construction of cycling routes.

In all, 217 grantees have benefited from the SGP, 210 nongovernmental organizations (NGOs) and 7 community-based organizations (CBOs). The projects were mostly site specific, with a few initiatives operating on a national or multiregional scale. In the absence of any geographical focus, the SGP has been operating in the whole country, concentrating mostly on the north-eastern and southern regions of Poland. A few projects have generated cross-border cooperation, mainly in the areas of transboundary water and forest resources.

The SGP has disbursed $6.76 million in small grants, generating projects worth $33 million and recording a strong leverage effect from multiple sources, including 81 percent of public funds and 19 percent of private resources.[1]

Based on evaluation findings (see chapter 4), the SGP was assessed as follows:[2]

1. The SGP was found to be relevant to GEF focal areas and strategies and to national priorities.

- The SGP in Poland has strongly supported the GEF focal areas of biodiversity and climate change, which are most relevant to national environmental and sustainable development priorities.

- The SGP has accompanied the country's transition process in supporting local and practical solutions for the implementation of European Union (EU) and international policy frameworks (for example, Natura 2000 and agricultural policies).

[1] All dollar amounts are U.S. dollars unless otherwise indicated.

[2] Ratings are not provided, due to the limited number of field verification visits. Ratings are only provided for individual project and program assessment tools which fed into the overall evaluation of the SGP.

- The program has received strong interest from NGO and CBO target groups, meeting the needs and expectations of local community beneficiaries with a flexible approach and contributing to the integration of environmental management in socioeconomic priorities.

- The significant share of nature protection projects corresponds to the features of the country's natural heritage and the traditional areas of competence of local NGOs.

- The innovation and pioneering capacity of the SGP and its grantees was evident in the agrobiodiversity and energy clusters, contributing to policy formulation (for example, the agrobiodiversity national plan) and the development of a successful GEF medium-size project (MSP) for cycle ways in Gdansk.

- The SGP has developed catalytic relationships with other donors such as EcoFund and the European Union in terms of demonstrating approaches and technologies that have secured further funding. This has great relevance for scaling up SGP environment and development benefits.

- The SGP has been instrumental in raising the profile of the GEF among NGOs, CBOs, government officials, and the public at large. Since 1992, the SGP has been featured in hundreds of newspaper articles and radio and TV broadcasts. This visibility is in contrast to the relatively low profile of larger GEF investments.

2. The SGP has been effective in terms of producing physical and human capital benefits that have supported local, national, and global environmental benefits generation in Poland.

- The SGP has generated diversified outputs, including physical investments in small-scale infrastructure, equipment, and operational tools as well as soft investments in human resource capacity and services.

- Many projects have developed socioeconomic (livelihood) incentives to produce and support environmental benefits, particularly in the fields of biomass, agrobiodiversity (tourism and products), and nature conservation.

- Considering the scope and scale of the SGP, the most outstanding benefits are the increased environmental education/awareness among local stakeholders and the demonstrated viability of environmentally sound investments, together with the enhanced entrepreneurship and role of national and local NGOs and CBOs in development.

- Local livelihood benefits represent a promising basis for further dissemination and scaling up of activities to and in other parts of Poland. However, this requires further financial resources to enable the SGP to conduct stock-taking and dissemination events as part of a strategy for graduation. The evaluation notes that there is presently no financial provision to organize and graduate the SGP effectively

3. The efficiency and cost effectiveness of the SGP has been positive, with key strengths being in the low overall administrative costs as compared to total grant and cofinancing and results.

Project processing time/timeliness compared to that of other donors operating in Poland has been more efficient and less bureaucratic, thus leading to improved responsiveness and innovation.

- SGP organization and management have registered many strengths and some weaknesses. The management structure and decision-making process have benefited from a relative stability, consolidating dialogue among public institutions and the civil society sector. The national coordination team has demonstrated strong leadership.

- The National Steering Committee (NSC) was formed by highly competent and diversified members, ensuring technical expertise and coordination mechanisms with other funding instruments. A proactive and transparent approach was adopted for the project screening and approval process, which was highly appreciated by applicants and grantees.

- The uneven inflow of applications and irregular replenishment of the SGP operational budget generated variable durations in the project approval procedure; overall, however, this procedure was still faster and less bureaucratic than that for other national and international programs (such as EU and bilateral funds).

- The adoption and implementation of an efficient monitoring and evaluation (M&E) system for the program and its projects were delayed in the pilot and first phases of the SGP, causing serious gaps in the establishment of clear and verifiable indicators of progress and impacts. By the program's second phase, M&E arrangements had been addressed and strengthened considerably.

- The national coordinator and NSC have emphasized ex post evaluation of clusters of projects and regional grantee workshops to discuss results, strengths, and weaknesses.

In terms of **sustainability** of results and impacts, the SGP has achieved positive empowerment and ownership of local initiatives among NGOs/CBOs and local stakeholders, through active participation and capacity-building actions, reaching all spheres of civil society and building bridges between public and private actors and generating consensus on local development opportunities. The leverage effect of the SGP and the positive media coverage have also mobilized diversified funding instruments and promoted interesting self-sustainable mechanisms.

There is a common perception among grantees and the national coordinator/NSC that consolidation and follow-up may still depend on donor contributions, either local, national, or international. It is also widely recognized that further adjustments are needed to align environmental policy objectives with Poland's legal and operational framework. Most seriously, graduation is fast approaching, and the SGP in Poland has no financial resources available for an exit strategy.

Both public authorities and the civil society sector need to establish proactive approaches in order to adapt to the different levels of governance and to take advantage of the program and funding opportunities arising from the EU policy framework for the benefit of socioeconomic development and environmental protection.

1.2 Lessons Learned

At different stages of the program and project cycle, several lessons can be retained, as follows.

Program Procedures and Eligibility Criteria

- Equality of access to all types of NGOs and CBOs, regardless of thematic specialization, favored the promotion of environmental management in all spheres of socioeconomic development, assuming that eligible actions comply with program objectives and strategies.

- The equal importance of all thematic areas can help assess the areas of interest for applicants and their preparedness with regard to specific topics, favoring local initiative and ownership and allowing adaptive communication and mobilization of appropriate expertise. In accordance with responses and strategic priorities, specific thematic focus could be later defined in order to fill eventual gaps.

- The same concept could apply to geographical focus. The country-wide approach gave opportunity to all; the interests and preparedness of applicants determined the selection.

- The flexibility of budget and cost-eligibility criteria allowed for response to specific project needs and complemented the more restrictive criteria of other donors.

Management Structures

- The assignment of the operational focal point to EcoFund, which is already responsible for other similar programs, favored coordination, synergy, and cofinancing arrangements, as well as further scaling up.

- The fact that the NSC is open to diversified members with high-level qualifications and various institutional and academic backgrounds has facilitated the assessment of innovative and diversified projects, providing guidance to applicants when required and ensuring balanced attendance and monitoring according to needs and availability.

- The positioning and staffing of the SGP coordination team are crucial aspects of efficiency and empowerment. The team's independence from government bodies reduces the risk of political influence. Its proximity to funding agencies helps ensure complementarity and coordination. Its integrated competence (within the team and with the NSC) facilitates technical support and guidance to beneficiaries.

Screening and Approval Process

- The double stage of project application (concept papers and full applications) anticipated rejections at an early stage and reduced the risk of project failure, improving preparation skills and quality of projects.

- Accurate and disseminated information, together with clearinghouse mechanisms prior to grant application, facilitated management tasks and preselection of valuable initiatives.

- Interviews and pre-site visits played a crucial role in the approval process, allowing applicants to defend and improve their presentation and enabling the national coordinator/NSC to better assess applicant motivation and skills.

Monitoring and Evaluation

- It is important to establish monitoring guidelines and simple tools at the beginning of the program and to integrate the indicators and means of verification with planning, reporting, and administration systems (project database and bookkeeping).

- The registration of all steps and data related to the program and project cycle can facilitate data processing and evaluation exercises. Project location was not considered at project start-up. In light of technological advances (for example, geographical information system), it would be useful to include location in future programs.

- Training in M&E techniques should be delivered to program and project staff in order to help standardization of methods and decentralize M&E tasks at the project level.

Project Focus and Implementation Arrangements

- The eligibility of all types of NGOs and CBOs favored multipurpose objectives in project design, integrating environmental issues in socioeconomic development.

- A focus on problem solving helped in recognizing the social and economic values of environmental protection.

- The involvement of local authorities and local stakeholders in project preparation and implementation facilitated empowerment, ownership, and sustainability of results.

- The inclusion of education, capacity-building, and communication/information activities is a prerequisite for improved visibility and stakeholder participation and ownership.

1.3 Recommendations

Considering the upcoming graduation of the SGP in Poland and based on the evaluation findings, it is recommended to assess the SGP experience during the remaining period and to prepare for future initiatives.

In the phasing out of the SGP in Poland, the following actions should be given higher priority:

- Evaluation of SGP projects should be promoted and carried out with the specific objective of valorizing achievements and ensuring follow-up and sustainability. To complement the present evaluation and reduce length and procedures, the next evaluations should be conducted by project clusters and/or by geographical location (for example, by province) in order to provide a basis for a dialogue with national and regional authorities and contribute to the preparation and implementation of territorial development plans, in particular those related to the 2007–13 structural funds.

