

Review

NZAID Support to the Global Environment Facility's Small Grants Programme

Final Report

Prepared For

**The New Zealand Agency for International Development
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Executive Summary

Introduction. A partnership that was formed between the Small Grants Programme (SGP), a corporate programme of the Global Environment Facility (GEF), and the New Zealand Agency for International Development (NZAID), resulted in the signing of a cost-sharing agreement between the United Nations Development Programme (UNDP) and the launch of the 3-year Small Grants Programme-Pacific Environment Fund (SGP-PEF) in mid-2006. To date NZAID has provided USD 2,970,500 to UNDP under this arrangement. SGP activities in the Pacific are now entering a new phase. The current cost-sharing agreement between NZAID and UNDP-GEF is predicted to conclude operationally on 30 June 2010, with one further year being allocated to enable UNDP to spend all funds.

The purpose of the current review is to assess the effectiveness and relevance of the SGP as a means for NZAID to support community-based environmental management in the Pacific, and to analyse the efficiency of NZAID's engagement in the SGP. NZAID had determined that it is too early to assess either the wider, deeper and longer-term effects (i.e. impacts) of SGP Pacific, or its sustainability. However, the short- and medium-term effects (i.e. outcomes) of SGP Pacific were assessed, where possible and practicable. Recommendations are made in view of the changing operating environment context, including AusAID becoming a major donor to the SGP by supporting community-based adaptation to climate change through the Mekong and Asia-Pacific Community Based Adaptation Programme (MAP CBA).

Review Process. The current review is underpinned by NZAID values and guided by the NZAID principles of evaluative activity. A consultative approach was used, working in partnership with the beneficiaries and key players. Evaluative activities were transparent and independent.

The bulk of the information collected for the review was of a qualitative nature, coming from interviews, direct observation and reviews of documents and files. Where significantly disparate views and interpretation were identified, or information provided lacked credibility, further information was sought in order that robust findings could be developed. The scope of the evaluation, and time and other resource limitations, made it difficult to go much beyond the feedback and engagement of the primary stakeholders in five of the 15 Pacific island countries (PICs) and territories included in SGP-Pacific. These are Fiji, Samoa, Kiribati, the Cook Islands and Vanuatu. While the sample is admittedly small, it does cover countries from the three sub-regions of the Pacific as well as those which are operationally more and less mature, and stand alone or part of sub-regional clusters.

Within each country there was little time to collect and analyse information, due to the entire review was severely time constrained. A practical problem resulting from the community focus of the SGP is the remoteness of many project sites. As an alternative meetings were held with project teams based in Suva. These challenges would not have had so much impact on the review process had there been more adequate project reporting. In most cases information reasonably expected to be available was not.

Since the evaluation did not set out to address impact, the findings of the review are particularly focused on: (i) the design and programme logic; (ii) operational roll-out of the PEF to 15 SGP country programmes; and (iii) an *interim* assessment of projects funded by the SGP. A more comprehensive evaluation would be required in order to assess *in more depth* some matters identified in the TOR, such as the replication of successful SGP projects and innovations from one community to another.

Analysis and Evidence-based Findings. The analysis of evidence, and presentation of findings, are framed by the four objectives of the review and have been informed through responses to the review questions.

Review Objective 1: Establish the intended ‘programme logic’ of the SGP Pacific.

There are several important inconsistencies in the programme logic for SGP-PEF. UNDP is driven by both the Cost Sharing Agreement (CSA) and the Project Document. However, these two documents are inconsistent. NZAID did not define and document the agreed post-design programme logic, either individually, or jointly with partners. An Implementation Plan or Project Feasibility Design Framework for SGP-PEF has never been prepared. Consequently, there was no joint NZAID-UNDP-GEF ownership of the programme logic, especially the intended outcome and outputs. There was no attempt to resolve the inconsistencies through subsequent amendments to the CSA. The Pacific Framework currently being drafted by UNDP’s Central Programme Management Team (CPMT) is an opportunity to bring greater clarity and certainty to SGP-PEF implementation.

Recommendation. That the revised programme logic prepared specifically for the SGP-PEF be reviewed and endorsed at the next meeting of the Steering Committee.

Recommendation. UNDP, represented by the CPMT, and working in consultation with PICs, Tokelau, the New Zealand Ministry of Foreign Affairs and AusAID, should complete preparation of the “Pacific Framework for SGP Operations in the Pacific” as a matter of utmost urgency.

Review Objective 2: Determine the effectiveness and relevance of the SGP Pacific: a)

Effectiveness. Before the PEF provided co-financing, the SGP had operations in only six countries (PNG, Fiji, Samoa, FSM, RMI and Palau). When NZAID entered into the SGP-PEF partnership, the expectation was that all 15 countries and territories were operational, or almost so. In Year 1 of the partnership PEF-funded grants were approved by only three of the five countries operational at that time. Despite the delays, SGP-PEF is now operational in all 14 PICs, as well as in Tokelau. In all, 36 PEF-funded full-sized grants have been approved, five in Year 1, with 15 and 16 in the subsequent two years, respectively. After an early start, with some optimistic signs, the SGP has struggled to function in PNG and the Solomon Islands. Both Samoa and Fiji have benefitted from their early entry into the SGP, the presence of UNDP Multi-country Offices and, for Samoa, participation in the GEF-funded global CBA project. There is a marked difference between a full country programme that was already established in Year 1 versus new sub-regional programmes who embarked on grant-making in Year 2 and 3. Samoa approved triple the number of projects when compared to all three of its sub-regional countries combined. Similarly, Fiji approved more than double the number of projects compared to all four of its sub-regional countries combined.

PEF has predominantly funded projects in the biodiversity focal area, with lesser investment in climate change, international waters and land degradation. As countries gain more experience they use a wider range of focal areas. Climate change and persistent organic pollutants (POPs) are areas where more attention is likely to be given in the future. Given the slower than expected rate of grant making uptake in the first year of the SGP-PEF, it was recognised that focused efforts were required to enhance the capacities of the new SGP countries in the Pacific. Most of the contrasts in performance between countries in terms of grant making can be attributed to differences in capacity, in terms of both constraints and opportunities. The PEF design document did not recommend funding capacity building despite it recognising capacity as a key implementation issue. SGP does not provide any funds for staff training, other than initial training for new National Coordinators.

Capacity building resources were mobilized through the PEF, to help ensure the success of grant making, monitoring, reporting and evaluation, as well as ensure sound financial and

general management and administration, capacity building activities have been undertaken at community through to regional levels. Over the three years of the SGP-PEF, NZAID has allocated USD 381,000 for capacity building activities, with USD 254,199 being disbursed.

Reporting on capacity building activities was agreed with the CPMT to be through standard SGP annual reporting. The first annual reporting received from CPMT (in November 2009) did not include any reporting on capacity building activities. A standard reporting template would help overcome these shortcomings. This makes it impossible for the review to show in detail what tangible benefits have resulted from the significant investments in capacity building made under PEF and hence to demonstrate in a rigorous manner the extent to which capacity building support has been effective. There is a need for more substantive evidence of the tangible benefits resulting from capacity building using PEF funds. Currently, there is inadequate monitoring of the outcomes, and non-existent reporting on the wider benefits of such activities.

Turnover in government agencies, in project groups, in SGP staff and committee membership, as well as changes in SGP guidelines, focal areas, partnerships and reporting requirements, mean that there will always be a need to continually up skill stakeholders. Even in the more established SGP countries, such as Fiji and Samoa, community groups and governmental and non-governmental partners still need to have their capacities enhanced. Despite larger countries having better access to non-governmental organisations (NGOs), government, the private sector, good communication systems and additional avenues of technical support, current/potential grantees and SGP staff and committee members still require targeted training and mentoring.

The PEF Coordinator has made a substantial contribution to the establishment, ongoing management, monitoring, and evaluation of SGP-PEF. Overall, countries value the contributions of the PEF Coordinator. The work of the PEF Coordinator has also included support to regular Partnership Steering Committee meetings, finalising aspects of partnership design, supporting local personnel to achieve their goals, and providing brief reporting and recommendations to NZAID and UNDP GEF on a regular basis.

Detailed reviews were undertaken for 22 projects in Fiji, Samoa, Cook Islands, Kiribati and Vanuatu. Eleven were funded through the PEF. Site visits were made for 13 of the 22 projects. On a relative basis, the evidence shows that PEF projects are proving to be more effective at delivering economic and replication benefits. Despite starting later, the delivery and on time performances of PEF-funded projects are comparable to GEF-funded interventions. The overall ratings for PEF-funded projects are higher. This is despite the more recent starting dates.

There are two fundamental systemic problems that individually and collectively have a major influence on effectiveness. Interviews and other evidence highlighted that many potential and confirmed grantees are not providing proposals and reports that meet the requirements for funds to be disbursed. While these inadequacies in project reporting contribute to delays in authorization and disbursements by UNDP, evidence shows that some of the delays are independent of the quality and timeliness of project reporting and can be attributed to both staffing and procedural issues in UNDP. Regardless of their cause, delays in disbursement have major implications for the effectiveness of project implementation, including difficulties with the recruitment and retention of project staff.

Due to shortcomings in the SGP-PEF design and its early implementation NZAID became more involved in managing SGP Pacific, incurring high management costs. There have also been delays in agreeing on, and implementing, the five amendments to the CSA between UNDP and NZAID. UNDP has not been able to meet several of the reporting requirements specified in the CSA, especially in relation to financial reporting. Many of the amendments to

the CSA were made in an attempt to ensure that NZAID had a true and fair report of actual expenditure - whether it has occurred, and if so, on what, and for how much. Despite these efforts, acceptable, in-depth reporting was not received from UNDP until late 2009.

The PEF Coordinator began playing a highly interventionist role. While this was mostly constructive, there was also some resistance to procedures NZAID put in place for risk management reasons. The PEF Coordinator has no delegated authority to make decisions even when such actions would be helpful rather than perceived as confusing. This has constrained the contributions the Coordinator has made to improving the effectiveness and efficiency of grant making, monitoring and reporting.

The Steering Committee should have resolved many of the emerging problems with project performance, but often there was no follow-up to its decisions. This frequent failure to follow up on agreed decisions and actions compromises their success. These short comings should be addressed as a matter of urgency. For this and other reasons, the responsibilities, powers, funding and membership of the Steering Committee should have been clearer. At present two meetings of the Steering Committee are held each year. This represents a significant cost, to both GEF and PEF, a cost that would increase substantially if the membership is widened, as is proposed. The Committee is now making increased use of telephone conference calls, with informal discussions being held between the formal bi-annual meetings. Steering Committee meetings should be face-to-face only when most if not all parties are present in one location for another reason. Otherwise telephone meetings should be used. This method of meeting will also help ensure that meetings are held with appropriate regularity. The work of the Steering Committee could also be made more efficient if it established sub-committees. The efficiency and effectiveness of these meetings is enhanced through both competent chairing and judicious record keeping.

The expenditure reported to CPMT by the Fiji MCO was, and remains, inconsistent with that reported by CPMT to NZAID. This was only after numerous requests and prompting. It remains unclear why UNDP had difficulty in meeting the not unreasonable needs of NZAID. There should be standard annual SGP reporting, with CPMT revising the current reporting template to include PEF and MAP CBA components. Monitoring and reporting should focus increasingly on results and outcomes, including positive contributions to lives (e.g. poverty reduction) and livelihoods (e.g. income generation).

SGP Pacific has been especially fortunate to recruit some well-qualified Sub-regional Coordinators who also serve as National Coordinators in their host country. They have also benefitted considerably from additional training, usually provided by longer serving Sub-regional Coordinators or the PEF Coordinator, and using PEF resources. A similar situation exists for the National Coordinators. They receive training from the relevant Sub-regional Coordinator and the PEF Coordinator. Recruitment of qualified National Focal Points is more difficult, due to the position being part time. However, experience has also been generally positive in this regard.

The SGP Pacific is totally focused on assisting communities and other potential grantees to prepare fundable proposals, through provision of both technical and related assistance, and by building the capacity of potential and current grant holders to implement their projects in a timely and effective manner. There is considerable room for improvement in this support.

One of the SGP's principal objectives is to develop community-level strategies and implement technologies that could reduce threats to the global environment if they are replicated over time. The key point is "if they are replicated over time". Given the scale of the project activities, it is not appropriate or relevant to expect an individual project to deliver global environmental benefits. Rather, the country programme strategies, as well as the selection criteria used in grant making, help to ensure that the SGP project portfolio, in

aggregate, delivers such benefits. Up-scaling and replication related to SGP Pacific projects are also helping to achieve this goal. One of the more powerful consequences of a community-based approach to improved environmental protection and sustainable resource use is that replication occurs, often with little direct intervention so long as they are building on a strong foundation of knowledge, experience and demonstrated success. The evidence presented shows that many of the communities adjacent to SGP sites are adopting and adapting good practices and lessons learned.

A comparative analysis of the difference between a full country programme and the newer sub-regional programmes indicates that, through the SGP, sub-regional countries will play an increasingly important role in helping meet the national obligations under multi-lateral environmental agreements (MEAs). This is not only as a result of an increased number of projects, but also through upscaling and replication processes already underway in the more established SGP countries. But there are limits to this growth, particularly due to the absorptive capacity of some sub-regional countries being constrained by such factors as the number of communities and CBOs with an interest and ability to engage in the SGP. Additional capacity building support is needed to ensure that such capacity constraints are decreased to appropriate levels.

The SGP strategy is to build partnerships and networks of stakeholders to support and strengthen community, NGO and national capacities to address global environmental problems and promote sustainable development. Under the SGP, the country programme strategy (CPS) serves as the framework for country programme operations and ensures that both the country programme and the project portfolios are clearly related to the overall GEF objective of contributing to global environmental benefits in the GEF focal areas. However, the SGP usually supports communities that confront a multitude of social and economic development problems, as well as those in the GEF focal areas. In order that SGP interventions have relevance and utility at the community level, these non-GEF circumstances are taken into account in project design and the approval process.

At the regional level SGP Pacific operates an informal network that links countries and sub-regions, principally through the efforts of national SGP staff and the PEF Coordinator. The network is most successful in terms of building the capacity of SGP staff through formal training sessions, short term exchanges and through sharing of best practices and lessons learned. SGP Pacific is also an integral part of the global SGP system, not only in terms of receiving financial resources and participation in relevant meetings and training opportunities, but also by exchanging best practices and lessons learned directly with other countries, or via the CMPT and the SGP website.

Recommendation. More attention be given to systematically assessing grantee and community capacity early in grant making process, in order to decide if the community and grantee have the required actual or potential capacity, or whether it is best for them to partner with an NGO or government; it is insufficient to just assess a pre-proposal/concept on its technical merits alone.

Recommendation. Develop and implement more robust but streamlined proposal screening and project approval procedures, and improve monitoring and reporting overall.

Recommendation. Improve the separation and clarify the roles and responsibilities of the NSC/NFG, their Technical Committee, the NC/NFP, the LTA and the PEF Coordinator.

Recommendation. Relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific.

Recommendation. Clarify and formalise the responsibilities, powers, funding, membership and procedures of the Steering Committee, with consideration given to the Steering Committee itself comprising representatives of the wider GEF SGP-NZAID PEF-AusAID MAP CBA partnership, as well as UNOPS and with sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.

Recommendation. Develop more harmonized and streamlined reporting covering the three components of SGP Pacific (core GEF, PEF and MAP CBA), with clear allocation of responsibilities and setting of timelines for reporting at all levels, from projects through to SGP Pacific as a regional initiative.

Recommendation: Undertake further capacity building, but any additional investment should be predicated on adequate needs assessments, and on monitoring and reporting procedures being in place.

Recommendation. Harmonize the assistance being provided through SGP-PEF and New Zealand's bilateral assistance, in order to ensure that, overall, the New Zealand government can be assured it is receiving value for money.

Review Objective 2: Determine the effectiveness and relevance of the SGP Pacific: b)

Relevance. In keeping with the SGP Operational Guidelines, grant proposals are generated by the target beneficiaries themselves, notably communities. In the Pacific they can also be prepared by relevant government agencies as a result of the PEF contribution to SGP. SGP staff, NGOs and government agencies all add value to, rather than drive this process. In each country the CPS is the main tool used to identify target groups and to involve them in project design and implementation. It is used to identify the different needs, priorities, interests, roles and responsibilities of women, men, girls and boys and ensure they are addressed. This is often achieved by partnering a potential grant-receiving community with a non-governmental or government agency, as appropriate. The ability to award an initial planning grant where a community has clear capacity constraints or other challenges is an important mechanism for ensuring equitable and full access to SGP resources.

The new mission statement for NZAID, approved by Cabinet in April 2009, states that New Zealand's official development assistance programme will support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. In delivering on that mission, there will be a focus on sustainable economic development and also a focus on the Pacific. With very few exceptions, the 22 projects that were examined in detail are not only contributing to increased environment sustainability but also to sustainable economic development, albeit at community level and hence on a somewhat limited scale. Within the limits imposed by generally poor reporting on such considerations, it is apparent that most of the projects reviewed through site visits, interviews of project teams and other means have made positive contributions to both livelihoods and poverty alleviation.

The cross cutting considerations of most immediate relevance to this review of SGP Pacific are human rights, gender equity and relationships with NGOs. The SGP Pacific gives priority to both improved environmental management and poverty reduction, with the latter being considered as a human rights issue as well as a development issue. Grant making and capacity building under SGP Pacific adhere to the standards and principles of human rights while assisting communities to prepare and implement sound development policies, plans and processes. While no instances were identified where proposals and budgets were screened for gender and human rights responsiveness using UNDP and other tools, there was also no evidence that decision making had compromised human rights or gender equity. Similarly there was no evidence found at either country or project level that any grant making violated the funding criteria of New Zealand's aid programme.

Objective 3: Assess the efficiency and implementation of the NZAID-UNDP GEF partnership: a) Efficiency

For first three years of the partnership USD 2,970,500 of PEF funding was allocated to SGP Pacific activities in the CSA. This was to cover grant making, capacity building, sub-regional workshops and administration. By the end of June 2009 less than half of these funds were disbursed (USD 1.03 million), although an additional USD 1.43 million had been committed for grants. The 63 planning and project grants awarded accounted for USD 1.88 million, leaving USD 0.18 million of grant funding uncommitted. Capacity building activities cost USD 0.25 million, with USD 0.38 million being available. Thus USD 0.12 million of capacity building funding was unspent at the end of Year 3. The unspent but committed and uncommitted allocations (totalling USD 1.93 million of the USD 2.97 million originally allocated) were carried over and used to fund a financially neutral one-year extension to the SGP-PEF partnership.

SGP-PEF management costs represent 17% of total disbursements (12% of funds disbursed and committed), if the costs of the PEF Coordinator are not included. They were not included in the CSA. If the direct costs of the Coordinator are included, the numbers increase to 35% and 25%, respectively. Comparable values for the global SGP were 31% for OP 3, with a regional range of 27 to 35%, and 37% for OP 2. Management costs were 14% and 22% of total disbursements (excluding regional workshops) for the more mature Fiji and Samoa country programmes, respectively. The comparable value for all SGP-PEF is 35%. Importantly, both Fiji and Samoa have additional administrative costs related to their sub-regional roles. The results do suggest that, even in the Pacific, national SGP programmes will become more cost effective as they mature, with increased grant making in terms of both number of grants and their total value.

Importantly, a recent study of SGP's global execution arrangements found that, if there was a change in execution modalities from UNOPS to DEX, the programme would suffer from reductions in both efficiency and grant dollars delivered, for a minimum of three years. This would be equivalent to an approximate discount rate of 25-30% reduction in the outcomes of GEF grants delivered globally over that time period. Given that the new SGP-PEF used DEX, while the established SGP Pacific used UNOPS, these findings are highly pertinent.

Shortcomings the SGP-PEF design and inception documentation resulted in use of an execution modality new to the SGP, not well suited to use in a sub-regional setting and which operated in parallel with the one used globally. There was no value added by having two separate governance and management systems (DEX and UNOPS). UNOPS systems still provide full accountability for use of donor funds. The result was exceedingly slow disbursement of funds to the community projects, as well as for national activities. A major contributing factor was a lack of human capacity within UNDP to deliver at the sub-regional level.

While the PEF design document included the statement "NZAID funds will be managed and administered in-country under the same structures and systems that the SGP uses", SGP-PEF is in fact executed using DEX, through UNDP COs. Importantly, the remainder of SGP is executed through UNOPS. One of the first consequences of this separation was the need to prepare and secure PIC approval of a Project Document. This lengthy process led to delays in providing the first tranche of funding to countries, and subsequently to projects. This slow disbursement of funds necessitated a revision of the CSA, another lengthy process in itself. This caused further delays in disbursing funds. In addition, the parallel systems resulted in confusion, increased overhead, delays and loss of synergies.

The CSA had to be used as an adaptive management tool, requiring five amendments. Each

involved a lengthy and resource intensive procedure, adding to disbursement and other delays. The CSA should not be used in this way – it should be an enabling instrument, rather than being overly prescriptive.

Harmonizing the financial operational and reporting requirements of NZAID and UNDP represents a major challenge, which has never been overcome completely. The CSA amendments resulting in individual country allocations exacerbated the problem. A more flexible system of sub-regional grant funding envelopes would have been desirable from many perspectives, but would not have given NZAID confidence that it was being prudent in managing the risks as it perceived them. The UNDP Multi-country Offices also had increasingly complex and hence time-consuming approval and disbursement procedures, with performance further compromised by inadequate staff resources.

To avoid such adverse consequences there should have been a more balanced approach, and a clear road map with realistic objectives, timelines, performance targets, indicators and adequate allocation and mobilization of resources. To have realistic objectives and end up over-achieving is far better than having broader, unrealistic objectives that are never achieved. For example, countries that are starting their SGP activities are often overly ambitious about what they can achieve. The same comment is relevant to the start up of SGP Pacific. When NZAID went into the partnership with SGP it had a high level of trust that SGP could deliver what was indicated in both the original CSA and the subsequent Project Document. It soon became apparent that SGP had “oversold” its ability to achieve operational SGPs in all PICs and Tokelau. In order to protect its investment, NZAID started managing the risks by imposing more stringent controls and safeguards. In many ways this was counter productive, but NZAID had only two other options, both of which would have compromised the partnership to an even greater extent.

There continues to be a problem with the timely receipt of adequate reports. NZAID never received annual country reports until January 2010. The need to report development outcomes was identified by NZAID. It was not receiving this information as part of standard SGP processes. Had a clear project feasibility design been in place it would have helped lay out what information NZAID required and when it was expected. Rather, the amendments to the CSA have been used to try and resolve these issues.

There have been many instances when New Zealand’s requests for timely reporting on acquittals, disbursements and variances, including supporting narratives, have strained relationships between NZAID and UNDP. This was not helped by the Samoa and Fiji MCOs differing in their definitions of the financial term “commitment”. NZAID had to rely on verbal persuasion as the CSA did not include a provision to make payments based on reported performance.

