

PROJECT BRIEF

1. IDENTIFIERS:

PROJECT NUMBER	INT/98/G52/A/1G/31
PROJECT NAME	Global: Small Grants Programme (Second Operational Phase)
DURATION	1-Year Replenishment for the period 19 February 2004-18 February 2005 (year 6 of the second operational phase)
IMPLEMENTING AGENCY	United Nations Development Programme
EXECUTING AGENCY	UNOPS
COUNTRIES	Global (73 countries)
ELIGIBILITY	All participating countries have ratified the CBD and UNFCCC
GEF FOCAL AREAS	Biodiversity, Climate Change, International Waters, Persistent Organic Pollutants and Land Degradation
GEF PROGRAMMING FRAMEWORK	Operational Programs 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14 and 15

2. SUMMARY

The Second Operational Phase of the GEF Small Grants Programme (SGP) was approved by the GEF Council in October 1998. A two-year replenishment for \$31.619 million was granted and it was agreed that a subsequent annual "rolling" financial modality would be adopted to ensure continuity of programme activities (programmatic approach). Since then three yearly replenishments have been approved, the last of which for \$27 million, to cover SGP operations until 18 February 2004 (year 5 of the Second Operational Phase). Within the adopted programmatic approach a number of benchmarks and deliverables are to be met each year. This document contains a report on results achieved in year 4 of the Second Operational Phase (February 2002- February 2003) as well as a summary on progress made so far in achieving the deliverables of year 5, ending in February 2004. The report constitutes the basis for Council deliberations on the replenishment for year 6 (19 February 2004 to 18 February 2005). Section III presents the work plan for year 6 and the indicators to assess results. It proposes expansion of SGP operations to 10 new countries of which at least 5 are SIDS and LDCs, as instructed by the GEF Second Assembly in Beijing. The Indicative Program Budget, estimated at \$31.2 million, is presented in section IV. The SGP co-financing target for year 6 is \$28 million of which \$14 million in kind and \$14 million in cash.

3. COSTS AND FINANCING (MILLION US\$)

GEF	Project	:	31.2
	Sub-total GEF	:	31.2
CO-FINANCING	In cash	:	14
	In kind	:	14
TOTAL PROJECT COST		:	59.2

4. OPERATIONAL FOCAL POINT ENDORSEMENT: Endorsements for the SGP Second Operational Phase available on request.

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I. INTRODUCTION

1. The GEF Small Grants Programme (SGP), implemented by UNDP on behalf of the GEF family, completed 10 years of successful operation in 2002. A report entitled “Hands-on Action for Sustainable Development 1992-2002” was launched at the Beijing Second GEF Assembly. Starting in 1992 as a pilot programme, SGP has now reached out to thousands of communities in more than 60 countries and, in partnership with them, demonstrated what is possible to address livelihood needs while protecting the global environment. SGP has emphasized participation and democracy, synergy through partnerships, gender and indigenous peoples, geographical distribution, and replication and sustainability. The programme has also directed efforts at having an impact on national policies and donor agendas by increasing awareness of global environmental issues and communicating lessons learnt, including best practices from community-based experiences.
2. An indicator of SGP’s success is the increased developing country demand for participation in the programme. This was first expressed at the 6th Conference of the Parties to the Convention on Biological Diversity in which Decision VI/17 “...noted the importance of the Small Grants Programme of the Global Environment Facility, welcomes its continued expansion to other developing countries, in particular the least developed countries and the small island developing States”. Subsequently, in the Beijing Declaration of the Second GEF Assembly, Participant States instructed the GEF “...to seek to expand the GEF Small Grants Programme to more countries, in particular to the Least Developed Countries and Small Island Developing States”.
3. The Second Study of GEF’s Overall Performance conducted in 2002 found that “there is evidence that many of the [SGP] projects deliver more favorable cost-benefit ratios than larger projects” and also that SGP’s importance to developing countries derives from the way it links “global, national and local-level issues through a transparent, strongly participatory and country-driven approach to project planning, design and implementation”.
4. The SGP Third Independent Evaluation completed in April 2003 provides a detailed assessment of SGP’s performance during the period 1999-2002. The report was made available to the GEF Council at the November 2003 meeting. The evaluation confirmed the findings of OPS2 concurring with the recommendation that “...it will be important to allocate increased resources to SGP”. Overall, the impression of the evaluation team was that “SGP built on its strengths during the second operational phase while effectively addressing most of the weaknesses identified by the 1998 evaluation”. It further concluded that “although there are still areas where improvements are needed, the generally high quality of SGP’s portfolio includes an impressive range of innovative and effective projects that are consistent with the GEF’s Operational Programs. One of the most striking findings of the evaluation is the high degree of fit between the services and benefits provided by the SGP and the current priorities and needs in an extraordinary variety of country contexts in which the program operates”.
5. In the GEF Business Plan approved by the GEF Council in May 2003, it is proposed that the SGP accelerates its expansion to new countries, with a target of establishing 10 new country programmes each year. As requested by the GEF Assembly, SGP is expected to proactively facilitate SIDS and LDCs applications for participation in the programme and to provide assistance to ensure successful implementation of SGP in these countries. This proposal, coupled with the recommendations of the Third Independent Evaluation, has provided the basis for the SGP to review its strategic directions with a view to expanding its coverage to meet a significantly increased demand for its services.

6. In this context, SGP management has met on two occasions with the GEF Secretariat to discuss the strategic directions of the programme and concrete deliverables for the next three years. Pending the completion of this exercise it was agreed that SGP would submit a “business as usual” replenishment request for Year 6 to the GEF Intersessional Work Programme in February 2004 and, subsequently, at the May 2004 Council, a comprehensive proposal indicating how recommendations of the Third Independent Evaluation would be addressed and containing deliverables and benchmarks for a three-year period. A supplementary budget for year 6 would be presented along with this document to meet any additional costs associated with the proposed deliverables. In order to maintain the “rolling” financial modality of the programme and in accordance with previous practice, SGP will submit the replenishment request for year 7 to the November 2004 Council.
7. The workplan for SGP activities in year 6 is presented in Section III and the indicative budget for SGP operations in Year 6 is found in Section IV.
8. **Table 1** below summarizes basic information on SGP implementation since its inception in 1992.

Table 1: SGP at a glance

Phase	GEF Funding (million US\$)	Actual Co- financing in cash (million US\$)	Actual Co- financing in kind (*) (million US\$)	Number of Participating Countries	Number of Grants
Pilot Phase 1992-96	18.0	5.9	NA	42	563
Operational Phase I 1996-98	24.0	5.4	NA	53	896
Operational Phase II 1999- ongoing					
• Year 1 & 2	31.6	24.3	7.3	58	785
• Year 3	22.8	19.2	8.4	63	795
• Year 4	20.7	4.5	6.4	64	878
• Year 5 (**)	26.9	8.6	8.5	73	537
Cumulative OP II	102.0	56.6	30.6	73	2,995
Cumulative since 1992	144.0	67.9	30.6	73	4,454

(*) Information on in kind co-financing is not available for the Pilot and First Operational Phases. SGP started recording in kind co-financing from mid-1999 when the database was designed and made operational.

(**) It should be noted that at the time of reporting Year 5 is still ongoing. Figures are likely to increase with respect to cash and in kind cofinancing and number of projects.

II. RESULTS OF IMPLEMENTATION OF YEAR FOUR OF THE SECOND OPERATIONAL PHASE OF THE GEF SMALL GRANTS PROGRAMME AND PROGRESS MADE ON YEAR FIVE DELIVERABLES.

9. The SGP Project Document and its logical framework for the second operational phase contain a number of benchmarks and indicators designed to help track progress in meeting the recommendations of the 1998 evaluation. SGP has reported to the Council on an ongoing basis since 1999 and has proposed adjustments to its programme work on a yearly basis to reflect emerging issues and trends. These include, among others, progress in grant-making, resources mobilization, monitoring and evaluation, mainstreaming the SGP approach, and capacity building.
10. **Tables 2 and 3** below include the agreed deliverables for years 4 and 5, the indicators identified for measuring performance, and the actual results achieved. It should be noted however, that for year 5, the results presented are only partial given that the end of the period is February 2004 and this report was prepared in December 2003. Furthermore, most of the information given for year 5 summarizes national semi-annual progress reports as at August 2003.
11. A narrative report follows the tables to provide additional detail on activities and results.
12. The SGP Global Manager, Ms. Sally Timpson, retired at the end of 2002. The position was widely advertised during the last quarter of 2002 and over 150 applications were received and reviewed. The new Global Manager, Mr. Delfin Ganapin (Philippines) was appointed in February, and took his position in April 2003.