- The evaluation should be an opportunity to assess project results and best practices with the organization of events (open days, fairs, workshops, cycling tours, and so on) and the dissemination of information and materials among and beyond environmental practitioners.

- Grantees should intensify networking and cooperation arrangements by cluster area of competence and geographical criteria and assess opportunities for cooperation at the regional, national, and international levels.

- The cultural and information heritage of the SGP should be preserved by transferring information and knowledge to suitable institutions and information centers—for example, national and regional information centers, environmental and agro-rural advisory bodies, NGO networks, and Internet clearinghouse mechanisms.

2 Country and Sector Background

2.1 Poland Environmental Profile[3]

The present economic performance and future development potential of Poland allow the country to be placed in the group of upper-middle-income countries, where environmental hazards are caused mainly by industry (particularly the power industry), the municipal economy, and transportation.

Poland's natural resource heritage is considered outstanding. Numerous valuable ecosystems, in terms of nature and landscape, are characterized by a superior level of biological diversity. The acreage of protected areas of differentiated status occupy over 25 percent of the country's territory and have placed Poland at the leading edge of biodiversity conservation in Europe. In the last 15 years, the acreage of protected areas has grown by over six times.

Agricultural use comprises about 60 percent of country territory. The use of artificial fertilizers and chemical agents for plant protection is relatively low in areas characterized by a smallholding basis, but it is growing in highly productive areas. Another 28 percent of the country territory is made up of forests, the majority of which are state owned. The area of forests has been systematically growing since the end of World War II. The future expansion of forested area is assumed to be about 30 percent of the national territory by 2020, and up to 33 percent by 2050. Polish forests are subject to pressure from various natural and anthropogenic threats, including air pollution, change in water conditions, and excessive use by humans.

Economic activity and anthropogenic impact are concentrated mainly in urban industrial areas and in their direct vicinity; these areas (including communication infrastructure) comprise no more than 10 to 15 percent of country territory. A considerable share of the industrial structure still strongly affects the environment, such as extractive industry, logging, and the coal-based power industry. Poland has retained a high-ranking position among countries with the highest natural resource exploitation, including in particular energy raw materials. In addition, natural gas and crude oil production in the country is on the rise.

Since the beginning of the 1990s, the abatement of pressure on the environment in Poland has been noted in line with gradual improvement in environmental conditions. Favorable change is being perceived in air quality. A spectacular example in this regard is the 50 percent decline in sulfur dioxide and nitrogen dioxide emissions, with a significant reduction of the acid rain problem that had previously affected many of Poland's forested areas.

Combined legal, economic, organizational, and technological investments have helped improve industrial and municipal infrastructure efficiency and processes, reducing air and water pollution.

[3] The information in this section was drawn from the United Nations Environment Programme's Country Environmental Profile Information System (http://countryprofiles.unep.org/profiles/PL).

However, general improvement in the state of water basins has been quite slow, and the situation in most lakes is still assessed as very bad. The acreage of perceivable symptoms of chemical degradation of soil does not exceed 2.7 percent of the total national territory, whereas about 0.5 percent of the territory is considered heavily degraded. High soil acidity remains a problem despite improvements made in reducing acidification of precipitation.

Inadequately handled and managed industrial wastes, which originate in Poland in excessively large volumes, and municipal wastes represent two of the most important factors causing pollution of underground waters and, locally, soil degradation. Environmental loading with wastes has grown systematically. The mass of accumulated industrial wastes, which in 1996 amounted to over 2 million tons and which has doubled over the last 15 years, is one of the most difficult environmental problems to solve. Issues of hazardous waste management (including of POPs) at the household and small service company levels remain largely unsolved.

2.2 Environmental Policy Framework in Poland

In accordance with the political, economic, and social reforms undertaken in Poland in order to comply with its role and commitments in European and international contexts, the country's environmental policy, legal, and institutional framework has been progressing since 1990 in an effort to tackle the environmental challenges it faces.

The European Union has played a major role in country reforms over the last decades. Since 1990, Poland has benefited from consistent and multisectoral EU assistance programs. Initially devoted to institutional strengthening and public administration reforms, such assistance has, since 1998, been an EU accession-driven strategy focused on the absorption of the Acquis Communautaire.[4] Additional preaccession programs were implemented in agriculture and rural development and in infrastructure and the environment with the specific objective of preparing central and decentralized authorities, as well as private operators and civil society, to take advantage of EU policies and funding opportunities as a future member country. After Poland's accession to the EU in May 2004 and an initial transition period, the country is now becoming eligible for EU structural policies and programs under the current programming cycle 2007–13, including the sixth EU Environment Action Programme. Among the major EU environmental regulations for which Poland is required to be compliant are the Habitat Directive, the Birds Directive, and the Natura 2000 network, just to mention those strictly linked with the biodiversity focal area.

Poland's National Environmental Policy for 2003–06 and 2007–10 Perspective was finalized in December 2002 by the Council of Ministers as a component of the Environmental Protection Act of April 27, 2001. It complies with the obligation to prepare and analyze the reference environmental policy framework every four years, thus defining long-term objectives and

[4] The Acquis Communautaire is the set of legal and institutional arrangements that regulates implementation of EU policies and programs.

implementation modalities, including operational measures, resources, timetables, and financial plans. It follows and updates previous policy papers and programming documents and takes into account the evolving national, European, and global framework. It was conceived and designed in line with the following objectives:

- Integrate environmental aspects in sectoral policies by developing and applying good management practices in economic and productive sectors.

- Activate market-driven mechanisms for environmentally sound activities, thus creating a conducive environment for the adoption of clean technologies; the generation of "green job" opportunities; the introduction of environmental criteria in public investments; promoting eco-sensible innovation, consumption, and trade; and involving private sector operators and financial institutions enhancing economic viability and environmental responsibility/liability.

- Enhance public participation in the implementation of environmental policies through a suitable environmental education system, access to environmental information and opportunities, and partnerships and dialogue with the business community and civil society organizations (NGOs).

- Integrate environmental protection aspects in physical management and land-use planning through appropriate legal and regulatory adjustments, simplification and harmonization planning and harmonization of investment procedures, adaptation of and to the labor market, prevention of natural and technology risks, rehabilitation of degraded/polluted sites, promotion and use of environmentally friendly technology (including renewable energy), and the preservation/valorization of natural heritage and landscapes.

- Develop research and technical progress toward eco-friendly innovation; ecological safety; sustainable management of natural resources; risk/hazard prevention and management; strengthening of environmental monitoring, evaluation, and control; and linking scientific knowledge to decision-making and implementation processes.

- Harmonize Polish law, organizational structures, and administrative procedures with the EU and international requirements in order to fulfill country commitments and play a proactive role on the international scene.

On the global scale, Poland has adhered to the following international conventions:

- United Nations Convention on Biological Diversity (signed June 5, 1992; ratified/approved January 18, 1996)

- Ramsar Convention on Wetlands

- United Nations Convention to Combat Desertification (signed November 14, 2001; ratified/approved February 12, 2002)
- United Nations Framework Convention on Climate Change (signed June 5, 1992; ratified/approved July 28, 1994)
- Kyoto Protocol on Climate Change (signed July 15, 1998; ratified/approved December 13, 2002)
- Cartagena Protocol on Biosafety (signed December 10, 2003; ratified/approved March 9, 2004)
- Stockholm Convention on Persistent Organic Pollutants
- Convention on Conservation of Migratory Species of Wild Animals
- Convention on International Trade in Endangered Species of Wild Fauna and Flora
- World Heritage Convention

2.3 Features of the GEF SGP in Poland

History and Milestones

Following the creation of the GEF SGP worldwide in 1992, an initial mission in Poland was carried out by the United Nations Development Programme (UNDP) in November 1993. As a result of the mutual agreement signed with the government of Poland, the UNDP resident representative in Poland began consultations with national authorities in December 1993 to begin SGP operations. The SGP National Steering Committee was established in January 1994, and the selection and appointment of a national coordinator was finalized in March 1994. The appointment of the SGP program assistant in May 1994 completed the establishment of the SGP coordination unit in Poland.[5]

In January 2007, the government of Poland announced its resignation from the SGP, based on the country's political and economic achievements and its accession to the European Union.

Intervention Strategy[6]

Poland's SGP strategic guidelines were approved in March 1994 and concentrated funding on small, tangible investments and active protection of endangered habitats and species (primarily I biodiversity conservation). The main elements of this strategy are listed below:

[5] Both the national coordinator and program assistant have remained unchanged since 1994.

[6] The information in this section was drawn from the GEF SGP Poland Country Programme Strategy.

