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Evaluation

**Management response to the third joint Global
Environment Facility-UNDP evaluation of the Small
Grants Programme**

I. Introduction

1. The Small Grants Programme (SGP), a flagship corporate programme of the Global Environment Facility (GEF) that is implemented by UNDP, was evaluated jointly by the GEF Independent Evaluation Office and UNDP Independent Evaluation Office. The joint evaluation covered the period from July 2014 to February 2020 with a focus on: (a) effectiveness; (b) innovation, upscaling and sustainability; and (c) operational and governance issues, including the upgrading process of the SGP.¹ The overall purpose of the joint evaluation was to provide the UNDP Executive Board and the GEF Council with evaluative evidence of the relevance, effectiveness, efficiency and sustainability of the SGP, while examining whether any changes are required to improve its effectiveness. This third in a series of joint evaluations of the SGP builds on the findings of the last joint evaluation in 2015 and evaluates the progress made since. The evaluation further assessed progress made by the SGP on objectives set out in its strategic and operational directions under the sixth (GEF-6, 2014-2018) and seventh (GEF-7, 2018-2020) replenishments of the GEF Trust Fund and its relevance and strategic positioning within the GEF partnership.

2. UNDP welcomes the evaluation's findings and recommendations, and provides further evidence on progress and clarification with regard to certain conclusions. The lessons from the evaluation will inform development of the consolidated UNDP offer on local action and solutions under its nature, climate and energy practice.

II. UNDP support to local communities – global context

3. Projects conceived and executed by local communities, including civil society organizations (CSOs) and community-based organizations (CBOs), have the potential to provide effective nature-based solutions that generate durable positive impacts for nature and climate, while supporting

¹ The term “upgrading” refers to the transition of the longest standing and most mature SGP country programmes to a new funding regime that will enable more budgetary control by country programmes and the opportunity to raise increased funding on their own. Please refer to [GEF Small Grants Programme Implementation Arrangement for GEF-7](#) (GEF/C.54/05/Rev.01) for details.



people's livelihoods and well-being. As the world faces the devastating consequences of the coronavirus disease (COVID-19) pandemic in terms of human life and the economy, the need to engage local stakeholders becomes even more critical, particularly in the effort to build forward better. Local communities will play a pivotal role in contributing to a green and blue recovery and a healthier, more productive and resilient planet. The SGP plays an important role in reducing and preventing biodiversity loss and climate and other environmental stressors while supporting community livelihoods and well-being.

4. Launched in 1992, the SGP supports community-based initiatives that address global environmental issues and promote sustainable development, while also empowering local CSOs and CBOs, including women, indigenous peoples, youth and persons with disabilities. The SGP is currently implemented in 126 countries through decentralized country-level governance and delivery mechanisms – SGP country programmes – with dedicated GEF resources, along with co-financing from communities, Governments and other donors. The SGP effectively contributes to the GEF portfolio at all levels, by promoting community-based innovation to tackle global environmental challenges. In partnership with Governments and the private sector, SGP also facilitates the voice and participation of civil society in national and global policy dialogues and decision-making on environmental and sustainable development priorities.

5. The SGP plays a unique role in contributing to achievement of the Sustainable Development Goals from the local level. It contributes specifically to Goals 13 (climate action), 14 (life below water) and 15 (life on land). It also contributes to Goals 2 (zero hunger), 7 (affordable and clean energy) and 12 (responsible consumption and production). With a concrete focus on social inclusion, the programme also adheres to the goals and principles set out in both the [UNDP](#) and [GEF policies on gender equality](#), i.e., to promote gender equality and the empowerment of women and girls in support of the mandate to achieve global environmental benefits.

6. For nearly 30 years, the SGP has been effectively implementing socially inclusive, integrated approaches that promote multi-stakeholder solutions to environmental challenges across the multilateral environmental agreements. These emphasize the need for social inclusion and broader participation, including involvement of CSOs, indigenous peoples and local communities. The Conference of the Parties to the Convention on Biological Diversity has provided specific guidance to the SGP to further strengthen and expand its support to local communities in developing countries, including least developed countries and small island developing States. In each participating country, SGP country programmes facilitate close linkages and synergies with policies and strategies of multilateral environmental agreements such as the national biodiversity strategy and action plan, national action plan to combat land degradation, nationally determined contributions and others, all of which emphasize the importance of engaging stakeholders more widely, including indigenous peoples, women and other marginalized groups, to achieve their objectives.

III. The Global Environment Facility Small Grants Programme, implemented by UNDP

7. The SGP provides funding to local communities and CSOs, especially of the poor and vulnerable, to build their capacities, enhance their ability to take measured risks in testing new methods and technologies, and foster innovation at the local level. The programme funds grants up to a maximum of \$50,000 but in practice, the majority of grants averaged around \$25,000. In addition, the SGP provides a maximum of \$150,000 for a smaller number of targeted strategic projects that aim at scaling up successful results and approaches and/or cover a larger number of communities within a critical landscape or seascape. Since its inception in 1992, the SGP has supported 25,117 projects in 133 countries, including 40 least developed countries and 37 small island developing States, including several in post-conflict or crisis situations.