Table 2: Deliverables for Year 4 of the Second Operational Phase and Implementation Results

	Deliverable	Indicator	Result
1	SGP Third Independent Evaluation and results dissemination	Evaluation completed, printed, translated and disseminated	Evaluation report completed, translated into French and Spanish, and available to the public in the SGP website. Report distributed to Council members at the November 2003 meeting.
2	Raising SGP visibility at WSSD and contribute information on SGP to the GEF Assembly	a) Participation in PrepComs and WSSD b) Participation in GEF Assembly	a) Side events in Kenya and Phnom Penh; Participation in Prepcoms in NY and Indonesia, including site visits to 2 SGP projects by delegates and journalists. Participation in WSSD, including featuring the SGP in the UNDP Virtual Exhibit b) Participation in GEF Assembly, including an SGP booth/exhibit; distribution of large number of country materials; launch of the SGP 10 Year report by GEF CEO and Chairman; organization of a side event with participation of the UNDP Administrator; participation in the GEF NGO Network side event.
3	Expand activities to 5 new countries	a) Consideration of country applications b) Appraisal and start up of SGP implementation	a) 14 country applications received and reviewed b) Start up of programme implementation in Niger. Planning for appraisal mission to Nicaragua and the Pacific Islands. Start up missions for additional countries postponed to 2003 (see Table 3, deliverables for year 5). <i>Given the retirement at the end of 2002 of the SGP Global Manager and the forthcoming GEF Second Assembly it was decided that further new country decisions would be made when the new management was in place.</i>
4	Fit with GEF Strategy and Operational Programs	<ul style="list-style-type: none"> • SGP Strategic Framework revised to reflect new OPs • Country Programme Strategies revised to reflect OP11, 12, 13 and guidance on POPs, and to incorporate 	<ul style="list-style-type: none"> • Addendum to the Strategic Framework with guidance on OP11, 12 and 13; Preparation and dissemination of initial guidance on POPs • All Country Programme Strategies revised to include new OPs; Recommendations of Biennial

		<p>recommendations of Biennial Programme Reviews</p> <ul style="list-style-type: none"> Country Programme Strategies of new countries fit SGP Strategic Framework 	<p>Programme Reviews incorporated as relevant;</p> <ul style="list-style-type: none"> Country Programme Strategy for Niger reviewed and approved for compliance with GEF guidelines
5	Mobilization of non-GEF resources for baseline activities	<ul style="list-style-type: none"> \$11 million in cash (cumulative target as at end of year four: \$38 million¹) \$11 million in kind (cumulative target as at end of year four: \$38 million) 	<ul style="list-style-type: none"> \$48 million in cash. <i>Records on co-financing are kept cumulatively for the second operational phase to simplify data management.</i> \$22 million in kind (<i>in kind contributions are underestimated because a standard method for their measurement and recording needs to be developed and agreed upon</i>)
6	Functional links with GEF wide initiatives	<ul style="list-style-type: none"> 5 SGP projects scaled-up to medium-sized projects or PDF A approved to prepare an MSP On average each country programme should have 1 project with links to a full GEF project At least 15 countries include GEF National Focal Points in the SGP National Steering Committee 	<ul style="list-style-type: none"> 3 Projects scaled-up in Philippines, Belize (PDF-A approved) and Uganda; 4 proposals in preparation Country programmes reported 108 specific linkages between SGP projects and MSPs and full GEF projects during year 4. As of December 2003, 21 country programmes include the GEF National Focal Point or his/her delegate in the National Steering Committee
7	Implementation of SGP monitoring and evaluation strategy	<ul style="list-style-type: none"> SGP database up to date Every country programme submits timely semi-annual reports Participatory evaluations of every completed project 25 Programme Biennial Reviews 	<ul style="list-style-type: none"> Database maintained by all countries Two semi-annual reports received for each operational country programme 155 participatory final evaluations were conducted during year 4. 14 Biennial Programme Reviews completed (<i>the target of 25 BPRs could not be met given the additional workload at the global and country level</i>)

¹ The GEF Council instructed SGP to mobilize co-financing (of which 50% in cash and 50% in kind) to match GEF resources in the Second Operational Phase. SGP therefore tracks resources mobilized and reports to the Council annually on cumulative cofinancing results for the second operational phase.

		<ul style="list-style-type: none"> • Publication with summary of SGP's contribution to achieving global environmental benefits 	<p><i>due to the Independent Evaluation process)</i></p> <ul style="list-style-type: none"> • Publication "Hands-On Action for Sustainable Development 1992-2002"
8	Programme sustainability and further decentralization of responsibilities	<ul style="list-style-type: none"> • Overall assessment of current experience in NGO hosting of the programme. Based on results of assessment SGP may: <ul style="list-style-type: none"> a) Increase the number of country programmes hosted by a national NGO or Environmental Fund b) Delegate full responsibility of country programme implementation to at least one host NGO, including grant administration c) Revise SGP Operational Guidelines to reflect new guidance on host NGO arrangements 	<ul style="list-style-type: none"> • Assessment of host NGO arrangements completed; Results used in finalizing NGO hosting agreement with Namibia Nature Foundation; <ul style="list-style-type: none"> a) Namibia became the 9th SGP country hosted in a national NGO. The Namibia Host Agreement will be used as a best practice for future host NGO arrangements b) Pilot experience delegating full implementation responsibility (including grant funds management) to Domnic Save the Children Fund in Dominica. c) SGP Operational Guidelines contain adequate guidance on host national institution arrangements
9	Capacity building at country and community levels	<ul style="list-style-type: none"> • At least two stakeholder workshops in each country during the year • Ongoing partnerships in at least 15 countries with capable NGOs, EFs, universities or research institutions to support capacity building of grantees • Ongoing electronic chat room on capacity building 	<ul style="list-style-type: none"> • 289 stakeholder workshops took place during year 4. • In addition to 9 host NGO agreements for SGP country programmes, 5 NGOs are hosting the COMPACT programme at a similar number of World Heritage Sites, and 8 countries reported partnerships with academic institutions and NGOs for capacity building • The SGP-xchange was used for an e-discussion among National Coordinators on capacity building during the period July-September 2003. 38 NCs were active in the discussion.
10	Communications and outreach	<ul style="list-style-type: none"> • At least 4 projects per year receive media coverage in each country 	<ul style="list-style-type: none"> • 663 projects featured by local, national and international media during year 4.

		<ul style="list-style-type: none"> • Meaningful participation of SGP in at least 2 global conferences • At least one publication at the global programme level 	<ul style="list-style-type: none"> • In addition to WSSD and related meetings SGP participated in the CBD COP6 in April 2002 and in the Bishkek Global Mountain Summit in October 2002. • SGP provided information to the GEF Secretariat for the GEF report to the CBD COP and for the “High Priorities, GEF’s Contribution to Preserving and Sustaining Mountain Ecosystems”. • Publication “Hands-On Action for Sustainable Development 1992-2002 • 4 Country programmes produced publications for SGP’s anniversary including Philippines, Uganda, Peru and Ecuador. These were distributed at the CBD COP, WSSD and GEF Assembly
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Table 3: Deliverables for Year 5 of the Second Operational Phase and Implementation Results as at 31 December 2003

	Deliverable	Indicator	Results
1	SGP Third Global Workshop	Workshop held and report available	Workshop held in Nairobi, Kenya, May 23-30, 2003 (workshop report attached as Annex 1.)
2	Expansion to 5 new countries	Appraisal missions held Start-up of programme implementation	Appraisal missions to the following countries and/or regions: Colombia, Jamaica, Mozambique, Nicaragua, South Pacific, Rwanda, Yemen. <i>Mission to Romania has already been organized by the UNDP CO for the last week of January 2004.</i> Programme start up in following 8 countries: Colombia, Fiji, Jamaica, Mozambique, Nicaragua, Rwanda, Samoa and Yemen. (As agreed in the workplan of years 4 and 5, 10 new countries have been added: Niger in 2002, 8 in 2003 and Romania before the end of year 5)
3	Lessons learning through thematic portfolio reviews, and exchanges between countries and relevant international organizations	No indicators identified	Thematic review on beekeeping and biodiversity for the Meso-American region organized. A global exchange on the same topic will follow in 2004 with UNF resources. Thematic review on World Heritage Site community conservation conducted (publication entitled Partnerships for Conservation, Community Innovations in a Landscape Context “ being finalized). Three-days exchange among 6 countries carried out in June 2003 at Mt. Kenya. Thematic review of renewable energy and energy efficiency projects completed. 50 case studies, plus overall climate change portfolio review findings published and launched at UNFCCC COP9. E-discussion on turtle conservation projects