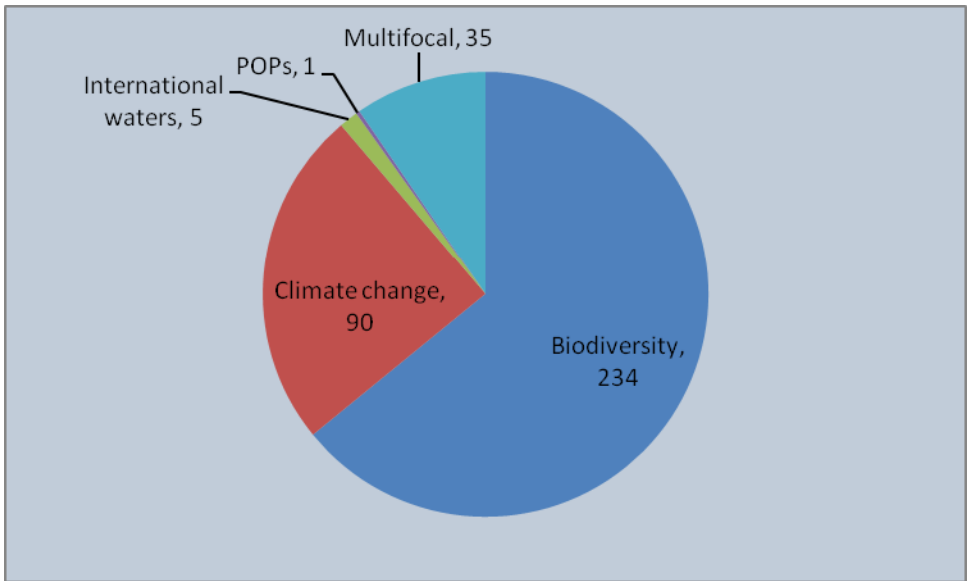
- Compliance with GEF focal areas and operational program (OP) criteria
- Measurable ecological effects
- Demonstration projects with multiple components (capacity building, monitoring, applied research and policy analysis, information dissemination, networking); single components were not eligible for funding
- Sustainability of activities
- Equality of access for all kinds of NGOs and CBOs (no preference accorded to environmental NGOs)
- Geographical focus (whole of Poland)
- Equal importance granted to all focal areas
- Cofinancing policy (mobilization of national resources)
- Exclusion of the ozone depletion focal area as not feasible for NGOs and CBOs

Project Statistics[7]

As of April 2007, the Poland SGP had delivered 372 grants to 217 NGOs and CBOs, distributed as shown in figure 2.1.

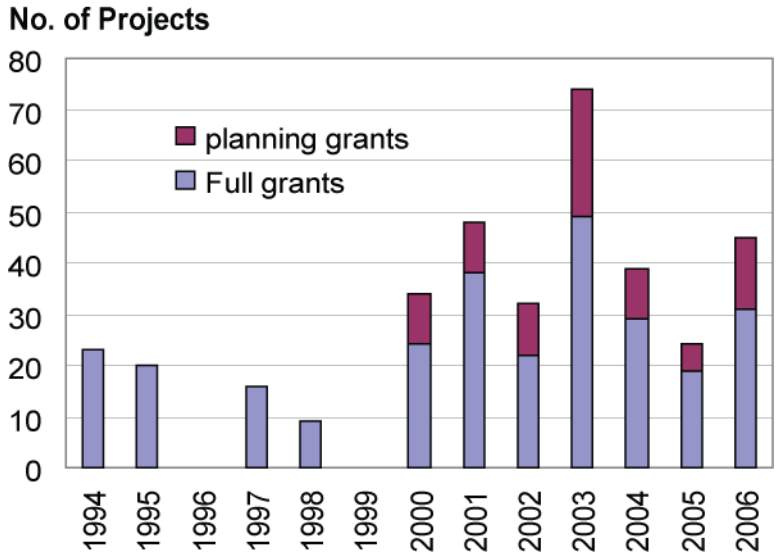
[7] The information in this section was drawn from the GEF SGP database and the national coordinator.

Figure 2.1: Approved Grants by Focal Area



Over 720 preliminary concept papers were submitted by applicants, of which 372 (51 percent) were further assessed and approved as grants. Among them, 23 percent were planning and minigrants, and 77 percent were full grants. Their distribution over the program lifespan is shown in figure 2.2.

Figure 2.2: Approved Projects by Year



From a geographical point of view, there was no territorial priority or criteria in the SGP strategy. Grants have been awarded in all regions with higher concentrations in the northeast and in the south. The reasons behind this distribution are the ecological features of those areas and the desire to build stronger local political and institutional commitments to environmental issues there (see section 4.1).

3 Evaluation Focus and Questions

3.1 Focus of the Evaluation

As per the terms of reference, the evaluators assessed the relevance, effectiveness, efficiency, and cost effectiveness of the country SGP in relation to the overall mandate of the GEF, which is to finance activities addressing global environmental issues and generating global environmental benefits. In so doing, the case study adopted several lines of inquiry:

- Examined the relationships between the SGP and other GEF operations and the contributions of the SGP to the GEF mandate and its focal area strategic priorities and targets
- Assessed the local livelihood and global environmental results generated with GEF funds
- Examined the extent to which the SGP has reached its intended beneficiaries—communities and marginalized groups

3.2 Evaluation Questions

1. Relevance: To what extent is the SGP relevant to the GEF's mandate and operations and to the country's sustainable development and environmental priorities?

- What is the fit between (1) the country's SGP objectives and (2) the GEF mission and the priorities of the GEF focal areas?
- What is the relationship of the SGP to country-level sustainable development and environmental priorities and programs?
- How does the SGP relate to GEF country portfolios?
- Is the SGP reaching its intended beneficiaries?
- What have been the tensions and potential conflicts among local, national, and global priorities? What trade-offs were made in addressing these tensions?
- What benefits in terms of reputation has the SGP generated, and how are these benefits related to the GEF?

2. Effectiveness: To what extent has the SGP contributed to the generation of global environmental benefits?

- What direct global environmental results (particularly with regard to the GEF focal areas) have been generated or are likely to be generated by small grants?
- To what extent has the SGP been innovative in building capacities to address global environmental issues and contributed to global environmental benefits in ways that are

consistent with the national sustainable development agenda and that generate benefits for the poor and marginal populations?

- What are the overall contributions of the SGP in helping countries meet their international obligations to global environmental conventions and in addressing global environmental issues that fall under the GEF mandate?

- To what extent has the SGP established an M&E system that tracks results and provides information to improve projects and derive lessons?

- To what extent does the governance structure of the SGP ensure an effective and transparent decision-making process for priority setting and funds allocation consistent with the country's sustainable development priorities and SGP objectives and mission?

3. Efficiency/cost effectiveness: To what extent is the SGP an efficient and effective instrument for linking the GEF with community groups and NGOs working with the poor and marginal populations?

- How efficient is the country administrative structure of the SGP in establishing links between the GEF and CBOs, NGOs, and other community groups?

- How does the efficiency and effectiveness of the SGP compare with other approaches of non-GEF small grants delivery services that seek to reach NGO/CBO local populations (particularly the poor and marginal populations)?

- How cost effective is the SGP compared to small grants components of MSPs and full-size projects (FSPs) that seek to engage NGOs/CBOs and local populations (particularly the poor and marginal populations on actions to protect the global environment)?

3.3 Evaluation Methodology and Organization

Evaluation Phases

The joint SGP evaluation in Poland was launched in January 2007 with the following schedule:

- The **preparatory phase** included the finalization of the evaluation terms of reference, selection of the random sample of SGP projects to be reviewed, the recruitment and appointment in March 2007 of the national evaluation consultant (Ivo Morawski), who, together with the GEF evaluation officer (Lee Risby), formed the SGP country evaluation team.

- The **desk review** of key policy and program documents began in March 2007; an initial set of documents and data was obtained from the national coordinator and from relevant Internet sources. During this phase, arrangements were made with the national coordinator for the organization of the field missions.

- A **first field mission** was carried out between April 12 and 21, 2007, by the evaluation team; this included meetings in Warsaw with key stakeholders and field visits to six SGP projects.

- A **second field mission** was carried out between May 6 and 18 by the evaluation consultant, accompanied by the national coordinator, to complete the visits and assessment of a further six selected projects and to meet with other stakeholders in various locations.

- Subsequent to these visits and reviews, the collected data and information were **processed and elaborate**; a draft evaluation report was submitted to the GEF Evaluation Office and to key national authorities and stakeholders for comment.

- A **national stakeholders' workshop** was organized in Warsaw on June 14, 2007, enabling the evaluation team to discuss the main evaluation findings with national stakeholders.

- Based on stakeholder feedback, the **final evaluation report** was then elaborated and submitted.

Evaluation Approach and Activities

In accordance with the terms of reference, the evaluators adopted the following approach.

The analysis of **relevance** took into consideration the evolving policy context in the country over the SGP lifespan, Poland's international environmental commitments, its reform achievements in the context of the EU integration process, and recent policy positions with respect to environmental issues, as well as NGO-government relations. In addition to sectoral policies, the administrative reform and consequent decentralization, and the emergence and interests of civil society organizations, were duly considered.

For assessing **effectiveness and impact** of the SGP and its projects, the multiple objectives of specific initiatives were analyzed in light of the environmental, social, and economic challenges faced by the project developers and target groups. The nature and extent of tangible results were compared to the expected outcomes over the short and long term, assessing whether the SGP contribution was providing a catalytic and leverage effect for future development and **sustainability**.

