

Report of the Second Independent
Evaluation of the Global Environment
Facility Small Grants Programme
(GEF/SGP)

1996-1998

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**SECOND INDEPENDENT EVALUATION
OF THE GEF SMALL GRANTS PROGRAMME:
THE TRANSITION TO AN OPERATIONAL PHASE**

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1. *ANALYSIS OF SELF-EVALUATION QUESTIONNAIRE RESPONSES*
2. *NINE GEF/SGP COUNTRY STUDIES*
(Costa Rica, Eastern Caribbean regional program, Ghana, Indonesia, Jordan, Mexico, Philippines, Poland, Senegal)

SUMMARY

◆ INTRODUCTION

The GEF's Small Grants Programme (GEF/SGP) was launched in 1992 to provide support for community-level initiatives that contribute to conserving global biodiversity, mitigating global climate change or protecting international waters. For its Pilot Phase (1992-96), the GEF/SGP received \$18.2 million. In October 1995 the GEF Council approved a further \$24 million for the first two years of the GEF/SGP's Operational Phase (July 1996-June 1998).

UNDP provides overall management of the GEF/SGP, while project execution is carried out by the UN Office for Project Services (UNOPS). Supervision and technical support are provided by a Coordination Unit at UNDP New York (NYCU). A National Coordinator (NC) and a National Selection Committee (NSC) are responsible for the program in each country, with support from the UNDP Country Office. Grants of up to US\$50,000 are awarded by the NSC to community groups and NGOs. The GEF/SGP's policy is to prioritize projects that: (a) provide for community participation in their design, implementation and evaluation; (b) involve local organizations; (c) pay attention to the needs of women and/or indigenous people and practices; (d) draw on local scientific and technical resources and/or (e) include provision for capacity development.

The GEF/SGP Pilot Phase focused on setting up a decentralized program for small-grant support to NGOs and community-based organizations (CBOs). Grants were used to support a wide range of activities which were intended to demonstrate and test community-level approaches within the three GEF focal areas applicable to the GEF/SGP.

During the Operational Phase the GEF/SGP has attempted to establish "a longer-term and more strategic approach to program planning and implementation at country and global levels", as a means of achieving greater impact in the GEF focal areas. UNDP defined its Operational Phase plans in a Project Document (ProDoc) finalized in September 1996.

The \$24 million two-year Operational Phase budget was split between \$17.95 million for grants and \$6.05 million for nongrant expenditures. This allocation set grants at 75% to ensure that program support, management and administrative costs did not exceed 25% of the total budget. Corresponding Pilot Phase figures were 62% and 38%, with nongrant expenses inflated by start-up costs for 33 country programs.

By the end of 1997, \$16.6 million (92%) of the \$17.95 million provided for Operational Phase grants had been allocated to the country programs, \$7.8 million (43%) had been committed to grantees and \$3.8 million (23%) had been disbursed. UNDP expects 750 projects to have been initiated by the end of the Operational Phase, and 347 had been funded by the end of 1997. The average grant size of \$22,500 so far is \$600 higher than for the Pilot Phase.

The purpose of this evaluation was to review the performance of the program, especially in the period 1995-1997. The evaluation was based on interviews, reviews of key documents, visits to 7 countries, commissioned studies on two further countries, and a self-evaluation questionnaire sent to the country programs. The evaluation was carried out by three international consultants

supported by local consultants in the countries visited.

The GEF/SGP is too recent to be able to evaluate progress in biodiversity conservation, climate change mitigation and the protection of international waters, and performance indicators have yet to be developed in these focal areas either for the GEF/SGP or the GEF as a whole. As the GEF/SGP lacks a performance monitoring system, impacts were assessed in areas which provide interim indicators of progress: capacity development, leverage of experience, sustainability and raising awareness.

◆ OVERALL FINDINGS

By the end of its Operational Phase in June 1998, the GEF/SGP will have set up 45 national programs and made grants to more than 1,100 projects, at a total cost of about \$42 million over 6 years. During the two-year Operational Phase alone, the GEF/SGP will have set up 12 new programs and disbursed about \$18 million to more than 700 projects. Grant funds have been distributed fairly evenly among participating countries and no attempt has been made to prioritize countries or regions where biodiversity losses or greenhouse gas emissions are most serious.

The distribution of grants among the GEF focal areas has not changed significantly from the Pilot Phase: biodiversity was 71% in the Operational Phase vs. 76% in the Pilot Phase, climate change 17% vs. 19%, international waters 3% vs. 4.5% and projects with multiple focal areas 9% vs. 0.5%. Of the four new programming areas introduced for the Operational Phase, most GEF/SGP grants are for demonstration projects and capacity building, with relatively few grants supporting applied research, policy analysis or policy dialogues.

The project portfolio includes some innovative and very impressive projects which are fully consistent with the GEF's Operational Programs. Such projects have usually resulted from very careful project selection, considerable environmental expertise and a clear understanding of GEF goals on the part of the NC and NSC. But the portfolio also includes many projects with only indirect or tenuous links to the GEF focal areas. This is due both to a lack of technical guidance from the NYCU and to the fact that most national programs and their grantees are struggling to reconcile the immediate and urgent priorities of poor, rural communities with the global environmental problems targeted by the GEF.

National institutional arrangements for GEF/SGP management are generally working very effectively, even though there are significant performance variations between the country programs. With very few exceptions, impressive and dynamic NCs are well supported by capable and dedicated NSC members and are highly respected by key government agencies as well as the NGO/CBO community. The establishment of strong management teams in so many countries has been a major achievement for the NYCU and the local UNDP Country Offices.

Awareness raising and capacity building among a broad spectrum of grantees and partner organizations are clear GEF/SGP strengths. Many national GEF/SGP's have also achieved wide recognition based on their skillful outreach and communications with a variety of audiences, their participatory approach to project design and implementation, their commitment to broad stakeholder involvement in environmental initiatives, and for their role in highlighting international environmental obligations in local and national environmental debates. Considering the modest

level of grant funds available for disbursement in each country (averaging less than \$200,000 per year during the Operational Phase) and the small operating budgets (less than \$50,000 per year), it is remarkable what has been achieved.

The GEF/SGP has been under considerable pressure to reduce its nongrant expenditures or transaction costs, and has strived to keep these under 25% during the Operational Phase. But this has only been achieved at the cost of keeping country operating budgets so low that many essential activities could not be carried out, and by cutting the services provided by the NYCU to a completely unsatisfactory level.

Supervision and coordination of the GEF/SGP have not progressed as anticipated by UNDP at the beginning of the Operational Phase, mainly due to the lack of staff and financial resources available to the NYCU. Many outputs and activities specified in the ProDoc were either delayed or remain incomplete. Notably, the GEF/SGP still lacks both a strategic framework and an impact monitoring system, and systematic attention to the learning process has been limited. As a result, the program's objectives and methodologies remain unfocused and it is unclear how progress towards GEF goals should be measured, either at a program or project level.

Expansion into as many as 45 countries has spread the GEF/SGP's financial and management resources very thinly, compromising both effectiveness and efficiency. Overall coordination of the 45 national GEF/SGPs has been provided by an NYCU consisting of less than two full-time professional staff. As a result, it has proven impossible for the NYCU to provide the needed leadership and levels of support to the country programs as they attempted to make the challenging strategic and programmatic transition to the Operational Phase. Delays and frustration have resulted, including some significant holdups in transferring funds for Operational Phase grants to the national programs.

While the ProDoc contained many worthy goals and objectives related to community-level initiatives in global environmental areas, these were largely unrealistic for a two-year Operational Phase and were inconsistent with the level of resources available. Projects cannot be expected to induce sustainable change in rural communities within such short periods of time, let alone to generate measurable impacts on global environmental problems. The ProDoc is not an adequate planning tool and does not contain a practical set of criteria which can be used to assess the GEF/SGP's achievements during the Operational Phase.

◆ PROGRAM IMPACTS

Many national GEF/SGPs have made important contributions to environmental awareness raising both among NGOs/CBOs and among project partners, including government agencies. Communicating the links between local actions and global problems remains a challenge at the community level. Organization and technical capacity building is a particular strength of the program. Environmental knowledge and technical skills have been acquired by an impressive range of grantees.

Most projects have convincingly involved a wide range of stakeholders in their participatory approaches to design and implementation. Significant numbers of grants have attracted

cofinancing, some on a large scale. Most countries can show convincing examples of projects which have been scaled up or replicated elsewhere.

The prospects for project sustainability are limited by the short duration of most of the projects, with most grants being for a maximum of 1-2 years. Project income-generating components intended to promote sustainability are generally unconvincing, lacking adequate feasibility studies and business-oriented management.

◆ MAJOR PROGRAMMING ISSUES

More technical guidance is needed to help select sites and technologies, to identify which types of projects are appropriate for GEF funding, and to access information on technical options, replicability, cost-effectiveness and other aspects of small-scale project experiences from other countries.

The tension between community priorities and GEF goals presents a significant challenge to the GEF/SGP. The prospect of meeting basic needs or capacity building often provides GEF/SGP or its NGO grantees with their entry point to a community. But winning the confidence of communities and helping them organize takes time, involves much uncertainty and is unlikely to be successful if it begins with an explicit emphasis on GEF focal areas. As a result, many GEF/SGP community projects begin with activities which are not related to GEF focal areas. At least some GEF/SGP projects do show that new ideas and concepts related to global environmental problems can be added over time once more immediate and basic goals have been achieved. However, the extent to which GEF funds should be used to support community development needs as an indirect, unspecified but necessary route towards addressing global environmental problems has not been adequately addressed.

This dilemma for the GEF/SGP could in principle be addressed by attracting funds from other sources to support basic community development, so that GEF funds could specifically be targeted on biodiversity, climate change and international waters. This would be analogous to financing the baseline costs in the incremental cost framework. Cofinancing for GEF/SGP projects has not supported such baseline expenditures so far.

GEF/SGP projects which have moved fastest and shown greatest progress are usually those involving accomplished and experienced NGOs in urban or semi-urban areas. Projects involving poor rural communities and inexperienced CBOs have generally progressed much more slowly. Projects in the former category - which are discouraged by the ProDoc - also require far less management support and supervision than projects in the latter category. The program has so far given little attention to the important operational implications of the choices between these types of projects and their different definitions of "community".

While significant and impressive progress has been made in a number of important areas, especially at the national program level, it is evident that the GEF/SGP still lacks an explicit strategy for grappling with the program's key technical and operational challenges: (a) how to use small grants to achieve a reconciliation between local community priorities and the global environmental problems defined as the GEF's focal areas; (b) how to measure or assess the performance and impacts of the program and its projects; and (c) how to reconcile the management

of a diverse and technically-complex program in 45 countries with very modest resources for central and national-level management.

◆ LINKAGE AND COORDINATION

The GEF/SGP has successfully brought NGOs and CBOs together with government agencies and research institutions in innovative partnerships to address environmental problems. Some of these partnerships have persisted and expanded beyond GEF/SGP-financed projects, facilitating information flows, training and sometimes cofinancing and replication.

GEF/SGP support for NGOs and CBOs has helped develop more constructive links with government in several countries. This has usually resulted from the realization among NGOs/CBOs that they need government support and participation to be effective. In turn, as NGO/CBO projects gain credibility, these organizations learn to manage more complex interactions with government agencies, which begin to see NGOs/CBOs as collaborators.

The GEF/SGP has attracted extraordinarily high amounts of voluntary inputs to its projects, from universities and research institutions, governmental services, NGOs, private and public sector organizations and individuals, community members, local government representatives, as well as the volunteer NSC members. This represents an impressive level of commitment to solving environmental problems.

There are few examples of effective operational links with the main GEF. The relationships which do exist often involve the GEF/SGP's NSC members. Most NCs have attempted to strengthen these links, often with limited success. The GEF/SGP is still not well known to many of the GEF Implementing Agency task managers, especially in the World Bank.

Relationships between national GEF/SGPs and UNDP Country Offices vary. Grantees appreciate UNDP's political neutrality and access to government as well as the credibility which small organizations receive from financing through a UN agency. Some Country Offices are highly supportive to the GEF/SGP, others less so. The Country Offices were not consistently aware of the GEF/SGP's transition to the Operational Phase. Synergies between the GEF/SGP and other UNDP initiatives are still fairly limited and there are few signs that the GEF/SGP approach and experiences have become mainstreamed in regular UNDP programs, even though the GEF/SGP does provide UNDP Country Offices with an opportunity to show they have a convincing environmental program.

◆ INSTITUTIONAL ISSUES

The country programs are at different stages of development. Some country operations are highly sophisticated and effective, others are still maturing, while some remain in an experimental, pilot phase and still require considerable supervision. So far, all countries have been treated homogeneously by the NYCU, with little variation in expected outputs, grant funds or degree of technical support. A more sophisticated approach to overall management of the country programs will be needed for the next phase of GEF/SGP operations.

The national GEF/SGPs have all taken at least some steps towards program sustainability, although the idea of country program sustainability remains unclear to most, if not all, NCs and NSC members in terms of goals, timeframe, options and procedures. Most country programs will require several years or more before they can expect to become financially and/or institutionally independent from the GEF, and they will require significantly more guidance on how to achieve this. It is not clear that such independence would be desirable in all countries. A significant number of country programs have little prospect of achieving financial independence under existing donor and national government spending priorities.

Several countries reported delays of some months in the transfer of grant funds from New York, in some cases with negative impacts on projects. Such delays put a major constraint on the country programs during the relatively brief two-year Operational Phase.

◆ THE GEF/SGP's POTENTIAL WITHIN THE GEF

The GEF/SGP occupies a unique and valuable niche not only within the GEF but within all international environment and development efforts. Many of the national programs have convincingly engaged a wide range of actors in addressing global environmental problems, leading to ground-breaking coalitions and partnerships. The GEF/SGP also provide a stream of funding - albeit on a very modest scale - which is unmatched by other environmental programs in terms of its innovation, flexibility and responsiveness. There is no comparable mechanism for raising environmental awareness and building capacity across such a broad spectrum of constituencies within the recipient countries. National ownership of the GEF/SGP and commitment to its participatory principles is clearly demonstrated by the talented and experienced people attracted to become NSC members, as well as the enormous voluntary inputs elicited by the programs from all levels of society.

The GEF/SGP is therefore relevant to the GEF now and should become even more relevant as the GEF begins implementation of its 1998 replenishment. But the results of this evaluation strongly suggest the GEF/SGP is only likely to live up to its considerable potential if UNDP demonstrates the willingness to make a much more strategic and realistic selection of goals and objectives which are tightly linked to the aims of the GEF, and if more resources can be made available for overall program management.

◆ STRATEGIC RECOMMENDATIONS

Preparation of a GEF/SGP Strategic Framework and Operational Plan, which was anticipated but not carried out during the Operational Phase, should be UNDP's first priority, whether or not this takes the explicit form of another ProDoc. Involvement of the GEF Secretariat in this process seems essential, and the individual Country Programme Strategies will be a key source of information. This task should include a re-examination of the GEF/SGP's goals and objectives in the context of the considerable progress to date, the GEF's evolving priorities and the GEF/SGP's own management resources. The GEF/SGP's objectives and approach should be formulated in a way that (a) provides operational guidance to the NYCU and the country programs, (b) retains the entrepreneurial spirit and experimental nature of the more effective national programs, and (c) allows progress to be adequately assessed over time. A much better match between the technical and management capacity of the GEF/SGP and the expected outputs will be needed in future if the

program is to make its full potential contribution to the GEF. Outputs from this process should reflect a clear consensus among UNDP and the GEF.

The short duration of the two-year Operational Phase caused considerable uncertainty within the country programs and made many of them reluctant to enter into serious long-term planning. This problem was compounded by some serious delays in approving the Country Programme Strategies and transferring grant funds from New York to the field. Despite their generally outstanding contributions, the NCs have had little job security and none of them have received any assurance that their employment will extend past June 1998. These conditions seem antithetical to sustainability. To make a convincing case for replenishment covering a longer period - ideally 4 or 5 years as is usually the case for large GEF projects - it is recommended that UNDP give high priority to developing a series of benchmarks which will allow progress during the next phase of GEF/SGP operations to be measured over time and grant funds released accordingly.

Performance indicators should be developed for GEF/SGP projects and an effective monitoring and evaluation system established. These are challenging tasks which will require experimentation and learning over an extended period of time as well as specific resources.

Uniform, program-wide operating goals and objectives are less applicable than previously. As the GEF/SGP progresses, significant performance variations between the countries are becoming more apparent, with some countries at a much more advanced stage of implementation than others. These differences are attributable to the specific country contexts as well as the life span of the respective national programs and the management capacities of the NCs and NSCs. This means that identical goals, expectations and activities for all countries will no longer be appropriate, even while a common overall GEF/SGP strategy is followed. The GEF/SGP must therefore develop the capacity to manage significant diversity among its country programs. A system of measuring the level of implementation or progress in each GEF/SGP country should be developed, with the objective of rewarding countries with funds and flexibility based on a systematic analyses of their performance and potential. It will be critical to measure progress in relation to achievable goals established on an individual country basis.

During the Operational Phase, country programs were expected to move away from diversified portfolios of demonstration projects and towards a more strategic focus on longer-term program priorities. This process is still far from complete in most, if not all, countries and will require considerable attention before and during the next phase of GEF/SGP operations. Subject to the maturity of the individual country programs, this transition should concentrate mainly on extending support to previous efforts which show signs of progress. This might include broadening or consolidating the initial project impacts, replication, scaling up, policy dialogues, establishing links to larger projects, testing participatory monitoring and evaluation approaches and/or training. The GEF/SGP's demonstrated progress in awareness raising and capacity building should certainly to be emphasized, although both of these activities could benefit from clearer definition of goals and objectives.

The individual Country Programme Strategies prepared during the Operational Phase provide a very useful starting point for planning the next phase of GEF/SGP operations. These documents can provide a transparent statement of national program goals and plans as well as a management tool for assessing progress. But at least some of these CPSs have yet to be thoroughly reviewed

and assessed by the NYCU, with feedback provided to the countries. While some of the CPSs are most impressive, others require considerably more work if they are to become useful documents. Continuing to develop and refine the CPSs should be a high priority. The UNDP Country Offices should become more involved in guiding the CPSs, based on appropriate guidelines and a clear understanding of the overall GEF/SGP strategy.

Country programs should establish stronger relationships with the key government agencies responsible for national priority setting in relation to the GEF focal areas, e.g., national biodiversity strategies. This should (a) help ensure that GEF/SGP strategies and grants are consistent with and support national plans and policies, i.e., are country driven, and (b) allow for synergies between GEF/SGP and other initiatives identified as national priorities.

Countries need considerably more technical direction within each of the GEF focal areas and much more guidance on what types of projects should be eligible for GEF/SGP funding. In particular, more attention must be given to working out how small grants can most effectively be used within each of the applicable GEF focal areas and operational programs, with this information provided to the national programs in a usable format. Such a flow of information should be continuous rather than a one-time exercise. Use of the Internet in this respect has hardly begun to be explored. Once such information becomes available, country programs should be encouraged to test specific and clearly-defined hypotheses concerning the use of particular local, small-scale approaches to global environmental problems, and then - critically - to disseminate the results.

The GEF/SGP should develop and adopt a strategy for attracting matching, non-GEF funding for its projects, targeting inexperienced and/or impoverished communities which are not immediately in a position to give their full attention to global environmental problems. Such baseline funding aimed at grantees' basic needs and subsistence concerns should allow GEF/SGP grants to be more carefully targeted on subsidizing the incremental costs of activities to benefit the global environment.

The project selection process in many countries needs to be refined to ensure tighter links to the GEF focal areas, in conjunction with the recommendations made in the four previous paragraphs.

The GEF/SGP has clear strengths in some of the key areas which the GEF Council highlighted for the GEF as a whole in April 1998 in New Delhi, especially involving broad ranges of stakeholders in projects, using participatory approaches to work with NGOs and communities, outreach and communications to multiple constituencies, engaging local and national technical expertise, and clearly being country driven. But the GEF/SGP has disseminated very little information on how these areas are being addressed or what has been learnt from experience in terms of what works and what doesn't. The knowledge and experience gained by the GEF/SGP will continue to be transmitted informally within a limited network until systematic attention is given to learning and dissemination of experiences. Other countries, the main GEF and other interested parties cannot benefit from the GEF/SGP's project experiences unless these are carefully documented, objectively analyzed and broadly disseminated.

Communications within countries is already quite effective. But information management needs to be taken much more seriously by the GEF/SGP at three levels: (a) between NYCU and the country programs, all of which should be provided with Internet access as soon as possible; (b) between the

country programs, particularly within regions; and (c) between the GEF/SGP as a whole and other key institutions and agencies, especially the GEF Secretariat, the GEF Implementing Agencies, the Conventions, other donors and international NGOs. The timely translation of key documents into French, Spanish and Arabic should be a strict program requirement.

The GEF's Medium-sized Projects initiative is fully understood by some countries, barely at all by others. This program offers significant scaling-up opportunity for GEF/SGP grantees and could become an important bridge between the GEF/SGP and larger GEF projects. Information dissemination concerning GEF medium-sized grants should be improved, to include follow up, support for presentations and additional materials.

Finally, UNDP should make a renewed effort to demonstrate how it can mainstream the results of the GEF/SGP's experiences into its other operating programs, and use these programs to support the GEF/SGP where appropriate.

◆ INSTITUTIONAL ARRANGEMENTS AND RESOURCES

More resources are needed for the NYCU to address key strategic program issues, to provide more technical direction and support, and to be more responsive to the country programs. The current level of staffing seems inadequate by at least 2-3 professional staff, if not more, compounded by the fact that the GEF/SGP Coordinator has not been replaced since leaving UNDP in December 1997. Plans for the next phase of GEF/SGP operations should make provisions for adequate staff and financial resources.

If the resources can be made available to step up staff levels (and if they cannot, the problems identified in this evaluation seem destined to continue), then a variety of options might be considered. One possibility would be to have three regional coordinators based in the regions, one each for Asia-Pacific, Latin America and Africa (the Arab States and Europe could be handled as extensions of the impressive programs in Jordan or Egypt and Poland, respectively). These individuals could be based in their own countries and travel throughout their region, helping refine the CPSs, supporting monitoring and evaluation, and contributing to documenting and disseminating program lessons.

Consideration should also be given to subcontracting certain support activities expected of central management. Support for the development and implementation of a GEF/SGP impact monitoring system, the organization and implementation of training on various aspects of financial sustainability and/or the documentation and dissemination of lessons learned could be assigned to qualified organizations.

The NYCU and UNOPS should review their own procedures to ensure that the delays in transferring funds to the country programs experienced during the Operational Phase are not repeated.

More resources should be provided for country programs to enhance their technical capacities and to relieve the pressure on the NCs and NSC members. NCs are usually supported by a single administrative/clerical staff members. Country programs should be provided more resources to bring in a senior technical staff member to support the NC. The NC could then focus more on

institutional linkages, leveraging activities and the strategic guidance of the country program. The presence of a more senior and technical person to backstop and provide support to the NC would also make the country program less susceptible to any sudden loss of institutional memory and direction should the NC leave.

As a possible alternative, country programs could be provided with resources to recruit a panel of experts that can be on-call for technical assistance, to develop agreements and working relationships with universities or research institutions, to subcontract certain activities such as technical training and workshops, impact monitoring and evaluation, and the multimedia documentation and dissemination of lessons learned to relevant expert firms and groups. Irrespective of which option or combination of options proves most suitable, more resources should certainly be provided to help the country programs meet these needs.

Although many NSCs were strengthened during the Operational Phase, more financial expertise and small business experience are generally needed to evaluate the feasibility of projects' attempts to develop financial sustainability through their own income-generating activities.

1. INTRODUCTION

◆ BACKGROUND

The Global Environment Facility (GEF) began its three-year Pilot Phase in 1991 and was restructured in 1994. By June 1997 a total of 230 projects had been allocated GEF funding of almost \$1,600 million in the GEF's four focal areas, mainly through World Bank (\$1,064 million) and UNDP (\$460 million). Average project size has been about \$10.7 million for World Bank and \$3.9 million for UNDP.

The GEF's Small Grants Program (GEF/SGP) was launched in 1992 to provide support for community-level initiatives that contribute to conserving global biodiversity, mitigating global climate change or protecting international waters (three of the four GEF focal areas, leaving out ozone depletion). For its Pilot Phase (1992-96), the GEF/SGP received \$18.2 million. In October 1995 the GEF Council approved a further \$24 million for the first two years of the GEF/SGP's Operational Phase (July 1996-June 1998). The GEF/SGP had been established in 33 countries by the end of the Pilot Phase in 1996, and is expected to be operational in 45 countries by the end of 1998.

