



# Global Environment Facility

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GEF Council  
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## INFORMATION NOTE ON THE MANAGEMENT OF THE SMALL GRANTS PROGRAM

1. At its meeting in December 2006, the Council requested the Secretariat to prepare an information note on the management of the Small Grants Program (SGP) in GEF-4. This information note highlights the corporate decisions that have been agreed by the GEF Secretariat, the SGP, and the GEF agencies with respect to the program. These decisions should enable the SGP to extend its reach to include all interested countries within the budget provided by the Council. Clear guidance has been provided to countries for programming RAF resources for SGP.
2. The SGP has a functioning Steering Committee<sup>1</sup>, chaired by the GEF CEO. It had its first meeting in December 2006 and the next one is scheduled for June 8, 2007.
3. The Steering Committee took the following major decisions, all of which are reflected in the SGP project document submitted to the Council for approval:
  - (a) The SGP will respond to pending requests from 21 countries to join SGP. This inclusion will expand the SGP to 122 countries.<sup>2</sup>
  - (b) The proportion of GEF funding for grants will be increased while reducing the funding for activities that are not direct grants.
  - (c) The GEF CEO will assist in raising external financing for SGP by writing to donors and international NGOs.
  - (d) The SGP will be aligned with GEF4 strategic directions while maintaining a country-based decision making process.
  - (e) Input will be provided to the evaluation being conducted by the GEF Evaluation Office.

## **I. INCLUSION OF NEW COUNTRIES**

4. Detailed guidelines explaining the procedures for countries to access SGP during GEF-4 were agreed upon by the GEF SGP Steering Committee. These guidelines clarify the programming of country (RAF) allocations for the Small Grants Programme and the amounts available to countries from the core SGP funds. The guidelines also incorporate the decision of the GEF Council in November 2004 calling for the SGP to implement a graduation policy.
5. Recognizing that the agreement on programming for the fourth replenishment of the GEF Trust Fund (ref: GEF/C.29/3 dated 25 August 2006, pages 40-41) allocated \$110 million to the SGP as core funding, this new approach will require those countries that have developed significant capacity to shift their source of funding from the SGP core budget to their RAF

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<sup>1</sup> The Steering Committee Terms of Reference is attached as annex.

<sup>2</sup> Algeria, Afghanistan, Armenia, Bangladesh, Burundi, Cape Verde, Central African Republic, Democratic Republic of Congo, Eritrea, Guinea Bissau, Laos, Liberia, Maldives, Nigeria, Paraguay, Seychelles, Tajikistan, Togo, Ukraine, Uzbekistan, Venezuela

indicative allocations, thus freeing-up core funding from the SGP for new countries that have been waiting for sometime to join the programme.

### **Guidelines for access to the GEF Small Grants Programme**

6. A country may access the SGP during the GEF-4 cycle in accordance with the following guidelines:

- (a) The maximum amount of the GEF contribution to the SGP per country should be a cumulative total of \$2.4 million for GEF-4 at an average of \$600,000 per year – regardless of whether it is financed from resources drawn from a RAF indicative allocation or core SGP funding.
- (b) A country which belongs to the group in the RAF will have preferential access to SGP core funding. The allocation cap [maximum limit] for an LDC/SIDS is \$600,000 per year and for a non-LDC/SIDS is \$400,000 per year;
- (c) A country which has an individual RAF indicative allocation up to \$15 million in either the climate change or biodiversity focal area in GEF-4 can draw up to \$300,000 from SGP's core funding each year with a matching amount expected from its RAF indicative allocation;
- (d) A country which has an individual RAF indicative allocation of more than \$15 million in either the climate change or biodiversity focal area in GEF-4 will no longer be able to access SGP's core funding and will need to draw from its RAF indicative allocation for the sustained operation of SGP in its country.
- (e) Any new country accessing the SGP will be entitled to \$150,000 in core SGP funding for the first year in the program as an exception to the above rules. In this first year of SGP participation, a country having an individual RAF indicative allocation can program a matching amount for the SGP. For the second year onwards a country will follow the standard procedures mentioned above.

