



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

GEF/C.57/03  
November 21, 2019

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57<sup>th</sup> GEF Council Meeting  
December 17 - 19, 2019  
Washington, D.C.

Agenda Item 04

**THE GEF MONITORING REPORT  
2019**

**Recommended Council Decision**

The Council, having reviewed GEF/C.57/03, *The GEF Monitoring Report 2019*, welcomes the overall finding that the GEF portfolio under implementation in FY19 performed satisfactorily.

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## INTRODUCTION

1. This GEF Monitoring Report (GMR, formerly APMR) provides a summary of the progress and performance of the active portfolio of projects with financing from the GEF Trust Fund from July 1, 2018 to June 30, 2019. It reflects the GEF's approach to portfolio-level monitoring and reporting on results, performance and financing.
2. The Report builds on similar documents presented to Council in the past three years, but with some important new elements. First, it has a stronger strategic orientation. The data and information on the active portfolio is presented under the key topics of delivering on programming priorities, on results and on efficiency measures. Data and trends are related, where feasible, to updated targets and benchmarks, as well as to factors that may affect performance, within each of these categories.
3. The information and analysis is set out in two main sections. Section 1 reviews data and information on the active GEF Trust Fund portfolio of Full-Size Projects (FSP) and Medium-Size Projects across key dimensions and benchmarks for operational efficiency and effectiveness. Key findings also relate to progress on delivery of GEF-6 targets for Global Environmental Benefits and the transition to GEF-7 Core Indicators, and on the return of funds to the GEF Trust Fund after the December 2018 one-time cancellation of older outstanding programs. The analysis takes into consideration the impact on the portfolio of the GEF's efforts to enhance operational efficiency, accountability and transparency.
4. Section 2 provides a "deep dive" analysis of one element of the portfolio. For this year, this deep dive is on the GEF Small Grants Program and its delivery of civil society-led grants. It provides a snapshot of the SGP's active portfolio, focal area and country coverage, core funding allocation, active portfolio disbursements, and project closure trends. It also reviews global environmental benefits and delivery of the SGP, the costs of delivering grants in countries, and expansion of the SGP to new eligible countries.
5. The Report concludes with a summary of key findings, and on the relationship of the data to key benchmarks for delivery across the portfolio. It also identifies areas and opportunities for further improvement and for additional focus in data collection and portfolio-level monitoring going forward.

## SECTION 1: THE GEF’S ACTIVE TRUST FUND PORTFOLIO OVERVIEW

6. This section identifies key data and trends in the GEF’s active portfolio, organized according to key delivery priorities of the partnership. These include delivery on programming priorities, on concrete results, and on efficiency measures designed to accelerate project preparation and implementation.

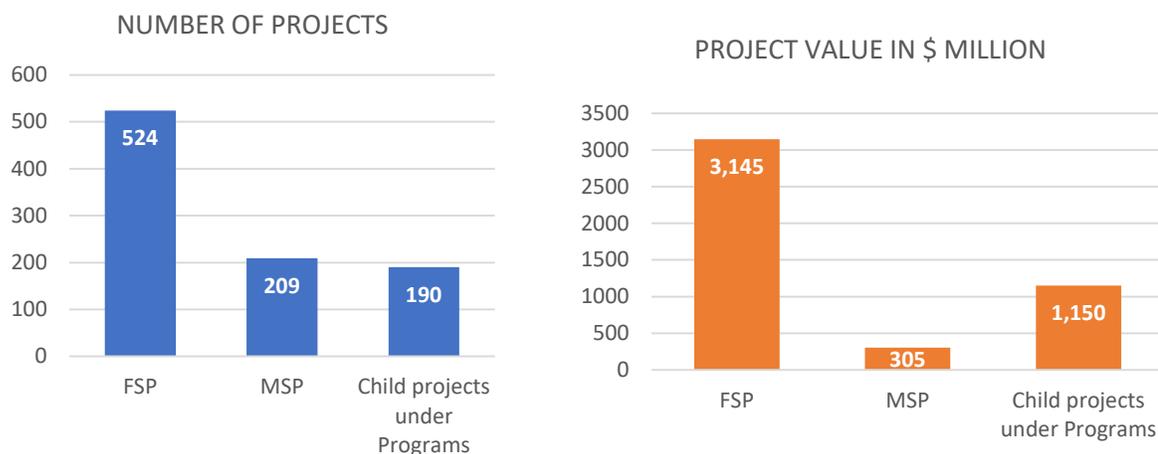
### Delivering on Programming Priorities

#### *Portfolio Performance*

7. To meet its mandate, the GEF needs to deliver a high-performing portfolio of operations, in line with GEF programming directions, strategy and policies.

8. The data show that GEF’s active portfolio is up by 10% in fiscal year 2019 when compared with the previous year<sup>1</sup>. It consists of 923 projects valued at \$4.62 billion at the end of fiscal year 2019, a \$420 million increase compared with FY18. This increase in the size of the portfolio is largely driven by the fact that projects from the large work programs approved over the past two years have now become active. The active project portfolio consists of 38 programs (consisting of 190 child projects), 524 full-sized projects (FSPs), 209 medium-sized projects.

**Figure 1. Active FY 19 Portfolio distribution by modality**



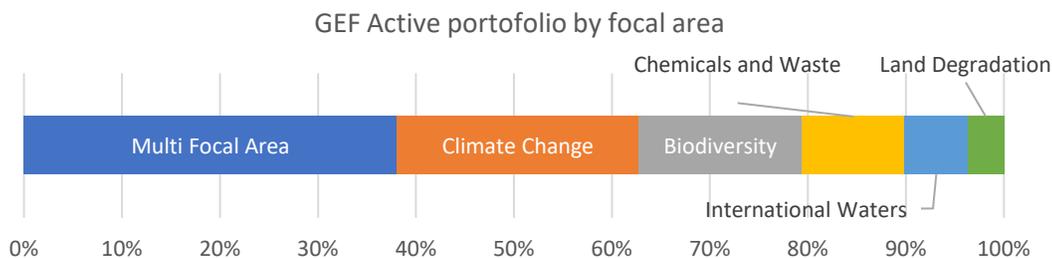
9. The portfolio is larger in size than in the previous year and includes an important share of programs. This portfolio structure reflects the important emphasis in GEF on programmatic

<sup>1</sup> This chapter considers as active a project that had begun implementation on or before June 30, 2018 and that was under implementation during at least part of fiscal year 2019 from July 1, 2018 to June 30, 2019.

approaches. In fact, 20% of the portfolio is composed of 38 thematic, regional and/or country-based programs.

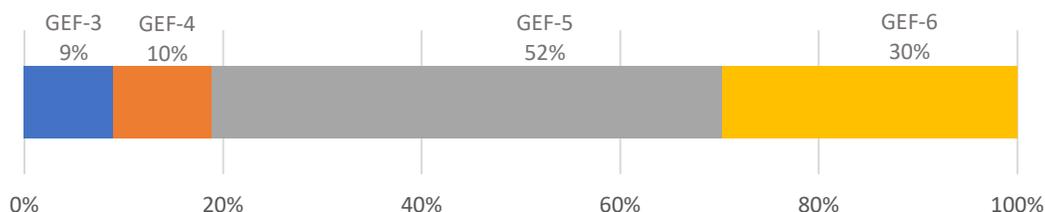
10. The active portfolio also reflects a range of multi-focal area projects. The share of projects in multi-focal area stands at \$1.8 billion or 38% of project financing, or a 35% increase from last year<sup>2</sup>. Beyond multi-focal areas, the focal areas that make up the largest share of the portfolio are climate change, biodiversity and chemicals & waste. Going forward, data will be disaggregated for multi-focal areas. The following chart represents the share of the portfolio by focal area and volume of projects in dollars.

**Figure 2. Active FY19 Portfolio distribution across focal areas**



11. The portfolio is also made up of projects under implementation which were approved under different phases of the GEF. Currently, a third of all active projects were endorsed or approved in GEF-6.

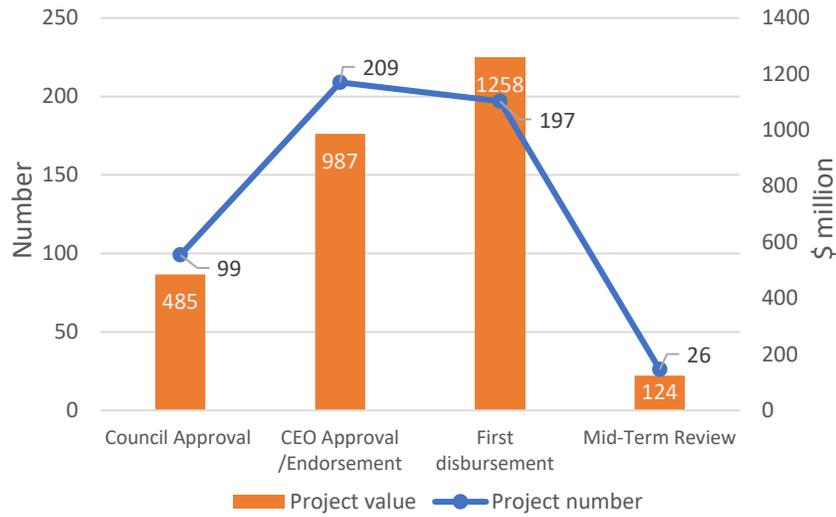
**Figure 3. Active FY19 portfolio across GEF replenishment periods**



*Focus on GEF-6.* As illustrated in Figure 4 below, 233 projects (\$1.4 billion) are currently under implementation, and of those 26 projects have already reached their mid-term. This demonstrates that 45% of the GEF-6 portfolio was already under implementation in FY19. Agencies are now working toward moving all projects to implementation stage, focusing on getting 99 remaining GEF-6 projects endorsed. As illustrated in Table 1 below, GEF-6 projects make up 30% of all active projects and include increasing proportion of Programs compared to GEF-5.

<sup>2</sup> Since GEF-3, the number of MFA projects and the total amount of GEF grants have each increased by about 50% with every GEF replenishment period.

**Figure 4. GEF-6 project distribution by number and volume along key milestones**

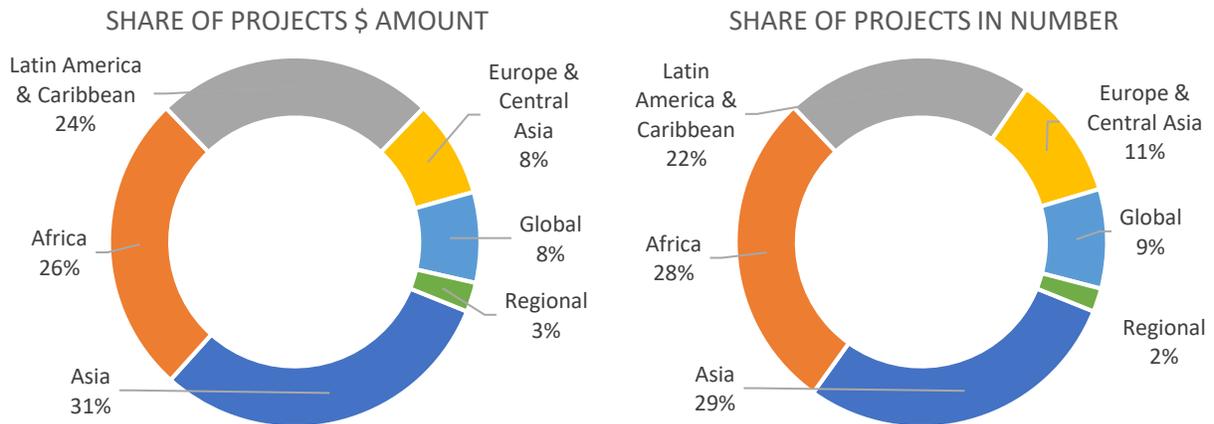


**Table 1. Project size and modalities in GEF-5 and GEF-6**

Indicators	GEF-5	GEF-6
FSPs larger than US\$ 15M (number)	19	22
Project with multi focal area focus (%)	37	54
FSPs which are part of programs (number)	69	110