UNDP provides overall management of the GEF/SGP, while project execution is carried out by the UN Office for Project Services (UNOPS). Supervision and technical support are provided by a Coordination Unit at UNDP New York (NYCU). A National Coordinator (NC) and a National Selection Committee (NSC) are responsible for the program in each country, with support from the UNDP Country Office. Grants of up to US\$50,000 are awarded by the NSC to community groups and NGOs. The GEF/SGP's policy is to prioritize projects that: (a) provide for community participation in their design, implementation and evaluation; (b) involve local organizations; (c) pay attention to the needs of women and/or indigenous people and practices; (d) draw on local scientific and technical resources and/or (e) include provision for capacity development.

◆ TRANSITION TO THE OPERATIONAL PHASE

The GEF/SGP Pilot Phase focused on setting up a decentralized program for small-grant support to NGOs and community-based organizations (CBOs). Grants were used to support a wide range of activities which were intended to demonstrate and test community-level approaches within the three GEF focal areas applicable to the GEF/SGP.

In October 1995, as the funding for the first two years of the GEF/SGP's Operational Phase was approved, the GEF Council passed a resolution requiring that: (a) GEF/SGP activities be linked to the GEF Operational Strategy; (b) GEF/SGP-funded activities be related to all four GEF focal areas (ozone depletion was subsequently dropped); (c) GEF/SGP be integrated with national GEF-funded activities; (d) Strong consideration be given to the sustainability of GEF/SGP activities in recipient countries, other funds mobilized, and the program's ability to leverage other funding; (e) GEF/SGP transaction costs be reduced over time; and (f) In considering the eventual expansion of the GEF/SGP, examination is given to the effectiveness of regional or subregional modalities.

During the GEF/SGP's Operational Phase - the principal focus of this evaluation - UNDP has attempted to build on the Pilot Phase experience and take into account the concerns of the GEF Council. The GEF/SGP has attempted to establish "a longer-term and more strategic approach to program planning and implementation at country and global levels", as a means of achieving greater impact in the GEF focal areas. UNDP defined their Operational Phase plans in a Project Document (ProDoc) finalized in September 1996. The TOR for this evaluation calls for progress towards the goals set in the ProDoc to be assessed.

◆ ALLOCATION OF FUNDS

The \$24 million two-year Operational Phase budget was split between \$17.95 million for grants and \$6.05 million for nongrant expenditures. This allocation set grants at 75% to ensure that program support, management and administrative costs did not exceed 25% of the total budget. Corresponding Pilot Phase figures were 62% and 38%, with nongrant expenses inflated by start-up costs for 33 country programs.

By the end of 1997, \$16.6 million (92%) of the \$17.95 million provided for Operational Phase grants had been allocated to the country programs, \$7.8 million (43%) had been committed to grantees and \$3.8 million (23%) had been disbursed. UNDP expects 750 projects to have been initiated by the end of the Operational Phase, and 347 had been funded by the end of 1997. The average grant size of \$22,500 so far is \$600 higher than for the Pilot Phase.

◆ THIS EVALUATION

According to the Terms of Reference (Annex 2), the purpose of this GEF/SGP evaluation was "to review the performance of the program, especially in the period 1995-1997. This was to include both an evaluation of progress in program implementation, measured against the planned outputs set forth in the Project Document, and an assessment of features related to the impact of the program". The TOR called for a minimum of 5 countries to be visited.

The evaluation team consisted of three international consultants supported by local consultants in each of the countries visited. One of the international consultants, Mr. Delfin Ganapin, is a member of the National Steering Committee for the Philippines GEF/SGP. An independent advisory panel convened by UNDP provided important and helpful suggestions to the evaluation team. Results of an external evaluation of the GEF/SGP in 1995 were also taken into account.

The evaluation was based on interviews and reviews of key documents as well as:

- (a) Visits to 7 countries during January and February 1998: Costa Rica, Ghana, Jordan, Mexico, Poland, Senegal & Eastern Caribbean (a regional program covering 10 island states). The selection of countries was based on multiple criteria, including geographic representation and diversity of program experiences, as described in Annex 6.
- (b) Commissioned reports on two further countries, Indonesia and Philippines, prepared under the supervision of the evaluation team. The Indonesia report was drafted by the executive director of an international development NGO in Jakarta. The Philippines report was

drafted by two local consultants (and is still being processed due to the serious illness of the first consultant selected).

- (c) The responses to a self-evaluation questionnaire sent to the 33 GEF/SGP country operations established during the Pilot Phase. Another international consultant analyzed the questionnaire responses.

The country visits by individual members of the evaluation team followed detailed guidelines which had been prepared by the team in advance (these were also used by the consultants preparing the commissioned reports). The visits averaged about one week each and were arranged at short notice. Several GEF/SGP grantees and projects were visited in each country, although the selection of sites often had to be based on logistical criteria given the short period of time available and often large distances involved. The evaluation methodology therefore had some limitations, although these were not considered prejudicial to the overall findings.

Consistent results were generated from the completed interviews, document reviews, self-evaluation questionnaire responses, country visits and commissioned studies, thereby satisfying the evaluation team that the choice of countries for intensive study had been broadly representative.

The evaluation team prepared detailed analyses of the findings of the country visits as well as an analysis of the self-evaluation questionnaire responses. These studies document much of the information on which the evaluation is based, and have been shared with UNDP. This report analyzes and draws from this body of information but does not attempt to summarize it.

2. PROGRESS TOWARDS OPERATIONAL PHASE OBJECTIVES

The ProDoc defines 8 Operational Phase outputs for the GEF/SGP, each supported by a variety of individual activities. This chapter assesses the progress made towards each of these outputs and activities. Several key issues arising from this part of the evaluation are explored further in the chapters which follow.

OUTPUT 1. An integrated strategic and operational framework in place, and strengthened program support capacity, to enhance GEF/SGP implementation, quality and impact

Planned Activities (with completion date and responsibility)

- 1.1 Program Review and Strategic Planning Workshop for all NCs (June 1996, NYCU)
- 1.2 Develop a GEF/SGP Strategic Framework (October 1996, NYCU)
- 1.3 Revised Country Programme Strategy (CPS) in each country (November 1996, NCs)
- 1.4 Develop and disseminate GEF/SGP Operational Guidelines (November 1996, NYCU)
- 1.5 Develop and implement a GEF/SGP Impact Monitoring System (December 1996 (development), NYCU)
- 1.6 Recruit technical consultants to strengthen program support capacity (date and responsibility not specified).

Progress Made

- 1.1 A June 1996 Global Workshop launched the Operational Phase by bringing together representatives from 31 GEF/SGP country programs, the NYCU staff and technical specialists in the GEF focal areas. Pilot Phase experiences and lessons were reviewed, the implications of the GEF Operational Strategy for the GEF/SGP were discussed, and a start was made in developing program guidelines for the Operational Phase. This workshop was highly valued by the NCs, who reported getting a better understanding of the program and receiving substantial benefits from exchanging information with their contemporaries.
- 1.2 Not done. A GEF/SGP Strategic Framework document was not produced. According to the NYCU, the GEF/SGP Strategic Framework currently consists of the following documents: the ProDoc itself, the GEF/SGP Program Guidelines (output 1.4), the GEF Operational Strategy and the GEF Operational Programs, as well as the individual GEF/SGP country program strategies (output 1.3). But the country programs are unaware that these documents comprise the Strategic Framework. None of these documents were translated into French, Spanish or Arabic by the NYCU as called for in the ProDoc, and they could not easily be shared with NSCs and partner organizations in non English-speaking countries. Some countries drew on their own limited budgets to make translations.
- 1.3 Although the results vary in quality, the revision of Country Programme Strategies (CPSs) was taken seriously and carried out reasonably effectively in most countries, with genuine attempts to elicit the participation of a broad range of stakeholders followed by careful analyses of

opportunities and priorities. CPS approval was established as a pre-requisite for the release of Operational Phase funds to the countries, although some countries did receive funds without having prepared a revised CPS or having obtained formal approval. CPS preparation occupied most of 1997 versus the late 1996 target date. NYCU had approved 28 (of 33) revised strategies by March 1998, although little feedback was provided to the countries. Many countries reported delays of several months in obtaining a response from NYCU to their draft strategies and/or finding out whether these had been officially approved, often leading to further delays in the transfer of funds to the countries and to grantees. Of the 9 countries targeted by the evaluation, Ghana and Poland had not completed a revised CPS. Costa Rica had not received the ProDoc and was unaware of the CPS procedures to be followed until early 1998.

The CPSs reviewed in Jordan, Senegal, Caribbean, Philippines and Mexico were all impressive documents in terms of articulating environmental problems, the institutional context and a general strategy, with those in Ghana and Indonesia being somewhat less convincing. The Caribbean, Jordan and Senegal CPSs explicitly link the GEF/SGP to both the GEF focal areas and the GEF Operational Programs, and the Caribbean CPS is a particularly detailed and impressive document. The Mexico strategy is unique insofar as it targets a single region within the country and operates through a convincing set of sub-regional plans and closely-linked NGOs. However, the timeframes for achieving the defined goals in these 7 programs are generally optimistic, if not unrealistic. There is relatively little of substance regarding impact assessment, for which further guidance was expected from the NYCU. Program sustainability was only considered seriously by Mexico and Philippines.

Although the CPSs were produced much later than planned and vary in quality, their preparation forced the NCs and NSCs into a productive planning process which provides a useful, if imperfect tool for future programming. Considering the lack of additional resources to prepare the strategies, the substantial time they required from the NCs and NSCs, and the unexpectedly low level of support from the NYCU, the CPSs as a whole represent an impressive achievement.

1.4 GEF/SGP Operational Guidelines were cleared for printing in December 1997 but had not been distributed by April 1998, versus the November 1996 target date. The guidelines have not been translated into French, Spanish or Arabic as called for in the ProDoc. The draft guidelines were prepared by the NYCU, distributed at the June 1996 Global Workshop (output 1.1) and then revised, although several countries still claim not to have received them. The guidelines were previously referred to as "Program Impact Guidelines - Part II" (although they did not actually cover program impacts) and this has caused confusion. Many countries remain unclear what the Operational Guidelines are, whether the copy they have is final or whether they are expected to develop their own guidelines. Nevertheless, the final version of the guidelines is a clearly written and practical document that is an important output of the Operational Phase. It is important to note, however, that these guidelines do not provide technical direction for projects in the different GEF focal areas.

1.5 Not done. No GEF/SGP Impact Monitoring System has been developed. In the absence of a program-wide system, at least 18 countries reported launching their own initiatives towards developing a monitoring system. The country visits indicated that even the best of these

systems were related to monitoring project activities and expenditures against plans and had made little progress in assessing impacts.

- 1.6 Not done. No technical consultants have been recruited to strengthen program support capacity, although a consultant is preparing a Renewable Energy Sourcebook for Communities. No direction has been provided to the country programs on how the technical issues in each focal area can most effectively be addressed through small grants.

Overall Progress Towards Output 1

The initial Workshop (1.1), then the revision of Country Programme Strategies (1.3) and development of Operational Guidelines (1.4) were important achievements of the Operational Phase. The Operational Guidelines were finalized at the end the Operational Phase, however, rather than at the beginning as planned. But the continuing lack of a specific GEF/SGP Strategic Framework (1.2) or Impact Monitoring System (1.5) are matters of concern. The fact that key documents were not translated into languages other than English put many GEF/SGP countries at a disadvantage.

Output 1 activities were severely constrained by insufficient staff and financial resources at the NYCU. The ProDoc target dates were unrealistic and the NYCU was unable to consistently provide the needed levels of support to the country programs as they attempted to make the strategic and programmatic transition to the Operational Phase.

OUTPUT 2: Grant funds assigned to community-level activities by the NSC in each country, consistent with the revised country strategy

Planned Activities

- 2.1 Disseminate information on the CPSs and program guidelines (Continual, NCs)
- 2.2 Make small-scale project planning/preparation grants (Continual, NCs)
- 2.3 Select projects in line with GEF/SGP Strategic Framework and CPS. Grants were expected to be distributed between biodiversity 30%, climate change 30%, international waters 10% and land degradation 10%. Grant support was to be expanded to include four “core programming areas cutting across the GEF focal areas”: demonstration projects; capacity building; applied research and policy analysis; and information dissemination, networking and policy dialogue (Continual, NCs and NSCs).

Progress Made

- 2.1 Dissemination of information on the new/revised program strategies and guidelines was generally carried out effectively once these documents were available.
- 2.2 Some grantees have used small planning grants - generally up to \$1,000 - very effectively as a preliminary step towards larger project proposals.

- 2.3 By the end of 1997, the distribution of Operational Phase grants had not changed significantly from the Pilot Phase: biodiversity was 71% vs. 76% in the Pilot Phase, climate change 17% vs. 19%, international waters 3% vs. 4.5% and projects with multiple focal areas 9% vs. 0.5%. Of the new core programming areas, demonstration and capacity building projects are most numerous, with comparatively few grants for applied research, policy analysis or policy dialogue.

Overall Progress Towards Output 2

In practice, grant funds were assigned within the countries before many of the Country Programme Strategies were officially approved by the NYCU (Output 1.3). The distribution of the project portfolio among the GEF focal areas did not change as planned, mainly because the demand for biodiversity grants has remained high and feasible small-scale climate change projects are still difficult to identify among rural communities, often requiring a level of technical expertise that was not readily available. The impacts of the overall grants portfolio is analyzed in chapter 3.

OUTPUT 3: Strengthened CBO and NGO capacity to support community-level activities in the GEF focal areas through targeted assistance and training, and expanded community access to public and private sector sources of technical support

Planned Activities

- 3.1 Identify training and technical assistance priorities in the CPS (November 1996, NCs and NSCs)
- 3.2 Design and test a GEF/SGP Stakeholder Workshop for training and capacity building (December 1996, NYCU)
- 3.3 Disseminate training materials developed during Pilot Phase and from other sources (continual, NYCU)
- 3.4 Establish a network of key sources of technical support (continual, NCs with local UNDP offices)
- 3.5 Allocate program support grants to regional/global NGO networks for technical assistance and training (continual, NYCU)

Progress Made

- 3.1 Training and technical assistance priorities were generally identified in the CPSs, often focusing on proposal writing and project management. Some countries have used grant funds to support training and awareness-building workshops.
- 3.2 The Stakeholder Workshop developed by NYCU was tested at least once in 21 countries, sometimes with local adaptations. The workshop materials were finalized and cleared for printing in December 1997 and had not been distributed by April 1998, versus the target date of December 1996. The Stakeholder Workshop materials do a solid job in explaining the objectives and mechanisms of the GEF/SGP but it is less clear that they constitute a genuine training or capacity-building instrument.

- 3.3 Resources available for training through the country programs have been minimal and the NYCU did not have the resources to develop specific new training materials. About a dozen countries developed and used their own training materials. Others waited for NYCU, which did not circulate any training materials beyond the documents already discussed in outputs 1.4 and 3.2.
- 3.4 Progress in establishing technical support networks has been variable, although most countries have made at least some progress. African countries typically linked projects to government agencies, while Asian and Latin American countries more often linked to NGO networks.
- 3.5 Not done. No program support grants have been allocated to regional/global NGO networks for technical assistance and training.

Overall Progress Towards Output 3

Capacity building is one of the GEF/SGP's strengths, as described in chapter 3. Progress in technical and organizational capacity building among NGOs and CBOs has been particularly impressive. GEF/SGP capacity building has also contributed to improvements in: (a) the integration of environmental and development activities within projects; (b) the acquisition of technical expertise by grantees; (c) the financial management of projects; and (d) effective collaboration with other organizations.

OUTPUT 4: Effective diffusion of community-level experience and innovations at local, national and global levels through analysis, documentation, dissemination and networking

Planned Activities

- 4.1 Support information exchanges through a variety of means, expand the NSC role and draw on other UNDP programs for communications and dissemination (continual, NCs)
- 4.2 Conduct annual Program Review Workshop in each country (annually, NCs)
- 4.3 Produce a Technical Notes series to disseminate experiences and lessons learned (continual, NYCU)
- 4.4 Allocate program support grants to NGO networks to analyze, document and disseminate GEF/SGP experiences (continual, NYCU)
- 4.5 Meet annually with GEF and Conventions to exchange information (during GEF Council meetings, NYCU)

Progress Made

- 4.1 Most countries have done an impressive job in communications and outreach on the purpose of the GEF/SGP. Many NCs and NSC members excel at networking, and many grant recipients have learnt to be effective communicators and advocates as a result of participating in GEF/SGP projects. It is less clear, however, that the GEF/SGP has communicated the results and experiences from the projects, which so far have been subject to little of the analysis and documentation which Output 4 promises.

- 4.2 Very few countries have had an explicitly-named Program Review Workshop during the Operational Phase. Most country programs point out that funding delays postponed the start of their Operational Phase until early 1997, and argued that the first annual programming reviews only became due in early 1998, i.e., during the evaluation.
- 4.3 The unfinished Renewable Energy Sourcebook for Communities is the only document which clearly should be described as a Technical Note, although the NYCU argues that the Operational Guidelines are also in this category. No documents have been produced by the NYCU to disseminate experiences and lessons learned.
- 4.4 Not done. No program support grants have been allocated to NGO networks to analyze, document and disseminate GEF/SGP experiences
- 4.5 NYCU and senior UNDP staff have met with various GEF and Convention staff during GEF Council meetings, and on other occasions.

Overall Progress Towards Output 4

Virtually all communication of experiences and innovations achieved through GEF/SGP projects has taken place informally, often quite effectively. The NYCU has collected descriptions of various project case histories - all very positive - and disseminated these in Progress Reports and other documents. But these case histories - although often describing encouraging, impressive and sometimes inspiring activities - are by no means analytical. As a result, they are of limited value in either demonstrating the GEF/SGP's achievements or in guiding future grant programming. A few country programs and a handful of individual grantees have carried out good analyses of their own projects, but these have not been drawn together to provide any systematic examination of what works, what doesn't and why. Neither have these promising analyses been communicated to the other countries as models or provided with additional support by NYCU. The limited progress towards Output 4 seems largely attributable to the lack of resources available both to the country programs and to NYCU for serious analysis and documentation of project experiences.

OUTPUT 5: Operational ties established between GEF/SGP and macro GEF at country and global levels

Planned Activities

- 5.1 Identify opportunities for linkages with macro GEF activities (continual, NCs with local UNDP offices)
- 5.2 Assist and/or participate in macro GEF project identification, planning and the facilitation of CBO and NGO participation in monitoring and evaluation (continual, NCs and NSCs)
- 5.3 Support information exchanges between GEF/SGP country programs and macro GEF projects (continual, NCs)
- 5.4 Support the design and implementation of small grants components of macro GEF projects (continual, NCs and NSCs)

- 5.5 Diffuse GEF/SGP experiences to UNDP, World Bank, UNEP and the GEF Secretariat, and help develop country-level collaboration between GEF/SGP and the implementing agencies (continual, NYCU)

Progress Made

- 5.1 Responses to the self-evaluation questionnaire, some of which are ambiguous, suggest that 9 countries have established operational links with large GEF projects and another 9 have informal relationships through the NC or an NSC member. The other country programs either have sought links and been rebuffed, see no prospect of links or have not attempted to establish links.
- 5.2 The questionnaire responses include 4 countries claiming “extensive involvement” in large GEF projects (Belize, Jordan, Philippines, Suriname).
- 5.3 According to the questionnaire responses, the country programs’ information exchanges with large GEF projects countries are evenly split between: (a) regular but informal contact; (b) occasional, irregular contact; and (c) no contact.
- 5.4 The questionnaire responses include 6 countries claiming to support the design and implementation of small grants components of macro GEF projects (Dominican Republic, Ghana, Guatemala, Jordan, Philippines, Trinidad & Tobago).
- 5.5 UNDP’s GEF staff, including NYCU staff, have met periodically with their counterparts from the World Bank to explore the possibility of links between the GEF/SGP and large GEF projects on a country-by-country basis.

Overall Progress Towards Output 5

Strong GEF/SGP relationships with large GEF projects have been established in a few countries (notably Philippines, Zimbabwe and Jordan). UNDP’s overall GEF management team has attempted to initiate and promote project-level collaboration through discussions and information exchanges with the other GEF implementing agencies, although progress has been limited so far. Action at national levels appears to offer more promise. The GEF/SGP often depends on UNDP country offices to help develop such relationships, although having NSC members who are senior government officials with direct links to large GEF projects has helped in a few cases. But the GEF/SGP is still such a small player that many of the NCs perceive their ability to catalyze productive interactions or even exchange information with much larger projects as limited.

The opportunities for collaboration between the GEF/SGP and large GEF projects are sometimes limited by the large GEF projects occupying a relatively specialized niche within each country, while the GEF/SGP has a broader set of interests and constituents. Many large GEF projects also started relatively late during the GEF/SGP’s Operational Phase, further inhibiting collaboration. In certain cases there is a degree of antipathy between some of the GEF/SGP clientele - NGOs and CBOs - and the large GEF projects, often where the larger projects have attracted a negative image. Some of the large GEF projects have been less than welcoming to overtures from the GEF/SGP, and government GEF focal points have so far tended to be more interested in the larger projects.

Some of the country visits for the overall GEF evaluation in 1997 were organized and facilitated by the GEF/SGP, recognizing the NCs organizing and networking skills among the various national GEF entities.

OUTPUT 6: GEF/SGP extended to 11 new countries

Planned Activities

- 7.1 Undertake preparatory missions for 11 new GEF/SGP countries (July-September 1996, NYCU)
- 7.2 Recruit NC and select institutional base for each new country (December 1996-March 1997¹, UNDP country offices and NYCU)
- 6.3 Establish an NSC for each new country (December 1996-March 1997, UNDP country offices and NYCU)
- 7.3 Conduct a launch workshop based on the GEF/SGP Stakeholder Workshop (output 3.2) (January-April 1997, NCs)

Progress Made

None of the newly-established GEF/SGP countries were visited during the evaluation, nor were they required to complete a questionnaire. According to the NYCU, preparatory missions were completed for 12 of the 13 new programs (the Palestinian Authority was added to the original list of 11 new countries, and Indochina comprises three countries: Lao PDR, Vietnam and Cambodia). Tanzania, Uganda, Kazakstan and Guatemala were functioning normally by early 1998. The Palestinian Authority, Morocco, Bhutan, Malaysia, Lao PDR, Peru and Vietnam are expected to begin regular activities during 1998. Cambodia and Albania have been delayed due to political instability, although Albania is expected to begin regular activities in 1998. NCs or acting NCs have been identified for 11 new programs, NSCs appointed for 7, and an institutional base identified for all except Cambodia.

Overall Progress Towards Output 6

Setting up new country operations is an extremely challenging and time-consuming task and the NYCU has made commendable progress in establishing the foundation for future grant programs in additional countries. Notably, the NCs of some existing national programs gave useful support to the establishment of new programs in other countries within the same region (Mexico in Guatemala and Poland in Albania among the countries visited). The implications of expanding the GEF/SGP into new countries with limited resources for overall program management is discussed in chapter 5.

OUTPUT 7: Non-GEF funding mobilized from diverse sources to co-fund, sustain and/or scale-up GEF/SGP-supported community-level initiatives, and to enhance the sustainability of country programs

¹ The ProDoc gave 1996 dates for outputs 6.2, 6.3 and 6.4, presumably typos.

Planned Activities

- 7.1 Develop and implement a resource mobilization strategy for cofinancing (continual, NYCU)
- 7.2 Develop and distribute guidelines for co-funding, including fees for GEF/SGP services to other donors (November 1996, NYCU)
- 7.3 Mobilize co-funding from other donors (Continual, NCs)

Progress Made

- 7.1 Not done. A resource mobilization strategy has not been developed by NYCU, although NCs have been encouraged by the NYCU to address resource mobilization in their CPSs. The self-evaluation questionnaire responses suggest that only 7 countries realized they were supposed to do this, of which only 3 have made a start.
- 7.2 Not done. Guidelines for co-funding have not been developed.
- 7.3 Results are mixed. Some of the country programs have leveraged their small grants to a spectacular extent, others hardly at all.

