

55<sup>th</sup> GEF Council Meeting  
December 18 – 20, 2018  
Washington, D.C.

**SMALL GRANTS PROGRAMME REPORT: MANAGEMENT OF CORE FUNDING  
AND RESULTS FRAMEWORK FOR GEF-7  
(PREPARED BY UNDP)**

## TABLE OF CONTENTS

|  |   |
|--|---|
| Introduction .....   | 1 |
| Proposed Criteria for Allocation of SGP Core Funding to Country Programmes .....             | 1 |
| Core Resource Allocation .....   | 1 |
| Upgraded Countries .....   | 3 |
| Process for Opening New Country Programmes .....   | 3 |
| GEF-7 SGP Results Framework and Associated Targets .....                                     | 4 |
| Annex 1: List of GEF eligible countries that are currently not participating in the SGP..... | 7 |

## INTRODUCTION

1. The GEF Council, at its 54<sup>th</sup> meeting in June 2018, having reviewed Council document GEF/C.54/05/Rev.01, GEF Small Grants Programme: Implementation Arrangements for GEF-7, and having approved the proposed financing structure for the GEF-7 Small Grants Programme (SGP), “requested the GEF Secretariat and UNDP, in collaboration with relevant stakeholders, to keep under review the criteria for eligibility to core funds, and to propose any changes for Council consideration with a view to ensuring an equitable deployment of SGP support over time.”<sup>1</sup>
2. In addition, Council requested UNDP “in consultation with the Secretariat, to prepare a paper for Council information at its 55<sup>th</sup> meeting in the Fall of 2018, describing: (a) the approach and the criteria for the retained allocation of core funds to countries; and (b) the results framework for the GEF-7 SGP and associated targets for global environmental benefits, aligned with the overall GEF-7 results architecture.”<sup>2</sup>
3. In response to Council’s request, this Information Paper, prepared by UNDP, in consultation with the GEF Secretariat, describes the following:
  - (a) the approach and criteria for allocation of core resources to SGP country programmes; and
  - (b) SGP’s results framework and its alignment with GEF-7’s core indicators.

## PROPOSED CRITERIA FOR ALLOCATION OF SGP CORE FUNDING TO COUNTRY PROGRAMMES

### Core Resource Allocation

4. At its 54<sup>th</sup> meeting, the GEF Council endorsed a core envelope of US\$128 million for the SGP Global Programme in GEF-7 <sup>3</sup>. The Council also approved the implementation arrangements of the GEF SGP, which established the eligibility criteria for countries to access core funds.
5. In GEF-7, countries are eligible for core funds if, as of July 1, 2018, they meet any of the following criteria:
  - (a) they are least developed countries (LDC) or small island developing states (SIDS)

---

<sup>1</sup> *GEF Small Grants Programme: Implementation Arrangements for GEF-7* (GEF/C.54/05/Rev.01)  
[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)

<sup>2</sup> *GEF Small Grants Programme: Implementation Arrangements for GEF-7* (GEF/C.54/05/Rev.01)  
[http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.05.Rev\\_.01\\_SGP.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.05.Rev_.01_SGP.pdf)

<sup>3</sup> Summary of the Negotiations of the Seventh Replenishment of the GEF Trust Fund (GEF/C.54/19/Rev.03)  
[http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.54.19.Rev\\_.03\\_Replenishment.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.19.Rev_.03_Replenishment.pdf)

- (b) they have not had an SGP Country Programme in operation for 15 years or longer;
- (c) their cumulative SGP grants amount to less than US\$6 million; or
- (d) their GEF-7 STAR country allocation does not exceed US\$10 million.

6. UNDP will allocate core funds to all eligible countries that express an interest in participating in the program and that commit to the SGP approach and programming directions. UNDP will ensure that all eligible countries have an opportunity to express their interest in participating in the program.

7. Core funds will be allocated for and used during the seventh operational phase (OP7), which spans a period of 4 years after the CEO endorsement of the Part I SGP Project Document<sup>4</sup>. The proposed allocation approach as described below aims to balance equity, transparency, efficiency, and effectiveness, drawing on lessons from previous operational phases.

8. Before the onset of OP7, UNDP will inform eligible and interested countries of their initial allocation of core funds made available to finance grants directly to civil society organizations (CSO) and community-based organizations (CBO). Initial allocations are made equally across all eligible and interested countries.