Had there been a clearer and achievable road map for the SGP-PEF the day to day involvement of NZAID in managing the partnership would not have been required. In addition, the changes in personnel that have occurred would not have been so problematic. Under normal circumstances changes in the personnel assigned to a particular task should cause minimal disruption. The hands-on involvement in SGP-PEF implementation, along with the lack of clarity as to how the project should be implemented, meant that changes in personnel brought more negative consequences than would normally occur. The PEF Coordinator helped offset many of the adverse repercussions of changes in the NZAID personnel responsible for managing implementation of and compliance with the CSA.

There are major differences between PEF resources allocated and disbursed over the first three years of operation. Most importantly, many grant funds are allocated but have not yet reached the intended recipients. There have been several analyses of the extent of the delays, and the contributing factors. Collectively they provide a lesson learned.

Interviews, and documentation such as Steering Committee minutes, reveal that there was considerable haste to roll out the SGP in the Pacific. It was the first time the SGP had used a regional approach, working with a donor. In addition, the decision was made to “test” DEX because of the likelihood that UNDP COs could play a bigger role than they would if execution was through UNOPs. The CPMT was also remote from, and inexperienced with, the Pacific. As a result of all these circumstances, expanding the SGP in the Pacific was something of an “experiment”, requiring a “flexible approach”.

There is nothing inherently wrong with such an adaptive management strategy, but in practice it resulted in too much uncertainty, mistakes and confusion. In addition, implementation was constrained by a CSA that UNDP, and especially the CPMT, found increasingly difficult to work and comply with. For example, an amendment to the CSA introduced a 4-tier contribution structure and formula-based support to individual countries for both capacity building and administration, significantly reducing the opportunity to allocate resources across the region, on the basis of demonstrated need and effectiveness and efficiency in the use of funds. The CPMT did not have such constraints in its global programme. UNDP also saw the CSA as becoming more inflexible as NZAID sought to minimize its risk due to UNDP not meeting the reporting requirements as specified in the original CSA and as a result of large variances between expected and reported expenditures.

Currently there is a missing link between, on the one hand, the national and multi-country medium and full-sized projects funded by GEF and, on the other, the activities of the SGP at the community level. This is despite at least three opportunities to foster operational and policy linkages between the SGP and the larger GEF projects that are planned or already underway. There is no evidence indicating that any of these mechanisms is working in the Pacific.

Continuity of personnel is an issue at many levels. Arguably, the only exception is the CPMT, where the continuing commitment, energy and growing expertise of both the Global Manager and the Biodiversity Programme Specialist should be acknowledged. In contrast, changes in NZAID personnel responsible for oversight of the PEF have degraded institutional memory, such as reasons why SGP-PEF has changed from its original design to what it is today. The review team had difficulty accessing some information due to staff turnover. This included the programme logic, about which there was significant confusion and lack of awareness, as well as knowledge of the history of the UNOPS vs DEX discussions.

To provide continuity, and as a result of the many other contributions made by the PEF Coordinator, New Zealand’s aid programme should continue to fund this position. This would also help ensure there is appropriate support for the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

Retention of SGP staff working at country level is a systemic problem for the global SGP, due to the management structure. When a senior SGP staff member leaves, delivery of the programme declines substantially, for six to nine months at least. One of the reasons for the retention problem is that salary scales are not reviewed with sufficient frequency and are hence often out of line with the market. In addition, SGP positions are often seen as an excellent training ground and hence stepping stone to employment which is more rewarding, financially and in terms of status. Also, delays in finalising contracts can lead to job insecurity and a decision to look for more permanent employment opportunities.

The operational roll-out and establishment of the SGP in all 15 PICs to the level of full implementation in 2009 could not have completed without New Zealand's support. Across the region, PEF funding has contributed to building confidence and political recognition for national multi-stakeholder decision-making for aid effectiveness, in line with the Paris OECD DAC principles. It has also encouraged the entry of AusAID as a third major donor to the SGP in the Pacific.

SGP Pacific has demonstrated that a globally implemented, and regionally executed programme can deliver synergies and other benefits, even at community level. This is an important message, in part due to the increasingly bilateral focus of New Zealand's overseas development assistance. SGP Pacific combines a demand driven programme, as commonly pursued by NGOs, with a strategic approach guided by a donor and other global players. An important practical aspect of this experience is that, in some cases it is unrealistic to expect a community to develop the capacity to propose, implement, monitor and report on a project to the level expected by a global programme with accountability to the GEF as well as to donors such as, in this case, NZAID and AusAID. This is highlighted by the significant number of projects that have received their first tranche of funding, but failed to meet the reporting requirements in order to receive the next funding tranche. A recommendation that follows up on this lesson learned is presented in the next section.

Despite the conclusion reach above, inadequacies in reporting progress and especially results have made it exceedingly difficult to document what SGP Pacific is achieving on the ground. It is extremely difficult to assess if SGP Pacific is delivering to expectations. Unlike elsewhere in the SGP, SGP Pacific has pursued a sub-regional approach. This has the potential advantage of greater flexibility in allocating funds. As pointed out elsewhere in this report, the currently overly prescriptive approach of SGP-PEF, and especially the CSA, undermined this.

Many of the problems and constraints identified above could be overcome by preparation of a new SGP-PEF Project Document, to which New Zealand would be a signatory, along with PICs and UNDP. The Project Document should include clearly specified inputs, outputs, timelines, intended outcomes, and performance indicators and targets as part of comprehensive a monitoring, evaluation and reporting plan. It should ensure the use of UNOPS as the execution modality. Preparation will require strong planning and a clear timetable, and lead to a definition of key roles for the UNDP COs, the Micronesian Conservation Trust and other such players. They should not have execution responsibilities. UNOPS and UNDP management costs should be established on the basis of services and cost efficiency, rather than on the basis of a stated percentage of the PEF contribution (see Annex 10).

Recommendation: To improve efficiency and effectiveness, SGP Pacific staff and committees should monitor projects more carefully, and be prepared to terminate a project in a professional and sensitive manner, where the evidence suggests such action is justified.

Recommendation. As a matter of some urgency, UNDP should prepare a new Project Document for SGP-PEF, taking into account the experience with the first phase of the programme, the findings and recommendations of this review and the capacities, opportunities and emerging needs of the target countries, territories and communities.

Recommendation. New Zealand's aid programme should continue to fund the PEF Coordinator until June 30, 2011 in order to ensure continuity and support the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

Lessons Learned. Several lessons have been learned during the first years of implementing the SGP Pacific. These are:

1. Inconsistencies and lack of clarity in the programme logic and supporting documentation should be identified and resolved at the earliest opportunity, in order to avoid adverse consequences for relationships between key players as well as for implementation.
2. Capacity building is an integral part of development assistance, and should be seen as an ongoing process rather than a one off initiative.
3. When implementing a global programme on a regional basis it is important to recognize local contexts and capacities and therefore produce a regional documentation that adapts the standard global operating procedures.
4. Shortcomings in the PEF-SGP design resulted in the PEF Coordinator playing a role well beyond that originally anticipated, but with effectiveness being constrained by a lack of any delegated authority.
5. Shortcomings in the performance of the Steering Committee exacerbated the underlying problems with the design and implementation modalities of the SGP-PEF.
6. Without clear and agreed monitoring and reporting requirements, and a commitment to meeting them, performance is severely compromised.
7. Effectiveness of SGP-PEF has been enhanced by the ability to support the involvement of government staff in project activities. This is a unique feature of SGP operations worldwide.
8. Rather than rely on untested trust and “learning by doing”, there is a need for roles, responsibilities and expectations to be clear and mutually agreed, in advance.
9. Robust systems must be in place to ensure institutional capacity is not lost, and performance is not degraded, as a result of personnel changes.

For Consideration by New Zealand’s Aid Programme. Based on the findings of this review, New Zealand’s Ministry of Foreign Affairs should consider the following when reaching a decision as to whether, how, when and to what extent PEF is replenished and continues to be used in partnership with SGP to support implementation of New Zealand’s aid programme in the Pacific islands region:

- The clear need for further improvements at community level in environmental protection, sustainable use of natural resources, poverty alleviation and community empowerment, including improved livelihoods – the 36 PEF-funded projects have delivered significant benefits for the involved communities; there is a need for this to happen more comprehensively;
- PEF funding should be used to ensure continuation of the current trend of SGP projects away from a narrow focus on biodiversity conservation and ecosystem management (and latterly climate change as well), to more diversified national portfolios of SGP projects, covering the full range of GEF focal areas and making significant contributions to the sustainable economic development of participating communities;
- Community development is the focus of SGP Pacific; since all aspects of development are climate sensitive, SGP Pacific (which includes both PEF and MAP CBA) is an ideal mechanism to ensure that the improvements sought at community level in the Pacific are not offset by climate change; the next phase of the SGP Pacific could apply the lessons

- learned from the current SPA CBA and MAP CBA initiatives and integrate a climate change dimension into all community development initiatives undertaken by SGP Pacific;
- The excellent alignment of SGP-PEF with New Zealand’s overseas development assistance policy and with the policies of the Ministry of Foreign Affairs;
 - The next phase of SGP-PEF should be consistent with the objective of adding value to the global SGP;
 - SGP-PEF provides an effective mechanism for New Zealand to assist with the implementation of MEAs in developing countries;
 - The progress already achieved under the PEF, working in partnership with the SGP and, more recently with the MAP CBA initiative funded by AusAID;
 - The evidence that a globally implemented, and regionally executed programme can deliver synergies and other benefits, including at community level; operationally and in terms of impact, SGP-PEF is more like a regional programme that is delivered bilaterally, with the added benefits of regional coordination, cooperation and the resulting synergies that come from a collective application of demonstrated good practices and of lessons learned;
 - The comparatively low management costs of the SGP-PEF, with almost all the PEF resources going to the Pacific, and especially communities and their local development partners;
 - The evidence that the efficiency and effectiveness of SGP-PEF will likely increase as lessons are learned and the levels of grant making increase; and
 - The next phase of the SGP-PEF-MAP CBA could be a working example of the Cairns Compact for Closer Development Cooperation.

The review team considered four options for the future of SGP-PEF, as follows:

- New Zealand ceases to co-finance SGP Pacific and the PEF is either wound down or another modality is used to fund sustainable environmental management and community development in the Pacific, such as setting up bilateral small grants programmes in each PIC and Pacific island territory - this option was rejected as this report clearly shows (e.g. Table 5) that through the PEF New Zealand is making an important contribution to improved environmental management and economic development at community level in the Pacific, that this is also assisting PICs to meet their MEA obligations, and that the SGP is the most appropriate mechanism to deliver this assistance and will be even more so if the findings of this review are acted on promptly and appropriately;
- New Zealand signals its intention to renew its contributions to SGP Pacific, but only after the findings have been addressed and the recommendations implemented – this option was also rejected; to do otherwise would mean losing experienced and productive personnel, including all the NFPs who manage the programmes in the ten sub-regional countries; PEF provides administration budget top-ups, including salaries, monitoring costs and helps meet the costs of NHIs; during the transition from GEF4 to GEF5 (July - December 2010) operating budgets for countries will be only 45% of the normal full allocation; in addition, many projects in the SGP pipeline are “non-GEFable” due to the involvement of government agencies;
- New Zealand and UNDP agree on an interim CSA, which essentially maintains a “business-as-usual” operation for six or 12 months – while the expedient nature of this option is somewhat appealing, it was also rejected; the need for change in funding and implementing the SGP-PEF are so pervasive, that maintaining a “business-as-usual” approach is untenable; for example, there is an urgent need to change from DEX to UNOPS execution; in addition, negotiating and implementing a CSA is very time-consuming and resource intensive, making the idea of an interim CSA highly impractical - based on past experience, negotiating and signing a 12 month CSA and making funds available in ATLAS would leave only four months for countries to implement the programme; and

- New Zealand enters into a new and strengthened CSA with UNDP, commencing July 2010 and running for four years, with PEF providing a similar level of resources to SGP Pacific as in the previous CSA, but with several conditions designed to improve performance and accountability – this option is recommended as it not only addresses all the shortcomings of the previous two options; it also avoids the many adverse consequences of discontinuing a high profile programme that has generated high interest and expectations at political and other levels within and beyond the Pacific, reconfirms New Zealand’s commitment to supporting GEF programmes both financially and operationally, and assists PICs and territories to meet their MEA obligations.

Recommendations arising from the review relate to implementing the fourth of the above options.

Recommendations.

Directed Especially to NCs/NFPs, NSCs/NFGs and Relevant CROP Agencies

1. To improve efficiency and effectiveness, NCs/NFPs and NSCs/NFGs should monitor projects more carefully, and be prepared to terminate a project in a professional and sensitive manner, where the evidence suggests such action is justified.
2. More attention be given to systematically assessing grantee and community capacity early in grant making process, in order to decide if the community and grantee have the required actual or potential capacity, or whether it is best for them to partner with an NGO or government; it is insufficient to just assess a pre-proposal/concept on its technical merits alone.
3. Develop and implement more robust but streamlined proposal screening and project approval procedures, and improve monitoring and reporting overall.
4. Improve the separation and clarify the roles and responsibilities of the NSC/NFG, their Technical Committee, the NC/NFP, the LTA and the PEF Coordinator.
5. Relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific.

Strengthened Monitoring and Reporting

6. Develop more harmonized and streamlined reporting covering the three components of SGP Pacific (core GEF, PEF and MAP CBA), with clear allocation of responsibilities and setting of timelines for reporting at all levels, from projects through to SGP Pacific as a regional initiative.
7. Undertake further capacity building, but any additional investment should be predicated on adequate needs assessments, and on monitoring and reporting procedures being in place.

The SGP Pacific Steering Committee

8. Clarify and formalise the responsibilities, powers, funding, membership and procedures of the Steering Committee, with consideration given to the Steering Committee itself comprising representatives of the wider GEF SGP-NZAID PEF-AusAID MAP CBA partnership, as well as UNOPS and with sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.

9. The revised programme logic prepared specifically for the SGP-PEF be reviewed and endorsed at the next meeting of the Steering Committee.

For Immediate Consideration and Action

10. UNDP, represented by the CPMT, and working in consultation with PICs, Tokelau, the New Zealand Ministry of Foreign Affairs and AusAID, should complete preparation of the “Pacific Framework for SGP Operations in the Pacific” as a matter of utmost urgency.
11. Harmonize the assistance being provided through SGP-PEF and New Zealand’s bilateral assistance, in order to ensure that, overall, the New Zealand government can be assured it is receiving value for money.
12. As a matter of some urgency, UNDP should prepare a new Project Document for SGP-PEF, taking into account the experience with the first phase of the programme, the findings and recommendations of this review and the capacities, opportunities and emerging needs of the target countries, territories and communities.
13. New Zealand’s aid programme should continue to fund the PEF Coordinator until June 30, 2011 in order to ensure continuity and support the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

For Consideration and Action in the Near Term

14. New Zealand should negotiate and sign a new and strengthened CSA with UNDP, commencing July 2010 and running for four years, with PEF providing a similar level of resources to SGP Pacific as in the previous CSA, but with several conditions designed to improve performance and accountability; the CSA should be based on and consistent with the new Project Document, but it should be formulated in such a way that amendments will not be necessary during the life of the agreement, unless unforeseeable circumstances necessitate a revision.
15. The new CSA should guarantee that the involvement of government actors will continue to be supported through the PEF, as well as other “non GEFable” activities, additional capacity building and LTAs where justified; for example, the SRC for the Northern Pacific is requesting an LTA to work at the regional host institution level, rather than limiting them to assist just stand alone countries.
16. That SGP, NZAID and AusAID continue to prioritise capacity building support in future programming. The new CSA should therefore recognise that additional capacity building is clearly required, in order to move all countries and Tokelau closer to and perhaps even beyond the operational performance now being achieved by Samoa and Fiji; further investment in building the capacity for grant making and successful project execution must go hand in hand with a significant effort to improve the standard of both monitoring and reporting on the tangible benefits and hence the effectiveness of these efforts to build capacity.
17. The new CSA should also specify that the CPMT will establish a new position, a SGP Regional Technical Advisor (a term used by GEF and many other development partners) for the Pacific; work undertaken by the Advisor should build on, expand and refine the mandate, reporting lines and responsibilities of the current PEF Coordinator; the new

Regional Technical Advisor will work in the region, with delegated authority to act on behalf of the SGP Global Manager, as appropriate; there would be value in having the Advisor co-located in SPREP and working with GEF Support Advisor in the Pacific, but reporting to the SGP Global Manager.

18. In order to foster operational and policy linkages between the SGP and the larger GEF projects that are planned or already underway, every reasonable effort should be made to secure the increased involvement of the GEF Support Advisor in the Pacific in the SGP.

For Consideration and Action in the Slightly Longer Term

19. UNDP, AusAID and the New Zealand aid programme should options, pathways and timetables for moving expeditiously towards a situation where PEF resources are pooled with the GEF core funding and the AusAID funding, with no specific allocations as to how they should be disbursed and expended; rather the global SGP managers, and their sub-regional and national counterparts, should be guided on this matter by the new CSA including performance targets, indicators and timelines; while it may take up to three years to achieve full alignment of the three components of SGP Pacific, the new CSA between UNDP and New Zealand should allow for this development.

Acknowledgements

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We also acknowledge the contributions made by SGP staff, government officials, UNDP representatives and New Zealand Ministry of Foreign Affairs and AusAID representatives throughout the Pacific, but especially those in the Cook Islands, Fiji, Kiribati, Samoa and Vanuatu.

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Acronyms

| | |
|---------|--|
| AusAID | Australian Agency for International Development |
| CBO | Community Based Organisation |
| CO | Country Office (UNDP) |
| CPS | Country Programme Strategy |
| CPMT | Central Programme Management Team |
| CROP | Council of Regional Organisations of the Pacific |
| CSA | Cost-sharing Agreement |
| DEX | Direct Execution |
| EEP | Evidence and Evaluation Portfolio |
| EU | European Union |
| FSM | Federated States of Micronesia |
| GEF | Global Environment Facility |
| GEF-PAS | GEF Pacific Alliance for Sustainability |
| ICCAI | International Climate Change Adaptation Initiative |
| LTA | Local Technical Assistant |
| MAP-CBA | Mekong and Asia-Pacific Community Based Adaptation Programme |
| MCO | Multi-country Office (UNDP) |
| MDG | Millennium Development Goal |
| MEA | Multilateral Environmental Agreement |
| MFAT | Ministry of Foreign Affairs and Trade |
| NC | National Coordinator |
| NFG | National Focal Group |
| NFP | National Focal Person |
| NGO | Non-governmental Organisation |
| NHI | National Host Institution |
| NZAID | New Zealand Agency for International Development |
| OFF | Operational Focal Point |
| PIC | Pacific Island Country |
| PIE | Pacific Environment Initiative |
| PNG | Papua New Guinea |
| POP | Persistent Organic Pollutant |
| RMI | Republic of Marshall Islands |
| SGP | Small Grants Programme |
| SGP-PEF | Small Grants Programme-Pacific Environment Fund |
| SOPAC | Pacific Islands Applied Geosciences Commission |
| SPC | Secretariat for the Pacific Community |
| SPREP | Pacific Regional Environment Programme |
| SRC | Sub-regional Coordinator |
| TOR | Terms of Reference |
| UNDP | United Nations Development Programme |
| UNOPS | United Nations Office of Project Services |

1. The SGP Pacific and its Development and Political Context

The Small Grants Programme (SGP) of the Global Environment Facility (GEF) was launched in 1992, with the aim of securing global environmental benefits through local level environmental protection, poverty reduction and community empowerment. The SGP emphasises local stakeholder engagement and ownership, to help ensure sustainability and relevance. It is intended not just to deliver environmental benefits and poverty alleviation, but also to build the capacity of communities and stakeholders to manage these issues. Its focal areas of concern are biodiversity, climate change (adaptation and mitigation), international waters, land degradation, persistent organic pollutants, all while working to create sustainable livelihoods. Thus SGP supports projects of non-governmental and community-based organizations in developing countries. This intention is to demonstrate that community action can maintain the fine balance between human needs and environmental imperatives.

The SGP is operational in 133 developing countries and has provided more than 12,000 grants worldwide. Financial resources for SGP come from core GEF funding, with additional resources mobilized by countries from their GEF allocations, through GEF projects submitted by the more advanced country programmes, and through co-financing raised from other sources, including those provided by donors and by community-based organisations (CBOs) and non-governmental organisations (NGOs) themselves.

The Central Programme Management Team (CPMT) for the SGP is based in UNDP Headquarters. It provides global guidance on GEF focal areas, reviews country programme strategies, receives and analyses semi-annual and biennial reports and serves as liaison with the GEF Secretariat and GEF Council, preparing annual reports and work plans and requests for replenishment for Council approval. The United Nations Office of Project Services (UNOPS) is the single global executing agency for the GEF funds received by the United Nations Development Programme (UNDP) for the SGP at the global level. UNDP Country Offices (COs) provide support with programme implementation, acting on behalf of UNOPS.

Some ten years after the global launch of SGP, Pacific Island Countries (PICs) called for the expansion of the programme throughout their region. At around the same time, New Zealand was seeking new and additional ways to support its Pacific partners in addressing community level environmental issues. The resulting partnership formed between SGP and New Zealand's aid programme was formalized in a Cost-sharing Agreement (CSA) and the launch of the 3-year Small Grants Programme-Pacific Environment Fund (SGP-PEF)¹ in mid-2006. SGP-PEF covers all five of the GEF focal areas. Unlike the global SGP activities, SGP-PEF is executed directly through the UNDP COs.

To date New Zealand has provided USD 2,970,500 to UNDP under this arrangement. This support for SGP Pacific is strongly linked to the broader New Zealand international policy of engagement which:

- identifies the Pacific as its primary geographic region for international assistance; and
- recognises the international obligations of developed countries to assist with the implementation of multilateral environmental agreements (MEAs) in developing countries.

The Australian Agency for International Development (AusAID) joined the SGP in mid-2009. Its focus is on supporting community-based adaptation to climate change through the

¹ Henceforth the GEF SGP-NZAID PEF partnership will be referred to as "SGP-PEF" while the collective SGP operations in the Pacific will be referred to as "SGP Pacific". All acronyms and abbreviations are defined on page xi.

Mekong and Asia-Pacific Community Based Adaptation Programme (MAP CBA), an initiative under Australia’s International Climate Change Adaptation Initiative (ICCAI).

Figure 1 shows the implementation arrangements for SGP Pacific, covering those related to the core GEF-funded programme as well as activities supported by both New Zealand and Australia. The SGP-PEF is overseen by a Partnership Steering Committee, comprising representatives of UNDP (CPMT and relevant COs) and New Zealand’s aid programme. Typically the SGP-Pacific Sub-regional Coordinators (SRCs) and an AusAID representative are also involved. The PEF Coordinator provides technical and administrative support to the PEF-SGP, working at regional, sub-regional and national levels.