Overall Progress Towards Output 7

The wording of Output 7 suggests two very different concerns. The first - to co-fund, sustain and/or scale-up GEF/SGP-supported community-level initiatives - is fundamental if the GEF/SGP is to have an impact on global environmental problems (replication and bringing about policy shifts are similarly important, although they are not specifically mentioned in Output 7). The NYCU successfully managed to convey to the country operations the importance of leveraging their small grants, but without delivering a strategy or guidelines to help the countries do so. The extent to which the individual country programs have leveraged their grant funds is considered in chapter 3. The second concern of Output 7 - mobilizing funding to enhance the sustainability of country programs - seems more closely related to Output 8.

OUTPUT 8: Institutional setup for country program sustainability established. Supporting activities included preparing an issues paper and reviewing long-term institutional options in each country

Planned Activities

- 8.1 Develop a paper on issues and options promoting the sustainability of GEF/SGP country programs (December 1996, NYCU)
- 8.2 Review the institutional options for long-term operation of the program in each country (continual, NCs and NSCs)
- 8.3 Launch an effort to establish a basis for financial sustainability of the program in each country (continual, NCs and NSCs)

Progress Made

- 8.1 Not done. A paper on issues and options promoting the sustainability of GEF/SGP country programs has not been developed.
- 8.2 Few countries have given serious attention to long-term program sustainability. Most countries have focused more on getting their programs launched, viewing long-term sustainability as something to be addressed at a later stage. Notable exceptions are Mexico and Philippines, where efforts to transfer the GEF/SGP to national institutions were initiated during the Pilot Phase and are now well advanced.
- 8.3 Little has been done to establish long-term financial sustainability for the country programs apart from Mexico and Philippines.

Overall Progress Towards Output 8

The NYCU has not communicated how the countries were expected to establish financial and institutional sustainability independent from the GEF. The countries have done relatively little in this regard and most are unclear about what they were expected to do. This issue is discussed further in chapter 3.

◆ OVERALL PROGRESS TOWARDS OPERATIONAL PHASE OBJECTIVES

This analysis of performance against the outputs and activities specified in the ProDoc reveals several areas where progress has been limited, less than planned or delayed. This is most evident in the case of activities and outputs which were the responsibility of the GEF/SGP's central management team, the NYCU, which prepared the ProDoc in its initial form and then revised it to address concerns expressed by the GEF Council.

The ProDoc as a whole contains many worthy objectives and goals, but it was completely unrealistic to expect these to be achieved during the two-year Operational Phase. The GEF/SGP's plans seem to have been developed without regard to the level of resources available for program management, which have proven insufficient (as was also the case during the Pilot Phase). The ProDoc is therefore not an adequate planning tool, and does not contain a realistic set of criteria which can be used to assess the GEF/SGP's achievements during the Operational Phase.

3. PROGRAM AND PROJECT IMPACTS

The GEF/SGP is too recent to be able to evaluate progress in biodiversity conservation, climate change mitigation and the protection of international waters, and performance indicators have yet to be developed in these focal areas either for the GEF/SGP or the GEF as a whole. As the GEF/SGP lacks a performance monitoring system, impacts were assessed in areas which provide interim indicators of progress (as specified in the evaluation TOR): capacity development, leverage of experience, sustainability and raising awareness. This chapter highlights the notable trends and main results observed on a program-wide basis, and the factors behind these, but does not attempt to capture the very significant performance variations between the GEF/SGP's individual country programs.

◆ CAPACITY DEVELOPMENT

Capacity development is emphasized throughout the ProDoc and is one of the GEF/SGP's four core programming areas. The GEF/SGP has had significant positive capacity building impacts in many countries, even without a systematically-planned strategy. Progress in technical and organizational capacity building among NGOs and CBOs has been particularly impressive and has clearly enhanced the credibility of these organizations and their ability to make important contributions to solving local as well as global environmental problems. Capacity development has taken a variety of different forms.

Many GEF/SGP grants have encouraged NGOs, CBOs and communities to learn about environmental issues and integrate them with their existing development programs, often where the environment had previously been ignored. This has resulted in more awareness of the links between development and environment, better definitions of problems and needs, and tangible progress towards potential solutions.

Environmental knowledge and a variety of technical skills have been acquired by an impressive number of NGO, CBO and community grantees throughout the country programs, including the capacity to analyze local natural resource issues, diagnose problems and implement solutions.

Knowledge and expertise on global environmental issues, including the GEF focal areas, has mostly occurred among NGOs and some CBOs, and much less at the community level. The GEF/SGP's Stakeholder Workshops have helped NGOs and CBOs appreciate the links between local actions and global environmental issues, although these links are still proving very difficult to communicate to communities.

Grants have been used effectively to increase and diversify community access to sources of technical assistance and training, including government services, research institutions and specialized NGOs. Interactions with government agencies have given communities confidence and led to working relationships which have persisted beyond the life of projects, and even expanded to include other agencies. Such links have also provided valuable opportunities for government technicians and university researchers to work closely with grassroots communities.

Many NGO and CBO grantees have increased their credibility within their own communities and, even more impressively, developed more constructive links with their governments. This has usually resulted from the realization among NGOs and CBOs that they need government support and participation to be effective; in turn, as NGO and CBO projects gain experience and credibility, these organizations have learnt to manage more complex interactions with government. Eventually the government agencies have begun to see NGOs/CBOs as potential partners rather than simply critics and adversaries.

Organizational strengthening of NGOs has most commonly taken place through the management of GEF/SGP-financed projects, with special emphasis on developing project concepts into viable project proposals, participatory planning, management of financial resources and meeting donor reporting requirements. Organizational strengthening among communities is less obvious.

Grants have also fostered the development of networks and collaboration between different types of NGOs with the capacity to provide various kinds of training and technical expertise. Some of the country programs have emphasized linkages between their grantees through workshops and other capacity-building activities.

The GEF/SGP is often one of the few donors prepared to support small, emerging NGOs working on environmental problems. Such organizations lack the capacity to immediately absorb larger funding until they have gained more experience. In countries where more funding sources are available, SGP is viewed as particularly grantee-friendly, providing considerable support to small organizations in developing their proposals and in managing their projects.

Efforts to enhance the capacity of households and communities to improve their livelihood security have centered on income-generating activities within projects. However, most NGO and CBO grantees lack financial or marketing skills or any basic training in business management; hence, the results are still largely uncertain.

Women's groups and needs have been given considerable attention and support in all GEF/SGP country programs visited, where it has been found that women are generally more receptive and sensitive to environmental issues. Grants have helped women enhance their role and capacities within their communities and strengthened their will to increase their involvement in the development process. The GEF/SGP has also recognized and strengthened cultural values and practices when working in indigenous communities.

◆ LEVERAGING EXPERIENCE

Leveraging community-based experiences to expand program impacts both *horizontally* and *vertically* is an explicit Operational Phase goal emphasized throughout the ProDoc. GEF/SGP leveraging will be described in these terms, which include the more familiar concepts of replication, scaling-up, policy advocacy and attracting additional financial support.

Horizontal Expansion

According to the ProDoc, horizontal expansion would “diffuse the program’s experience among communities, CBOs, NGOs and local governments.....to spread the program’s methodology and

promote (scaling-up and) replication of successful community-based initiatives.....(and) extend the program to new countries”. The basis for this diffusion of information was expected to be “effective monitoring, evaluation and documentation of program methodologies, impacts and lessons”. Horizontal expansion, including replication, scaling-up and cofinancing has taken place as follows:

All country programs have consistently endeavored to publicize the GEF/SGP’s goals and methodologies within NGO and CBO communities as well as local and national governments. Many of these efforts have been effective, some of them extremely effective. As a result, the GEF/SGP has become one of the best known small grant programs in many countries. Most countries are besieged by grant applications, which far exceed the available funds and often strain the capacity of the NC and NSC to process them.

Skillful use of the media has helped several national GEF/SGP’s achieve brand recognition as a program focussing on environmental problem-solving, community action and related to meeting the country’s international obligations. The GEF/SGP is often the GEF showcase, more recognized by NGOs and the public than the main GEF.

The exceptional quality of the individuals participating actively in the NSCs is another clear indication of the interest in the GEF/SGP’s methodology and approach generated among NGOs and governmental agencies.

Little attention has been given to the systematic analysis and documentation of GEF/SGP results and experiences, as pointed out in chapter 2. Nevertheless, the replication and scaling-up of promising projects has taken place. This can be attributed to the credibility and creativity of well-connected NCs and NSC members, word of mouth at NGO and community levels, and simply the effective communication strategies of many country programs.

Remarkably diverse replication and scaling-up examples were available in virtually all of the countries visited for the evaluation, and the NYCU has compiled further examples. In all of these cases, concepts and approaches pioneered through GEF/SGP grants have been spontaneously adopted elsewhere or have attracted larger-scale funding from other international or domestic sources. Exchanges of expertise between the original grantees and the expanded initiatives are common.

Some countries have given follow-up grants to their own grantees, for a variety of reasons. Sometimes the initial grant proved insufficient or the time taken to mobilize communities proved longer than expected. But grantees in a reasonable number of cases have convincingly demonstrated the potential to expand the scope of the activities financed with their initial grant. As yet, very few of these follow-up grants have reached advanced stages of implementation.

Most country programs have succeeded in attracting cofinancing for their small-grants, some to a spectacular extent. The amounts involved vary considerably between the countries. The additional funds mainly originate from bilateral agencies, with smaller contributions coming from international NGOs, foundations, the private sector and national governments. Total co-financing, including financing to follow-up GEF/SGP grants, have at least matched GEF/SGP grants in four of the 9 countries targeted by the evaluation (Poland, Mexico, Jordan, Philippines). The NYCU

has documented other co-financing examples, some of which are substantial. The potential for cofinancing is far from uniform, however, and is quite limited in countries where, for example, donor programs are shrinking (as in the Caribbean), public funds are limited and/or there is no tradition for philanthropy.

The GEF/SGP has also attracted extraordinarily high amounts of volunteer inputs to its projects. These inputs come from universities and research institutions, governmental services, NGOs, private and public sector organizations and individuals, local government representatives, national and foreign experts with development projects, as well as the volunteer NSC members. In addition, the value of community in-kind contributions has been very roughly estimated at 25% of GEF/SGP grants.

As described in chapter 2, UNDP expects 12 new GEF/SGPs to be established by the end of the Operational Phase. This includes one regional program, Indochina - covering Laos, Vietnam and Cambodia. One other regional program was established during the Pilot Phase, the Eastern Caribbean - covering 10 island states.

Vertical Expansion

Vertical expansion would “diffuse the program’s experience to.....national and global levels”, including the GEF Secretariat and Implementing Agencies, the STAP, the Convention Secretariats, international NGOs, plus bilateral and multilateral agencies with programs in the GEF focal areas. Priority would also be given to supporting policy dialogue and advocacy and “mainstreaming the program’s methodology and experience in UNDP’s regular programs”.

There are few examples of effective operational ties between the GEF/SGP and the main GEF. Most relationships exist on the basis of NSC members sitting on macro GEF committees or governmental GEF focal points being NSC members, but these arrangements are not common. The GEF/SGP has supported macro GEF projects in a very few cases. Among the countries visited, GEF/SGP grantees in Jordan and Philippines have worked with communities adjacent to protected area supported by larger GEF projects, and the NC for Mexico helped resolve a conflict involving a community affected by a macro GEF project. In Poland, where there are no operational links between the GEF/SGP and the main GEF, the NC has organized a series of information-sharing meetings for all of the key GEF stakeholders in the country. Most if not all NCs have made an attempt to establish stronger links, as explained in chapter 2.

All country programs have developed links with a wide range of actors in the environment and sustainable development fields, including national government authorities and services, local governments, national NGOs and NGO networks, bilateral donors, national environmental programs, national environmental funds, universities and research institutions. These linkages have permitted a continuous flow of information and, in some cases, facilitated cofinancing and/or scaling-up. There was no sign of links with the regional development banks.

Links have also been established with other UN program (e.g., UNICEF, UNIFEM, UNEP and UNCDF), although very few convincing overlaps with these programs were observed during the country visits. The GEF/SGP helps UNDP Country Offices work directly with NGOs and CBOs, and provides the Country Offices with an opportunity to show they have a convincing national

environmental program. But there are few signs that the GEF/SGP methodology and experiences have become mainstreamed in UNDP's regular programs. The relationship between the GEF/SGP and UNDP is discussed in chapter 5.

Although the GEF/SGP's new core programming areas encourage grants to be used for policy analysis and policy dialogue (ProDoc Output 2.3, see chapter 2), this opportunity has remained undeveloped in most countries. The most obvious policy impact of the GEF/SGP relates to process rather than content, with many GEF/SGP programs having convinced key decision makers of the benefits of a participatory approach to the design and implementation of development projects and programs. An impressive project in Jordan targeting biodiversity and climate change issues related to a cement factory has had clear policy impacts, and a formal agreement between the Mexican state of Quintana Roo and the national GEF/SGP has helped grantees gain access to and influence the policymaking process.

The GEF/SGP has also been able to influence the spending policies of national environmental funding agencies, most notably in Poland where the GEF/SGP has profoundly influenced the policies and disbursements of the National Ecofund which spends \$20 million annually on environmental improvement. Also in Poland, the demonstration effect of small GEF/SGP investment projects based on public-private partnerships has helped NGOs engage government and thereby inject an entrepreneurial spirit into local and national agencies.

◆ SUSTAINABILITY

Sustainability at two different levels of the GEF/SGP is considered here: projects and country programs (the sustainability of the entire program is discussed in chapter 6). While it is too early to judge whether or not sustainability is being achieved, factors affecting sustainability include the following:

Many projects include income-generating activities or micro-enterprises, covering a wide range of sectors: community forests, biogardening, organic farming, tree nurseries, fish and shrimp cultivation, ecotourism, bee keeping, manufacturing stoves, cultivating medicinal plants, cultivating agricultural endemics, handicrafts, waste recycling, and so on. These activities are all intended to provide revenues as an incentive for communities to participate in projects and to increase the environmental benefits achievable with small grants. This seems a sound and appropriate strategy. Some of these enterprises are directly related to the GEF focal areas, others less so.

Most attempts to launch commercial ventures with GEF/SGP grants lack marketing studies or business plans, and the commercial management capacity of the implementors is often uncertain - with a few impressive exceptions. It is difficult to shift direction or add new components during implementation with the realization that there is no ready market for a project's product or that hopes of early revenue generation were too optimistic. While some projects have already begun to generate their own revenues and seem to have reasonable potential, the long-term prospects of many others seem uncertain at best. This may be because most GEF/SGP country programs (i.e., the NCs and NSC members) and their partner NGOs usually have a strong environmental and/or social focus but limited small business expertise or experience.

National programs vary in the importance they attach to project sustainability. Where grantees are sophisticated NGOs, sustainability often depends on the commitment of the NGOs to continue with the activities begun with a GEF/SGP grant. Financial and institutional sustainability is an explicit objective of all GEF/SGP projects in Mexico, although the financial and business planning carried out for project income-generating components was unconvincing.

All GEF/SGP demonstration projects in Senegal initially included a small community revolving fund used to support small income-generating activities which are defined by the community members. The main objective of this fund is to provide immediate benefits, during project start-up periods before commercial revenue streams build up. This approach is consistent with the view that commercially-viable enterprises should eventually generate a surplus and be able to repay startup capital. The revolving fund was discontinued in some cases, however, and the sustainability of this mechanism is unclear.

NGO and especially CBO projects usually rely on local support, volunteer inputs, in-kind contributions, flexibility in responding to local needs, community ownership, and require constant attention. This makes it difficult and prohibitively expensive to transfer NGO-led projects to the government or business sectors for implementation. Long-term NGO sustainability in both a financial and institutional sense is thus essential to project progression. In many countries the GEF/SGP has been especially effective in meeting the needs of NGOs at different stages of development in a way that has significantly contributed to their organizational sustainability and, thereby, project sustainability (cf. capacity building).

The importance of attracting cofinancing and technical support was described in the previous section. Such external support to GEF/SGP grantees has frequently developed into longer-term relationships with the potential to help scale up or replicate projects, invest in complementary activities and/or to encourage other organizations to become involved with grantee activities. The GEF/SGP grant portfolio contains numerous convincing examples of each of these outcomes, all of which enhance the prospects for project sustainability.

Working against sustainability, most GEF/SGP grants are for a maximum of 1-2 years. While sophisticated NGOs working on limited projects can sometimes demonstrate tangible progress within such short periods, most projects - especially those to inexperienced CBOs and communities, will require additional support before serious progress can be anticipated. Most countries have made at least some Operational Phase follow-up grants to Pilot Phase grantees.

The most promising projects in the GEF/SGP portfolio, especially within rural communities, often rely heavily on one or more project leaders or champions. Such individuals are usually insiders who show a strong grasp of the project principles combined with natural leadership qualities. The emergence of such individuals is often key to progress in the early phases of a project, although over-reliance on one or two people in an organization or community can eventually jeopardize sustainability.

The GEF/SGP's participatory approach to project planning and implementation is strongly conducive to project sustainability. Such participatory approaches, when carefully and patiently implemented, have clearly had significant success in eliciting genuine stakeholder inputs as well ensuring grantee ownership of and commitment to projects.

Field observations suggest that GEF/SGP community projects with strong potential for sustainability share many of the following characteristics: (a) strong community adhesion to the project goals and approach; (b) addressing genuine priority needs of the community; (c) communities which are unified and/or experienced in implementing small projects; (d) strong and consistent leadership from the implementing NGO/CBO and/or within the community; (e) the capacity to network or link with others, either technically, financially or politically; and (f) viable income-generating components.

The national GEF/SGPs have all taken at least some steps towards program sustainability, but with large variations in the level of effort and progress made. The idea of country program sustainability remains unclear to most, if not all, NCs and NSC members in terms of goals, timeframe, options and procedures. The NYCU was expected to prepare an issues and options paper on this topic but did not (ProDoc Output 8.1, see chapter 2). So far only the Mexico and Philippines GEF/SGPs have taken concrete steps towards financial and institutional independence, although both of these countries expect to need another three years or more under the GEF/SGP umbrella before their operations become sustainable. Discussions during country visits and questionnaire responses suggest that most country programs will require several years at least before they can expect to become financially and/or institutionally independent from the GEF, and they will require considerably more guidance on how to achieve this. A significant number of country programs have little prospect of achieving independence under existing donor and national government spending priorities, and it is not clear that such independence would be desirable in all countries.

The Philippines GEF/SGP is preparing to become a registered foundation, the Communities for Global Environment, Inc. (CGE), which will seek cofinancing and other support for GEF/SGP projects. Under one cofinancing agreement, the Land Bank of the Philippines will fund the livelihood components of community-based projects while the CGE will use its GEF/SGP funds to support biodiversity, climate change or international waters project components. The Mexico GEF/SGP has organized nine implementing NGOs plus six others into the ROSDESAC, a network of regional organizations which manages a variety of funds and sees itself as “a strategic initiative to promote the integral and sustainable development of the Mexican society, stimulating the base democracy, the organizational self-management, and the integral and sustainable use of natural resources through an horizontal structure of participation and decision-making”. The GEF/SGP expects to eventually be absorbed into the ROSDESAC.

Despite the limited overall progress towards planning for program sustainability, some important preliminary steps have already been taken. Effective national institutional arrangements for the GEF/SGP have generally been set up, as described further in chapter 5. The establishment of strong relations with government, high credibility among NGOs and strong interest from bilateral agencies have all positioned many of the national GEF/SGPs to play a progressively stronger role in future domestic and international environmental policymaking.

A mix of approaches has been used to enhance project sustainability and it is still too early to assess their effective impacts. Very little serious analysis of this issue has been carried out by the GEF/SGP. Factors relevant to project sustainability need to be explicitly identified at the project

design stage and systematically monitored during implementation to assess sustainability throughout the project life cycle.

◆ AWARENESS RAISING

Awareness raising is a high priority for GEF/SGP. Progress can be assessed in relation to global environmental concerns as well as environmental problems in general.

The NCs and NSCs have generally done a good job in terms of specific awareness-raising events. In particular, the Stakeholder Workshop developed by the NYCU and used in most countries (Output 3.2, see chapter 2) has made some useful contributions to achieving its stated goal of “fostering awareness and understanding among NGOs and CBOs of the linkages between local environmental and livelihood concerns and the GEF focal areas”.

Awareness raising in relation to local, regional and national environmental issues has occurred both at the program and the project participant level in all countries. There is wide recognition and appreciation of the GEF/SGP’s effectiveness in this regard.

During the evaluation field visits, members of grantee communities frequently spoke easily and effectively about the local environmental problems which their projects are addressing, and consistently credit the project, and sometimes the GEF/SGP, for their ability to do so. Such participants often become advocates for their projects, spreading awareness both within and beyond their own communities.

The GEF/SGP has helped to establish a new generation of NGOs in some countries, notably Poland and Jordan among the countries visited. Both the NC and NSC members have emphasized education and awareness raising within the local community as an essential ingredient in all projects. GEF/SGP awareness-raising efforts have directly increased the participation of dynamic individuals and groups in environmental issues in general as well as the GEF/SGP’s own projects. Combined with skillful use of the media, this has launched an impressive wave of environmental awareness.

Awareness raising related to GEF focal areas has been most effective among NGO grantees and collaborating organizations, including government agencies, and is much less evident at the community level. In general, awareness of environmental concerns from the global perspective is evident among program leaders and within supporting NGOs, but lessens towards CBOs and community participants.

The GEF/SGP has achieved a lot with respect to raising the awareness of NGOs, CBOs, the communities and the public over the issue of conserving biodiversity but less over climate change and international waters issues. However, links between local, national and global environmental issues have not been firmly established yet, especially in the minds of community members. In fact, most projects are working to promote awareness of local environmental concerns to communities whose initial priorities were more related to personal livelihood concerns. Raising awareness of global issues should become easier as the program and projects mature, but will require time, resources and appropriate strategies.

4. MAJOR PROGRAMMING ISSUES

◆ TENSION BETWEEN COMMUNITY PRIORITIES AND THE GEF FOCAL AREAS

Many of the national GEF/SGPs are still struggling to establish credible links between the community-level activities supported by their grants and the global environmental problems targeted by the GEF. The evaluation country visits found that a significant number of GEF/SGP projects have only indirect or vague connections to the global environmental problems targeted by the GEF. This is not surprising. Access to and acceptance by communities - the GEF/SGP's principal clients - almost invariably requires an emphasis on activities which communities perceive are closely linked to their own immediate concerns, a characteristic by no means limited to poorer countries. Ask a low-income rural community in the developing world what their priority problems are, and the answer is unlikely to feature biodiversity or climate change. Few, if any, communities begin with an understanding or awareness of these terms.

The prospect of meeting local needs often provides GEF/SGP projects with an entry point to a community. Initially, community organizers do not want to complicate the project with concepts that are too abstract to grassroots community members. Gaining the confidence of communities and then encouraging community members to participate in projects and modify their behavior in ways that generate global environmental benefits is obviously not a short-term proposition. Such an ambitious task needs to be approached with considerable patience and restrained expectations. As stated in the ProDoc, "Building capacity and achieving sustainable impact at the household and community level, particularly in relation to the global environmental concerns of the GEF, are necessarily longer-term processes". Unfortunately neither the ProDoc, the GEF/SGP Operational Guidelines nor any other program documents provide any guidance to the country programs on how they should address the tension between community needs and the GEF focal areas.

Focal Area Links in Country Programs

Among the countries targeted by the evaluation, links between the project portfolios and the GEF focal areas are generally very clear in Jordan and Poland, reasonable in the Philippines, require some imagination in the Caribbean and Ghana, and are less consistently clear in Costa Rica, Indonesia, Mexico and Senegal. Mexico has a particularly impressive and coherent GEF/SGP strategy focusing on NGOs and communities in the Yucatan region, employing a culturally-oriented approach featuring micro-enterprises and with clear ideas about sustainability; nonetheless, links to the GEF focal areas of some projects remain tenuous.

Why have Poland and Jordan been relatively successful? Both countries are fairly small with good internal communications and developed infrastructure. There are large numbers of well-educated people and effective social institutions. Jordan has several experienced and influential NGOs, while the rapidly-expanding NGO sector in Poland is beginning to be perceived as offering alternatives to a heavily-bureaucratized government - partly due to earlier GEF/SGP grants. Rural poverty and hardship exists in both countries, but not on a large scale, and there is relatively little pressure on the GEF/SGP to support basic development. Perhaps critically, the GEF/SGP projects in these two countries have selected carefully-targeted projects which are directly and explicitly related to biodiversity conservation and, to a lesser extent, climate change. These projects bear

little resemblance to the GEF/SGP projects targeting rural communities in a more general way in most of Africa, Asia and Latin America. Finally, the NCs and NSCs in both countries have an impressive grasp of the GEF concept, identify closely with it, and receive good support from the UNDP Country Office.