4	Project ex-post evaluations	<p>a) Development of methodology</p> <p>b) Preparation of national institutional agreements to carry out evaluations</p>	<p>a) Draft methodology prepared</p> <p>b) In preparation</p>
5	Assessment of staffing arrangements and country operational budgets	<p>a) Review of current staffing arrangements</p> <p>b) Analysis of operational budgets</p>	<p>a) A review of staffing arrangements has been completed. Changes will be effected as soon as further assessment of financial implications is carried out</p> <p>b) All country operational budgets reviewed and approved for year 5.</p>
6	Fit with GEF Strategy and Operational Programs	<ul style="list-style-type: none"> • SGP Strategic Framework revised to reflect decisions of GEF Assembly, as relevant • Revised SGP Logical Framework to enhance indicators system considering recommendations of Third Independent Evaluation • Country Programme Strategies revised, as appropriate • Country Programme Strategies of new countries fit SGP Strategic Framework 	<ul style="list-style-type: none"> • Process for revised SGP Strategic Framework started by requesting country feedback on current version and by integrating OP14 and 15. Inputs from country programmes received. • A new SGP Logical Framework will be developed upon agreement by GEF Sec. and GEF Council on strategic directions for the next 3 years • 15 countries have revised Country Programme Strategies, however, additional revisions will be necessary upon completion of new Strategic Framework • Country Programme Strategies of new countries have been reviewed by CPMT for conformity with Strategic Framework but a revision will be necessary as explained above
7	Mobilization of non-GEF resources for baseline activities	<ul style="list-style-type: none"> • \$13.5 million in cash (cumulative target for the second operational phase at end of Year five: 51.1 million) • \$13.5 million in kind (cumulative target for the second operational phase at end of year five: 51.1 million) 	<ul style="list-style-type: none"> • In cash co-financing mobilized (cumulative for the second operational phase): \$56,550,732 • In kind co-financing mobilized (cumulative for the second operational phase): \$30,553,076 (<i>see explanation in Table 2</i>)

8	Functional links with GEF wide initiatives	<ul style="list-style-type: none"> • 5 project proposals to scale-up SGP projects to MSPs • On average each country programme should have at least 1 project with links to a full or MSP GEF project • Continued participation in CDW 	<ul style="list-style-type: none"> • 2 projects up-scaled to GEF MSP and 2 proposals scaled up with Tourism Trust Fund of the EU in Kenya; 1 PDF A approved and 12 projects in preparation • 38 SGP projects with linkages with MSP and full-size projects reported in first semester of year 5 • Micro-grants component of UNDP/WB Nile Basin Initiative fully adopted SGP procedures and Operational Guidelines. SGP will execute the micro-grants component in Egypt, Kenya, Uganda, and Tanzania. • Linkages established with STAP for knowledge management; • Linkages established with UNEP for collaboration on cultural and biological diversity, indigenous peoples issues, and for technical support on aerial surveys and environmental assessment; • SGP involved in all CDW workshops in participating countries
9	Implementation of SGP monitoring and evaluation strategy	<ul style="list-style-type: none"> • SGP database enhanced and up to date • Every country submits timely semi-annual reports • Participatory evaluations of completed projects • Four ex-post evaluations per country 	<ul style="list-style-type: none"> • Database 95% up-to-date • 92% of semi-annual reports received for first semester. Next reports due in February 2004. Timeliness and quality of reporting assessed in yearly staff performance evaluation • 153 final participatory evaluations completed in first semester of Year 5 • Ex-post evaluation process in preparation. Actual evaluation will be conducted in 2004. <i>(The process needs careful planning and an agreed methodology to produce good quality results,</i>

		<ul style="list-style-type: none"> • 25 Biennial Programme Reviews • Analysis of the SGP grant portfolio in the biodiversity focal area 	<p><i>therefore, it has been decided to conduct a pilot application of the methodology before full implementation of the 136 evaluations)</i></p> <ul style="list-style-type: none"> • 6 Biennial Programme Reviews completed during the first semester of year 5 • Criteria for the portfolio review developed and agreed upon. 3,000 + biodiversity projects have been reviewed and classified in a matrix by CBD objective, CBD Article, GEF Strategic Objective, Operational Program, Ecosystem Type, biodiversity significance, main threat addressed, main stakeholders (including indigenous groups), approach, type of intervention, species targeted, interlinkages with other MEAs, and immediate local benefits (including relation to the MDGs).
10	Programme sustainability	Implementation of the recommendations of the assessment of NGO hosting arrangements	SGP in Colombia to be managed by Ecofondo, the national environmental fund. Lessons being applied in host agreement.
11	Capacity building at country and community levels	<ul style="list-style-type: none"> • At least 3 stakeholder workshops in each country • Ongoing partnerships in at least 15 countries with NGOs, EFs, universities or research institutions to support capacity building of grantees • Involvement of NSC members with expertise on climate change in identifying best practices and lessons and in exchange between country programmes 	<ul style="list-style-type: none"> • 81 Stakeholder workshops as of August 2003 • 18 partnerships for capacity building reported during first semester of year 5. • 4 NSC members (Burkina Faso, Kenya, Turkey, and Guatemala) participated in the SGP Global Workshop; 2 NSC members (Guatemala and Turkey) part of the team developing methodology for ex-post evaluations; NSC members of several countries involved in climate change case studies.
12	Communications and outreach	<p>On average 4 projects per year receive media coverage in each country</p> <p>Meaningful participation of SGP in at least 2 international conferences</p>	<ul style="list-style-type: none"> • 301 radio, TV and newspaper stories about SGP projects and activities at the national and international levels. • Presence in World Water Forum and meaningful participation at World Parks

		<p>Inputs to GEF wide publications</p> <p>Publication of the Climate Change portfolio analyses</p>	<p>Congress, UNCCD COP6, and UNFCCC COP 9. Preparations for CBD COP7 are underway.</p> <ul style="list-style-type: none"> • Contributions to GEF Publications: 1) <i>Picturing the GEF, A Decade of Action for the Global Environment</i>; 2) GEF report to CBD COP7; 3) GEF report to UNFCCC COP9; 4) <i>Making a Visible Difference in Our World</i> • <i>Community Action to Address Climate Change: Case Studies Linking Sustainable Energy Use with Improved Livelihoods</i> (128 pages, 50 case studies) • <i>Responding to Climate Change, Generating Community Benefits. A review of Community Initiatives supported by the Global Environment Facility Small Grants Programme 1992-2003.</i> (68 pages) • Special Choices Magazine Supplement for the World Parks Congress 2003.
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13. Below is a narrative report on progress made in programme implementation and in achieving the deliverables planned for year 4 and 5 of the second operational phase.

Grant-making

14. At the end of December 2003 SGP's grant portfolio was comprised of 4,454 projects, of which 2,994 approved during the Second Operational Phase. This represents 1,283 new projects since the last reporting period (May 2002). The total value to GEF of the SGP second operational phase project portfolio is \$60.7 million. The total resources made available by GEF for grants in the first 4 years of the second operational phase were \$52.3 million, therefore, available grant resources up to year 4 have been fully utilized and \$8.4 million out of the \$18.2 million grant allocation for year 5 (almost 50%) have been reported as committed in the database. The above indicates that SGP is well on track to fully utilize grant funds before the end of the period (February 2004) given that there is always a time gap between signature of grant agreements and recording of information in the database.
15. The composition of the portfolio remains quite stable in terms of distribution among GEF focal areas, i.e. roughly 65% biodiversity, 20% climate change, 6% international waters and 9% multiple focal areas. The Third Independent Evaluation found that *"the high quality and variety of SGP climate change projects are one of the highlights of the second operational phase, with the better projects building policy development considerations into their initial design stage"*.

