

**Independent  
Evaluation Office**  
GLOBAL ENVIRONMENT FACILITY



**INDEPENDENT  
Evaluation Office**

United Nations Development Programme

**SUMMARY:**

THIRD JOINT GEF-UNDP

# **EVALUATION**

**OF THE SMALL GRANTS  
PROGRAMME**





Full Report can be accessed at:

IEO UNDP: <http://web.undp.org/evaluation/evaluations/thematic/sgp.shtml>

IEO GEF: <https://www.gefio.org/evaluations/sgp-2021>

Summary: Third Joint GEF-UNDP Evaluation of the Small Grants Programme

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# FOREWORD



This joint Global Environment Facility (GEF)-United Nations Development Programme (UNDP) evaluation of the GEF Small Grants Programme (SGP) is the third of its kind. It is released at a time when the SGP reaches an important milestone of 30 years of implementation and at a time of unprecedented global environmental and public health crises.



This joint evaluation aimed to report on the relevance, effectiveness, efficiency, and sustainability of the SGP at both global and local levels. Now a rich repository of experience, the SGP has completed six operational phases and supported over 25,117 small grant projects in 126 countries. Over the years, the SGP has both evolved and remained true to its initial mission.

The evaluation provides an overview of key results achieved since the second Joint Evaluation, and an analysis of the key factors of success, as well as an assessment of challenges in the period. In particular, the evaluation considers the long-term vision of the SGP, innovation, and inclusion, as well as factors affecting the sustainability of the programme at different levels. It pays particular attention to the “upgrading process” in which countries allocate part of their System for Transparent Allocation of Resources (STAR) to fund their national SGP programme.

This joint evaluation was, like many other initiatives, affected by the COVID-19 pandemic. Worldwide travel restrictions required the evaluation to avoid field visits, limiting local observation and information collection. To adapt to this situation, the evaluation used a mix of methods and triangulation of evidence to support its findings, including a global survey and increasing its number of country case studies, which were conducted remotely with the support of a team of dedicated national consultants.

The evaluation found that the SGP continues to be highly relevant to the GEF Partnership, UNDP, and local partners. As a global programme that channels GEF and non-GEF resources to civil society and community-based organizations, it is unique and the only window through which small-scale, local organizations can access GEF resources. It has been consistent in contributing to social and environmental benefits in all the countries where it is present.



In light of the upcoming GEF Replenishment process and on the eve of its 30th anniversary, the SGP should reflect on its long-term vision and how it could further build on the results, goodwill, and social capital it has accumulated since it started in 1992. The GEF and UNDP should also engage in reviewing the current SGP upgrading policy, taking into account lessons garnered since the policy's rollout in its fifth operational phase (OP5), resource requirements for continued expansion, and the future vision of the SGP.

The report and management response were discussed at the GEF Council meeting in June 2021 and submitted to the UNDP Executive Board at its June 2021 meeting.

It is our hope that the stakeholders of the Small Grants Programme at all levels will use the findings and recommendations contained in this report to further strengthen the programme and its operations at all levels, in the service of the global environment.



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# ABBREVIATIONS

<b>CBO</b>	Community-based organization
<b>CEO</b>	Chief Executive Officer
<b>CPMT</b>	Central Programme Management Team
<b>CPS</b>	Country programme strategy
<b>CSO</b>	Civil society organization
<b>GEF</b>	Global Environment Facility
<b>LDC</b>	Least developed country
<b>M&amp;E</b>	Monitoring and evaluation
<b>NSC</b>	National steering committee
<b>NGO</b>	Nongovernmental organization
<b>OP</b>	Operational phase
<b>SGP</b>	Small Grants Programme
<b>SIDS</b>	Small island developing states
<b>STAR</b>	System for Transparent Allocation of Resources
<b>UCP</b>	Upgraded country programme
<b>UNDP</b>	United Nations Development Programme
<b>UNOPS</b>	United Nations Office for Project Services

Note: All dollar amounts are in U.S. dollars unless otherwise indicated.

The nominal GEF replenishment periods are as follows:

Pilot phase: 1991–94 GEF-4: 2006–10

GEF-1: 1995–98 GEF-5: 2010–14

GEF-2: 1999–2002 GEF-6: 2014–18

GEF-3: 2002–06 GEF-7: 2018–22

# BACKGROUND

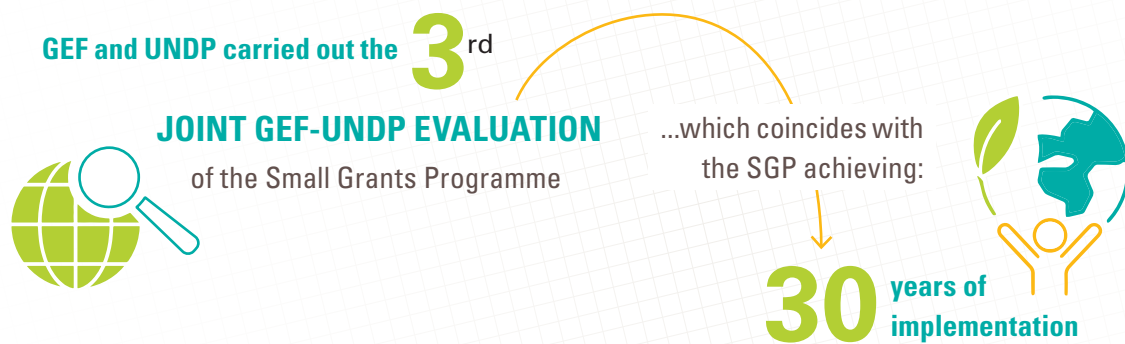
The Global Environment Facility (GEF) created the Small Grants Programme (SGP) in 1992 with the purpose of channelling support to local community-based organizations for addressing global environmental problems. The SGP is implemented by the United Nations Development Programme (UNDP), and the United Nations Office for Project Services (UNOPS) provides fiduciary and administrative support. A global Central Programme Management Team provides supervision and technical support to SGP countries. There are two main modalities for the SGP programme: a global programme, through which a group of countries receives an allocation from a common envelope (core resources), and the upgraded country programme, in which countries allocate a portion of their GEF System for Transparent Allocation of Resources (STAR) resources to their national SGP.