The **efficiency** of the SGP was assessed in terms of aid delivery (timing, approval process, disbursements, M&E capacity) and compared to other funding and management systems, including national, local, and external instruments.

The evaluators organized the **field visits** according to the sample of 12 projects. However, compared to the sample projects, it was possible to visit more projects (approximately 20) located along the itinerary in order to gain a more diversified picture of local environmental and

socioeconomic situations and compare stakeholder responses and influential factors. During the field visits, the evaluators met with grantees, local stakeholders, and beneficiaries. The sampled projects were subjected to a detailed assessment; the others provided qualitative and comparable information. This enabled the evaluators to analyze an extended and more representative sample covering diversified issues and interventions and including success stories and problematic projects.

Meetings and interviews were arranged with GEF political (Ministry of Foreign Affairs) and technical (Ministry of Environment and EcoFund) focal institutions in Poland, and with relevant line ministries (Ministry of Agriculture), members of the National Steering Committee, past SGP evaluators, and funding agencies (UNDP, the World Bank, national and international foundations) active in similar operations (small grants, the environment, NGO support).

In addition to individual interviews, two **focus groups** were organized in Warsaw and Krakow with grantees who had completed SGP projects and others who were currently implementing them. The focus groups also provided an opportunity to NGOs to disseminate information and best practices and to discuss past, present, and future initiatives.

4 Evaluation Findings

4.1 Relevance

Relevance to GEF Focal Areas and Operational Programs

The distribution of small grants by focal areas (see figure 2.1) shows a strong preference for projects falling in the biodiversity focal area (64 percent), with smaller shares in the climate change (25 percent) and multifocal (10 percent) areas. The dominance of the biodiversity and climate change projects in the portfolio reflects the importance of those global environmental and national priorities within the country. It also reflects the active portfolio management of the national coordinator and NSC to develop synergies and complementarities between the SGP and the activities of EcoFund and other sources for environmental funding in Poland.

In the **biodiversity** focal area, the following operational programs and issues were prioritized and addressed.

Table 4.1: SGP Grants in the Biodiversity Focal Area

Operational program	No of grants	Environmental issue/theme
OP3: Forest ecosystems	78	• Protection of habitats for birds and other protected species (bats, ants) • Reduction of conflicts/encroachments between wildlife and human habitats • Restoration of ecological corridors • Preservation/restoration of water systems in forest areas • Management of buffer zones close to protected areas
OP2: Coastal, marine, and freshwaters ecosystems	52	• Conservation and wetland renaturalization • Protection of birds and aquatic fauna habitats • Protection of river ecosystems
OP13: Conservation and sustainable use of biological diversity important to agriculture	39	• Conservation of plant and animal genetic resources • Reintroduction and promotion of traditional plant and animal species • Conservation and development of agro-ecological landscape and farming systems
OP4: Mountain ecosystems	5	• Protection of mountain watersheds • Protection of pasture and agrobiodiversity • Conservation and development of agro-ecological landscape and farming systems

While the first grants in OP2, OP3, and OP4 were approved during the SGP pilot phase in 1994–95, the first grant in OP13 was made in 1997, before agrobiodiversity was officially included in the GEF strategic guidelines; this reflected great innovation in the interpretation and implementation of the Convention on Biological Diversity. Two major clusters of projects emerged in the biodiversity focal area, namely nature protection and agrobiodiversity.

In the **climate change** focal area, the focus of SGP projects was as follows:

Table 4.2: SGP Grants in the Climate Change Focal Area

Operational program	No of grants	Environmental issue/theme
OP5: Removal of barriers to energy efficiency and energy conservation	25	• Replacement of polluting and inefficient heating systems • Conversion of heating systems from coal to gas
OP6: Promoting the adoption of renewable energy by removing barriers and reducing implementation costs	38	• Conversion of heating systems from traditional coal to solar panels and biomass from forest and agriculture residues • Promotion and testing of biofuel from agricultural crops
OP11: Promoting environmentally sustainable transport	19	Promotion and implementation of cycling routes in urban and rural areas

Initial grants in the above OPs were released during the SGP pilot phase in 1994 and were among the first climate change investments at the community level in Poland.

In the **international waters** focal area, only five projects were approved, four during the pilot phase and one in 2004. These projects mainly addressed pollution sources in mountain water bodies of transnational importance (in Poland and Czech Republic) or in rivers affecting the Baltic Sea.

In the **POPs** focal area, only one preparation grant was funded; this was an attempt by a group of NGOs to contribute to the elaboration of a common strategy and to the ratification of the Stockholm Convention by Poland. Because this focal area is a recent GEF portfolio addition, it can be assumed that if the GEF had developed an operational program for POPs earlier, more projects would have been developed in this area given its relevance to national and local interests.

Under the **multifocal** area, 35 grants have been made for various initiatives:

- Preparatory studies aimed at defining a specific environmental focus in fields not yet covered by an OP (for example, land degradation and POPs)
- Multipurpose local development, including valorization of natural and cultural values and creation of employment opportunities
- Evaluation and monitoring of clusters of projects
- Strengthening of environmental governance and cross-border cooperation
- Knowledge sharing and education and awareness campaigns

Relevance to National and EU Environmental Policies

As described in section 2.2, Poland's policy framework has been evolving over the last 15 years in conjunction with its integration process into European Union and its global commitments.

The SGP and its projects can be considered as being in line with national and EU strategic guidelines and regulations. To some extent, the SGP has contributed to the elaboration and adoption of specific policy and legal instruments by testing and demonstrating the viability of specific initiatives and advising the national authorities through the SGP national coordinator and NSC.

The SGP has been instrumental in enabling the NGO community and civil society to play a proactive role in consultation on, and formulation and implementation of, national and EU policies. An example is the NGO contribution to the identification and assessment of Natura 2000 sites (see box 4.1).

Box 4.1: Natura 2000 in Poland

In accordance with EU environmental directives, Poland is presently creating its European ecological network, Natura 2000, in order to protect 76 types of natural habitats, 267 bird species, 46 species of plants, and 88 species of animals other than birds. It is estimated that the Natura 2000 network will cover about 17 percent of the country. These areas will be totally protected and subject to an environmental impact assessment for any type of socioeconomic activity that may affect the conditions of natural habitats and the related flora and fauna.

Source: National Strategic Plan for 2007–2013, Rural Development.

Coherence with Other Sectoral Policies

The role of environmental protection and sustainable development has been growing as a cross-cutting issue accompanying other non-environmental policies and strategies. In particular, the SGP can be related to the following policies:

- The **administrative reform and decentralization** policy came into force in 1999 and resulted in the revision of regional and local administrative units (province, county, and municipality) in compliance with EU governance and subsidiarity standards. This decentralization process was accompanied by the elaboration/revision of regional development strategies for the country's 16 provinces. This planning process provided an opportunity to redefine territorial and thematic priorities and to introduce environmental protection in most regional development strategies—particularly where natural heritage was considered an asset for sustainable socioeconomic development. The strengthening and empowerment of decentralized authorities brought specific funding instruments to the regions; these provincial funds for environment and water management have been crucial cofinancing tools for GEF operations and a platform for GEF integration with

local development dynamics. The distribution of SGP projects, which are more highly concentrated in the northeastern and southern parts of Poland, is in line with the environmental priorities of regional development strategies.

- The reform of the **agricultural** sector and the development of a broader **rural development** policy have favored the integration of environmental protection into land use planning and farming practices. Preaccession programs and the EU Common Agriculture Policy introduced support to agro-environmental measures and protected areas (Natura 2000 network). SGP projects were instrumental in developing the national agrobiodiversity plan with a focus on traditional species and products; this supports both EU environmental measures and the United Nations Convention on Biological Diversity. The SGP is also aligned with the Common Agriculture Policy objective of enhancing and diversifying rural economies and income opportunities through valorization of natural heritage.

- The **National Water Resources Strategy** was prepared and approved in September 2005. Considering the country's limited and vulnerable water resources (both in terms of quantity and quality), the ecosystem approach—with its enhanced planning, monitoring, and management of wetlands and water basins—promoted by the GEF at the local level can be seen as in accord with the country's water policy framework.

Relevance to Target Group and Beneficiary Needs

The GEF SGP was targeted to NGOs and CBOs. This civil society sector is represented by roughly 35,000 organizations (associations, foundations, civil committees, and informal groups) with a very wide spectrum of activities, sizes, influence, capacities, membership bases, and structures. In 1998, the number of environmental NGOs in Poland was estimated at between 700 and 1,100.

The decision to allow all types of NGOs and CBOs to apply for SGP grants was congruent with the overall objective of empowering community environmental management through (1) a transparent and accountable grant application and management process, (2) requiring grantees to demonstrate broad stakeholder participation in grant design and implementation of environmental management, and (3) strengthening links and integration of environmental goals with other social and economic development strategies and community needs (such as an emphasis on livelihood improvement, which is particularly pronounced in SGP agrobiodiversity projects).

In terms of NGO interests and fields of competence, there is a clear preference toward nature protection among environmental NGOs which represent a valuable network of well-educated specialists (ornithologists, biologists, and so on) who are strongly tied to their place of work and residence and who therefore have a consolidated knowledge of local environmental and socioeconomic features (see box 4.2).