Establishing projects which balance immediate community needs with the GEF focal areas has presented a particular challenge in the Eastern Caribbean, where donor support has fallen precipitously even as many of the island economies are struggling. Many community and NGO programs have run out of funds, and governments have not taken up the slack. UNDP's budget has fallen by 90% and the GEF/SGP is now one of the few funding sources for NGO and communities. This pressures GEF/SGP to support community basic needs, even in a situation where - as in Poland and Jordan - the NC and the NSC members have a sophisticated grasp of the GEF's objectives. In these circumstances, according to the NSC, the GEF/SGP's limited grant resources and strict GEF focal area concentration "simply do not reflect the realities in this region". Extensive GEF/SGP-sponsored community consultations have identified basic needs and priorities in the Eastern Caribbean, but these do not fall into the GEF focal areas. NGO and CBO grantees of the GEF/SGP were therefore required to impose boundaries on the target communities and to adapt project concepts towards the GEF/SGP criteria. Naturally this reduces local acceptability, community ownership and the prospects for project sustainability. This dilemma is not limited to the Caribbean, it confronts large parts of the entire GEF/SGP project portfolio.

Implications of a Participatory Approach

The GEF/SGP Global Workshop Report observed out that several NCs "were reluctant to propose types of projects that might be funded inasmuch as their way of working until now has been largely to respond to project ideas proposed by communities". Participatory community development rarely generates rapid results, communities are usually far from homogenous and different subgroups can conflict and be unable to agree on key issues. Community processes can therefore be long and tedious, and seldom adhere to externally-imposed plans or deadlines. These factors are only made more complex by the need to generate global environmental benefits. Rapid progress cannot be expected, even though new ideas and concepts can be introduced once basic goals have been achieved. Links between GEF/SGP projects and local environmental problems can then become a stepping stone towards global environmental concerns.

Perhaps the most impressive Caribbean project - at Praslin, St. Lucia - has received two GEF/SGP grants through a strong NGO which has been working with the impoverished target communities for more than a decade. This project mainly focused on sanitation and getting the government to provide clean water, eventually helping persuade several government agencies that small, poor communities can help themselves with constructive outside support. Only very recently has this project shown signs of organizational independence and actually conserving biodiversity in an adjacent conservation area, although it remains fragile due to a variety of community issues that are unrelated to the project, including a rapid increase in local unemployment. Viewed in early 1998, four years after its first GEF/SGP grant, this project looks promising, if less than totally convincing. An earlier evaluation visit might have reached a less optimistic conclusion.

This pattern is more or less repeated in many GEF/SGP projects in many countries. Basic capacity building in communities facing economic hardship and without a history of external assistance

often requires a lot of time, involves considerable uncertainty and is unlikely to be successful if it begins with an explicit emphasis on GEF focal areas. Projects are often compelled to address priority community concerns as a starting point, even if these are only indirectly related to global environmental problems. There can be no certainty early on that such projects will eventually provide benefits in the GEF focal areas.

The long gestation period of participatory, community-level projects confronts the GEF/SGP with two practical difficulties. First, how much of its resources should be committed to inexperienced CBO/community projects versus projects executed through experienced and accomplished NGOs that are less dependent on communities taking initiatives? Second, how to work out whether participatory community-level initiatives are on track during their early stages, when the links to the GEF focal areas may be unconvincing? Little guidance has been provided to the country operations on the nature of activities which should be supported, the type of results to be sought or the time available to achieve these results.

Incremental Cost Framework

The tension between the immediate concerns of communities versus the actions needed to protect the global environment can be explored using the GEF's incremental cost notion. Briefly, the argument runs as follows. A nation has an incentive to invest in protecting its own environment as long as the national benefits from such investments exceed the costs. Investing beyond this so-called baseline is unattractive, since national costs would then exceed national benefits. The role of the GEF is to subsidize the incremental costs incurred by a country over and above its own baseline costs to the extent that these incremental investments generate global environmental benefits. The principle is intuitively appealing, even though the concept has proven difficult to operationalize. The most intractable problems have been measuring environmental benefits and working out where the baseline should be.

In the GEF/SGP context, community-level basic needs such as jobs, housing, sanitation, health care and education can roughly be equated with the baseline. In principle, communities, their governments and/or donor agencies concerned with poverty alleviation should be prepared to invest their resources to the extent necessary to secure a minimum acceptable level of livelihood for the communities. This would be the baseline investment. Conceptually, encouraging communities to take further actions to generate global environmental benefits would then require an additional, external investment which is more or less equivalent to the incremental cost concept.

Although fraught with theoretical and practical problems, this analogy illustrates a basic problem faced by the GEF/SGP, if not the whole GEF. A GEF investment in a community only makes sense, using this framework, if the baseline (i.e., basic subsistence) costs have already been covered. Then, the GEF's subsidy of incremental costs should at least have the potential to encourage people to take actions which conserve biodiversity and energy, even if these actions are not directly and obviously beneficial to the community. Consistent with this analogy, there are plenty of examples in the GEF/SGP project portfolio which show that communities are unlikely to become seriously interested in solving global environmental problems unless or until their own basic needs are addressed and they develop a level of confidence in their own capacity for independent action. This observation applies particularly to communities which have had little previous experience working with external funding agencies.

The GEF/SGP projects would be more capable of creating the needed balance between GEF requirements and community needs if they could leverage more basic needs funding from other sources. GEF funds could then be concentrated more on environmental activities in the focal areas while other funders targeted communities' socio-economic needs. While several GEF/SGP countries have successfully leveraged funds and attracted co-financing, very little of this additional financing covers the basic needs of the communities where GEF/SGP is executing its projects. Using GEF terminology, the GEF/SGP is often trying to subsidize the incremental costs of generating global environmental benefits in cases where baseline costs have not been covered.

Choice of Grantees

The ProDoc and other GEF/SGP literature relentlessly insist that *communities* are the primary target of the GEF/SGP, usually to be reached through NGOs and CBOs. In practice, what is considered to be a community varies significantly, with important implications for the program's ability to demonstrate convincing short-term impacts in the GEF focal areas.

Grants to well-established and capable NGOs naturally perform better, yield quicker results and find it easier to demonstrate progress than grants to community groups who have little previous experience with outside funds. Many CBO grantees are relatively young, have little experience in environmental matters and little organizational capacity to access technical expertise and outside financial support. The results achievable from working with such groups usually appear much more slowly and are considerably more fragile in the early years than the results of projects undertaken with experienced communities supported by solid and experienced NGOs with access to multiple skills and resources. Inexperienced communities and CBOs also require much more program support and supervision - i.e., GEF/SGP management inputs - over a longer period of time. A process rather than a project needs to be supported when CBOs are grantees.

Types of grantee vary between the country programs. Grantees in Mexico are mainly well-established and experienced NGOs, although these organizations are using their grants to work with CBOs. In Jordan there are few CBOs and most grants are to large or small NGOs, including some which were established with GEF/SGP support. Many national NGOs in Jordan are led by influential members of communities and resemble charitable organizations in northern countries more than NGOs in other developing countries.

In Senegal, virtually all projects are being implemented by CBOs which require considerable support (this CBO focus partly results from more sophisticated Senegalese NGOs finding the GEF/SGP's financial terms unattractive). The program has responded first by hiring six graduate students ("stagiaires") to support field work, and second by giving follow-up grants to communities and CBOs to help them consolidate their earlier efforts. In Ghana, most Operational Phase projects are being implemented by small NGOs, representing a shift from the Pilot Phase, where nearly all were by CBOs. This change is partly aimed at reducing the NC's workload to a manageable level.

Resolving the Basic Needs Versus GEF Focal Area Dilemma

The GEF/SGP project portfolio demonstrates that it is possible to identify carefully-selected small projects involving communities which fall within the GEF focal areas and to nurture these to effectiveness, although this often requires a considerable learning process in each country and the results are likely to vary significantly according to the national context and choice of grantee. But this search for balance between GEF concerns and community needs is more often causing the GEF/SGP to fluctuate between two sometimes irreconcilable poles in the short term and to risk losing sight of either its ultimate objective or its primary target clientele. Considerably more guidance to the country programs is required.

This problem is compounded by the failure to develop or articulate the GEF/SGP's mission or strategic objective beyond the laudable intention of working with communities to achieve global environmental benefits. Given the tension between community priorities and the GEF focal areas and the diversity of communities involved, this is simply not sufficient as a basis for designing or evaluating the GEF/SGP's Operational Phase. In practice, it is often unclear whether the GEF/SGP is trying to be a poverty alleviation program, a civil society and NGO strengthening program, a micro-business project or even an awareness and capacity building program in the GEF focal areas.

◆ TECHNICAL ISSUES IN THE GEF FOCAL AREAS

The technical guidance provided by the GEF/SGP to its country operations during the Operational Phase has consisted of the ProDoc plus the report on the 1996 Global Workshop, which included sessions on the GEF focal areas applicable to the GEF/SGP. Reference was also made to the GEF Operational Strategy (1996) and the GEF Operational Programs (1997) documents. The ProDoc lists 8 of the 10 GEF Operational Programs (OPs) as being applicable to the GEF/SGP². Two OPs are related to international waters and to multiple focal areas, but the discussion here is limited to technical issues in the areas of biodiversity (4 OPs) and climate change (2 OPs), which together make up more than 90% of the GEF/SGP project portfolio.

Biodiversity Conservation

Four OPs are related to biodiversity in specific ecosystem types: (a) arid and semi-arid; (b) coastal, marine and fresh water; (c) forests; and (d) mountains. The ProDoc calls for GEF/SGP activities to target: (a) rural populations living in and around conservation areas, including protected areas; and (b) rural populations outside the range of conservation areas but within human landscapes of high diversity or endemism which are under threat.

The Global Workshop Report summarizes a presentation by the UNDP/GEF Principal Technical Adviser on Biodiversity which suggested that a "good" GEF/SGP biodiversity project should "justify its global benefits in terms of the richness or uniqueness of the biodiversity in question and the threats to this situation; address problems on an ecosystem basis". Further workshop discussions concluded that priority might be given to: (a) conservation and use of endemic species;

² OP 7 Reducing the Long-term Cost of Low Greenhouse Gas-emitting Energy Technologies and OP 10 Contaminant-Based Operational Program are omitted.

(b) protection and use of coastal areas and wetlands; (c) protection of endangered rare species; and (d) buffer zone management. This more or less summarizes the technical information transmitted to the country programs for biodiversity projects.

The Eastern Caribbean Regional GEF/SGP did take the ProDoc and Global Workshop recommendations seriously. This program had no trouble justifying biodiversity projects in the vicinity of protected areas, as specified in the ProDoc, especially where such protected areas had already been prioritized by national planning exercises. But the program has agonized over how to link community projects to endemic species or biologically-diverse sites located elsewhere, partly because the available scientific information is inadequate to work out which biological features are endemic, and what biological features are nationally or regionally, let alone globally, significant.

It has not been easy for the national GEF/SGPs to make a case that the biodiversity they are targeting is of global significance. Indeed, this is a grey area and the GEF Operational Strategy was forced to conclude that although “there has been considerable academic debate on methodologies to determine relative priorities in global biodiversity.....no consensus has yet been reached” (p27, Note 12). Since GEF/SGP funds have been distributed relatively evenly among the countries, the program contains such paradoxes as biological diversity in Poland and Indonesia being given equal weighting. Even within the countries, links with national conservation agencies or the use of national biodiversity conservation plans in conjunction with GEF/SGP priority setting exercises are rare.

The biological conservation significance of many of the sites, ecosystems and/or species targeted by GEF/SGP projects is at least debatable. For example, does including a few rare or endangered plants in a conventional reforestation or horticulture project make this a biodiversity conservation project? Does a commercial plant-growing enterprise that includes a few endangered species count as a biodiversity conservation project? Does a tiny organic farming project which may offer an alternative to the biologically-harmful use of pesticides by conventional large-scale agriculture count as a biodiversity project? In some cases the answers to these questions may be affirmative, but the program as a whole has not established any criteria or technical guidance to help countries make these deliberations.

Most countries have not established criteria for technical selection or prioritization among their GEF/SGP biodiversity projects. This may not matter if the major objective of the GEF/SGP is to demonstrate community-level capacity building, awareness raising and income generation generally related to the environment. But if the major objective is to work towards a positive impact on global biodiversity conservation, considerably more technical direction will be required.

Climate Change

Two OPs are related to climate change: (a) removing barriers to energy conservation and energy efficiency; and (b) promoting the adoption of renewable energy technologies by removing barriers and reducing implementation costs. The ProDoc calls for GEF/SGP activities to target communities living in remote, unelectrified areas without ready access to the central power grid.

The NCs Workshop Report summarizes a presentation by the UNDP/GEF Principal Technical Adviser on Climate Change which gives advice in relation to the two OPs related to climate

change. To remove barriers to energy conservation and energy efficiency, the recommendation was that the GEF/SGP “might focus primarily on fuel-efficient wood cook stoves”. Then, to promote the adoption of renewable energy technologies by removing barriers and reducing implementation costs, the recommendation was that the GEF/SGP might “promote the adoption of renewable sources of energy, including photovoltaics, windmills, agricultural waste and biomass, solar driers and/or micro-hydro projects”. During the same workshop, a UNDP consultant also suggested that GEF/SGP might support community-based projects using affordable low-carbon and renewable energy technologies, especially if these can be replicated by attracting additional investments. Further discussions in the workshop concluded that priority could also be given to “activities to combat forest fires and slash-and-burn agriculture.”

This relatively sparse technical information required the NCs to locate and start working with their own national experts in the technical aspects of energy conservation and renewable energy, even though they had very limited budgets for technical assistance. The expertise of key NSC members often became critically important. Some countries eventually managed to put together impressive climate change projects during the Operational Phase, while others had more difficulty.

A GEF/SGP grant for a Biomass Demonstration Project in Poland, also supported by other UNDP programs, shows what is possible. Here, an experienced urban NGO has used technical innovations to demonstrate the feasibility of using woody wastes from urban green areas as biomass fuel, by introducing a biomass-based heating system in the offices of the Municipal Gardens Company (MPRO) in one of Warsaw’s urban parks. The project will develop a 100 kW fluidized-bed boiler adapted to biomass from urban green areas that can be used for coal-fuel conversion in other parts of Warsaw and in other Polish cities. This project will reduce the volume of biomass waste disposed in landfills, reduce air pollution in one of Warsaw’s major parks by replacing coal with biomass fuel, achieve significant cost savings for the MPRO which has responsibility for managing green areas, develop an awareness that biomass is not a waste but a resource by demonstrating the market potential and cost-savings of using biomass fuel, and develop institutional arrangements for scaling-up the project in Warsaw and other cities. Feasibility studies suggest that the 14,000 m³ of wood waste generated annually in Warsaw would allow 80 such boilers to replace 1,900 tons of coal fuel annually and so significantly contribute to the reduction of emissions of greenhouse gases.

This impressive project has two notable features which have interesting implications for the GEF/SGP. First, it is an urban project in an electrified area, thereby violating the ProDoc’s two basic requirements for climate change projects. Second, it does not involve a community. But this project is clearly an extremely useful way to use small grants to further GEF objectives. It suggests that one of the questions addressed by the GEF/SGP could be “what is the most efficient way to use small grants to mitigate the effects of climate change?” as well as the primary focus on “what participatory projects can be implemented in rural communities which are related to climate change and will provide sustainable livelihoods for the participants?”

The identification of viable climate change projects faces the constraint that most communities targeted by the GEF/SGP lack the technical knowledge to design and implement energy conservation measures or renewable energy projects without technical assistance. The GEF/SGP has therefore focussed on supporting partnerships between communities and technical experts, often obtaining the services of impressive technical experts on a semi-volunteer basis. The breadth

of experience and knowledge of NGO grantees may not always be optimal and it is important that technology choices be informed by exposure to a range of options. No systematic access has been provided to information being collected around the world on the viability of various small-scale technologies in the fields of energy conservation and renewable energy. This could be done through more active sharing of information locally and internationally through workshops, conferences, cross-visits and even the Internet.

An additional concern expressed by NSC members and grantees was that the NCs may not be able to continue organizing technical assistance as projects become more complex and technically demanding. Provision should be made within the GEF/SGP budget for technical assistance and professional advice that can be contracted by the NC or NSC. This is especially important at the proposal development and evaluation stage. If continuation of the GEF/SGP is to focus on consolidating many of the investments undertaken to date, the need for expert advice and assessment is likely to grow.

There is little sign that country programs have initiated any kind of systematic analysis of the financial viability of various renewable energy or energy conservation technologies in their local context. Some alternative energy technologies may only require a small GEF subsidy to become viable for a project, and then have good replication potential. Other, more expensive, technologies may require dramatic increases in fossil fuel prices to have broad appeal. It may not be particularly useful simply to demonstrate that a community will adopt an energy technology or conservation measure when the GEF provides a subsidy, if the replication potential is limited.

Little attention has been given to the appropriate use of GEF funding. For example, solar dryers are often attractive to fruit growers. Does it make sense for the GEF to finance the entire purchase of solar dryers for farmers willing to participate in a GEF/SGP project? If the subsidy encourages the farmers to switch from a fossil fuel to renewable energy, then maybe it does, depending on the costs and benefits involved. But if the farmers are not using any fossil fuels and simply lack the capital to invest in the solar dryers, it is difficult to see why this should attract GEF funding when a concessionary loan might be more appropriate. If the project is primarily for renewable energy demonstration value and awareness building, then GEF funding may be appropriate. But the justification is rarely made explicit, which makes it difficult to evaluate such activities.

The GEF/SGP in Ghana has made some progress in promoting fuel-efficient wood-burning stoves, consistent with the Global Workshop recommendation mentioned above. But under what circumstances should the GEF be financing more efficient stoves? Certainly there are carbon sequestration gains. But a number of questions arise: Are there other ways of achieving the same carbon gains in Ghana at less or comparable expense? More efficient stoves presumably generate substantial national benefits by conserving fuel, bringing the applicability of GEF funding into question. And is the introduction of fuel-efficient stoves in Sahelian countries (which has been going on for at least two decades) really an innovation that GEF should support? All of the answers may be yes, but they are unclear at present.

Technical Assistance and Support

The GEF/SGP portfolio contains many solid biodiversity conservation and climate change projects. However, country programs are seriously hampered by a lack of technical direction from

NYCU, inadequate budgets to hire national technical experts, no systematic access to international information sources on the technical aspects of small projects and the failure to document and share technical information between the GEF/SGP countries.

5. INSTITUTIONAL AND MANAGEMENT ARRANGEMENTS

◆ COUNTRY-LEVEL PROGRAM MANAGEMENT

National Coordinators

The NC has primary responsibility for managing the GEF/SGP country program. The ProDoc describes the NC role as including: (a) raising awareness of the GEF/SGP's objectives and procedures among NGOs and CBOs; (b) assisting NGOs and CBOs in the formulation of proposals which GEF/SGP can support; (c) pre-screening project proposals prior to review by the NSC, and facilitating the work of the NSC; (d) facilitating NGO/CBO access to technical support services; and (e) ensuring sound monitoring and evaluation. Many NCs also have additional responsibilities within the UNDP Country Offices related to environment and/or the GEF.

Most NCs are very proactive in building awareness about the GEF/SGP and seeking out potential grantees who have often had no previous contact with official funding agencies. The NC is the program's main contact with government, sometimes supported by a government agency representative on the NSC. The NC organizes the work of the NSC members and is responsible for monitoring the project portfolio. Most important of all, the NC is the primary contact for the GEF/SGP's clientele - NGOs and CBOs - who often start with little more than a vague project concept and lack the experience to develop their ideas into a full proposal for submission to the NSC. Working with CBOs and small NGOs to identify and develop fundable projects is often a lengthy and time-consuming process, compounded by the fact that requests for funding often far exceed the available grant resources.

This a highly demanding role for a single individual, who is typically supported by one administrative assistant. The competence and energy of the individual selected as NC usually stands out as the single most important factor determining the effectiveness of the country program and the quality of the grant portfolio. The NCs personify the GEF/SGP in every country. The NSC, the UNDP Country Office and, where applicable, the host NGO are all important national support mechanisms, but it is the NCs who drive the program. An effective NC must be entrepreneurial, highly respected by government and the NGO community, knowledgeable about the GEF focal areas and very dedicated. It is to the great credit of the GEF/SGP that this description does fit so many of their NCs, which are a very impressive group and perhaps the program's main strength. The 1995 GEF/SGP evaluation highlighted the danger of NC "burnout" due to overwork and stress, and several NCs left the program during the Operational Phase.

The Operational Phase imposed substantial new reporting requirements, which the NYCU often presented to the countries at short notice without providing additional resources. Some NCs took these new requirements very seriously and invested considerable amounts of their time in meeting them - inevitably at the expense of other program management activities. Other NCs concentrated on more operational issues and gave less attention to reporting requirements.

The budgets available to the NCs for administration and management have been very limited. During the Operational Phase an average of \$49,000 per year was available to cover the NC's salary and travel expenses, support staff salaries, contracts with host NGOs, travel allowances for NSC members, local consultants' fees and expenses, office rent and operating costs, equipment

and vehicle purchase, operation and maintenance, and all outreach costs - including printing, translation and video production. In practice, the budget allocation for national-level support activities fails to adequately cover training, workshops and meetings, technical assistance, monitoring and evaluation, contracting of case studies to document lessons learned, or information and communication campaigns.

These modest budgets give the NCs little flexibility either to travel for field visits to grantees or to hire consultants who can support grantees in technical areas. The limited operating budgets are also incompatible with the national scope of virtually all of the programs. It is an immense logistical challenge for one person to attempt to provide complete coverage in vast countries such as Indonesia and India or in regions like the Eastern Caribbean, where travel is time-consuming and expensive.

About a third of the NCs do not have easy access to e-mail and/or the Internet, and some have only difficult access to a fax machine. This imposes a serious disadvantage on the 'unconnected' in a decentralized program which needs to receive policy direction, technical information and procedural advice from the center while sharing information with other countries,

Somewhat mitigating these constraints, the NCs have been remarkably successfully at mobilizing voluntary inputs from unpaid NSC members and technical experts who contribute their expertise on a below-cost basis. These volunteers carry out a lot of unpaid work in relation to rather modest amounts of project funding, and their contributions represent an impressive commitment to solving environmental problems.

The potential for GEF/SGP country operations to expand is probably closely related to the capacity of the NCs. Most are already fully stretched by their overall program responsibilities and the supervision of portfolios of 20-30 projects. The NC role is often more demanding in countries where most grantees are inexperienced communities and CBOs, as opposed to stronger NGOs, as discussed in chapter 4. Although there are considerable variation between the countries, most national programs could manage significantly more grant funds but not more projects, necessitating an increase in average grant size.

National Selection/Steering Committee

The NSC in each country consists of 5-15 highly-regarded and experienced individuals who select the projects to receive grants. NSC members are drawn from the government, the NGO sector, and scientific and research institutions, and work on a voluntary basis. During the Operational Phase, the NSCs have increasingly been required to provide policy guidance to the national GEF/SGP programs. Reflecting this shift, many National Selection Committees were re-named National Steering Committees.

The NSC seems to be a very effective mechanism for project selection and national policy guidance, even though it demands a lot from the participants. It provides credibility, transparency, access to government, technical advice and the opportunity to inform and influence the organizations represented. Many countries changed their NSC members at the beginning of the Operational Phase to increase the Committees' technical capacities. Most NSCs now include an impressive balance of technical skills and representation from NGOs, research institutions and,

often but not always, government. For logistical reasons, NSC members are usually all based in the capital city. The NC's leadership and credibility is essential to an effective NSC. The evaluation team was generally very impressed with the quality and commitment of the NSCs and their realistic appreciation of the GEF/SGP's opportunities and constraints. The NCs, the UNDP Country Office and the NYCU have generally done an excellent job with NSC appointments.