SGP Third Independent Evaluation

16. The objectives of the Third Independent Evaluation were to examine progress and results in program implementation during the second operational phase (1998-2002), measured against the specific objectives set forth in the Project Document and the benchmarks established by the GEF Council in 1998. The evaluation was also to assess the extent to which the recommendations of the 1998 evaluation had been addressed and whether as a consequence program performance and results had been strengthened. Lessons learnt and best practices were to be identified and recommendations to be offered to enhance SGP's performance and impact. The terms of reference for the SGP evaluation were presented to the GEF Council at its May 2002 meeting. The evaluation was a complex exercise involving four international consultants supported by local consultants in each of the 12 countries visited². The Monitoring and Evaluation Unit of UNDP provided overall guidance to the process. The evaluation was based on an extensive review of documents, access to the SGP database, and interviews with a variety of stakeholders at the global and national levels. Initiated in May 2002 and completed in April 2003 the evaluation has been very useful to identify strengths and best practices and to highlight opportunities to improve SGP's effectiveness and impact. The recommendations of the Independent Evaluation will be pivotal to the SGP strategic vision and work plan for the next three years to be submitted for Council consideration in May 2004.

² Countries visited as part of the SGP Third Independent Evaluation: Cote d'Ivoire, Guatemala, India, Lithuania, Peru, Tanzania, Thailand, Trinidad and Tobago with Suriname (a two country programme), Tunisia, Turkey and Vietnam.

17. The full report of the SGP Third Independent Evaluation was presented to the GEF Council at its meeting in November 2003. The report has been translated into French and Spanish and is available to the public at the SGP website (www.undp.org/sgp).
18. The overall findings of the SGP Third Independent Evaluation were positive, confirming that the programme made significant progress in addressing the shortcomings identified in the 1998 evaluation. Among other positive achievements, it highlighted the climate change project portfolio for its innovation and quality.
19. The Team leader of the Independent Evaluation made a comprehensive presentation of findings to SGP National Coordinators gathered at the Global Workshop in Nairobi in May 2003 (see paragraph 64). The Coordinators had an opportunity to review the recommendations of the evaluation and brainstorm on modalities of implementation.

Raising SGP visibility at WSSD and contribute information Second GEF Assembly

20. The World Summit on Sustainable Development (WSSD) was identified as a key occasion to highlight SGP as one of the relatively few programmes which can show solid sustainable development achievements since Rio and also as an opportunity to mainstream the SGP approach and objectives into the global sustainable development agenda. SGP participation in the WSSD preparatory process and summit were therefore identified as key benchmarks in the work plan for year 4 of the second operational phase.
21. Given the limited budget for non-grant expenditures SGP relied much on other funding sources and on “friends of SGP” whose participation in various events was financed from other sources. Through this approach SGP achieved significant visibility in the regional and global preparatory conferences (Prepcoms) and in the WSSD itself. SGP organized side events in Kenya and Phnom Penh and jointly with other UNDP small grants programmes participated in the global prepcoms (2 & 3) in New York to highlight the importance of community-level action and the unique mechanisms that facilitate reaching the grassroots level. At Prepcom 2 SGP organized a panel and installed an exhibit in the hall of the UN General Assembly building. An SGP grantee presented a successful renewable energy project during a side event. At Prepcom 3 the Egypt SGP National Coordinator was an official representative of civil society organizations in the Multistakeholder Dialogue sessions. At Prepcom 4 in Bali, the SGP host NGO in Indonesia secured a grant from the Ford Foundation to organize an SGP panel. The side event dubbed “Green Call” was opened by the Indonesian Minister of Environment. Other panelists included a representative of the GEF Secretariat, the Chairs of the SGP National Steering Committees of Philippines and Egypt and a representative of GROOTS, an international NGO. The GEF Secretariat provided funding for a site visit of about 40 people, including delegates and journalists, to two SGP supported projects in Bali.
22. At WSSD, SGP co-sponsored the “Community Kraal” where panels and workshops showcasing successful community initiatives were presented and discussed during the Summit. Two SGP grants (Kenya and Costa Rica) were awarded a prize by the Equator Initiative.
23. A number of communications materials were developed such as a mobile exhibit, and the photo-library of SGP. SGP was featured in the “virtual exhibit” organized by UNDP for WSSD. After the Summit, journalists visited the SGP country programme in Botswana and a number of interviews with SGP grantees were recorded for a UN radio programme later on translated into several languages.

24. A major outcome of WSSD's visibility of community-based interventions was the recognition by the UNDP Administrator that sustainable development will be achieved community-by-community. This is an important departure from the previous perception that UNDP's focus should be rather the national and global policy level. Recognizing the micro-macro linkages is essential to secure broader agency and donor support for SGP-type interventions at the grass roots level.
25. At the Second GEF Assembly in Beijing, SGP set up an exhibition booth which was featured in the national news (TV and newspapers). The GEF Chief Executive Officer and Chairman launched the publication prepared on the occasion of the 10th anniversary of SGP: "Hands-on Action for Sustainable Development, 1992-2002". A side event showcasing SGP activities in Pakistan, Kenya, Dominican Republic and the Philippines was chaired by the UNDP Administrator. In this event UNEP presented the impact of the SGP/UNEP partnership for the conservation of Mt. Kenya World Heritage Site under the COMPACT initiative. The aerial surveys conducted with the Kenya Wildlife Service confirm that illegal logging activities and other destructive practices have been dramatically reduced over the last three years and that forest cover has increased in degraded areas around the mountain. SGP also participated in the side event organized by the GEF NGO Network. The Network representative from Central America prominently featured SGP contribution in the region.

Expansion to new countries

26. The targets for SGP expansion were five new countries in Year 4 and five countries in Year 5. During 2002, 14 country applications for participation in the SGP were received and reviewed. Niger with a fairly advanced application process was accepted for participation and activities to start up the programme were undertaken. Niger became the 64th country participating in the SGP and is now fully operational.
27. Several consultations to identify effective ways to establish the programme in the Pacific took place during the year. SGP management met with the UN Ambassadors of Fiji and Samoa in New York and also with the UNDP Bureau for Asia and the Pacific to prepare a comprehensive mission to review past experiences in managing small grants programmes in Pacific SIDS and assess opportunities and constraints for SGP operations in these countries. The Governments of Australia and New Zealand were also contacted to seek their participation in the mission and explore co-financing possibilities. The UNDP country offices in Fiji and Samoa started local stakeholder consultations in both countries as well as in Vanuatu and Micronesia. International NGOs operating in the region were also contacted.
28. The appraisal mission took place in April 2003 led by the former SGP Global Manager. The mission involved UNDP country offices, UNV staff, international NGOs and donors in the region, carried out consultations with national governments, national NGOs and other NGO environment and development initiatives, and tackled a number of complex issues that have been identified as barriers for the cost effective operation of regional small grants initiatives in SIDS. The results of the mission were positive and it was decided that a combination of national and regional SGP programmes would be established over the next few years, adopting the most adequate management structure that would suit the individual islands' needs and circumstances. Fiji and Samoa have started the establishment of national country programmes and will serve as pilot experiences in the Pacific with a view to considering additional country or regional applications the following year. The Federated States of Micronesia submitted an application for

SGP participation and – in accordance with the agreements reached during the appraisal mission – will be considered during Year 6 of the second operational phase.

29. During year 4, consultations also took place with Nicaragua and Yemen with a view to ascertain the feasibility to start up the programme. It was agreed that an appraisal mission was necessary before a final decision could be made. The appraisal missions were planned for 2003 given the imminent changes in SGP management and to take into account decisions of the GEF Second Assembly.
30. During year 5, appraisal missions to the following regions/countries took place: Pacific Island States, Colombia, Jamaica, Mozambique, Nicaragua, Rwanda, and Yemen. An appraisal mission to Romania is scheduled at the end of January 2004, completing 10 new countries, i.e., a total of 73 active SGP country programmes by the end of year 5. In accordance with the instructions of the GEF Assembly, SGP has prioritized SIDS and LDCs. Jamaica, Fiji and Samoa are SIDS and Mozambique and Rwanda are LDCs. The list of participating countries and their dates of joining the programme are presented in Annex 2.