Box 4.2: NGO Becomes Partner in Local Development through SGP Projects

The NGO Greenworks operates in Nowy Sacz, southern Poland. It was established by a small group of graduates and school teachers, who were later joined by former students. Its operations started in the early 1990s and were aimed at the protection of natural sites and education activities for local communities and schools. From this purely nature conservation beginning, the NGO's activities have diversified over the years, and its interactions with local stakeholders have developed into more integrated initiatives.

The NGO has also moved progressively from volunteerism toward a proactive participatory approach, providing stakeholders and local communities with technical support to meet their livelihood and local development needs through assistance to project development, access to information and funding opportunities, and organization of value chains.

Greenworks is an example of a small group of motivated people becoming, thanks to small grants, a key partner for local development.

A small farm benefits from the reintroduction of traditional animal species.

The dominance of nature protection projects can also be explained by the relatively low-cost and low-technology investments needed for such initiatives. The SGP provided NGOs with such small grants and flexible opportunity, while other donors prefer to concentrate on larger scale and high-technology projects that are more visible and less administratively demanding.

Non-environmental NGOs have applied for more diversified types of projects; conversion of heating systems and agrobiodiversity are preferred initiatives and demonstrate strong social and economic development objectives in their project design (see box 4.3).

Box 4.3: Coal-to-Gas Conversion and Modernization of Heating Systems

The Center for Treatment of Mental Handicaps in Nidzica (northern Poland), had, in the early 1990s, serious pollution and cost-efficiency problems with regard to its traditional coal heating system, resulting in negative effects on health and economic viability. The SGP assisted in a preliminary energy audit, identifying the most viable solution. Following conversion to a gas heating system funded by a GEF MSP, the center has achieved a 40 percent savings on energy costs and was able to invest in improving the welfare of its patients and open new health centers, where lessons from energy efficiency were replicated with solar panels and floor heating systems.

The SGP has, directly and indirectly, reached a wide range of beneficiaries through the focus of specific projects and the capacity of grantees to involve local stakeholders in their initiatives. Community participation has been stronger where the project purpose was clearly the improvement of beneficiary welfare and the development of socioeconomic opportunities while solving or reducing environmental, social, and economic hazards.

Relevance and Links to GEF MSPs and FSPs

SGP operations in Poland were not directly linked with GEF MSPs and FSPs under implementation. However, there are example of direct synergies, as the SGP has contributed to the launching of MSPs in the sustainable transport and renewable energy sectors. SGP projects addressing sustainable transport through the promotion of cycle ways led to the development of an MSP in Gdansk that focused on the development of an urban cycle way. The SGP has also supported the preparation of technical documentation for a GEF-funded biomass MSP in Lyszkowice. SGP projects have followed on, in, and around locations previously addressed by a World Bank–implemented FSP in Bialowieza National Park.

Within a broader context, the SGP has linked and complemented the larger operations of the EcoFund and European Union in Poland in terms of demonstrating pilot technologies in the climate change focal area (for example, biomass), and in new community-based approaches to biodiversity conservation (for example, agrobiodiversity and NGO/CBO-based nature conservation). These and other activities have been provided with scale-up financing by EcoFund, the European Union, and other international donors. In this way, the SGP has played an important role as a catalyst for wider socioeconomic and environmental benefits.

Reputational and Visibility Benefits Provided by the SGP to the GEF

Although this effect is difficult to evaluate accurately, based on discussion with national stakeholders and beneficiaries, the SGP is effectively “the public face” of the GEF in Poland among urban and rural communities. GEF MSPs and FSPs tend to be visible only within the

government; the reputation of the SGP has therefore improved knowledge of the GEF and its objectives and operations among communities.

Since the start of SGP operations, a GEF SGP bulletin has been published and distributed twice a week to growing numbers of institutions and organizations in the country. The bulletin includes information on GEF SGP strategies and priorities, updates on project funding, technical articles on innovative technologies, and opinions from multiple partners and beneficiaries. Informal cooperation has been developed through a network of national environmental journalists, which has produced approximately 100 newspaper articles on the GEF SGP and related issues. SGP grantees have been motivated to maintain constructive relationships with local media (TV, radio, and newspapers). A series of 12 short films and reports covering the SGP and its project activities was transmitted on national television on a popular and widely viewed program. Several DVD were published and distributed based on these materials. In contrast, there has been very little media coverage of larger GEF projects.

4.2 Effectiveness

Operating at the local level and mostly on site-specific issues, SGP-funded projects have generated diverse **results**. Considering them by thematic cluster, the following types of outputs have emerged.

Table 4.3: Outputs of SGP Projects

Cluster	Output
Nature protection	• Inventories of protected plant and animal species • Active protection of threatened habitats • Restoration/renaturalization of degraded ecosystems • Information and education tools and infrastructure • Information and advice for Natura 2000 sites
Agrobiodiversity	• Inventories and data banks of traditional plant and animal species • Nurseries for plant propagation • Reintroduction of traditional varieties in productive farms • Scientific and practical contributions to national planning for agrobiodiversity
Clean and efficient energy	Replacement of inefficient and polluting heating systems in private houses and public buildings with more efficient and/or renewable sources of energy (particularly biomass)
Sustainable transport	Design and construction of cycling ways in urban and rural areas

The nature of outputs has been highly diversified and includes hard capital investments for small infrastructure and equipment as well as soft investments in human resources and services. The SGP has deliberately defined and adopted a flexible approach in terms of eligible costs in order to meet stakeholder demand without prejudice, thus promoting local initiative/innovation and

practical investments, and complementing other funding instruments with more restrictive procedures (see section 4.3).

Many of the results/outcomes had a demonstration and motivation effect and generated multifunctional **benefits** as described below.

Environmental Benefits

- Improved knowledge of biodiversity (fauna and flora) in target areas and among target groups: species composition, distribution, and dynamics
- Creation and consolidation of genetic resource data banks and propagation of rare and valuable genetic resources important to agriculture
- Enhanced implementation and dissemination of active protection measures by grantees and their partners (see box 4.4)
- Improved/restored environmental quality in selected locations (air quality, water, soil, and landscape)
- Increased consideration and adoption of environmentally friendly farming and land use practices in target areas.

Box 4.4: Black Stork Habitat Protection

The Bialowieza Forest is a unique example of a European primeval lowland forest ecosystem. At the borders of the Bialowieza National Park and UNESCO Heritage Site, the NGO PTOP worked on the renaturalization of water dynamics, reestablishing optimal habitats for the black stork and other fauna. The small and simple water control works were realized in collaboration with the forestry services responsible for management of the area. The foresters have been trained in and have now adopted and replicated the system, receiving a national award for their efforts—making for a clear example of capacity building, empowerment, and replication.

The result of the water renaturalization works

Economic Benefits

- Demonstrated viability of alternative and clean sources of energy at a small scale
- Reduced costs of energy with alternative and renewable sources
- Savings from energy costs for investment in other environmental, economic, and social initiatives
- Attraction of other donors through small investments and good initial results
- Enhanced market opportunities with traditional plant and animal species (see box 4.5)
- Enhanced tourism opportunities in areas where environmental improvement is a precondition for promoting rural and ecological tourism (see box 4.6)

Box 4.5: Agrobiodiversity in Wandzin

The EKO School of Life in Wandzin hosts a assistance center for drug addicts and HIV/AIDS-affected patients. The SGP has supported the construction of a biomass heating system and several agrobiodiversity projects. Thanks to these grants, the center has become a reputable and highly competent breeding and propagation center for traditional varieties of rabbits, chickens, and fruit trees. Animal and plant species are used for the center's self-maintenance and have begun to be distributed throughout the country to other organizations and private farmers. The outreach effect of the initiative and the positive response from the private sector and consumers, as demonstrated by recent fairs, has generated great economic potential for smallholder farmers adopting traditional and ecological farming systems.

Box 4.6: Project Clean in Krzyzowki

The small village of Krzyzowki is located in the southwest of Poland, close the Slovak border. Its attractive natural setting gives it great potential for small-scale tourism. The SGP is supporting the conversion from high-polluting heating systems using a cheap coal byproduct to cleaner solar panels installed on schools and private houses. The project is responding to a priority need for the local community, solving environmental and health problems and creating suitable conditions for rural tourism. Energy savings will enable the villagers to invest in accommodation and recreational amenities, thus providing employment and income opportunities for the community.

Social Benefits

- In several cases, SGP projects responded to the needs of **vulnerable groups** such as poor farmers, unemployed rural dwellers (such as former employees of collective farms), and other marginalized groups (including those with mental handicaps, convicts, HIV/AIDS-affected people, and at-risk youth) by solving their energy-efficiency problems and/or providing them with tools and opportunities for social inclusion, employment, and income generation.

- The replacement of polluting coal heating systems with cleaner ones has led to improved air quality and living/working conditions in target areas, thus reducing health risks for households and communities.

- The reintroduction of traditional fruit and animal species has had a strong cultural and emotional effect on farmers and consumers. The economic viability of typical food products and their association with territorial values can have, if adequately sustained, an important role in preserving local identity and social cohesion.