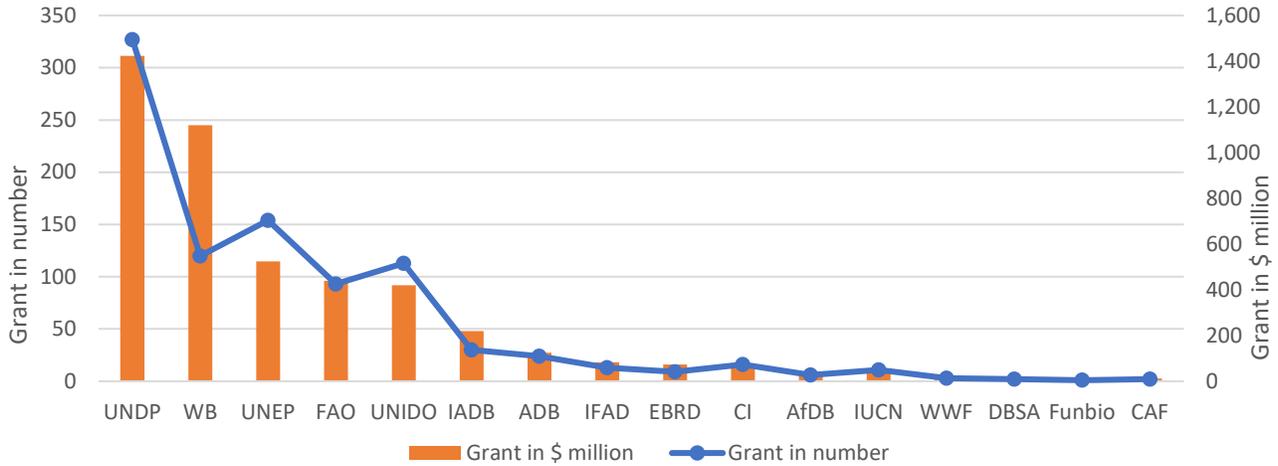
*Active projects by region.* With its global reach, the GEF is implementing projects in all regions. GEF projects currently under implementation cover 145 countries. Asia is the region managing the largest share of projects, followed by Africa and Latin America and Caribbean.

**Figure 5. Regional distribution of the FY19 active portfolio**



*Active projects by Agencies.* The three founding agencies—UNDP, UNEP and World Bank—represent collectively 77% of all ongoing projects in operations’ volume. And altogether, international financial institutions make up about a quarter of the total number of operations.

**Figure 6. Active FY19 GEF portfolio distribution by Agencies**



\*The above chart only lists agencies with ongoing projects.

### *Disbursements*

12. In FY19, the total volume of project financing disbursed increased by 20% to \$2.1 billion, up from \$1.7 billion the previous year.

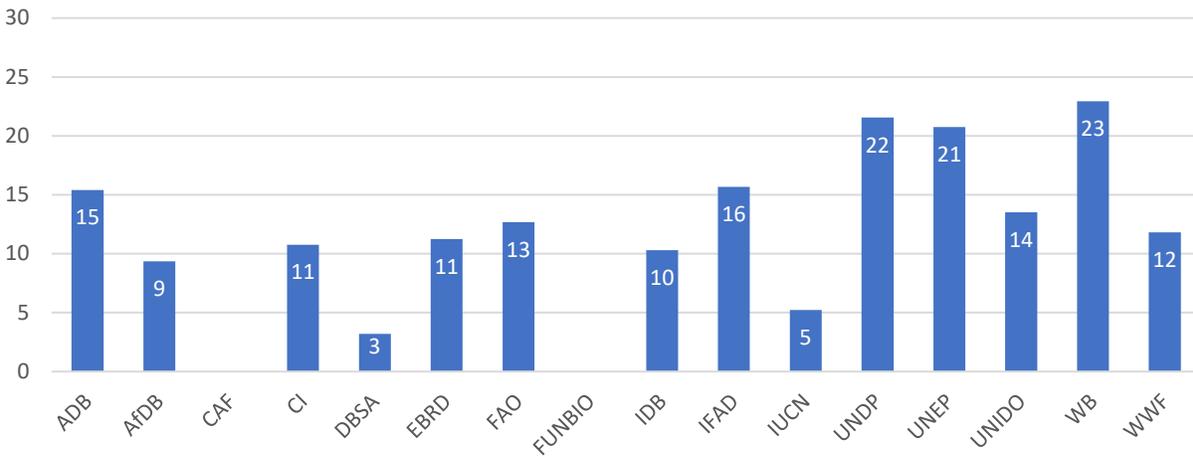
13. A key metric to assess the effectiveness and efficiency of operations is the speed at which projects disburse GEF resources. Providing prompt disbursement in countries helps bring the global environment benefits from projects faster on the ground. It is often also an indication of how well the project is designed.

14. There are different ways to measure progress on disbursement. This year’s Monitoring report measures the disbursement effectiveness as “disbursement ratio”, which is defined as the ratio between actual disbursed amounts during FY19 and the disbursable amount as of the first day of FY19<sup>3</sup>. The denominator correlates with the age of the project portfolio, as it indicates the share of resources left to disburse.

15. During FY19, the disbursement ratio across GEF projects reached 18%. The following figure indicates that UNEP, UNDP and the World Bank reached the three highest disbursement ratios across agencies, from 21% to 23%.

<sup>3</sup> This approach builds on previous reports which used the “disbursement rate”—the ratio between total disbursed amounts of all ongoing projects over the total financing available in the ongoing portfolio at one point in time.

**Figure 7. Disbursement ratio by Agency (%)**



\*The above chart only lists agencies with ongoing projects.

16. In considering this data, it is relevant to note that a variety of factors may impede prompt disbursement. Experience in operations suggest that common ones include start-up delays and implementation challenges. Disbursement performance may also differ by country due to challenges such as a change in government priorities, security concerns, delays in counterpart funding, poor performing contractors, and weak implementation capacity

#### *Assessing Implementation Quality*

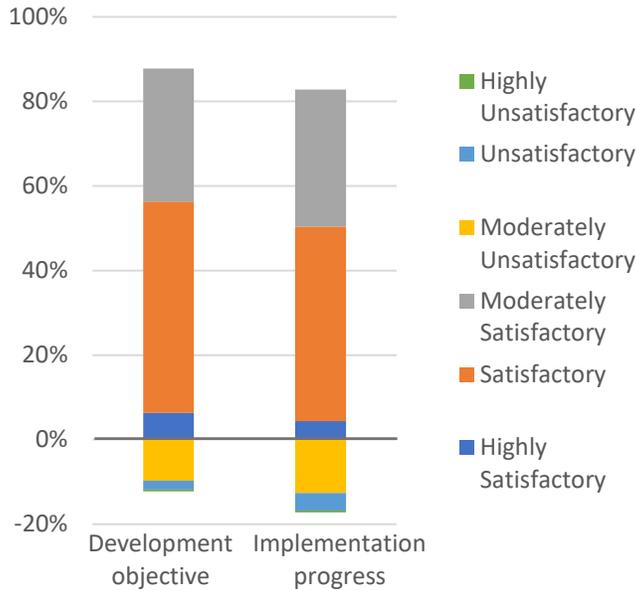
17. In FY19, agencies rated in the satisfactory range 87% of the projects as likely to reach intended outcomes. This is below the rating of 88% in FY18. Implementation progress was rated in the satisfactory range for 82% of projects, slightly below the rating of 83% in FY18. Africa has the lowest development outcome rating across regions. This situation may be due in part to various challenges, including that it is home to the highest number of countries most vulnerable to climate change in the world.

18. Agencies self-rate these dimensions each year in Project implementation reports (PIR), in line with the 2010 GEF Monitoring and Evaluation Policy, followed by the recent GEF Monitoring Policy<sup>4</sup>. While following GEF Policy, agencies also use their own standards and guidelines when rating projects. As such, the ratings provide valuable information but also contain a level of subjectivity as they rely on varying methodologies and approaches by teams in charge of rating projects.

19. The share of operations in the unsatisfactory range stands at 12% of projects unlikely to reach expected development and 17% of projects in achieving implementation progress.

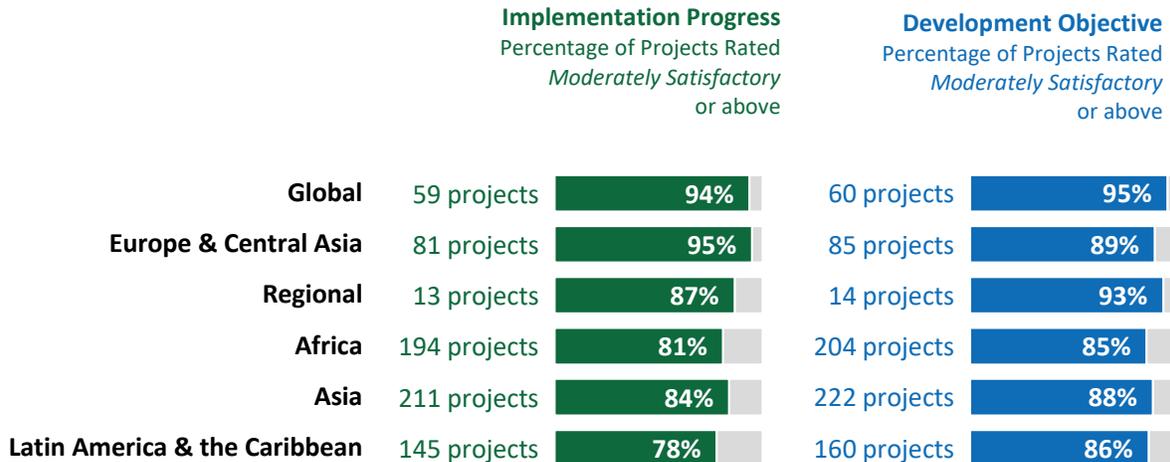
<sup>4</sup> GEF Policy on Monitoring ([GEF/C.56/03/Rev.01](#)), June 2019

**Figure 8. Development objective and Implementation progress ratings**



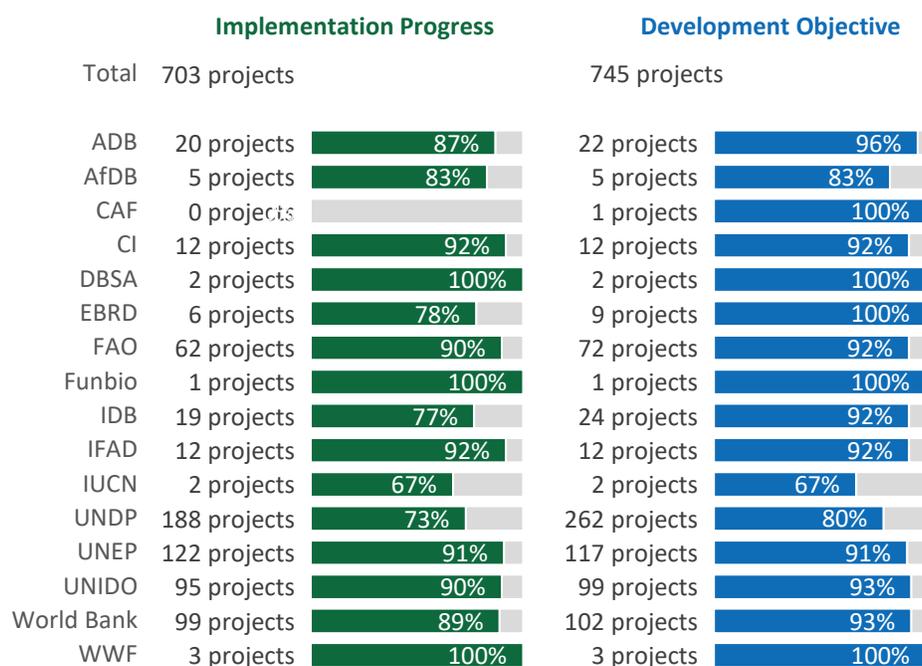
**Ratings by region.** With respect to ratings by region, global projects and projects in Europe and Central Asia had the largest shares of projects rated moderately satisfactory or higher. Latin America and the Caribbean region reached a lower implementation progress rating, with 40 projects marked in the unsatisfactory range. Over half of these projects are in early implementation stage.