9. During the final year of OP7, UNDP may reallocate any unused core funds across eligible and interested countries with a view to promoting the effective and efficient utilization of the GEF-7 core envelope. Such potential reallocation would take into account countries' level of utilization of their initial allocations, any pipeline of grants or other evidence of countries' ability to use any remaining or additional core funds before the end of OP7, and any evidence of performance.

10. Any reallocation would be carried out in consultation with countries that may be affected, and if any changes to these countries' initial allocations are introduced, they should be informed before the final year of OP7.

11. In addition to core funds, as approved by Council in the GEF-7 SGP Implementation Arrangement paper, countries that receive core funds could also use up to 10% of their STAR country allocations, and up to US\$2 million if their allocations exceed US\$15 million.

---

<sup>4</sup> SGP PIF approvals and CEO endorsements for the Global Programme are made in tranches during each GEF phase.

## Upgraded Countries

12. According to the GEF-7 Implementation Arrangement paper, countries that meet all the following criteria will not receive SGP core fund and will be categorized as SGP Upgraded Countries:

- (a) countries that are not least developed countries or small island developing states;
- (b) had an SGP Country Programme in operation for 15 years or longer;
- (c) had cumulative SGP grants exceeding US\$6 million; and
- (d) had a STAR country allocation exceeding US\$10 million.

13. The following countries are categorized as Upgraded Countries Programmes<sup>5</sup> since GEF-5 and GEF-6: Bolivia, Brazil, Costa Rica, Ecuador, Egypt, India, Indonesia, Kazakhstan, Kenya, Mexico, Pakistan, Peru, Philippines, Sri Lanka, and Thailand. In GEF-7, Malaysia will qualify to be a new Upgraded Country Programme.

14. As approved under the GEF-7 SGP implementation arrangement paper, these Upgraded Countries could use up to US\$5 million from their STAR country allocations to finance their Country Programmes under SGP.

## PROCESS FOR OPENING NEW COUNTRY PROGRAMMES

15. SGP is currently active in 125 eligible countries. There are 22 countries that are eligible for GEF finance and are not yet part of the SGP.

16. To ensure *equal access*<sup>6</sup> to the Programme in GEF-7, all countries that are eligible and have not been part of the SGP yet, could apply to join. The list of potential countries is included in Annex 1.

17. Following the Council decision for GEF-7, UNDP and the GEF Secretariat started to disseminate information regarding how to join the Programme. This information will continue to be disseminated through various means, including through the UNDP Country Offices, through direct engagement with the respective GEF Operational Focal Points as well as through activities under the Country Support Program in the respective regions and countries.

---

<sup>5</sup> Chile also qualifies as Upgraded Countries, however, does not have a SGP Country Programme.

<sup>6</sup> 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.” *GEF Small Grants Programme: Implementation Arrangements for GEF-7 (GEF/C.54/05/Rev.01)*

18. Countries that wish to participate in the Programme, are encouraged to submit a letter of interest signed by the GEF Operational Focal Point and addressed to the SGP Global Manager ([sgp.info@undp.org](mailto:sgp.info@undp.org)), with copy to the GEF Secretariat ([gefsecretariat@thegef.org](mailto:gefsecretariat@thegef.org)).

19. The process for setting up a new SGP country Programme will follow the steps established under the standard operating guidelines of the SGP<sup>7</sup>, which include the preparation and review of the application, the launch of the start-up mission, consultations with civil society organizations and other stakeholders in the country, and the hiring of the National Coordinator and formation of the National Steering Committee, among others.

#### **GEF-7 SGP RESULTS FRAMEWORK AND ASSOCIATED TARGETS**

20. Throughout its Operational Phases, the SGP has aimed to broadly align its strategy with that of the corresponding GEF cycle. Since OP6, the SGP has also strived to contribute to the overall GEF corporate targets in Global Environment Benefits by increasingly linking its results framework more closely with that of the GEF.

21. As stated in the SGP Implementation Arrangements Paper, approved by Council in June 2018, “[in GEF-7] the SGP will place greater emphasis on promoting strategic and results-based investments at the local level, in alignment with GEF-7 Focal Area Strategies and Impact Programs.” In this context, the SGP is committed to aligning its results framework with the GEF-7 results framework in every feasible way, by applying the core indicators and sub-indicators in line with the agreed guidelines as outlined in ME/GN/01: *Guidelines on Core Indicators and Sub-Indicators*.<sup>8</sup>

22. Table 1 provides the best estimates available at this point of the SGP results contribution against selected GEF-7 core indicators. Further work is underway both to secure full alignment of methodologies and to refine estimates as project preparation proceeds. Target SGP contributions to the GEF-7 results framework will be revised and firmed up at CEO endorsement.