Each participating country has an SGP national coordinator, supported by a national steering committee composed primarily of civil society organizations. Activities in each participating country are guided by a country programme strategy.

The SGP awards small grants—up to a maximum of \$50,000 (and, on an occasional basis for strategic initiatives, \$150,000)—to local organizations to support the use of practices and technologies that benefit the global environment. Since start-up, as of February 2020, the SGP had supported 25,117 small grant projects in 126 countries.

The Independent Evaluation Offices of the GEF and UNDP carried out the third Joint GEF-UNDP Evaluation of the Small Grants Programme. The evaluation coincides with the SGP achieving 30 years of implementation and comes at a time of unprecedented global environmental and public health crises.

The evaluation builds on the assessment of results and impacts of the 2015 joint evaluation and uses the previous evaluation findings as baselines against which to assess progress, without conducting an in-depth aggregation of country-level results from the small grants. The focus of this evaluation is placed on strategic issues that have arisen since the last evaluation.





# WHAT WE EVALUATED

The overall purpose of this joint evaluation is to examine the performance of the SGP, to determine whether any changes are required to improve effectiveness of the SGP, and to provide the GEF Council and the UNDP Executive Board with evaluative evidence of the SGP’s relevance, effectiveness, efficiency, and sustainability.

The main objective of this joint evaluation is to evaluate the extent to which the SGP is achieving the objectives set out in its strategic and operational directions under GEF-6 (2014–2018) and GEF-7 (2018–2022), building on the findings of the 2015 evaluation. The evaluation will also assess the

relevance and strategic positioning of the SGP within the GEF and provide recommendations on the way forward for the SGP. This evaluation covers the time frame from the establishment of the SGP in 1992, up to February 2020; its focus is on developments since July 2014, which was the cut-off date for the 2015 joint evaluation of the SGP.

The emphasis was placed on issues that emerged since the 2015 joint evaluation. Particular attention was given to the upgrading policy, as well as to the factors influencing the achievement of results, such as innovation and inclusion.

## The evaluation responds to questions covering **four** main areas:





# METHODS USED

The joint evaluation adopted a mixed-methods approach encompassing both quantitative and qualitative data gathering and analysis. A widely circulated approach paper, finalized in March 2020, served as the

evaluation’s primary guidance document. Due to the pandemic, field visits were not possible, and the following methods were used to collect and triangulate information:



## DOCUMENT REVIEW

- GEF Council and GEF Secretariat policy and operational guidance documents
- SGP steering committee minutes
- SGP publications, communications, and technical guidance products
- SGP country programme strategies and project documents
- UNDP and Central Programme Management Team planning documents, annual reports, and programme implementation reports



## META-ANALYSIS

**17** midterm and terminal evaluations of all upgraded country programmes



## ANALYSIS

**22** SGP country programme strategies from the global country programme



## PORTFOLIO REVIEW

Project and financial data in the UNDP Central Programme Management Team and GEF databases



## GLOBAL ONLINE SURVEY

**926** stakeholders worldwide responded



## INTERVIEWS

**203** stakeholders interviewed globally



## COUNTRY CASE STUDIES



representing both upgraded countries and global programme countries were conducted and a portfolio analysis of **95** small grant projects was carried out in these countries.

- Afghanistan
- Argentina
- Botswana
- Brazil
- Burkina Faso
- Egypt
- Mexico
- Samoa multicountry (Cook Islands, Niue, Samoa, Tokelau)

# WHAT WE FOUND

## Relevance

- 1.** The SGP is very relevant and coherent with the GEF's mandate and with the needs for action at all levels to accelerate sustainable development.
- 2.** The SGP is also aligned with GEF focal area strategic priorities.
- 3.** There continues to be a high degree of convergence between the SGP and UNDP's overarching mandate to promote sustainable development; however, on-the-ground UNDP-SGP Synergies are not yet optimized.
- 4.** At the global level the SGP also shows a high degree of relevance.
- 5.** The interventions that are implemented at the local level through SGP support are highly relevant to the SGP's mandate and intended purpose.
- 6.** The long-term vision for the SGP is neither explicit nor shared, leading to multiple and sometimes competing perceptions of what the SGP can accomplish and how it should be operated.
- 7.** The variety of statements about the SGP's vision, mission, and mandate shows that the SGP takes on different meanings and values to different people at different times.
- 8.** The objectives of the upgrading policy have not been fully met, and the upgrading process has come with higher transaction costs and operational risks for participating countries.
- 9.** The upgrading process succeeded in enabling most upgraded country programmes (UCP) to access greater financial resources.
  - 10.** Increase in funding envelope and strategic linkages with other full-size projects were the most significant advantage in upgrading based on the global survey.
  - 11.** Once the initial hurdles are cleared, many countries felt there were clear and distinct advantages to the upgraded status.
- 12.** An upgraded small grant programme bears some risks that can lead to gaps in SGP implementation at the national level, contrary to SGP's rolling modality.
  - 13.** The upgrading objective "to make better use of the capacities of mature Country Programmes to enrich the younger, less experienced ones" has not been fully realized by the SGP.

**14.** Upgrading remains a learning-by-doing process for countries, which requires support for the transition in project design and implementation arrangement. OP5 was essentially an exploratory period for UCPs, serving as a cautionary example of what happens where support is lacking.

**15.** Upgrading places the SGP within the STAR allocation, which increases the influence of government.

**16.** The upgrading process has caused some level of confusion regarding the roles and responsibilities of actors in SGP.

**17.** Upgrading requires a modification of the responsibilities and composition of the national steering committee.

**18.** The link between upgrading, country programme “maturity,” and the generation of global environmental benefits is tenuous.

**19.** It is unlikely that upgrading leads to more global environmental benefits in the global programme or in upgraded countries.

**20.** Because the fiscal context of the SGP has changed and is subject to change, the policy and criteria for upgrading are inadequate.