### **Country strategy**

7. The Steering Committee agreed that any country planning to utilize resources from its RAF indicative allocation should present for CEO endorsement a SGP country program strategy demonstrating how the program will relate to the GEF's overall strategies and providing a set of indicators to measure results.

### **Graduation policy**

8. A country that has benefited from the GEF SGP for more than 8 years as of 2007 will be required to present a plan to graduate from GEF funding (core and RAF resources) on completion of the GEF-4 cycle. A graduating country should show, through clear operational

strategies in its country program strategy, how it will sustain the SGP in the country after RAF and/or core funding is terminated.

## **II. INCREASING THE SHARE OF GRANT RESOURCES**

9. The SGP project document submitted to the Council in June 2007 will show a significant reduction in the share of GEF funding for non-grant activities, thereby increasing the resources available for grants. In GEF-4 the share of resources used for non-grant activities will gradually be reduced to below 24% while earlier it was 30%. This will be achieved by reducing costs for global workshops, not filling all vacant international staff positions, and finding local sponsors (Governments and NGOs) to provide office space to national SGP staff.

## **III. CO-FINANCING**

10. The GEF CEO committed to approach donors (bilateral and large international NGOs) to increase the co-funding for the SGP. A donors meeting for SGP will be considered, if necessary.

## **IV. ALIGNING SGP WITH GEF4 STRATEGIC DIRECTIONS**

11. The SGP project document takes into consideration the new strategic directions of GEF 4 as well as the results of the fourth Independent Evaluation of the program. SGP has developed a new Operational Phase Project Document (SGP OP4) for submission to the Council in June 2007 to cover its operations from July 1, 2007, to the end of GEF 4.

12. For future SGP programming, it was also strongly suggested that SGP Country Program Strategies (CPS) be well targeted, with clear outcomes and indicators. CPS priorities should be coherent with GEF strategic priorities as well as country priorities. SGP Country Programs, however, should take care to be responsive to community capacities and priorities and not be driven by top-down considerations of focal area balance. SGP operational guidance should reflect the importance of linking SGP outcomes to global benefits in a clear and concise manner.

## **Evaluation**

13. The GEF Evaluation Office is currently undertaking an evaluation of the Small Grants Program for which a preliminary report will be made available to the Council. The SGP Steering Committee will review the recommendations of the evaluation to further improve the management of the program. If the recommendations lead to any revision of the project document, Council approval for the revisions will be sought.

14. The above decisions are expected to improve the efficiency and effectiveness of the Small Grants Program to provide grants to community groups and NGOs in achieving global environmental benefits through activities that are aligned with poverty eradication and sustainable livelihood strategies.

## **ANNEX 1. GEF SGP STEERING COMMITTEE**

### **TERMS OF REFERENCE**

#### **Background**

The GEF Small Grants Programme was launched in 1992 following the principle that global environmental solutions are usually only sustainable if local populations are actively involved and direct community benefits and ownership are generated. Starting with just 22 countries, SGP has – with the full support of the GEF Council and recipient countries - expanded to 105 participating countries by Year 2 of its Operational Phase 3 (2005 – 2007) making it truly a GEF global program.

The main objectives of the GEF Small Grants Programme are:

- Build the awareness and capacity of communities, community-based organizations, non-governmental organizations and other civil society groups to implement innovative and effective solutions that contribute to global environmental benefits.
- Promote a positive working relationship amongst various stakeholders, especially between civil society and government through its multi-sectoral decision-making mechanism as well as through its partnership-based projects.
- Develop and disseminate knowledge and effective implementation methodologies, particularly for community-based approaches, that can improve sustainable development practice and policy of both non-government organizations and government institutions, as well as other donors.