- Most projects have had educational benefits and have involved schools (teachers and students) as a main target of communication and awareness campaigns. Schools have often participated in protection activities and/or have hosted environmental education/information centers and summer courses.

- SGP projects have raised environmental awareness among target communities and local authorities; many projects have been instrumental in building consensus among stakeholders and enhancing ownership of natural and cultural heritage, and—sometimes—in reducing conflicts over land use and local development options (see box 4.7).

Box 4.7: Project Uhryn

In the Carpathian mountain areas, the SGP is funding an agrobiodiversity project helping smallholders reintroduce traditional Polish sheep varieties and organize appropriate value chains through associations, processing, and marketing.

The initiative has, among other effects, the environmental benefit of promoting preservation of pastures and grasslands against unreasonable deforestation and high-impact tourism resort investments. The project has had a catalytic effect on the local community and has generated a consensus on community-based and environmentally friendly local development strategies.

Policy and Institutional Benefits

Combined environmental, economic, and social benefits have facilitated the formulation and implementation of national, EU, and global policies by making the following contributions:

- Improved and available baseline data on environmental issues
- Development of national planning for agrobiodiversity
- Public awareness and participation in strategy building at the national and decentralized levels
- Increased inclusion of the environment in socioeconomic development plans
- Capacity building and empowerment of public entities responsible for policy implementation and law enforcement (see box 4.8)

Box 4.8: Enforcement of the UN Convention on International Trade in Endangered Species of Wild Fauna and Flora

Some NGOs (for example, PTOP Salamandra) are training police and customs officers in the implementation of the United Nations Convention on International Trade in Endangered Species of Wild Fauna and Flora, thus transferring their knowledge of biodiversity to the fight against smuggling and illegal trade.

4.3 Efficiency

Management Structure

The SGP/GEF in Poland is managed by various coordinating bodies.

The **national political focal point** is the Ministry of Foreign Affairs, Department for United Nations Social and Economic Affairs. Prior to 2002, the focal point demonstrated strong leadership and interest in the GEF and the SGP. This commitment declined after a change in

personnel,[8] illustrating how GEF and global environmental issues can be dependent on individual perceptions and support.

The EcoFund Foundation was appointed as the GEF **operational focal point**. Its involvement in other grant schemes was instrumental in coordinating various initiatives; EcoFund was the first cofinancing source in the country and is presently the third largest such source. As previously noted, EcoFund has helped in providing further funding to scale up SGP pilot projects. Cooperation and coordination between EcoFund and the SGP has been well developed: technical experts from EcoFund serve on the NSC, and the SGP national coordinator serves on the EcoFund council.

The **National Steering Committee** was established in January 1994; numerous stakeholders serve on the NSC, including representatives of relevant ministries, national environmental funds, academic and research bodies, regional self-governments, and the NGO community.

Day-to-day management is provided by the national coordinator and a program assistant, who were appointed in March and May 1994, respectively. The management unit was initially located in the UNDP office in Warsaw. Later on, an independent office was made available.

The SGP has benefited from a stable management structure over its 13-year lifespan. The national coordinator has a consolidated knowledge of global and national environmental issues, the institutional and policy framework, and the NGO community; consequently, the coordinator has been invited to contribute to broader GEF operations in Poland and to other national and international grant schemes as a resource person and adviser.

The overhead cost of the coordination unit has been evaluated as being low compared to GEF MSP/FSP operations in Poland (25 percent) and to the SGP in other countries. The NSC operates on a volunteer basis, with monitoring and travel costs reimbursed from the SGP administrative budget.

Since the ATLAS financial management system was only introduced in 2004, it was not possible to obtain a global picture and itemized distribution of program administrative costs for the SGP's entire duration. Based on 2004 program accounts, the total annual SGP budget for that year (approximately $800,000) was distributed as follows:

- 93 percent for project grants
- 3 percent for administrative costs (meetings and workshops, in-country travel, office equipment and consumables, communication and publications, rental costs, and miscellaneous)

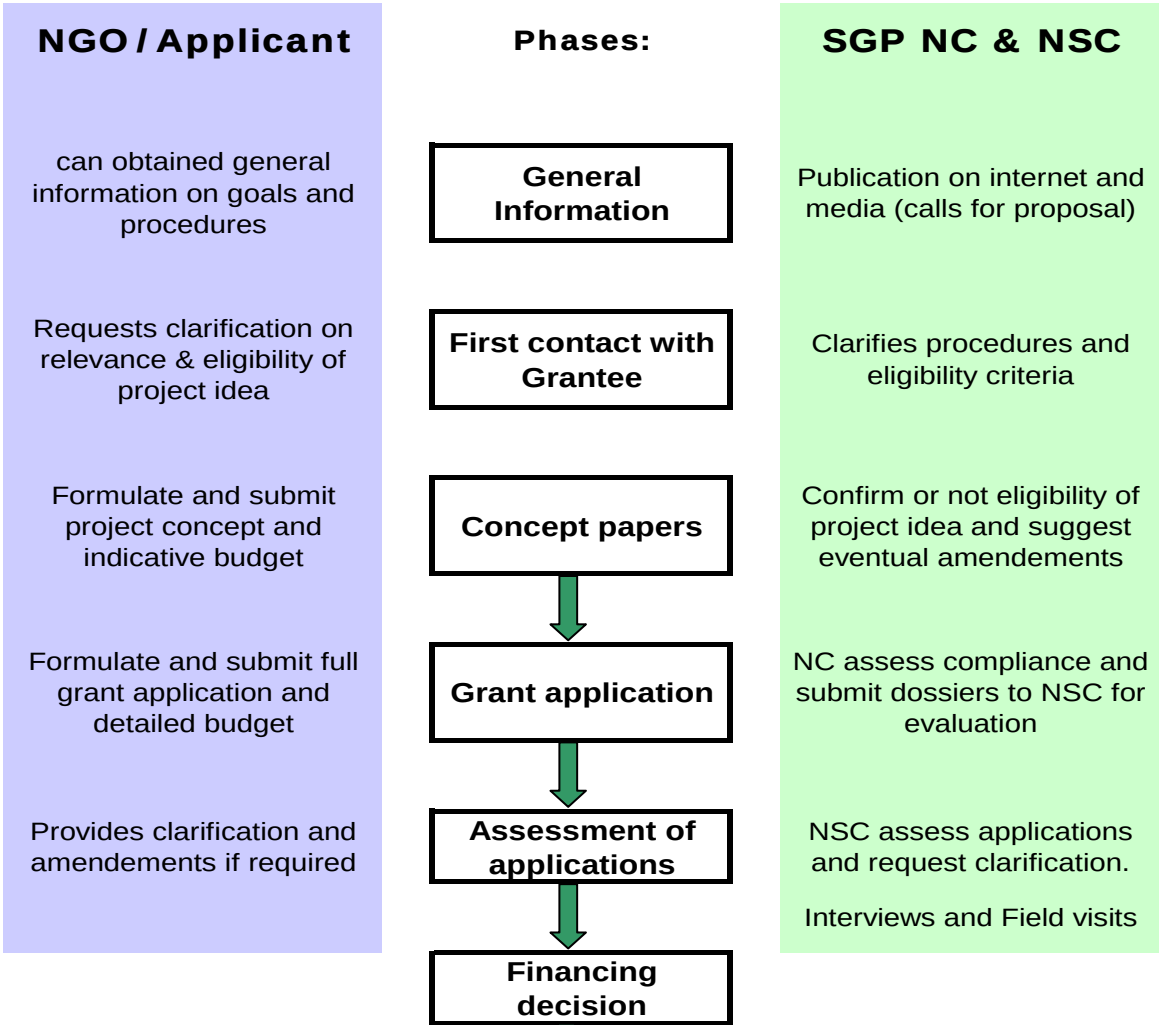
[8] GEF National Dialogue report, October 2005; and interviews.

- 4 percent for overhead (this takes into account the fact that SGP coordination staff members were paid under a separate budget managed by the United Nations Office for Project Services)

Project Screening and Approval Process

The project screening and approval procedure is summarized figure 4.1.

Figure 4.1: SGP Project Approval Process



These phases are characterized by the following management arrangements:

- No deadlines were defined in the advertisements and calls for proposals. Applications could be submitted all year round, thus giving applicants significant flexibility in the preparation of their proposals. At the same time, this approach generated variable inflows of applications.

- The double stage of project submission (concept and full application) affords an opportunity for both the applicant and the national coordinator to assess a project idea prior to its detailed elaboration. It increases the length but also the quality of the project preparation process, leaving much of the rejections at the concept phase, mainly for ineligibility of theme/investment or for questionable viability.

- If rejected, an applicant has the opportunity to reformulate and/or reorient its project purpose and design, based on the suggestions and recommendations of the national coordinator.

- This double stage increased the national coordinator's workload but enabled a preliminary verification of applicant scope and capacity.

- For assessment of particularly innovative concept papers, the national coordinator could request the advice of members of the NSC or external expertise if needed.

- In the absence of fixed deadlines, the evaluation meetings of the NSC were called when a sufficient number of applications were available for evaluation.