**Figure 9. Share of projects under implementation rated satisfactorily by region**



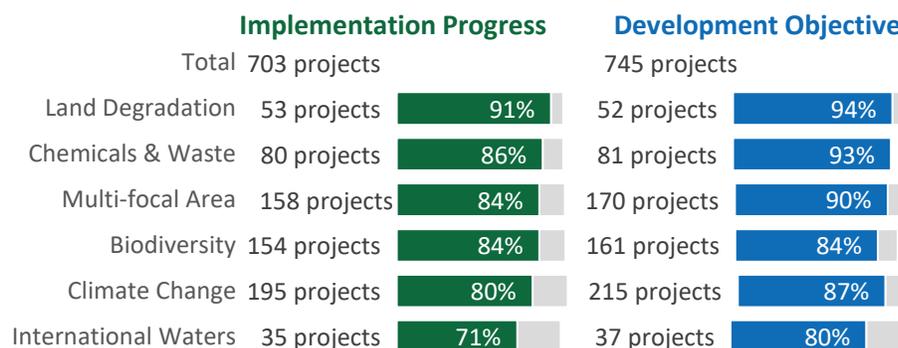
**Ratings by agency.** Of the agencies with more than 90 active projects, UNEP rated 91% of them satisfactorily for implementation progress, compared with 89% for the World Bank, 90% for UNIDO, and 73% for UNDP. In terms of the Implementation progress rating, 93% of UNIDO and World Bank projects were rated in the satisfactory range, with UNEP at 91% and UNDP at 80%. Some agencies with smaller portfolio—CAF, DBSA, Funbio, WWF— have 100% satisfactory likelihood to reach intended outcomes. In terms of project numbers, these agencies manage one to three projects each.

**Figure 10. Share of projects under implementation rated satisfactorily by agency**



**Ratings by focal area.** The land degradation focal area had the highest ratings in implementing projects, followed closely by chemicals and waste, biodiversity and climate change. International waters achieved a lower performance.

**Figure 11. Share of projects under implementation rated satisfactorily by focal area**



### *Increasing Co-Financing across the Portfolio*

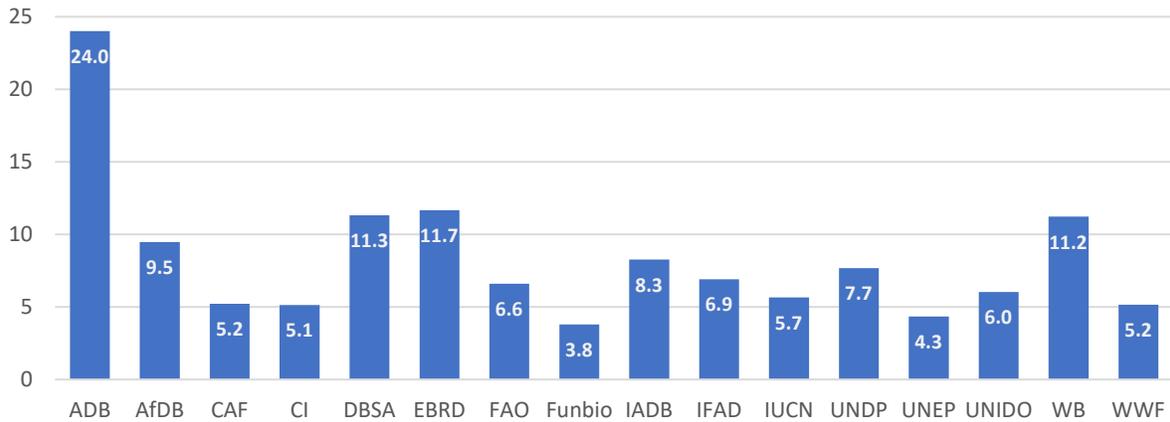
20. Under the resources provided by its sixth replenishment, the GEF has reached its highest co-financing ratio, at \$9.3 of co-financing for every dollar provided for GEF-6 projects that have been endorsed so far. This is measured by dividing the total co-financing amount by the GEF grant for each MSP and FSP under a given GEF period, and expressed as a ratio.

**Figure 12. Co-financing across GEF replenishment periods**



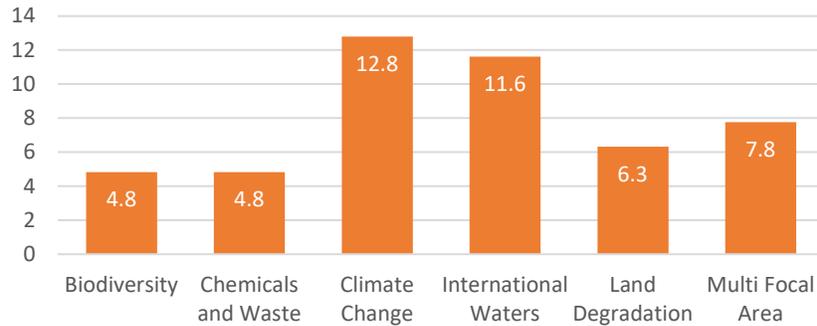
21. Co-financing contributes to the effectiveness, impacts and sustainability of GEF projects and programs, particularly by enabling the GEF to achieve longer-lasting and larger-scale global environmental benefits, and by strengthening partnerships. The active portfolio indicates that Multilateral development banks (MDBs) are getting on average more co-financing than other agencies.

**Figure 13. Co-financing ratio by Agency**



22. Specific focal areas are attracting more co-financing than others. This is the case of the climate change and international waters that have respectively a \$1:\$12.8 and a \$1:\$11.6 ratios.

**Figure 14. Co-financing ratio by focal area**



23. Co-financing for child projects that are part of the ongoing portfolio is higher than for standalone FSPs. It reaches a ratio of 1:10.1 for projects under a program, and 1:7.8 for standalone FSPs.

24. The co-financing ratio for projects endorsed during the fiscal year 2019 reached 1:6.7. This level of co-financing by GEF grants is close to the target set for the GEF-7 period, which stands at 1:7. Of the \$2.2 billion in co-financing, \$380 million came from private sector entities.

### **Status of Delivering GEF-6 Results**

25. Over time the GEF has continued to refine its approach to tracking results. GEF-6 for the first time introduced a series of 10 Global Environment Benefit indicators, with corporate level targets, broadly applicable across a range of different types of interventions, and aggregable across the GEF portfolio. Progress was captured by active tracking of cumulative results towards those targets via the GEF Corporate Scorecard.<sup>5</sup>

26. GEF-7 has continued along this path by the introduction of an upgraded results framework<sup>6</sup> with eleven core results indicators and a series of associated sub-indicators, together with methodological guidelines<sup>7</sup> that will enable consistency in reporting on results across all GEF projects and programs. Over time, the GEF-7 results framework will significantly enhance the GEF's ability to capture, monitor, analyze and report on results, particularly on *actual* results which are, for the first time, being actively solicited at later stages in the project cycle through mid-term and terminal-stage reporting.

27. With an active portfolio that spans multiple replenishment periods, the Secretariat is in a time of transition regarding core indicator reporting on expected and actual results. While all new GEF-7 projects and programs fully utilize the GEF-7 results framework, GEF-6 projects are being successively integrated as follows: (i) reporting via GEF-6 GEB indicators, for projects submitted for CEO endorsement before June 30, 2018, and (ii) reporting via GEF-7 core

<sup>5</sup> [GEF-7 Corporate Score card – June 2019](#)

<sup>6</sup> [Updated Results Architecture for GEF-7](#)

<sup>7</sup> [Guidelines on Core Indicators and sub-indicators](#)

indicators, for projects submitted for CEO endorsement after June 30, 2018. The two sets of indicators have some commonality which will continue to enable a limited set of aggregation and comparison.

28. As the GEF-6 portfolio matures, any results discussion will span both the GEF-6 and GEF-7 results frameworks (albeit in a diminishing way over time). Between July 1, 2018 and June 30, 2019, 89 of GEF-6 projects have come for CEO-endorsement and therefore used the GEF-7 results framework and core indicators to report on CEO-level expected results. By the same token, 26 of GEF-6 projects have come for Mid-Term Review in this period and therefore used the GEF-7 results framework to report on Actual Results achieved at mid-term. While these projects at mid-term are as yet too few to aggregate and analyze from the perspective of actual results, the Secretariat is continuing to build the database and will begin reporting on these measures in successive Monitoring Reports.

29. In light of the composition of the active portfolio, this year’s discussion is organized around the GEF-6 Global Environment Benefits results framework. The Report presents expected results of GEF-6 operations (MSPs and FSPs) having reached endorsement stage by June 30, 2019. These represent 77% of GEF-6 commitments in MSPs and FSPs. Focusing on endorsed projects provides the most accurate picture of where the data on results is headed. This data necessarily spans both the GEF-6 and GEF-7 indicators; of the GEF-6 projects approved/endorsed by the CEO, approximately 80% reported on the GEF-6 GEB indicators, while the remaining 20% utilized the GEF-7 core indicators. Therefore, this analysis is limited to the points of comparison between these two sets of indicators. Tables below show the corresponding expected results.

**Table 2. GEF-6 results expressed in Global Environment Benefit Indicators**

(About 80% of MSPs and FSPs having reached endorsement stage)

<b>GLOBAL ENVIRONMENT BENEFIT INDICATORS<sup>8</sup></b>	<b>EXPECTED RESULTS</b>	<b>GEF-6 TARGET</b>
1. Landscapes and seascapes under improved management for biodiversity conservation (million hectares)	383	300
2. Production landscapes under improved management (million hectares)	106	120
3. Freshwater basins with water food-energy-ecosystem security and conjunctive management (number)	9	10
4. Globally over-exploited fisheries moved to more sustainable levels (percent of fisheries, by volume)	4	20
5. Co2e mitigated (million metric tons)	1,050	750
6. POPs (PCBs, obsolete pesticides) disposed (metric tons)	20,923	80,000

<sup>8</sup> For the purposes of this analysis we have included only 8 of the 10 GEB indicators that are aligned with the 11 core results indicators.

<b>GLOBAL ENVIRONMENT BENEFIT INDICATORS<sup>8</sup></b>	<b>EXPECTED RESULTS</b>	<b>GEF-6 TARGET</b>
7. Mercury reduced (metric tons)	610	1,000
8. Ozone depletion potential (HCFC) reduced/phased out (metric tons) **	0	303

\* The projects measured here include only those that have been approved or endorsed, not the ones currently at project identification form stage as has been the case in the past.

\*\*No Chemicals projects in the sample tracked against GEBs

**Table 3. Additional GEF-6 results expressed in GEF-7 Core Indicators**

(About 20% of MSPs and FSPs having reached endorsement stage)

<b>CORE RESULTS INDICATORS</b>	<b>EXPECTED RESULTS</b>
CI 1. Terrestrial protected areas created or under improved management for conservation and sustainable use (million hectares)	4.0
CI 2. Marine protected areas created or under improved management for conservation and sustainable use (million hectares)	0.2
CI 3. Area of land restored (million hectares)	0.2
CI 4. Area of landscapes under improved practices (million hectares; excluding protected areas)	18.1
CI 5. Area of marine habitat under improved practices to benefit biodiversity (million hectares; excluding protected areas)*	0
CI 6. Greenhouse Gas Emissions Mitigated (million metric tons of CO <sub>2</sub> e)	227.7
CI 7. Number of shared water ecosystems (fresh or marine) under new or improved cooperative management	2
CI 8. Globally over-exploited marine fisheries moved to more sustainable levels (metric tons) *	0
CI 9. Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)	1,992
CI 10. Reduction, avoidance of emissions of POPs to air from point and non-point sources (grams of toxic equivalent)	229
CI 11. Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment	2,938,969

\*No fishery projects in the sample of projects tracked against Core Indicators

30. The GEF-6 results tracked through the core results indicators contribute towards the targets set for Global Environment Benefit Indicators. Combining the comparable results presented in tables 2 and 3 shows that with 77% of the GEF-6 projects endorsed by June 30, 2019 the GEF is on the path to deliver the targets set for GEF-6:

- Greenhouse Gases Mitigated: the combined expected results (1.28 million metric tons) exceeds the GEF-6 target by 70%.
- Total area under improved management: the combined expected results (511.5 million hectares) exceeds the GEF-6 target by 21%.
- Globally over-exploited fisheries moved to more sustainable levels (percent of fisheries, by volume): achieved 29% of the target.

- Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials, and products: achieved 29% of the target.