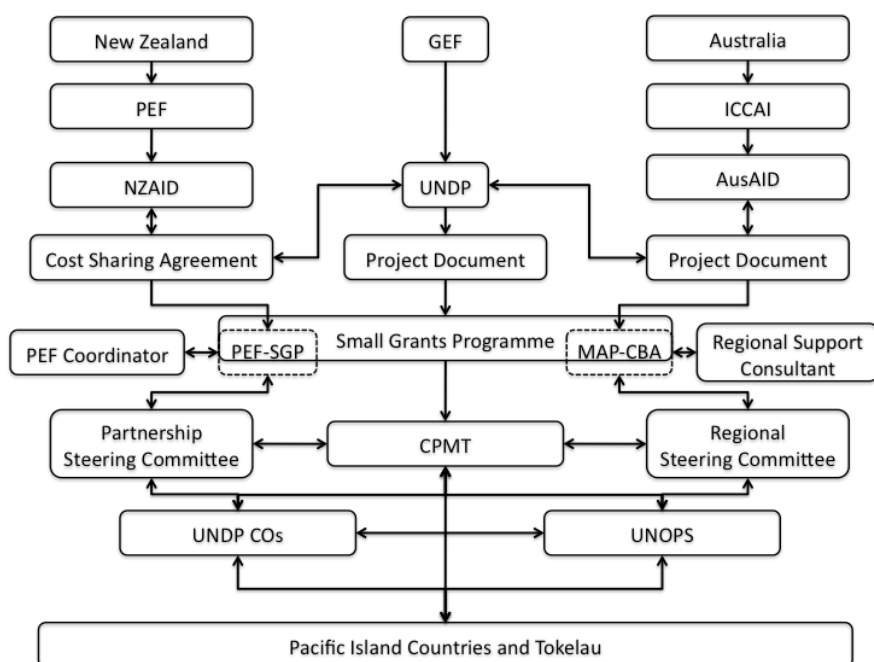


Figure 1. Implementation arrangements for SGP-Pacific. Source: Present study.

While SGP-PEF covers all five focal areas of GEF, MAP-CBA is focused on community-level adaptation to climate change. Its implementation under the SGP is formalised through a project document prepared by AusAID and UNDP. MAP-CBA activities in the Pacific are overseen by a Regional Steering Committee, comprising representatives of the SGP National Steering Committees and AusAID. A Regional Support Consultant provides technical and administrative support to MAP-CBA.

The more detailed national-level structure of SGP-Pacific is shown in Figure 2. It highlights the sub-regional groupings. These are designed to help offset the capacity constraints in many PICs. However, Fiji, Samoa, Papua New Guinea (PNG), Solomon Islands and Vanuatu have stand alone national programmes, with the first two countries also supporting others located in their two sub-regions. Currently SGP staff located in the Federated States of Micronesia (FSM) also assist with implementation of SGP in Palau and the Republic of Marshall Islands (RMI).

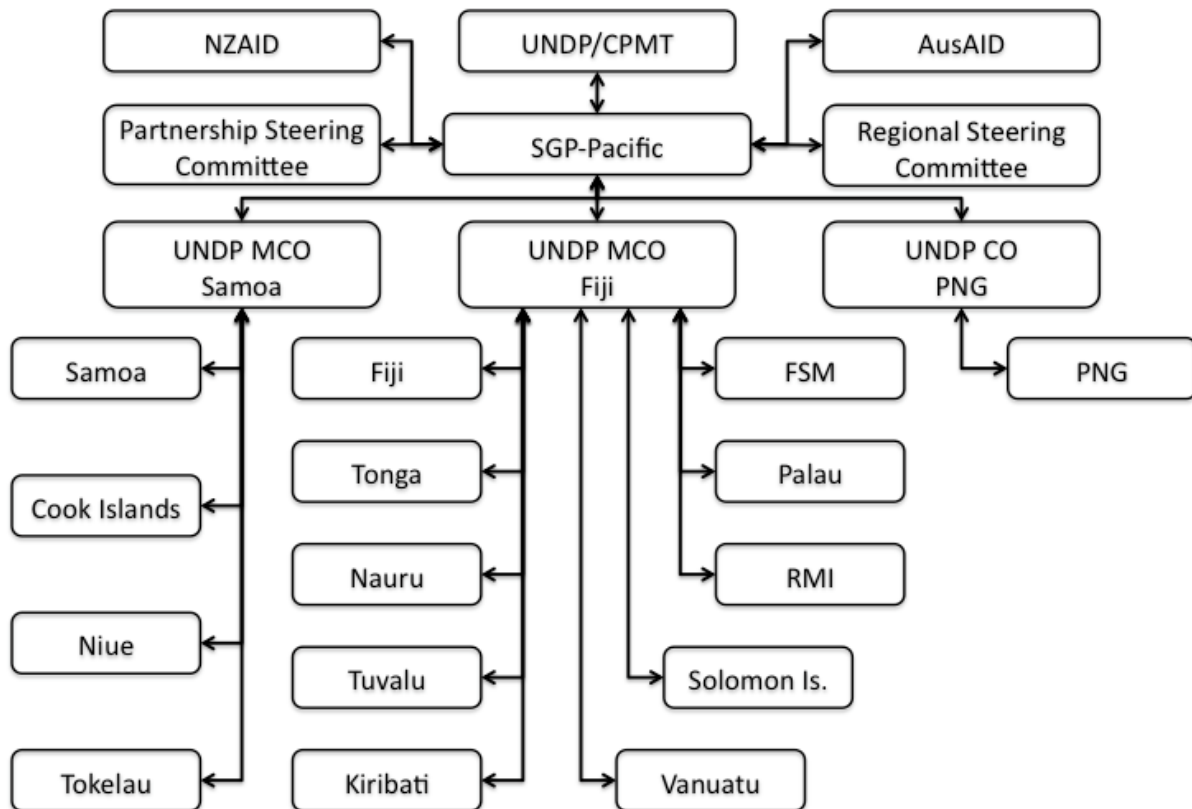


Figure 2. Structure of SGP-Pacific. Source: Present study.

The global SGP typically establishes full (“stand alone”) country programmes. This means a full-time National Coordinator (NC) is contracted, a National Host Institution (NHI) is engaged, a National Steering Committee (NSC) is established, and the grant budget starts at USD 250,000. Full programmes are well underway in Fiji, Samoa and FSM, and are restarting implementation in PNG, Vanuatu and the Solomon Islands. Due to recognized capacity constraints in the Pacific, SGP trialled starting new countries as “junior” programmes, supported through a relationship with an ongoing full country programme (either Fiji, Samoa or FSM) in a sub-regional grouping (Figure 2). The junior countries have a part-time National Focal Person (NFP), interim NHIs, a National Focal Group (NFG) and grant budgets starting from USD 60,000.

2. Background and Purpose of the Review, Including Target Users of the Report

SGP Pacific is now entering a new phase. The current CSA between New Zealand’s Ministry of Foreign Affairs and UNDP-GEF is predicted to conclude operationally on 30 June 2010², with one further year being allocated to enable UNDP to disburse all remaining funds. As noted above, AusAID became a partner in SGP Pacific in mid-2009. In addition, changes to the SGP-PEF execution modality are being considered as a way to streamline operations.

For these reasons New Zealand’s aid programme wished to undertake a review of its contribution to the GEF-SGP before 30 June 2010. The review will provide learning for New Zealand and UNDP about where and how the SGP-PEF partnership might be improved, and will make recommendations to the New Zealand Ministry of Foreign Affairs on future support under the partnership. It will also provide accountability.

² While the amount of funding was unchanged, the duration of the assistance was extended by one year.

2.1 Purpose of the Review

As stated in the Terms of Reference (TOR) (Annex 1), the purpose of the current review is to assess the effectiveness and relevance of the SGP as a means for the Ministry of Foreign Affairs to support community-based environmental management in the Pacific, and to analyse the efficiency of the aid programme's engagement in the SGP. The Ministry considered it too early to assess either the wider, deeper and longer-term effects (i.e. impacts) of SGP Pacific, or its sustainability. However, the short- and medium-term effects (i.e. outcomes) of SGP Pacific are assessed, where possible and practicable. Recommendations are made in view of the changing operating environment context, including AusAID becoming a major donor to the SGP and other large donor commitments being made to support climate change related activities in the region.

2.2 Objectives of the Review

The review is intended to fulfil four objectives (see Annex 1), namely:

1. Establish the intended 'programme logic' of the SGP Pacific; this will be used as a basis for the review;
2. Determine the effectiveness and relevance of the SGP Pacific in supporting community-level environmental initiatives in the Pacific, and in building national capacity for environmental governance, and identify factors that have enhanced or constrained achieving and sustaining outcomes;
3. Assess the efficiency and implementation of the SGP-PEF partnership as a mechanism for supporting community-level environmental initiatives linked to building sustainable livelihoods and reducing poverty, including identifying factors that have enhanced or constrained efficiency and implementation; and
4. Identify the lessons learned and develop a set of clear recommendations to improve programme performance and to guide decision making by the New Zealand Agency for International Development (NZAID) related to the ending of the current cost-sharing agreement.

2.3 Scope of the Review

As indicated in Section 2.1, above, the scope of the review is very broad when it comes to determining effectiveness and relevance, in that this part of the evaluation applies to the entire operation of the SGP in the Pacific. With some significant exceptions, which will be documented, sufficient information is available to undertake such a broad assessment. On the other hand, the scope of the review is considerably more focussed when efficiency and implementation are assessed – see Section 2.1. In this case only the SGP-PEF partnership is considered. Again with some significant exceptions, adequate information is available to do this, but not to undertake a more comprehensive assessment.

2.4 Beneficiaries and Key Players

The evaluation principles of New Zealand's aid programme highlight the importance of beneficiaries and key players being involved at all stages of an evaluation or review. This section identifies the intended beneficiaries of, and key players in, SGP Pacific.

2.4.1 SGP Pacific Beneficiaries

Two broad categories of beneficiaries can be identified given that the objective of the SGP-PEF, and SGP Pacific as a whole, is to provide cost effective support for community development initiatives promoting environmental protection, poverty elimination, and

sustainable livelihoods, and to strengthen the capacity of the organisations undertaking these initiatives. These two categories are:

- Pacific communities which are planning to, or actually undertaking initiatives to enhance environmental quality, alleviate poverty and enhance their livelihoods; and
- The PIC government agencies (national and sub-national), NGOs and CBOs that could benefit, or are benefitting, from an increased capacity to undertake such initiatives.

Annex 2 lists representatives of these two broad categories who were interviewed (face to face or by phone, Skype or email) during the course of the review.

2.4.2 Key Players in SGP Pacific

The key players are primarily concerned with planning, implementing and reviewing the SGP Pacific. Several broad categories of such key players can be identified. These are:

- The PIC government agencies, NGOs and CBOs identified above – they are also key players, responsible for on the ground delivery;
- GEF, New Zealand’s Ministry of Foreign Affairs and AusAID; as the main funding partners they have an interest in performance against all the evaluative criteria listed above, and including fiduciary performance;
- UNDP and UNOPS, as the implementing and executing agencies;
- The PEF Coordinator, as a contributor to the establishment, ongoing management, monitoring, and evaluation of the SGP-PEF partnership;
- Members of the original design team for SGP Pacific;
- Other New Zealand government ministries, including the Department of Conservation and the Ministry of the Environment; and
- Relevant members of the Council of Regional Organisations of the Pacific (CROP), and especially the Pacific Regional Environment Programme (SPREP), the Pacific Islands Applied Geosciences Commission (SOPAC), the Secretariat for the Pacific Community (SPC) and the Pacific Islands Forum Secretariat.

Annex 2 also lists representatives of the key players who were interviewed during the course of the review.

3. The Review Approach, Methodology and Processes

Detailed information on the methodology and related matters is provided in the Evaluation Plan that was prepared as the first step in undertaking the review (Annex 3). The current review is underpinned by NZAID values and guided by the NZAID principles of evaluative activity. Evaluative activities were transparent and independent (see Section 4). The review was more consultative than fully participatory. While it is desirable that all beneficiaries and key players be involved at all stages of the evaluation, this is in some respects impractical. Along with the Ministry of Foreign Affairs, GEF, UNDP and AusAID were consulted on the design of the review, while the involvement of both beneficiaries and key players (see Section 2.4) was limited to information gathering and reviewing the draft report.

3.1 Review Framework and Methodology

Figure 3 presents the framework for the review and identifies the relationship with the four evaluation objectives and other requirements. The latter included evaluating how SGP Pacific has addressed the cross-cutting and mainstreamed issues of human rights, gender equality, environmental impacts, conflict prevention, peace building and HIV / AIDS – see Annex 4.

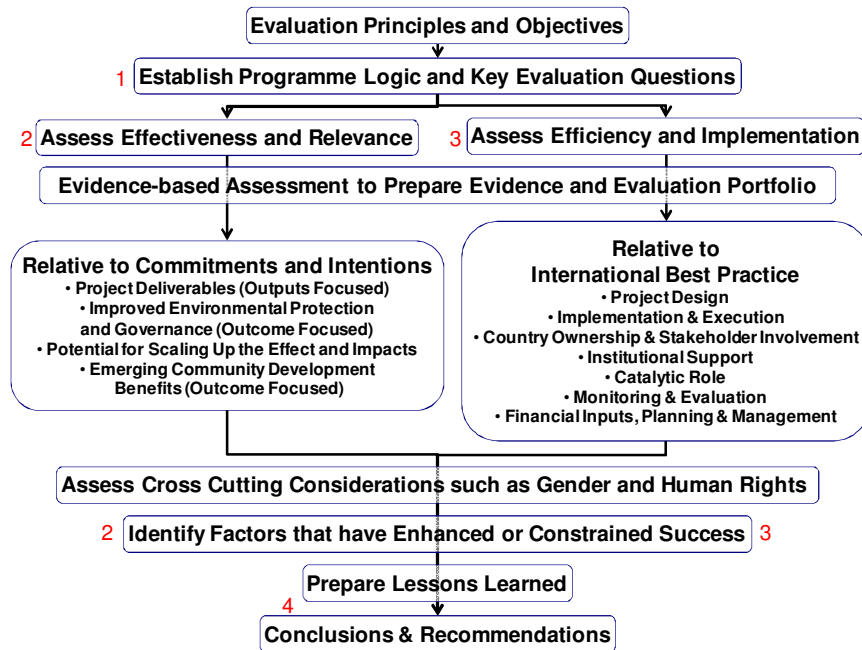


Figure 3. Framework for the review, including the relationship with the four evaluation objectives and other considerations. Source: Present study.

To operationalize the comprehensive list of possible issues and questions provided in the TOR, a smaller number of focus questions were developed for each of the three substantive objectives of the review. These are provided in Annex 5, along with indicative interview questions used at country and community levels, differentiating between key players and beneficiaries.

Figure 4 describes the overall framework for information acquisition and analysis. It highlights the importance of desk reviews of the aid programme’s files, site visits and interviews with key players and beneficiaries. Structured, semi-structured and open-ended face-to-face interviews were undertaken, as well as similar interviews using telephone, Skype and email.

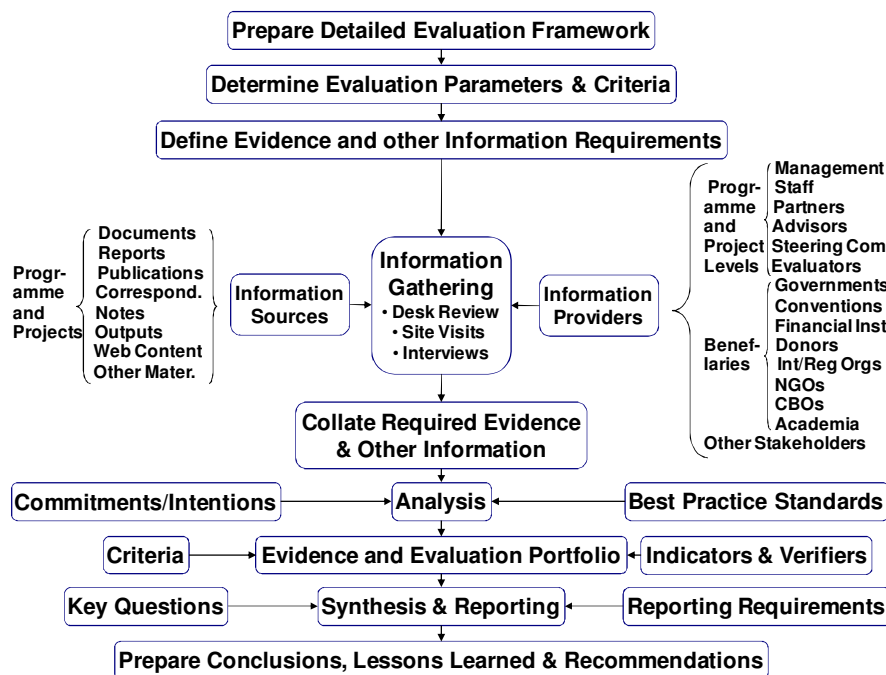


Figure 4. Framework for the acquisition and analysis of information. Source: Present study.

Table 1 provides the schedule for site visits and interviews of key players and beneficiaries, while Table 2 provides the overall schedule of activities and reporting.

Table 1
Schedule for Site Visits and Interviews
Source: Present study

| Start Date | End Date | Site | Interviewees and Discussants | Responsible |
|------------|----------|---------------|---|----------------------|
| Jan 13 | Jan 20 | Wellington | Key players in New Zealand (esp. NZAID, MFAT, PEF Coordinator), UNDP (esp. CPMT) and AusAID | JH & CS |
| Feb 8 | Feb 12 | Cook Islands | NFP, NFG, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, GoCI, NZ Post; conference calls involving Steering Committee and SRCs | JH |
| Feb 11 | Feb 16 | Kiribati | NFP, NFG, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, GoK, NZ Post, AusAID | CS |
| Feb 15 | Feb 19 | Fiji | SRC, Fiji NSC, UNDP MCO, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, GoF, SOPAC, USP, Tokelau NFP | JH |
| Feb 17 | Feb 23 | Vanuatu | NC, NSC, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, GoV, | CS |
| Feb 25 | Feb 25 | Vanuatu Samoa | Conference call with NZAID, PEF Coordinator and CPMT | JH & CS |
| Mar 1 | Mar 8 | Samoa | SRC, Samoa NSC, UNDP MCO, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, SPREP, GEF Coordinator, GoS, Sam Sesega and Marion Quinn (members of original design team), Tokelau NFP, GEF Secretariat, SGP Global Manager, Micronesia SRC | JH & CS |
| Mar 11 | Mar 12 | Wellington | Review Steering Committee and SGP-PEF Steering Committee | JH (+CS by phone) |

Table 2
Schedule of Activities and Reporting
Source: Present study

| Activity | Start Date | Completed by |
|--|------------|--------------|
| Sign contract | Fri 18 Dec | Fri 18 Dec |
| NZAID provides key documents which evaluators review | Sun 20 Dec | Tue 12 Jan |
| Prepare for visits to selected Pacific countries | Thu 07 Jan | Mon 15 Feb |
| Discussions and review relevant files held in Wellington | Wed 13 Jan | Wed 20 Jan |
| Consultations with key players in NZAID, GEF, UNDP | Wed 13 Jan | Wed 20 Jan |
| Consultations with members of the original design team | Thu 14 Jan | Wed 20 Jan |
| Establish the intended 'programme logic' | Thu 07 Jan | Fri 22 Jan |
| Prepare and submit draft of evaluation plan | Thu 07 Jan | Mon 25 Jan |
| NZAID review evaluation plan and provides feedback | Tue 26 Jan | Fri 29 Jan |
| Revise and submit evaluation plan | Mon 01 Feb | Fri 05 Feb |
| NZAID approves evaluation plan | Mon 08 Feb | Fri 12 Feb |
| Conduct review in selected Pacific countries and present preliminary findings | Mon 15 Feb | Tue 09 Mar |
| Conduct phone/email discussions with key players in other selected countries | Mon 08 Mar | Tue 09 Mar |
| Prepare: (i) key findings for each evaluation objective and (ii) draft recommendations | Mon 08 Mar | Tue 09 Mar |
| Conduct working session with NZAID and PEF Coordinator | Wed 10 Mar | Wed 10 Mar |
| Prepare and submit draft report | Mon 08 Feb | Fri 12 Mar |
| NZAID and other stakeholders prepare and submit comments on draft | Sun 14 Mar | Fri 26 Mar |
| Prepare draft final report | Mon 29 Mar | Fri 02 Apr |
| Report is peer reviewed and comments provided to evaluation team | Mon 05 Apr | Fri 16 Apr |
| Revise report based on results of peer review | Mon 19 Apr | Fri 23 Apr |
| Submit final report | Mon 26 Apr | Mon 26 Apr |

3.2 Analysis and Validation of Information

The bulk of the information collected was of a qualitative nature, coming from interviews, direct observation and reviews of documents and files. This and any quantitative information was entered into an Evidence and Evaluation Portfolio (EEP). The EEP tool facilitates a bottom up approach to the evaluation and, ultimately, to the review. It was based on the key evaluation questions listed above.

Information was collected from multiple sources using a variety of methods. The intention was to have considerable overlap and duplication in the resulting information, allowing it to be triangulated and verified, thereby providing the basis for robust, evidence-based and attributable conclusions and recommendations. Where alternative sources of information were more limited, the sources and the information were critically assessed in an effort to identify and compensate for any distortions that might have precluded a balanced and rigorous assessment for the report.

Where significantly disparate views and interpretation were identified, or information provided lacked credibility, further information was sought in order that robust findings could be developed. Where disparate views and interpretations remain, these are documented in the report, to ensure transparency and accountability to stakeholders. In such cases those using the report to guide decisions, and for other purposes, will have to use their own judgement.

4. Limitations of the Review

Table 3 describes the risks, limitations and constraints identified during the planning phase of the review along with the residual consequences for the review, despite efforts to mitigate them. The scope of the evaluation, and time and other resource limitations, made it difficult to go much beyond the feedback and engagement of the primary stakeholders in five of the 15 countries included in SGP-Pacific. These are Fiji, Samoa, Kiribati, the Cook Islands and Vanuatu. While the sample is admittedly small, it does cover countries from the three sub-regions of the Pacific as well as those which are operationally more and less mature, and stand alone or part of sub-regional clusters (see Figure 2).

Within each country there was little time to collect and analyse information, due to the entire review was severely time constrained (see Table 2). A practical problem resulting from the community focus of the SGP is the remoteness of many project sites. For example, in Fiji it was possible to visit only one project site. That single visit took all day, despite being on site for less than two hours. Visiting any other project site would have involved at least a day for travel. As an alternative, meetings were held with project teams based in Suva. These challenges would not have had so much impact on the review process had there been more adequate project reporting. In most cases information reasonably expected to be available was not. This matter is taken up later in the report.