- Attendance at these meetings was variable according to thematic focus and availability of NSC members. For this reason, the NSC was composed of a large pool of people, with qualifications in different sectors and representing the main categories of stakeholders (national and regional institutions, academic and NGO community, donors).

- During the preparation phase, the national coordinator maintained a proactive dialogue with other funding agencies, advising applicants on cofinancing opportunities and donors on valuable initiatives to be supported.

- Formal and informal agreements were negotiated by the national coordinator with other funding agencies (including EcoFund, provincial funds, and other foundations) in order to ensure coordination and cofinancing.

- After submission of grant applications and a first assessment by the NSC, the NGOs were invited for an interview with the NSC at which they could clarify their proposal and discuss its technical, financial, and organizational aspects. Eventual weaknesses could be improved according to required amendments. This step was favorably assessed by the applicants as a means toward overcoming the often low capacity of project formulation. The interviews were mutually beneficial for applicants and the NSC.

- The interviews were also an opportunity for the NSC to establish direct contact with the applicants, thus enabling it to assess motivation, skills, and preparedness. These were recognized as an essential measure in minimizing the risks of project failure.

- Site visits were organized by the national coordinator and NSC prior to or after grant approval in order to have a better overview of local issues and project implementation arrangements, in particular for the relationships between the applicants and local stakeholders (beneficiaries, local authorities, and so on.).

From the assessment of the project sample, the duration of the procedure appears to be very variable, as shown in table 4.4.

Table 4.4: SGP Process

Step/phase	Average duration
First contact to submission of planning grant	1–4 months
Submission to approval of planning grant	1–2 months
Approval of planning grant to submission of full grant application	1–3 months
Submission to approval of full grant	1–4 months
Project approval to project start (first disbursement)	1–3 months
Total duration	**3–9 months**

The variability of the above timing depended mainly on the following factors:

- The level of capacity and preparedness of the applicants to develop a project idea and thus the number of revisions required before its acceptance
- The availability and negotiation of cofinancing means (own and other resources)
- The availability of the NSC to process applications in accordance with the uneven inflow of applications to the national coordinator
- The replenishment of the SGP operational budget according to forecasts

The application and approval procedure adopted by the SGP has been acknowledged by many stakeholders as being simpler and more user friendly than other national, EU, and bilateral (for example, Danish and Norwegian funds) grant schemes. Various strengths and weaknesses were underlined by grantees and partners, as shown in table 4.5.

Table 4.5: SGP Strengths and Weaknesses

Strength	Weakness
• SGP adaptation to project idea • Possibility of receiving a planning grant to develop a project idea • Support of innovation and ownership • Possibility by applicants to discuss and improve project strategy and formulation • No financial guarantee required, unlike as with other funds • Possibility to provide in-kind resources as cofinancing • Flexibility in eligibility criteria for works, supplies, and services • Eligibility of grantee organizational costs • SGP proactive attitude and dialogue on technical design and financial engineering	• Availability and continuity of NSC members was difficult to achieve as most of them occupy important institutional and academic positions and their participation to the NSC was mostly on a volunteer basis. • Financial mobility in the SGP operational budget has generated delays in decision making and financial commitments for new projects as in years 1996 and 1999 • Poor record of the preapproval phases in the SGP database

The screening and approval process is, overall, very proactive and supportive of innovation, ownership, and entrepreneurship. Its implementation has been a learning process for all parties:

the national coordinator, the NSC, and the grantees. There is a general agreement that the procedure has become more efficient over time. Applicants improved their project preparation skills, and the national coordinator and NSC have fine tuned their screening mechanisms. Together with good media coverage, these improvements partially explain the increase in grant applications and approvals since 2000 (see figure 2.2).

Monitoring and Evaluation

Evaluation of M&E was addressed from both the program and project points of view. Two evaluation exercises contributed to the analysis of these aspects during the SGP life-span. An **independent evaluation of the first operational phase** was carried out in 1998, and Poland was selected as a case study. The study assessed SGP operations in the period 1994–98, highlighting key lessons and recommendations for forthcoming phases. The issues listed in table 4.6 were reported regarding M&E.

Table 4.6: Issues Regarding M&E

Strength	Weakness
Key role of presite visits and site visits in project selection, implementation, and M&E	• Insufficient documentation of the M&E process, site visits, and various events linked directly and indirectly to GEF SGP activities • Lack of a specific M&E manual

The findings were taken into consideration for the revision of the country program strategy, and the adoption of existing monitoring tools and their integration in program/project planning and implementation was recommended. In particular, the evaluation report stressed the importance of continuous update of the GEF SGP database and the continuation of project monitoring activities two to three years after completion. The incorporation of best practices and lessons learned into an M&E manual was also foreseen.

At the end of 2004, the country strategy was slightly revised to accommodate new GEF focal areas (land degradation and POPs) and to reorient and strengthen M&E components. A **shift to impact assessment** was decided upon, using and integrating an ex post evaluation methodology at the project and program levels, implemented by training GEF management bodies, NGOs/CBOs, and journalists and establishing clear indicators measuring program/project impact.

Several projects were selected for ex post evaluation studies, addressing sustainability and highlighting influential factors in success stories and failures and stressing the need for closer monitoring and evaluation in this regard.

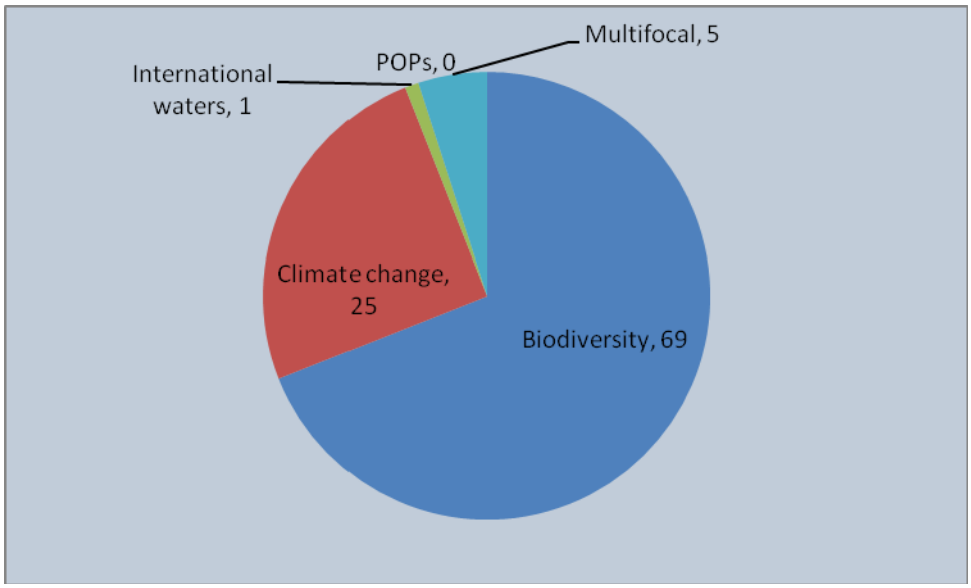
Table 4.7: SGP Project Successes and Failures

Success factor	Failure/problem factor
• Stakeholder participation in project design and implementation • Project meets local/regional development needs and priorities • Dialogue and cooperation with local government administrations • Adequate communication and information about approach and results (visibility) • Educational actions integrated into projects • Combination of environmental and socioeconomic benefits	• Poor leadership and negotiation capacity by project promoters and managers • Poor awareness and commitment in local government with other priorities or with frequent administrative changes • Poor capacity building and empowering actions for local stakeholders • Land administration legislation during the transition period • Legal gaps for small-scale bioenergy (biofuel and integration of renewable systems in the electricity distribution network)

Financing

According to the GEF SGP database, the total amount of SGP grants awarded in Poland over 13 years is **$6,761,434**, which was distributed by focal area as shown in the figure 4.2.

Figure 4.2: SGP Financial Allocation by Focal Area



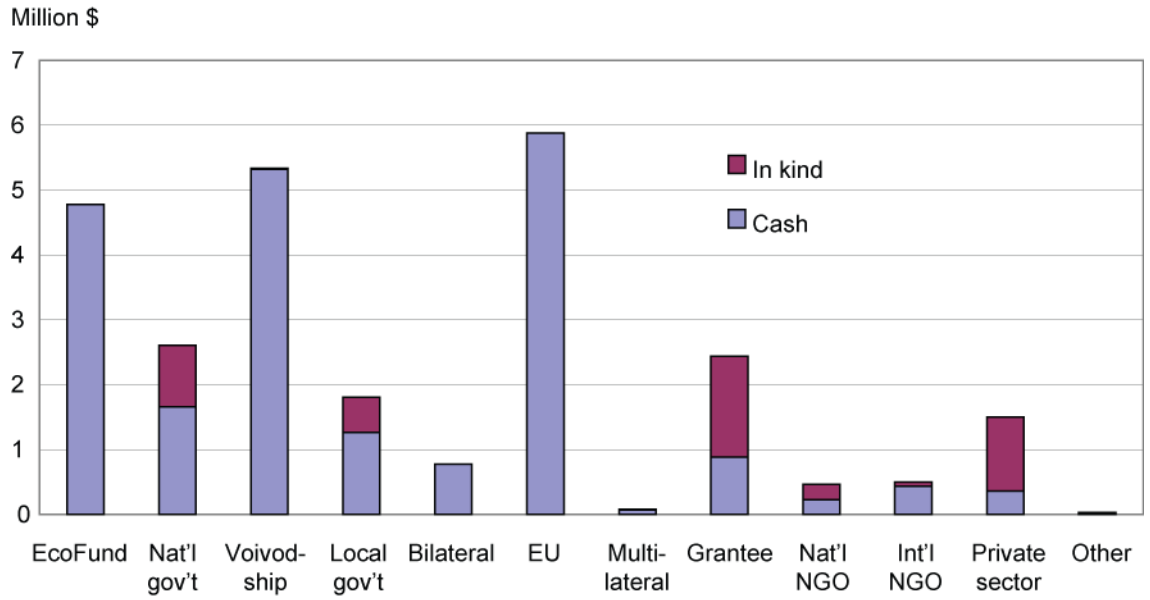
The total value of SGP projects is over $33 million, of which 20 percent was funded by the SGP and the remaining 80 percent by other sources, as summarized in table 4.8.