#### *Integrated Approach Pilot (IAP) Program*

31. In GEF-6, Integrated Approach Pilot (IAP) programs were launched with the objective to support transformational change and achieve impact on a broader scale. 30 child projects under three IAP programs – Sustainable and Resilient Food Security in Sub-Saharan Africa, Sustainable Cities and Good Growth Partnership – are expected to contribute significant amount of global environment benefits, mostly in improved landscape production and management and GHG emission reduction. IAPs represent 10% of the GEF-6 funding approvals but are expected to contribute between 12% to 30% of the targets for Global Environment Benefits, as seen in Table 4 below.

**Table 4. IAPs contribution to GEF-6 global environmental benefits**

<b>GEB INDICATORS</b>	<b>EXPECTED RESULTS</b>	<b>CONTRIBUTION TO GEF-6 TARGETS (%)</b>
Landscapes and seascapes under improved management for biodiversity conservation (million hectares)	50.6	17
Production landscapes under improved management (million hectares)	13.2	12
Co2e mitigated (million metric tons)	227.5	30

#### **Portfolio Efficiency**

32. In recent years, the GEF has put in place new strategies, policies and measures to enhance operational efficiency in support of the delivery of GEF-7 operational programming. The section below takes stock of GEF-6 and GEF-7 performance and distills lessons that may be relevant for future consideration, including how the reforms and measures support actions to deliver results in support of the GEF-7 agenda.

33. The data on implementation of GEF-6 projects, as compared to GEF-5 projects, indicate that preparation and implementation times are faster. The below table provides illustrative analytics.

**Table 5. Progress made under GEF-6, compared to GEF-5**

Indicators	GEF-5	GEF-6
Projects endorsed within 18 months (%)	13	33
Average time from CEO Endorsement to 1 <sup>st</sup> disb. (month)	11.2	7.7

34. Moving forward, recently approved efficiency measures will bring these efforts further. Three of the key measures now in place are:

- (a) Projects are bound by strict timelines during project preparation. This helps ensure that the funds committed at the approval of Project identification forms (PIFs) are used on the ground faster.
- (b) Triggers to disburse agency fees are now linked to key project milestones: council approval, first disbursement and MTR submission.
- (c) The time to reach financial closure is now limited to 12 months after submission of a project's terminal evaluation. This helps close projects with the Trustee and return any unused balance in a more timely manner for further programming.

35. These measures build on other efforts made to improve efficiency in recent years.

*Speed of Project Preparation*

36. Speeding up project preparation helps move projects more quickly to implementation and achievement of project objectives and results. The same is true for the first years of project implementation, including the milestones of first disbursement and mid-term review. Timeliness in these areas may relate to several factors, including quality of project design and dialogue with the host government and stakeholders, as well as other more external factors.

37. The data show an increase in the percentage of projects reaching endorsement in FY19 compared to the previous year. In FY18, 28% of full-sized projects were CEO-endorsed within 18 months of Council approval of the PIF, while in FY19 the figure increased to 35%. Of the projects approved in FY19, CI, IFAD and IUCN had 100% of FSPs endorsed within 18 months. All of FAO (8 projects) and UNIDO (1 project) projects were endorsed after 18 months. The data also indicate that overall it is taking longer than 18 months to bring projects to CEO endorsement.

38. For the FY19 active portfolio, the GEF Cancellation Policy in place put a limit of 18 months from the time of PIF approval by Council (for FSPs) to the time of *submission of a CEO endorsement request* to the Secretariat.<sup>9</sup> Recently, the Council approved an update to this Policy so that the 18 month limit is from the time of PIF approval to the time of *CEO endorsement itself*.

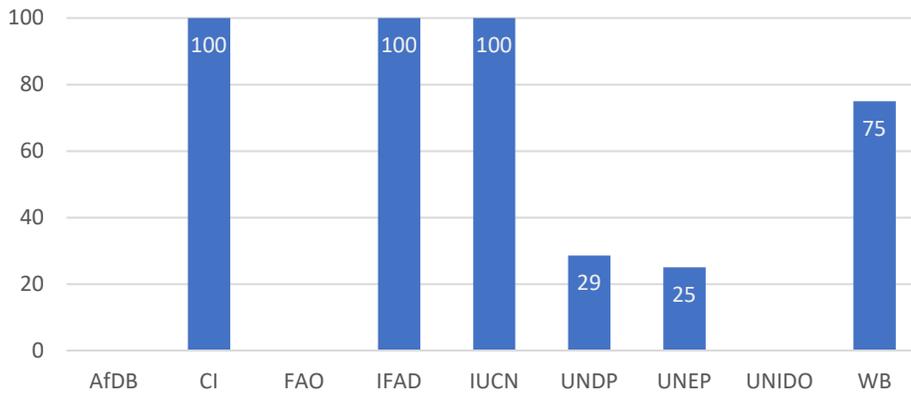
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<sup>9</sup> Policy (OP/PL/02) approved by the Council in June 2015. The time limit for MSPs is 12 months.

39. This updated Policy enters into force in FY20, and is intended to create strong incentives to prepare projects more expeditiously to meet the faster timeline. Where this is not achieved, it will lead to the cancellation of the resources made available for such projects that fail to meet the 18-month threshold, and free up resources to prepare new projects.

40. The data below shows the time between PIF approval and CEO endorsement. This will provide a benchmark for future assessments under the updated Policy. The following chart indicates the performance by agency for full-sized projects endorsed in FY19. This includes 1 project each for AfDB, IFAD, IUCN and UNIDO, 2 for CI, 4 for the World Bank and UNEP, 6 for FAO and 14 for UNDP. On average 35% of the projects endorsed by the CEO in FY19 were endorsed within 18 months of the Council approval date.

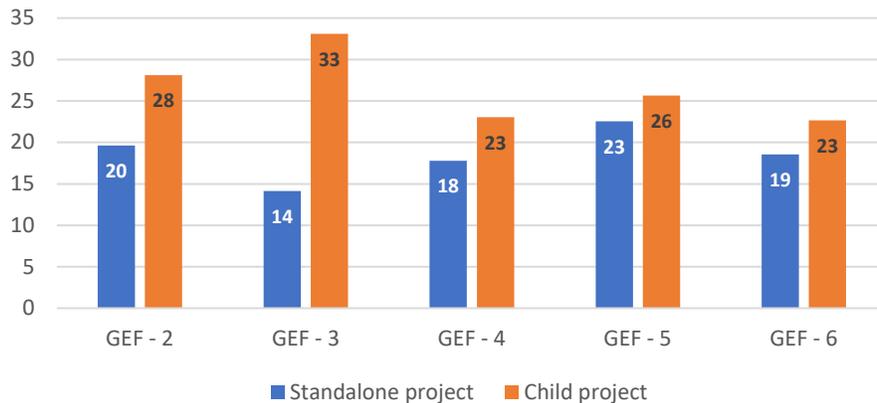
**Figure 15. Share of projects endorsed by the CEO in FY19 within 18 months of PIF’s Council approval (%)**



\*The above chart only lists agencies that had projects CEO endorsed in FY19.

41. While stand-alone projects are making progress in reaching CEO endorsement faster, data indicates that child projects which fall under programs are taking more time to reach CEO endorsement over the years, and the gap is persistent. This stems from the fact that there are varying time requirements for programs. While the most recent impact programs (both GEF-6 IAPs and GEF-7 IPs) follow the same 18-months timeline as new FSPs, other programs have timelines set at 24 months or even 48 months in one case.

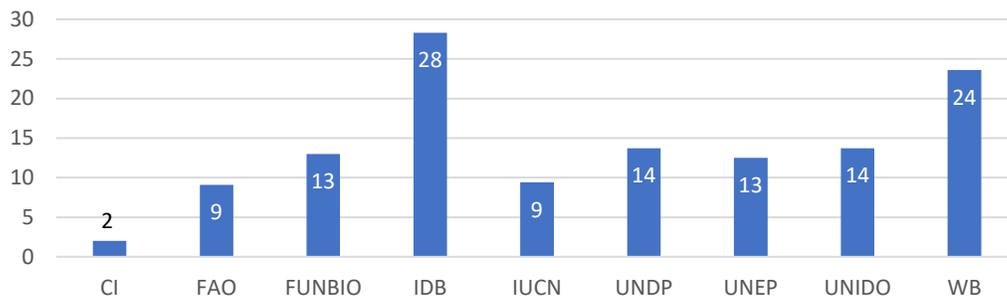
**Figure 16. Time from PIF to CEO Endorsement by GEF replenishment phases (month)**



*Timely Implementation*

42. In FY19, it took on average 15 months for projects to reach first disbursement after CEO endorsement. The time it took for the 48 projects that reached first disbursement in FY19 varied across agencies. For example, it took on average 13 months for UNEP with 2 projects, 24 months for the World Bank with 8 projects and 9 months for FAO with 9 projects. The data indicates that UN agencies on average reached first disbursement faster than multilateral development banks.

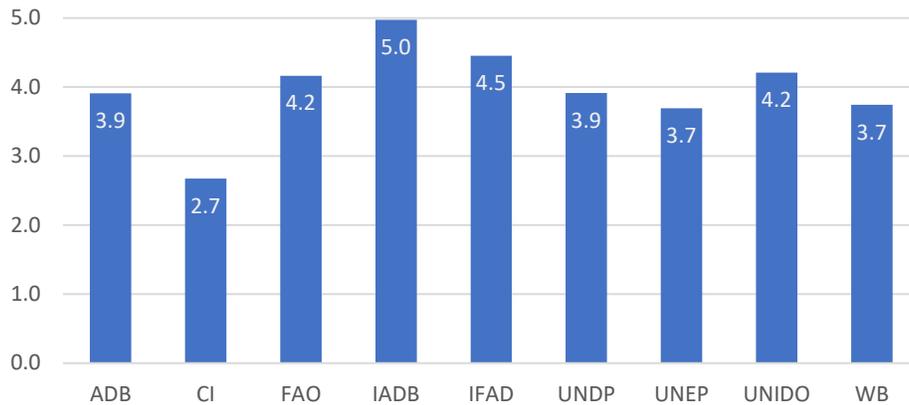
**Figure 17. Average time from CEO Endorsement to first disbursement by Agency (month)**



\*The above chart only lists agencies that had projects reach first disbursement in FY19.

43. The GEF also is tracking how fast operations reach mid-term review. In FY19, it took on average almost four years from CEO endorsement for the 113 projects to reach mid-term review. The following chart provides the agency-by-agency breakdown covering a total of 113 projects, including 50 for UNDP, 15 for FAO and World Bank each, 14 for UNEP, 10 for UNIDO, 3 for ADB, and 2 for IADB, IFAD and CI each.

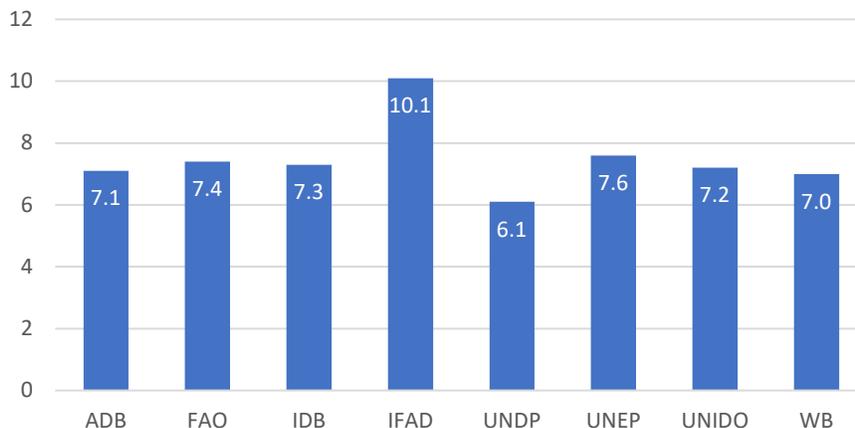
**Figure 18. Average time from CEO endorsement to mid-term review (year)**



\*The above chart only lists agencies that had projects reach mid-term review in FY19.

44. On average, it took 6.8 years for projects to reach completion of the 66 of those that submitted a terminal evaluation in FY19. This included 29 terminal evaluations submitted by UNDP, 13 by the World Bank, 8 by UNIDO, 7 by UNEP, 5 by FAO, 2 by ADB, and 1 each by IDB and IFAD.

**Figure 19. Average time from CEO endorsement to terminal evaluation (year)**



\*The above chart only lists agencies that had projects reach terminal evaluation in FY19.

