



# Global Environment Facility

## Summary of Document GEF/ME/C.32/2

### Joint Evaluation of the Small Grants Programme – Executive Version

#### Recommended Council Decision

The Council, having reviewed Document GEF/ME/C.32/2, *Joint Evaluation of the Small Grants Programme – Executive Version*, as well as Document GEF/ME/C.32/3, *Management Response to the Joint Evaluation of the Small Grants Programme*, takes note of the conclusions and recommendations and requests the SGP Steering Committee to implement the recommendations by:

- (1) Proposing a level of management costs on the basis of services rendered and cost-efficiency rather than on the basis of an arbitrary percentage.
- (2) Starting a process to change SGP's central management system suitable for the new phase of growth and to address the risks of growing complexity.
- (3) Strengthening country programme oversight.
- (4) Further strengthening Monitoring and Evaluation.
- (5) Proposing a revision of the current criteria for access to SGP resources to maintain cost efficiency.
- (6) Further developing a graduation policy for the SGP country programmes which takes into account the identified risks to GEF achievements and cost-effectiveness, especially in SIDS and LDCs.

#### EXECUTIVE SUMMARY

1. At its meeting in June 2006 Council requested the GEF Evaluation Office to undertake an independent evaluation of the Small Grants Programme. The GEF Evaluation Office invited the UNDP Evaluation Office to participate in the Evaluation. This report presents the main conclusions and recommendations. The full report is available as an information document (GEF/ME/C.32/Inf.1).

2. The primary objectives of the Evaluation were to assess the relevance of the results of SGP to the GEF, to country and environmental priorities. Furthermore, the effectiveness of the SGP in generating global environmental benefits were to be assessed, as well as the efficiency of

SGP in engaging community based groups and NGOs, key factors affecting results of the SGP and the M&E systems.

3. The Evaluation contains ex post evaluation findings, as well as an ex ante analysis of the graduation policy of the SGP. This analysis was done on the request of the GEF Council at its meeting of June 2007. The evaluation collected both qualitative and quantitative data through literature and desk reviews, country programme case studies, a survey of project samples, interviews with a wide variety of stakeholders and an online survey. This led to the following 12 conclusions:

- (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.
- (2) SGP has contributed to numerous institutional reforms and policy changes in the recipient countries to address global environmental issues.
- (3) The SGP has contributed to direct global environmental benefits while also addressing the livelihood needs of local populations.
- (4) The SGP has made significant progress in targeting its efforts to help the poor.
- (5) The SGP country programmes, especially the older ones, are effective in promoting the GEF agenda.
- (6) All country programmes reviewed had interaction with other GEF projects.
- (7) The SGP's overall knowledge sharing practices have been satisfactory.
- (8) Although M&E has improved significantly, there is scope for further improvements.
- (9) The SGP is a cost-effective instrument for the GEF to generate global environmental benefits through NGOs and community based organizations.
- (10) Automatic graduation of country programmes older than 8 years from SGP risks reducing the cost effectiveness of the overall GEF portfolio.
- (11) SGP Country Programmes operate at maximum cost efficiency at an annual expenditure level of \$ 1 to 1.1 million.
- (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

4. These conclusions, which are provided with evidence and analysis in the full version of the evaluation report, lead to the following six recommendations:

- (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.
- (2) A process needs to start to change SGP's central management system so that it becomes suitable for the new phase of growth and to address the risks of growing complexity.
- (3) Country programme oversight needs to be strengthened.
- (4) Monitoring and Evaluation needs to be strengthened further.
- (5) The current criteria for access to SGP resources should be revised to maintain cost efficiency.

- (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.