Even when site visits were held it was often impossible, in the time available, to obtain informative responses to the planned questions (see Annex 5). In most cases the project staff had a more practical and immediate involvement in the project rather than holding opinions on more comprehensive and longer-term matters. This is not to say that the site visits, and the associated interviews, yielded little information of use to the review. To the contrary, they did help inform the review, but more from providing an understanding of the more practical and immediate benefits and implementation challenges.

Table 3

Risks, Limitations and Constraints, and their Mitigation

Source: Present study

| Anticipated risks, limitations and constraints | Mitigation and any Residual Consequences |
|---|---|
| Due to time and other limitations the review will be not be as comprehensive and as detailed as might be desirable | Increased the geographical scope through phone, Skype and email. But, as anticipated in the TOR, unable to give detailed attention to countries in Micronesia and no attention to Papua New Guinea |
| Inadequacies in formal reporting of achievements, and especially environment and development outcomes and other results, will make it difficult to document what SGP Pacific is achieving on the ground | Consistent with the TOR, undertook direct information gathering in four countries (Fiji, Samoa, Vanuatu and Kiribati) that are broadly representative of the range of national circumstances, needs and experience existing in the Pacific. But limited efforts on monitoring environmental and development outcomes at project level mean that the desired information was not available |
| Review overly reliant on qualitative information and analysis | Time constraints prevented acquisition of detailed information. Hence the findings are qualitative and interpretive. Attempted to offset such shortcomings by using more in-depth case studies and examples |
| Inadequate or poor quality quantitative data | Only one instance of conflicting information – in relation to reasons for delays in disbursement of funds to grantees; through intensive discussion with all parties, and a review of relevant documentation, the situation was clarified. |
| Availability of individuals and groups for interview | Meetings often arranged at short notice. The team adopted a flexible approach to arranging and reorganizing schedules at short notice. It was not possible to arrange meetings with only a few individuals; alternative interviewees were identified. |
| SGP Pacific beneficiaries unwilling to critique the programme in case it jeopardises future involvement | The team used positive framing of questions. There is no evidence to suggest that interviewees felt intimidated or constrained; rather, all beneficiaries interviewed were very open and frank with their responses. |
| Independence of review compromised as not all actual and potential conflicts of interest are recognised | The team maintained a high awareness of, and sensitivity, to this risk. In one instance an interviewee raised the matter of potential conflict of interest, but was satisfied when the procedures being used to avoid this were explained in a follow-up meeting with the team leader. |
| Both members of the review team are male | The team maintained a high awareness of, and sensitivity, to this risk. It was aware of the opportunity to request advice and guidance from gender equity advisors in NZAID, but the need never arose. |
| Too much information is provided “in confidence” | Both members of the review team are sensitive to the need for a balance between transparency and confidentiality. The only time confidentiality was requested relates to audit reporting by UNOPs. The relevant information will be included in a confidential annex of the review report. |

Since the scope of the Evaluation did not set out to address impact, the findings of the review are particularly focused on: (i) the design and programme logic; (ii) operational roll-out of the PEF to 15 SGP country programmes; and (iii) an *interim* assessment of projects funded by the SGP. A more comprehensive evaluation would be required in order to assess *in more depth* some matters identified in the TOR, such as the replication of successful SGP projects and innovations from one community to another.

The Evaluation Plan identified the following sources of possible conflict of interest:

- Cedric Schuster and Sam Segga are both Directors of Pacific Environment Consultants Ltd; Sam Segga co-authored the design document for the NZAID-UNDP GEF partnership and was the Local Technical Assistant for SGP Samoa;
- As a village chief Cedric Schuster has been involved in assisting some villages in Samoa to prepare proposals for SGP-Pacific funding, including NZAID PEF and AusAID CBA funding; where villages have been successful he helps them manage the grants and monitor progress; and
- Cedric Schuster coordinates the Pacific Board of the Global Greengrants Fund; it manages and disburses small grant to grassroots organizations for environmental projects (USD 150,000 for 2007).

During the review the following additional sources of possible conflict of interest were identified:

- The SGP SRC based in Samoa is related to Cedric Schuster by marriage; and
- The daughter of Joseph Reti, another Director of Pacific Environment Consultants and a leader of one of the SGP-funded projects in Samoa considered in the review, is employed in the SGP office in Samoa.

While Cedric Schuster's experience with small grant programmes in the Pacific may well help his understanding and be very useful in the review process, steps were taken to ensure that information collection and analysis was rigorous and the resulting findings are clearly evidence based, transparent and unbiased. The leader of the review team adopted a more proactive role for the assessment of the SGP for Samoa, and in dealings with UNDP's Multi Country Office in Samoa. The leader of the review team also took the lead and full responsibility for the sections of the final report where a conflict of interest might manifest in relation to the possible conflicts of interest identified above. This includes the section of the report that considers the design of the New Zealand-UNDP GEF partnership.

5. Analysis and Evidence-based Findings

The analysis of evidence, and presentation of findings, are framed by the four objectives of the review (see Section 2.2) and have been informed through responses to the review questions.

5.1 Review Objective 1: Establish the intended 'programme logic' of the SGP Pacific; this will be used as a basis for the review

Evidence. A design study³ undertaken in 2006 was charged with the responsibility to "develop a quality, feasible and relevant design for the next phase of NZAID assistance to community level environmental management in the Pacific". This was a follow up to a review of the Pacific Initiative for the Environment (PIE). It had identified an unmet need for such assistance and recommended a new programme that targetted provision of assistance to community-based and non-governmental organizations, as well as Pacific governments.

The design study presented two options for a mechanism to deliver further NZAID assistance for community level environmental management in the Pacific. The first was a regional PEF that included components designed to overcome weaknesses identified in the PIE review report, including improved integrating mechanisms for greater regional involvement in decision making, and more streamlined and efficient programme

³ Quinn, M. and S. Sesega, 2006: NZAID Pacific Environment Fund Design Document. NZAID, Wellington, 62pp.

management processes. The second option was a partnership with the GEF SGP in those countries where it was operating at the time (PNG, Fiji, Samoa, FSM, RMI and Palau), as well as where there were plans to establish SGP operations within approximately a year, namely Vanuatu, Cook Islands, Tokelau and Niue. Discussions held with NZAID during the design process resulted in the second option being used as the basis of a programme for further NZAID support for community level environmental initiatives, working in partnership with the GEF SGP.

The final design document presented the PEF goal, three objectives and ten outcomes, but no outputs. This design provided the basis of the original (May 2006) CSA between NZAID and UNDP. That included the same goal, a single objective (combination of the first two objectives in the design), but no outcomes or outputs. The SGP Pacific Project Document, prepared by UNDP and endorsed by all participating PICs, was formally signed in February 2007. New Zealand was not a signatory to the Project Document. The Document included the same goal, a slightly modified project objective, an outcome that was the same as the two PEF objectives⁴, and outputs and activities. The outcome specified in the Project Document is more input- than outcome-focussed as it includes a commitment “to provide cost effective support....”. Furthermore, the outputs listed in the Project Document are in fact a mix of inputs and outputs.

The information provided above is intended to highlight the dynamic nature of the programme logic and the several important inconsistencies that developed during its evolution. There was no joint NZAID-UNDP-GEF ownership of the programme logic for SGP-PEF, and especially the intended outcome and outputs. A handwritten comment on an email attached to a copy of the Project Document held in the NZAID files states that the Project Document is “your internal document and process; we are driven only by the cost-sharing agreement”. However, UNDP is driven by both the CSA and the Project Document. These two documents are inconsistent, as shown above. There was no attempt to resolve the inconsistencies through subsequent amendments to the CSA. While the Project Document was often referred to as an internal UNDP/SGP document that was necessary in order for UNDP to be able to process the funds, it was an opportunity to ensure that all parties in the SGP-PEF had a consistent view of the intended programme logic.

Other informal and unattributed annotations on the copy of the Project Document referred to above suggest that NZAID had many specific concerns about the Project Document and its implications for the SGP-PEF partnership. For example, the Document lists several problems with the use of project execution through UNDP, but goes on to state that direct execution (DEX) through UNDP will be used to deliver the PEF resources to PICs. Handwritten comments on the Document, and comments in the accompanying email, note that the problems identified are “reasons to change to [execution through] UNOPs”. In reference to the statement that the DEX modality is usually for individual countries, there is a handwritten comment “why why why did they do this modality for us then?”.

NZAID did not define and document the agreed post-design programme logic, either individually, or jointly with partners. An Implementation Plan or Project Feasibility Design Framework for SGP-PEF has never been prepared. The position taken was that New Zealand was adding value to an existing programme (the global SGP) and therefore a separate SGP-PEF design or plan was unnecessary. However, problems arose due to the lack of clarity, consistency and agreement on how SGP-PEF would be implemented. At the request of the Partnership Steering Committee the PEF Coordinator prepared a Sub-Regional Management Framework, designed reporting formats and developed other operational and support documentation. All this was an attempt to put some order around

⁴ While the design document recommended two objectives for the PEF, only the first related to SGP-PEF.

what was essentially a Pacific regional programme that was not solely governed by SGP Standard Operating Procedures. The Pacific Framework currently being drafted by the CPMT is another step in the process of bringing greater clarity and certainty to SGP-PEF implementation.

Action. Given both the inadequacies and inconsistencies in the programme logic, as documented above, a revised programme logic was prepared specifically for the SGP-PEF (Annex 6). It combines the mutually consistent and coherent elements of the programme logic detailed in the documents described above. In undertaking this reconstruction every attempt has been made to avoid any degree of “logic creep”. The revised logic has been reviewed by NZAID and UNDP/CPMT and is considered to be an accurate representation of what was intended when the SGP-PEF project was formulated, rather than what might be desirable, as a result of hindsight. The programme logic in Annex 6 has been used in the current review, when evaluating the effectiveness, relevance and efficiency of the SGP Pacific, and especially the SGP-PEF.

The evidence and findings presented in the remainder of Section 5 will show, amongst other conclusions, that the lack of an agreed, clear and internally consistent project design has had major repercussions for SGP Pacific. It is acknowledged that SGP operations in the Pacific were at a very early stage when the CSA and the Project Document were being prepared. The SGP Central Programme Management Team (CPMT), located at UNDP Headquarters in New York, had little experience relevant to implementing a multi-country SGP in such a large, dispersed, geographically remote and capacity constrained region as the Pacific. As a result, the CPMT preferred a less prescriptive project design and a flexible approach to project management, so that operational issues could “work themselves out” as the project unfolded. It was agreed at project inception that changes would be documented via amendments to the CSA, through annual allocation setting processes and through minutes of the project Steering Committee. However, as will be shown later in this Section, using the CSA in such a way has been problematic, resulting in large time-delays experienced by countries wanting to access funding each calendar year.

Conclusions. There are several important inconsistencies in the programme logic for SGP-PEF. UNDP is driven by both the CSA and the Project Document. However, these two documents are inconsistent. NZAID did not define and document the agreed post-design programme logic, either individually, or jointly with partners. An Implementation Plan or Project Feasibility Design Framework for SGP-PEF has never been prepared. Consequently, there was no joint NZAID-UNDP-GEF ownership of the programme logic, especially the intended outcome and outputs. There was no attempt to resolve the inconsistencies through subsequent amendments to the CSA. The Pacific Framework currently being drafted by the CPMT is an opportunity to bring greater clarity and certainty to SGP-PEF implementation. Amongst other components, it should include:

- A robust, coherent and internally consistent programme logic;
- Integration with the Global Framework for SGP;
- Implementation and execution of SGP Pacific, including execution modalities;
- Modalities for communications, reporting and knowledge management;
- Roles and responsibilities of the UNDP COs;
- Relationship between the UN JPOs and the SGP in the Pacific;
- Relationships with donors and agreed funding modalities;
- Intended outcomes for countries; and
- Linkages between the SGP Pacific and the larger GEF projects that are planned or already underway, regionally, sub-regionally and nationally.

Lesson Learned. Inconsistencies and lack of clarity in the programme logic and supporting documentation should be identified and resolved at the earliest opportunity, in order to avoid adverse consequences for relationships between key players as well as for implementation.

Recommendation. That the revised programme logic prepared specifically for the SGP-PEF be reviewed and endorsed at the next meeting of the Steering Committee.

Recommendation. UNDP, represented by the CPMT, and working in consultation with PICs, Tokelau, the New Zealand Ministry of Foreign Affairs and AusAID, should complete preparation of the “Pacific Framework for SGP Operations in the Pacific” as a matter of utmost urgency.

5.2 Review Objective 2: Determine the effectiveness and relevance of the SGP Pacific in supporting community-level environmental initiatives in the Pacific, and in building national capacity for environmental governance, and identify factors that have enhanced or constrained achieving and sustaining outcomes

5.2.1 Effectiveness of the SGP Pacific

Consistent with evaluative practices, effectiveness will be assessed in terms of whether, and to what extent, the SGP Pacific has achieved the intended outcomes. The outcomes included in the revised programme logic (Annex 6) are used to assess effectiveness.

Outcome 1.1 Quality community level projects in all participating countries are adequately supported.....

Evidence. Table 4 summarises the operational status of the SGP Pacific for the period ending December, 2009. Before the PEF provided co-financing, the SGP had operations in only six countries (PNG, Fiji, Samoa, FSM, RMI and Palau). When NZAID entered into the SGP-PEF partnership, the expectation was that all 15 countries and territories were operational, or almost so. In Year 1 of the partnership PEF-funded grants were approved by only three of the five countries operational at that time. This was due, in part, to confusion arising from the use of a different executing modality to the rest of the SGP. As will be discussed in Section 5.3.2, UNDP Multi Country Offices (MCOs) underperformed initially, especially Fiji, but the situation has improved gradually.

Grant Making. Despite the delays, SGP-PEF is now operational in all 14 PICs, as well as in Tokelau⁵. In all, 36 PEF-funded full-sized grants have been approved, five in Year 1, with 15 and 16 in the subsequent two years, respectively⁶. After an early start, with some optimistic signs, the SGP has struggled to function in PNG and the Solomon Islands. NCs recruited for these two countries in Year 3 struggled with programme management and eventually resigned. Attempts are currently underway to re-establish viable national programmes in those two countries, and begin grant making. Apart from capacity building funds, PEF resources for Niue were redirected to Tokelau. Thus no PEF-funded grants were awarded by Niue. At the other extreme, both Samoa and Fiji benefit from their early entry into the SGP, the presence of UNDP MCOs and, for Samoa, participation in the GEF-funded global CBA project. There is a marked difference between a full country programme that was already established in Year 1 versus new sub-regional programmes who embarked on grant-making in Year 2 & 3. Samoa approved triple the number of projects when compared to all three of its sub-regional countries combined.

⁵ As a territory, Tokelau is ineligible for GEF funding. The less restrictive PEF has been used to finance Tokelau's participation in the SGP.

⁶ In addition, 12 planning grants were funded.

Table 4

Status of National SGP Operations

Sources:

Sub-regional, National and PEF Coordinator Reports for Year 3
CBA Programme Overview (undated)

| Country | SRC/NC/NFP | NSC/NFG | NHI | Number of Grants (all years)* | | | |
|--|-------------------|-------------|--------------|-------------------------------|------------|-------|-------|
| | | | | Planning | Full Sized | | |
| | | | | | GEF | PEF | CBA** |
| Samoa | Recently resigned | Operational | UNDP MCO | 1 | 19(5) | 10(1) | 9(1) |
| Niue | Operational | Operational | Government | | 4 | 0 | |
| Tokelau | Operational | Operational | Government | | | 2 | |
| Cook Islands | Operational | Operational | Under review | | 5 | 3(3) | |
| Fiji | Operational | Operational | UNDP MCO | 9 | 15 | 9(1) | (1) |
| Nauru | Operational | Operational | NGO | | 4 | 1 | (1) |
| Tuvalu | Operational | Operational | NGO | | 4 | 1 | (1) |
| Kiribati | Operational | Operational | NGO | | 6 | 1 | (1) |
| Tonga | Operational | Operational | NGO | | 6 | 1 | (1) |
| Solomon Islands | Operational | Operational | UNDP | | | | |
| Vanuatu | Operational | Operational | NGO | 2 | 0 | | |
| Palau | Operational | Operational | NGO | | | 4 | |
| FSM | Operational | Operational | NGO | 3 | | 2(4) | |
| RMI | Operational | Operational | NGO | 2 | | 3(4) | |
| PNG | Being recruited | Inactive | UNDP | | | 0 | |
| * (#) = additional proposed projects not yet funded | | | | | | | |
| ** Funded through the UNDP/GEF Community Based Adaptation (CBA) project under the GEF Strategic Priority on Adaptation (SPA) | | | | | | | |

Similarly, Fiji approved more than double the number of projects compared to all four of its sub-regional countries combined. In Year 2 a change in the SRC in Fiji contributed to delays in grant making in countries in that sub-region. Continuing confusion about accessing PEF funds meant countries favoured the use of GEF core funds. In Year 3 changes in the SRCs based in Fiji and FSM stalled grant making in those sub-regions for many months. There were also contracting and disbursement issues in the Fiji MCO, affecting ten countries in the Fiji and Micronesian sub-regions. The various operational problems occurring in Year 3 meant that the number of full-sized grants issued that year did not increase significantly from the previous year.

PEF has predominantly funded projects in the biodiversity focal area, with lesser investment in climate change, international waters and land degradation. A multi-focal area has been used by two of the more mature countries, Fiji and Samoa. Only one project addressing persistent organic pollutants (POPs) has been funded. Experience shows that, initially, countries concentrate on the focal areas with which the SGP personnel are familiar. Many came to the SGP with backgrounds in ecology and biodiversity conservation. Substantially fewer individuals have expertise relevant to addressing climate change, especially at community level. However, this is changing rapidly, as awareness is raised. Expertise and experience in chemicals management and pollution prevention is even less common.

As countries gain more experience they use a wider range of focal areas. Climate change and POPs are areas where more attention is likely to be given in the future. This is especially so for climate change due to more funding coming available for this focal area. Regional training in this focal area was undertaken in August 2009. Approximately USD 5,000 is being made available to each country under MAP-CBA. Other reasons are the additional technical support being provided by the MAP-CBA Regional Support Consultant, climate change adaptation receiving substantial attention in the strengthened Country Programme Strategies and membership of each NFG or NSC including a climate change expert.

Table 4 also shows that grant making has been supported by MAP CBA. While the funding of approximately USD 200,000 extends to the Cook Islands, Niue, Tokelau as well as Samoa, since the initiative was launched in August 2009 only projects in Samoa have been funded.

Governance, Implementation and Support. Conceptually, SGP Pacific includes a robust system of governance and oversight, by way of the NSCs and NFGs. They are a critical part of the overall system to support programme implementation at country level. The SGP Operational Guidelines⁷ are based on the GEF SGP Project Strategic Framework, as well as the experience and knowledge gained both at the country and global levels through years of programme implementation. They provide basic information about the structure, implementation, and administration of the programme. The guidance and models in the Guidelines are intended to apply generally to all SGP country programmes. It is recognized that different contexts and situations require different responses, and adaptations. But only recently has the SGP, in cooperation with NZAID and the PEF Coordinator, developed a Guidance Note for Management of the Sub-regional SGP-PEF.⁸ It is intended to help ensure that all people and organizations involved in SGP-PEF are clear on roles, responsibilities, support mechanisms and have simple and transparent progress and financial reporting processes.

Membership of the NSCs and NFGs, which are the primary oversight and decision-making bodies at national level, is predominantly made up of senior and experienced individuals from the non-governmental sector. The committees and groups operate to TORs based on those used in the global SGP, and benefit from the sharing of good practices and lessons learned. The NSCs and NFPs play a pivotal role in ensuring the quality of grant making and accountability in project implementation and management. They formally approve all grants, the allocation of other resources, and assess performance by way of monitoring and other reports, as well as visits to project sites. The NSCs and NFPs reject proposals that lack the necessary quality or fail to meet specified criteria, and decline disbursements of funds if reporting and/or progress are judged to have been inadequate.

The NSCs and NFPs are supported by the NC or FNP, as appropriate, as well as additional administrative and technical staff, where justified. PEF has funded Local Technical Assistants (LTAs) in Fiji and Samoa. In all Pacific countries the SGP staff have extensive and effective working relationships at national down to community level, including with technical officers in government, as well as with NGOs and CBOs.

The PEF Coordinator, funded by NZAID outside the CSA, has made a substantial contribution to the establishment, ongoing management, monitoring, and evaluation of SGP-PEF. Overall, countries value the contributions of the PEF Coordinator. All NCs, NFPs and chairs of the NSCs and NFGs in the five countries visited agreed that the Coordinator contributes important understanding on Pacific issues and GEF procedures. This avoids countries having to rely solely on CPMT or the SRC. These might not always have the dedicated time to assist. Also, in some instances they have given contradicting advice, perhaps after pressure from other interested parties. The PEF Coordinator is considered to be free of such influences. The Coordinator also advises countries and sub-regional programmes on their strategies, plans and work programmes and helps build capacity at these levels. The work of the PEF Coordinator has also included support to regular Partnership Steering Committee meetings, finalising aspects of partnership design, supporting local personnel to achieve their goals, and providing brief reporting and recommendations to NZAID and UNDP GEF on a regular basis.

⁷ GEF SGP, 2009: GEF Small Grants Programme (SGP) Operational Guidelines (Updated, 2009), 52pp.

⁸ GEF SGP, 2009: Guidance Note for Management of the Sub-regional SGP-PEF, 2009.

Capacity Building. To help ensure the success of grant making, monitoring, reporting and evaluation, as well as ensure sound financial and general management and administration, capacity building activities have been undertaken at community through to regional levels. The PEF design document did not recommend funding capacity building despite it recognising capacity as a key implementation issue. SGP does not provide any funds for staff training, other than training for new NC's – at the start of their contract they receive one week of training in another country. Thus there were no funds for training NFPs, NFGs, NSCs, LTAs and other SGP staff, or for on-going SRC/NC training.

Given the slower than expected rate of grant making uptake in the first year of the SGP-PEF, it was recognised that focused efforts were required to enhance the capacities of the new SGP countries in the Pacific. Capacity building resources were mobilized through the PEF, with SRCs and NFPs deciding where the capacity building funds would be best utilized.

Use of PEF capacity building funds is focused on current and potential grantees, SGP staff and members of NSCs, NFGs, NHIs and partner organisations. In Year 3 there were 23 activities for potential grantees, 16 for current grantees and 26 for SGP staff and related groups. In addition, capacity building activities are an integral part of most projects. Both the more established and newer countries are still actively engaged in capacity building, though there is a trend as country programmes mature. Training of the NFP/NFG and potential grantees has been emphasised in Year 1, the NSC/NFG in Year 2, current grantees in Year 3 and NHIs in Year 4. Change over in staff disrupts this pattern, with NFP/NFG training being required for any new appointee.