### Effectiveness

**21.** The effectiveness for SGP grants is high, which speaks to the level of engagement of local stakeholders and to the ownership of the programme by local communities.

**22.** As noted in the SGP Monitoring and Evaluation (M&E) Strategy, the results of the SGP are as much a factor of “what” the SGP is doing as of “how” it is doing it.

**23.** There is value in the activities encompassed under the broad heading of Grantmaker Plus, but the reclassification of activities, the increasing number of programmatic options, and the terminology can lead to some confusion.

**24.** High levels of ownership, the dedication of national teams, the space for innovation and partnership, and the use of a landscape and/or seascape approach to grant distribution are the key factors influencing achievement of results.

**25.** The strength and sustainability of civil society in a country also enables results.

## WHAT WE FOUND (continued)

**26.** Incomplete knowledge management and communication strategies were reported by several countries as a factor preventing or hindering upscaling, despite high volumes of information being generated.

**27.** Innovativeness is a fundamental factor of success in the SGP.

**28.** The SGP's ability to incentivize and foster<sup>1</sup> innovation is perceived unevenly across different regions and stakeholders.

**29.** There has been a trend toward improvement in the inclusion of gender-sensitive standards but the effectiveness of measures implemented is still not at its fullest potential.

**30.** Overall, the survey shows a general agreement that the SGP's efforts to integrate gender equality and women's empowerment contribute to global environmental benefits overall.

**31.** Social inclusion has been recognized by many evaluation participants as both a key factor of success and a part of the SGP's innovativeness.

**32.** The inclusion of persons with disabilities, still in its early stages, is progressing well.

### Efficiency

**33.** There have been no major changes or evolutions in the overall governance structure of the SGP since the last joint evaluation.

**34.** At the global level, SGP governance is not delivering its full potential due to miscommunications and ambiguous responsibilities between the SGP steering committee, GEF Secretariat, and CPMT.

**35.** There is a high level of satisfaction among national SGP stakeholders of the support and guidance received by the CPMT.

**36.** At the national level, the governance structure is also adequate for the current level of operations of the SGP.

**37.** The classification of SGP expenditures should be based on the commonly accepted GEF definition of management costs, rather than opposing grant and non-grant elements.

**38.** Notwithstanding the high efficiency ratings, several improvements could be made in reducing transaction costs.

**39.** Project cycle analysis shows that efficiency in the approval process for the UCPs was in line with the overall GEF portfolio during GEF-5 and GEF-6.

<sup>1</sup> Fostering innovation requires setting conditions whereby innovation may spontaneously emerge. Incentivizing requires explicitly rewarding or prioritizing innovation.



**40.** UNDP Country Offices have continuously been supporting the administration and operation of SGP, yet programme synergies could still be improved.

**41.** The SGP has benefited from a long-term partnership with UNOPS that has remained stable for more than 25 years, even as UNDP, the GEF, and the SGP have evolved.

**42.** The fact that most UCPs have systematically elected UNOPs as an executing agency reflects the efficiency of the executing agency arrangement.

**43.** There have been improvements in the deployment of M&E in the SGP since the last evaluation.

**44.** UCP M&E requires some adjustments.

**45.** Adaptive management was adopted by UCPs to mitigate the challenges in M&E implementation.

## Sustainability

**46.** There continue to be challenges to the long-term sustainability of SGP projects.

**47.** The avenues for securing long-term sustainability are closely linked to opportunities for broader adoption.

**48.** The assumptions about civil society maturity in UCPs and its links to sustainability of impact have failed to materialize.

**49.** Because the SGP is innovative and its work and partnerships are delicate, not all SGP grants can be expected to be sustainable.

**50.** There is an increasing trend toward broader adoption, but the main avenues for leveraging impact through the SGP require additional investment.

**51.** The evaluation finds that the pathway to broader adoption where private sector-type business models are developed for SGP projects carries the most significant promise.

**52.** From OP3 to OP5, the GEF's allocation to the SGP has increased, as did the cofinancing in actual value.

**53.** Cofinancing is low when viewed at a per-country basis. When cofinancing materialized, results were exceptional at the national level.

**54.** The SGP continues to retain its niche as a programme that delivers global environmental benefits through community-based approaches.

**55.** The SGP has also contributed to socioeconomic and innovation additionalities through adapting proven technologies to community needs and promoting fast adoption of technologies in the remote communities.

# SNAPSHOT

## OF OUR CONCLUSIONS



**1** The SGP continues to be **HIGHLY RELEVANT** to evolving environmental priorities at all levels.



**2** The SGP shows high levels of coherence with the GEF programmatic framework and UNDP mandate, demonstrating coherence across **126 COUNTRIES**.

**3** Different stakeholder's visions of the SGP, has an impact on its overall **GOVERNANCE**, policies, and future directions.



**4** The disadvantages and risks of the **UPGRADING** process outweigh its short-term financial advantages.



**5** The SGP has been consistent in its delivery of **ENVIRONMENTAL RESULTS** at local, national, and global levels and in generating economic and social benefits.



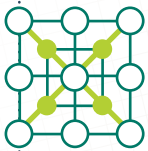
**6** The pace at which the SGP repackages its **PROGRAMMING FRAMEWORK** in response to changing programming trends is not effective.



**7** As a unique mechanism that channels funds to civil society organizations, the SGP promotes **NEW WAYS OF WORKING** that are flexible enough to adapt to local circumstances.



**8** The governance structure of the SGP is **COMPLEX**, and the upgrading process has complicated the lines of accountabilities further.



**9** The improvements in efficiency at the **GLOBAL PROGRAMME** level have been weakened by challenges in upgrading countries.



**10**



The improvements made to the overall **M&E FRAMEWORK** of the SGP have been significant and benefits could be leveraged in the future.

**11**

The measurement of **SUSTAINABILITY** in the SGP is not sufficiently nuanced to capture the nature of the work.



**12**

The nature of interventions supported by the SGP entails that the pathways to sustainability of results of **INDIVIDUAL GRANTS** require additional investment.



**13**

The **INNOVATIVENESS** of the SGP lies in the way it works with local partners, more than in the technologies or approaches it promotes.