---

<sup>7</sup> The *A to Z of the SGP* provides details on the SGP including the standard Operation Guidelines. The document can be accessed here: [https://www.thegef.org/sites/default/files/publications/SGP-Manual\\_Digital-%20FINAL.pdf](https://www.thegef.org/sites/default/files/publications/SGP-Manual_Digital-%20FINAL.pdf)

<sup>8</sup> [http://www.thegef.org/sites/default/files/documents/Results\\_Guidelines\\_MEGN01.pdf](http://www.thegef.org/sites/default/files/documents/Results_Guidelines_MEGN01.pdf)

**Table 1: GEF-7 Results Framework/Core Indicators and SGP Targets**

| <b>GEF-7 Core Indicators</b>   | <b>SGP target</b>                          |
|--|--|
| 1. Terrestrial protected areas created or under improved management for conservation and sustainable use (hectares)  | 9.9 million hectares                       |
| 2. Marine protected areas created or under improved management for conservation and sustainable use (hectares)   | 100,000 hectares                           |
| 3. Area of land restored (hectares)  | 200,000 hectares                           |
| 4. Area of landscapes under improved practices (hectares; excluding protected areas)   | 2 million hectares                         |
| 5. Area of marine habitat under improved practices to benefit biodiversity (hectares; excluding protected areas)   | 100,000 hectares                           |
| 6. Greenhouse Gas Emissions Mitigated (million tons of CO2e)   | Target to be set at CEO endorsement        |
| 7. Number of shared water ecosystems (fresh or marine) under new or improved cooperative management  | Target to be set at CEO endorsement        |
| 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) | 300 tons                                   |
| 11. Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment   | 400,000 (50% or more female beneficiaries) |

23. As SGP grants are small in size (on average \$35,000 in FY18)<sup>9</sup> and are executed by local CSOs, indigenous peoples and community-based organizations,<sup>10</sup> there are significant additional results from the projects that go beyond the GEF-7 Results Framework. As such, the SGP will continue to develop and utilize indicators and associated guidelines to adequately capture these results, including socio-economic benefits across the SGP's strategic initiative areas. For example, SGP will develop community-oriented tools, where appropriate, to facilitate participatory assessments that can be applied at the level of individual projects.

24. The SGP already has an established record using additional indicators. For example, results on social inclusion are captured by tracking percentage and numbers of women, indigenous peoples, youth, and persons with disabilities in SGP projects. Also, improvements on gender responsive indicators are being introduced to measure the level of engagement of women as well as projects' responsiveness to women's needs and priorities. All additional indicators for OP7 will be clarified and identified in the OP7 SGP Project Document at the CEO

<sup>9</sup> UNDP (Dec 2018): The GEF Small Grants Programme Results Report : 2017 -2018 .

<sup>10</sup> Joint GEF-UNDP Evaluation of the Small Grants Programme, Independent Evaluation Office, July 2015, <http://www.gefio.org/sites/default/files/ieo/evaluations/sgp-2015.pdf>

endorsement stage and will be reported in addition to the SGP results captured within the GEF Results Framework.



**ANNEX 1: LIST OF GEF ELIGIBLE COUNTRIES THAT ARE CURRENTLY NOT PARTICIPATING IN THE SGP**

|    | Country                 | LDC/SIDS |
|----|-------------------------|----------|
| 1  | Angola                  | LDC      |
| 2  | Azerbaijan              |          |
| 3  | Bangladesh              | LDC      |
| 4  | Bosnia and Herzegovina  |          |
| 5  | Equatorial Guinea       |          |
| 6  | Gabon                   |          |
| 7  | Iraq                    |          |
| 8  | Korea DPR               |          |
| 9  | Kosovo                  |          |
| 10 | Libya                   |          |
| 11 | Montenegro              |          |
| 12 | Myanmar                 | LDC      |
| 13 | Nicaragua <sup>11</sup> |          |
| 14 | Russia                  |          |
| 15 | Sao Tome and Principe   | LDC/SIDS |
| 16 | Serbia                  |          |
| 17 | Somalia                 | LDC      |
| 18 | South Sudan             | LDC      |
| 19 | Sudan                   | LDC      |

---

<sup>11</sup> Nicaragua had an SGP Country Programme that was closed in 2017.

|    |                               |  |
|----|-------------------------------|--|
| 20 | Syria                         |  |
| 21 | eSwatini (formerly Swaziland) |  |
| 22 | Turkmenistan                  |  |