### *Project Closure*

45. Reaching financial closure after completing a project in a timely manner is vital to returning unspent resources to the GEF Trust Fund for further programming. This is not only a fiduciary requirement, but also a way for the GEF to ensure that its resources are used efficiently.

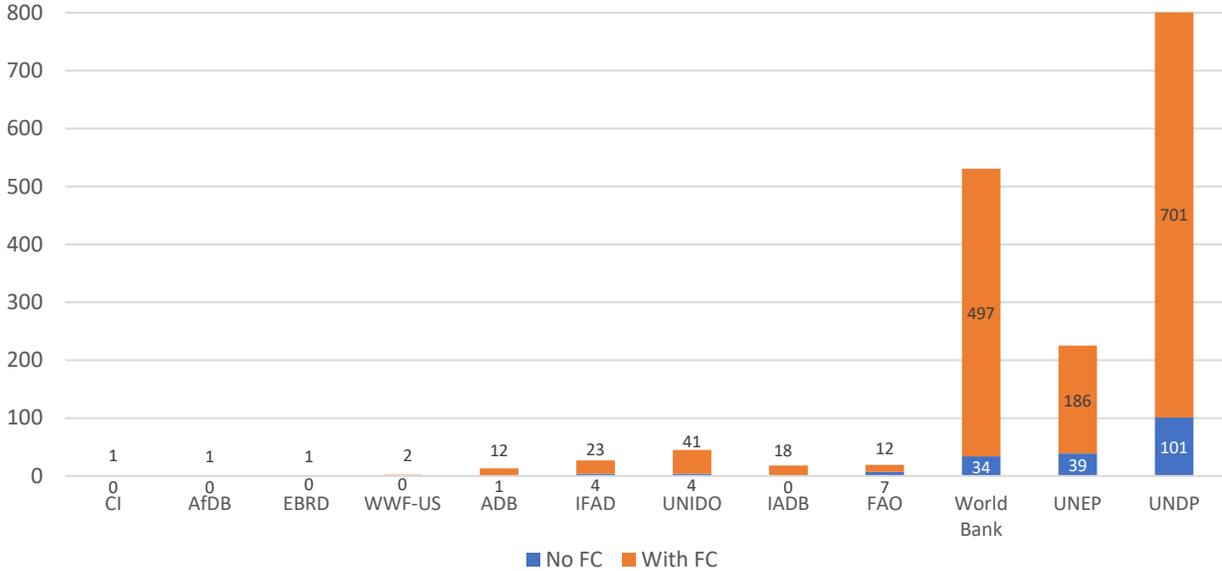
46. The GEF first analyzed the matter of timing of financial closure in September 2018. At that time, 369 completed projects had yet to be financially closed. In December 2018,<sup>10</sup> the Council approved a new set of policy measures, which came into effect in March 2019. These included a new provision to address the timing of financial closure (FC) of projects, to require closure within 12 months of submission of a Terminal Evaluation (TE).

47. In the context of this dialogue and action, and following extensive follow up with agencies and coordination with the Trustee, the number of projects with TEs that had not yet been brought to FC was reduced significantly to 190 projects, of which 65 were closed in the ensuing months. This happened by March 2019.

48. As of end October 2019, the total number of outstanding projects with TE, but no financial closure was 190. This includes 51 projects which have submitted TEs within less than 12 months and are on track to close on time. The realignment is well underway and the number of financially closed projects is expected to decline by the end of FY20.

49. The following figure provides an overview of the number and share of projects that have not been financially closed after submitting a Terminal Evaluation, as of 30 October 2019, by agency. It indicates strong progress compared to a year and a half ago, signalling the effect of efforts undergone by the GEF.

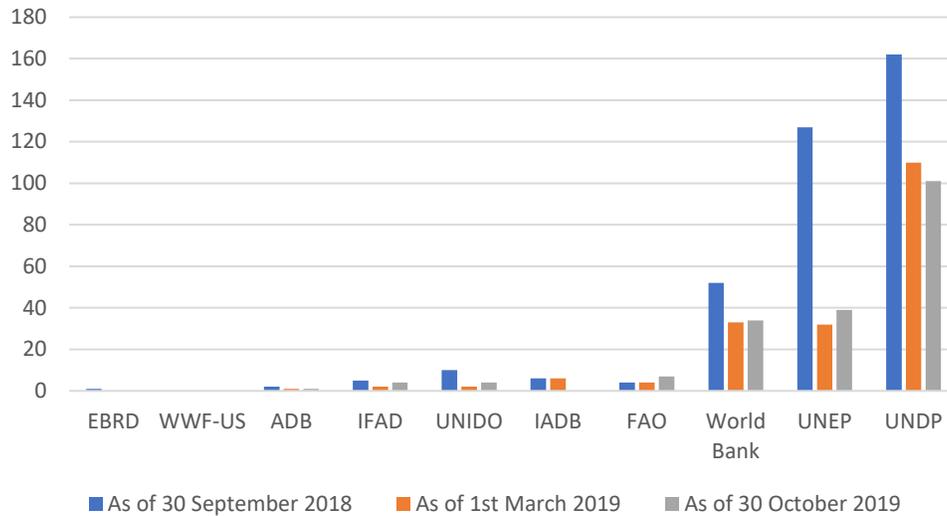
**Figure 20. Number of projects that have reached and yet to reach Financial Closure**



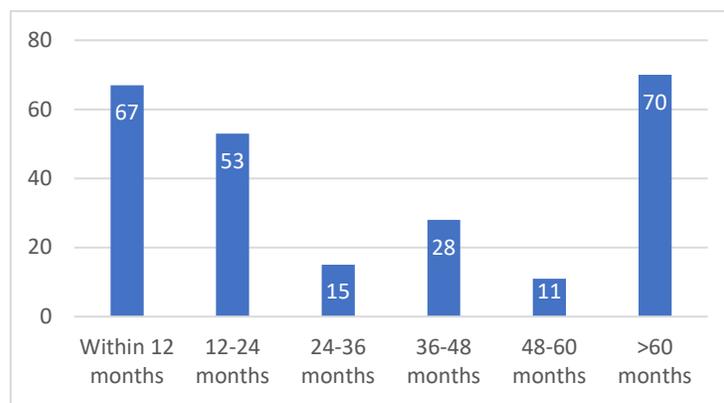
<sup>10</sup> Policy measures to enhance operational efficiency, accountability and transparency, December 20, 2018.

50. The Secretariat has engaged closely and frequently with both Agencies and the Trustee to monitor financial closure. All parties have jointly carried out stock-take exercise every six months to ensure timely closure especially for projects from the older replenishment phases. The following presents progress made at every six-month milestone by agency. It indicates that progress has been made over time, but that new completed projects need to reach financial closure in a timely manner.

**Figure 21. Projects without financial closure over time**



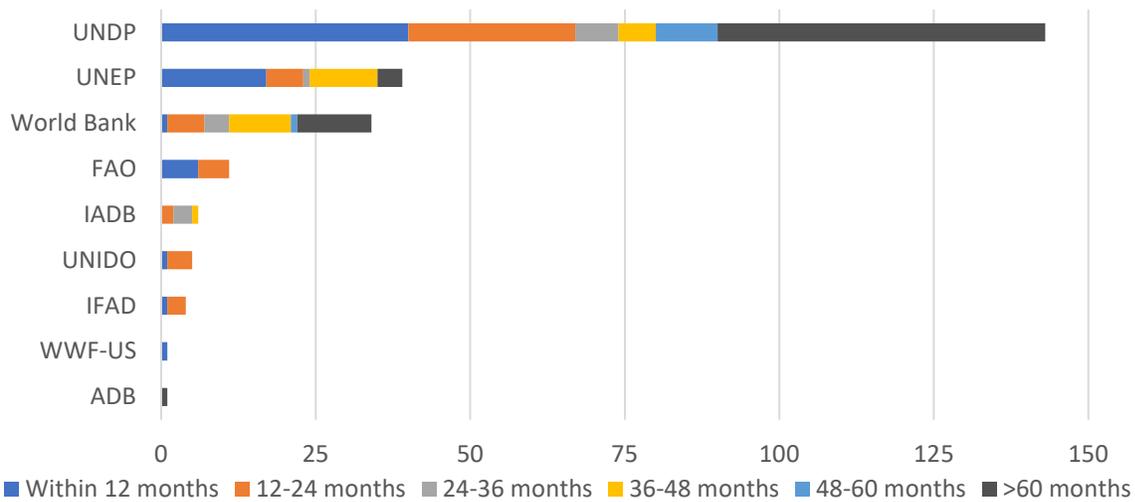
**Figure 22. Completed projects without financial closure**



■ Completed projects below threshold ■ Completed projects past due date

51. A detailed break-down of those projects with TE without FC by elapsed month and by agency is shown in the figure below. Three quarters of completed projects without financial closure are overdue. Agencies with large portfolios of GEF projects—UNDP, UNEP and the World Bank in particular—are now working to clear the backlog of completed projects which are not financially closed. The GEF will continue to closely monitor this issue of delays in financial closure, among other efficiency measures. The GEF Agencies, Trustee, Secretariat as well as other stakeholders in the GEF Partnership are committed to comply with both approved policies and best practices in fiduciary and financial management standards.

**Figure 23. Financially closed projects**



52. In addition, in December 2018, the Council also adopted a one-time cancellation of outstanding programs approved between GEF-2 and GEF-5. As a result, there has been a return of \$118.64 million of previously idle and unused funds back to the GEF Trust Fund, available for future programming.

## SECTION 2: DEEP DIVE ON THE SMALL GRANTS PROGRAMME

53. This section presents an overview of the current portfolio of the GEF Small Grants Programme (SGP) and focuses on four dimensions:

- (a) an overview of the SGP active portfolio of small projects granted to CSOs and CBOs in participating countries (hereafter referred to as grants) for the period from July 1, 2018 to June 30, 2019;
- (b) an overview of GEF-6 SGP implementation status, including disbursement and uses of the SGP Core funding;
- (c) highlights of the results achieved during the reporting period under the SGP; and
- (d) an overview of the GEF-7 SGP, with observations and objectives for moving forward.

54. UNDP, as SGP's implementing agency, provided data for this chapter at the request of the GEF Secretariat.

### SGP's Active Portfolio

55. The active portfolio is defined as all grants being under execution during the reporting period by community-based (CBO) and civil society organizations (CSOs) in the countries where SGP is active. During the reporting period (1 July 2018 - 30 June 2019), the SGP committed grant funding to 1,253 new grants<sup>11</sup>, totaling \$38.5 million in GEF funding. The majority of those new commitments came from countries' use of STAR resources (\$23 million) as can be seen in Table 4 below.

**Table 4. New grants committed with GEF funding (July 1, 2018- June 30, 2019)**

Funding sources	Number of grants	Grant amount (USD millions)
GEF Core	492	14.7
GEF STAR	739	23.0
GEF RAF (previous STAR)	22	0.7
<i>Total</i>	<i>1,253</i>	<i>38.4</i>

Source: UNDP

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<sup>11</sup> Grant commitment refers to a signed grant agreement between the grantee and UNOPS as Executing Agency.

56. These grants benefitted from in-kind and cash co-financing, coming from civil society organizations, foundations and other donors at the country level, as well as by CSOs and CBOs executing the grants. Altogether, the ratio of projected co-financing as reported by UNDP is nearly 1:1 vis-à-vis the GEF grant amount, with the majority coming from in-kind co-financing (Table 5).

**Table 5. New grants funded with co-financing resources (July 1, 2018- June 30, 2019)**

Funding sources	\$ million cash co-financing	\$ million in kind co-financing	\$ million total co-financing
GEF Core	6.1	7.9	14.0
GEF STAR	8.6	14.6	23.2
GEF RAF (previous STAR)	0.1	0.3	0.4
<i>Total co-financing</i>	<i>14.8</i>	<i>22.8</i>	<i>37.6</i>

Source: UNDP

57. In addition to the 1,253 new grants committed with GEF funding, there were an additional 1,929 GEF-funded grants under execution from previous years. There were 1,019 completed during the reporting period. The active portfolio of GEF-funded SGP grants during the period therefore consisted of 3,182 grants and had a total value of \$108.5 million (Figure 24).