Table 4.8: SGP Funding

Description	Total amount	Average amount	Share (%)
Number of projects	372		
Total amount in SGP grants	6,761,434	18,176	20
Total amount of cash cofinancing	21,781,702	58,553	66
Total amount of in-kind cofinancing	4,528,620	12,174	14
Total amount of cofinancing	26,310,322	70,727	80
Total value of projects	**33,071,756**	**88,903**	

In line with its financing strategy, the Poland SGP has leveraged four times the total amount it has disbursed. The cofinancing share, as represented in figure 4.3, was covered by public funds (81 percent) and private resources (19 percent).

Figure 4.3: Sources of Cofinancing



Public funds included the following sources and instruments:

- Provincial funds for environment and water management (20 percent)—managed by regional governments as part of their regional development strategy
- EcoFund (18 percent)—provided by the EcoFund Foundation, a public entity established in 1992 as an instrument for debt-for-environment swap
- Other national government resources (10 percent)—such as the National Fund for Environmental Protection, state forest and national park budgets, public research and academic institutions, and special ministerial budget lines

- EU programs (22 percent)—such as Phare, LIFE, EQUAL initiative, and Interreg
- Local governments (7 percent)—including county and municipal funds
- Bilateral cooperation (3 percent) schemes—by Denmark, Germany, the Netherlands, Switzerland, and the United States
- Multilateral cooperation (less than 1 percent) initiatives—such as the Regional Environmental Center for Central and Eastern Europe, the Food and Agriculture Organization of the United Nations, and GEF MSPs

Private sources of cofinancing included the following:

- The grantees (9 percent) contributed to project costs mostly through in-kind contributions of their own technical, human, and financial resources.
- Other national NGOs, foundations, and associations (2 percent) provided their contributions either with their own technical and human resources or through direct funding of small-scale initiatives (see box 4.9).
- International NGOs (2 percent) from other European countries and the United States provided small grants and technical support complementing SGP resources for project start-up and/or follow-up.
- Private sector operators (6 percent), mostly local firms, provided in-kind assistance with equipment and materials and/or cash contributions.

Box 4.9: Microfinance in Rural Areas

NGOs such as the Rural Development Foundation and Barka Foundation of Mutual Help activated microfinance schemes for supporting rural microenterprises through open competition and calls for proposals. Some of these schemes generated revolving funds, as others adopted the transfer of assets and benefits to beneficiaries as a tool for expanding the effects and impacts to a larger audience.

Sustainability

As described in section 4.2, SGP projects have generated multiple environmental, economic, and social benefits at the project scale and among local stakeholders. Initially, most of these projects had a demonstration and pilot scope, and aimed at addressing and solving local environmental concerns. Therefore, their major impacts can be assessed in terms of capacity to replicate project approaches and benefits and expand them wider national and global scales. The evaluators also addressed the underlying factors influencing the sustainability of these multiple benefits and the risks and opportunities for their consolidation in space and time.

Empowerment and Ownership

Capacity-building and educational impacts have been assessed by most grantees, beneficiaries, and partners as the most outstanding achievements of the SGP. The capacity of NGOs/CBOs to promote, develop, and implement environmental projects has been strengthened as a result of the SGP learning and adaptation process. Participation of local stakeholders and involvement of beneficiaries have generally been satisfactory. Public environmental awareness and local government commitment have certainly improved during the SGP life-span, and much of this impact can be attributed to SGP small grants as a catalyst to further development.

Educational effects have reached all spheres of society, mostly in rural areas, demonstrating that environmental protection (in its wider concept) can generate social and economic impacts in the medium and long term.

The success and commercial opportunities generated by agrobiodiversity initiatives show that local knowledge and valorization of natural and cultural heritage can represent an effective and sustainable innovation and characterize a Polish model for agricultural competitiveness on broad European and global scales, if adequately supported by local dialogue, development of value chains, and political will.

Nature protection, together with agrobiodiversity, has a strong impact on local and national identity and pride, especially when combined with education and the development of economic opportunities (such as tourism).

For climate change initiatives, the economic viability of energy efficiency and renewable sources at a small scale has been the most convincing instrument for enhancing ownership and replication.

Policy Framework

The current environmental framework is, in principle, conducive to continued support of environmental protection and compliance with Poland's global commitments. However, it is widely recognized that further adjustments need to be made to align policy objectives with the legal and operational framework, in particular in the following fields:

- Identification, delimitation, and enforcement of the Natura 2000 network through a participative consultation process in order to reach consensus and integration of highly needed infrastructure with existing protected areas
- Integration of small-scale renewable energy systems in the national electricity distribution network, which may boost further expansion of the systems and increase their financial sustainability
- Progress in the certification of traditional animal and plant varieties and food products which may lead to new marketing opportunities and consolidate agrobiodiversity achievements

The EU policy framework is generating mixed feelings among environmentalists, in particular with regard to the Common Agriculture Policy and its translation into national and local actions, both in terms of financial instruments and thematic orientation of subsidies to farmers (see box 4.10).

Box 4.10: Nature Protection and Forestation

EU agro-environmental measures provide financial support for forestation schemes. Practitioners are concerned that high subsidies may jeopardize the maintenance of meadows and pastures, which are the preferred habitats for birds. Appropriate and participative land-use planning should be ensured at the regional and local levels in order to define priorities and reduce conflicts and, at the same time, safeguard benefits for local communities.

Financial Sustainability

There is a general agreement among NGOs and institutions that the SGP has represented a unique instrument for start-up and financing of small-scale investments and environmental initiatives with a simplified approach and user-friendly procedures, as compared to other national, EU, and international grant schemes. Concerns exist regarding the possibility of continued funding under the same conditions. However, several SGP grantees have acquired and consolidated new skills in project development and financial engineering, and have diversified their sources of funding as shown in figure 4.3. Some of those instruments may play an important role in the future.

EU programs, although recognized as complex and highly bureaucratic, have been accessed for 22 percent of the SGP cofinancing share, though programs such as LIFE, EQUAL, and Interreg and preaccession funds are no longer available. Apart from the financial and administrative criteria, participation in EU programs requires that NGOs and CBOs have sufficient knowledge of the procedures and the capacity to join forces with other similar organizations and/or with territorial partners as part of a broader initiative. The Leader+ program may be the best opportunity for local NGOs to join local action groups as environmental partners in local development programs with a medium/long-term perspective. The program's pilot phase was initiated in Poland after EU accession. Its objective is the implementation of integrated rural development strategies applying a bottom-up approach and promoting public-private partnerships. The Leader+ approach is very similar to the SGP-promoted strategy. The pilot phase was a test period for the creation of local action groups and for the elaboration of local development strategies.

As a result of SGP-funded projects, some groups became direct beneficiaries of the EU Common Agriculture Policy, through acquisition of set-aside land and implementation of long-term biodiversity conservation activities allowing them to receive EU subsidies for agro-environmental measures. This resource provides these groups with the possibility of sustaining

current activities on purchased land and partially covering costs for new project development, complementing other project-based financing.

The future of national and regional funds for NGOs and environmental community-based initiatives is still uncertain, as has recently emerged in public debate and media. There is concern among environmental practitioners about the centralized approach of the current government and its public finance reform agenda. The provincial funds for environment and water management, which represented an important source of cofinancing (20 percent) for SGP projects, may be affected by this reform.

Bilateral funding through government agencies and international NGOs will certainly decline in the near future, to the benefit of other transition and developing countries. However, negotiations with the Swiss government are under way for a new program in the environmental sector, and cooperation with other international NGOs can be organized through international and interregional network programs. Some international NGOs (such as the Heifer Foundation) are complementing SGP funding with follow-up funding to selected projects with a focus on microenterprise development.

The growing contribution of private sponsors may represent a limited but valuable alternative to public funds for maintaining operational costs of environmental initiatives at the local level.

There is no doubt that fundraising and financial engineering will become an important task for NGOs in the future and that local/regional sources of funds will provide the major opportunities, necessitating more proactive dialogue and cooperation with local stakeholders and territorial partners.