Over the three years of the SGP-PEF, NZAID has allocated USD 381,000 for capacity building activities, with USD 254,199 being disbursed. Over time, these funds have been augmented by contributions from core SGP funds, funding from other sources, and by significant in-kind contributions from other partners, including technical resource people (including from CROP agencies), and provision of facilities and equipment. Overall, feedback indicates that capacity building remains critical to the success of the SGP Pacific, and the support and efforts to date are well received.

Reporting on capacity building activities was agreed with CPMT to be through standard SGP annual reporting. The first annual reporting received from CPMT (in November 2009) did not include any reporting on capacity building activities⁹. In 2009 the Fiji UNDP MCO started requiring reports on capacity building activities to be submitted following their completion. These reports vary in content and quality. A standard reporting template would help overcome these shortcomings. The format used by Tonga could be offered as an example of best practice. Other annual reports from other countries, and from the sub-regions, say either little (e.g. highlighting the ongoing need for capacity building and the challenges, and acknowledging the funding support provided through the PEF) or nothing about capacity building.

The PEF Coordinator has received ad hoc reports on capacity building activities funded by PEF. The Coordinator has reported on sub-regional workshops, supported by NZAID capacity building funds. Similarly, verbal updates on capacity building activities provided by SRCs, NCs, NFPs and NFG members at sub-regional and regional workshops and Partnership Steering Committee meetings are captured by the PEF Coordinator in mission reports or meeting minutes. Thus, to date reporting on the implementation of capacity building work plans and activities has been undertaken predominantly by the PEF Coordinator.

⁹ No formal narrative reports were received from the CPMT prior to November 2009, even though the CSA provided for annual reports.

The nature of the monitoring and reporting on capacity building mean that national and sub-regional reports, as well as the end of year and annual reports of the PEF Coordinator, have focused on capacity issues for each country and reported on activities undertaken. Information gathered from SGP staff and grantees during the course of this review had a similar focus on capacity building inputs. Only a few individuals were able to provide even anecdotal information on the benefits of being involved in capacity building activities. None of these informal reports could be substantiated in terms of the veracity of the claims made about the downstream benefits.

This makes it impossible for this review report to show what tangible benefits have resulted from the significant investments in capacity building made under PEF and hence to demonstrate in a rigorous manner the extent to which capacity building support has been effective. However, some circumstantial evidence does exist though analysing it can lead to some overly simplistic conclusions of limited utility. Fiji, Samoa, FSM, RMI, Palau and PNG were participating in the SGP prior to the SGP-PEF partnership becoming operational. The first two of these countries already had significant capacity for successful grant making and project execution. They have made maximum use of the PEF capacity building funds and between them have 19 of the 48 approved PEF grants. On the other hand, PNG has a very poor track record in SGP grant making and has not availed itself of any of the capacity building funds. It has yet to fund a planning grant, let alone a project. FSM, Palau and RMI have made full use of the capacity building funds and are among the sub-regional countries with greatest success in grant making.

Conclusions. It is likely that grant making in the sub-regional countries will increase in the coming two years as the programmes become more established. However, the growth rate may remain slower relative to that in the full country programmes. The former countries do not receive the same levels of support or have as large administration and capacity building budgets. Growth rates will also be constrained by the absorptive capacity of some sub-regional countries, including limited numbers of capable NGOs and CBOs, including those with an interest in engaging in the SGP. Thus the sub-regional countries will likely need additional capacity support in order from them to approve more than the one or two projects processed to date.

Most of the contrasts in performance between countries in terms of grant making can be attributed to differences in capacity, in terms of both constraints (e.g. recruitment and retention of NCs) and opportunities (e.g. access to administrative services provided by UNDP). The resulting lessons learned and ways of lessening the capacity constraints will be addressed in various parts of this report.

Lesson Learned. Capacity building is an integral part of development assistance, and should be seen as an ongoing process rather than a one off initiative.

NSCs and NFGs are a critical part of the overall governance system to support programme implementation at country level. The SGP Operational Guidelines provide basic information about the structure, implementation, and administration of the programme, but it is recognized that different contexts and situations require different responses, and adaptations. However, only recently has the SGP, in cooperation with NZAID and the PEF Coordinator, developed a Guidance Note for Management of the Sub-regional SGP-PEF.

Lesson Learned. When implementing a global programme on a regional basis it is important to recognize local contexts and capacities and therefore produce a regional documentation that adapts the standard global operating procedures.

Where UNDP participates in meetings of the NSC/NFG they could improve the quality and outcomes of operational decision making by providing inputs prior to or at the meeting, rather than awaiting until long after the countries and communities sign the MOA; currently the latter is a relatively frequent occurrence, making it very difficult for the NC/NFP and the NSC/NFG to go back to communities and ask for changes. This sometime creates mistrust.

The current lack of clarity regarding the roles and responsibilities of the NSC/NFG, their Technical Committee, the NC/NFP, the LTA and the PEF Coordinator means there is considerable and wasteful overlap at times, while at other times the identification of, and responses to issues go unnoticed. NCs/NFPs and LTAs should devote more time to project monitoring and reporting, as part of role their role as a secretariat, while NSCs/NFGs should spend more time on decision making and on strategic assessments and planning. This should be done without compromising either the high quality of the contributions these groups are already making or the benefits of SGP flexibility to meet national contexts;

The PEF Coordinator has made a substantial contribution to the establishment, ongoing management, monitoring, and evaluation of SGP-PEF. Overall, countries value the contributions of the PEF Coordinator. The work of the PEF Coordinator has also included support to regular Partnership Steering Committee meetings, finalising aspects of partnership design, supporting local personnel to achieve their goals, and providing brief reporting and recommendations to NZAID and UNDP GEF on a regular basis.

There is a need for more substantive evidence of the tangible benefits resulting from capacity building using PEF funds. Currently, there is inadequate monitoring of the outcomes, and non-existent reporting on the wider benefits of such activities. Additional capacity building is clearly required, in order to move all countries and Tokelau closer to and perhaps even beyond the performance now being achieved by Samoa and Fiji. But further investment in building the capacity for grant making and successful project execution must go hand in hand with a significant effort to improve the standard of both monitoring and reporting on the tangible benefits and hence the effectiveness of these efforts to build capacity.

Recommendation. More attention be given to systematically assessing grantee and community capacity early in grant making process, in order to decide if the community and grantee have the required actual or potential capacity, or whether it is best for them to partner with an NGO or government; it is insufficient to just assess a pre-proposal/concept on its technical merits alone.

Recommendation. Develop and implement more robust but streamlined proposal screening and project approval procedures, and improve monitoring and reporting overall.

Recommendation. Improve the separation and clarify the roles and responsibilities of the NSC/NFG, their Technical Committee, the NC/NFP, the LTA and the PEF Coordinator.

Outcome 1.1 (cont.) and making positive contributions to environmental protection and empowerment of local communities.

Evidence. Annex 7 describes relevant findings for the 22 projects in Fiji, Samoa, Cook Islands, Kiribati and Vanuatu that were reviewed. Eleven were funded through the PEF. Site visits were made for 13 of the 22 projects – long distances from national capitals precluded visiting other sites. Reviews of most of the other nine projects involved discussions with grantees and other project personnel.

Table 5 summarizes the findings presented in Annex 7. It is important to sound a cautionary note about aggregating the findings, as projects started as long ago as 2006 and being

grouped with projects that commenced only in 2009. Box 1 illustrates something of this range for three projects. On a relative basis, PEF projects are proving to be more effective at delivering economic and replication benefits. Despite starting later, the delivery and on time performances of PEF-funded projects are comparable to GEF-funded interventions. The overall ratings for PEF-funded projects are higher. This is despite the more recent starting dates.

Table 5
Summary of Evidence

| Number of Projects Already Delivering Benefits Related to | | | | | | |
|--|--------------------|---------------------|----------------|-----------------|----------------------------------|----------------|
| Funding | Environment | | Economy | | Replication of Activities | |
| PEF | 11 | | 10 | | 4 | |
| GEF | 11 | | 5 | | 2 | |
| Total | | | | | | |
| Number of Projects in Given Categories | | | | | | |
| | Delivery | | | Timing | | |
| | On Track | Not on Track | Unknown | On Time* | Delayed | Unknown |
| PEF | 7 | 4 | 0 | 4 | 7 | 0 |
| GEF | 8 | 3 | 0 | 2 | 8 | 1 |
| Total | 15 | 7 | 0 | 6 | 15 | 1 |
| Number of Projects with Given Rating | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | Total |
| PEF | 4 | 3 | 0 | 2 | 2 | 11 |
| GEF | 0 | 3 | 4 | 1 | 3 | 11 |
| Total | 4 | 6 | 5 | 2 | 5 | 22 |

Notes:

Delivery: the likelihood that the intended outputs and/or outcomes will be delivered, regardless of timing; “on track” also includes projects almost on track

Timing: the likelihood that intended outputs and/or outcomes will be delivered on time; “on time” also includes “almost on time”

Rating: based on achievements (see Annex 7), delivery and timing; 1 represents significant achievements, delivery on track and on schedule; 5 represents nothing achieved to date, and unlikely to be achieved in the foreseeable future

Box 1

Examples of PEF Projects in Categories 1, 3 and 5

Category 1

Project Title: Extension and Consolidation of Marine Resources Management, NE Macauata Province, Fiji (PEF funded)

Grant: USD 45,300; Awarded: October, 2007; Disbursed: USD 40,770; On track; Almost on Schedule

Key achievements: Core project team and District Environment Committee established; Conducted resource governance training for Environment Committee and a Women's Group awareness workshop; Nurseries under construction to support food security, reforestation and income generation

Category 3

Project Title Conservation and Replanting of Mangroves in Vaiusu, Samoa (GEF funded)

Grant: USD 19,230; Awarded: July, 2006; Disbursed: USD 11, 538; On track; Delayed

Key achievements: Significant delays due to project having many outputs with overlapping timelines and reliance on collaborating agencies; Delays to date also a result of late and incomplete reporting due to shortfalls in community capacity in several key areas; High level of community participation; Replication occurring

Category 5

Project Title Strengthening community capacity for sustainable management and protection of endangered species in TORBA and PENAMA Provinces (PEF funded)

Grant: USD 37,000; Awarded: August, 2009; Disbursed: Nil; Not started; Delayed

Conclusions. The following general observations can be made, based on the information presented in Tables 5 and 6, Annex 7, on the SGP website and in documents such as the annual reports provided by NCs, SRCs and the PEF Coordinator:

- while initial project concepts tend to focus on the problems experienced by a single village or other community, by the time a project is implemented the planned activities often reflect the need to take a more holistic approach by involving adjacent communities and other partners;
- all projects build on existing capacities in the community, and many add value to other development initiatives in the community (see Table 6);
- even when project activities have a narrower focus, for practical reasons, they usually build a wider awareness of, and engagement in, improving environmental quality and sustainable resource use;
- an individual project will often spawn "copy cat" activities in adjacent communities, but with revisions and refinements to give local ownership and identify; these replicated activities are often funded outside the SGP; and
- SGP projects also tend to catalyse other activities within the community, with many of these providing income as well as environmental and related benefits.

Table 6

Examples of Ways in Which SGP-Pacific Projects Have Provided Added Value

| Nature of Project | Ways in Which Value has been Added |
|--|---|
| Marine reserve rehabilitation | <ul style="list-style-type: none"> ▪ Developed and established a business plan and strategy for tourist visits ▪ Eco-tourism guides trained; ▪ Promoted and enhanced eco-tourism development; ▪ Educational programmes for the village primary school |
| Extension of marine reserve | <ul style="list-style-type: none"> ▪ SGP and EU funds used for to expand ecotourism, including construction and restoration of beach fale |
| Community natural resource management | <ul style="list-style-type: none"> ▪ Extended community livelihood projects, including micro-finance projects; ▪ Enhanced the use of sustainable forest management practices as well as adaptation to climate change |
| Conserving native bird habitat | <ul style="list-style-type: none"> ▪ Encouraged more sustainable use of unproductive non-forested land; ▪ Encourages community-led native forest restoration in key areas |
| Community natural resource management | <ul style="list-style-type: none"> ▪ Also facilitated full participation of land owners living in capital city; ▪ Integrated existing community conservation activities into a long-term community development plan; ▪ Built on existing income generating opportunities |
| Expansion of traditional healing practices | <ul style="list-style-type: none"> ▪ Strengthening of traditional healing in 5 outer islands as well as on the capital island |
| Community sanitation and water supply | <ul style="list-style-type: none"> ▪ Upgraded existing toilet facilities and water tanks |

These general points are also illustrated by examples (see Box 2).

Box 2

Examples of SGP Project Outputs and Outcomes

Sources: Presentations made and interviews conducted during or in conjunction with site visits;
Project reports

Driti Sustainable Fisheries Initiative (Fiji)

| | |
|--|---|
| <p>Outputs:</p> <ul style="list-style-type: none"> Management Plan Operating nurseries Planted mangroves Planted river banks Project presence in other villages Knowledge transferred to villages Awareness in schools and village children | <p>Outcomes:</p> <ul style="list-style-type: none"> Holistic view of importance of mangroves Heightened awareness about sediment problem Raised awareness on importance of catchment area A community beginning to value sustainable fisheries and terrestrial environment Increased sustainability of livelihoods |
|--|---|

Savaia Village Marine Reserve (Samoa)

Outcomes:

- Increased abundance and size of reef fish
- Clams now seeding other areas of the lagoon
- Plan for clam hatchery, to be run on a cost recovery basis
- Reserve also underpinning an ecotourism project – beach fale

Community Sanitation and Water Supply Management and Enhancement (Kiribati)

For Kiribati, a priority environmental issue is pollution of groundwater. A school is being supported to develop toilet facilities, to use solar energy to pump groundwater, and install guttering and water tanks for school use. The result is not only reduced pollution of the groundwater, but also promoting the use of solar powered technologies. The wider community is fully behind the school programme which is now prompting other schools and communities to replicate the activities within their areas.

In order to scale up the environmental and economic benefits already being delivered, relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific. They could do this by becoming partners in appropriate projects and participating in training and other capacity building activities. They could also facilitate the use of SGP modalities and expertise in full- and medium-sized projects funded by GEF.

Recommendation. Relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific.

Outcome 1.2 Effective project implementation and programme administration due to sound systems and appropriately qualified staffed

Evidence. As illustrated in Annex 7, SGP Pacific has delivered many successes at project level, including building capacity to ensure improvements in environmental quality and sustained use of natural resources. However, there are two fundamental systemic problems that individually and collectively have a major influence on effectiveness. Interviews with NCs, SRCs, the PEF Coordinator and relevant staff in the UNDP COs revealed that many potential and confirmed grantees are not providing proposals and reports that meet the requirements for funds to be disbursed. Where they have been available, LTAs have helped somewhat to reduce this problem. While these inadequacies in project reporting contribute to delays in authorization and disbursements by the UNDP COs, evidence shows that some of the delays are independent of the quality and timeliness of project reporting and can be attributed to both staffing and procedural issues in the UNDP COs (see Section 5.3.2).

It has not been possible to show how each of these two problems impact individually on the effectiveness of the SGP Pacific. Country and project personnel and UNDP staff and analyses¹⁰ acknowledge that the causes of these problems do not operate independently. The *combined* effect of these two shortcomings on the effectiveness is illustrated in Table 6. This shows disbursement dates for Samoa's PEF-funded projects and highlights the extended periods over which many of the planned two-year projects have been implemented. Regardless of their cause, delays in disbursement have major implications for the effectiveness of project implementation, including difficulties with the recruitment and retention of project staff.

Conclusions. Due to shortcomings in the SGP-PEF design and its early implementation NZAID became more involved in managing SGP Pacific, incurring high management costs. The PEF Coordinator began playing a highly interventionist role. While this was mostly constructive, there was also some resistance to procedures NZAID put in place for risk management reasons.

In fact, the PEF Coordinator has no delegated authority to make decisions even when such actions would be helpful rather than perceived as confusing. This has constrained the contributions the Coordinator has made to improving the effectiveness and efficiency of grant making, monitoring and reporting. It is acknowledged that the PEF Coordinator has made an effective and value-adding contribution to the Pacific component of the SGP. However, SRCs could have been more proactive in addressing capacity issues and, in doing so, worked hard to make the PEF Coordinator unnecessary. The PEF Coordinator could have then been able to focus more on technical backstopping than on providing administrative support. This difference in Coordinator's role would have had greatest benefit for countries without LTAs.

¹⁰ UNDP, 2009: UNDP Internal Review - Global Environment Facility Small Grants Programme (SGP), 21pp.

Table 6

**Disbursement Dates for Samoa's PEF-funded SGP Projects*
(as of March, 2010)**

Source: Samoa UNDP MCO

| Project Name | Timeframe | Disbursement Dates | | | |
|---|-----------|--------------------|----------------|---------------|----------------|
| | | First Tranche | Second Tranche | Third Tranche | Fourth Tranche |
| Wetland Conservation | 2 years | Jul-07 | Nov-07 | Nov-08 | Apr-10 |
| Rehabilitation of Degraded Quarry | 2 years | Oct-07 | Jun-08 | Feb-09 | Sep-09 |
| Coral restoration and fish stock rehabilitation Marine reserve | 2 years | Oct-07 | Jan-08 | Mar-10 | Jul-10 |
| Marine Conservation Biodiversity Project | 2 years | Oct-07 | Mar-08 | Dec-08 | Sep-09 |
| Reforestation Community Project | 2 years | Oct-07 | Jan-08 | Jul-08 | Sep-09 |
| Integrated Pest Management Semi-commercial organic farm | 2 years | Oct-07 | Apr-08 | Feb-09 | Sep-09 |
| Rehabilitation of natural coastal springs and natural / cultural sites | 6 months | Oct-07 | Mar-08 | COMPLETE | |
| Safotu Village - Planning Grant concept | | | | | |
| Savaia Marine Biodiversity Conservation Village - Lefaga | 2 years | Mar-08 | Oct-08 | May-09 | Dec-09 |
| Restocking of Giant Clams into Salimu Village Fish Reserve | 2 years | Jul-08 | Nov-08 | Jan-10 | Jun-10 |
| Hybrid Solar Aquaponics & Wetland Conservation Renewable Energy Project | 2.1 years | July 2008 | Nov-08 | Jan-10 | Aug-10 |

* Shaded cells indicate disbursements not yet made.

Lesson Learned. Shortcomings in the PEF-SGP design resulted in the PEF Coordinator playing a role well beyond that originally anticipated, but with effectiveness being constrained by a lack of any delegated authority.

The Steering Committee should have resolved many of the emerging problems with project performance, but often there was no follow-up to its decisions. For this and other reasons, the responsibilities, powers, funding and membership of the Steering Committee should have been clearer. There would be considerable value in the Steering Committee itself comprising members of the wider SGP-PEF-MAP CBA partnership as well as UNOPS.

At present two meetings of the Steering Committee are held each year. This represents a significant cost, to both GEF and PEF, a cost which would increase substantially if the membership is widened, as suggested above. The Committee is now making increased use of telephone conference calls, with informal discussions being held between the formal bi-annual meetings. The efficiency and effectiveness of these meetings is enhanced through both competent chairing and judicious record keeping.

But the frequent failure to follow up on agreed decisions and actions compromises their success. These shortcomings should be addressed as a matter of urgency. Steering Committee meetings should be face-to-face only when most if not all parties are present in one location for another reason. Otherwise telephone meetings should be used. This method of meeting will also help ensure that meetings are held with appropriate regularity. The work of the Steering Committee could also be made more efficient if it established sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.

Lesson Learned. Shortcomings in the performance of the Steering Committee exacerbated the underlying problems with the design and implementation modalities of the SGP-PEF.

Recommendation. Clarify and formalise the responsibilities, powers, funding, membership and procedures of the Steering Committee, with consideration given to the Steering Committee itself comprising representatives of the wider GEF SGP-NZAID PEF-AusAID MAP CBA partnership, as well as UNOPS and with sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.

Outcome 1.3 Monitoring and financial accounting meet accepted performance standards

Evidence. From the project level all the way up to the programmatic level of SGP Pacific, and especially the SGP-PEF, there are significant delays within the UN systems, and especially those of the MCOs. UNOPS undertook audits of compliance with PEF grant agreements in both the Fiji and Samoa MCOs. Since the findings are confidential they are presented in a Confidential Annex. Importantly, the audits did not identify any major areas of non-compliance. Those that existed were already known, and being remedied. Similarly, while the audit confirmed that very detailed and well documented sub-regional management policies had been developed, it also added to a wider view that the effectiveness of the MCOs was being reduced because of the parallel grant programmes (core SGP and PEF), with completely different administrative and reporting requirements.

There have also been delays in agreeing on, and implementing, the five amendments to the CSA between UNDP and NZAID. UNDP has not been able to meet several of the reporting requirements specified in the CSA, especially in relation to financial reporting. For example, there have been lengthy and time-consuming discussions about a large expenditure of PEF resources on administration in Year 1, when no funds were allocated for administration.

Many of the amendments to the CSA were made in an attempt to ensure that NZAID had a true and fair report of actual expenditure - whether it has occurred, and if so, on what, and for how much. Despite these efforts, acceptable, in-depth reporting was not received from UNDP until late 2009.

Conclusions. The expenditure reported to CPMT by the Fiji MCO was, and remains, inconsistent with that reported by CPMT to NZAID¹¹. This was only after numerous requests and prompting. It remains unclear why UNDP had difficulty in meeting the not unreasonable needs of NZAID. It is important that NZAID activity managers understand why the reporting was so problematic for UNDP, so that they can identify the management interventions that ought to be put in place to bring the problem under control before moving forward. Currently NZAID is unclear what the problem was, and therefore how they can ensure it won't happen again.¹²

There should be standard annual SGP reporting, with CPMT revising the current reporting template to include PEF and MAP CBA components. Monitoring and reporting should focus increasingly on results and outcomes, including positive contributions to lives (e.g. poverty reduction) and livelihoods (e.g. income generation). CPMT should also reduce the frequency of requests to countries for additional reports and other information.¹³

Lesson Learned. Without clear and agreed monitoring and reporting requirements, and a commitment to meeting them, performance is severely compromised.

¹¹ Interview and email correspondence with Budget Advisor, NZAID.

¹² Email correspondence with Budget Advisor, NZAID.

¹³ An example of a recent request is provided in Annex 8. It illustrates the magnitude of the requests, the substantial additional workload for SGP staff at country and the failure of the global operations to capture information such as lessons learned as part of their ongoing knowledge management.

Recommendation. Develop more harmonized and streamlined reporting covering the three components of SGP Pacific (core GEF, PEF and MAP CBA), with clear allocation of responsibilities and setting of timelines for reporting at all levels, from projects through to SGP Pacific as a regional initiative.

Outcome 2.1 Appropriately qualified recruited national coordinators provide quality support for project implementation

Evidence. The second aspect of this outcome, namely quality support provided for project implementation, has been partly address under Outcome 1.2 and will be assessed further in Section 5.3.2. SGP Pacific has been especially fortunate to recruit some well-qualified SRCs who also serve as NCs of their host country. They have also benefitted considerably from additional training, usually provided by longer serving SRCs or the PEF Coordinator, and using PEF resources. A similar situation exists for the NCs. They receive training from the relevant SRC and the PEF Coordinator. Recruitment of qualified NFPs is more difficult, due to the position being part time. However, experience has also been generally positive in this regard.