The minimum NSC role is reviewing proposals which have already been screened by the NC, then selecting and approving grants. In most countries the NSC members play a much more active role, including making visits to grantee's project field sites, lobbying with government and providing policy guidance to the national program. Among the countries targeted by the evaluation, Jordan and Poland require those prospective grantees who survive prescreening to present their candidate proposals to the NSC and respond to questions. This has given NSC members considerably more understanding of the proposals and improved the quality of effective feedback to the organizations requesting grants.

The NSC represents an opportunity to bring in, as members, representatives from institutions which the GEF/SGP is trying to establish links with. This has been done effectively in several countries. In the Philippines this has given the GEF/SGP the political credibility and connections needed to establish links with the main GEF and other large government programs, as well the opportunity to have an impact on national policies. In Poland it has strengthened links with mainstream national institutions disbursing substantial environmental grants. Involving government officials in the NSC does, however, require a certain maturity of the program and its NGO constituency as well as the presence of government officials who respect and are willing to work with NGOs and CBOs.

Prominent NSC members usually have pressing demands on their time. It is therefore important that mechanisms are in place to use their limited time effectively. Successful examples from various countries include: (a) a good system for pre-screening proposals; (b) clear and comprehensive analyses of each project proposal context; (c) a checklist and grading system for evaluating proposals; (d) provision of planning grants; (e) a country program with clear operational objectives and an overall strategy to resolve issues related to project selection; and (f) feedback on the portfolio's successes, problems and failures.

UNDP Country Office

The UNDP Resident Representative has overall responsibility for in-country GEF/SGP financial and administrative arrangements. The UNDP Country Office's role includes (a) program monitoring, (b) facilitating interactions with the host government, other donors and other GEF activities, and (c) raising awareness of the GEF/SGP and mobilizing resources. Either the Resident Representative or a designated staff member is a member of the NSC. The average amount provided to each of the UNDP Country Offices for GEF/SGP support was a very modest \$3,000 per year, although the Country Office is able to bill the program for providing office space and other facilities.

GEF/SGP's relationship with UNDP's in-country operations varied according to personalities as well as the relative importance of the GEF/SGP within UNDP's national activities. The UNDP Country Offices usually do not seem aware of the specific orientations and requirements of the

Operational Phase. As noted in the 1995 evaluation, many NCs are drawn by the Resident Representatives into broad and time-consuming environmental roles within the national UNDP office that go well beyond their GEF/SGP responsibilities. A few of these demands are excessive, while most are just about manageable. Program monitoring has been carried out on a limited, ad hoc basis, and the UNDP Country Offices probably did about as much as could be expected given the lack of direction from NYCUC and/or a specific monitoring budget.

The GEF/SGP seems to serve as a good showcase for UNDP to demonstrate they have an effective environmental program with tangible projects and engaged communities. In some cases the GEF/SGP is presented as UNDP's flagship environmental program. In return, most Resident Representatives actively promote the program, although the fact that the funds originate from GEF is not always emphasized.

Of the countries visited during the evaluation, there were synergies between the GEF/SGP and other UNDP programs in Jordan and Senegal but this was less evident in the other 7 countries visited. Relations with UNDP are particularly supportive in Jordan, where the Country Office plays an active role in establishing links between the GEF/SGP and other funding agencies, several UNDP officers have visited SGP projects, and the Resident Representative invites the media to the signing of grant agreements. In the Caribbean, pressure was initially imposed on the NC to direct grants towards poverty programs and other regional UNDP priorities, rather than the GEF focal areas. A GEF/SGP management failure in Indonesia involving a poor relationship between the NC and the host NGO was allowed to persist for a long time without UNDP intervention, causing most of the Operational Phase to be nonproductive.

The national GEF/SGP operations have identified strong advantages from being under UNDP's protective umbrella. UNDP is widely perceived as being politically neutral. This is an important factor for the NGOs and CBOs which are the GEF/SGP's grantees, and ensures the program's continuity during periods of rapid political change. UNDP also provides access to government, which many nongovernmental groups lack. Perhaps most important, receiving a grant through UNDP has given many grantees credibility which they previously lacked (the same is true of the GEF but this is a less well known entity). Such credibility has given many of these emergent organizations a seat at the tables where important policy decisions are being taken.

Host NGOs

Eighteen NCs are located in UNDP Country Offices, 10 in host NGOs and 9 have their own offices. The evaluation field visits included three countries where the NC was housed in a host NGO. This arrangement worked well in Jordan and Senegal but has so far been disappointing in Indonesia. The relative success of Jordan and Senegal and relative failure (so far) of Indonesia appear mainly attributable to the specific individuals and organizations involved rather than any systemic or generalizable factors, although the presence of numerous sophisticated and well-connected NGOs in both Jordan and Senegal made it easier to find an appropriate host.

In Senegal the NC is also coordinator for UNDP's Africa 2000 program. This has caused some confusion about the respective roles of the two grant programs, compounded by the use of a joint name, "Africa 2000 Network/GEF". While this encourages synergy, the conceptual and substantive distinctions between the two programs in Senegal remain tenuous. The GEF/SGP also

shares its NC with the Africa 2000 program in 3 other countries (soon to be reduced to 2). The GEF/SGP NC also serves as coordinator for UNDP's LIFE program in Egypt and Pakistan.

◆ UNDP COORDINATION UNIT, NEW YORK

GEF/SGP supervision and technical support are provided by a Coordination Unit at UNDP New York (NYCU), as in the Pilot Phase. The NYCU is responsible for supporting the country programs and guiding them towards the Operational Phase goals and objectives. The GEF/SGP was deliberately set up in a decentralized way, with UNDP determined not to dictate how the individual national programs would operate. Consistent with this approach, a very small central management unit was established and the NYCU has consisted of only three people since the launch of the Pilot Phase in 1992: the GEF/SGP Coordinator, who reports to the UNDP/GEF Executive Coordinator and Deputy Executive Coordinator; a less than full-time Senior Advisor; and an administrative assistant. A Management Officer was recruited in mid-1997. The GEF/SGP Coordinator left UNDP in December 1997 and had not been replaced by April 1998. The Management Officer is filling this position on an interim basis, with support from a consultant since February 1998.

These arrangements for overall GEF/SGP management have proven incompatible with the GEF/SGP's ambition to work in 45 different countries on a set of problems which are not only complex but often diverge from the immediate environment and development priorities in the recipient countries (see chapter 4). The 45 national GEF/SGPs each require extensive direction, technical guidance and feedback from NYCU, in addition to the significant amount of procedural interaction which is inevitable with a developing but still immature program. But the NYCU has had totally inadequate staff and financial resources to respond to these needs, let alone to support the transition from the Pilot Phase to the Operational Phase and to satisfy the GEF/SGP's significant external reporting responsibilities.

The NYCU has been unable to meet some of the key Operational Phase goals which it set for itself in the ProDoc, and delivery on other outputs took much longer than expected, as described in chapter 2. In addition, a lack of regular contact between the overstretched NYCU and the NCs has led to considerable frustration at the country level. The evaluation country visits and the responses to the self-evaluation questionnaire revealed a pattern of significant delays in NYCU responding to inquiries, reviewing documents and approving the release of funds to the country programs, as well as considerable confusion about respective roles and responsibilities concerning the preparation of program strategies and guidelines. In aggregate, these problems contributed to considerable delays in the implementation of the Operational Phase.

The problems faced by the NYCU seem largely attributable to two factors. First, consistently unrealistic expectations for the Program, as evident in the ProDoc, the Operational Phase Mid-Term Report and other progress reports. Second, the decisions taken to launch the program in such a large number of countries without sufficient regard for the level of resources available for management. Both during the Pilot and Operational Phases, national programs have generally been set up wherever UNDP Country Offices, UNDP Regional Bureaus or governments requested them, irrespective of the program's capacity to manage them.

Setting up new GEF/SGP country operations has been a time-consuming and expensive process which dominated most of the Pilot Phase and required considerable effort during the Operational Phase. This challenging task has been carried out reasonably effectively, despite some problems in individual countries as noted in the 1995 evaluation. The NYCU and the UNDP Country Offices have generally done an excellent job in negotiating with recipient governments, hiring very competent and highly-motivated NCs, and setting up effective NSCs. The positive benefits from involving high quality people in the national programs from the outset were clearly apparent during the Operational Phase.

◆ **UNOPS, NEW YORK**

Program execution support is provided by UNOPS, which was established as a separate UN entity in 1995 to replace the former Office of Project Services within UNDP. The UNOPS role in the GEF/SGP covers all financial management issues, including administrative budgets, all contractual arrangements (including grants), and recruitment of staff and consultants.

The evaluation team agreed with UNDP at an early stage in the evaluation that insufficient time was available to fully assess UNOPS' role in the GEF/SGP. Reactions from the national programs emphasized two areas of concern related to UNOPS. First, the lengthy and cumbersome procedures required for the hiring of local consultants, even for very short periods (UNOPS' response was that standard UN procedure must be followed, irrespective of the size of the contract). Second, some long delays in approving budgets and transferring funds, compounded by a lack of response to phone calls from the field, which sometimes had a negative impact on projects. It also became apparent that UNOPS staff did not find it easy to generate financial data related to GEF/SGP operations from their existing systems.

◆ **GRANT FUNDS AND OPERATING COSTS**

The overall Operational Phase budget was allocated as follows:

Grants	\$17,950,000	75%
Country Programs	3,472,737	14%
Regional/Global Support	501,314	2%
<u>Program Management</u>	<u>2,076,693</u>	9%
TOTAL	\$24,000,744	100%

All GEF/SGP country programs have been treated in a more or less homogenous way, despite huge variations between the countries in terms of size, population, income levels, local currency purchasing power and magnitude of environmental problems. Each participating country had received about the same grant funds per year during the Pilot Phase. During the 2-year Operational Phase most country programs were allocated between \$200,000 and \$500,000 for grant funds (often for less than two years). With an average grant size of about \$20,000, the countries could each fund 10-15 projects a year.

Country Program expenditures are expected to be \$3,640,264 by the end of the Operational Phase following some reallocations among nongrant expenditures. Based on the 37 country programs functioning throughout the Operational Phase, this gives an average annual operating expense

budget per country of \$49,000 (discussed in a previous section). The Regional/Global Support budget covered international consultants, communications and outreach, the National Coordinator Workshop (ProDoc output 1.1), development of the Stakeholder Workshop (ProDoc output 3.2) and the evaluation.

The Program Management budget of \$2,076,693 included \$165,330 which was later reallocated to the Country Programs plus two types of management costs: (a) NYCU management costs of \$586,000, and (b) Agency Support Costs, consisting of \$1,104,469 to UNOPS for program execution (5%) and \$220,894 to the UNDP Country Offices (1%) for program support³. UNOPS thus received an annual average of \$15,000 per country for program execution, while the UNDP Country Offices received an annual average of \$3,000 per country for specific tasks undertaken at UNOPS request. This represented a slight shift from the Pilot Phase, when UNOPS had received 6% of the funds which it managed and the UNDP Country Offices had not received anything.

Systems for financial management and reporting from projects appeared to be operating satisfactorily in general, although the scope of the evaluation did not extend to examining or testing the adequacy of the GEF/SGP's financial controls. The NYCU has reported one case of misappropriation of funds in Cameroon, which led to a tightening of procedures by both UNDP and UNOPS. A disgruntled former NC in India has claimed misuse of funds but his lawsuit has been dismissed and both UNDP and the host NGO are convinced that no wrongdoing took place.

◆ TRANSACTION COSTS

The GEF/SGP has been under considerable pressure to reduce its nongrant expenditures or transaction costs, and has strived to keep these under 25% during the Operational Phase. This has only been achieved at the expense of keeping country operating budgets so low that many essential activities could not be carried out and by cutting the services provided by the NYCU to an unsatisfactory level. It is difficult to imagine that any international NGO would seriously consider taking on the management of the GEF/SGP in 45 countries under the current financial arrangements.

With a relatively low volume of grants per country, administrative and management costs in percentage terms may seem relatively high. But many of the expenses attributable to setting up and managing the national programs are not *variable costs* closely related to the size of the grant funds. They are *fixed costs* which would have to be incurred irrespective of the amount of grant funds. For example, every country program has to have an NC, an NSC, office facilities, transportation, and so on.

³ The Agency Support Costs are calculated net, as follows:

Total SGP budget	24,000,746	
less: Coordination Unit budget	<u>586,000</u>	
Funds managed by UNOPS	<u>23,414,746</u>	
SGP Programme Funds	22,089,383	
UNOPS overhead	1,104,469	(5% of 22,089,383)
UNDP Country Offices	<u>220,894</u>	(1% of 22,089,383)
Funds managed by UNOPS	<u>23,414,746</u>	

As pointed out in a previous section, the pressures on GEF/SGP central management are much more closely related to the complexity of the program and the large number of countries which the GEF/SGP operates in rather than the modest amount of funds available for disbursement through the program as a whole. The demands of the program on the central management unit and the small budget for NYCU staff and technical support are simply incompatible with establishing and operating the GEF/SGP effectively in 45 countries.

6. CONCLUSIONS

◆ OVERALL FINDINGS

By the end of its Operational Phase in June 1998, the GEF/SGP will have set up 45 national programs and made grants to more than 1,100 projects, at a total cost of about \$42 million over 6 years. During the two-year Operational Phase alone, the GEF/SGP will have set up 12 new programs and disbursed about \$18 million to more than 700 projects. Grant funds have been distributed fairly evenly among participating countries and no attempt has been made to prioritize countries or regions where biodiversity losses or greenhouse gas emissions are most serious.

The distribution of grants among the GEF focal areas has not changed significantly from the Pilot Phase: biodiversity was 71% in the Operational Phase vs. 76% in the Pilot Phase, climate change 17% vs. 19%, international waters 3% vs. 4.5% and projects with multiple focal areas 9% vs. 0.5%. Of the four new programming areas introduced for the Operational Phase, most GEF/SGP grants are for demonstration projects and capacity building, with relatively few grants supporting applied research, policy analysis or policy dialogues.

The project portfolio includes some innovative and very impressive projects which are fully consistent with the GEF's Operation Programs. Such projects have usually resulted from very careful project selection, considerable environmental expertise and a clear understanding of GEF goals on the part of the NC and NSC. But the portfolio also includes many projects with only indirect or tenuous links to the GEF focal areas. This is due both to a lack of technical guidance from the NYCU and to the fact that most national programs and their grantees are struggling to reconcile the immediate and urgent priorities of poor, rural communities with the global environmental problems targeted by the GEF.

National institutional arrangements for GEF/SGP management are generally working very effectively, even though there are significant performance variations between the country programs. With very few exceptions, impressive and dynamic NCs are well supported by capable and dedicated NSC members and are highly respected by key government agencies as well as the NGO/CBO community. The establishment of strong management teams in so many countries has been a major achievement for the NYCU and the local UNDP Country Offices.

Awareness raising and capacity building among a broad spectrum of grantees and partner organizations are clear GEF/SGP strengths. Many national GEF/SGP's have also achieved wide recognition based on their skillful outreach and communications with a variety of audiences, their participatory approach to project design and implementation, their commitment to broad stakeholder involvement in environmental initiatives, and for their role in highlighting international environmental obligations in local and national environmental debates. Considering the modest level of grant funds available for disbursement in each country (averaging less than \$200,000 per year during the Operational Phase) and the small operating budgets (less than \$50,000 per year), it is remarkable what has been achieved.

The GEF/SGP has been under considerable pressure to reduce its nongrant expenditures or transaction costs, and has strived to keep these under 25% during the Operational Phase. But this has only been achieved at the cost of keeping country operating budgets so low that many essential

activities could not be carried out, and by cutting the services provided by the NYCU to a completely unsatisfactory level.

Supervision and coordination of the GEF/SGP has not progressed as anticipated by UNDP at the beginning of the Operational Phase, mainly due to the lack of staff and financial resources available to the NYCU. Many outputs and activities specified in the ProDoc were either delayed or remain incomplete. Notably, the GEF/SGP still lacks both a strategic framework and an impact monitoring system, and systematic attention to the learning process has been limited. As a result, the program's objectives and methodologies remain unfocused and it is unclear how progress towards GEF goals should be measured, either at a program or project level.

Expansion into as many as 45 countries has spread the GEF/SGP's financial and management resources very thinly, compromising both effectiveness and efficiency. Overall coordination of the national GEF/SGPs has been provided by an NYCU consisting of less than two full-time professional staff. As a result, it has proven impossible for the NYCU to provide the needed leadership and levels of support to the country programs as they attempted to make the challenging strategic and programmatic transition to the Operational Phase. Delays and frustration have resulted, including some significant holdups in transferring funds for Operational Phase grants to the national programs.

While the ProDoc contained many worthy goals and objectives related to community-level initiatives in global environmental areas, these were largely unrealistic for a two-year Operational Phase and were inconsistent with the level of resources available. Projects cannot be expected to induce sustainable change in rural communities within such short periods of time, let alone to generate measurable impacts on global environmental problems. The ProDoc is not an adequate planning tool and does not contain a practical set of criteria which can be used to assess the GEF/SGP's achievements during the Operational Phase.

◆ PROGRAM IMPACTS

Many national GEF/SGPs have made important contributions to environmental awareness raising both among NGOs/CBOs and among project partners, including government agencies. Communicating the links between local actions and global problems remains a challenge at the community level. Organization and technical capacity building is a particular strength of the program. Environmental knowledge and technical skills have been acquired by an impressive range of grantees.

Most projects have convincingly involved a wide range of stakeholders in their participatory approaches to design and implementation. Significant numbers of grants have attracted cofinancing, some on a large scale. Most countries can show convincing examples of projects which have been scaled up or replicated elsewhere.

The prospects for project sustainability are limited by the short duration of most of the projects, with most grants being for a maximum of 1-2 years. Project income-generating components intended to promote sustainability are generally unconvincing, lacking adequate feasibility studies and business-oriented management.

◆ MAJOR PROGRAMMING ISSUES

More technical guidance is needed to help select sites and technologies, to identify which types of projects are appropriate for GEF funding, and to access information on technical options, replicability, cost-effectiveness and other aspects of small-scale project experiences from other countries.

The tension between community priorities and GEF goals presents a significant challenge to the GEF/SGP. The prospect of meeting basic needs or capacity building often provides GEF/SGP or its NGO grantees with their entry point to a community. But winning the confidence of communities and helping them organize takes time, involves much uncertainty and is unlikely to be successful if it begins with an explicit emphasis on GEF focal areas. As a result, many GEF/SGP community projects begin with activities which are not related to GEF focal areas. At least some GEF/SGP projects do show that new ideas and concepts related to global environmental problems can be added over time once more immediate and basic goals have been achieved. However, the extent to which GEF funds should be used to support community development needs as an indirect, unspecified but necessary route towards addressing global environmental problems has not been adequately addressed.

This dilemma for the GEF/SGP could in principle be addressed by attracting funds from other sources to support basic community development, so that GEF funds could specifically be targeted on biodiversity, climate change and international waters. This would be analogous to financing the baseline costs in the incremental cost framework. Cofinancing for GEF/SGP projects has not supported such baseline expenditures so far.

GEF/SGP projects which have moved fastest and shown greatest progress are usually those involving accomplished and experienced NGOs in urban or semi-urban areas. Projects involving poor rural communities and inexperienced CBOs have generally progressed much more slowly. Projects in the former category - which are discouraged by the ProDoc - also require far less management support and supervision than projects in the latter category. The program has so far given little attention to the important operational implications of the choices between these types of projects and their different definitions of "community".

While significant and impressive progress has been made in a number of important areas, especially at the national program level, it is evident that the GEF/SGP still lacks an explicit strategy for grappling with the program's key technical and operational challenges: (a) how to use small grants to achieve a reconciliation between local community priorities and the global environmental problems defined as the GEF's focal areas; (b) how to measure or assess the performance and impacts of the program and its projects; and (c) how to reconcile the management of a diverse and technically-complex program in 45 countries with very modest resources for central and national-level management.

◆ LINKAGE AND COORDINATION

The GEF/SGP has successfully brought NGOs and CBOs together with government agencies and research institutions in innovative partnerships to address environmental problems. Some of these

partnerships have persisted and expanded beyond GEF/SGP-financed projects, facilitating information flows, training and sometimes cofinancing and replication.

GEF/SGP support for NGOs and CBOs has helped develop more constructive links with government in several countries. This has usually resulted from the realization among NGOs/CBOs that they need government support and participation to be effective. In turn, as NGO/CBO projects gain credibility, these organizations learn to manage more complex interactions with government agencies, which begin to see NGOs/CBOs as collaborators.

The GEF/SGP has attracted extraordinarily high amounts of voluntary inputs to its projects, from universities and research institutions, governmental services, NGOs, private and public sector organizations and individuals, community members, local government representatives, as well as the volunteer NSC members. This represents an impressive level of commitment to solving environmental problems.

There are few examples of effective operational links with the main GEF. The relationships which do exist often involve the GEF/SGP's NSC members. Most NCs have attempted to strengthen these links, often with limited success. The GEF/SGP is still not well known to many of the GEF Implementing Agency task managers, especially in the World Bank.

Relationships between national GEF/SGPs and UNDP Country Offices vary. Grantees appreciate UNDP's political neutrality and access to government as well as the credibility which small organizations receive from financing through a UN agency. Some Country Offices are highly supportive to the GEF/SGP, others less so. The Country Offices were not consistently aware of the GEF/SGP's transition to the Operational Phase. Synergies between the GEF/SGP and other UNDP initiatives are still fairly limited and there are few signs that the GEF/SGP approach and experiences have become mainstreamed in regular UNDP programs, even though the GEF/SGP does provide UNDP Country Offices with an opportunity to show they have a convincing environmental program.

◆ INSTITUTIONAL ISSUES

The country programs are at different stages of development. Some country operations are highly sophisticated and effective, others are still maturing, while some remain in an experimental, pilot phase and still require considerable supervision. So far, all countries have been treated homogeneously by the NYCU, with little variation in expected outputs, grant funds or degree of technical support. A more sophisticated approach to overall management of the country programs will be needed for the next phase of GEF/SGP operations.

The national GEF/SGPs have all taken at least some steps towards program sustainability, although the idea of country program sustainability remains unclear to most, if not all, NCs and NSC members in terms of goals, timeframe, options and procedures. Most country programs will require several years or more before they can expect to become financially and/or institutionally independent from the GEF, and they will require significantly more guidance on how to achieve this. It is not clear that such independence would be desirable in all countries. A significant number of country programs have little prospect of achieving financial independence under existing donor and national government spending priorities.

Several countries reported delays of some months in the transfer of grant funds from New York, in some cases with negative impacts on projects. Such delays put a major constraint on the country programs during the relatively brief two-year Operational Phase.

◆ **THE GEF/SGP'S POTENTIAL WITHIN THE GEF**

The GEF/SGP occupies a unique and valuable niche not only within the GEF but within all international environment and development efforts. Many of the national programs have convincingly engaged a wide range of actors in addressing global environmental problems, leading to ground-breaking coalitions and partnerships. The GEF/SGP also provide a stream of funding - albeit on a very modest scale - which is unmatched by other environmental programs in terms of its innovation, flexibility and responsiveness. There is no comparable mechanism for raising environmental awareness and building capacity across such a broad spectrum of constituencies within the recipient countries. National ownership of the GEF/SGP and commitment to its participatory principles is clearly demonstrated by the talented and experienced people attracted to become NSC members, as well as the enormous voluntary inputs elicited by the programs from all levels of society.

The GEF/SGP is therefore relevant to the GEF now and should become even more relevant as the GEF begins implementation of its 1998 replenishment. But the results of this evaluation strongly suggest the GEF/SGP is only likely to live up to its considerable potential if UNDP demonstrates the willingness to make a much more strategic and realistic selection of goals and objectives which are tightly linked to the aims of the GEF, and if more resources can be made available for overall program management.

Recommendations for change are described in the next chapter.

7. RECOMMENDATIONS

The recommendations presented in this chapter concentrate on two main areas. First, the strategic priorities for the next Operational Phase of the GEF/SGP; second, the institutional arrangements and resources which will need to be in place if these priorities are to be translated into effective action. More detailed recommendations together with a summary of the operational lessons which emerged from the evaluation can be found in Annex 3.