## Recommendation

1

### To the GEF and UNDP

As recommended in the 2015 evaluation, the SGP should conduct a consultative process towards the formulation of an updated long-term vision for the programme. This process should begin by taking stock of the past 25+ years of programming and should serve to inform future replenishment discussions. The process should be inclusive of upgraded countries, countries participating in the SGP global programme, GEF Council and UNDP, and the final vision should be adopted by the GEF Council/Assembly. The purpose would be to ensure that the vision, mission and mandate of the SGP are clear and consensual, and serve as a guiding framework for policy decisions through future GEF periods.

## Management Response



### UNDP:

UNDP accepts the recommendation and will work with the GEF and the SGP Steering Committee to conduct a consultative process towards the formulation of a long-term vision for the SGP, with a focus on growth, synergies and scaling up.

In partnership with the GEF secretariat, several actions have already been initiated to articulate the strategic directions and vision for the SGP. These include elaboration of strategic directions in recent GEF Council papers, including the GEF Small Grants Programme implementation arrangements for GEF-7, approved by the GEF Council in June 2018, followed by the GEF-7 project document on the SGP, approved in June 2020. These papers have laid out strategic directions of the SGP in alignment with the GEF-7 programming directions and the UNDP Strategic Plan, 2018–2021. To ensure that the vision, mission and mandate of the SGP are clear and consensual, a consultative process for an agreed vision has also been initiated among partners and stakeholders in the context of developing the SGP strategy for GEF-7



# FORWARD



and GEF-8 replenishment. Moreover, UNDP has taken steps to integrate, mainstream and strengthen local action and community participation in its environment and other thematic work.

The SGP Steering Committee, reconvened as of July 2020 and revitalized as a multi-stakeholder governance body of the SGP comprising the GEF secretariat, UNDP and the GEF Civil Society Organization (CSO) network, could serve as the primary mechanism for consultative and regular review of the SGP long-term vision, mandate and strategy in GEF-8 and beyond. Because the SGP is a community-driven and country-led programme, a consultative process involving national coordinators, national steering committees and other stakeholders will inform the work of the SGP Steering Committee.

## GEF:

The Secretariat welcomes this recommendation. The Secretariat would like to point to several actions that have already been initiated to renew the strategic directions and vision for the SGP. More recently, these have included, among other things, the GEF SGP Implementation Arrangements for GEF-7<sup>2</sup>, approved by the GEF Council in June 2018, and the GEF-7 project document on the SGP<sup>3</sup>, approved in June 2020.

The Secretariat will build on the efforts and work to update and lead a consultative process towards the formulation of a longer-term vision for the SGP in close collaboration with UNDP and the SGP Steering Committee. Considering that the SGP is a community-driven and country-led programme, the GEF Secretariat will collaborate closely with UNDP and the SGP Central Programme Management Team to ensure that the consultative process adequately engages upgraded countries and countries participating in the SGP global programme, including national coordinators, national steering



## Management Response

2 GEF/C.54/05/Rev.01, *GEF Small Grants Programme: Implementation Arrangements for GEF-7*, [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.05.Rev\\_01\\_SGP.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.05.Rev_01_SGP.pdf)

3 <https://www.thegef.org/project/gef-sgp-7th-operational-phase-core-part-1>

committees, together with other stakeholders including government representatives, civil society organizations and other stakeholders. It is expected that the results of the formulation of this longer-term vision will inform the GEF SGP Implementation Arrangements for GEF-8 and will serve as a broader SGP guiding framework for future GEF replenishment periods.

## Recommendation

### 2 To the GEF

In developing the implementation arrangements for SGP, the GEF secretariat, in collaboration with UNDP, should provide the GEF Council and replenishment with a detailed analysis of the impacts of a shrinking SGP funding envelope on the operations of the SGP, the pressures placed on STAR allocations, demands to add new countries to the global programme without concomitant growth in core funding, and the risk of losing the goodwill and social capital the SGP brings to the GEF as a whole. Going forward, the level of resources provided to the SGP must be considered in proportion to the requirements for expansion and “universal access”, and the upgrading policy could be designed so as to maximize benefits rather than primarily as a means for creating “fiscal space.”

#### Management Response



#### UNDP:

While this recommendation is directed to the GEF, UNDP stands ready to provide support and collaboration to the GEF in the its implementation, as needed.

#### Management Response



#### GEF:

The Secretariat takes note of this recommendation and acknowledges the need to further analyse and adapt the strategic framework of the GEF Small Grants Programme to improve the relation between its obligations, operational modalities and resources. The Secretariat also notes that unless increased funding materializes there will necessarily be trade-offs to be addressed within the GEF Small Grants Programme in GEF-8 and beyond.

The Secretariat will seek to leverage the consultative process set forth to formulate the long-term vision (see the Secretariat’s management response to recommendation 1) to solicit input and feedback from all relevant stakeholders in the broader GEF Partnership. The Secretariat will revisit and

propose to discuss, within the governance process of the GEF-8 replenishment decisions and as part of the GEF-8 SGP Strategy, adapted modalities defining the following dimensions: universal country access; upgrading policy; and the proportion of total GEF Small Grants Programme resources dedicated to flow directly to CSOs in the context of the overall resource envelope and strategy of the SGP and the GEF-8 GEF SGP Implementation Arrangements to be presented at the 62<sup>nd</sup> Council (see also the Secretariat's management response for recommendation 9). The results and conclusions of these analyses and consultations will be incorporated in the forthcoming GEF-8 replenishment documents and GEF SGP Implementation Arrangements for GEF-8.

## To the GEF and UNDP

The SGP should reconsider whether it needs a continued upgrading policy. If upgrading is maintained, the SGP should rethink the means for its implementation in order to reduce the risk borne by countries and CSOs. This applies to all stakeholders involved in policymaking for the SGP. This would include a revision of the upgrading criteria, as recommended in the 2015 evaluation, as well as implementation arrangements and operational modalities. The two cycles of upgrading have brought to light significant challenges that need to be taken into consideration if and when countries continue to be upgraded. The revised policy should be focused on CSO capacity and potential for global environmental benefits, and should consider the effects of upgrading on transaction costs, operational considerations and risks in all fiscal contexts, and should also consider the risks in having small community projects go unfunded. To conserve the high levels of efficiency when transitioning from global programme to upgraded status, assumptions about civil society capacity and the CSO-government relationship need to be examined on a case-by-case basis.