8. In response to the COVID-19 pandemic, the SGP aligned its efforts with the UNDP and GEF strategies to address the ill effects of the pandemic, serving as their de facto local community action window. Through proactive implementation of adaptive management measures, no community

grant projects were delayed in over half of the global SGP country portfolio. Besides immediate response and relief efforts addressing food insecurity, SGP used grantee networks to distribute personal protective equipment, provided localized national health guidance and supported mobilization and improved capacity of civil society to self-support in these unprecedented times. In 2020, the SGP supported [UNDP socioeconomic impact assessments](#) in a number of countries through its grantee network that included representation of remote communities and hardest-hit populations.

9. The role of the SGP in integrating and strengthening local CSOs and communities, enhancing their capacities and influencing the design of interventions to address global environmental challenges, has been increasingly noted. The 2007 joint evaluation of the SGP, conducted by the GEF Independent Evaluation Office and UNDP Independent Evaluation Office, concluded that the programme had a very high project sustainability rate and contributed to numerous institutional reforms and policy changes in the recipient countries to address global environmental issues. The [2015 joint evaluation](#) (p. xii) concluded that the SGP “continues to support communities with projects that are effective, efficient, and relevant in achieving global environmental benefits while addressing livelihoods and poverty as well as promoting gender equality and empowering women”. It also found evidence of strong replication, scaling-up and mainstreaming of activities. The 2019 evaluation of GEF support to scaling up impact described “the UNDP-SGP long-term and local presence as crucial to providing continuity not only in financial but also technical and political support”.² According to the [evaluation of UNDP cooperation in middle-income countries \(p.76\)](#), “the Small Grants Programme [has] been instrumental in helping local communities to engage in initiatives associated with the larger themes and projects”. The least developed countries strategic country cluster evaluation³ by the GEF Independent Evaluation Office indicated that sustainability “has been most successful when pursued through fostering of institutional and individual capacity development and promotion of livelihood activities through community-based approaches, such as those financed by the Small Grants Programme”. The programme’s contributions to social inclusion while addressing key environmental priorities were also well noted. The [independent evaluation of the UNDP country programme in Uruguay](#) (p. 26) concluded that the SGP “contributed to strengthening the economic inclusion of agricultural and non-agricultural producers, thus integrating three dimensions: sustainable production; environmental care; and social inclusion”.

10. Across all case studies in the evaluation, the SGP has been shown to reach isolated communities to provide “kick-start” grants and target a larger cross section of CSOs. As stated in the [sixth comprehensive evaluation of the GEF \(known as OPS6\)](#), “the SGP delivers grants that address local environmental concerns of global relevance at the national or subnational level and links communities to long-term environmental management through income-generating activities. One of the main characteristics differentiating the SGP from other GEF programmes is its ability to function as a demand-based type of community support, thereby engendering community/country ownership” (p. 83).

IV. Findings and conclusions of the evaluation

11. UNDP welcomes the evaluation findings as useful to inform its efforts to improve the effectiveness of the SGP as a delivery mechanism for community-oriented support, as well as in consolidating and streamlining UNDP efforts to scale up local action in line with its core mandate to serve the vulnerable and marginalized. With over 25,000 microprojects since 1992, providing grants totalling \$684 million with an additional \$837 million in co-financing from communities and other partners, UNDP notes its strong comparative position in serving communities, including its role as an “integrator” in bringing together different stakeholders around national priorities. UNDP also

² GEF Independent Evaluation Office, *Evaluation of GEF Support to Scaling up Impact 2019* (unedited), p. 53.

³ GEF Independent Evaluation Office, *Strategic Country Cluster Evaluation: Least Developed Countries*, October 2020, p. 25.

views the evaluation's positive findings as evidence of its successful efforts to build extensive country-level networks and social goodwill.

12. Significant environmental and socioeconomic results and impacts have been achieved between 2014 and 2019 through the SGP portfolio. Examples of key results and impacts include: positive influence on management and sustainability of 2,198 protected areas, including indigenous peoples and community-conserved territories and areas, covering approximately 33 million hectares; application of low-carbon technologies, resulting in approximately 55,000 households achieving energy access; 1.6 million hectares of land brought under improved management practices, halting land degradation; 159 tons of pesticides appropriately disposed of; 7,640 tons of land-based pollution prevented from entering water bodies; and 56,819 tons of solid waste prevented from open burning. The SGP also supported 2,547 peer-to-peer exchanges between local communities and strengthened the capacities of 4,506 CSOs and 3,615 CBOs, comprising over 113,704 people, to address environmental challenges.