Fit with GEF Strategy and Operational Programmes

31. The major activity in year 4 concerning ensuring adherence to GEF strategy and operational programs was to revise the SGP Strategic Framework to incorporate the new GEF Operational Programmes 11, 12 and 13 in grant-making activities. An addendum to the Strategic Framework was prepared in collaboration with the UNDP-GEF Advisors and translated into French and Spanish for dissemination. The addendum facilitated the revision of Country Programme Strategies, which subsequently guided the grantees and NSCs in developing and considering proposals related to the new OPs. SGP seconded the SGP National Coordinator of Malaysia to the UNDP-GEF team developing guidance on Persistent Organic Pollutants. A specific section on potential SGP interventions on POPs was prepared. There is now a growing portfolio of SGP funded initiatives on biodiversity important for agriculture, sustainable transport and integrated ecosystems management. Very few POPs initiatives have been funded, which points to the need to implement capacity development activities for SGP teams and NGOs and CBOs.
32. Following the SGP Third Independent Evaluation and Council approval of OP15 on Sustainable Land Management, SGP is currently undertaking a new revision of its Strategic Framework. Country Programmes have been consulted to obtain feedback on their experience in applying the current Strategic Framework and seeking suggestions to further improve programmatic guidance. In addition to guidance on OP15, the new Strategic Framework will seek to address identified shortcomings, particularly those in the area of International Waters and POPs. Consultations with GEF Secretariat Staff and UNDP GEF Technical Advisors will take place before the end of year 5.
33. The revision of the SGP Logical Framework (a deliverable for year 5) will no longer take place during the period. Instead, it has been decided that, upon endorsement by the May 2004 GEF Council of SGP's strategic direction for the next three years, a new Logical Framework would be prepared. Relevant indicators will be identified to ensure effective and meaningful reporting.

Mobilization of non-GEF resources for “baseline” activities

34. Information in the database indicates that as of December 2003 the level of cumulative cash co-financing leveraged by the programme during the second operational phase is \$56.6 million and the in kind co-financing is \$30.6 million (see **Table 1**). The cumulative targets at the end of year 4 were \$38 million in cash and \$38 million in kind, therefore, cash co-financing targets have been met while in kind co-financing is still below expectations. The cumulative targets for year 5 of the second operational phase are \$51.5 million in cash and an equal amount in kind. This means that SGP is about \$5 million above the cash co-financing targets and about \$29 million below the in kind co-financing targets. The Third Independent Evaluation highlighted that standard methods for the identification and measurement of in kind contributions need to be selected and applied in the next period. There is evidence that many important in kind contributions to SGP are currently unrecognized and unrecorded. It should, however, be noted that in kind contributions increased by \$15 million during year 4 and 5 of the second operational phase which seems to reflect a greater awareness by National Coordinators of the need to account for this type of contributions.
35. Resource mobilization efforts in year 5 have resulted in new or expanded partnerships with a number of organizations. For example, UNF has provided over \$700,000 to support another year of COMPACT operations in 6 World Heritage Sites, fund community exchanges within and across countries and to repatriate the Bongo Mountain Antelope to Mt. Kenya. SGP is currently developing a Memorandum of Cooperation with UNESCO’s World Heritage Centre and the CBD Secretariat for collaboration and joint resources mobilization to expand COMPACT to as many World Heritage Sites as possible. It is expected that a new phase of the programme of about \$3 – 4 million in co-financing to SGP will be operational in 2005. With UNDP funding, SGP is piloting the Community Water Initiative (CWI) in 5 countries. The CWI provided \$300,000 in co-financing to SGP communities carrying out activities in freshwater ecosystems, integrated ecosystem management, and international waters. The Global Mechanism of the UNCCD has set aside \$200,000 for the Community Exchange and Training Programme, which will be administered by SGP on a pilot basis in 2004. If successful, the Global Mechanism will fund raise to expand the size of the programme to co-finance SGP OP15 activities and facilitate community experience exchange on issues related to the UNCCD. More information on these initiatives is presented in the section below.

Functional links with GEF wide initiatives and other development and environment programmes

36. A major result of activities to encourage linkages with GEF wide initiatives is SGP’s participation in the Nile Basin Initiative. The GEF UNDP-WB Nile Basin Initiative has adopted SGP Operational Guidelines and approaches to implement an \$11 million micro-grant component. SGP has been asked to administer the micro-grants component in Nile Basin countries where it is currently operating (Egypt, Kenya, Uganda, Tanzania and now possibly Rwanda) and to ensure adequate linkages are established with the Ethiopia and Sudan. SGP is also participating in the discussions concerning the development of the Niger Basin Authority project. This may lead to another basin-wide partnership to implement a micro-grants component.
37. SGP has sought to develop linkages with STAP in its knowledge management efforts. A representative of the STAP Secretariat attended the SGP Global Workshop in Nairobi and made a presentation on STAP’s work plan and short-term objectives. This was followed by a presentation by the Global Manager STAP’s last meeting of SGP knowledge management activities, mainly

the results of the climate change portfolio review and the process designed to review the biodiversity portfolio.

38. The SGP Global Manager had a meeting with the Executive Director of UNEP to explore areas of cooperation. The promotion of linkages between cultural and environment with emphasis on indigenous peoples and biodiversity has been identified as a promising area of collaboration. A joint side event at CBD COP 7 is being planned. UNEP also pledged to continue making available its expertise on aerial surveys and environmental assessment for the expanded operation of COMPACT. The UNEP Deputy Executive Director attended the inaugural session of the SGP Global Workshop and UNEP GEF staff contributed to several sessions.
39. The number of GEF National Focal Points participating in SGP National Steering Committees has also increased. SGP semi-annual reports as of December 2003 indicate that 21 country programmes include the GEF National Focal Point or his/her delegate in the National Steering Committee.
40. SGP semi-annual report formats include a section to describe linkages between SGP interventions and full and medium sized GEF projects. Country programmes reported 108 specific linkages between SGP projects and MSPs and full GEF projects during year 4. In the first semester of year 5 another 38 linkages were described. The nature of these linkages varies but the following examples can illustrate the increasing relevance of SGP activities to wider GEF interventions: In Pakistan, two projects supporting the conservation of the Indus Blind River Dolphin have linkages with the PDF-B Protection and Management of Pakistan Wetlands project. SGP project areas have been identified as top priority sites for wetland conservation in the larger project. In Kenya, the SGP Eco-tourism projects at Kakamega and Arabuko Sokoke Forests are both contributing to the objectives of the GEF Important Bird Areas project. In Kazakhstan, SGP grantee conservation methods for wild apple trees will be used by the UNDP/GEF In situ Conservation of Kazakhstani Mountains Agrobiodiversity full size project.
41. The semi-annual reports of the last three semesters indicate that 4 SGP projects were up-scaled to MSPs and 2 PDF-A were approved for project preparation. For example, a PDF A was approved to scale up the SGP Katonga Wetlands Conservation Project to an MSP "Community Based Conservation of Wetland Biodiversity in Uganda" to be executed by IUCN with a consortium of local NGOs. In Pakistan, the SGP project on Conservation of Biological Diversity with Community Development was up-scaled to an MSP entitled Conservation of Habitats and Species of Global Significance in Arid and Semi-arid ecosystems Through Community Based Management in Balochistan. Up-scaling of SGP interventions is also happening with other national or international resources. For example, the Uganda Black Rhino reintroduction recently received a contribution for \$500,000 to continue activities initiated with an SGP grant. In Kenya, two projects were up-scaled with resources of the Tourism Trust Fund of the EU. The Eco-tourism project in Nakunga Lake and a project on crab farming received each \$400,000 for up-scaling.
42. SGP continues to participate in all CDW organized in countries with existing SGP operations.
43. As mentioned above, UNDP's Community Water Initiative recently launched at the World Water Forum in Kyoto has decided to adopt SGP procedures and approach. A pilot phase has been initiated with Swedish funding in Guatemala, Kenya, Mauritania, Tanzania, and Sri Lanka and will be implemented through the SGP mechanism providing co-financing for baseline activities in water and sanitation.

44. The COMPACT programme – an SGP pilot programme funded by the United Nations Foundation – has also been adopted by the UNESCO World Heritage Centre as a best practice to enhance community based participation in World Heritage Site management and conservation.
45. The EC SGP to Promote Tropical Forests (PTF) in Asia (\$15 million) which fully adopted SGP procedures and approaches continues operations in the initial 4 countries (Pakistan, Philippines, Thailand, and Vietnam) and is expanding to Indonesia, Malaysia and Sri Lanka. It recently conducted its first regional workshop involving SGP and PTF staff, EC delegations, and UNDP staff.