### UNDP:

UNDP accepts this recommendation and will work with the GEF and the SGP Steering Committee to re-examine the upgrading policy and the related implementation experiences of the 16 upgraded country programmes over the past 10 years, including review of upgrading criteria, implementation arrangements and operational modalities. UNDP will take stock of the recommendations of the second and third joint evaluations and together with the

3

## Recommendation



## Management Response



## Management Response



GEF, will assess the benefits and challenges of upgrading, in close consultation with UNDP country offices and other relevant stakeholders. UNDP has taken steps in reviewing the feasibility of adopting different criteria and operational modalities, as successive independent evaluations have assessed the opportunities, challenges and risks associated with the current upgrading policy, in relation to the continued civil society engagement in efforts to fulfil national commitments to the multilateral environmental agreements.

### GEF:

The Secretariat takes note of this recommendation. The Secretariat appreciates the findings and conclusions arising from this evaluation related to the opportunities, challenges and risks associated with the current upgrading policy and the potential need to re-examine the upgrading policy. As indicated by this evaluation, the upgrading process has brought some benefits (such as access to greater resources for more mature country programs), but it has also been unfavourable in other aspects, including the uncertainty of access to recourses and competition from other country priorities.

The Secretariat will work with UNDP to take stock of challenges and risks associated with the current upgrading policy and discuss the feasibility of adopting different criteria and operational modalities, taking into account CSO capacity, CSO-government relationship and potential for global environmental benefits. The findings and conclusion of this review and consultations will be incorporated in forthcoming GEF-8 replenishment documents and GEF SGP implementation Arrangements for GEF-8.

## Recommendation

4

### To the Central Programme Management Team

The ways in which SGP interventions are packaged, such as strategic initiatives, focal area results, innovation programmes and Grantmakers Plus initiatives, should be simplified. A small number of thematic frameworks (e.g., landscape/seascape approach) may be adopted to steer or shape programming, incentivize innovation or address urgent and emerging issues, but the pace of change should be slow enough to allow for local adoption and internalization by local communities.



## UNDP:

The Central Programme Management Team and UNDP accept this recommendation and will work to simplify its interventions to support faster adoption and internalization by local communities. Going forward, lessons emerging from the various programming windows will be integrated into a limited number of strategic initiatives and cross-cutting frameworks.

Over its past three operational phases, the SGP has tested and gradually introduced its landscape and seascape approach, which has focused SGP investment in priority geographical areas. This has supported the development of synergies with other programmes and between communities in the landscape; introduced multi-stakeholder governance approaches; and facilitated innovative actions by communities, knowledge-sharing and effective management of the socio-ecological landscapes/seascapes. The SGP has also adopted and aligned its integrated approaches to the GEF programming directions, the targets of the UNDP Strategic Plan and multilateral environmental agreements (such as the Convention on Biological Diversity, and emerging needs at country levels). In response to emerging global and country needs, the SGP introduced the innovation programme to pilot innovative approaches and tools on specific thematic issue among a group of participating countries and advance the implementation of the corresponding SGP strategic initiative.

## GEF:

The Secretariat takes note of this recommendation and will provide support and collaboration, as needed, to the Central Programme Management Team in line with UNDP's management response to this Evaluation. The Secretariat will specifically work closely with UNDP to ensure that the SGP strategy for GEF-8 is aligned with the forthcoming GEF-8 Programming Directions and Policy Agenda.



## Management Response



## Management Response



## Recommendation

5

### To the SGP Steering Committee and Central Programme Management Team

As recommended in the 2015 joint evaluation, the SGP should review and re-energize its governance at the global and national levels. This will help to avoid misunderstandings and strengthen the relationship, through revised terms of reference, improved communication, agreed operational language or more frequent meetings. At the national level, the terms of reference of the national steering committees should be reviewed with emphasis on building synergies with the national UNDP programmes and creating spaces for new steering committee members that could help in increasing the broader adoption of SGP projects (such as including members with expertise in building business models or inclusion of private sector representatives).

## Management Response



### UNDP:

UNDP accepts this recommendation and will work with the SGP Steering Committee to review and re-energize SGP governance at the global and national levels.

At the global level, a process was initiated in June 2020 to revitalize the SGP Steering Committee, including the revision of the terms of reference of the committee, which would clearly define its role as a multi-stakeholder governance body for the SGP, and serve as an effective forum for participatory decision-making, engagement with the wider GEF partnership and other partners on key strategic issues on a regular basis.

At national level, work is already underway to update the terms of reference of the national steering committees in line with the updated SGP operational guidelines, including enhancing synergy with UNDP programmes and leveraging their extensive networks for broader adoption.

## Management Response



### GEF:

The Secretariat welcomes this recommendation and stands ready to support UNDP and the Central Programme Management Team in line with UNDP's management response to this Evaluation that specifies their commitment to review and re-energize its governance at the national and global levels, including the GEF Steering Committee lead by the GEF Secretariat.

## To the Central Programme Management Team

The SGP should test new ways to track and aggregate the intangible results generated by countries from SGP inputs such as the benefits received from its capacity-building activities, monitoring and evaluation, communications and knowledge management. There should be a systematic process in which the global programme countries benefit from the experiences of the upgraded countries and vice versa. At the country level, the SGP should be able to track the evolution of the grantees it supports and the broader adoption of activities that have been implemented, to maximize the space for innovation and support the evolution of its grantees. The Central Programme Management Team should continue to ensure that adequate knowledge management strategies are in place with related capacity to implement them, that would allow the maximization of broader adoption opportunities stemming from SGP initiatives.