13. UNDP is pleased to note the evaluation's positive conclusions in relation to the valued contribution of the SGP in supporting community-based local action. UNDP management notes these key conclusions: (a) the SGP continues to be highly relevant to evolving environmental priorities at all levels; (b) the SGP shows high levels of coherence with the GEF programmatic framework and UNDP mandate, and demonstrates that it is possible to maintain internal programmatic coherence across 126 countries; (c) the SGP has been consistent in its delivery of environmental results at local, national and global levels and in generating economic and social benefits; (d) as a unique mechanism that channels funds to CSOs, many of which are new to development work, the SGP promotes new ways of working that are flexible enough to adapt to local circumstances; (e) the improvements made to the overall monitoring and evaluation framework of the SGP have been significant; and (f) the innovativeness of the SGP lies in the way it works with local partners, more than in the technologies or approaches it promotes.

14. In relation to the nine recommendations provided by the evaluation, four were addressed jointly to the GEF and UNDP, three addressed specifically to UNDP and the remaining two solely to the GEF.

15. **UNDP welcomes recommendation 1 to conduct a consultative process towards the formulation of an updated long-term vision for the SGP.** Building on the extensive experience of the SGP in supporting communities and with an emphasis on growth, synergies and scaling up, UNDP has taken steps to integrate and mainstream local action and community participation in its environment and other thematic work. UNDP notes related discussions in several recent GEF Council papers and commits to a vision of deepened alignment with the next UNDP strategic plan for the period 2022 to 2025 and the GEF-8 programming directions. UNDP, together with the GEF secretariat, has acted to revitalize the SGP Steering Committee as a multi-stakeholder governance mechanism to steer a clear and consensus-based process for consultative and regular review of the long-term vision, mandate and strategy of the SGP.

16. UNDP will work with the GEF to conduct a consultative process with UNDP country offices, SGP national steering committees and other relevant stakeholders towards the formulation of a long-term vision for the SGP, with a focus on growth, synergies and scaling-up. The long-term vision will build on an analysis of the considerable changes, since the SGP was established almost 30 years ago, in civil society capacities; strategic participatory approaches to collective action; innovations in digital communications, information management and financing; and increasing technical knowledge of global environmental issues and their local manifestations, as well as a growing body of lessons learned and best practices distilled from GEF and other initiatives around the world.

17. **UNDP takes note of recommendation 2, which requests the GEF secretariat, in collaboration with UNDP, to provide the GEF Council and next replenishment with a detailed analysis of the impacts of a shrinking funding envelope on the operations of the SGP, the pressures placed on System for Transparent Allocation of Resources (STAR) allocations, demands to add new countries to the global programme without concomitant growth in core funding, and the**

risk of losing the goodwill and social capital that the SGP brings to the GEF as a whole. While this recommendation is directed to the GEF, UNDP stands ready to provide support to the GEF secretariat in its implementation, as needed.

18. UNDP acknowledges recommendation 3, that the SGP should reconsider whether it needs a continued upgrading policy, and if upgrading is maintained, requests the SGP to rethink the means for its implementation in order to reduce the risk borne by countries and CSOs. UNDP will work with the GEF secretariat and the SGP Steering Committee to re-examine the upgrading policy and the related implementation experiences of the 16 country programmes upgraded over the past 10 years, including review of upgrading criteria, implementation arrangements and operational modalities. UNDP will take stock of the recommendations of the second and third joint evaluations and together with the GEF, will assess the benefits and challenges of upgrading. UNDP has periodically reviewed the feasibility of adopting different criteria and operational modalities, as successive independent evaluations have assessed the opportunities, challenges and risks associated with the current upgrading policy, in relation to the continued engagement of civil society in efforts to fulfil national commitments to the multilateral environmental agreements.

19. UNDP acknowledges recommendation 4, to simplify ways in which SGP interventions are packaged, such as strategic initiatives, focal area results, innovation programmes and Grantmakers Plus initiatives. The SGP Central Programme Management Team and UNDP will work towards simplification to support faster adoption and internalization by local communities. Going forward, lessons emerging from the various programming windows will be integrated into a limited number of strategic initiatives and cross-cutting frameworks. The evolution of SGP interventions has been linked to GEF programming directions, UNDP strategic plans, the multilateral environmental agreements and emerging needs at country level. As an example, the recently piloted SGP innovation programmes reflect an integrated way to address drivers of environmental degradation through a thematically targeted approach. Over the course of a decade, SGP has focused investments in priority geographical areas through its landscape-seascape approach, with results that include introduction of community-based and multi-stakeholder governance approaches, harnessing of traditional knowledge, and innovative actions and knowledge-sharing.

20. UNDP takes note of recommendation 5 that the SGP review and re-energize its governance at the global and national levels. UNDP notes ongoing efforts by the GEF secretariat and GEF CSO network to revitalize the SGP Steering Committee in 2020. This includes revised terms of reference for the committee, including to support deeper engagement with the GEF partnership. In addition, terms of reference for SGP national steering committees, a voluntary and majority civil society-based governance mechanism, are being updated for increased transparency as per the SGP operational guidelines, which serve as the policy framework guiding the programme in 126 countries.