Implementation of SGP monitoring and evaluation strategy

46. The SGP database continues to play an important role in programme management. Progressively it is also becoming a tool for knowledge management, for example to assess project portfolio composition and trends. The climate change portfolio review conducted during year 4 has allowed the programme to better understand the opportunities and limitations of expanding the database contents qualitatively and quantitatively. In terms of database enhancement it has been agreed that an off-line tool will be developed to allow SGP programmes based in countries with deficient Internet connectivity to enter information off line and then upload the information to the web in one operation. A new field will be added to enter project outputs and results. So far project information is entered in the system at the time of project approval and therefore does not reflect project results. Unfortunately, given the limitation in human resources at the national level and the high number of existing projects (almost 5000 at the time of reporting) it will not be possible to enter project results retroactively. The results of 136 ex-post project evaluations to be conducted in Year 6 (see paragraph 65) will be entered into the database as they become available. It should be noted that data and information management at the global levels will remain a challenge given the SGP decentralized approach and the multitude of languages involved in project documents and M&E outputs.
47. The climate change portfolio review provided an interesting overview of the composition and trends of SGP projects in this area. It also helped map the type of interventions per region, country and sector, and to identify the end-uses of renewable energy initiatives. A publication on the findings of the review was launched at UNFCCC COP9. The portfolio review also led to the identification of a series of projects that deserved more in-depth analysis. Fifty case studies have now been completed highlighting innovative technology demonstrations, interesting financial mechanisms tested, and local and global environmental benefits achieved. The case studies are summarized in a publication entitled “Community Action to Address Climate Change: Case Studies Linking Sustainable Energy Use with Improved Livelihoods”. Interestingly, the Sustainable Energy Group of UNDP helped finance the preparation of the case studies as SGP is increasingly recognized as a source of information and experience for other UNDP programmes and projects.
48. The biodiversity portfolio review is now under implementation. A comprehensive matrix has been designed to enable the categorization of SGP biodiversity interventions, and 4 interns have completed the first analysis of information contained in the database for over 3000 biodiversity projects in the portfolio. The expected outcome of the review is a complete overview of the ecosystems and species targeted by SGP interventions, and the variety of approaches used for reducing biodiversity threats. The review will encompass policy, regulatory and economic measures tested by SGP projects. It is expected that a number of case studies and more in-depth analysis will be conducted as a follow up to the review given that the process to categorize the

projects will lead to the identification of innovative or unique interventions that may be replicated in other communities or countries.

49. Generally, National Coordinators continue to effectively conduct monitoring and evaluation activities as required in the M&E Framework. Year 4 semi-annual reports indicate that 155 projects completed final participatory evaluations. During the first semester of year 5, 153 projects have carried out final evaluations. Such evaluations identify and document lessons learnt that are applied by National Coordinators and NSC members when approving new projects, enhancing the new generation of projects. It should be noted that SGP also monitors the application of lessons through its M&E system.
50. Comprehensive biennial programme reviews have been conducted in 20 countries during the last three semesters. This is below the planned target of 25 per year but given the complex process of organizing and conducting the SGP Third Independent Evaluation, the biennial programme review target was not realistic.

Programme sustainability and further decentralization of responsibilities

51. The key benchmark concerning programme sustainability was the implementation of a review of SGP's experience with host NGO arrangements. Currently there are 9 such arrangements and the experience has been mixed. The review, although identifying a number of measures that can enhance administrative arrangements, concluded that each NGO arrangement needs to be worked out on a case-by-case basis. An agreement was reached with the Namibia Nature Foundation to host the recently established programme in Namibia and lessons learnt from previous agreements were applied. The Namibia NGO contract is now used as a best practice. Colombia, a new participating country, will host SGP in Ecofondo, the National Environmental Fund.
52. The Third Independent Evaluation – which included 3 countries with host NGO arrangements – concluded that UNDP country offices would continue to be the best structure to host the programme for the foreseeable future. It should be noted that SGP host NGO arrangements have also been used in 5 out of 6 COMPACT initiatives. Unfortunately, given changes in senior management of the COMPACT host NGO in Belize, this arrangement was recently terminated and responsibility returned to the SGP National Coordinator and UNDP country office.
53. In accordance with Year 4 work plan, SGP tested increased delegation of financial management authority to an NGO. An NGO in Dominica is providing host services to the Local Coordinator of SGP COMPACT programme. Given the regional coverage of the SGP Eastern Caribbean programme it was felt that a host NGO arrangement would enhance project execution services locally and minimize delays in funds disbursements both for operational and grant activities. This experience, although overall positive, when combined with the results of the NGO hosting arrangement review, reaffirmed the need to conduct substantive training before delegation of responsibility to the NGO. The increased staffing in UNOPS and CPMT will enable the programme to conduct the above-mentioned training.
54. The SGP PTF initiative is hosted by SEARCA, a regional non-governmental organization in Los Banos, Philippines. So far the experience has been satisfactory.

Capacity building at country and community levels

55. The benchmarks concerning capacity building included the implementation of at least two stakeholder workshops in each country, partnerships with capable institutions (among others NGOs, Environmental Funds and research institutions) to support capacity building for grantees, and an ongoing electronic chat room on capacity building. Expectations were greatly exceeded by SGP activities. During year four, 289 stakeholder workshops covered many topics and capacity development needs of communities. During the first semester of year five, 81 workshops have taken place. Issues addressed by these workshops include project development, financial management and reporting, capacity building in the GEF Focal Areas, and many other specific topics such as certification and eco-tourism.
56. SGP has promoted capacity building partnerships with a myriad organizations in over 50 countries. During the last semester, 18 new partnerships were reported. COMPACT is an outstanding example as reflected in the ongoing assessment of results of this programme. A partnership between SGP and the Chair for Sustainable Development of the Mohamed V University in Morocco is currently expanding to include many other organizations in this country to provide capacity building in GEF Focal Areas. The proposal is being developed as a pilot for the Cross-cutting Capacity Building GEF Initiative. The UNCCD Community Exchange and Training Programme will enable SGP to strengthen capacity building related to land degradation and desertification.
57. The proposed chat room on capacity building took the form of an e-discussion through the SGP-exchange. Activities started by requesting country programmes to highlight successful capacity building activities. Over 40 examples were received and 38 National Coordinators actively participated in the exchange within the period July-September 2003. The purpose was to identify best practices and further determine priority needs in order to focus use of scarce SGP non-grant funds and enhance project proposals on capacity building being approved by NSCs.

Communications and outreach

58. SGP communications and outreach activities in Year 4 were geared towards SGP visibility at the WSSD and the GEF Assembly as described at the beginning of this section. In addition to these two major events, 663 SGP grants were featured in local, national and international media during year 4. SGP also participated in CBD COP 6 in The Hague (April 2002) and in the Bishkek Global Mountain Summit in October 2002. Side events were organized in connection with the above international meetings and publications with programme information distributed.
59. In Year 5, SGP participated in the World Water Forum in Kyoto, the World Parks Congress (WPC) in Durban, South Africa, UNCCD COP 6 in Havana, Cuba in August 2003, and the UNFCCC COP9 in Milan. Preparations for SGP participation in CBD CO7 in Malaysia are underway. The Swiss Government has made a contribution to cover the cost of a field visit by COP delegates to SGP projects in Malaysia.
60. SGP was visible through many publications and events during year 5. For example, UNDP prepared a special insert to the Choices Magazine for WPC featuring SGP COMPACT project in Sian Ka'an WHS in the cover page. The message from the UNDP Administrator to WPC was included in this article. SGP also participated in a special session organized by UNF for experience exchange among projects supporting protected areas management and conservation. At UNCCD COP6, SGP had a prominent role in the Global Mechanism sponsored side event

“Civil Society Initiatives to Combat Land Degradation and Poverty”. Fifteen case studies were presented in leaflets as examples of SGP contribution to manage arid and semi-arid ecosystems while promoting communities’ sustainable livelihoods. At UNFCCC COP9, SGP launched its publication “Responding to Climate Change, Generating Community Benefits” and distributed hundreds of other materials.

