



# Global Environment Facility

## Summary of Document GEF/C.33/5

### Small Grants Program: Follow-up to the 2007 Joint Evaluation

#### Recommended Council Decision

The Council having reviewed GEF/C.33/5, *Small Grants Program: Follow-up to the 2007 Joint Evaluation*, commends the SGP Steering Committee for the proposals in the report.

Council agrees to the proposal to allocate an additional 3.817 million dollars to management costs to be re-assigned from the approved grant resources to support the rapid development of 23 new SGP country programmes.

Council agrees to the other proposals outlined in the report, and urges the SGP Steering Committee and UNDP to implement these actions effectively.

Regarding alternative execution arrangements for the SGP in GEF-5, Council requests the SGP Steering Committee, in consultation with all appropriate stakeholders, to develop detailed options for Council review in June 2009.

#### EXECUTIVE SUMMARY

1. At its meeting held in November 2007, Council reviewed the *Joint Evaluation of the Small Grants Programme* (GEF/ME/C.32/2) and requested the SGP Steering Committee to implement six recommendations and to report for decision to the Council at its meeting in April 2008.
2. This follow up report addresses the six Council recommendations one by one.
3. On proposing a level of management costs on the basis of services rendered and cost efficiency rather than on a stated percentage, the report explains the background, the projected global and national level costs in the present scenario and requests an additional 3.817 million dollars to be re-assigned to management costs from the approved grant resources to support the rapid development of 23 new SGP country programmes. It also proposes that activities linked to knowledge sharing will be funded without being classified as administrative costs but capped at 5% of the country portfolio.
4. On starting a process to change SGP's central management system suitable for the new phase of growth and to address the risks of growing complexity, the report indicates that while any dramatic or structural changes can only be introduced in GEF-5 some adjustments can be made during GEF-4 at different levels.

5. On strengthening country programme oversight, the implementation of the Recommended Minimum Fiduciary Standards will address many concerns. Additionally, the report recommends an increase in the number of audits and their follow up; greater supervision of National Coordinators through Performance Results Assessments; that no access to grants be allowed to NGOs with members sitting on the National Steering Committee.
6. On strengthening monitoring and evaluation, capacity building from project design to financial management is necessary especially for poor communities, indigenous peoples and groups in remote areas. Costs for this activity will also be capped at 5% of the country portfolio. Other actions will be taken at the country and global levels, including an annual country programme report that will be submitted to the Secretariat for reporting as part of the GEF Annual Monitoring Report.
7. On revising the criteria for access to GEF resources, the report proposes that the SGP can participate in GEF strategic programmes and projects, and that countries with small RAF allocations (US\$5 million or less) should receive flexible terms for preferential access to increased core resources.
8. On graduation policy, the report outlines the risks of graduation as well as criteria to define graduation. The report recommends that a paper on the issue be prepared and consultations with all stakeholders be held in order to proceed on the basis of an in-depth understanding. Graduation will begin at the end of GEF-4.
9. Finally, the report outlines an initial approach to options for alternative SGP execution in GEF-5.