21. UNDP acknowledges recommendation 6 that the SGP test new ways to track and aggregate the intangible results generated by countries from SGP inputs such as the benefits received from its capacity-building activities, monitoring and evaluation, communications and knowledge management. UNDP notes that interventions such as capacity development, monitoring and evaluation, knowledge management and communications are critical to the success of the programme and its impacts, especially considering its reach to CSOs and CBOs in remote areas and with limited capacity. As the evaluation itself notes, “such programmatic support costs, while not stipulated under a strict definition of direct payments to local civil society organizations and community-based organizations, are critical for project and grantee sustainability, and broader adoption efforts such as project scaling up and replication”. UNDP further confirms that with the roll-out of the new SGP monitoring and evaluation strategy, the SGP is progressing towards robust ways and means to track and aggregate the intangible results, in particular those related to innovation and broader adoption.

22. UNDP takes note of recommendation 7, that the approach to and measurement of sustainability in the SGP should be improved to capture the tangible and intangible benefits of

the programme. The SGP often operates in a “first mover” capacity that provides seed funding for pilot and demonstration projects, which are often followed by multiple investments over subsequent operational phases by SGP and other funders to ensure sustainability and scaling-up of project successes. Further, communities targeted by the SGP are often the poorest and most vulnerable with low levels of personal and institutional capacities. The SGP operates in many fragile environments with political and economic instability and other macrolevel factors that impact sustainability. UNDP management highlights the following examples of progress made.

(a) The SGP is continuing to expand its CSO-government-private sector dialogue platform towards greater engagement with government and private sector stakeholders in 44 countries, to influence mainstreaming of environmental conservation in national and subnational decision-making;

(b) The SGP is systematically investing in capacity development of local civil society stakeholders with over 70 per cent of active SGP country programmes investing in some form of grantee capacitation, network building and community mobilization;

(c) The long-term, multi-phased approach of the SGP in directly engaging socially marginalized groups, i.e., women, indigenous peoples, youth and persons with disabilities, in all stages of the grant cycle has been a key driver to enable community ownership and enhance inclusion;

(d) The planned further integration of SGP country teams with UNDP country offices will foster increased sustainability of results through stronger linkages with relevant national policies and programmes, as well as scaling-up through larger donor- and government-led programmes and projects.

23. UNDP acknowledges recommendation 8, which requests that the SGP create operational mechanisms to improve and incentivize innovation and business-oriented approaches in country programmes. UNDP notes that with its grant support to micro and local projects, the SGP lowers the risks to grantees of experimenting with innovation and testing community-led solutions with scalable potential. UNDP further welcomes the importance of the social innovation that SGP promotes, as well noted in conclusion 13, that “the innovativeness of SGP lies in the way it works with local partners, more than in technologies or approaches it promotes. By building trust, reducing the risk in testing innovations, and fostering collaboration and dialogue, the SGP creates new conditions upon which the future of sustainable development and the conservation movement can take root”.

24. UNDP notes steps taken to further strengthen innovation in country programmes:

(a) Through priority selection of innovative projects and innovation as a criterion for proposal appraisal by the national steering committee so that, for example, under the integrated landscape approach, more systematic and purposeful innovation is being encouraged with CSOs and CBOs, which are asked to articulate potential innovations at the project design stage in pursuit of landscape resilience outcomes;

(b) In the seventh SGP operational phase (OP7), all SGP country programme strategies are closely aligned with the respective UNDP country programme documents, with further linkages with UNDP accelerator labs to scale up innovation and experimental and behavioural approaches;

(c) To support business-oriented approaches in country programmes and projects, SGP is developing a private sector guidance note as part of its comprehensive global resource mobilization and partnership strategy (2020-2024), with the aim of enhancing private sector engagement and adopting relevant business models, including supporting small and medium-scale enterprises and exploring use of different financing scales and modalities through the SGP country programmes.

25. UNDP notes recommendation 9, that the GEF secretariat should apply the explicit, accepted accounting standards that are applied to the rest of the GEF portfolio when assessing SGP management costs. While the recommendation is directed to the GEF, UNDP stands ready to provide support and collaboration to the GEF in the implementation of this recommendation, as needed.

V. The future UNDP approach to local action with the Small Grants Programme

26. Going forward, UNDP plans to scale up its support to local communities by leveraging past gains through the SGP and other programmes towards growth and increased responsiveness. Specifically, the programme's potential can be harnessed to support a green and resilient recovery across the global UNDP presence. This can be done through four interrelated pillars of change to address the challenges facing local communities: (a) catalysing sustainable, inclusive, circular and green community-based enterprises; (b) creating a virtuous cycle of regenerative, sustainable, inclusive natural resource management; (c) catalysing clean, renewable and sustainable energy solutions to achieve the Sustainable Development Goals; and (d) catalysing local action on nature-based solutions for climate change and sustainable development benefits.

27. The UNDP approach to small grants is focused on system-wide transformational change, with an emphasis on innovation and growth. With almost 30 years of experience, the SGP, with its existing infrastructure of grantees, national steering committee members and social goodwill, can provide UNDP country offices with greater leverage to increase both the coverage and impact of its local action focus. Besides mobilizing additional resources, this will involve: (a) reskilling and capacitation for local action across the portfolio; (b) further emphasis on scaling-up that supports moving from pilot to policy; and (c) leveraging existing platforms such as CSO-government dialogues towards transformational change. UNDP is well positioned to build on the programme's knowledge of community technologies, methods and approaches and to support the replication of good practices between countries through the SGP South-South cooperation platform.