◆ STRATEGIC PRIORITIES

Preparation of a GEF/SGP Strategic Framework and Operational Plan, which was anticipated but not carried out during the Operational Phase, should be UNDP's first priority, whether or not this takes the explicit form of another ProDoc. Involvement of the GEF Secretariat in this process seems essential, and the individual Country Program Strategies will be a key source of information. This task should include a re-examination of the GEF/SGP's goals and objectives in the context of the considerable progress to date, the GEF's evolving priorities and the GEF/SGP's own management resources. The GEF/SGP's objectives and approach should be formulated in a way that (a) provides operational guidance to the NYCU and the country programs, (b) retains the entrepreneurial spirit and experimental nature of the more effective national programs, and (c) allows progress to be adequately assessed over time. A much better match between the technical and management capacity of the GEF/SGP and the expected outputs will be needed in future if the program is to make its full potential contribution to the GEF. Outputs from this process should reflect a clear consensus among UNDP and the GEF.

The short duration of the two-year Operational Phase caused considerable uncertainty within the country programs and made many of them reluctant to enter into serious long-term planning. This problem was compounded by some serious delays in approving the Country Program Strategies and transferring grant funds from New York to the field. Despite their generally outstanding contributions, the NCs have had little job security and none of them have received any assurance that their employment will extend past June 1998. These conditions seem antithetical to sustainability. To make a convincing case for replenishment covering a longer period - ideally 4 or 5 years as is usually the case for large GEF projects - it is recommended that UNDP give high priority to developing a series of benchmarks which will allow progress during the next phase of GEF/SGP operations to be measured over time and grant funds released accordingly.

Performance indicators should be developed for GEF/SGP projects and an effective monitoring and evaluation system established. These are challenging tasks which will require experimentation and learning over an extended period of time as well as specific resources.

Uniform, program-wide operating goals and objectives are less applicable than previously. As the GEF/SGP progresses, significant performance variations between the countries are becoming more apparent, with some countries at a much more advanced stage of implementation than others. These differences are attributable to the specific country contexts as well as the life span of the respective national programs and the management capacities of the NCs and NSCs. This means that identical goals, expectations and activities for all countries will no longer be appropriate, even while a common overall GEF/SGP strategy is followed. The GEF/SGP must therefore develop the capacity to manage significant diversity among its country programs. A system of measuring the

level of implementation or progress in each GEF/SGP country should be developed, with the objective of rewarding countries with funds and flexibility based on a systematic analyses of their performance and potential. It will be critical to measure progress in relation to achievable goals established on an individual country basis.

During the Operational Phase, country programs were expected to move away from diversified portfolios of demonstration projects and towards a more strategic focus on longer-term program priorities. This process is still far from complete in most, if not all, countries and will require considerable attention before and during the next phase of GEF/SGP operations. Subject to the maturity of the individual country programs, this transition should concentrate mainly on extending support to previous efforts which show signs of progress. This might include broadening or consolidating the initial project impacts, replication, scaling up, policy dialogues, establishing links to larger projects, testing participatory monitoring and evaluation approaches and/or training. The GEF/SGP's demonstrated progress in awareness raising and capacity building should certainly to be emphasized, although both of these activities could benefit from clearer definition of goals and objectives.

The individual Country Programme Strategies prepared during the Operational Phase provide a very useful starting point for planning the next phase of GEF/SGP operations. These documents can provide a transparent statement of national program goals and plans as well as a management tool for assessing progress. But at least some of these CPSs have yet to be thoroughly reviewed and assessed by the NYCU, with feedback provided to the countries. While some of the CPSs are most impressive, others require considerably more work if they are to become useful documents. Continuing to develop and refine the CPSs should be a high priority. The UNDP Country Offices should become more involved in guiding the CPSs, based on appropriate guidelines and a clear understanding of the overall GEF/SGP strategy.

Country programs should establish stronger relationships with the key government agencies responsible for national priority setting in relation to the GEF focal areas, e.g., national biodiversity strategies. This should (a) help ensure that GEF/SGP strategies and grants are consistent with and support national plans and policies, i.e., are country driven, and (b) allow for synergies between GEF/SGP and other initiatives identified as national priorities.

Countries need considerably more technical direction within each of the GEF focal areas and much more guidance on what types of projects should be eligible for GEF/SGP funding. In particular, more attention must be given to working out how small grants can most effectively be used within each of the applicable GEF focal areas and operational programs, with this information provided to the national programs in a usable format. Such a flow of information should be continuous rather than a one-time exercise. Use of the Internet in this respect has hardly begun to be explored. Once such information becomes available, country programs should be encouraged to test specific and clearly-defined hypotheses concerning the use of particular local, small-scale approaches to global environmental problems, and then - critically - to disseminate the results.

The GEF/SGP should develop and adopt a strategy for attracting matching, non-GEF funding for its projects targeting inexperienced and/or impoverished communities which are not immediately in a position to give their full attention to global environmental problems. Such baseline funding aimed at grantees' basic needs and subsistence concerns should allow GEF/SGP grants to be more

carefully targeted on subsidizing the incremental costs of activities to benefit the global environment.

The project selection process in many countries needs to be refined to ensure tighter links to the GEF focal areas, in conjunction with the recommendations made in the four previous paragraphs.

The GEF/SGP has clear strengths in some of the key areas which the GEF Council highlighted for the GEF as a whole in April 1998 in New Delhi, especially involving broad ranges of stakeholders in projects, using participatory approaches to work with NGOs and communities, outreach and communications to multiple constituencies, engaging local and national technical expertise, and clearly being country driven. But the GEF/SGP has disseminated very little information on how these areas are being addressed or what has been learnt from experience in terms of what works and what doesn't. The knowledge and experience gained by the GEF/SGP will continue to be transmitted informally within a limited network until systematic attention is given to learning and dissemination of experiences. Other countries, the main GEF and other interested parties cannot benefit from the GEF/SGP's project experiences unless these are carefully documented, objectively analyzed and broadly disseminated.

Communications within countries is already quite effective. But information management needs to be taken much more seriously by the GEF/SGP at three levels: (a) between NYCU and the country programs, all of which should be provided with Internet access as soon as possible; (b) between the country programs, particularly within regions; and (c) between the GEF/SGP as a whole and other key institutions and agencies, especially the GEF Secretariat, the GEF Implementing Agencies, the Conventions, other donors and international NGOs. The timely translation of key documents into French, Spanish and Arabic should be a strict program requirement.

The GEF's mid-size grant facility is fully understood by some countries, barely at all by others. This program offers significant scaling-up opportunity for GEF/SGP grantees and could become an important bridge between the GEF/SGP and larger GEF projects. Information dissemination concerning GEF mid-size grants should be improved, to include follow up, support for presentations and additional materials.

Finally, UNDP should make a renewed effort to demonstrate how it can mainstream the results of the GEF/SGP's experiences into its other operating programs, and use these programs to support the GEF/SGP where appropriate.

◆ INSTITUTIONAL ARRANGEMENTS AND RESOURCES

New York Coordination Unit

More resources are needed for the NYCU to address key strategic program issues, to provide more technical direction and support, and to be more responsive to the country programs. The current level of staffing seems inadequate by at least 2-3 professional staff, if not more, compounded by the fact that the GEF/SGP Coordinator has not been replaced since leaving UNDP in December 1997. Plans for the next phase of GEF/SGP operations should make provisions for adequate staff and financial resources.

If the resources can be made available to step up staff levels (and if they cannot, the problems identified in this evaluation seem destined to continue), then a variety of options might be considered. One possibility would be to have three regional coordinators based in the regions, one each for Asia-Pacific, Latin America and Africa (the Arab States and Europe could be handled as extensions of the impressive programs in Jordan or Egypt and Poland, respectively). These individuals could be based in their own countries and travel throughout their region, helping refine the CPSs, supporting monitoring and evaluation, and contributing to documenting and disseminating program lessons.

Consideration should also be given to subcontracting certain support activities expected of central management. Support for the development and implementation of a GEF/SGP impact monitoring system, the organization and implementation of training on various aspects of financial sustainability and/or the documentation and dissemination of lessons learned could be assigned to qualified organizations.

The NYCU and UNOPS should review their own procedures to ensure that the delays in transferring funds to the country programs experienced during the Operational Phase are not repeated.

National Programs

More resources should be provided for country programs to enhance their technical capacities and to relieve the pressure on the NCs and NSC members. NCs are usually supported by a single administrative/clerical staff. Country programs should be provided more resources to bring in a senior technical staff member to support the NC. The NC could then focus more on institutional linkages, leveraging activities and the strategic guidance of the country program. The presence of a more senior and technical person to backstop and provide support to the NC would also make the country program less susceptible to any sudden loss of institutional memory and direction should the NC leave.

As a possible alternative, country program could be provided with resources to recruit a panel of experts that can be on-call for technical assistance, to develop agreements and working relationships with universities or research institutions, to subcontract certain activities such as technical training and workshops, impact monitoring and evaluation, and the multimedia documentation and dissemination of lessons learned to relevant expert firms and groups. Irrespective of which option or combination of options proves most suitable, more resources should certainly be provided to help the country programs meet these needs.

Although many NSCs were strengthened during the Operational Phase, more financial expertise and small business experience is generally needed to evaluate the feasibility of projects attempt to develop financial sustainability through their own income-generating activities.

SECOND INDEPENDENT EVALUATION OF THE GEF SMALL GRANTS PROGRAMME

ANNEXES

ANNEX 1 – EVALUATION CONSULTING TEAM

ANNEX 2 – TERMS OF REFERENCE

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ANNEX 4 – SELECTION OF CASE STUDY COUNTRIES

ANNEX 5 – CASE STUDY SUMMARIES

ANNEX 6 – GUIDELINES FOR COUNTRY VISITS

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TERMS OF REFERENCE

1. PURPOSE

The purpose of the evaluation of the Global Environment Facility Small Grants Program (GEF/SGP) is to review the performance of the program especially in the period 1995-1997. The review will include both an evaluation of progress in program implementation, measured against the planned outputs set forth in the Project Document, and an assessment of features related to the impact of the program. The evaluation will also identify "lessons learned" and "best practices" from the SGP and offer operational recommendations to enhance the SGP's performance.

2. BACKGROUND

The GEF/SGP was launched in 1992 to provide support for community-level initiatives that contribute to conserving global biodiversity, mitigating global climate change or protecting international waters. Activities addressing land degradation -- primarily desertification and deforestation -- may also be supported when they relate to the three priority areas.

In each country, grants of up to US\$ 50,000 are awarded by National Steering Committees, on a competitive basis, to community groups, NGOs and NGO networks for relevant activities. Priority is given to projects that (a) provide for community participation in their design, implementation and evaluation; (b) involve local organizations; (c) focus on women and/or indigenous people and practices; (d) draw on local scientific and technical resources and/or (e) include provision for capacity development. Each National Steering Committee also draws up a country strategy and establishes country-specific criteria, within the framework of the GEF Operational Strategy and Operational Programs, for in-country grants. A national coordinator is responsible for the program in each country. At the end of its pilot phase, the program was operational in 33 countries. In the first two years of the operational phase the program will become operational in an additional 13 countries.

The GEF Small Grants Program is managed by the United Nations Development Program (UNDP), with program execution services provided by the United Nations Office for Project Services (UNOPS). In its pilot phase, the program received US\$ 14.9 million from the GEF Trust Fund, US\$ 3.0 million from USAID and US\$ 300,000 from the John D. and Catherine T. MacArthur Foundation.

In October 1995, the GEF Council approved US\$ 24 million for the first two years of the operational phase. Following the Council's decision, a new project document was prepared. This was approved in June 1996 and the first two-year cycle of the operational phase was launched in July 1996.

The first independent evaluation of the SGP was carried out in 1995 before the October Council meeting. Findings and recommendations from this evaluation will be an important reference point for the current evaluation.

The period from 1995-1997 marks a program-wide shift from the orientation of the pilot phase to a longer-term and more strategic approach to program planning and implementation at country and global levels. In the pilot phase program operations focused on (a) establishing an efficient, decentralized, and transparent system for providing small-grant support to NGOs and CBOs (community-based organizations) and (b) funding a wide range of pilot activities to test and demonstrate community-level approaches within the GEF areas of concern. Building on the results and lessons learned from the pilot phase, GEF/SGP operations now seek to assure broad-based, integrated and sustainable country programs as a means of achieving greater impact in the GEF focal areas.

The following three long-term strategic objectives have been established to guide program planning, implementation and learning in the operational phase:

Objective 1: To enhance the capacity of selected households and communities to improve their livelihood security through the sustainable use and conservation of biodiversity, the adoption of renewable energy technologies and improved efficiency of energy use, and through measures to protect coastal, marine and transboundary freshwater resources.

Objective 2: To expand the impact of successful community-level initiatives through scaling-up, replication, networking and promoting a supportive policy environment for community-level efforts in the GEF areas of concern.

Objective 3: To ensure the longer-term institutional and financial sustainability of the program.

3. SPECIFIC OBJECTIVES

The evaluation of SGP performance involves analysis at three levels: (a) at the level of the overall program, (b) at the country level and (c) at the level of individual projects. Each level of analysis has four components:

1) Assessment of Progress in Program Implementation

In this context, implementation means the provision of inputs and achievement of outputs as well as the processes of implementation. Because the operational phase has been implemented for only one year, progress should be measured against the outputs stated in the project document. The evaluation will focus on such aspects as appropriateness and relevance of workplan, compliance with workplan; timeliness of disbursement; procurement, quantity and quality of goods and services created; coordination among the different actors, and headquarters support. Any issue that has impeded or advanced the implementation of the program should be highlighted.

2) Assessment of program impact

Since it is too early to assess the impact (defined as contribution to GEF's overall goals) of the SGP on the global environment, the evaluation will focus on some aspects which are closely related to "impact assessment" such as:

Capacity Development:

- the effects of SGP activities on strengthening NGOs, CBOs and community capacities will be assessed.

Sustainability:

- an assessment will be made of efforts undertaken to ensure that the results of successful projects are sustained beyond the period of GEF financing.

Leverage:

- an assessment of the SGP's effectiveness in leveraging its Small Grants to influence larger projects and broader policies.

Awareness raising:

- SGP's contribution to raise greater awareness of environmental issues and of the GEF will be examined.
- SGP's contribution to promote policy or advocacy activities and collaboration among communities will be assessed.

3) Identification of Lessons Learned and Best Practices

To shed light on the debate on "acting locally and thinking globally," and to show how to address environment issues of global concern with small-scale community-based activities, the evaluation will:

- Identify "lessons learned" and "best practices"
- Document the integration and application of experience from the pilot phase in the operational phase

4) Development of Operational Recommendations

Recommendations will be developed to help the SGP improve its support for small-scale, community-based activities in line with GEF priorities. They are aiming to

- help communities do a better job,
- strengthen the work of the national coordinators and national committees;
- enable headquarters to provide effective support;
- improve ways to draw, share and document lessons learned and best practice experience;
- provide guidance on the future role of the SGP vis-à-vis the new GEF medium-sized projects initiative.

4. METHODOLOGY

Information will be gathered through document review, group and individual interviews, and site visits. More specifically, the evaluation will be based on the following sources of information:

- A review of documents related to the SGP such as the project document, the Mid-term report, the report from the 1995 independent evaluation, the periodic progress reports on program implementation, the report from the TriPartite Review, the Project Performance Evaluation Report, GEF/SGP brochure, country strategies etc.
- Structured interviews with players both at headquarters and country level including the GEF/UNDP Executive Coordinator, SGP Coordinator; national coordinators, UNDP Country Offices, members of National Steering Committees, project managers, NGOs, CBOs, beneficiaries, etc.
- Country visits to at least five countries. The countries to be visited will be chosen on the basis of such factors as geographical representativeness, number and maturity of SGP activities, relevance to all GEF focal areas, etc.

An independent advisory panel will provide strategic guidance to the evaluation team in all stages of the evaluation. The evaluation team will continuously inform the advisory panel – directly or through the UNDP/GEF M&E Coordinator - on the progress of the study and will take into account the comments of the panel in conducting the evaluation.

5. TIMING

The evaluation will include three phases:

Phase I will encompass the preparation of the methodology based on a review of documents and interviews at UNDP/GEF New York. A final selection will be made of countries to be visited and the country visits will be prepared. Phase I will end with the preparation of a brief progress report.

Phase II will consist of at least five country visits as well as a review of documents and interviews at the GEF Secretariat and international Washington based NGOs and a follow up visit to UNDP/GEF as considered necessary. The evaluation team, supported by local consultants, will visit five or six countries each of them for about 5-10 working days. All parties involved in SGP operations will be interviewed and additional documents not available at headquarters, will be reviewed. A report will be produced on each country visit and shared with the SGP Coordinator for their comments. Phase II shall be completed at the end of February 1998.

Phase III: The evaluation team shall submit produce a first draft of the final report by the 20 of March 1998. The draft final report will be circulated within the GEF family and the Advisory Panel. Within three weeks of receiving comments from the parties involved, the final evaluation report will be submitted. Completion date for submission of the evaluation report is expected to be approximately 1 May 1998.

6. ROLES AND RESPONSIBILITIES

The evaluation will be carried out by an independent team of highly qualified experts. An Advisory Panel will provide strategic guidance to the evaluation. UNDP/GEF headquarters will be responsible for coordinating the evaluation and providing the required support.

6.1. Evaluation Team

The study team will consist of a team of three internationals and at least five national experts, one in each of the countries visited. The international team members will have high international standing, acknowledged integrity and good knowledge of global environmental issues. They should have had working experience with NGOs and CBOs. The team leader will be mainly responsible for operationalizing the study and for assembling and finalizing the evaluation report based on substantive written inputs from the international experts. The international team will be responsible for briefing and guiding the national or regional team members who will take part in the country visits.

6.2. Draft TORs for National Experts

1. Review relevant documents related to the planned evaluation and of the GEF/SGP and conduct focused discussions with the National Coordinator on topics and issues that relate to the implementation and impact of the country SGP program and its projects. The National Expert is expected to be well versed as to the objectives, historical development, institutional and management mechanisms, portfolio and already documented “lessons learned” of the program before the scheduled site visit of the International Expert.
2. Comment and help improve the “Guidelines for the Country Visits” especially in relation to particular in-country considerations. The National Expert should be able to help access other independent sources of information, either from documents (e.g. reports, memos, newspaper articles, etc.) or through other relevant respondents. The National Expert should then jointly work with the National Coordinator on the finalization of the schedule of project site visits, interviews and meetings.
3. Help the National Coordinator in selecting at least ten (10) potential projects for the site visits using the criteria in the “Guidelines for the Country Visits”. Provide additional inputs to the International Expert for the final selection of the sites to be visited.
4. Conduct preliminary collection of quantitative data, specifically on items 1.5.1 (grants vs. transaction costs), 1.5.2 (time expended in the project cycle), 2.2.4 (number of projects that are sustainable), 2.3.2 (linkages and leverage) and 2.4.2 (number of projects with strong awareness) of the guide questions in the “Guidelines for the Country Visits”. Provide an analysis of the collected data for further discussions with the International Expert.
5. Join the International Expert in the project site visits and other meetings and provide support during interviews with key respondents, focused group discussions, site assessment, on site analysis of observations and in the documentation of the site visits.
6. Submit reports that highlight important observations, analysis of information, and key conclusions.

7. Comment on the consolidated Country Visit Report prepared by the International Expert.
8. Gather additional information, as requested by the International Expert, after the country visits.

Qualifications: The national or regional team members are expected to be competent in environmental and community development issues and to have a good grasp of national issues and institutions.

LESSONS LEARNED AND OPERATIONAL RECOMMENDATIONS

Numerous lessons have emerged in the course of this evaluation through country visits and the questionnaires. These lessons can be clustered at three levels: program-wide, country-level, and project level. Despite the variety of projects and countries, many of the lessons tend to be similar across countries, and they tend to be process, rather than impact, oriented. The lessons have been grouped in four areas: capacity-building, awareness, leverage, and sustainability.

◆ PROGRAM-WIDE LESSONS

Capacity Building

GEF/SGP activities have built in-country capacity. Mechanisms such as the National Selection Committees and National Stakeholders Workshops, processes which are unique among donors, have helped develop a cross-national capacity to plan and implement local-level activities in the four focal areas .

Programmatic capacity building is one key to successful in-country programs. Information sharing, workshops, and cross-national site visits can be an important vehicle to build capacities of NCs , as well as help NYCU identify other program needs. Experiences for sharing and learning should be used more strategically within the SGP.

Awareness

Awareness raising through the media requires a strategy. Just as NYCU urges countries to increase awareness raising, the NYCU could increase awareness raising by a) developing its own strategy, and b) developing guidelines for countries on awareness raising and the media. This would help insure a widespread and systematic way of publicizing the Program and its achievements both on a international scale and at the Country Program level.

Leverage

UNDP involvement has provided the program with leverage in three ways. First, it gives a neutral position vis a vis other agencies & stakeholders. Second, it has given the Program a high profile that might be difficult to achieve if it were linked to other agencies. Finally, it has brought substantial technical assistance and leverage that may not have been possible otherwise.

Barriers to increasing program leverage remain. First, there has not been any concerted effort to identify and coordinate SGP activities with other donor agencies either regionally or across the portfolio. Second, there has been insufficient documentation of activities and results, or review of cross-national activities in each of the focal areas. Combining a good public relations strategy with substantive findings about the projects would increase program leverage.

Sustainability

Opportunities may exist for country programs to generate revenue by providing services to other agencies (identification and coordination of NGOs, information dissemination, etc.) on a fee for service basis if NYCU provided guidelines on how such services or cost-sharing arrangements would work.

◆ WITHIN COUNTRY PROGRAMS

Capacity Building

Greater NSC involvement generally leads to greater capacity-building in project selection and technical assistance. Involvement of the NSC in the operational phase through i) field visits to proposed projects sites; ii) early discussions with potential grantees; and, iii) identification of technical assistance increases project linkages, grantee capacity, and NSC capacity.

Partnership approaches and organizational development are underutilized elements of the SGP. Capacity-building, even for established organizations, is often essential to increase managerial capacity and vision to undertake projects.

Training and technical assistance (T&TA) are essential for both capacity-building of organizations and project implementation. These two types of T&TA are different; they may come at different stages in the project cycle and require different types of assistance or partnerships. The role of the NC in acting as a 'gatekeeper' for providing the right kind of T&TA at the right time is crucial. Organizations often could ask for T&TA for technical or scientific dimensions of their projects, but were reluctant to acknowledge the need for other types of assistance, particularly for organizational development, project management, etc.

Capacity-building is a long-term process and should be viewed as such. For new or needy organizations or less capable communities there is the need to allocate more time, efforts, funds and planning grants. Providing small levels of support for a long time, viewed as a process rather than a project, can effectively contribute to capacity-building.

Site visits are one of the best vehicles for T&TA and capacity-building. There are a variety of forms which site visits have taken (by NC, by NSC, by grantees) -- all are important. The most effective way of transferring know-how and experience is through visits to field sites to learn about the problem solving of others.

Training should be linked to visible and demonstrative organizational or project goals. Hands on training with participants going through all steps of the process themselves increases performance, as do cross-site visits.

Awareness

A formal strategy for information dissemination and awareness raising is needed and should be part of each country's CPS. A communications strategy, including media kits, can have multiple benefits, including raising awareness and commitment of other funding agencies, donors, and the

private sector to get technical and financial support. Also, it raises awareness among the general public of focal area concerns, and increases program transparency and the number of potential grantees.

Individual projects should be treated within the context of a strategy.. Viewing each individual project within the context of focal areas and methods (e.g. capacity-building, awareness, etc.) increases the potential for raising awareness and learning. An individual project is typically viewed as having minimal impact on more efficient use of environmental resources, but if considered as part of a broader portfolio its impact can be seen as substantial.

Local-level awareness raising requires: a) recognition that development & environment are linked in small communities - both should be approached both concurrently; b) there is a process of dialogue to help communities understand the link between local and global issues.

Identify and promote activities with multiplier effects that help awareness raising and capacity-building both within and outside the program. The gathering of organizations for any purpose such as training, has the indirect effect of information dissemination, increasing the potential for larger impacts and lifting the morale and motivation of all participants

Leverage

Leverage can be increased through formally-established country program links with governments , in order to: a) increase technical assistance available; b) increase potential political acceptance and buy-in; c) reduce risk and potential financial waste. There are numerous occasions where CBOs and NGOs would find it difficult or unacceptable to approach governments; yet the potential for leverage can often be increased through government awareness or participation. Countries have formally involved government in a range of ways:, through: contact with NCs, participation in NSWs, participation of government officials on NSC, or established links with specific projects.