### UNDP:

The Central Programme Management Team and UNDP accept this recommendation. Inputs such as capacity development, monitoring and evaluation, knowledge management and communication are critical elements of SGP programme components to generate global environmental benefits. They are also essential to the success of the programme and its impact, particularly considering that SGP grants are made to CSOs and community-based organizations (CBOs) which often have relatively limited capacity. As the evaluation notes, such programme costs are critical to sustainability and broader adoption efforts such as scaling up and replication.

The SGP has already put in place mechanisms to track and aggregate these intangible results, especially with the roll-out of its new monitoring and evaluation strategy. In particular, this relates to integration of methodologies to assess change at country level, including those related to innovation and broader adoption. Global programme countries also continue to benefit from experiences of upgraded country programmes and vice versa. As an example of knowledge-sharing between global programme countries and upgraded country programmes, the current community-based landscape approach finds its roots in two SGP pilot projects (Community Development and Knowledge Management for the Satoyama Initiative, known as COMDEKS, and Engaging Local Communities in Stewardship of World Heritage, known

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as COMPACT), as well as experiences from the upgraded country programme portfolio that have provided much of the methodological basis for the landscape approach and evidence for its effectiveness in a variety of different geographic and cultural settings. The exchange of learning and experiences between global and upgraded country programmes is supported by an umbrella SGP knowledge and communications strategy. Additionally, all the newly approved upgraded country programmes in GEF-7 have identified specific knowledge management activities that will promote replication and upscaling across the landscapes, across the country and to the global SGP network.

SGP will further refine and formalize the system to monitor the efficiency and results of capacity development, knowledge management and communication, including the definition and capture of appropriate indicators.

### GEF:

The Secretariat takes note of this recommendation and will support the Central Programme Management Team, as needed, in line with UNDP's management response to this Evaluation. The Secretariat will further work to ensure that the SGP strategy for GEF-8 is aligned with GEF Policies and Guidelines and forthcoming GEF-8 Policy Agenda, including ensuring that SGP adopts a results framework that is compatible and aligned with the GEF-8 results architecture, while taking into consideration the feasibility of and capacity for applying them at the community level, and the GEF forthcoming strategy on knowledge management and learning.

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### To the Central Programme Management Team, UNDP and the GEF

The approach to and measurement of sustainability in the SGP should be improved to capture the tangible and intangible benefits of the programme. A first layer of sustainability could be measured at grant or project level, while another could be measured at the level of grantees. A measure of sustainability in this context may be whether the organizations continue to operate in the environmental space after the SGP grant is concluded. A scale of CSO capacity could be devised that would allow for long-term tracking of SGP grantees and their progression along the development continuum, especially for those who receive repeat funding or whose activities are replicated or upscaled through new projects.



## UNDP:

The Central Programme Management Team and UNDP accept this recommendation and will work with the GEF for its implementation. As noted in the evaluation, SGP often operates in a 'first mover' capacity that provides seed funding for pilot and demonstration projects, which are often followed by multiple investments by SGP and other funding over subsequent operational phases to ensure sustainability and scale-up of project successes. Communities targeted by the SGP are often the poorest and most vulnerable with typically low capacities to adequately address global environmental problems, which in turn can hinder community-based project sustainability. In addition, the SGP operates in many fragile environments with political and economic instability and other macro factors that impact sustainability. As part of efforts to develop an appropriate approach to capture the intangible benefits of SGP interventions (see response to recommendation 6), the SGP will also explore ways to measure sustainability at the level of grantees, as recommended.

The SGP already takes many steps towards ensuring sustainability. In many countries, under GEF-7, the SGP is expanding its innovative CSO-government-private sector dialogue platforms to enhance the capacity of CSOs and CBOs to influence relevant government policies and programmes, while working with the private sector to leverage its potential to invest and support sustainability at the local level. These platforms thus help to mainstream environmental conservation in national and subnational decision-making. The SGP has systematically invested in capacity development of local and national civil society stakeholders as another strategy for environmental sustainability. Each year, over 70 percent of SGP country programmes invest in some form of grantee capacitation, network building and community mobilization. With its programmatic strategy, the SGP has a long-term, continuous, multi-phased approach in directly engaging local communities and often socially marginalized groups (women, indigenous peoples, youth and persons with disabilities) in all stages of the grant project cycle: design, implementation, monitoring and evaluation. This enables community ownership of ideas and sustains the gains from them. With an emphasis on further integration of SGP country teams with UNDP country offices in GEF-7 and beyond, sustainability of results will be maintained through linkage with relevant national policies and programmes, as well as by scaling up through larger donor- and government-led programmes and projects.



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## GEF:

The Secretariat takes note of this recommendation. The Secretariat would like to highlight that since OPS-6<sup>4</sup> we have been engaged in multiple studies on sustainability of GEF investments, together with the GEF IEO and STAP. The latest paper to the 57th Council in December 2019<sup>5</sup> suggested a framework for sustainability that centred around four main, interconnected themes: (1) theory of change, (2) multi-stakeholder processes, (3) stakeholder involvement and (4) adaptive learning. These 4 themes are interwoven into the life cycle of every GEF project and programme, to varying degrees, through a series of underlying programming choices, policies, strategies, and actions. The Secretariat has already put in place many elements that address these dimensions. Demonstrating sustainability takes time, with very long feedback loops, and while the effects of any steps that are being taken cannot be assessed in the near term, the GEF is indeed intensifying action in its portfolio on key dimensions of sustainability.