28. UNDP will actively support the scale-up by SGP of demonstrated approaches and tools for larger and lasting impact through strengthened partnerships with GEF and the programmes and initiatives of other GEF agencies. It will also explore new partnerships, particularly with the private sector, by seeking opportunities to support, among others, micro- and small-scale enterprises, impact investments and innovative financing for community-based solutions. This allows the SGP to strengthen its partnership approach as a global multi-stakeholder platform for local action by working closely with bilateral and multilateral donors, foundations, the private sector and Governments in addressing key global environmental issues, particularly in transforming policies, programmes and practices for sustainability. The SGP will also sharpen its three-pronged approach of impact, innovation and inclusion to promote strategic and innovative community investments that identify, nurture and replicate scalable local solutions to conserve the global environment and contribute to the green recovery agenda.

29. UNDP will support continued development and implementation of community-driven initiatives to enhance the sustainability and productivity of priority landscapes and seascapes, thereby enhancing their long-term ecological, social and economic resilience. A crucial element of sustainable landscape and seascape management is participatory stakeholder governance. The SGP will draw on its experience in establishing multi-stakeholder platforms to ensure inclusive and equitable resource management in an integrated manner. Grantees and partners will be further leveraged as an essential force to mobilize civil society for systemic change from the bottom up, with the aim of promoting environmentally sound and sustainable development from the local to the national and global levels. The SGP also supports projects that serve as incubators of innovation and build on traditional knowledge and science, with the potential for broader replication of successful approaches. The SGP will strengthen the [SGP Digital Innovation Library](#) as a knowledge-sharing resource on community innovations.

30. UNDP will expand its strategic focus on empowering local communities, particularly vulnerable and marginalized populations, with specific attention to women, indigenous peoples, youth and persons with disabilities. The SGP will further enhance its approach to champion and advocate the involvement and active participation of vulnerable groups as key stakeholders for environmental action. The SGP will continue targeting support to least developed countries and small island developing States by providing: (a) priority access to funding and support; (b) capacity development and training; and (c) learning, sharing and networking. Approaches and tools

promoted through SGP projects are considered particularly relevant to least developed countries and small island developing States, where the capacities of CSOs and local communities remain limited.

31. With the extensive country-level presence of the SGP, the capacities of decentralized country programmes to strategically invest in key landscapes and seascapes will be seen as a key resource, as will deepening alignment with United Nations system efforts to support national strategies and plans.

Annex. Key evaluation recommendations and the UNDP management response

Evaluation recommendation 1 (to the GEF and UNDP). As recommended in the 2015 evaluation, the SGP should conduct a consultative process towards the formulation of an updated long-term vision for the programme. This process should begin by taking stock of the past 25+ years of programming and should serve to inform future replenishment discussions. The process should be inclusive of upgraded countries, countries participating in the SGP global programme, GEF Council and UNDP, and the final vision should be adopted by the GEF Council/Assembly. The purpose would be to ensure that the vision, mission and mandate of the SGP are clear and consensual, and serve as a guiding framework for policy decisions through future GEF periods.

Management response: UNDP accepts the recommendation and will work with the GEF and the SGP Steering Committee to conduct a consultative process towards the formulation of a long-term vision for the SGP, with a focus on growth, synergies and scaling up.

In partnership with the GEF secretariat, several actions have already been initiated to articulate the strategic directions and vision for the SGP. These include elaboration of strategic directions in recent GEF Council papers, including the GEF Small Grants Programme implementation arrangements for GEF-7, approved by the GEF Council in June 2018, followed by the GEF-7 project document on the SGP, approved in June 2020. These papers have laid out strategic directions of the SGP in alignment with the GEF-7 programming directions and the UNDP Strategic Plan, 2018–2021. To ensure that the vision, mission and mandate of the SGP are clear and consensual, a consultative process for an agreed vision has also been initiated among partners and stakeholders in the context of developing the SGP strategy for GEF-7 and GEF-8 replenishment. Moreover, UNDP has taken steps to integrate, mainstream and strengthen local action and community participation in its environment and other thematic work.

The SGP Steering Committee, reconvened as of July 2020 and revitalized as a multi-stakeholder governance body of the SGP comprising the GEF secretariat, UNDP and the GEF CSO network, could serve as the primary mechanism for consultative and regular review of the SGP long-term vision, mandate and strategy in GEF-8 and beyond. Because the SGP is a community-driven and country-led programme, a consultative process involving national coordinators, national steering committees and other stakeholders will inform the work of the SGP Steering Committee.