61. In year 5, semi-annual reports indicate that 301 radio, TV and newspaper stories about SGP projects have been featured at the national and international levels. A journalist covered a large number of SGP projects in Belize, Bolivia, Brazil, Guatemala, Mexico and Malaysia, and the stories have been featured in the UNDP Newsfront, Choices, and other commercial magazines. The BBC recently featured Ugandan SGP projects as part of a report on the relevance of the UN post Iraq. Two newspapers in Florida featured articles on the reintroduction of the Bongo antelope to Mt. Kenya.
62. The SGP provided inputs to several GEF publications. Examples are: the photo-book “Picturing the GEF, A Decade of Action for the Global Environment”, including the cover photo; the GEF reports to the UNFCCC and the CBD COPs; and the WPC publication “Making a Visible Difference in our World.
63. Country programmes and their partners have prepared hundreds of communications materials showcasing country programmes and specific projects. Semi-annual reports contain an impressive range of communications materials and events, including activities to celebrate UN Day, World Environment Day and Earth Day.

SGP Third Global Workshop

64. A key deliverable for year 5 was the organization of the SGP Third Global Workshop. The full report of the Workshop is attached as Annex 1. Almost 100 participants gathered in Nairobi, Kenya in June 2003 and participated in field visits for lessons learning around Mt. Kenya. For the first time among workshop participants were one NSC member per region and 8 SGP programme assistants. The workshop was an opportunity to update staff on GEF wide developments, including OP15 and to present and discuss the findings of the Third Independent Evaluation. STAP, UNEP GEF and several partner organizations including the UNCCD Global Mechanism, made presentations on relevant programmes and activities.

Other benchmarks for Year 5

65. In addition, three key benchmarks were incorporated in the work plan for Year 5 to facilitate addressing challenges identified at the early stages of the Independent Evaluation process by the CPMT and the evaluation team. These were: (i) lessons learning and dissemination through the implementation of a number of thematic reviews; (ii) strengthening SGP’s ability to measure sustainability and impact of project interventions by conducting 4 *ex-post* project evaluations per country as part of M&E activities; and (iii) assessing the adequacy of current staffing arrangements at country level and of non-grant country budgets.
66. As mentioned above the biodiversity portfolio review is underway. Another thematic review involves the results of SGP World Heritage activities at the landscape level. A participatory evaluation has taken place in 2003 and a publication under the title “Partnerships for Conservation, Community Innovations at the Landscape Level” is being finalized. A special

theme identified for review is beekeeping and its impact on community-based biodiversity conservation. A sub-regional experience exchange event is being organized in Puerto Morelos, Mexico, in partnership with the Mesoamerican Biological Corridor project, and will cover all SGP beekeeping initiatives in Central America. Based on the results of this workshop the review may be expanded at the global level. Turtle conservation projects have also been proposed by National Coordinators as an interesting subset for review. Exchanges about current experiences have taken place through the SGP-xchange.

67. The ex-post evaluation process is being planned and a draft methodology is already available. The main objective is to assess impact of projects completed at least three years ago. Thirty four country programmes will participate in the exercise. National research institutions will be invited to lead the project evaluations applying a common methodology. Actual evaluations of projects will take place during Year 6.
68. To date, SGP staff (paid by the GEF SGP budget) consists of a National Coordinator and a Programme Assistant in each country. Although this has worked effectively in the initial years of the second operational phase, the differentiated growth of the SGP project portfolio in each country made it necessary to review the current staffing structure and other parameters influencing distribution of non-grant financial resources across the various country programmes. An initial assessment has taken place and the results will inform the preparation of the SGP submission to the next Council meeting.

III. WORK PLAN FOR YEAR 6 (February 2004 – February 2005) OF THE SECOND OPERATIONAL PHASE

69. It has been agreed in discussions with the GEF Secretariat that SGP's submission to the GEF Intersessional Work Program of February 2004 would include a one-year workplan with the following components:
 - Expansion to 10 new countries of which at least 5 would be Small Island Developing States and Least Developed Countries in accordance with the GEF Assembly and Council decisions. The process and strategy for country selection would also be described.
 - Recurrent deliverables in line with previous practice during the second operational phase.
70. It was also agreed that SGP would present to the May 2004 Council a document containing the strategic directions of the programme for the next three years, specific deliverables and indicators for the same period, and a request for replenishment to cover any additional costs associated with meeting these deliverables. This document will also outline how the recommendations of the SGP Third Independent Evaluation would be addressed and a timetable with key deliverables.
71. The workplan for Year 6 is presented in **Table 4** below. The process and criteria (see annex 3) for selection of new countries during Year 6 builds on the experience of the SGP Second Operational Phase but, in addition, SGP will actively reach out to SIDS and LDCs and will provide the required assistance to facilitate country applications and smooth start up of country programme implementation. At the beginning of 2004, SGP will submit information on SGP policies, procedures and experience to all SIDS and LDCs that are not yet participating in the programme. These notes will be conveyed through UNDP country offices, with clear instructions concerning applications and seeking country office support for organizing consultations with concerned

government agencies and national NGOs. SGP will also use CDW to disseminate information on SGP criteria and application procedures.

72. Upon receipt of expressions of interest to participate in the programme, SGP will organize appraisal missions to ascertain country conditions, carry out consultations with national stakeholders, and undertake capacity building activities, as necessary.
73. Follow-up missions may also be organized to provide assistance in the start up of the programme. Such missions may be carried out by SGP headquarters staff, consultants or experienced SGP National Coordinators. Upon recruitment of SGP National Coordinators in new countries, twinning arrangements with other seasoned National Coordinators will be made and a visit to existing SGP programmes organized. In addition, new staff will be able to participate in the SGP sub-regional workshops planned for year 6.
74. Other country applications (non-SIDS and LDCs) will be reviewed as they come and appraisal missions will be conducted on an ongoing basis. Countries which have already submitted full applications will be given priority in the next quarter.

Table 4: Deliverables for Year 6 of the Second Operational Phase		
	Deliverables	Indicator
1	<p>Expansion to 10 new countries, of which at least 5 SIDS and LDCs</p> <ul style="list-style-type: none"> • Dissemination of SGP policies, criteria and application procedures • Appraisal and technical support missions • Start-up missions 	<p>10 new countries will be operational of which 5 SIDS and LDCs.</p> <ul style="list-style-type: none"> • Eligible SIDS and LDCs familiar with SGP criteria and application procedures • At least 10 appraisal missions conducted • At least 5 start up missions will take place before the end of the period
2	Fit with SGP and Operational Procedures	<ul style="list-style-type: none"> • Revised Strategic Framework translated and disseminated • SGP country programme strategies revised to reflect Strategic Framework • Country Programme Strategies of new countries conform to GEF criteria and OPs. • At least 4 sub-regional workshops take place for capacity building on the new GEF Operational Programs, particularly on OP15.
3	Mobilization of non-GEF resources for baseline activities	<ul style="list-style-type: none"> • \$14 million in cash • \$14 million in kind
4	Functional links with GEF wide initiatives	<ul style="list-style-type: none"> • Start up of Micro-grants component of UNDP-WB Nile Basin Initiative in 4 countries • At least 3 projects scaled-up to MSPs • On average each country programme should have 1 project with links to an MSP or full GEF project • At least 25 countries include GEF Focal Points in the SGP NSC

5	Implementation of SGP Monitoring and Evaluation Strategy	<ul style="list-style-type: none"> • SGP database up to date • Every country programme submits semi-annual reports • 4 ex-post evaluations completed in 34 countries • 2 thematic project reviews at the sub-regional or global level • Biodiversity portfolio review completed and results disseminated
6	Capacity building at country and community levels	<ul style="list-style-type: none"> • At least two stakeholder workshops in each country • At least 5 new partnerships for collaboration on capacity building activities
7	Communications and outreach	<ul style="list-style-type: none"> • At least 4 projects per year receive media coverage in each country • Meaningful participation of SGP in at least one relevant global meeting • Contributions by SGP to all GEF wide publications • At least one major publication at the global programme level