Formally-established cross-sector partnerships increase leverage. These partnerships can be between the Program's NGO partners on various projects as sources of technical and professional advice. They can also involve partnerships with government, business, universities and research groups. The kinds of partners which are useful may vary at stages within the project cycle, for example, innovative institutional and management arrangements may be part of capacity building early on in the process. Private sector partnerships may be important in designing new technologies, or at the end of a process. such as marketing.

Sustainability

Successful fundraising for projects does not automatically translate to financial sustainability for the Country Program. Donors often prefer giving financial support directly to the implementing organizations. Separate and focused fundraising is needed to support country programs.

Income for Programs should ideally come from a diverse number of sources and activities. At the program level there is a need to identify and target a variety of potential sources for program support.

Sustainability is enhanced through a clear learning process. There are sometimes pressures to replicate or scale-up projects early on in design, often as a way of obtaining support from other donors. However, it is important to insure that projects do in fact work before they are replicated or scaled up. This requires that strong monitoring components are part of an overall learning process. This learning process must provide a system or mechanism that works locally and can be understood by nonspecialists

Financial sustainability does not guarantee success, for projects, "scale ups" or replications. Projects can be financially successful without achieving overall objectives, especially when they target an area of high donor interest. Numerous funding opportunities are available for networking, training, study tours, internships and feasibility assessments, often as part of an enticement to scale-up projects. Yet these are not sufficient in of themselves as a basis for scaling up a project that has been demonstrated to be effective in a particular locale. For scaling up and replication to be successful, a project must be successful on its own terms, and there must be a community of common interest must be developed which is not funding driven, but oriented to working with others who share in a common concern or interest.

◆ AT THE PROJECT LEVEL

Capacity Building

Capacity-Building within communities may be very different from capacity-building with NGOs. Specific lessons are: a) approaches for community involvement in rural areas are different from urban areas; b) activities with communities often pass through a series of predictable phases (excitement, semi-dormant phase, renewed enthusiasm); c) a highly participatory process solves problems faster and allows practical learning as community participants proceed with the project; d) capacity-building for learning and sharing lessons is needed; e) lessons learned are better communicated through visual means than writing; f) methodologies successful in one community or country are not prescriptive and can't be translated into other situations without some experimentation; g) learning at community levels is more profound when workshop topics are broken into smaller modules and presented in a series of sessions over a long time rather than 1-2 days; h) greatest chance for success when the community has high stakes and has made investments before contact with SGP; i) people are less inclined to volunteer their services for community action in areas where unemployment is high; j) outside consultants should be used only in cases of extreme need for proposal formulation with CBOs, since they often impose their views of what should happening rather than recording community views.

Capacity building for NGOs should recognize that: a) the strength of a project depends on the strength of the executing NGO; therefore, needs assessment and strengthening are often critical; b) the voluntary nature of many NGOs and the part-time contribution of its resource persons affect the timely delivery of project outputs c) the effectiveness of project activities executed by NGOs is often dependent on outside technical and financial assistance; d) failure of NGOs to consider time for project proposals and reports hampers project. activities and creates inconveniences; e) smaller amounts of funding should be given to inexperienced NGOs until they have demonstrated a capacity for planning and implementation.

Awareness

Communities are more interested in income generating opportunities and meeting basic needs than in environmental protection, unless viable livelihood options can be developed through environmental protection. Awareness of the linkages between livelihood and environmental objectives should therefore be as clear, direct, and self-evident as possible. Awareness of the linkages between local and global issues can be promoted through discussion and outreach.

Specific methods to identify and communicate lessons learned need to be defined at the project level. Generally, community groups and NGOs are aware of how their actions have been modified to achieve a desired impact, but they have not articulated the range of lessons learned or the lessons that could be learned as a result of the SGP project intervention

Leverage

Links with many other institutions, and not just SGP, should be developed by SGP supported projects. The link of some projects, for example, with universities provided them technical support which would have been otherwise expensive.

Local leverage is greatest when the community has high stakes and has made investments before contact with the SGP, or when they are required to do so for support.

Sustainability

Financial sustainability has to be integrated in the project design and should be a primary objective from the very start of the project. It is difficult to shift directions or add new components in the middle of implementation when the realization sinks in that there is no ready market for the project's product or that return on investments has a longer gestation period.

Livelihood or microenterprise projects may take time before net incomes are produced. Participants from marginal communities, however, need immediate and continuous income flow. The gestation period between project start-up and the flow of net income should be analyzed and financial mechanisms to fill the income gap with subsidy or credit should be linked to the project.

Projects which create their own income and use creative mechanisms such as revolving funds are the most likely to be sustained. Dependency on donations is neither healthy nor sustainable

Honest reporting that draws attention to problems, obstacles, unanticipated difficulties, as well as to successes provides the best basis for longer term success. Honest reporting is at the core of demonstrating effect in a credible way to others who may wish to replicate or participate in similar activities in their own communities. Such reporting is at the core of project sustainability.

◆ CONCLUSIONS

Although there are a wide variety of lessons learned that have come out of the GEF/SGP program, there is no process in most countries to learn at the project level, within the country, or overall lessons for the program as a whole. This is in many ways a mistake, for the premise of the

program lies in demonstrating that global-level concerns can be effectively dealt with through local-level responses. If this is correct, then implementation will need to occur on an expanded scale. And better implementation will only result from an accumulation of lessons learned.

Many of the country programs have been underway for a sufficiently long period of time that effective learning could and should have taken place. And in some cases it has. But where it has occurred, it has taken place because it was viewed as a priority within the country program, and a plan of action for learning and resources were devoted to making it happen. Perhaps the most significant of all of the lessons learned, at the three programmatic levels, is that coherent sets of actions do not occur spontaneously. That is to say, if awareness raising is an implicit program goal, then a strategy needs to be defined and implemented. If sustainability of projects and country programs is required, then a strategy needs to be developed, with operational goals, implementation plans, and monitoring and evaluation. Similarly, if there are to be useful lessons learned, some mechanism for identifying what and how must be identified. For all elements of the program, such strategies require a process of stakeholder involvement and reasonable resources to carry them out.

SELECTION OF CASE STUDY COUNTRIES

The TOR called for a minimum of five country visits by the GEF/SGP evaluation team. The selection of countries was based on multiple criteria, including:

1. Geographic representation and balance.
2. Coverage of a variety of SGP institutional arrangements. For example, (a) national coordinators based at UNDP field offices vs. national coordinators based in local NGOs, (b) national coordinators shared with compatible programs (i.e., Africa 2000 and LIFE) vs. national coordinators with a single SGP role.
3. Whether the 1995 SGP evaluation had visited the country (a balance was sought between countries which had been visited in 1995 and those which had not).
4. Whether the 1997 overall GEF evaluation had visited the country (a balance was sought between countries which had been visited in 1997 and those which had not).
5. Discussions with UNDP staff regarding country-specific SGP experiences.
6. The evaluation teams' knowledge and experience.
7. Logistical practicality, given the limited time and resources available.

The following countries were initially selected:

Africa: Ghana, Senegal

Arab States: Jordan

Asia Pacific: Indonesia, Philippines, Sri Lanka

Europe: Poland

Latin America and the Caribbean: Eastern Caribbean regional program, Costa Rica, Mexico

Each selected country was visited by one member of the evaluation team for about one week, supported by a local consultant, with the following exceptions:

1. The National Coordinator for Sri Lanka was unable to accommodate a requested visit in early January 1998, reporting insufficient preparation time, and argued that the Sri Lanka SGP was relatively new and had relatively little experience. Since other countries had confirmed their availability and there were no gaps in the timetable, the evaluation team decided not to select a replacement country.
2. The Indonesia study was carried out and documented by a Canadian expert, the Director of CARE Indonesia, supported by her staff and supervised by the evaluation team leader.
3. The Philippines study was carried out by a consultant hired locally, but a serious illness prevented this consultant from completing the assignment. This study is currently being finalized by a second local consultant. Information relating to the Philippines included in the evaluation report has drawn on national GEF/SGP reports as well as discussions between the National Coordinator and Mr. Delfin Ganapin of the evaluation team, who is a member of the National Steering Committee for the Philippines GEF/SGP.

The evaluation finally included 7 country visits and two commissioned studies (Indonesia and Philippines).

CASE STUDY SUMMARIES

◆ COSTA RICA

The context for GEF/SGP implementation in Costa Rica differs from that of many other countries. Costa Rica hosted the Conference of the Parties to the Montreal Protocol reflecting a desire to demonstrate environmental leadership in at both local level and global levels. More than 200 NGOs are involved in environment and conservation. Given that its social indicators are similar to those of developed countries; numerous donor agencies, including USAID and UNDP have or will soon end operations. High internal debt is resulting in national government downsizing and transfer of many central government responsibilities to local governments, increasing opportunities for local or community based efforts, including those dealing with environmental concerns..

The Pilot Phase of the SGP started in 1993 funding 40 projects, and the Operational Phase started in 1996 and currently supports 14 projects. NSC support to the program is strong. Lack of feedback from the NYCU on the Country Strategy and timely receipt of the Project Document for the Operational Phase has meant that changes between the Pilot and Operational Phases have been based solely on experience with Pilot Phase projects. Projects have been concentrated in biodiversity conservation and climate change related focal areas; there have been none in international waters. Geographically, projects are concentrated along the central and southern portions of the country. Greatest progress has been through strengthening the technical and administrative capacities of NGOs, grassroots organizations and other related stakeholders. The identification of successful experiences of the grassroots groups has progressed the least. Focus and budget allocation on many expected outputs (e.g. technical assistance, training, sustainability and monitoring) listed in the Project Document are lacking. While the potential to proactively pursue efforts at influencing policy at the national level through the program or projects are seen as great, those involved believe it is still to early to do this.

A lack of formalized linkages runs throughout different aspects of the program. Linkages, in the form of sharing technology and experiences, have occurred spontaneously between some of the SGP grantees, when project implementors have met each other in workshops and meetings and learned about each other's projects. Training and capacity development activities are often integrated into the project rather than provided from overall program or external sources. Linkages with focal areas are often indirect albeit creative, such as a project which encourages pig raising (meeting livelihood and income needs) also provides biodigester technology (to meet the requirement that the grant be tied to the GEF focal area of climate change). There is high concern for capacity development of indigenous peoples and of women, areas considered to be "high risk" since such groups often have no experience with project planning, financial management, or other areas considered routine by other CBOs or NGOs. Despite the difficulty in linking local efforts to global concerns,

projects created strong awareness of local environmental issues among community participants. Thus, the link already established between the SGP projects and local environmental problems is a stepping stone towards linking local efforts to global environmental concerns.

At the project level, a remaining hurdle is to introduce good financial feasibility, management and marketing strategies. Projects are supported by participants, not because of financial profit but because they fill a need, be it water which could be lost if a watershed is denuded or electricity which could not otherwise be provided except through photovoltaic systems. While projects have not increased incomes as yet, projections indicated future income increases for participants and/or the project as a whole. Successful transfer of technology and skills are viewed as key to the success of projects seeking to transform old ways to new environmentally friendly methods.

Linkages and leveraging are most active in those organizations that have had long track records in community-based projects. Many projects are active in creating linkages and in leveraging additional funds, and fifty percent of the projects are cofinanced by communities. Overall, community contributions to operational stage projects amounted to US\$107,760, or about 24% of the funds assigned by SGP (US\$448,480). Other sources such as the private sector, international donors, NGOs and the government have also been linked with or leveraged to provide additional resources and such contributions amount to approximately US\$410,000. Other support such as technical assistance by universities and the Ministry of Environment and Energy (MINAE) have also been provided. The transaction cost for the country SGP has been estimated at 18% in 1996 and 13% in 1997, much lower than those of other similar programs.

There are many examples of links with local governments, government agencies, other NGOs, the private sector, and public institutions, although there are finance with bilateral institutions. Most links are informal, highly local and project-specific. There is no formal link of the SGP to the one macro-GEF project, although it is being explored, and there are as yet no links to the GEF Medium Sized Grant program. Overall, the outputs and their impact are significant relative to the amount of resources expended. The resources leveraged by the projects and some by the program are definitely much higher than those in larger and more well-funded programs. The NC, the members of the NSC, the host country UNDP Office, the implementing NGOs and their partner communities are deeply committed and have become potent advocates of sustainable development, laying the foundation for larger efforts and greater positive impacts on the global environment.

◆ EASTERN CARIBBEAN

The program includes 10 diverse small island states. The logistical challenge to maintain a broad presence has partly been met by workshops and voluntary subcommittees on some of the islands. Costs in the region are high and the purchasing power of \$50,000 is less than most other developing regions. Regional donor support has fallen, halting many community and NGO programs (UNDP's E. Caribbean budget has fallen by 90%). GEF/SGP is now one of the few sources for NGO and community funding. This pressures GEF/SGP to support community basic needs as a priority, and the NSC reported it was a constant struggle to force projects into the GEF focal areas.

Despite these constraints, the grant portfolio includes promising projects, largely attributable to the efforts of the NC. A total of 22 projects have been funded on 9 islands since 1994, and 9 of these have been completed. The Country Programme Strategy prepared in April 1997 is an impressive document, laying out detailed objectives and activities which seem realistic, even though some key short-term goals have not been achieved. This is at least partly due to the onerous reporting requirements imposed during the Operational Phase. The NC has an extremely heavy workload due to the 10 countries and several UNDP and GEF responsibilities outside the GEF/SGP.

Several projects target local waste disposal or small-scale organic (i.e., chemical-free) farming to provide income generation within communities while conserving biodiversity and - automatically in a small-island setting - protecting international waters. Such projects are easy to justify near protected areas but considerably less easy to link to endemic species or biologically-diverse sites located elsewhere (a specific requirement of the GEF/SGP guidelines), partly because the available scientific information is inadequate. Individual organic farming projects being implemented by small groups on different islands are now starting explore interlinkages as they strive for commercial viability. Other projects are attempting to involve communities in co-management of nearby protected areas. The more successful experiences required considerable time, technical and financial resources, sustained attention to local capacity building and strong links with government.

Climate change projects face the constraint that Caribbean communities, as elsewhere, do not have the technical knowledge to design and implement energy conservation measures or renewable energy projects without technical assistance. The GEF/SGP has focussed on supporting partnerships between communities and technical experts, often obtaining the services of the technical experts on a semi-volunteer basis. The cumulative impact of the GEF/SGP's climate change projects is extremely small, but their actual and potential demonstration value is reasonably high.

Project monitoring has been limited by logistical feasibility and lack of resources, and is limited to mid-term and final reports of grantees, plus occasional visits by the NC and other officials connected with the program through the various local committees.

◆ GHANA

The GEF/SGP in Ghana was launched in 1993, sharing offices with the 'Africa 2000 Network', which are separate from UNDP. This arrangement has fostered synergy between the two UNDP small grant programs, both dealing with environmental issues, while reducing certain infrastructure and service costs. On the other hand, it complicates and limits communications, as the GEF/SGP has to go through UNDP Country Office for most of its communications and has no e-mail system of its own.

The NSC was completely renewed in April 1997 to strengthen the Committee's technical capacity. It includes 10 members, from ministries, multilateral and bilateral agencies, national NGOs and UNDP. This composition allows more effective technical inputs but poses a problem of availability of high-level government and agency representatives who have little time to devote to identification and monitoring activities. However, there is a definite interest and commitment displayed by all the NSC's members in the GEF/SGP, despite very busy professional agendas. Some NSC members are also involved in the Africa 2000 program.

The CPS was revised early in 1997, but is still quite incomplete and does not cover many of the topics proposed in NYCU's outline. It does not provide a strategic framework to guide implementation or provide a basis for evaluating program effectiveness and impact. At the time of the evaluation visit, the CPS had not yet been subject to any feed-back nor approval from NYCU. This situation has delayed substantially the selection of Operational phase projects, which occurred only in September and December 1997. None of these were yet in operation during our visit.

The portfolio of the Pilot phase included 22 projects, distributed as follows: 40% biodiversity only, 40% biodiversity and climate change combined, 15% biodiversity and international waters combined, and 5% climate change and ozone (one project on the latter). For the Operational phase, 12 projects had been approved by December 1997: 8 projects in biodiversity, three in climate change and one combining biodiversity and climate change, with an average grant size of \$22,000. No specific projects have been approved yet in the four new 'core' programming areas identified in the ProDoc. Project links with the GEF focal areas are clear in most proposals reviewed, which is an improvement from the Pilot Phase. While most Pilot Phase projects involved CBOs, the Operational Phase portfolio is mainly being implemented by NGOs. This shift is intended to improve the effectiveness of capacity building in the recipient communities.

Although not identified in the CPS, there is a concentration of projects in the northern districts, intended to enhance synergy and the creation of linkages between projects, as well as to provide more focused and visible impacts in the area. Most biodiversity projects involve more than one community and seek to develop cooperation between those communities on environmental issues. Income-generating activities are included in most projects. Although only one proposal included a viability study, some of the newly-involved NGOs do have micro-businesses experience, which should strengthen the capacities of the program in this area. All projects involve governmental technical services

to support and training targetted communities and, in most cases, local authorities are consulted in the planning stage of projects.

In the actual portfolio, there is in-kind contribution from all beneficiary's communities, and nearly half of the projects include co-funding, mostly from NGOs/churches. Only one project received cofinancing from an international donor. Overall cofinancing equals 49% of the GEF/SGP grants. NC and NSC recognized that more needs to be done in terms of leveraging funds for the projects, and the support of the UNDP Country Office is being sought to help establish more contacts with international donors.

The GEF/SGP is well appreciated by the UNDP Country Office and serves as a good 'showcase' for UNDP's involvement in environmental and community development issues. Few macro GEF projects are operational in Ghana. The GEF/SGP NC's sits on some of their committees, thus allowing good information flow and facilitating a search for future collaboration between the two programs. Relations with the NYCU are minimal but cordial.

Achievements of the Ghana program can only be assessed for the Pilot Phase projects , as projects of Operational Phase have just started. Major achievements can be summarized as follows: i) increased credibility of the implementing CBOs within their communities; ii) improved basic ability of partners to manage and implement projects; iii) raised awareness of communities and NGOs/CBOs on environmental issues and improved technical capacities to address some of these - although awareness raising with regard to global environmental concerns has been less evident, occurring mostly at community leaders and NGOs' levels; iv) contributed remarkably in developing collaboration and improving relationships between neighboring communities, for the protection and conservation of threatened natural resources; v) increased access of rural communities to technical support from gvt. services, contributing to the development of broader, improved and long-term relationships in most cases; vi) actual and/or potential for improved livelihood of individuals/communities from implemented income-generating activities. One of the main area still to be improved is the access for communities/CBOs to other funding sources. At the program level, a complete country programme strategy still needs to be elaborated and completed in order to guide the programming process, and to develop the program's monitoring and evaluation capacities/systems as well as the program's sustainability on the long term.

◆ INDONESIA

Program implementation has been hampered by institutional and administrative problems. \$130,000 still remains to be disbursed as second tranche grants to NGO projects funded in the Pilot Phase. A host NGO was selected for the Operational Phase to replace an unsatisfactory host NGO during the Pilot Phase. Delays in completing Pilot Phase reporting and accounting slowed the Operational Phase, and there was no formal agreement between UNDP and the new NGO until March 1997. By April 1997, only six project submissions had been received. Only two projects, both of them designed to publicize the GEF/SGP, were under implementation by December 1997. Further approvals were not

made until February 1998, when 33 out of 36 grant applications were approved. Administering this set of grants has not been cost-effective so far.

The Country Strategy makes a genuine effort to address larger GEF concerns, but is too ambitious, particularly given the delays in start-up of the Operational Phase. Of nine primary objectives in the strategy, none has been achieved, although steps have been taken towards implementation of three. Linkages between the Pilot Phase and the Operational Phase are tenuous, although attempts were made to implement recommendations from the Pilot Phase evaluation. In particular, the NSC and NC took steps to encourage more proposals on climate change, rather than the Pilot Phase concentration on agriculture, income generation and biodiversity. Early indications point to at least some effective and sustainable small projects.

Prospective NGO grantees note that project criteria and proposal guidelines are not always clear, thus requiring a lengthy and time-consuming submission process. As in other countries, the NSC is split by the tension between local community vs. global environmental priorities. While the host NGO has attempted to move the selection process forward, the current structure has not allowed its management to play an integral role in the GEF/SGP. Lines of authority and reporting between UNDP Jakarta, the NGO and the NC need to be reviewed and clarified. Internal management issues have prevented the establishment of broader linkages, networking and leverage.

The logistics of getting around and providing support to local groups or monitoring projects in Indonesia are complex, expensive and time-consuming. But the active and effective environmental NGO community would benefit from capacity-building, and there is an urgent need for increased public environmental awareness and protection during the current unanticipated national economic crisis.

◆ JORDAN

NGOs in Jordan play an important role in the fields of social welfare and environmental protection. However, community level efforts within the GEF focal areas in Jordan have been restricted to environmental NGOs, research institutes, some governmental divisions and international donors. Among a multitude of NGOs of all kinds, Jordan is characterized by the fairly large number of large 'royal' NGOs, most of them largely funded by the international funding agencies and by private donations. The last few years have seen the emergence of several other types of NGOs, but in such an institutional environment, small and medium-sized NGOs must still fight very hard to make a place for themselves and develop, and even build the 'loyalty' of their clientele. Until quite recently very few NGOs with a social mission were interested in environmental issues. This field of action was mainly occupied by a few NGOs specialized in the field.

The GEF/SGP in Jordan is hosted in a national NGO specialized in environment, with the NC remaining a local employee of UNDP. This 'hosting' arrangement has been a plus for contacts, access to expertise, accessibility for grantees, sharing of support services, and reasonable costs. The NSC is composed of 15 members, coming from NGOs (8), research

institutions (3), government (2), plus a UNDP representative and the NC. This Committee is very dynamic, committed, and is active in orientation/strategy of the GEF/SGP, identification, selection and monitoring of projects. It brings in high technical expertise and a wide range of contacts in various sectors of the Jordanian community. The GEF/SGP in Jordan has integrated in its projects selection procedures, the presentation of proposals by the proponent NGOs, and this has enhanced the quality of the approval process.

The CPS has been revised with the NSC collaboration in Feb. 1997 and it is a strong, coherent document, although it does not include monitoring and evaluation systems - as many other such documents - waiting for the expected guidelines from NYCUC. It also lacks clear goals with respect to capacity building and program sustainability.

The Operational phase portfolio includes 7 projects approved to date, for total grants of \$230,541. They are distributed as follows: 3 in Biodiversity; 1 Climate change; 1 combining Climate change and Biodiversity; and 2 multifocal (incl. one stakeholders' workshop). The average grant (excl. workshop) is \$38,000 and duration of projects vary from 1 to 3 years. Implementation organizations are mostly NGOs (6). Nearly half of the actual portfolio (3 projects) involves and/or targets mainly youth, which is highly coherent with the socio-demographic context of Jordan, and unique among the programs visited for this evaluation. Links of the projects with the GEF focal areas vary from 'tight/clear' to 'loose/stretched' depending on interpretations of potential scope of the concerned focal areas.

Most projects are somewhat part of a larger program, e.g. a component of an on-going program of an NGO or of a bilateral donor. Income-generating activities are not a major part of most projects, although included in many of them. The long-term sustainability of projects relies mostly on the commitment of the implementing NGOs and on the interest/involvement of the target groups/communities. All projects include capacity building and educating/awareness raising activities of beneficiaries on environmental issues. While awareness of environmental concerns from a global perspective is evident at the projects implementors' level (NGOs and community leaders), it is less so at the community participants' level.

Co-funding and in-kind contributions total \$185,161, equaling 80% of the GEF/SGP funding. Sources of co-funding are remarkably diversified, including many international/bilateral donors but also donations from the Jordanian private sector and national NGOs.

Among its major achievements, the Jordan GEF/SGP program has i) done tremendous communication work towards the media, the private sector, the donors' community and the public in general over achievements of the program at the community level and environmental issues; ii) encouraged and supported the creation of new environmental NGOs, now functioning on their own; iii) supported the smaller NGOs, which gave them more visibility, credibility and experience in the environment field; iv) encouraged 'social' NGOs to integrate environmental concerns in their regular activities; v) raised awareness, knowledge and built capacities of NGOs with respect to GEF themes and related activities;

vi) increased scope of access to other funding agencies for new/small NGOs; vii) increased and helped improve collaboration between NGOs, and increased involvement of research institutions/centers in community projects, hence increased scope/access to technical expertise for the implementing NGOs as well as for the communities; viii) on the long-term, potential for improved livelihood from income-generating activities, for communities where such components were included in the projects; ix) influenced planning processes in some ministries and influenced the effective enforcement of some environmental laws related to industrial sites.