Key action(s)	Completion date	Responsible unit(s)	Tracking*	
			Comments	Status (initiated, completed or no due date)
1.1. Consultations with key stakeholders on the SGP long-term vision and strategic direction as part of the SGP strategy development for GEF-8.	Q2, 2022	Central Programme Management Team, UNDP		
1.2. Results from the consultation presented to the SGP Steering Committee to provide overall guidance and direction for their deliberations.	Q2, 2022	Central Programme Management Team, UNDP		

Evaluation recommendation 2 (to the GEF). In developing the implementation arrangements for SGP, the GEF secretariat, in collaboration with UNDP, should provide the GEF Council and replenishment with a detailed analysis of the impacts of a shrinking SGP funding envelope on the operations of the SGP, the pressures placed on STAR allocations, demands to add new countries to the global programme without concomitant growth in core funding, and the risk of losing the goodwill and social capital the SGP brings to the GEF as a whole. Going forward, the level of resources provided to the SGP must be considered in proportion to the requirements for expansion and “universal access”, and the upgrading policy could be designed so as to maximize benefits rather than primarily as a means for creating “fiscal space”.

Management response: While this recommendation is directed to the GEF, UNDP stands ready to provide support and collaboration to the GEF in the its implementation, as needed.

Evaluation recommendation 3 (to the GEF and UNDP). The SGP should reconsider whether it needs a continued upgrading policy. If upgrading is maintained, the SGP should rethink the means for its implementation in order to reduce the risk borne by countries and CSOs. This applies to all stakeholders involved in policymaking for the SGP. This would include a revision of the upgrading criteria, as recommended in the 2015 evaluation, as well as implementation arrangements and operational modalities. The two cycles of upgrading have brought to light significant challenges that need to be taken into consideration if and when countries continue to be upgraded. The revised policy should be focused on CSO capacity and potential for global environmental benefits, and should consider the effects of upgrading on transaction costs, operational considerations and risks in all fiscal contexts, and should also consider the risks in having small community projects go unfunded. To conserve the high levels of efficiency when transitioning from global programme to upgraded status, assumptions about civil society capacity and the CSO-government relationship need to be examined on a case-by-case basis.

Management response: UNDP accepts this recommendation and will work with the GEF and the SGP Steering Committee to re-examine the upgrading policy and the related implementation experiences of the 16 upgraded country programmes over the past 10 years, including review of upgrading criteria, implementation arrangements and operational modalities. UNDP will take stock of the recommendations of the second and third joint evaluations and together with the GEF, will assess the benefits and challenges of upgrading, in close consultation with UNDP country offices and other relevant stakeholders. UNDP has taken steps in reviewing the feasibility of adopting different criteria and operational modalities, as successive independent evaluations have assessed the opportunities, challenges and risks associated with the current upgrading policy, in relation to the continued civil society engagement in efforts to fulfil national commitments to the multilateral environmental agreements.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
3.1 SGP Steering Committee to convene an upgrading task force to review upgrading criteria, implementation arrangements and operational modalities	Q4, 2021	UNDP, Central Programme Management Team		
3.2 Results from the upgrading task force presented to the SGP Steering Committee	Q2, 2022	UNDP, Central Programme Management Team		

Evaluation recommendation 4 (to the Central Programme Management Team). The ways in which SGP interventions are packaged, such as strategic initiatives, focal area results, innovation programmes and Grantmakers Plus initiatives, should be simplified. A small number of thematic frameworks (e.g., landscape/seascape approach) may be adopted to steer or shape programming, incentivize innovation or address urgent and emerging issues, but the pace of change should be slow enough to allow for local adoption and internalization by local communities.

Management response: The Central Programme Management Team and UNDP accept this recommendation and will work to simplify its interventions to support faster adoption and internalization by local communities. Going forward, lessons emerging from the various programming windows will be integrated into a limited number of strategic initiatives and cross-cutting frameworks.

Over its past three operational phases, the SGP has tested and gradually introduced its landscape and seascape approach, which has focused SGP investment in priority geographical areas. This has supported the development of synergies with other programmes and between communities in the landscape; introduced multi-stakeholder governance approaches; and facilitated innovative actions by communities, knowledge-sharing and effective management of the socio-ecological landscapes/seascapes. The SGP has also adopted and aligned its integrated approaches to the GEF programming directions, the targets of the UNDP Strategic Plan and multilateral environmental agreements (such as the Convention on Biological Diversity, and emerging needs at country levels). In response to emerging global and country needs, the SGP introduced the innovation programme to pilot innovative approaches and tools on specific thematic issue among a group of participating countries and advance the implementation of the corresponding SGP strategic initiative.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
4.1 Refine the SGP strategic focus and initiatives in the context of developing the SGP strategy for GEF-8	Q4, 2022	UNDP, Central Programme Management Team		
4.2 Provide increased and improved global guidance and capacity development at local levels to promote adoption of the integrated strategies	Q4, 2022	Central Programme Management Team		

Evaluation recommendation 5 (to the SGP Steering Committee and Central Programme Management Team). As recommended in the 2015 joint evaluation, the SGP should review and re-energize its governance at the global and national levels. This will help to avoid misunderstandings and strengthen the relationship, through revised terms of reference, improved communication, agreed operational language or more frequent meetings. At the national level, the terms of reference of the national steering committees should be reviewed with emphasis on building synergies with the national UNDP programmes and creating spaces for new steering committee members that could help in increasing the broader adoption of SGP projects (such as including members with expertise in building business models or inclusion of private sector representatives).