To achieve these objectives, SGP country programs are managed in a highly decentralized and country-driven manner through multi-sectoral National Steering Committees (NSCs) that includes high level government representatives, NGO/CBO members, academe, the private sector, and other donors. The NSCs are in-charge of guiding the development and implementation of SGP Country Program Strategies (CPS) and approval of grants for projects. National Coordinators and Program Assistants facilitate and support the fully voluntary work of NSC members.

At the global level, UNDP implements SGP on behalf of the GEF partners with UNOPS as the Executing Agency. UNDP Country Offices provide administrative support on behalf of UNOPS and provide strategic support as a member of the National Steering Committee. The small SGP Central Program Management Team (CPMT) in New York provides day-to-day global management.

SGP's status as a GEF Corporate Program started during its second Operational Phase (1999-2004) and since then SGP reports to the GEF Council - through both the GEF Secretariat and

UNDP - on its progress and plans through its annual replenishment proposals. In SGP Operational Phase 3, during 2005-2006, strategic guidance was provided through an Operational Consultations Group chaired by GEFSEC with UNDP, UNEP and the World Bank as members. Now, however, SGP will be strategically guided by a GEF SGP Steering Committee.

### **Role and Structure of the GEF SGP Steering Committee**

The GEF SGP Steering Committee is chaired by the GEF CEO and its members comprise senior-level representatives of GEFSEC, UNDP, UNEP, the World Bank, African Development Bank (AfDB), Asian Development Bank (AsDB), Inter-American Development Bank (IADB), European Bank for Reconstruction and Development (EBRD), Food and Agriculture Organization of the United Nations (FAO), International Fund for Agricultural Development (IFAD), United Nations Industrial Development Organization (UNIDO) and the GEF NGO Network and has the following responsibilities:

- Provide overall strategic direction to SGP
- Establish country participation policy to include appraisal and start up of new country programs as well as graduation of existing ones
- Strongly support SGP's resource mobilization efforts
- Provide guidance in the utilization of additional RAF funds contributions to SGP
- Promote strengthened linkages of SGP with other GEF projects and programs of the GEF agencies.
- Comment on, strengthen and endorse the SGP Operational Phase Project Document and Annual Replenishment Proposals including its work plan
- Engage in periodic review of the SGP program status

The GEF Secretariat will schedule a GEF SGP Steering Committee Meeting before each GEF Council Meeting. Formal meeting agendas are approved by the GEF Secretariat based on input provided by the Global Manager and the IAs as requested. A written record is kept of Steering Committee meetings. These meeting minutes are prepared by the SGP Global Manager who will be the Secretary of the Steering Committee, and the minutes will be reviewed and endorsed by all Committee members.

The Global Manager communicates regularly with the Members of the Committee by email and telephone to implement Steering Committee decisions or agreements. In case of need for critical decisions in-between meetings of the Steering Committee, the Global Manager will seek the guidance of the GEF CEO who is Chair of the Steering Committee.

## **Role and Structure of SGP Central Program Management Team**

Based on strategic guidance provided by the GEF CEO and based upon decisions and agreements resulting from Steering Committee meetings, the SGP Central Program Management Team (CPMT) based at UNDP/GEF in New York together with the UNOPS SGP Cluster is responsible for the day-to-day management of the program on behalf of the programs' partners. CPMT operates as a team and is comprised of a Global Manager, a Deputy Global Manager, three Program Officers (for Biodiversity, Climate Change, and IW/LD/POPs), a Knowledge Facilitator and two Program Assistants. CPMT and the UNOPS Cluster staff are also organized into Regional Teams with selected Senior National Coordinators to provide fast response to routine requests and queries from country programs.

Reporting Arrangements: The Global Manager reports directly to the CEO of the GEF Secretariat as a primary supervisor on substantive matters and to the UNDP/GEF Executive Coordinator as a secondary supervisor on administrative and financial matters. The rest of the CPMT staff and the Country Teams (presently comprising 81 National Coordinators/Sub regional Coordinators and 81 Program Assistants) report to the Global Manager.