Small Grants Programme: Joint Evaluation Report

GEF Council
November 14-16
Agenda Item 9
Background

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

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

- Independent Evaluation Office of UNDP became a partner in the evaluation
- Desk studies, datasets, literature reviews,
- Country programme case studies – 22
- Project sample survey – 229 grants
- Interviews, on-line survey
- More than 25 evaluators involved
- Total cost: circa $ 400,000
- Triangulation, validation and verification were made possible through variety of tools and data sources
Relevance and results (1)

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

<table>
<thead>
<tr>
<th></th>
<th>MSPs and FSPs</th>
<th>SGP</th>
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<tbody>
<tr>
<td>% of satisfactory outcomes</td>
<td>84</td>
<td>90</td>
</tr>
<tr>
<td>% of low risks to sustainability</td>
<td>61</td>
<td>80</td>
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</table>
Relevance and results (2)

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

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

<table>
<thead>
<tr>
<th>Rating</th>
<th>Outcome Relevance</th>
<th>Outcome Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Satisfactory</td>
<td>50%</td>
<td>37%</td>
</tr>
<tr>
<td>Satisfactory</td>
<td>34%</td>
<td>42%</td>
</tr>
<tr>
<td>Moderately Satisfactory</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Satisfactory Range</td>
<td>96%</td>
<td>94%</td>
</tr>
<tr>
<td>Moderately Unsatisfactory</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Unsatisfactory</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Highly Unsatisfactory</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Unsatisfactory Range</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

(Relevance: Projects reviewed=180; projects rated=180, unable to assess=0; Effectiveness: Projects reviewed =180, projects rated =167, unable to assess = 13)
Relevance and results (4)

- Conclusion 4: The SGP has made significant progress in targeting its efforts to help the poor
  - From OP2 to OP3 grants targeted to the poor increased from 55% to 72%
  - In SIDS this was 39% and in LDCs 89%
  - Grants targeted to women: 26%
  - Indigenous and ethnic groups were reached, but not specifically targeted
Relevance and results (5)

Conclusions 5: The SGP country programmes, especially the older ones, are effective in promoting the GEF agenda.

Some elements are:
- Developing and strengthening institutional capacity
- Reaching out to stakeholders, raising awareness and knowledge sharing
- Stakeholder participation
- Partnerships
- Programmatic approach
Efficiency / cost-effectiveness (1)

- Conclusion 6: All country programmes reviewed had interaction with other GEF projects
- Conclusion 7: The SGP’s overall knowledge sharing practices have been satisfactory
- Conclusion 8: Although M&E has improved significantly, there is scope for further improvements
Efficiency / cost-effectiveness (2)

- **Conclusion 9**: The SGP is a cost-effective instrument for the GEF to generate global environmental benefits through NGOs and community-based organizations.

- **Elements are:**
  - Management costs
  - Mobilization of co-financing
  - Efficiency of the country programmes
  - Efficiency in grant delivery
  - Efficiency of grant outcomes
Efficiency / cost-effectiveness (3)

● Management costs:
  - SGP somewhat more expensive but delivers more services which are essential to the SGP’s success
  - Decrease in costs in OP3 was made possible by an increase in overall funding and same level of involvement in countries – strain on central management is increasing

● Mobilization of co-financing:
  - Not completely on target but OP3 closed earlier
Efficiency / cost-effectiveness (4)

- **Country programmes:**
  - Programme management was *efficient* or *highly efficient* in all 22 countries studied

- **Grant delivery:**
  - SGP more efficient than small grants components of MSPs and FSPs and less delays in grant cycle

- **Grant outcomes:**
  - 94% rated satisfactory on efficiency of achieving outcomes
Graduation policy

- Policy of December 2006: countries with 8 years of funding will need to graduate from SGP and will no longer receive GEF funding
- Council requested an *analysis* not an evaluation
- Analysis:
  - Well established country programmes have become a cost-effective way of achieving sustainable global environmental benefits
  - SIDS and LDCs: less cost-effective, but SGP is well suited to address absorptive capacity in SIDS and operational capacity issues in LDCs
Efficiency / cost-effectiveness (5)

- Conclusion 11: SGP Country Programmes operate at maximum cost efficiency at an annual expenditure level of $1 to 1.1 million
Efficiency / cost-effectiveness (5)

- Conclusion 12: The higher level of GEF investments in SGP during OP 3 facilitated SGP in operating at greater cost efficiency levels than OP 1 and OP 2.
Efficiency / cost-effectiveness (6)

- Conclusion 13: The current management model of SGP has reached its limits and is not suitable for a new phase of growth
  - Rapid increase in countries from 100 → 120 – thus the same amount needs to be spread thinner
  - Increasing demands on CPMT
  - More differentiated needs of country programmes
  - Less possibility to interact
  - More competition with other GEF agencies and programs
Recommendations (1)

- Recommendation 1: The level of management costs should be established on the basis of services rendered and cost-efficiency rather than on the basis of an arbitrary percentage
  - Move away from an arbitrary percentage to more transparency and better accountability

- Recommendation 2: A process needs to start to change SGP’s central management system suitable for the new phase of growth and to address the risks of growing complexity
Recommendations (2)

- Recommendation 3: Country programme oversight needs to be strengthened
  - Conflict of interest procedures need to be improved
  - Audits should be budgeted and carried out
  - Grievance procedures

- Recommendation 4: Monitoring and Evaluation needs to be strengthened further
  - Database and record keeping needs to be improved further
Recommendations (3)

- Recommendation 5: The current criteria for access to SGP resources should be revised to maintain cost-efficiency
  - December 2006: limit of total funding – SGP+RAF = $600,000 – this is below highest efficiency level for management costs
  - Requirement of matching (SGP=RAF) also leads potentially to lower efficiency level for management costs of country programme
Recommendations (4)

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