**Figure 24. Active Portfolio of SGP Grants**



58. As shown in Table 6 below, half of these resources came from GEF core funding, and the other half came from STAR resources<sup>12</sup> allocated by countries to SGP projects in previous GEF cycles and still under execution.

**Table 6. Active SGP portfolio by GEF funding sources**

<b>Funding Sources</b>	<b>Grants (number)</b>	<b>Grant Amount (\$ million)</b>
CORE GEF RESOURCES FOR SGP		
GEF core SGP resources	1,683	54.7
STAR GEF RESOURCES		
GEF STAR	1,446	51.3
GEF RAF (previous STAR)	53	2.4
<i>Total GEF funds</i>	<i>3,182</i>	<i>108.4</i>

Source: UNDP

59. The SGP, during the reporting period, was still in the process of executing grants relating to GEF-4 STAR, GEF-5 and GEF-6 resources.

### **Focal Area and Country Coverage**

60. Biodiversity, climate change and land degradation account for more than 60% of SGP's portfolio. The SGP finances grants in all focal areas, with biodiversity having the largest share, followed by climate change and land degradation, making respectively 40%, 21% and 20% of the portfolio<sup>13</sup>.

61. Regarding regional coverage, the SGP operates in all the GEF regions, but not in all eligible countries (Map 1). The largest share of its portfolio is in Africa (34%) and Asia and the Pacific (28%), followed by Latin America and the Caribbean (26%), and Europe and the Arab States standing at respectively 7% and 6%.

<sup>12</sup> 'Eligible and interested GEF recipient countries that have a STAR country allocation may use such allocations to participate in the GEF-7 SGP Global Programme consistent with the rules applied in GEF-6.' (ibid).

<sup>13</sup> Most SGP grants are multi-focal in nature, while grantees are asked to identify one key focal area for reporting purposes.

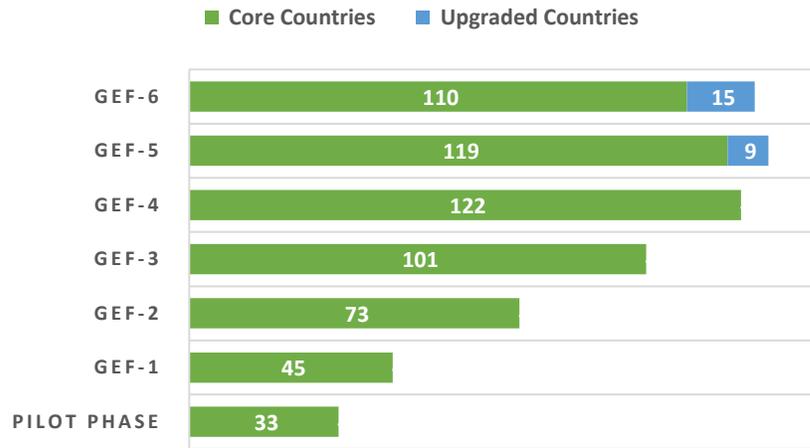
**Map 1: Coverage of the SGP**



Source: UNDP

62. As can be seen in Figure 25 below, the number of active countries has grown from 33 during the pilot phase to 125 in GEF-6. During the reporting period, SGP was active in 125 countries with 110 countries being supported by the SGP Core resources, and 15 SGP Upgraded Country Programmes funded exclusively by STAR resources.

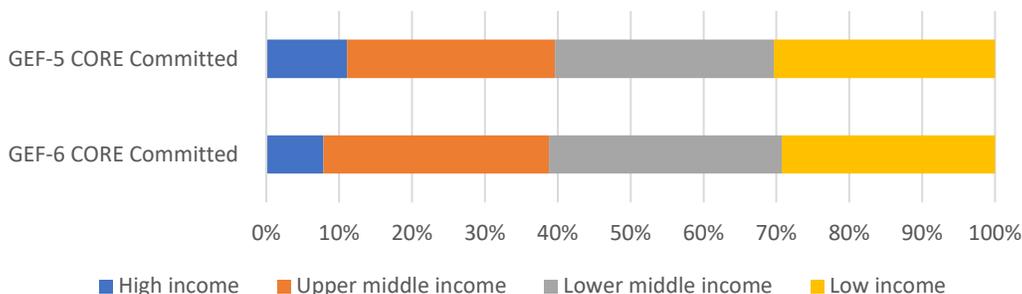
**Figure 25. Number of SGP Countries by GEF Replenishment Cycle**



Source: UNDP

63. Figure 26 below presents the break-down of the SGP active portfolio by country income level and for the two most recent cycles. It indicates that the share of SGP resources going to middle- or high-income countries hovers at around 70% of the total resources, when using today’s country income classification list.

**Figure 26. SGP grant disbursements by country income groups**

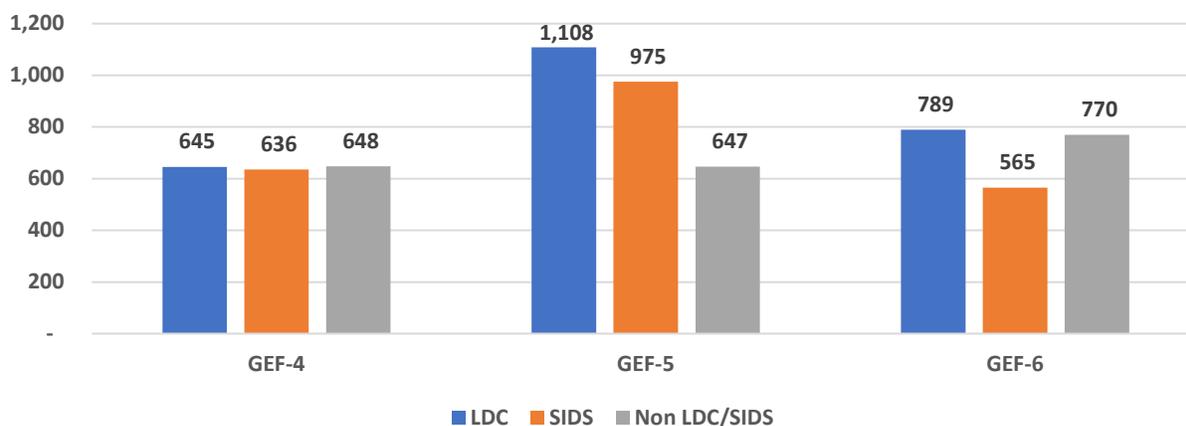


Source: GEF Secretariat with data provided by UNDP

### Core Funding Allocation and Commitment to Countries

64. Figure 27 below shows the average amount allocated and committed to countries benefiting from core resources in the last three GEF cycles. The average country allocation and commitment is around \$645,000 per country in GEF-4, increasing to \$879,000 in GEF-5 and decreasing to US\$713,000 in GEF-6. In GEF-4 the distribution of funds committed amongst all countries groups was somewhat similar. This changed in GEF-5, where both LDCs and SIDS received a noticeable higher allocation, on average, compared to other groups of countries. Based on GEF-6 existing grant commitments, SIDS will receive less funding on average from core funds than other groups of countries.

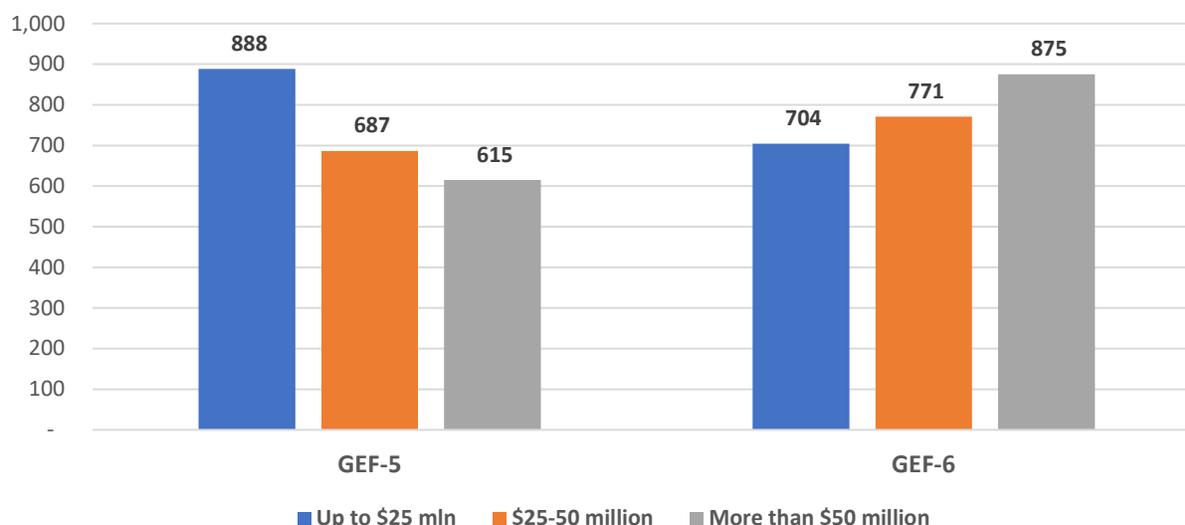
**Figure 27. Average Country Commitment of Core Funding by GEF Replenishment Cycle and by Country Classification -in USD thousands**



Source: GEF Secretariat with data provided by UNDP

65. Grouping countries by the size of their GEF-6 STAR allocation, as a proxy measure relevant to GEF funding distribution, leads to the data presented in figure 28 below. This shows that in GEF-5 the average amount committed to groups of countries with a STAR up to \$25 million was higher compared to that of groups of countries with greater STAR, whereas in GEF-6 the distribution was the reverse and the average amount of funds committed to groups of countries with STAR of more than \$50 million is actually higher.

**Figure 28. Average Fund Committed to Countries by GEF Replenishment Cycle (US\$ thousands)**



Source: GEF Secretariat with data provided by UNDP

### Active Portfolio Disbursements

66. As shown in Table 7, Core funding for GEF-4 and GEF-5 was fully disbursed while RAF and STAR funding are still disbursing for all replenishment phases from GEF-4 to GEF-6.

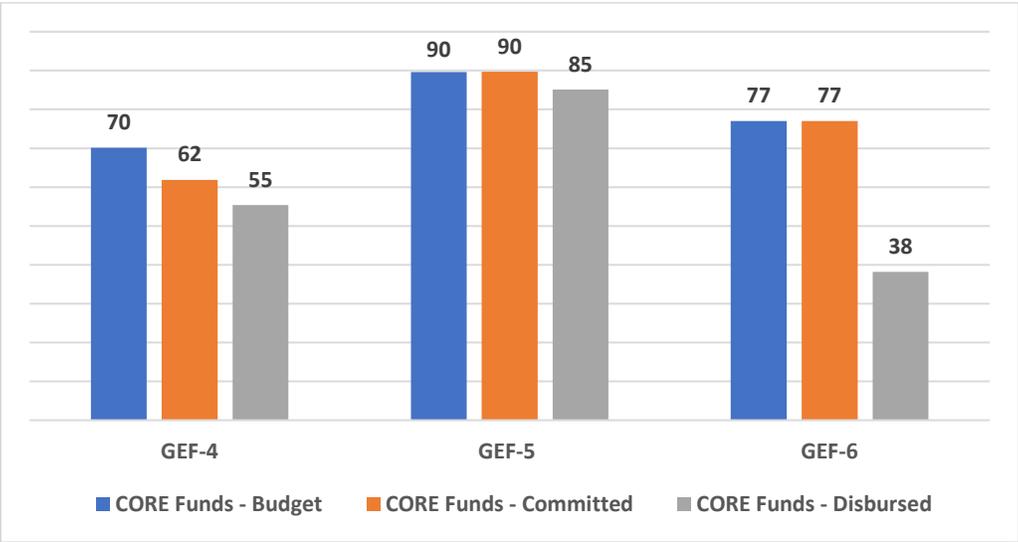
**Table 7. Active SGP portfolio disbursements by GEF cycles**

Replenishment Phase	Total CORE funding by Replenishment (\$ million)	CORE - Cumulative disbursement as of 30 June 2019 (\$ million)	Total RAF/STAR Funding by Replenishment (\$ million)	RAF/STAR - Cumulative disbursement as of 30 June 2019 (\$ million)
GEF-4 (2007-2010)	114.0	114.0	61.2	57.9
GEF-5 (2011-2014)	140.0	140.0	125.5	109.6
GEF-6 (2015-2019)	140.0	100.8	38.0	1.5
<b>Total</b>	<b>394.0</b>	<b>354.8</b>	<b>224.7</b>	<b>168.0</b>

Source: UNDP

67. As shown in Figure 29 below, Core funds budgeted for countries have been fully committed for both GEF-5 and GEF-6. The original budget of GEF-4 Core funds for countries' grant-making was reduced from \$70.12 million to \$61.88 million, which was the committed amount to countries, following Council decision to divert some approved grant resources to support the rapid development of 23 new SGP country programmes and associated management costs, and to cover continued operations while waiting for GEF-5 funding. Disbursements from GEF-6 resources have reached 50% of the total committed amount to date. In addition, installments of grant resources committed to CBOs and CSOs are yet to be disbursed from GEF-4 and GEF-5.