As in most other programs visited, the Jordan GEF/SGP still needs to improve and complete its monitoring and evaluation systems and to develop its strategy towards the long-term sustainability of the program itself.

◆ MEXICO

The Mexico SGP, begun in 1994, exclusively focuses its activities in the Yucatan Peninsula, which included the States of Campeche, Yucatan, and Quintana Roo. The Yucatan has an area of 41,523 km² and a predominantly rural population of 2.39 million, with strong Mayan roots, and highly marginal conditions for over 60% of the indigenous population. Important coastal resources have high fishery and tourism values but are threatened by oil extraction, overfishing and accelerated tourism development. The CPS strategy addresses these issues by building a planning group (lead by *pivot* NGOs) with a micro-regional focus, to "demonstrate and/or reproduce community efforts to solve problems related to GEF's areas of interest." The pivot NGOs facilitate participatory project formulation and provide technical assistance, although community members implement and eventually manage projects. The project portfolio consists of 37 in biodiversity conservation, 20 in international waters, and 6 in global warming, for a total of 63 micro-enterprise projects. The SGP has developed a series of management tools: standard procedures, listing of requirements, comprehensive criteria for evaluation, a clear program strategy, and a comprehensive diagnostic analysis of micro-regions. These provide for high quality decision-making by an involved NSC.

Linking this community-based, culturally oriented and microenterprise approach to GEF guidelines and focal areas is difficult and the SGP has been expansive in defining links. For example, an embroidery project by Mayan women depicting wildlife is seen to support biodiversity information and education, as does shrimp culture using native species. The awareness raising impact of the program is related to capacity building efforts; awareness of environmental concerns from the global perspective is evident in the leaders of the program, although it diminishes by the time it reaches the community-level.

The Mexico SGP has met some of its targeted outputs by organizing the nine pivot NGOs plus six others into the ROSDESAC (Network of Southeast Organizations for Sustainable Development), which is viewed as a supra-NGO to provides and coordinates communication, technical assistance, and fundraising for SGP-type initiatives. Through ROSDESAC, capacity-building is increased by coordinating the special expertise found in each of the pivot NGOs, to provide training and technical assistance to the local

organizations. The NSC feels that the pivot organizations also need more capacity building in "managerial vision" and financial skills. The SGP is not yet ready to advocate policy reforms from lessons learned in the implementation of SGP projects. There is a need to strengthen financial analysis and management at all levels, however.

Concern for sustainability, linking and leverage permeate the Mexico SGP strategy at program and project levels. Two funding mechanisms, the Peninsular Fund (the initial step in the formation of the planned Social and Environmental Fair Products Trading Company) and the Sustainable Development Financial Trust of the country SGP are administered by ROSDESAC. Financial sustainability for the SGP has thus been initiated. Within the U.N. family, links to UNIFEM, UNICEF and ILO have been developed and have provided over \$1 million, while organizations outside of the U.N. have provided over \$1.3 million. There are no formal links with the macro-GEF projects, although some informal ones. Relations with UNDP headquarters and UNOPS have at times been strained because of lack of feedback on the CPS and UNOPS delay in funding in 1995, which forced three organizations to withdraw their projects. There is also a problem regarding the allocation of funds in the local currency, since funding delays coupled with devaluations have significantly reduced funding.

Overall, the program has accomplished a great deal. While demonstrable results are still lacking in local-level projects, there has been significant progress in three key areas. First, the administrative capacity to support the program is well in place -- the Mexico SGP has developed its own systems and procedures for implementation. Second, it has developed a process and framework for action, through the creation of ROSDESAC and the emphasis on capacity building through pivot organizations. Third, it has been good at linking and leveraging, and the structure is in place for program and financial sustainability. Enhanced project-level impacts and learning at both project and program levels are needed if the SGP is to have significant impact in the future.

◆ POLAND

The GEF/SGP has been widely recognized as one of Poland's most effective environmental improvement programs, injecting an entrepreneurial spirit into heavily-bureaucratized local and national governments, as well as engaging local communities in decision-making. The GEF/SGP has also helped NGOs work in partnership with government, in contrast to a previous spirit of confrontation.

Program implementation has been exemplary, both in terms of consistency with the GEF focal areas and effectiveness of program delivery. This can largely be attributed to the personal skills and commitment of the NC, who is more of an entrepreneur than a bureaucrat. He splits his efforts between prospective and actual grantees - involving considerable travel and site visits, and relations with government, NGOs, other funding source and the media. This left little time for generating the many Operational Phase reports requested by NYCU.

Virtually all grants have been used for small, tangible investments and there are no grants specifically aimed at capacity building, although CBO and NGO grantees have clearly developed. Average grant size has been only \$12,278 (58 grants), with only 3 grants exceeding \$30,000. The GEF/SGP and its project portfolio constitute the public image of the GEF in Poland, although the \$712,158 spent over the past four years by the GEF/SGP is tiny in comparison with over \$50 million spent on GEF projects in Poland. Linkages between the GEF/SGP and other GEF projects are minimal, and there are no indications that GEF/SGP projects could 'grow' into larger GEF projects. Several GEF/SGP projects have grown to become nationally significant initiatives that contribute also to GEF objectives, however, by attracting other funding sources.

Almost all of the GEF/SGP projects have attracted local expertise, volunteers, in-kind and additional financial contributions for project implementation. A stork conservation program prompted great interest in wetland conservation in Poland and led to a further grant of \$570,000 from the EcoFund Foundation, Poland's debt-for-environment facility, which had not previously considered NGOs as partners. The EcoFund is now looking to the GEF/SGP as an important project preparation program. Five other projects supported by GEF/SGP grants totalling \$77,000 generated a further \$770,000 from EcoFund, with additional funding promised from the National Environmental Protection Fund. Fourteen of EcoFund's 70 biodiversity conservation projects now have a direct link to earlier GEF/SGP grants, and EcoFund is keen to build similar linkages with the GEF/SGP in climate change and international waters.

Monitoring is informal and limited to NC and NSC members staying in contact with grantees and visiting sites in their own technical or geographic area. This places an enormous burden on the NSC volunteers as well as the NC. The Operational Phase investment projects have become increasingly sophisticated, requiring more technical inputs. The NSC members find their roles highly demanding, and at least one resigned because of the workload. The learning process has hardly begun to be studied formally, although several significant management improvements have been implemented. Documentation of experience with project design and implementation needs to be improved if it is to constitute a resource for project replication in Poland and elsewhere.

The transition from the Pilot to Operational Phase has been accompanied by several key management changes, including: (a) A proposal screening process which has reduced the burden on NSC members to manageable levels; (b) Six planning grants of under \$1,000 for technical assistance or expert advice have significantly improved the quality of proposals; (c) All prospective grantees are now invited to make presentations to the NSC; (d) The NC has arranged expert advice through the NSC, UNDP Umbrella Program or other specialists, all working on a volunteer or cost basis; (e) NSC members have become fully engaged in participating in field visits and taking responsibility for overseeing implementation of selected projects falling within their area of expertise; (f) The NC has worked with grantees individually and in groups to bring about synergies between projects under implementation, the benefits of which were obvious during the evaluation; (g) The NC has used the convening power of UNDP to advantage by organizing regular meetings with representatives of national government, international agencies and national NGOs at which

key GEF/SGP projects can be presented for broader consideration; and (h) Grants are conditional on both the grantee and the NC working to mobilize additional funds. In the several cases where this has occurred, the equivalent funds have been returned to the GEF/SGP by the grantee for subsequent reallocation to new projects.

◆ PHILIPPINES

The GEF/SGP was launched in 1992 in the Philippines. A host NGO, the Association of Foundations (AF), was chosen to take the lead in coordinating and providing managerial services to the program. Initial reservations among the NGO/PO (Peoples' Organizations) community due to the World Bank's participation in the GEF was neutralized by the credibility and relationship of AF with rest of the NGOs.

Priority for grants is given to registered NGOs and CBOs whose proposals are consistent with the GEF/SGP thrusts and directions, and those that promise high impact and sustainability. Project monitoring and evaluation looks into how the various project elements interplay to address the problem for which the project was conceived. The system also determines growth of the community as well as on their capacity to manage and sustain the project even if external funding is terminated.

To further ensure that SGP is able to pursue its mission towards the attainment of the program's vision, the NSC and the NC developed and adopted other support mechanisms. The program's IEC materials are translated into major local languages to facilitate better understanding of SGP's focus and parameters. SGP also publishes a bi-monthly newsletter entitled, "NOTES," and its own website or homepage. The program also engages in research and case studies that are supportive of its mission. Currently SGP is supporting a study called the State-of-the Art Study on New and Renewable Energy Systems.

Other crucial support mechanisms include program networking with relevant groups and its continuing resource mobilization. These provide an opportunity for SGP to share its learnings with other entities involved in environment, as well as to generate support for its projects. Under resource mobilization, SGP has successfully used its funds to leverage cofinancing arrangements with donors like the Japanese GAGRP and DANIDA. Negotiations with the GEF-funded NIPA are also under way.

A Memorandum of Agreement was signed between SGP and the Land Bank of the Philippines for cost-sharing arrangements, whereby SGP would fund biodiversity conservation and other related SGP activities while the Land Bank would support the livelihood component of a project.

After six years of implementation, the GEF SGP has stimulated environment preservation and conservation activities throughout the country. The program has built the capacities of stakeholders in implementing community strategies and innovations towards restoration and conservation of biodiversity in their localities. SGP has also influenced the policies and programs of critical government agencies and local government units in the areas of energy development and biodiversity conservation and protection. The program also

promoted livelihood enhancement of the basic sectors which includes preservation of marine reserves, appropriate farming technology, nursery development and others.

The program's impact at all levels of project implementation continues to be enhanced through replication of developed technologies, scaling-up of successful projects, continuing dissemination of project experiences and learnings, policy advocacy, strengthening of linkages with government agencies, and the conscious effort at linking the SGP with the regular GEF-funded projects.

For sustainability, SGP is about to be transferred to a foundation called Communities for Global Environment Foundation, Inc. (CGEF), an independent entity with its own legal personality. It is envisioned to institutionalize SGP approaches while promoting sustainable development in the country and supporting community-based initiatives that address transboundary environmental problems.

Many factors have contributed to the success of the program. Aside from an enlightened government bureaucracy, the Philippines has a strong Civil Society where a large number of NGOs and CBOs are focused on environment. The NSC which is composed of multi-disciplinary, multi-skilled professionals who provided the policy and program directions and the project selection process with unquestioned integrity.

The monitoring and evaluation system is most in need of strengthening. Such a system should encourage development of community-based environment impact assessment process and indicators as a part of a community-developed, community-managed monitoring and evaluation program.

The successes and lessons learned from the SGP assistance as implemented by participating organizations, at this stage, provided strategic and critical elements of an integrated program management approach; capacity- and capability-building of grassroots level organizations; networking and partnership with resource or donor agencies through cofinancing schemes; scaling-up strategies and linking with the medium-scale programs, both at the national and international levels as in the case of GEF; and design and development of appropriate programs that are community-based and community-managed that which will eventually evolve into being community-owned and sustained.

◆ SENEGAL

With a high immigration rate and annual population growth of 2.5%, Senegal will have about 14 million people by the year 2015. It will be difficult for the natural environment to sustain this population increase. Environmental issues are at the heart of current debates over the country's socio-economic development. Senegal is facing substantial problems with loss of plant cover and land deterioration. The economy is essentially based on fishing, agriculture and tourism. Several national and international NGOs in Senegal are active and intervene, with varying degree of efficiency, on themes directly or indirectly concerning the GEF's focal areas. The country also has several fairly well-structured peasant associations concerned about environmental issues.

The GEF/SGP is housed at CONGAD, an umbrella NGO. The program shares its NC and NSC with the Africa 2000 Network. The close linkages between these two programs have positive aspects but have also created some confusion about the nature and specifics of the GEF/SGP, frequently named “the Network/GEF”. The NSC is fairly large with 16 members. In addition to the NSC’s regular members, there are currently 10 ex-officio members, called upon from time to time to participate to NSC’s work and make an additional scientific and technical contributions. The SGP has introduced the concept of sponsorship in the NSC; each project has a NSC member attached, to act as a bridge between the NSC and the community concerned. The NSC is very dynamic and involved in the program’s orientation, the selection and monitoring of projects, and as technical advisers to the communities. The office of the NC includes 6 ‘interns’, all university graduates in environment-related fields, to assist in projects definition and technical coaching of communities, for both the GEF/SGP and Africa 2000 Network.

The Country Programme Strategy includes a geographic and thematic concentration, creating a ‘biodiversity zone’ and an ‘international water zone’ for the demonstration projects. All projects are the responsibility of CBOs, which are generally less organizationally and technically skilled, thus requiring more coaching and capacity building than projects managed by experienced NGOs. Only ‘capacity-building’ and ‘awareness- raising’ projects are under the responsibility of NGOs.

Eleven projects are currently approved for the Operational Phase. Among the ‘demonstration projects approved, 6 are Pilot Phase projects consolidations. The distribution of projects by GEF focal areas is as follows: biodiversity 6, international waters 1, climate changes 1, capacity building and awareness raising 3.

All demonstration projects include (a) income-generating activities, generally focusing on the medium to long term (e.g. village forest, biological gardening, fish farming), and (b) an ‘environment and development support fund’. This fund, a home-grown initiative of the GEF/SGP in Senegal, is a small revolving fund made available to communities, also with a view to initiating income-generating activities, for which the communities themselves will define the rules and the granting criteria. The rationale of the income-generating activities is to ensure project sustainability. But the effectiveness and sustainability of the revolving funds have not been assessed, and all of the income-generating activities lack financial viability analysis and business management training for the grantees; hence their results remain uncertain.

All projects include a local contribution by the community, generally in-kind, representing about 25% of the GEF/SGP grants. However, only one of the 8 demonstration projects includes external co-funding, granted by a partner NGO of the community. The Senegal GEF/SGP exhibits a major weakness in this leverage area, and little has been done yet to bring in other donors to support the projects.

Capacity building is an integrated part of all demonstration projects, both at technical and organizational levels. Government technical services are involved in many aspects of

community training. Since no macro GEF project is active yet in Senegal, no operational linkages could be established.

Relationships with the UNDP Country Office are excellent and there is close collaboration. A remarkable effort is noted to integrate the GEF/SGP into the UNDP's other activities in the country. It is expected that the GEF/SGP will play an active role in implementing the 'poverty alleviation' program. The UNCDF also intends to make the GEF/SGP a partner in its activities. On the other hand, the UNDP Country Office does not seem to have played an active role to date in facilitating contacts between the GEF/SGP and bilateral funding agencies. Relationships with the NYCU are minimal, though cordial. The program has experienced difficulties in getting key documents from NYCU, and when transmitted with much delays, they are all in English, which puts the program at a clear disadvantage, having to pay for the translation out of its own budget. This situation seems to be the case for all French-speaking programs.

Project monitoring is mainly based on periodic visits and reports by the grantees; self-evaluation by the grantees is common but the methodology lacks clear indicators. Project evaluation essentially concerns the actual production of the planned activities. Internal evaluation of the pilot phase makes very little reference to the projects' objectives and impacts, for which no indicators are defined in advance. The same goes for the Program itself. The revised CPS identifies results to be achieved in terms of Program's strategy and evaluation system, but the activities for getting there have yet to be developed and implemented, and the support of the NYCU is expected and much in need in this area.

In conclusion, the program approach adopted in the Operational Phase in Senegal is innovative, well adapted to its context, strategic, and geographically and thematically concentrated to develop a certain critical mass of actions on these themes. It conveys synergy and impact and ensures a wiser concentration of efforts and resources than an 'all out' approach. However, the project portfolio still includes some projects whose connections with the GEF's themes are somewhat overstretched, at least partially due to the inherent tension within the program arising from trying to meet community basic needs while working on very specific themes such as the GEF focal areas. Moreover, the choice of working directly with often inexperienced CBOs, all in poor rural communities, puts greater expectations on the program, especially when no other funding agency is put to contribution for meeting the basic needs of these communities. If this strategic choice is to be maintained, the GEF/SGP in Senegal will require increased efforts with a view to increasing the capacity of its partner communities to access other funding sources.

GUIDELINES FOR COUNTRY VISITS

The following information was used to provide general guidance for the evaluation country visits and to brief the national consultants.

◆ **LIST OF POSSIBLE RESPONDENTS**

- National Coordinator
- Members of the National Selection/Steering Committee
- GEF Focal Point for the country
- UNDP Resident Representative, UNDP SDN Coordinator
- Officials of government agencies involved, directly (as partners) or indirectly (with jurisdiction over the site or the activity of the project)
- Local government authorities from the project sites
- Participating CBOs and NGOs
- Project participants at the sites
 - NGO networks or umbrella groups (knowledgeable non-participants)
 - Bilateral donors (participants and/or knowledgeable non-participants)
 - National Environmental Funds
 - Private Business Sector (participants and/or knowledgeable non-participants)
 - Other small grants projects implementors (if any)
 - Others (other consultants who may have worked with SGP or its projects, academics or researchers who may have done case studies of the projects, journalists or media practitioners who may have been involved in public awareness aspects of the program or may have covered some projects.

◆ **PROGRAM MANAGEMENT**

Institutional Setup and Modalities of Cooperation

How has the GEF/SGP decentralized its operations in the country?

Compare the structure and process of decision-making in the pilot phase versus the operational phase?

What are the advantages/disadvantages with the GEF/SGP's decentralized approach?

What are the working relationships between the GEF/SGP participants at various levels: grantees/NGO partners, National SGP Coordinator, National Selection Committee, UNDP Country Office, UNDP Headquarters and UNOPs?

Are there problems (if any) in these working relationships?

Have these problems (if any) been resolved? How?

Are the roles and responsibilities of each of the participants clear? Are there guidelines or set mechanisms to this effect?

Any institutional/management improvements or innovations?

Supporting Mechanisms

How timely and adequate is the provision of resources to the grantees?

How timely and adequate is the provision of technical assistance?
mechanism of access
appropriateness of access mechanism
capacity of the provider(s)

Is there a mechanism for monitoring and evaluation:
of projects
of the country program

How effective is the implementation?

What is the utility of the results?

Is there "methodology consolidation"?

Coordination

What linkages (types and levels) exist between the country GEF/SGP (at the program and at the project levels) with the following:
global programs (i.e. conventions)
national environmental strategies/programs
local governments and authorities
national GEF-funded projects
bilateral donors
regional banks
private business sector
National Environmental Funds
Other Small Grants Programs/projects

Role and level of participation of government GEF focal point in SGP?

Are there links and collaboration among communities that are participants of the SGP?
Strength of such linkages? Main purposes of such linkages?

Has the SGP made more active or revived regular channels of consultation and collaboration? Opened new ones? Results?

Country Program Strategies

Does the country program strategy:
reflect the strategic directions of the operational phase?
link the SGP to the GEF focal areas and operational programs?
proactively link the SGP to national and local environmental/development plans/programs?
proactively link the SGP to other GEF-funded projects and programs as well as that of other donors and institutions?
reflect the needs and aspirations of the participating communities and/or CBOs?

How much of the country program strategy targets are:
still to be accomplished (implementation is on-going)
already accomplished

Management

Ratio of grants to transaction costs? Has there been a reduction of transaction costs relative to the portfolio of projects over time? How are the SGP's transaction costs compared to other similar programs?

Can the SGP expand its number of projects and/or upscale its projects without increasing its administrative costs? Transaction costs? (Issue of absorptive capacity)

How much time expended per step of the project cycle? Has there been a decrease in the time it takes to move from one step of the project cycle to the next? How does this compare to that of other similar programs?

What is the level of appreciation of the grantees/CBOs/NGOs as regards the management support provided for by the SGP?

What type of management support and management approach is most appreciated? By National Coordinators? By NSC members? By grantees/CBOs/NGOs?

What is the level of management expertise and commitment provided for by:
headquarters staff
national coordinator
national selection/steering committee members
other partners/participants

Was there a need for a program/project "champion" (strong leadership) and how was this provided?

What kind and level of technical expertise are made available and applied to the program and the projects?

Has there been management standards and decision criteria developed? Are these consistently applied? (e.g. absence of inside track decisions, high quality of projects approved)

◆ PROGRAM IMPACT

Capacity Development

What are the capacity development activities of the country SGP? Integrated in the country strategy? In project design criteria and review process? In project implementation process? (Note: Special emphasis is given in the project document on women and indigenous peoples. This and succeeding questions should be answered with particular attention to women and indigenous peoples)

What are the types and levels of skills developed among grantees? (Need to look at kinds of training given, length and depth of treatment, actual application in real life situations)

Given the total portfolio, what are the percentages of projects where:

(a) substantial; (b) moderate; (c) limited

capacity development has occurred?

What are the causes/factors for the moderate and limited capacity development?

In the actual projects to be visited: How many households (expressed in total numbers and as a percentage of the targeted whole) have actually adopted new or improved technologies and approaches for livelihood-cum-conservation management of their natural resources? What reasons/factors led to the adoption or non-adoption of new or improved technologies and approaches?

Do the communities have the skills and are empowered enough to establish key linkages with other environment and development actors on their own?

Have the communities been able to take the lead in solving problems that come along their way? Have they been able to develop and implement creative or innovative solutions?

Have there been projects that have been scaled up because of community capacity development?

Sustainability

Has the income of project participants increased? (Range of increase by percent of participants in projects to be visited, average increase for the overall portfolio for the categories of fully mature/finished projects and of on-going projects)

Are these increases in income sustainable from the environmental, social and financial points of view?

Do the participants link their increased income and its sustainability to conservation of the local environment? Global environment?

How much of the country portfolio of projects can be said to be: (a) already sustainable; (b) has potential for sustainability in the short term; (c) will still take time and extra effort to be sustainable?

What reasons/factors have helped develop sustainability?

What reasons/factors have hindered the development of sustainability?

In the project site visit: have other communities adjacent and/or affecting or being affected by the project community replicating the efforts of such a project community?

Have there been community projects, distant from the SGP project sites, that were implemented or started due to the influence or impact of SGP (ripple effect)?

Is the SGP country program itself becoming sustainable? If yes, how and factors that supported the process of sustainability? If the country program is still far from being sustainable, what are the difficulties and what actions can be made?

Leverage

What is the number of projects vis-a-vis total number in the portfolio which has community cofinancing? What is the estimated total value of this cofinancing?

With what other linkages are the country's SGP projects able to leverage additional resources? How much is the estimated actual cofinancing with particular partners? How much is the estimated potential cofinancing with recently or soon to be committed partners? If the resource sharing is not financial, what resources are added by particular partners? (See Data Table for this set of questions)

What are the reasons/factors that fostered or hindered leveraging by SGP as a program and by its projects?

Is the SGP planning and implementation process (e.g. consultations with communities and NGOs, discussions among NSC members) as well as outputs (i.e. lessons learned) helping develop new policies or improving old ones in ways that create shifts in importance and resource access in favor of efforts similar to the SGP's?

What are the reasons/factors that fostered or hindered the SGP in influencing broader policy development?

Without the SGP, would such community-based projects be funded and implemented?

Awareness Raising

What are the awareness raising activities of the SGP? How do these activities attempt to raise awareness from local to global environmental issues?

Separate those activities related to:

- (a) program and project participants
- (b) public at large

Percentage of projects in portfolio, the participants of which have: (a) strong awareness of global environmental issues especially along the GEF focal areas and; (b) weak awareness of such issues. What is the impact on the program and on the projects of the level of awareness on global environmental issues?

What are the reasons/factors in the program and projects that helped develop or hindered the development of a strong awareness of global environmental issues?

Is the awareness developed translated into action? What are these? (i.e. policy advocacy)

◆ LESSONS LEARNED

Many of the questions above will provide the inputs for this section. It would still be helpful, however, if key respondents (the National Coordinator, the NSC members, key community representatives, other partner organizations and agencies) are also asked for the lessons learned and best practices from their perspective.

From the Project Document expectations the relevant questions to ask are:

Is there documentation of lessons learned?

Is there transfer of lessons learned? How?

It is also important to ask: Are the lessons learned becoming lessons applied?:
to the SGP (the projects, the country program and the overall program)
to other programs outside of the SGP
to national, even global, policy development.

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