IV. INDICATIVE PROGRAMME BUDGET

75. **Table 5** presents the budget for year 6 (19 February 2004 to 18 February 2005) of the second operational phase of the programme. The budgets approved in previous years of the second operational phase are shown in **Table 6** to facilitate comparison.
76. The proposed budget meets the following costs: (1) Expansion of the programme to 10 new countries in year 6 (reaching 83 participating countries by February 2005) of which at least 5 LDCs and SIDS; (2) Grant and non-grant resources to operate the programme and meet the deliverables in all operating country programmes; and (3) Start-up of grant making activities in the 9 countries that joined in year 5 at a level of \$250,000 each. This represents an increase of approximately \$2.2 million over the grant budget line (**Budget item A**) of the previous year's budget.
77. The cash co-financing target for year 6 is \$14 million (**Budget item A**). Given the increased number of SIDS and LDCs that will be participating in the programme, maintaining previous co-financing levels will be a challenge. It is to be expected that some time will elapse before the programme can once again raise sufficient co-financing to match the GEF contribution.
78. **Budget item B** "Programme mobilization, strategic guidance and M&E" includes:
- The cost of conducting 4 or 5 sub-regional workshops, which will bring together selected staff from headquarters (2 or 3 staff), the National Coordinator, the Programme Assistant and one National Steering Committee member from each country in the region. The workshops, estimated at an average cost of \$80,000 – \$100,000 per venue, are essential to familiarize new participating country teams with SGP, and an opportunity to discuss the strategic direction of the programme for the next 3 years with all programme teams. Experience exchange and capacity building on OP15 will also be undertaken during the workshops. It is envisaged that at least one workshop will be thematically oriented.
 - The cost of conducting 4 ex-post project evaluations in 34 countries, estimated at \$25,000 per country on average. The total cost is reflected in budget item "*Lessons learning, information analysis and dissemination*". Other Budget item B lines have been maintained at similar levels than previous years and cover recurrent programme implementation activities such as selective country programme audits, technical backstopping, communications and M&E.
79. **Budget item C** "Global Programme Level" includes the cost of 3 additional professional staff and one general service staff at headquarters. The number of countries has increased by 30% since the second operational phase began. It should also be noted that LDCs and SIDS require extra support for programme start-up and development, thus a strengthened headquarters team is needed well ahead of expansion to provide this critical assistance.
80. The ratio of grant vs. non-grant costs has been maintained within the agreed parameters of 75:25.

Table 5: Indicative Programme Budget for year 6 of the second operational phase

	Year 6
A. Grants	
GEF	20,500,000
Co-financing from non-GEF sources in cash	14,000,000
	34,500,000
B. Programme mobilization, strategic guidance and M&E	
Strategic Regional and Thematic Workshops	400,000
Implementation of communications strategy (electronic networking, publications, audiovisuals)	60,000
Lessons learning, information analysis and dissemination	850,000
Visits to country programmes and projects, guidance and M&E	100,000
Technical assistance in GEF focal areas	80,000
Audit of 5 country programmes per year	30,000
Subtotal	1,520,000
C. Programme management	
<u>Country-level</u>	
Personnel	2,700,000
NGO contracts (NHI)	640,000
Premises	350,000
Equipment, operations & maintenance	700,000
Stakeholder workshops/training	350,000
Field monitoring	650,000
Technical assistance	180,000
Reporting/outreach	250,000
Sundry	250,000
Subtotal	6,070,000
<u>Global programme-level</u>	
Global Manager	223,000
Deputy Manager	188,000
Operations Officer	169,000
Climate Change Officer	150,000
Biodiversity Officer	150,000
Integrated Land Management & Inter. Waters Officer	150,000
Information Management Officer	120,000
Programme Associate	71,000
Programme Admin. Assistant	65,000
Equipment	10,000
Premises	60,000
Sundry	12,000
Subtotal	1,368,000
D. Administrative costs	
UNOPS support	1,767,480
E. TOTAL (in cash)	45,225,480
In kind resources from non-GEF sources for grant element	14,000,000
F. GRAND TOTAL (in cash and in kind)	59,225,480
G. GEF TOTAL:³	31,225,480

³ The GEF Total corresponds to “E. TOTAL IN CASH” (\$45,225,480) – “budget line Grants co-financing from non-GEF resources in cash” (\$14,000,000) = \$31,225,480

Table 6: Approved budget for years 1, 2, 3, 4 and 5	Year 1	Year 2	Year 3	Year 4	Year 5
A. Grants					
GEF	10,609,000	11,689,000	16,000,000	14,000,000	19,000,000
Co-financing from non-GEF sources in cash	5,000,000	10,000,000	12,000,000	11,000,000	13,500,000
	<u>15,609,000</u>	<u>21,689,000</u>	<u>28,000,000</u>	<u>25,000,000</u>	<u>32,500,000</u>
B. Programme mobilization and strategic guidance					
Activities for GEF/SGP's strategies on resource mobilization, fit with GEF Ops, communications and outreach, and M&E	140,000	140,000	0	0	0
Independent Evaluation	0	0	0	250,000	0
Inter-country exchanges between stakeholders, NCs	40,000	40,000	140,000	115,000	60,000
Global workshop with NCs	0	0	280,000	0	305,000
Lessons learning, information analysis and dissemination	0	0	0	0	80,000
GEF/SGP strategic framework	88,000	0	0	0	
Resource mobilization strategy	89,000	0	0	0	
Communications strategy	40,000	40,000	0	0	70,000
Visits to country programmes and projects	50,000	50,000	120,000	90,000	100,000
Technical Assistance in GEF focal areas	0	0	60,000	60,000	80,000
Audit of 5 or 10 country programmes per year	60,000	60,000	60,000	30,000	30,000
Contingency	75,000	75,000	0	0	0
Subtotal	<u>695,000</u>	<u>430,000</u>	<u>780,000</u>	<u>645,000</u>	<u>725,000</u>
C. Programme management					
<u>Country-level</u>					
Personnel	1,752,598	1,937,598	2,170,000	1,900,000	2,300,000
NGO contracts (NHI)	384,721	384,721	510,000	510,000	580,000
Premises	178,000	203,000	280,000	230,000	280,000
Equipment, operations & maintenance	221,500	249,000	395,000	395,000	515,000
Stakeholder workshops/training	0	0	150,000	150,000	250,000
Field monitoring	0	0	454,000	454,000	500,000
Technical assistance	0	0	100,000	100,000	160,000
Reporting/outreach	0	0	100,000	210,000	185,000
Sundry	129,000	144,000	170,000	170,000	185,000
Subtotal	<u>2,665,819</u>	<u>2,918,319</u>	<u>4,329,000</u>	<u>4,119,000</u>	<u>4,955,000</u>

Table 6: Approved budget for years 1, 2, 3, 4 and 5	Year 1	Year 2	Year 3	Year 4	Year 5
<u>Global programme-level</u>					
Global Manager	0	0	186,000	198,000	190,000
Deputy Global Manager	150,000	150,000	110,000	181,000	188,000
Senior Adviser (30% of adviser's time)	60,000	60,000	0	0	0
Management/CC Officer	90,000	90,000	60,000	135,000	140,000
Communications/Information Officer	90,000	90,000	60,000	159,000	160,000
Biodiversity Officer	0	0	0	0	0
Sustainable Land Management & Int. Water Officer	0	0	0	0	0
Secretarial support/Programme Associate	65,000	65,000	35,000	67,200	62,000
Admin. Programme Assistant	0	0	0	0	6,000
Premises	8,000	8,000	20,000	20,000	30,000
Equipment	3,000	3,000	10,000	5,000	5,000
Sundry	0	0	10,000	10,000	8,000
Subtotal	466,000	466,000	491,000	775,200	789,000
D. Administrative costs					
Sub-total for UNOPS support	800,089	880,039	1,223,340	1,172,352	1,528,140
E. TOTAL IN CASH (GEF + non-GEF in cash)	20,235,908	26,383,358	34,823,340	31,711,552	40,497,140
In kind resources from non-GEF sources for grant element	5,000,000	10,000,000	12,000,000	11,000,000	13,500,000
F. GRAND TOTAL (in cash and in kind)	25,235,908	36,383,358	46,823,340	42,711,552	53,997,140
G. TOTAL GEF	15,235,908	16,383,358	22,823,340	20,711,552	26,997,140

LIST OF ANNEXES

- Annex 1:** Report of the SGP Third Global Workshop, Nairobi, Kenya, May 2003
- Annex 2:** SGP participating countries
- Annex 3:** Criteria for New Countries