There are additional considerations with respect to sustainability in the SGP context. As stated in UNDP's management response: *"SGP often operates in a 'first mover' capacity that provides seed funding for pilot and demonstration projects, which are often followed by multiple investments by SGP and other funding over subsequent operational phases to ensure sustainability and scale-up of project successes. Communities targeted by the SGP are often the poorest and most vulnerable with typically low capacities to adequately address global environmental problems, which in turn can hinder community-based project sustainability. In addition, the SGP operates in many fragile environments with political and economic instability and other macro factors that impact sustainability."*

In the context of this evaluation and this recommendation, and building on the work already being done in the wider GEF portfolio, the Secretariat will work with UNDP and the CPMT to understand more deeply the factors that influence sustainability in the SGP, and the ways in which these factors can be influenced within the parameters of the programme. Sustainability

4 GEF/ME/C.53/Inf.01, *Sixth Comprehensive Evaluation of the GEF (OPS6)*, [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEFME\\_C.53\\_Inf.01\\_OPS6\\_Nov\\_2017\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEFME_C.53_Inf.01_OPS6_Nov_2017_0.pdf)

5 GEF/C.57/08, *Towards Greater Durability of GEF Investments*, [https://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF\\_C.57\\_08\\_Towards\\_Greater\\_Durability\\_of\\_GEF\\_Investments\\_0.pdf](https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF_C.57_08_Towards_Greater_Durability_of_GEF_Investments_0.pdf)

considerations can also be discussed as part of efforts to develop an appropriate approach to capture the intangible benefits of SGP interventions (see response to recommendation 6) as well as in the formulation of an updated long-term vision for the SGP (see response to recommendation 1).

## To the Central Programme Management Team

The Central Programme Management Team should create operational mechanisms to improve and incentivize innovation and business-oriented approaches in country programmes. These mechanisms would maximize the potential for environmental benefits and social inclusion while creating opportunities for long-term viability of projects supported by the SGP. The social economy model provides a useful avenue for the SGP to expand to new beneficiaries and to optimize the sustainability of its results. Enhanced and more systematic synergies between UNDP and the SGP at the country level could facilitate this process. Examples include priority selection of innovative projects, varied scales of financing for business-oriented initiatives and the broader adoption of SGP projects into UNDP programming.

### UNDP:

The Central Programme Management Team and UNDP accept this recommendation. As a cross-cutting thread in SGP interventions, innovation is not just an integrated approach to project execution, but also a key SGP result. The micro and local nature of SGP projects lends feasibility to undertake risk and experiment with pilot development as a test and trial for effective and efficient community-led solutions that work in a given context, or may have broader scaling-up potential and replicability later. As well noted in conclusion 13 of the evaluation, “the innovativeness of SGP lies in the way it works with local partners, more than in technologies or approaches it promotes. By building trust, reducing the risk in testing innovations and fostering collaboration and dialogue, the SGP creates new conditions upon which the future of sustainable development and conservation movement can take root.”

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### GEF:

The SGP has already taken steps to further strengthen innovation in country programmes. With priority selection of innovative projects and the integrated landscape approach, more systematic, purposeful innovation is being encouraged in GEF-7, whereby CSOs/CBOs identify potential innovations and the corresponding indicators of success, then evaluate the performance of the innovation in a method of learning by doing.

With respect to broader adoption of innovations tested under the SGP projects into UNDP programming, many SGP country programmes will continue to strengthen linkages with UNDP accelerator labs and regional innovation teams to scale up innovation and experimentation.

To support business-oriented approaches in country programmes and projects, SGP is developing a private sector guidance note as part of its resource mobilization and partnership strategy (2020-2024), with an aim to enhance private sector engagement and adoption of relevant business models, including supporting small and medium-scale enterprises and exploring use of different financing scales and modalities, through the SGP country programmes.

The Secretariat welcomes this recommendation and will seek to collaborate with UNDP and the Central Programme Management Team to leverage linkages with the newly approved GEF Private Sector Engagement Strategy and lessons learned from the GEF Non Grant Instruments (NGI). During GEF-8, the GEF's ambition is to build on experiences with micro-credits in a number of SGP Country Programmes and to explore modalities to further promote sustainable livelihoods through i.e. greater collaboration with local micro-financing entities; and to support and accompany the creation of micro, small and medium enterprises at the local and community level.

The Secretariat will also explore options to expand SGP Dialogue Platforms towards a greater engagement of the private sector to leverage its potential to support sustainability at the local level and to provide opportunities for local communities to engage in policy dialogues with national and local governments. The collaborative work and findings of these efforts is expected inform the GEF SGP Implementation Arrangements for GEF-8 and to serve as a broader SGP guiding framework for future GEF replenishment periods.



## To the GEF

The GEF secretariat should apply the explicit, accepted accounting standards that are applied to the rest of the GEF portfolio when assessing SGP management costs. The appropriateness of the level of management expenditures should be a factor of the level of management activities that are required. Programmatic activities related to CSO capacity-building, monitoring, knowledge, technical assistance and communication should not be considered part of management costs even if they are expenditures incurred by UNDP and the United Nations Office for Project Services in their respective capacities as implementing agency and executing agency. There should be further discussion on this matter between GEF and UNDP to clarify the future vision for the SGP. At the time of the next replenishment, the GEF may wish to consider setting benchmarks for programmatic costs in relation to the demands placed on and resources provided to the SGP.

### UNDP:

While this recommendation is directed to GEF, UNDP stands ready to provide support and collaboration to GEF in its implementation, as needed.

### GEF:

The Secretariat takes note of this recommendation and understands that there could be some confusion related to the definition of management costs when applied to GEF SGP as a GEF Cooperate Program. The Secretariat fully agrees, with this Evaluation, that the calculation of SGP's management costs should not extend to services to CSOs and costs for activities related to CSO capacity-building, monitoring, knowledge, technical assistance and communication.

The Secretariat wishes to highlight the fact that the important point of substance that this recommendation indirectly refers to, however, is the issue of the proportion of the total SGP core program resources directly financing Civil Society Organizations. SGP serves as an important direct funding mechanism to civil society and community-based organizations. The Secretariat has in the past tracked the proportion using the methodology

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as defined and calculated in the Joint GEF-UNDP SGP evaluation of 2008<sup>6</sup>. This proportion remains a valuable marker of SGP operations. As per the recommendation, the Secretariat commits to continuing this conversation with UNDP in the context of formulating the longer-term vision of the SGP (see recommendation 1).