**Figure 29. Core Funds Budget vs. Commitment and Disbursement for Countries by GEF Replenishment Cycle, in US\$ million**

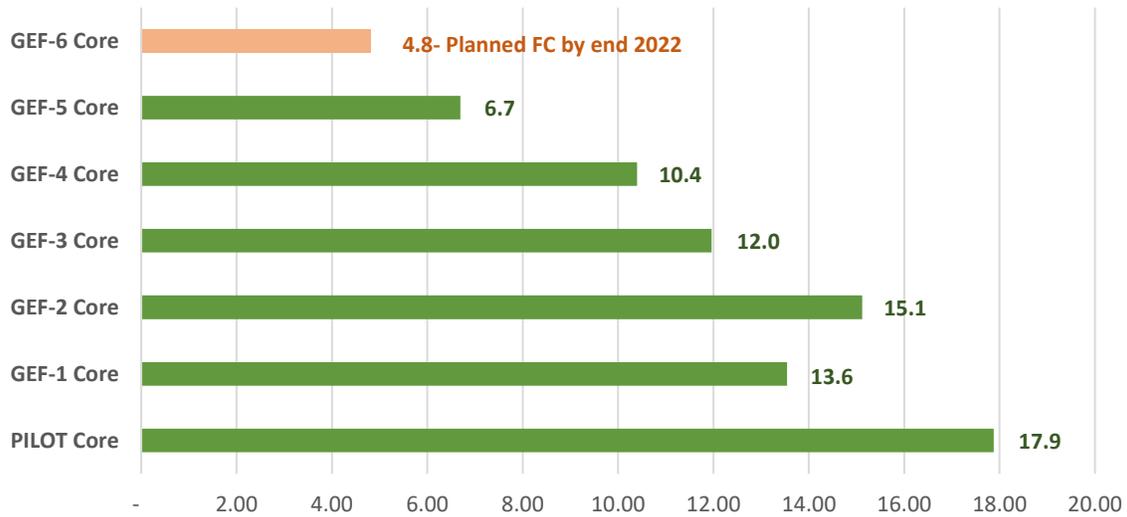


Source: GEF Secretariat with data from UNDP

**Status of Projects Closure**

68. Figure 30 presents the status of financial closure of the SGP Core funded projects. Ten years after the start of GEF-4, SGP was still disbursing funds to grants from that cycle. Based on the understanding of the need to close projects in a timelier manner, the Agency recently managed to close GEF-4 and GEF-5 Core projects. By UNDP's estimate, the second GEF-6 Core project will be closed by end of 2022.

**Figure 30. Average Time Elapsed between CEO Endorsement Date and Trustee's Financial Closure Date (in years) – Core SGP**



Source: GEF Secretariat with data provided by UNDP

### Global Environmental Benefits

69. A portfolio of small grants requires a results framework that aggregates results from individual grants to country portfolios to global results, to be able to provide a snapshot of the overall program impact. In the GEF-7 cycle, UNDP has committed to align its results framework on the new GEF-7 results framework for the implementation of all grants financed with GEF-7 funding. This framework will be used in the future to track SGP’s grants results financed under GEF-7. In addition, SGP will continue to use the current collection of indicators to report results including global environmental benefits and socio-economic benefits.

70. Meanwhile, the results summary presented below covers actual results for the 1,019 grants completed during the reporting period in 117 SGP country Programmes that provided data and information, as well as additional data provided by the SGP Central Programme Management Team (CPMT).

71. Table 8 presents the actual results for completed grants, per focal area, as reported by UNDP and using the indicators monitored by UNDP prior to GEF-7 at the grant level in each country.

**Table 8. Results by Focal Area**

<b>INDICATOR</b>	<b>DELIVERED</b>
<b><i>Biodiversity</i></b>	
Total number of grants completed	408
Number of Protected Areas (PAs)	172
Hectares of PAs	5,869,788
Number of indigenous peoples and local communities reached	244
Number of sustainably produced biodiversity and agrobiodiversity products	471
Number of significant species with maintained or improved conservation status	859
Number of target areas under improved community conservation and sustainable use	162
<b><i>Climate Change</i></b>	
Total number of grants completed	239
Number of Country Programmes addressing deployment of low-GHG technologies	39
Number of typologies of local energy access solutions	86
Number of households supported with energy access co-benefits	36,199
<b><i>Sustainable land management</i></b>	
Total number of grants completed	215
Number of community members demonstrating improved land management practices	121,516
Hectares brought under improved agricultural, land and water management practices	180,469
Number of farmer leaders involved in demonstrating agro-ecological practices	9,881
Number of organizations disseminating improved climate smart agro-ecological practices	523
<b><i>Sustainable forest management</i></b>	
Total number of grants completed	29
Hectares of forest and non-forest lands with restoration and enhancement initiated	285,707
<b><i>International Waters</i></b>	
Total number of grants completed	25
Number of Seascapes/inland freshwater Landscapes	29
Tons of land-based pollution avoided, reduced or prevented	5,805
Hectares of marine/coastal areas or fishing grounds sustainably managed	5,225
Hectares of river/lake basins applying sustainable management practices	9,720
<b><i>Chemicals and Waste Management</i></b>	
Total number of grants completed (including Mercury)	35
Total number of mercury management grants completed	13
Kg of pesticides avoided, reduced or prevented by SGP chemicals grants	140,945
Kg of harmful chemicals avoided from utilization or release	164,797
Number of coalitions on chemicals and waste management established or strengthened	33

Source: UNDP

72. The results shown above relate to impact areas directly relevant to the way in which the GEF Partnership tracks results: improving sustainability of protected areas, support to decarbonization and low-carbon energy transformation at the community level or land brought under improved agricultural, land and water management practices. In addition, SGP grants generate socio-economic benefits such as supporting greater social inclusion, including women,

indigenous peoples, youth, and persons with disabilities, as well as improved livelihood and wellbeing of local communities, which are captured at the grant level but cannot be aggregated in the framework above. The table above is therefore an understatement of the total value generation of the program.

### Analysis of Delivery of SGP in GEF-6

73. Under the GEF Sixth Replenishment cycle, \$140 million of core funding was allocated to the SGP. In addition, Council approved projects totaling \$38.0 million in STAR resources allocated by countries to complement their core allocation (Table 9).

**Table 9. Core and STAR Resources in GEF-6**

Funding sources	\$ million GEF Resources
GEF Core	140.0
GEF STAR	38.0
<b>Total all funds</b>	<b>178.0</b>

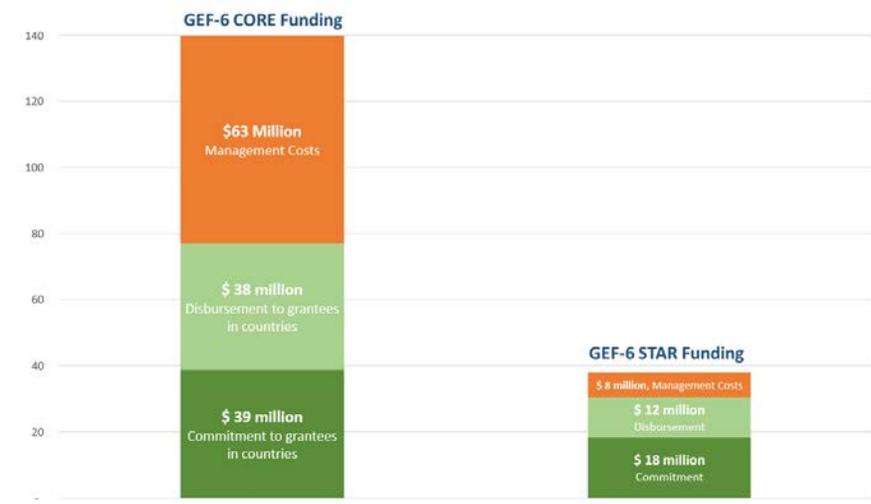
Source: GEF Portal (GEF Secretariat)

74. Funds that are not flowing to finance the actual grants executed by CSOs and CBO will be referred to thereafter as *management costs*. They amount to the cost of delivering the program and any of its ancillary services<sup>14</sup>, covering both implementation and execution levels. Figure 31 below presents the amount of commitment as well as disbursement to grantees in countries, versus the amount for management costs.

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<sup>14</sup> Management costs include: UNDP Agency fee; UNOPS Executing Agency fee for financial and procurement services; personnel costs at country and global levels; Knowledge Management and Communication activities; M&E activities; capacity development activities (training and workshops to the CSOs/CBOs); resource mobilization activities; office premises and equipment and travel.

**Figure 31. Grants Commitment, Disbursement and Management Costs (as per Planned budget), in USD million**



Source: GEF Secretariat with data provided by UNDP

### GEF-6 Disbursements

75. As can be seen from Table 10 below, as of June 2019 the total amount of Core funding disbursement for GEF-6 resources was \$100.8 million, or 72% of the total GEF-6 replenishment allocation of \$140 million. The level of disbursement covering management expenditure reached \$62.6 million (99.4% of budgeted amounts for GEF-6), while the amount disbursed to grants in countries reached \$38.2 million (50% of committed amount).

**Table 10. GEF-6 Core Funding – Expenditure rate, as of 30 June 2019**

	GEF-6 CORE Funds - Budget (US\$ Million)	GEF-6 CORE Funds - Reported Expenditures /Disbursement (US\$ Million)	Rate of expenditure/d isbursement (%)	Note
<b>Grants</b>				
Grants to CSOs and CBOs	70.0	38.2	50.0	Disbursements to grantees in countries
Grants-maker Plus	7.0			
<b>Management Costs</b>				
Global Management	11.8	62.6	99.0	Reported expenditures for Management Costs
In country Management	38.2			
UNOPS Executing Services	7.6			
UNDP Agency Fee	5.4			
<b>Total</b>	<b>140.0</b>	<b>100.8</b>	<b>72.0</b>	

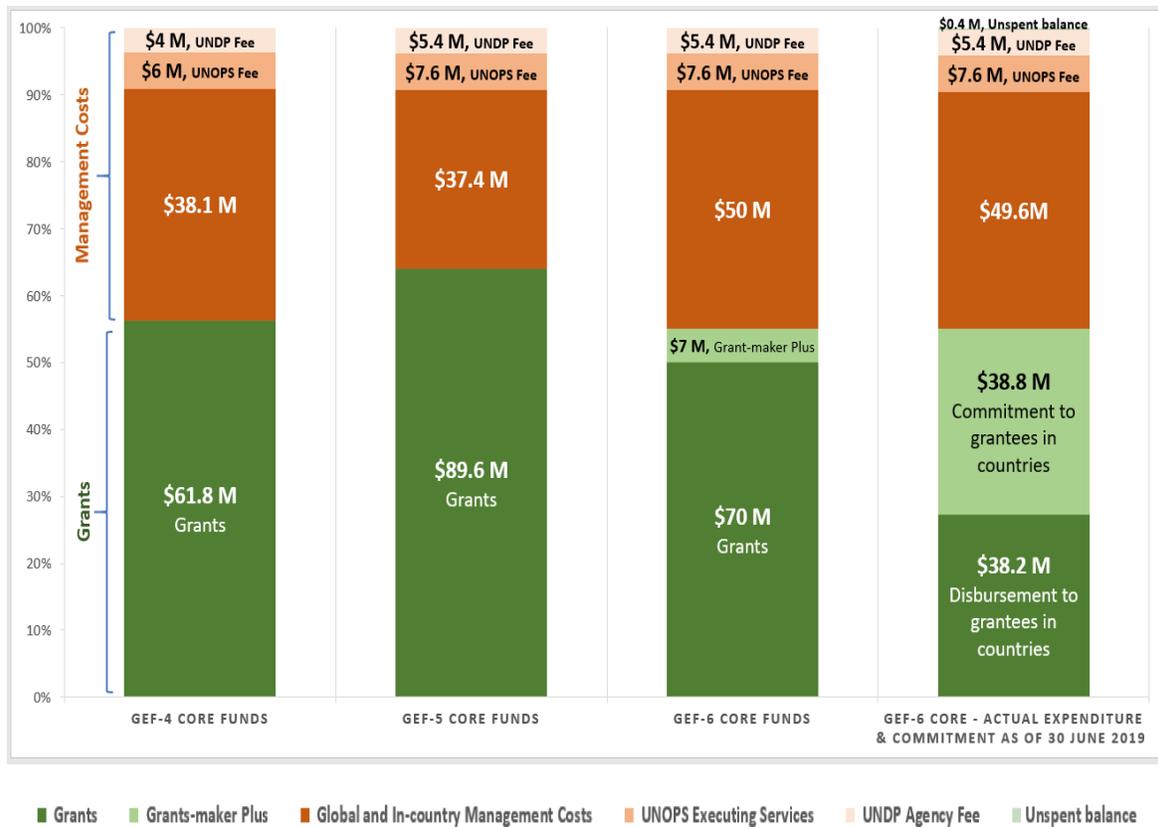
Source: GEF Secretariat with data provided by UNDP

## The cost of delivering grants in countries

76. Figure 32 below presents a summary of the evolution of the cost of delivering SGP grants across GEF-4, GEF-5 and GEF-6. The methodology used replicates the approach adopted by the IEO in its 2008 Joint Evaluation of the SGP, which reported on management costs of the SGP incurred during the SGP implementation under GEF-3 financing<sup>15</sup>.