Conclusions. While salary scales have also made it difficult to recruit SGP personnel with appropriate qualifications and experience, the main consequence has been with retention. Resignations by the key individuals are particularly disruptive to work programmes, especially when they are unplanned or soon after recruitment.

Outcome 2.2 Communities able to access technical expertise for consultation and build capacity for implementation as a result of grants

Evidence. The SGP Pacific is totally focused on assisting communities and other potential grantees to prepare fundable proposals, through provision of both technical and related assistance, and by building the capacity of potential and current grant holders to implement their projects in a timely and effective manner. As noted above, there is considerable room for improvement in this support.

Conclusions. Despite the need for improvement, important contributions have been made by:

- LTAs – this is a unique feature of the SGP; as a result of support from the PEF, both Samoa and Fiji¹⁴ recruited a part time consultant to provide additional technical support to communities as well as to the country programme as a whole;
- SRCs, NCs and NFPs – these individuals play critical roles in raising awareness of planning and full sized grants being available to villages and other community-based organisations through the SGP, mentoring these groups as they develop project concepts, providing feedback and other assistance to grant seekers and working with grantees to help ensure they implement their projects in an effective and responsible manner;
- NSCs and NFGs – while the intention is for these groups to focus on oversight of the national activities, and on strategic planning, in all countries they have also been more directly involved in operational matters, including project monitoring; this is desirable,

¹⁴ The opportunity was given to other countries chose to use the LTA funds in ways that more suited the national circumstances; thus the Cook Islands, Tonga, Niue, Palau and RMI upgraded their NFP positions to full time; in FSM the funds were used to complement the work of the full-time NFP based in Pohnpei by having an NGO provide “NFP services” in the other three States (Yap, Kosrae and Chuuk), thus helping to overcome the constraints of distance and travel costs to support grantees in those States.

though not if it comes at the expense of meeting the main responsibilities of the NSCs and NFPs, as has happened;

- NGOs as partners, including grantees and co-implementers of projects – many communities who see the need to improve environmental and natural resource management in their environs lack the capacity with respect to technical matters as well as project and financial management; these shortcomings are often addressed as part of SGP capacity building initiatives, but in many cases such efforts are insufficient; by working in partnership with suitably qualified NGOs, communities are able to focus on project activities where they have the comparative advantage in achieving environmental improvements, leaving the NGO partners to add value and ensure adequate accountability;
- NGOs as service providers – in some instances, notably Samoa, NGOs have been contracted to provide financial management and other training to several projects that share a need for such assistance; this arrangement is good in theory, but has experienced several practical problems; a key issue has been the inability of the SGP to contract the NGO directly; as a result, each project is expected to use a portion of its budget to pay for the NGO's services; even when agreement is reached, the project officers are subsequently very reluctant to transfer some of their project funds to the NGO;
- Technical officers employed by government or regional inter-government organizations, including agricultural and fisheries extension officers – in many countries such individuals are providing important practical assistance to communities who are recipients of grants, as well as using the experience gained working with those communities to improve the quality and relevance of the technical support provided to other communities; this is a major source of in kind support for SGP activities; in addition, project grantees in Tokelau have received technical support from the SPC; it has taught simple and low costs skills and techniques to expedite project implementation; government and inter-governmental agencies thus play very important roles in strengthening project implementation, as well as upscaling and replicating SGP's community level activities; and
- Government agencies as grantees – this is another feature of the SGP unique to the Pacific region; approximately 30% of the PEF-funded projects are being implemented by government agencies; they are predominantly provincial and other local government agencies, with only one project being implemented by a government ministry; this high level of engagement by local government reflects the important roles they play in managing the environment and natural resources at local level in the Pacific; despite the fact that in the Pacific most of these assets are community owned, the necessary technical and related competencies often reside in local government agencies, which work in partnership with the resource owners.

Outcome 2.3 Capacity of all stakeholders improved as a result capacity building initiated by NCs using capacity building funds

Evidence. The following discussion builds on the earlier comments related to Output 1.1. Both PEF, core SGP and, more recently, MAP-CBA capacity building resources are used to enhance the knowledge and skills of community members engaged in project-related activities, as well as the SGP staff working at both national and sub-regional levels. Funds have also been used to ensure that individuals are fully conversant with operational procedures and reporting requirements, especially those related to the PEF. These capacity building initiatives are undertaken by not only the NCs (and their SRC and NFP counterparts), but by all players in SGP Pacific, including the PEF Coordinator.

Arguably the most tangible evidence of this increased capacity, both within SGP Pacific management, and in the communities themselves, is the change in grant making. Two indicators are used – the number of grants awarded, and their average value. It is

acknowledged that these indicators are woefully inadequate. But as noted earlier, a lack of comprehensive reporting on capacity building activities, outputs and outcomes leaves no other option but to use only these two indicators.

The number of grants funded through PEF increased dramatically from Year 1 to Year 2 (Table 7), as all players became familiar with, and competent in, the PEF requirements and procedures. While the number of grants remained the same for Years 2 and 3, there was a substantial increase in the value of each grant. There is some evidence to suggest that the more experienced countries are seeing benefits in approving a smaller number of larger-sized projects. For example, Samoa has raised the limit on grant size from WST50,000 to USD50,000, the upper limit for all SGP grants. This decision may be less a reflection of need than a desire to increase the efficiency of grant making and management.

Table 7 also includes comparable information for grants from the SGP core budget. In this case the number of grants decreased over the three years, but the value per grant again increased dramatically. This likely reflects the greater familiarity at all levels with the SGP grant making and disbursement procedures, but the common pattern of moving towards larger-sized projects.

Table 7

Grant Numbers and Disbursements

Sources: PEF Annual Report (2008/09) and Consolidated UNDP NZAID PEF Financial Report 14 August 2009 (rev March 2010)

| | PEF Full-sized Grants | | | SGP Core Full-sized Grants | | |
|--------|-----------------------|-------------|-----------------|----------------------------|-------------|-----------------|
| | Number | Total Value | Value per Grant | Number | Total Value | Value per Grant |
| Year 1 | 5 | 229,685 | 45,937 | 31 | 881,597 | 28,439 |
| Year 2 | 15 | 514,421 | 34,295 | 25 | 995,173 | 39,807 |
| Year 3 | 16 | 684,637 | 42,790 | 27 | 1,067,245 | 39,528 |
| Total | 36 | 1,428,743 | 39,687 | 83 | 2,944,015 | 35,470 |

The latest PEF Annual Report¹⁵ provides the findings of a recent assessment of the support still needed to build local level capacity to manage and implement the SGP-PEF. Turnover in government agencies, in project groups, in NSC/NFG membership and in SGP staff as well as changes in SGP guidelines, focal areas, partnerships and reporting requirements, mean that there will always be a need to continually up skill stakeholders. Even in the more established SGP countries, such as Fiji and Samoa, community groups and governmental and non-governmental partners still need to have their capacities enhanced. Despite larger countries having better access to NGOs, government, the private sector, good communication systems and additional avenues of technical support, current/potential grantees and NSC/NFG/NHI members still require targeted training and mentoring.

Conclusions. Different target groups have different needs. For example, weak support provided by NHIs is a recurring problem for countries throughout the region. Strengthening NHI management to address this and other issues is a priority, as capacity shortcomings can seriously affect SGP programme implementation. The voluntary nature of most NHIs means they face issues of core funding and staff shortages. Consequently, they have weak administration systems and can offer little support to SGP programme managers, including

¹⁵ PEF Coordinator, 2010: PEF Annual Report, September 2008 – December 2009. Tourism Resource Consultants, Wellington, 47pp.

NFPs and NFG/NSCs). Building project management capacity, financial administration and reporting at the community level needs strengthening across the region. Grantees need close support and monitoring, together with training, in order to meet reporting requirements. Grantees have similar problems understanding SGP technical and focal areas and need on-going assistance to support them as they work through the project cycle. Sharing of lessons between groups already engaged with the SGP and potential or new grantees is an emerging practice, which needs additional support.

The capacity building needs of other groups are detailed in the most recent PEF Annual Report. Table 8 shows the groups that the Report identified as requiring further targeted capacity support in the Pacific region. Interviews and other assessments undertaken as part of the current review confirm the general aspects of these findings. Where SRC/NC/NFPs are noted as needing capacity building this is mostly due to recent engagement with the programme. The table demonstrates that there are widespread and on-going capacity building needs across the region. With the SGP-PEF being relatively new to many countries (less than 2 years of effective operation), and for the reasons noted above, it is strongly recommended that SGP, NZAID and AusAID continue to prioritise capacity building support in future programming. In terms of capacity building, as well wider engagement, CROP agencies also have an important contribution to make.

Table 8

Existing and Future Capacity Building Needs

Source: Updated from PEF Annual Report (2008/09)

| Country | SRC/NC/NFP | NSC/NFG/NHI | Potential Grantees | Current Grantees | Other Partners |
|-------------|------------|-------------|--------------------|------------------|----------------|
| Fiji | | X | X | X | x |
| Tonga | X | X | X | X | x |
| Nauru | X | X | X | X | X |
| Tuvalu | | X | X | X | X |
| Kiribati | | X | X | X | X |
| Samoa | New SRC | X | X | X | X |
| Cook Is. | X | New NHI | X | X | X |
| Niue | X | X | X | X | X |
| Tokelau | X | X | X | X | X |
| Solomon Is. | New NC | X | X | X | X |
| PNG | New NC | X | X | X | X |
| Vanuatu | X | X | X | X | X |
| FSM | X | X | X | X | X |
| ROP | X | X | X | X | X |
| RMI | X | x | x | x | x |

Recommendation: Undertake further capacity building, but any additional investment should be predicated on adequate needs assessments, and on monitoring and reporting procedures being in place.

Outcome 3.1 Projects contribute to meeting countries' obligations to the MEAs (CBD, UNFCCC, POPs, UNCCD)

Evidence. One of the SGP's principal objectives is to develop community-level strategies and implement technologies that could reduce threats to the global environment if they are replicated over time. The key point is "if they are replicated over time". Given the scale of the project activities, it is not appropriate or relevant to expect an individual project to deliver

global environmental benefits. Rather, the country programme strategies, as well as the selection criteria used in grant making, help to ensure that the SGP project portfolio, in aggregate, delivers such benefits. The previously described up-scaling and replication (Table 5) are also helping to achieve this goal.

The most recent PEF Annual Report¹⁶ includes a comparative analysis of the difference between a full country programme that was established in Year 1 and new sub-regional programmes that embarked on grant-making in Years 2 and 3. The fourth evaluation of the global SGP, undertaken jointly by the GEF and UNDP Evaluation Offices in 2007¹⁷, concluded that the SGP has a slightly higher success rate in achieving global environmental benefits, and significantly higher rate in sustaining them, than do GEF Medium and Full Size Projects. The evaluation surveyed 22 countries worldwide (not including the Pacific), using a team of over 20 people. Some 12 countries were visited in depth, and field projects were assessed according to a method of stratified random sampling. The detailed findings are presented in the Joint Evaluation Report.

Conclusions. The comparative analysis of the difference between a full country programme and the newer sub-regional programmes indicates that, through the SGP, sub-regional countries will play an increasingly important role in helping meet the national obligations under multi-lateral environmental agreements (MEAs). This is not only as a result of an increased number of projects, but also through upscaling and replication processes already underway in the more established SGP countries. But there are limits to this growth, particularly due to the absorptive capacity of some sub-regional countries being constrained by such factors as the number of communities and CBOs with an interest and ability to engage in the SGP. Additional capacity building support is needed to ensure that such capacity constraints are decreased to appropriate levels.

The finding that SGP has a comparatively high success rate in achieving global environmental benefits may reflect the more mature status of the global programme compared to SGP Pacific. While no direct comparisons were made as part of the current review, the conclusion does at least highlight a reasonable expectation of SGP Pacific in terms of assisting countries to meet their obligations to the MEAs.

The SGP strategy is to build partnerships and networks of stakeholders to support and strengthen community, NGO and national capacities to address global environmental problems and promote sustainable development. Under the SGP, the country programme strategy (CPS) serves as the framework for country programme operations and ensures that both the country programme and the project portfolios are clearly related to the overall GEF objective of contributing to global environmental benefits in the GEF focal areas. However, the SGP usually supports communities that confront a multitude of social and economic development problems, as well as those in the GEF focal areas. In order that SGP interventions have relevance and utility at the community level, these non-GEF circumstances are taken into account in project design and the approval process.

Outcome 3.2 Improved environmental protection and sustainable resource use as a result of community level best practices being replicated over time

Evidence. One of the more powerful consequences of a community-based approach to improved environmental protection and sustainable resource use is that replication occurs,

¹⁶ PEF Coordinator, 2010: PEF Annual Report, September 2008 – December 2009. Tourism Resource Consultants, Wellington, 47pp.

¹⁷ GEF Evaluation Office and UNDP Evaluation Office: Joint Evaluation of the GEF Small Grants Programme, October, 2007.

often with little direct intervention so long as they are building on a strong foundation of knowledge, experience and demonstrated success. Many of the communities adjacent to SGP sites are adopting and adapting good practices and lessons learned (Table 5 and Annex 7). One such example is described in Box 3. It highlights the key role played by government extension services staff in facilitating the replication process. They are salaried government officials, typically with excellent practical experience, good relationships with communities and highly motivated. But often they lack the financial and related resources required to carry out the tasks that have been assigned to them. A similar situation exists with locally operating NGOs.

Box 3

Example of Replication Based on Sharing Best Practices and Lessons Learned

Source: Interview with Village Mayor

Tafagamanu Village, Samoa, developed a marine reserve to rehabilitate the reef and lagoon, and improve fish stocks. Fisheries officers played a critical role in transferring knowledge from the adjacent marine protected area of Savaia Village, an SGP site.

Tafagamanu built on that experience and aligned it with community needs by allowing sustainable harvesting within the marine reserve, to provide food for special events such as meeting of the village council. The village chief has travelled to Vanuatu and Indonesia to share the experience of his village.

Conclusions. Communities find the services of government extension staff and NGOs are very useful and, as a result, often use part of their project funds to cover legitimate out-of-pocket expenses, such as travel and accommodation costs. This, and other findings presented elsewhere in this report confirm the importance of effective partnerships between communities and government (both central and local). The collective evidence provides ample justification for the decision to allow PEF resources to be used by government agencies working with communities to enhance the sustainable use and management of the environment and other natural assets.

Outcome 3.3 Partnerships and networks established through the SGP-PEF functioning effectively

Evidence. SGP-PEF has been instrumental in facilitating and sustaining partner and networks, from community through to global levels. At community through national levels the important and highly productive partnerships involving communities, CBOs, NGOs, local and central government have already been described. The participation of the GEF Operational Focal Point (OFP) on the NSC/NFG is an important aspect of this partnering. The OFP can contribute knowledge of the national full- and medium-sized projects funded by GEF as well other on other initiatives being taken by government.

At the regional level SGP Pacific operates an informal network that links countries and sub-regions, principally through the efforts of the SRCs, NCs/NFPs and the PEF Coordinator. The network is most successful in terms of building the capacity of SGP staff through formal training sessions, short term exchanges and through sharing of best practices and lessons learned.

Clearly SGP Pacific is an integral part of the global SGP system, not only in terms of receiving financial resources and participation in relevant meetings and training opportunities, but also by exchanging best practices and lessons learned directly with other

countries, or via the CMPT and the SGP website.

SGP Pacific is also represented on the GEF-NGO Network by the Foundation of the People of the South Pacific International. The Network is comprised of all NGOs accredited to the GEF. Currently, there are some 650 members. The benefit of being a member of this global network is highlighted by the submission it made at the November 2009 meeting of the GEF Council where the Network called for strengthening of the current execution of SGP through UNOPS, something with which all members of SGP Pacific appear to concur.

Conclusions. The sub-regional arrangement of less experienced national programmes being supported through a relationship with an ongoing full country programme is working reasonably well. However, this means that a NC also acts as a SRC, resulting in a very heavy workload and the frequent need to make choices about where efforts are to be focused. The appointment of LTAs and other support staff have gone a long way to addressing these problems, but the lack of funds to continue the work of the LTAs into the fourth year of the SGP-PEF has meant that at least some of this load sharing could not be sustained.

The high level of involvement in the SGP Pacific by both NGOs and government has contributed to the effective achievement of the intended outcomes of the partnership. But the full potential has not been realized. In most countries the SGP is based in the UNDP CO. However, for SGP Pacific it was considered highly desirable for an NGO to host the SGP in-country. This approach has been pursued inconsistently (see Table 4) and with mixed results. While there are clear benefits if SGP and UNDP CO staff are collocated, there is a diminution of NGO ownership and visibility. This is inconsistent with one of the key objectives of SGP-PEF, namely to strengthen the capacity of the organizations supporting community development initiatives in the Pacific. Many of the NGOs that are acting as NHIs, and hence receiving assistance to build their capacity and cover administrative and related expenses, are also receiving support from NZAID as part of bilateral assistance. There would be greater benefits from both sources of assistance if there was more coordination. There is a need to harmonize the assistance being provided through SGP-PEF and bilateral initiatives in order to ensure that, overall, NZAID can be assured it is receiving value for money.

While the SGP Pacific is committed to building the capacity, ownership and visibility of NGOs involved in the partnership it has also recognized the need to support the involvement of government agencies and staff in recognition of technical and related capacity constraints within communities and CBOs. In the Pacific NGOs can help address this gap, but sustained involvement is more likely to come via government agencies and their staff. SGP-PEF is unique amongst the SGP programmes worldwide in funding the technical and related assistance provided by government staff. As noted above, NGOs and especially government staff (e.g. local government officials; extension officers), often play a critical role in up-scaling and replicating community-based activities. By deciding that its projects will not have to meet the criteria of the GEF (i.e. not strictly “GEFable”), MAP CBA is already applying this lesson learned by SGP-PEF.

Lesson Learned. Effectiveness of SGP-PEF has been enhanced by the ability to support the involvement of government staff in project activities. This is a unique feature of SGP operations worldwide.

Recommendation. Harmonize the assistance being provided through SGP-PEF and New Zealand’s bilateral assistance, in order to ensure that, overall, the New Zealand government can be assured it is receiving value for money.

5.2.2 Relevance of SGP Pacific

Evidence. Consistent with evaluative practice, relevance is assessed in terms of whether and to what extent the SGP Pacific has addressed the needs and priorities of the target groups, and is aligned with New Zealand's policies and priorities. Table 5 and Annex 7 provide a key body of evidence for this aspect of the review. It reports the findings of a detailed assessment of 22 (11 PEF funded) projects in Fiji, Samoa, Cook Islands, Kiribati and Vanuatu, including site visits to 13 of the 22 projects. The annex also shows that the interviews and site visits were conducted with appropriate involvement of both women and men.

Addressing the Needs and Priorities of Target Groups. In keeping with the SGP Operational Guidelines, grant proposals are generated by the target beneficiaries themselves, notably communities. In the Pacific they can also be prepared by relevant government agencies as a result of the PEF contribution to SGP. SGP staff, NGOs and government agencies all add value to, rather than drive this process. This includes raising awareness of the SGP as a community-focused funding mechanism for environmental and natural resources management while also seeking co-benefits of sustainable livelihoods and poverty alleviation. These efforts, as well as those of SGP staff themselves, promote equitable and open-ended access to SGP funding streams, including planning, capacity building and project grants. The CPS provides the framework for transparent and accountable decision making related to the approval and disbursement of SGP funds at national and project levels.

In each country the CPS is the main tool used to identify target groups and to involve them in project design and implementation. It is used to identify the different needs, priorities, interests, roles and responsibilities of women, men, girls and boys and ensure they are addressed. This is often achieved by partnering a potential grant-receiving community with a non-governmental or government agency, as appropriate. The ability to award an initial planning grant where a community has clear capacity constraints or other challenges is an important mechanism for ensuring equitable and full access to SGP resources.

Alignment with New Zealand's Policies and Priorities. The new mission statement for NZAID, approved by Cabinet in April 2009, states that New Zealand's official development assistance programme will support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. In delivering on that mission, there will be a focus on sustainable economic development and also a focus on the Pacific. Table 5 and Annex 7 show that, with very few exceptions, the 22 projects that were examined in detail are not only contributing to increased environment sustainability but also to sustainable economic development, albeit at community level and hence on a somewhat limited scale.

Annex 7 provides an assessment of the extent to which the outcomes of 22 projects in Fiji, Samoa, Cook Islands, Kiribati and Vanuatu have improved the sustainability of livelihoods and reduced poverty levels for women, men, girls and boys. Within the limits imposed by generally poor reporting on such considerations, it is apparent that most of the projects reviewed through site visits, interviews of project teams and other means have made positive contributions to both livelihoods and poverty alleviation.

Cross Cutting Issues. Annex 4 shows that the cross cutting considerations of most immediate relevance to this review of SGP Pacific are human rights, gender equity and relationships with NGOs. The last consideration is the concern of much of this review and will not be discussed further in this section.

As noted above, the SGP Pacific gives priority to both improved environmental management

and poverty reduction, with the latter being considered as a human rights issue as well as a development issue. Grant making and capacity building under SGP Pacific adhere to the standards and principles of human rights while assisting communities to prepare and implement sound development policies, plans and processes. The strategic approach of New Zealand's aid programme is to ensure that women's empowerment and gender equality are actively pursued in all development activities. New Zealand's special relationship with the Pacific underpins a core focus on advancing gender equality and women's empowerment in the region.

As a result of the priority given by New Zealand to advancing both human rights and gender equity specific questions were formulated for interviews with both key players and beneficiaries. There were, respectively:

- To what extent has the Pacific component of the SGP delivered outputs and outcomes in ways consistent with good practice and policy compliance in terms of such cross-cutting and mainstreamed considerations such as human rights, gender equity, accountability and transparency?
- To what extent have you and your community planned for and undertaken the project in ways consistent with good practice in terms of such considerations such as human rights, gender equity, accountability and transparency?

These questions were used to determine if there were any instances where there were shortcomings in advocacy for human rights and gender equity had occurred. While no instances were identified where proposals and budgets were screened for gender and human rights responsiveness using UNDP and other tools, there was also no evidence that decision making had compromised human rights or gender equity.

Similarly there was no evidence found at either country or project level that any grant making violated the funding criteria of New Zealand's aid programme. There are robust systems in place at national and sub-regional levels to ensure this does not happen, including training national and sub-regional staff in the application of these criteria. The PEF Coordinator also plays a key role through both monitoring and approval procedures.