Management response: UNDP accepts this recommendation and will work with the SGP Steering Committee to review and re-energize SGP governance at the global and national levels.

At the global level, a process was initiated in June 2020 to revitalize the SGP Steering Committee, including the revision of the terms of reference of the committee, which would clearly define its role as a multi-stakeholder governance body for the SGP, and serve as an effective forum for participatory decision-making, engagement with the wider GEF partnership and other partners on key strategic issues on a regular basis.

At national level, work is already underway to update the terms of reference of the national steering committees in line with the updated SGP operational guidelines, including enhancing synergy with UNDP programmes and leveraging their extensive networks for broader adoption.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
5.1 Support regular organization of SGP Steering Committee meetings	Q4, 2021	UNDP, Central Programme Management Team		
5.2 Review and provide inputs in updating the terms of reference of the SGP Steering Committee, including review of members and resource person/observers, with established protocol for communication and participatory decision-making.	Q4, 2021	UNDP, Central Programme Management Team		
5.3 Update terms of reference of national steering committees that clarify having majority CSO members, including private sector members as relevant, and support their implementation	Q2, 2021	Central Programme Management Team, UNDP		

Evaluation recommendation 6 (to the Central Programme Management Team). The SGP should test new ways to track and aggregate the intangible results generated by countries from SGP inputs such as the benefits received from its capacity-building activities, monitoring and evaluation, communications and knowledge management. There should be a systematic process in which the global programme countries benefit from the experiences of the upgraded countries and vice versa. At the country level, the SGP should be able to track the evolution of the grantees it supports and the broader adoption of activities that have been implemented, to maximize the space for innovation and support the evolution of its grantees. The Central Programme Management Team should continue to ensure that adequate knowledge management strategies are in place with related capacity to implement them, that would allow the maximization of broader adoption opportunities stemming from SGP initiatives.

Management response: The Central Programme Management Team and UNDP accept this recommendation. Inputs such as capacity development, monitoring and evaluation, knowledge management and communication are critical elements of SGP programme components to generate global environmental benefits. They are also essential to the success of the programme and its impact, particularly considering that SGP grants are made to CSOs and CBOs which often have relatively limited capacity. As the evaluation notes, such programme costs are critical to sustainability and broader adoption efforts such as scaling up and replication.

The SGP has already put in place mechanisms to track and aggregate these intangible results, especially with the roll-out of its new monitoring and evaluation strategy. In particular, this relates to integration of methodologies to assess change at country level, including those related to innovation and broader adoption. Global programme countries also continue to benefit from experiences of upgraded country programmes and vice versa. As an example of knowledge-sharing between global programme countries and upgraded country programmes, the current community-based landscape approach finds its roots in two SGP pilot projects (Community Development and Knowledge Management for the Satoyama Initiative, known as COMDEKS, and Engaging Local Communities in

Stewardship of World Heritage, known as COMPACT), as well as experiences from the upgraded country programme portfolio that have provided much of the methodological basis for the landscape approach and evidence for its effectiveness in a variety of different geographic and cultural settings. The exchange of learning and experiences between global and upgraded country programmes is supported by an umbrella SGP knowledge and communications strategy. Additionally, all the newly approved upgraded country programmes in GEF-7 have identified specific knowledge management activities that will promote replication and upscaling across the landscapes, across the country and to the global SGP network.

SGP will further refine and formalize the system to monitor the efficiency and results of capacity development, knowledge management and communication, including the definition and capture of appropriate indicators.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
6.1 Formalize the current systematic approach to tracking intangible benefits of SGP programmatic activities (capacity-building, monitoring and evaluation, communications and knowledge management)	Q1, 2022	Central Programme Management Team, UNDP		
6.2 Introduce a small number of indicators in the GEF-8 SGP results framework for results attributable to capacity-building activities, monitoring and evaluation, communications and knowledge management.	Q4, 2022	Central Programme Management Team		

Evaluation recommendation 7 (to the Central Programme Management Team, UNDP and the GEF). The approach to and measurement of sustainability in the SGP should be improved to capture the tangible and intangible benefits of the programme. A first layer of sustainability could be measured at grant or project level, while another could be measured at the level of grantees. A measure of sustainability in this context may be whether the organizations continue to operate in the environmental space after the SGP grant is concluded. A scale of CSO capacity could be devised that would allow for

long-term tracking of SGP grantees and their progression along the development continuum, especially for those who receive repeat funding or whose activities are replicated or upscaled through new projects.

Management response: The Central Programme Management Team and UNDP accept this recommendation and will work with the GEF for its implementation. As noted in the evaluation, SGP often operates in a ‘first mover’ capacity that provides seed funding for pilot and demonstration projects, which are often followed by multiple investments by SGP and other funding over subsequent operational phases to ensure sustainability and scale-up of project successes. Communities targeted by the SGP are often the poorest and most vulnerable with typically low capacities to adequately address global environmental problems, which in turn can hinder community-based project sustainability. In addition, the SGP operates in many fragile environments with political and economic instability and other macro factors that impact sustainability. As part of efforts to develop an appropriate approach to capture the intangible benefits of SGP interventions (see response to recommendation 6), the SGP will also explore ways to measure sustainability at the level of grantees, as recommended.