77. The last two columns of Figure 32 provide a breakdown, for GEF-6, of budgeted Core funding versus the actual commitments and disbursement to grantees in countries, as well as reported expenditures for management costs. The bars depicted in shades of brown correspond to the management costs of running the SGP, as reported by UNDP, while the green bars correspond to the share of the funding dedicated to grants.

**Figure 32. Budget Allocation vs. Actual Disbursement and Expenditures**



Source: GEF Secretariat with data provided by UNDP

78. Grant resources are defined as the total funds committed and/or disbursed directly to local civil society organizations (CSO) and community-based organizations (CBO). Management costs include salaries of the SGP staff at both country and global levels to provide

<sup>15</sup> The 2015 Joint Evaluation of the SGP did not provide an analysis regarding the management costs in more recent phases.

administrative and operational support to the Programme, including the provision of technical support to grantees, training, knowledge management and communication, workshops and monitoring and evaluation of projects on the ground. The fees for both UNOPS as Executing Agency and UNDP as Implementing Agency are also included in the calculation of the management costs.

79. To this regard, the main finding of the Joint Evaluation of the SGP conducted by IEO/UNDP in 2008 was that the proportion of management costs was 31%, as quoted: *“The management costs of the SGP appear to be in the upper middle range of programs for which data were reliably gathered. However, compared to other programs, the SGP provides more services for these costs. Specifically, it gives more attention to building the capacities of grantee institutions and to conducting program-level monitoring and evaluation (M&E). Furthermore, it reportedly generates substantial amounts of co-financing for initiatives geared toward meeting global environmental objectives. Thus, the management costs incurred by the SGP seem well matched to the services the program provides”*.

80. The same evaluation noted that management costs reflect, beyond cost-efficiency, the nature and volume of services rendered by the Programme such as knowledge management, monitoring and evaluation and capacity development.

81. As demonstrated in Figure 32, using the same methodology to calculate the numbers for GEF-5 (36%) and GEF-6 (50%), shows a decreasing trend in the share of the SGP Core funds attributed to grants. As already reported in Annex II of the GEF’s Annual Portfolio Monitoring Report presented to Council in December 2018<sup>16</sup>, the proportion of the Core funding going directly to grants to CSO and CBO has decreased from \$90 million out of \$140 million of total core resources, corresponding to 64% in GEF-5 to an estimated \$70 million out of \$140 million, corresponding to 50% in GEF-6.

82. Discussions between the GEF Secretariat and UNDP are ongoing to explore pathways to increase the share of grants to be allocated directly to CSOs and CBOs in GEF-7.

## **GEF-7 Overview**

83. There are two different types of countries benefiting from SGP: (i) 110 countries are part of its core program, and can choose to increase their allocation with their STAR resources and (ii) another 15 Upgraded countries are using their STAR resources to fund small grants<sup>17</sup>. Under GEF-7, countries that benefited from 15 years of consecutive direct SGP support and more than \$6 million in cumulated total grants are no longer eligible to receive SGP core funds<sup>18</sup>, but

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<sup>16</sup> GEF/C.55/03, *Annual Portfolio Monitoring Report 2018*, Annex II (pages 40-45)

<sup>17</sup> In GEF-7, Malaysia will be upgraded, bringing the total of Upgraded Country Programmes to 16.

<sup>18</sup> LDCs and SIDS are exempt from losing eligibility to SGP funds.

continue participating in SGP by allocating GEF STAR resources via the processing of stand-alone SGP projects.

84. Under GEF’s Seventh Replenishment, \$128 million of GEF funding were committed to the SGP Core Programme with the goal of promoting and supporting innovative and scalable initiatives at the local level to tackle global environmental issues in priority landscapes and seascapes. A \$64 million project amounting to half of the GEF-7 total core funding, was approved by Council in December of 2018, for which the endorsement process is on-going.

85. In addition, during GEF-7 and up-to now, the GEF Council has approved the use of \$19 million of STAR resources for five Upgraded Country Programmes, as show in Table 11 below. These allocations represent 19.9% of the total STAR allocation for Costa Rica, 13.1% for the Philippines, 7% for Ecuador, 6.5% for Brazil and 5.8% for India.

**Table 11. STAR allocation by upgraded country programme under GEF-7**

Country	STAR allocated to SGP (US\$ Million)	Total GEF-7 initial STAR allocation (US\$ Million)	SGP share of STAR allocation (%)
Brazil	5.0	77.5	6.5
Costa Rica	2.4	11.8	19.9
Ecuador	2.0	28.9	7.0
India	5.0	85.6	5.8
Philippines	5.0	38.3	13.1

Source: GEF Portal (GEF Secretariat)

### Expansion of the Programme to new eligible countries

86. A Council decision called for ensuring *equal access*<sup>19</sup> to the Programme in GEF-7, clarifying that all countries that are eligible and have not been part of the SGP to date, can benefit from the Programme and should be provided a chance to access. Equal access refers to the fact that “[in] GEF7 SGP aims to allocate core funds to all eligible countries that express an interest in participating in the program and commit to the SGP approach and programming directions.”

87. At the beginning of GEF-7, 22 eligible countries were not receiving funds from the SGP program, of which only one, Nicaragua, had ever received SGP funds previously. At the request of the Secretariat, UNDP provided an up-date on the implementation status of the objective of equal access under GEF-7. The up-date reports that 8 out of 22 countries have formally expressed interest to join the SGP to date. More might express interest in the future, but it is also worth noting that not all 22 countries might be ready or willing to join the Programme at this stage.

<sup>19</sup> GEF Small Grants Programme: Implementation Arrangements for GEF-7 (GEF/C.54/05/Rev.01)

88. UNDP is reporting planning missions in all 8 countries, giving priority to least developed countries and small island states, as well as to countries that have expressed to join the SGP for a long time. The current plan anticipates to launch calls for proposals by end of 2020 in two countries and by mid-2021 in the other six countries.

89. Given the commitment to actively provide opportunity for access to SGP funds to all eligible countries, the process of facilitating increased access requires further attention and speed in execution. There's a both a need to actively reach out to eligible countries and to accelerate the access to funding by new countries.

## CONCLUSION

90. The data and information provided in this Report present an opportunity for the GEF partnership to take stock of progress made and to assess and identify areas that may benefit from further improvement.

91. Section 1 of the Report summarizes the evolution in size and composition of the active GEF Trust Fund portfolio, within the context of evolving GEF programming strategies, including portfolio composition and trends, enhanced focus on programs, volume and share of co-financing across GEF phases, and levels of co-financing. In line with previous Council request, it also provides data disaggregated by agencies, beyond tracking volumes and ratings as was done previously, to capture and compare dimensions of agency performance, for instance on disbursement ratios, relevant metrics of speed of implementation, and status of project closure.

92. The data and information are organized according to the three key topics of delivering on programming priorities, on results and on efficiency measures. Key findings can be summarized as below.

93. On programming priorities, the data show that:

- ▶ The size of the portfolio grew by 10% in FY19, and the composition shows changes that reflect the evolution of GEF programming strategies, including greater priority on multi-focal area projects as well as programmatic and integrated approaches.
- ▶ The volume and share of co-financing have increased across GEF phases, and levels of co-financing are increasing across operations. The data collected so far suggest that the GEF is on the path to meet its co-financing target of 1:7 contributed by agencies and partners.
- ▶ In FY19, agencies rated satisfactorily 87% of the projects as likely to reach intended outcomes and 82% of the projects as making implementation progress.

94. On results, the findings allow meaningful comparison between GEF-6 results targets and the cumulated expected results reached by the cohort of GEF-6 projects having reached endorsement by the cut-off date of June 2019 (77% of all GEF-6 projects). More specifically:

- ▶ The data points to results already exceeding GEF-6 targets in respect to greenhouse gas mitigation and land areas under improved management.
- ▶ By contrast, moving over-exploited fisheries to more sustainable levels and reduction of chemicals and waste management are likely to fall short of GEF-6 targets, although results will improve with the pending endorsement of the last quarter of GEF-6 projects.

95. On efficiency measures, the metrics also hint to the positive impact of ongoing dialogue within the Partnership to accelerate project processing and ensure timely financial closure. More specifically:

- ▶ As a result of the recently approved One-Time Cancellation Policy on outstanding programs approved between GEF-2 and GEF-5, \$118 million previously tied in inactive instruments are now back into the GEF Trust Fund and available for further use.
- ▶ Following dialogue with the Secretariat and review of relevant data, Agencies have brought a large number of projects that had reached Terminal Evaluation to Financial Closure.
- ▶ Agencies are on average completing project preparation faster.

96. The report also proposed, in Section 2, a deep-dive on the Small Grants Programme aimed at analyzing this important instrument of the GEF Partnership, which empowers CBOs/CSOs to relay the GEF partnership strategy and action, at a much smaller scale, in full partnership with relevant communities. The report highlights concrete results attained by the cohort of grants that closed during the reporting period, disbursement progress of the active portfolio of grants, as well as financial dimensions. The main findings are as follows:

- ▶ The SGP active grant portfolio during the reporting period included 3,182 active grants, for a total value of \$108.5 million, half of this amount provided under the SGP Core program and the other half sourced from STAR allocations. It was active in 125 countries, including 15 up-graded countries that do not receive Core SGP resources. Distribution of core grant resources across groups of countries have shown noticeable variations across GEF cycles and may call for more analysis.
- ▶ The compilation of actual results for the cohort of grants that reached closure during the reporting period (1,019 grants) show high relevance to Global Environment Benefits tracked by the GEF, while understating other benefits of the SGP such as socio-economic benefits. Full alignment of the SGP results framework to the new GEF-7 results framework is in place for all GEF-7 financing.

97. A number of areas analysed in the report also point to the need and value to further the discussion of the strategic focus of the SGP, including the following:

- ▶ Recent progress on closing past SGP instruments need to be furthered to improve clarity in reporting;
- ▶ The proportion of Core SGP resources going to actual grants to CSO and CBOs has noticeably decreased since GEF-5, to reach 50% in GEF-6, inviting further discussion in the context of GEF-7 approvals; and

- ▶ The commitment to expand access to the SGP program to all eligible countries requires faster action, as progress to date remains limited in scope (8 countries out of 22) and still in preliminary stage.

98. Overall, the Report reflects the ongoing work of the Partnership to update and strengthen data collection and portfolio-level monitoring overall. Looking ahead, the Secretariat will continue to build upon and strengthen data and reporting efforts within the framework of this updated Monitoring Report, in line with the new Policy on Monitoring adopted by Council in 2019.