Conclusions. A review of the CPSs for Fiji, the Cook Islands, Samoa, Vanuatu and Kiribati did not reveal any instances where the CPS could be used to deny minority or disadvantaged groups equitable access to SGP resources. As noted previously, despite the SGP providing comprehensive assistance to communities that lack the capacity to prepare grant proposals and implement projects to an acceptable standard, there are still instances where the challenges to successful engagement and execution are just too great. While this may preclude some groups from accessing SGP resources, NFG and NSCs must exercise their responsibility to ensure wise use of these resources. Again training is provided to ensure they make informed, transparent and fully defensible decisions.

The approach taken by the SGP recognizes the essential role that households, communities and NGOs can play in conserving biodiversity, reducing the adverse impacts of climate change, protecting international waters, preventing land degradation and phasing out POPs. In terms of strengthening the often limited capacity of these key players, the needs and priorities are reflected in the CPS, which is prepared and updated by the NSC/NFG, with the guidance and assistance of the NC/NFP.

Over the past 25 years New Zealand has contributed to several environmental related programmes in the Pacific region, at both bilateral and regional levels. The SGP Pacific offers more targeted support for community level implementation, within a regional approach. PEF has specifically directed funding support to community level projects in order to assist PICs to meet their obligations to the MEA's while further supporting the New

Zealand's international policy of eliminating poverty through sustainable and equitable development. Its principal objective is "cost effective support for community development initiatives promoting environmental protection, poverty elimination and sustainable livelihoods".

Recent changes in NZ's overseas development assistance policy call for increased emphasis on sustainable economic development. The approach, practices and intended outcomes of SGP Pacific are well aligned with this change, especially given its goal of "socially, economically and environmentally sustainable community development for poverty elimination in the Pacific region". As noted above, the SGP Pacific has high country ownership. Thus, operationally and in terms of impact (see Table 5, as well as Annex 7 for specific examples), it is very much a regional programme that is delivered bilaterally, with the added benefits of regional coordination, cooperation and the resulting synergies. Other delivery mechanisms were considered when the SGP-PEF partnership was designed, but these were rejected in favour of the SGP (see Section 5.3.2). This review reaches the same conclusion (see Section 7.2).

5.3 Objective 3: Assess the efficiency and implementation of the NZAID-UNDP GEF partnership as a mechanism for supporting community-level environmental initiatives linked to building sustainable livelihoods and reducing poverty, including identifying factors that have enhanced or constrained efficiency and implementation

5.3.1 Efficiency

In keeping with evaluative practice, efficiency is assessed in terms of whether the outcomes have been achieved at a reasonable cost and hence represent value for money. Consistent with the TOR, and as discussed above, efficiency is assessed for the SGP-PEF partnership only.

Evidence. For first three years of the partnership USD 2,970,500 of PEF funding was allocated to SGP Pacific activities in the CSA. This was to cover grant making, capacity building, sub-regional workshops and administration. However, the actual funds transferred amounted to USD 2,885,372, likely due to currency fluctuations and fees. The former figure will be used as the baseline for efficiency calculations as this was the starting point for preparing operational budgets.

By the end of June 2009 less than half of these funds were disbursed (USD 1.03 million) although an additional USD 1.43 million had been committed for grants - see Table 9. The 63 planning and project grants awarded accounted for USD 1.88 million, leaving only USD 0.18 million of grant funding uncommitted. Capacity building activities cost USD 0.25 million, with USD 0.38 million being available. Thus USD 0.12 million of capacity building funding was unspent at the end of Year 3. The unspent but committed and uncommitted allocations (totalling USD 1.93 million of the USD 2.97 million originally allocated) were carried over and used to fund a financially neutral one-year extension to the SGP-PEF partnership.

SGP-PEF management costs represent 17% of total disbursements (12% of funds disbursed and committed), if the costs of the PEF Coordinator are not included. They were not included in the CSA. If the direct costs of the Coordinator are included, the numbers increase to 35% and 25%, respectively. Comparable values for the global SGP were 31% for OP 3, with a regional range of 27 to 35%, and 37% for OP 2¹⁸. Other data that can be used to compare

¹⁸ Technical Paper on Management Costs of the Ongoing Joint Small Grants Programme Evaluation. GEF/ME/C.31/Inf.1 May 24, 2007.

Table 9**Allocations and Disbursements of PEF Resources***

Source: Consolidated UNDP NZAID PEF Financial Report 14 August 2009 (rev March 2010)

| Three Years to June 2009 | Total |
|--------------------------|-------|
| Grants | |
| Funds Available | 2.06 |
| Funds Disbursed | 0.45 |
| Funds Committed | 1.43 |
| Funds Uncommitted | 0.18 |
| Planning (Number) | 30 |
| Full-sized (Number) | 33 |
| Administration | |
| Funds Available | 0.35 |
| Funds Disbursed | 0.17 |
| Funds Uncommitted | 0.18 |
| Capacity Building | |
| Funds Available | 0.38 |
| Funds Disbursed | 0.25 |
| Funds Uncommitted | 0.12 |
| Sub/Regional Workshops | |
| Funds Available | 0.18 |
| Funds Disbursed | 0.16 |
| Funds Uncommitted | 0.02 |
| Total Funds | |
| Available | 2.97 |
| Disbursed | 1.03 |
| Committed | 1.43 |
| Uncommitted | 0.50 |

* All values in USD million, unless otherwise noted; any small inconsistencies in totals are due to rounding

efficiencies are presented in Table 10. The overall management costs (i.e. including the direct costs of the PEF Coordinator) of SGP-PEF are towards the higher end of the values reported. There are many reasons for management costs being high in the Pacific, including:

- the acknowledged high transaction costs of delivering a development assistance programme in the Pacific, whether bilaterally or regionally;
- the SGP-PEF has only recently moved from its establishment phase, when costs are higher than for the longer running global SGP; and
- there have been considerable start up problems, especially in terms of approval and disbursement procedures at both country and UNDP MCO levels; in particular, start up costs were increased due to the SGP-PEF using UNDP's direct execution (DEX) modality rather than UNOPS, which is used for all other activities of SGP Pacific and for SGP globally, and with which SGP staff are more familiar.

Table 10

Management Costs for Selected Small Grants Programmes

Source: Technical Paper on Management Costs of the Ongoing Joint Small Grants Programme Evaluation. GEF/ME/C.31/Inf.1 May 24, 2007.

| <i>Management costs</i> | <i>%</i> |
|---|----------|
| Small Grants Program for Inclusion and Participation (civic engagement), World Bank | 10-12 |
| Wetlands for the future | 24 |
| Global Green Grants | 26 |
| PACT | 27 |
| SGP | 28-31 |
| CEPF | 30-34 |
| Eurasia Foundation | 41 |

Importantly, a recent study of SGP's global execution arrangements¹⁹ found that, if there was a change in execution modalities from UNOPS to DEX, the programme would suffer from reductions in both efficiency and grant dollars delivered, for a minimum of three years. This would be equivalent to an approximate discount rate of 25-30% reduction in the outcomes of GEF grants delivered globally over that time period. Given that the new SGP-PEF used DEX, while the established SGP Pacific used UNOPS, these findings are highly pertinent.

When expressed as a portion of total expenditure, average management costs for an SGP country programme decrease as the total expenditure of the programme increases (Figure 5). All SGP Pacific countries are operating under conditions reflected on the left hand side of the diagram. The findings suggest that, as experience and overall expenditures increase, the portion of funds spent on administration will decrease rapidly. The temporal trends shown in the figure may not be totally applicable to the Pacific, for the reasons given above. However, management costs were 14% and 22% of total disbursements (excluding regional workshops) for the more mature Fiji and Samoa country programmes, respectively²⁰. The comparable value for all SGP-PEF is 35%. Importantly, both Fiji and Samoa have additional administrative costs related to their sub-regional roles. The results do suggest that, even in the Pacific, national SGP programmes will become more cost effective as they mature, with increased grant making in terms of both number of grants and their total value.

As shown in Figure 5, marginal costs are the lowest at the USD 0.8 million expenditure level. At levels higher than this, the marginal cost increase again, as capacity constraints of the country programme team start to impact. However, since marginal costs are still lower than the average costs, operations at a higher level continue to lower the average costs. Also as shown in Figure 5, the most desirable level of operation of a country programme is reached when average and marginal costs are equal.

¹⁹ Benjamin, S. and A. Korten: Technical Paper on the Small Grants Programme: Upgrading and Execution Arrangements for GEF-5, May 2009

²⁰ From Consolidated UNDP NZAID PEF Financial Report 14 August 2009 (rev March 2010)

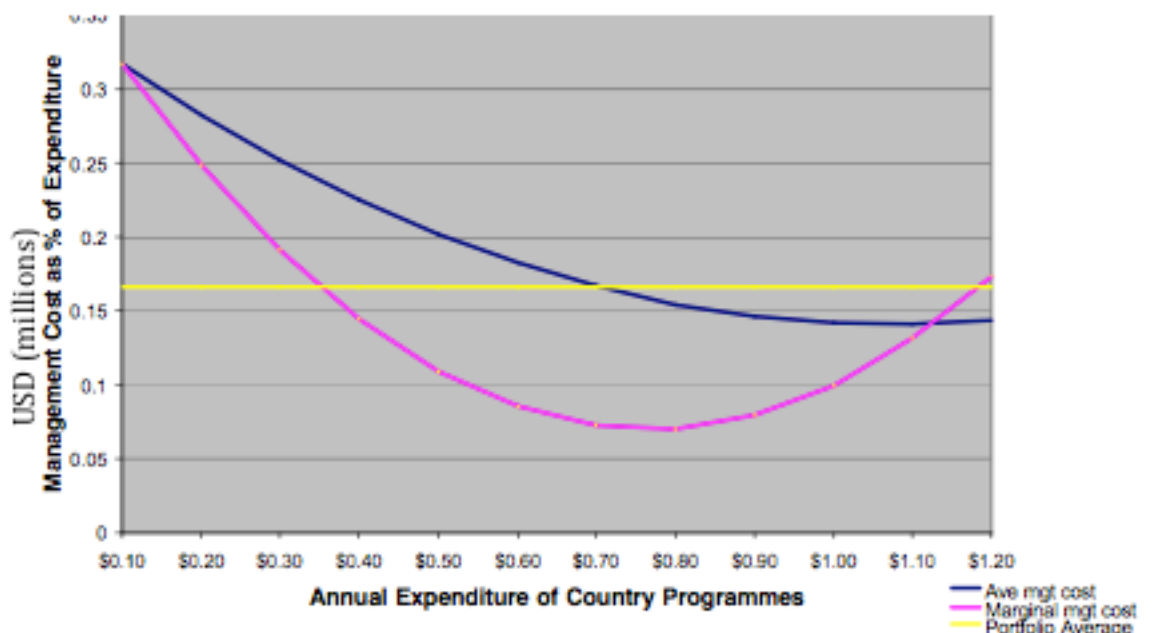


Figure 5 Schematic presentation of Total Expenditure vs. Management Costs of SGP Country Programmes. Source: GEF Evaluation Office and UNDP Evaluation Office: Joint Evaluation of the GEF Small Grants Programme, October, 2007

Conclusions. The SGP-PEF partnership is generating increasing direct and indirect benefits on the ground, in terms of both sustainable community development and global environmental benefits, and there is real potential to do more in the future, and with increasing efficiency. In its first three years SGP-PEF has built a strong foundation for socially, economically and environmentally sustainable community development, including improved environmental protection and increasingly sustainable resource use. However, there are examples of poorly managed projects that are not delivering the intended benefits, and possibly never will (see Annex 7). These have an adverse impact on the efficiency of SGP-PEF, and more widely. SGP Pacific needs to develop robust but sensitive procedures for identifying and closing such projects.

Recommendation: To improve efficiency and effectiveness, NCs/NFPs and NSCs/NFGs should monitor projects more carefully, and be prepared to terminate a project in a professional and sensitive manner, where the evidence suggests such action is justified.

5.3.2 Factors Enhancing or Constraining Efficiency and Implementation

This section identifies the ways in which the efficiency of the SGP-PEF has been affected by the ways in which it is implemented.

Evidence. Factors enhancing efficiency include the following:

- the support of, and numerous synergies with the core SGP and with MAP CBA – the close alignment of the three programmes (see Figure 1) allows countries to benefit from numerous economies of scale – technically as well as administratively and hence financially (see Figure 5); however, as will be detailed in the following section, many of the opportunities for improved delivery efficiencies have yet to be exploited to their fullest extent;
- the SGP-PEF Steering Committee, comprising representatives of UNDP (CPMT and MCOs) and New Zealand’s Ministry of Foreign Affairs, as well as the SRCs – this

- Committee meets formally twice a year, but there is frequent interaction between members outside of these meetings; and
- the diverse contributions of the PEF Coordinator and other support from NZAID – the PEF Coordinator plays a critical role in coordination, overseeing and contributing to capacity building and in strengthening monitoring and reporting; the work of the Coordinator has gone well beyond supporting just SGP-PEF activities, but it is hampered by a lack of any delegated authority for decision making.

Potentially the use of DEX rather than UNOPS as the executing modality could have enhanced efficiency by having greater UN involvement in SGP country operations, and by being better able to reflect national circumstances in any decision making. But this benefit never materialised. It was offset by inadequate capacity in the UNDP MCOs to deliver these benefits, and by the audit and accountability requirements under DEX which make it less amenable to supporting a regional programme with national delivery.

As noted above, partnering with the SGP allowed the PEF to be delivered reasonably efficiently. Effectiveness and sustainability benefits are demonstrably greater. Other delivery mechanisms were considered in two studies²¹. The SGP mission to the Pacific concluded that, although a number of donor-funded small grants programmes already exist in the region, there was still an important niche for SGP based on features such as the environmental focus, emphasis on linkages to sustainable livelihoods, and funding provided directly to NGO and CBO initiatives through management arrangements which emphasize non-state actor ownership, transparency, technical support, capacity-building, partnerships and participatory approaches. The SGP also had the potential to deliver indirect impacts of relevance to the Pacific region, including the potential for dissemination and wider adoption of new approaches piloted with SGP support, policy changes, enhanced CBO and NGO effectiveness, and expanded stakeholder action as a result of a broader awareness of global environmental issues.

There were two options for the PEF identified at the initial design stage: (i) a regional PEF that included components designed to overcome weaknesses identified in a review of the PIE; and (ii) a partnership with the SGP which was already established in six PICs, with plans to expand further in the region. Following consultations with NZAID it was decided to base the PEF design on the second of these two options. This decision was supported, in part, by the recent positive experience of a partnership between the SGP and a donor. This had some similarities to the proposed partnership between SGP and NZAID. The European Union (EU) programme to Promote Tropical Forest was operating in nine Southeast Asian countries, with the intention to enable civil society organisations at country level to implement small forest-related projects that promote sustainable forest use by local stakeholders. A report on the partnership noted that the SGP had developed sophisticated guidelines for proposal evaluation, project screening and NGO capacity assessment. These provided a readymade template for the complimentary activities of the EU programme.

Factors reducing the efficiency of the SPG-PEF partnership include the following:

Parallel Systems of Administration and Financial Management and Reporting. While the PEF design document included the statement “NZAID funds will be managed and administered in-country under the same structures and systems that the SGP uses”, SGP-PEF is in fact executed using DEX, through UNDP COs. Importantly, the remainder of SGP is executed through UNOPS. One of the first consequences of this separation was the need to prepare and secure PIC approval of a Project Document. This lengthy process led to

²¹ Timpson, S., Twining-Ward, T. Miles, G. and A. Ravuvu: GEF Small Grants Programme Mission To The Pacific Island Region, Final Report. June, 2003, Quinn, M. and S. Sesega: NZAID Pacific Environment Fund Design Document. January, 2006, 67pp.

delays in providing the first tranche of funding to countries, and subsequently to projects. This slow disbursement of funds necessitated a revision of the CSA, another lengthy process in itself. This caused further delays in disbursing funds. In addition, the parallel systems resulted in confusion, increased overhead, delays and loss of synergies – especially for the countries of Micronesia. These are even more remote from the UN MCO in Fiji.

A recent technical paper on the SGP²² noted that the new execution arrangements used by SGP in the Pacific have taken longer to establish than anticipated, and at least in the early years resulted in unacceptable delays and uncertainty. While the report acknowledged there was also room to improve execution through UNOPS, it provided extensive evidence showing that the use of two execution modalities for SGP Pacific has reduced flexibility, responsiveness, and speed of execution. For example, use of a single execution agency facilitates the pooling of funds as well as coordinated timing of the release of funds from GEF and co-financers. SGP-PEF has experienced problems with coordinating contracts and payments to NFPs as UNDP and UNOPS have different disbursement methods. The substantial requirements and number of additional steps mandated by partner organizations in order to meet their own legitimate fiduciary responsibilities often duplicates the checks and balances already present in SGP's systems.

The CSA and its five amendments attempted to clarify reporting requirements for SGP-PEF, including changing the SGP-PEF reporting deadlines to match changing SGP/UNDP timelines. Streamlining reporting was been discussed. As a result, reporting for MAP-CBA will be included as an annex in SGP annual country reporting. Similarly NZAID reporting requirements will be annexed. Adapting the SGP country reporting template was discussed at the last two SC meetings and is noted as a Key Agreement.

SGP annual country reports are due in January of each year. AusAID works on the July-June financial year, but also require quality reports in February. However, both AusAID and NZAID have highlighted that they can be flexible to accommodate the reporting cycles of other partners.

There continues to be a problem with the timely receipt of adequate reports. NZAID never received annual country reports until January 2010. The need to report development outcomes was identified by NZAID. It was not receiving this information as part of standard SGP processes. Had a clear project feasibility design been in place it would have helped lay out what information NZAID required and when it was expected. Rather, the amendments to the CSA have been used to try and resolve these issues.

Delays in Disbursement of Funds to Countries and Grantees. Table 9 highlights major differences between PEF resources allocated and disbursed over the first three years of operation. Most importantly, many grant funds are allocated but have not yet reached the intended recipients. There have been several analyses of the extent of the delays, and the contributing factors. Collectively they provide a lesson learned.

Figure 6 illustrates the steps involved in disbursing funds and the target duration for each step. The reality has been very different. In Year 1 of the partnership there were serious delays in both UNDP MCOs. For example, the vetting of MOUs between UNDP and a grantee, and eventual endorsement of the MOU by the UNDP Resident Representative/Coordinator took 8.5 months for grantees in the Fiji sub-region and 7 months for those in the Northern Pacific sub-region²³. The increased audit/accountability procedures

²² Benjamin, S. and A. Korten: Technical Paper on the Small Grants Programme: Upgrading and Execution Arrangements for GEF-5, May 2009

²³ UNDP Internal Review, GEF SGP, 2009.

implemented by UNDP resulted in more administrative steps for approvals and disbursements. This was especially so in the Fiji MCO, which implemented tighter internal control mechanisms. Since the former office serves ten of the 15 countries and territories active in SGP Pacific, the ramifications were widespread.

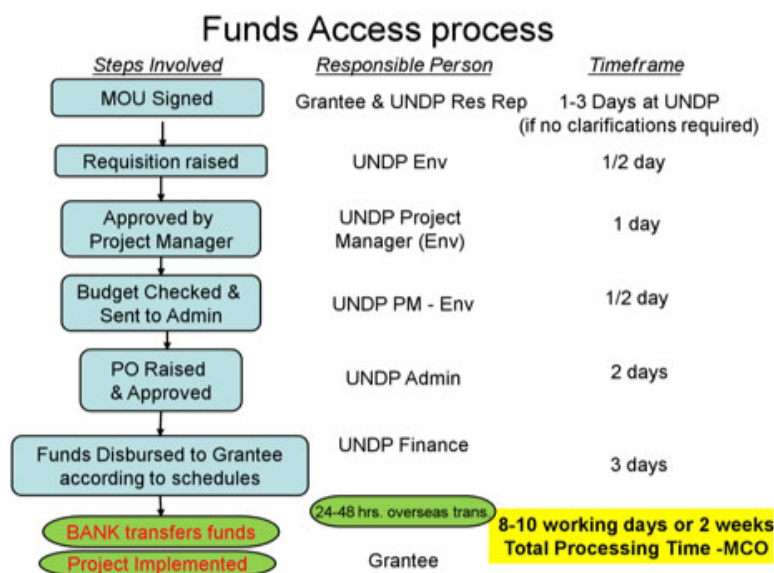


Figure 6. Steps involved in disbursing funds, the responsible person and the target duration for each step. Source: UNDP Internal Review, GEF SGP, 2009.

By Year 2 the Samoa UNDP MCO had resolved most of the issues over which it had control, including implementing expedited measures. These were not adopted by the Fiji MCO, which now has a target of 4 to 5.5 months for vetting MOAs and having them endorsed. However, bottlenecks remain within the Fiji MCO, with the Northern Pacific sub-region reporting that the transfer of funds has taken up to eight months after an approved project has been submitted to UNDP.

Over-reliance on a “Learning by Doing” Approach. Interviews and documentation such as Steering Committee minutes reveal that there was considerable haste to roll out the SGP in the Pacific. It was the first time the SGP had used a regional approach, working with a donor. In addition, the decision was made to “test” DEX because of the likelihood that UNDP COs could play a bigger role than they would if execution was through UNOPs. The CPMT was also remote from, and inexperienced with, the Pacific.

As a result of all these circumstances, expanding the SGP in the Pacific was something of an “experiment”, requiring a “flexible approach”. There is nothing inherently wrong with such an adaptive management strategy, but in practice it resulted in too much uncertainty, mistakes and confusion. In addition, implementation was constrained by a CSA that UNDP, and especially the CPMT, found increasingly difficult to work and comply with. For example, an amendment to the CSA introduced a 4-tier contribution structure and formula-based support to individual countries for both capacity building and administration, significantly reducing the opportunity to allocate resources across the region, on the basis of demonstrated need and effectiveness and efficiency in the use of funds. The CPMT did not have such constraints in its global programme. UNDP also saw the CSA as becoming more inflexible as NZAID sought to minimize its risk due to UNDP not meeting the reporting requirements as specified in the original CSA and as a result of large variances between expected and reported expenditures.

Lack of Synergies with Larger GEF Projects. Currently there is a missing link between, on the one hand, the national and multi-country medium and full-sized projects funded by GEF and, on the other, the activities of the SGP at the community level. This is despite at least three opportunities to foster operational and policy linkages between the SGP and the larger GEF projects that are planned or already underway, namely: (i) this is considered to be one of the responsibilities of the NC/NFP; (ii) GEF OFPs serve on the NSC/NFG in part to foster such linkages; and (iii) as part of the work of the GEF Support Advisor in Pacific. There is no evidence indicating that any of these mechanisms is working in the Pacific.

Conclusions. Harmonizing the financial operational and reporting requirements of NZAID and UNDP represents a major challenge, which has never been overcome completely. The CSA amendments resulting in individual country allocations exacerbated the problem. A more flexible system of sub-regional grant funding envelopes would have been desirable from many perspectives, but would not have given NZAID confidence that it was being prudent in managing the risks as it perceived them. The UNDP MCOs also had increasingly complex and hence time-consuming approval and disbursement procedures, with performance further compromised by inadequate staff resources.