The SGP already takes many steps towards ensuring sustainability. In many countries, under GEF-7, the SGP is expanding its innovative CSO-government-private sector dialogue platforms to enhance the capacity of CSOs and CBOs to influence relevant government policies and programmes, while working with the private sector to leverage its potential to invest and support sustainability at the local level. These platforms thus help to mainstream environmental conservation in national and subnational decision-making. The SGP has systematically invested in capacity development of local and national civil society stakeholders as another strategy for environmental sustainability. Each year, over 70 per cent of SGP country programmes invest in some form of grantee capacity, network building and community mobilization. With its programmatic strategy, the SGP has a long-term, continuous, multi-phased approach in directly engaging local communities and often socially marginalized groups (women, indigenous peoples, youth and persons with disabilities) in all stages of the grant project cycle: design, implementation, monitoring and evaluation. This enables community ownership of ideas and sustains the gains from them. With an emphasis on further integration of SGP country teams with UNDP country offices in GEF-7 and beyond, sustainability of results will be maintained through linkage with relevant national policies and programmes, as well as by scaling up through larger donor- and government-led programmes and projects.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
7.1 Development of an appropriate approach to measure sustainability, inter alia, of CSO capacities	Q2, 2022	Central Programme Management Team, UNDP		

Evaluation recommendation 8 (to the Central Programme Management Team. The Central Programme Management Team should create operational mechanisms to improve and incentivize innovation and business-oriented approaches in country programmes. These mechanisms would maximize the potential for environmental benefits and social inclusion while creating opportunities for long-term viability of projects supported by the SGP. The social economy model provides a useful avenue for the SGP to expand to new beneficiaries and to optimize the sustainability of its results. Enhanced and more systematic synergies between UNDP and the SGP at the country level could facilitate this process. Examples include priority selection of innovative projects, varied scales of financing for business-oriented initiatives and the broader adoption of SGP projects into UNDP programming.

Management response: The Central Programme Management Team and UNDP accept this recommendation. As a cross-cutting thread in SGP interventions, innovation is not just an integrated approach to project execution, but also a key SGP result. The micro and local nature of SGP projects lends feasibility to undertake risk and experiment with pilot development as a test and trial for effective and efficient community-led solutions that work in a given context, or may have broader scaling-up potential and replicability later. As well noted in conclusion 13 of the evaluation, “the innovativeness of SGP lies in the way it works with local partners, more than in technologies or approaches it promotes. By building trust, reducing the risk in testing innovations and fostering collaboration and dialogue, the SGP creates new conditions upon which the future of sustainable development and conservation movement can take root”. The SGP has already taken steps to further strengthen innovation in country programmes. With priority selection of innovative projects and the integrated landscape approach, more systematic, purposeful innovation is being encouraged in GEF-7, whereby CSOs/CBOs identify potential innovations and the corresponding indicators of success, then evaluate the performance of the innovation in a method of learning by doing. With respect to broader adoption of innovations tested under the SGP projects into UNDP programming, many SGP country programmes will continue to strengthen linkages with UNDP accelerator labs and regional innovation teams to scale up innovation and experimentation. To support business-oriented approaches in country programmes and projects, SGP is developing a private sector guidance note as part of its resource mobilization and partnership strategy (2020-2024), with an aim to enhance private sector engagement and adoption of relevant business models, including supporting small and medium-scale enterprises and exploring use of different financing scales and modalities, through the SGP country programmes.

Key action(s)	Completion date	Responsible unit(s)	Tracking	
			Comments	Status (initiated, completed or no due date)
8.1 Stocktaking of experiences with the private sector and business-oriented approaches and modalities	Q1, 2022	Central Programme Management Team, UNDP		
8.2 Enhance engagement with the private sector through development of guidance to support business-oriented approaches and modalities	Q2, 2022	Central Programme Management Team, UNDP		

Evaluation recommendation 9 (to the GEF). The GEF secretariat should apply the explicit, accepted accounting standards that are applied to the rest of the GEF portfolio when assessing SGP management costs. The appropriateness of the level of management expenditures should be a factor of the level of management activities that are required. Programmatic activities related to CSO capacity-building, monitoring, knowledge, technical assistance and communication should not be considered part of management costs even if they are expenditures incurred by UNDP and the United Nations Office for Project Services in their respective capacities as implementing agency and executing agency. There should be further discussion on this matter between GEF and UNDP to clarify the future vision for the SGP. At the time of the next replenishment, the GEF may wish to consider setting benchmarks for programmatic costs in relation to the demands placed on and resources provided to the SGP.

Management response: While this recommendation is directed to GEF, UNDP stands ready to provide support and collaboration to GEF in its implementation, as needed.