It is worth noting that the Secretariat has been working closely with UNDP, in GEF-7, to increase the proportion of grants flowing to CSOs, while also ensuring adequate funding for capacity building, knowledge management, monitoring and evaluation, as well as the needed technical assistance and communication for the program as a whole. The Secretariat will consult and work with UNDP to, as part of setting the long-term SGP vision, make sure that SGP program resources flowing directly to CSOs are carefully defined in terms of terminology, methodologies and resources. The Secretariat will seek to align with IEO's recommendation that the next replenishment should consider setting benchmarks for programmatic costs. We also propose that the next replenishment considers setting a proportion of the total SGP financing to flow to CSOs in the context of the overall resource envelope and strategy of the SGP and the GEF-8 GEF SGP Implementation Arrangements to be presented at the 62<sup>nd</sup> Council. The collaborative conclusion of this effort is expected to inform the GEF SGP Implementation Arrangements for GEF-8 and to serve as a broader SGP guiding framework for future GEF replenishment periods and for project approval.

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6 <https://www.gefio.org/sites/default/files/documents/reports/sgp-2008.pdf>. The 2021 GEF-UNDP joint evaluation did not repeat the 2008 exercise and therefore does not inform this important point).

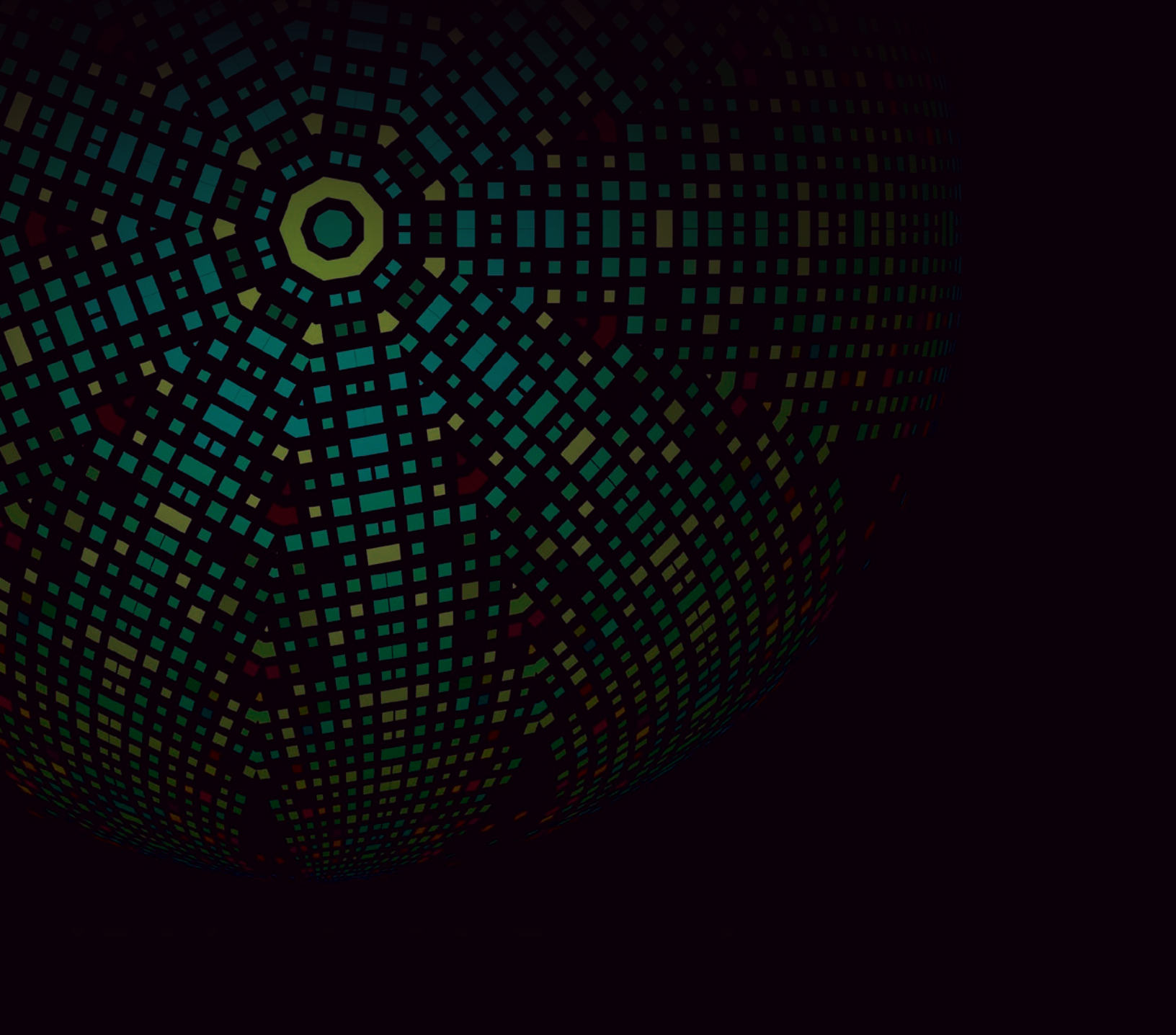


## About the GEF and UNDP Independent Evaluation Offices

The Independent Evaluation Office of the Global Environment Facility (GEF) was established by the GEF Council in July 2003. The Office is independent from GEF policy making and its delivery and management of assistance. The Office undertakes independent evaluations that involve a set of projects and programs implemented by more than one GEF Agency. These evaluations are typically at the strategic level, on focal areas, or on cross-cutting themes. We also undertake institutional evaluations, such as assessing the GEF resource allocation mechanism or GEF governance. Within the GEF, the Office facilitates cooperation on evaluation issues with professional evaluation networks; this includes adopting evaluation guidelines and processes consistent with international good practices. The Office also collaborates with the broader global environmental community to ensure that we stay on the cutting edge of emerging and innovative methodologies.

At UNDP, evaluation is critical in helping countries achieve the simultaneous eradication of poverty and significant reduction of inequalities and exclusion. By generating objective evidence, evaluation helps UNDP achieve greater accountability and facilitates improved learning from past experience. The Independent Evaluation Office (IEO) promotes accountability and learning by conducting independent evaluations at the country, regional, and global levels, as well as on thematic topics of particular importance to the organization. It also promotes development of evaluation capacity at the national level, and provides critical support to the work of the United Nations Evaluation Group (UNEG).






## Summary: Third Joint GEF-UNDP Evaluation of the Small Grants Programme

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