To avoid such adverse consequences there should have been a more balanced approach, and a clear road map with realistic objectives, timelines, performance targets, indicators and adequate allocation and mobilization of resources. To have realistic objectives and end up over-achieving is far better than having broader, unrealistic objectives that are never achieved. For example, countries that are starting their SGP activities are often overly ambitious about what they can achieve. The same comment is relevant to the start up of SGP Pacific. When NZAID went into the partnership with SGP it had a high level of trust that SGP could deliver what was indicated in both the original CSA and the subsequent Project Document. It soon became apparent that SGP had “oversold” its ability to achieve operational SGPs in all PICs and Tokelau. In order to protect its investment, NZAID started managing the risks by imposing more stringent controls and safeguards. In many ways this was counter productive, but NZAID had only two other options²⁴, both of which would have compromised the partnership to an even greater extent.

Lesson Learned. Rather than rely on untested trust and “learning by doing”, there is a need for roles, responsibilities and expectations to be clear and mutually agreed, in advance.

While all PICs are some time away from graduating from the SGP, and therefore having activities funded under a separate GEF project, it is timely for SGP staff to develop more knowledge of, and experience with, preparation and implementation of larger GEF projects. There are already three large GEF-funded projects (the China Sea, Seas of East Asia and the Nile Basin) where SGP programmes provide the delivery mechanism for the community-based activities. The GEF Secretariat has also signalled a desire for the community-based activities of other larger GEF-funded projects to be delivered through the SGP. Another emerging development is a coordination unit for the GEF Pacific Alliance for Sustainability (GEF-PAS). While such a Pacific-focused unit is still under consideration, the suggested monitoring and evaluation responsibilities, as well as the expertise that may reside within the unit, have the potential to be used to develop operational and policy linkages between SGP Pacific and the larger GEF projects.

Continuity of personnel is an issue at many levels. Arguably, the only exception is the CPMT, where the continuing commitment, energy and growing expertise of both the Global Manager and the Biodiversity Programme Specialist should be acknowledged. For both SGP

²⁴ To insist on a change from DEX to UNOPS as the executing modality, or to terminate rather than amend the CSA. New Zealand officials did explore with UNDP/CPMT the possibility of moving from DEX to UNOPS. They were advised this was not possible part way through the programme.

as a whole, and the SGP-PEF in particular, they have played a leading and ongoing role by providing guidance on GEF focal areas, reviewing country programme strategies, receiving and analysing semi-annual and biennial reports, serving as liaison with the GEF Secretariat and GEF Council, and preparing annual reports and work plans as well as requests for replenishment for Council approval.

In contrast, changes in NZAID personnel responsible for oversight of the PEF have degraded institutional memory, such as reasons why SGP-PEF has changed from its original design to what it is today. The review team had difficulty accessing some information due to staff turn-over. This included the programme logic, about which there was significant confusion and lack of awareness, as well as knowledge of the history of the UNOPS vs DEX discussions.

There have been many instances when New Zealand's requests for timely reporting on acquittals, disbursements and variances, including supporting narratives, have strained relationships between NZAID and UNDP. This was not helped by the Samoa and Fiji MCOs differing in their definitions of the financial term "commitment". NZAID had to rely on verbal persuasion as the CSA did not include a provision to make payments based on reported performance.

Had there been a clearer and achievable road map for the SGP-PEF the day to day involvement of NZAID in managing the partnership would not have been required. In addition, the changes in personnel that have occurred would not have been so problematic. Under normal circumstances changes in the personnel assigned to a particular task should cause minimal disruption. The hands-on involvement in SGP-PEF implementation, along with the lack of clarity as to how the project should be implemented, meant that changes in personnel brought more negative consequences than would normally occur. The PEF Coordinator helped offset many of the adverse repercussions of changes in the NZAID personnel responsible for managing implementation of and compliance with the CSA.

To provide continuity, and as a result of the many other contributions made by the PEF Coordinator, New Zealand's aid programme should continue to fund this position. This would also help ensure there is appropriate support for the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

Retention of SGP staff working at country level is a systemic problem for the global SGP, due to the management structure. There is very high reliance on the NC/NFP. When an incumbent leaves, delivery of the programme declines substantially, for six to nine months at least. One of the reasons for the retention problem is that salary scales are not reviewed with sufficient frequency and are hence often out of line with the market. In addition, the NC/NFP position is often seen as an excellent training ground and hence stepping stone to employment which is more rewarding, financially and in terms of status. Also, delays in finalising contracts can lead to job insecurity and a decision to look for more permanent employment opportunities.

Lesson Learned. Robust systems must be in place to ensure institutional capacity is not lost, and performance is not degraded, as a result of personnel changes.

Shortcomings the SGP-PEF design and inception documentation resulted in use of an execution modality new to the SGP, not well suited to use in a sub-regional setting and which operated in parallel with the one used globally. There was no value added by having two separate governance and management systems (DEX and UNOPS). UNOPS systems still provide full accountability for use of donor funds. The result was exceedingly slow

disbursement of funds to the community projects, as well as for national activities. A major contributing factor was a lack of human capacity within UNDP to deliver at the sub-regional level.

The CSA had to be used as an adaptive management tool, requiring five amendments. Each involved a lengthy and resource intensive procedure, adding to disbursement and other delays. The CSA should not be used in this way – it should be an enabling instrument, rather than being overly prescriptive.

The SGP-MAP CBA partnership built on the SGP-PEF experience with design, inception and implementation. Initial discussions resulted in a concept note that in turn generated a project document and finally a funding agreement. These latter two instruments specify that UNOPS will be used as the execution modality. However, not all of the SGP-PEF lessons have been learned. MAP CBA is still using a learning-by-doing approach when developing its processes and procedures, including those related to reporting. The resulting lack of certainty, consistency and clarity may well reduce both the efficiency and effectiveness of MAP CBA.

The consequences of administrative delays are both numerous and substantial, for countries and especially for grantees. For countries the delays are reflected in the large grant funds which are committed rather than disbursed (see Table 9). For grantees there is a loss of confidence in the SGP and PEF procedures, as well as significant inconvenience when expected dates for disbursements come and go. This makes it especially difficult to recruit and retain staff, and to deliver outputs consistent with the agreed work programme.

It is important to highlight that not all delays are attributable to UNDP processes and procedures. If a grantee fails to provide the necessary and complete documentation, UNDP has no alternative but to delay disbursement. Problems often occur when reports are incomplete or lack supporting documentation. A major issue is with grantees who accept the first tranche of funding, but fail to provide the reports and other documentation required before the second tranche of funding can be disbursed.

The operational roll-out and establishment of the SGP in all 15 PICs to the level of full implementation in 2009 could not have completed without New Zealand's support. Across the region, PEF funding has contributed to building confidence and political recognition for national multi-stakeholder decision-making for aid effectiveness, in line with the Paris OECD DAC principles. It has also encouraged the entry of AusAID as a third major donor to the SGP in the Pacific.

SGP Pacific has demonstrated that a globally implemented, and regionally executed programme can deliver synergies and other benefits, even at community level. This is an important message, in part due to the increasingly bilateral focus of New Zealand's overseas development assistance. SGP Pacific combines a demand driven programme, as commonly pursued by NGOs, with a strategic approach guided by a donor and other global players. An important practical aspect of this experience is that, in some cases it is unrealistic to expect a community to develop the capacity to propose, implement, monitor and report on a project to the level expected by a global programme with accountability to the GEF as well as to donors such as, in this case, NZAID and AusAID. This is highlighted by the significant number of projects that have received their first tranche of funding, but failed to meet the reporting requirements in order to receive the next funding tranche. A recommendation that follows up on this lesson learned is presented in the next section.

Despite the conclusion reach above, inadequacies in reporting progress and especially results have made it exceedingly difficult to document what SGP Pacific is achieving on the ground. It is extremely difficult to assess if SGP Pacific is delivering to expectations. Unlike elsewhere in the SGP, SGP Pacific has pursued a sub-regional approach. This has the

potential advantage of greater flexibility in allocating funds. As pointed out elsewhere in this report, the currently overly prescriptive approach of SGP-PEF, and especially the CSA, undermined this.

Many of the problems and constraints identified above could be overcome by preparation of a new SGP-PEF Project Document, to which New Zealand would be a signatory, along with PICs and UNDP. The Project Document should include clearly specified inputs, outputs, timelines, intended outcomes, and performance indicators and targets as part of comprehensive a monitoring, evaluation and reporting plan. It should ensure the use of UNOPS as the execution modality. Preparation will require strong planning and a clear timetable, and lead to a definition of key roles for the UNDP COs, the Micronesian Conservation Trust and other such players. They should not have execution responsibilities. UNOPS and UNDP management costs should be established on the basis of services and cost efficiency, rather than on the basis of a stated percentage of the PEF contribution (see Annex 10).

Recommendation. As a matter of some urgency, UNDP should prepare a new Project Document for SGP-PEF, taking into account the experience with the first phase of the programme, the findings and recommendations of this review and the capacities, opportunities and emerging needs of the target countries, territories and communities.

Recommendation. New Zealand's aid programme should continue to fund the PEF Coordinator until June 30, 2011 in order to ensure continuity and support the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

6. Lessons Learned

The fourth objective of the review includes identifying lessons learned. These have been identified at relevant places in the report, but are repeated here, for convenience.

10. Inconsistencies and lack of clarity in the programme logic and supporting documentation should be identified and resolved at the earliest opportunity, in order to avoid adverse consequences for relationships between key players as well as for implementation.
11. Capacity building is an integral part of development assistance, and should be seen as an ongoing process rather than a one off initiative.
12. When implementing a global programme on a regional basis it is important to recognize local contexts and capacities and therefore produce a regional documentation that adapts the standard global operating procedures.
13. Shortcomings in the PEF-SGP design resulted in the PEF Coordinator playing a role well beyond that originally anticipated, but with effectiveness being constrained by a lack of any delegated authority.
14. Shortcomings in the performance of the Steering Committee exacerbated the underlying problems with the design and implementation modalities of the SGP-PEF.
15. Without clear and agreed monitoring and reporting requirements, and a commitment to meeting them, performance is severely compromised.

16. Effectiveness of SGP-PEF has been enhanced by the ability to support the involvement of government staff in project activities. This is a unique feature of SGP operations worldwide.
17. Rather than rely on untested trust and “learning by doing”, there is a need for roles, responsibilities and expectations to be clear and mutually agreed, in advance.
18. Robust systems must be in place to ensure institutional capacity is not lost, and performance is not degraded, as a result of personnel changes.

7. Conclusions

As with the lessons learned and the recommendations, conclusions have been documented for each section of the report, based around the evaluation of effectiveness, relevance and efficiency. The key conclusions are summarized here.

Over the past 25 years New Zealand has contributed to several environmental related programmes in the Pacific region, at both bilateral and regional levels. The SGP Pacific offers more targeted support for community level implementation, within a regional approach. PEF has specifically directed funding support to community level projects in order to assist PICs to meet their obligations to the MEA’s while further supporting the New Zealand’s international policy of eliminating poverty through sustainable and equitable development.

Recent changes in New Zealand’s overseas development assistance policy call for increased emphasis on sustainable economic development. The approach, practices and intended outcomes of SGP Pacific are well aligned with this change, especially given its goal of “socially, economically and environmentally sustainable community development for poverty elimination in the Pacific region”. The SGP Pacific has high country ownership. Thus, operationally, and in terms of impact, it is very much a regional programme that is delivered bilaterally, with the added benefits of regional coordination, cooperation and the resulting synergies. Other delivery mechanisms were considered when the SGP-PEF partnership was designed, but these were rejected in favour of the SGP. This review reaches the same conclusion.

The operational roll-out and establishment of the SGP in all 15 PICs to the level of full implementation in 2009 could not have completed without New Zealand’s support. Across the region, PEF funding has contributed to building confidence and political recognition for national multi-stakeholder decision-making for aid effectiveness, in line with the Paris OECD DAC principles. It has also encouraged the entry of AusAID as a third major donor to the SGP in the Pacific.

There are several important inconsistencies in the programme logic for SGP-PEF. These might have been overcome had an Implementation Plan or Project Feasibility Design Framework for SGP-PEF been prepared. These were not replaced by the Project Document prepared by UNDP, which itself had a number of inconsistencies. Moreover, New Zealand was not a signatory. Consequently, there was no joint NZAID-UNDP-GEF ownership of the programme logic, especially the intended outcome and outputs. There was no attempt to resolve the inconsistencies through subsequent amendments to the CSA. The Pacific Framework currently being drafted by the CPMT is an opportunity to bring greater clarity and certainty to SGP-PEF implementation.

Shortcomings in the SGP-PEF design and inception documentation resulted in use of an execution modality new to the SGP, not well suited to use in a sub-regional setting and which operated in parallel with the one used globally. There was no value added by having

two separate governance and management systems (DEX and UNOPS). UNOPS systems still provide full accountability for use of donor funds. The result was exceedingly slow disbursement of funds to the community projects, as well as for national activities. A major contributing factor was a lack of human capacity within UNDP to deliver at the sub-regional level.

When NZAID went into the partnership with SGP it had a high level of trust that SGP could deliver what was indicated in both the original CSA and the subsequent Project Document. It soon became apparent that SGP had “oversold” its ability to achieve operational SGPs in all PICs and Tokelau. In order to protect its investment, NZAID started managing the risks by imposing more stringent controls and safeguards. In many ways this was counter productive, but NZAID had only two other options - to insist on a change from DEX to UNOPS as the executing modality, or to terminate rather than amend the CSA. Both would have compromised the partnership to an even greater extent.

Had there been a clearer and achievable road map for the SGP-PEF the day to day involvement of NZAID in managing the partnership would not have been required. The CSA had to be used as an adaptive management tool, requiring five amendments. Each involved a lengthy and resource intensive procedure, adding to disbursement and other delays. The CSA should not be used in this way – it should be an enabling instrument, rather than being overly prescriptive.

There have been many instances when New Zealand’s requests for timely reporting on acquittals, disbursements and variances, including supporting narratives, have strained relationships between NZAID and UNDP. This was not helped by the Samoa and Fiji MCOs differing in their definitions of the financial term “commitment”. NZAID had to rely on verbal persuasion as the CSA did not include a provision to make payments based on reported performance.

Harmonizing the financial operational and reporting requirements of NZAID and UNDP represents a major challenge, which has never been overcome completely. The CSA amendments resulting in individual country allocations exacerbated the problem. A more flexible system of sub-regional grant funding envelopes would have been desirable from many perspectives, but would not have given NZAID confidence that that it was being prudent in managing the risks as it perceived them.

Due to shortcomings in the SGP-PEF design and its early implementation, NZAID became more involved in managing SGP Pacific, incurring high management costs. The PEF Coordinator began playing a highly interventionist role. While this was mostly constructive, there was also some resistance to procedures NZAID put in place for risk management reasons.

The PEF Coordinator, has made a substantial contribution to the establishment, ongoing management, monitoring, and evaluation of SGP-PEF. Overall, countries value the contributions of the PEF Coordinator. The work of the PEF Coordinator has also included support to regular Partnership Steering Committee meetings, finalising aspects of partnership design, supporting local personnel to achieve their goals, and providing brief reporting and recommendations to NZAID and UNDP GEF on a regular basis. However, the PEF Coordinator has no delegated authority to make decisions. This has constrained the contributions the Coordinator has made to improving the effectiveness and efficiency of grant making, monitoring and reporting.

There should have been a more balanced approach to implementing SGP Pacific, including a clear road map with realistic objectives, timelines, performance targets, indicators and adequate allocation and mobilization of resources. The Steering Committee should have resolved many of the emerging problems with project performance, but often there was no

follow-up to its decisions. For this and other reasons, the responsibilities, powers, funding and membership of the Steering Committee should have been clearer. There would be considerable value in the Steering Committee itself comprising members of the wider SGP-PEF-MAP CBA partnership as well as UNOPS.

At present two meetings of the Steering Committee are held each year. This represents a significant cost, to both GEF and PEF, a cost which would increase substantially if the membership is widened, as suggested above. The Committee is now making increased use of telephone conference calls, with informal discussions being held between the formal bi-annual meetings. The efficiency and effectiveness of these meetings is enhanced through both competent chairing and judicious record keeping.

But the frequent failure to follow up on agreed decisions and actions compromises their success. These short comings should be addressed as a matter of urgency. Steering Committee meetings should be face-to-face only when most if not all parties are present in one location for another reason. Otherwise telephone meetings should be used. This method of meeting will also help ensure that meetings are held with appropriate regularity. The work of the Steering Committee could also be made more efficient if it established sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.

Inadequacies in reporting progress and especially results, have made it exceedingly difficult to document what SGP Pacific is achieving on the ground. It is extremely hard to assess if SGP Pacific is delivering to expectations. But despite this and the problems described above, SGP Pacific has demonstrated that a globally implemented, and regionally executed programme can deliver synergies and other benefits, even at community level. SGP Pacific combines a demand driven programme, as commonly pursued by NGOs, with a strategic approach guided by a donor and other global players. Unlike elsewhere in SGP's global programme, SGP Pacific has pursued a sub-regional approach. This has the potential advantage of greater flexibility in allocating funds. But the current overly prescriptive approach of SGP-PEF, and especially the CSA, has undermined this.

The SGP-PEF partnership is generating increasing direct and indirect benefits on the ground, in terms of both sustainable community development and global environmental benefits, and there is real potential to do more in the future, and with increasing efficiency. In its first three years SGP-PEF has built a strong foundation for socially, economically and environmentally sustainable community development, including improved environmental protection and increasingly sustainable resource use. Experience has shown that, in some cases, it is unrealistic to expect a community to develop the capacity to propose, implement, monitor and report on a project to the level expected by a global programme with accountability to the GEF as well as to donors such as, in this case, NZAID and AusAID. There are examples of poorly managed projects that are not delivering the intended benefits, and possible never will. These have an adverse impact on the efficiency of SGP-PEF, and more widely. SGP Pacific needs to develop robust but sensitive procedures for identifying and closing such projects.

There should be standard annual SGP Pacific reporting, with CPMT revising the current reporting template to include PEF and MAP CBA components. Monitoring and reporting should focus increasingly on results and outcomes, including positive contributions to lives (e.g. poverty reduction) and livelihoods (e.g. income generation). CPMT should also reduce the frequency of requests to countries for additional reports and other information.

The expenditure reported to CPMT by the Fiji MCO was, and remains, inconsistent with that reported by CPMT to NZAID. This was only after numerous requests and prompting. It remains unclear why UNDP had difficulty in meeting the not unreasonable needs of NZAID. It is important that NZAID activity managers understand why the reporting was so

problematic for UNDP, so that they can identify the management interventions that ought to be put in place to bring the problem under control before moving forward. Currently NZAID is unclear what the problem was, and therefore how they can ensure it won't happen again.

The consequences of administrative delays are both numerous and substantial, for countries and especially for grantees. For countries the delays are reflected in the large grant funds which are committed rather than disbursed. For grantees there is a loss of confidence in the SGP and PEF procedures, as well as significant inconvenience when expected dates for disbursements come and go. This makes it especially difficult to recruit and retain staff, and to deliver outputs consistent with the agreed work programme.

The sub-regional arrangement of less experienced national programmes being supported through a relationship with an ongoing full country programme is working reasonably well. However, this means that a NC also acts as a SRC, resulting in a very heavy workload and the frequent need to make choices about where efforts are to be focused. The appointment of LTAs and other support staff have gone a long way to addressing these problems, but the lack of funds to continue the work of the LTAs into the fourth year of the SGP-PEF has meant that at least some of this load sharing could not be sustained.

The comparative analysis of the difference between a full country programme and the newer sub-regional programmes indicates that, through the SGP, sub-regional countries will play an increasingly important role in helping meet the national obligations under multi-lateral environmental agreements (MEAs). This is not only as a result of an increased number of projects, but also through up-scaling and replication processes already underway in the more established SGP countries. But there are limits to this growth, particularly due to the absorptive capacity of some sub-regional countries being constrained by such factors as the number of communities and CBOs with an interest and ability to engage in the SGP. Additional capacity building support is needed to ensure that such capacity constraints are decreased to appropriate levels.

It is likely that grant making in the sub-regional countries will increase in the coming two years as the programmes become more established. However, the growth rate may remain slower relative to that in the full country programmes. The former countries do not receive the same levels of support or have as large administration and capacity building budgets. Growth rates will also be constrained by the absorptive capacity of some sub-regional countries. Thus the sub-regional countries will likely need additional capacity support in order from them to approve more than the one or two projects processed to date. There is a need for more substantive evidence of the tangible benefits resulting from capacity building using PEF funds. Currently, there is inadequate monitoring of the outcomes, and non-existent reporting on the wider benefits of such activities.

Retention of SGP staff working at country level is a systemic problem for the global SGP, due to the management structure. There is very high reliance on the NC/NFP. When an incumbent leaves, delivery of the programme declines substantially, for six to nine months at least. Resignations by the key individuals are particularly disruptive to work programmes, especially when they are unplanned or soon after recruitment.

One of the reasons for the retention problem is that salary scales are not reviewed with sufficient frequency and are hence often out of line with the market. In addition, the NC/NFP position is often seen as an excellent training ground and hence stepping stone to employment which is more rewarding, financially and in terms of status. Also, delays in finalising contracts can lead to job insecurity and a decision to look for more permanent employment opportunities.

Communities find the services of government extension staff and NGOs are very useful and, as a result, often use part of their project funds to cover legitimate out-of-pocket expenses, such as travel and accommodation costs. This, and other SGP Pacific experiences, confirm the importance of effective partnerships between communities and government (both central and local). The collective evidence provides ample justification for the decision to allow PEF resources to be used by government agencies working with communities to enhance the sustainable use and management of the environment and other natural assets.

In order to scale up the environmental and economic benefits already being delivered by the SGP Pacific, relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific. They could do this by becoming partners in appropriate projects and participating in training and other capacity building activities. They could also facilitate the use of SGP modalities and expertise in full- and medium-sized projects funded by GEF.

Many of the problems and constraints identified above could be overcome by preparation of a new SGP-PEF Project Document, to which New Zealand would be a signatory, along with PICs and UNDP. The Project Document should include clearly specified inputs, outputs, timelines, intended outcomes, and performance indicators and targets as part of comprehensive a monitoring, evaluation and reporting plan. It should ensure the use of UNOPS as the execution modality. Preparation will require strong planning and a clear timetable, and lead to a definition of key roles for the UNDP COs, the Micronesian Conservation Trust and other such players. They should not have execution responsibilities. UNOPS and UNDP management costs should be established on the basis of services and cost efficiency, rather than on the basis of a stated percentage of the PEF contribution.

8. Guiding New Zealand's Decision Making

Based on the findings of this review, New Zealand's Ministry of Foreign Affairs should consider the following when reaching a decision as to whether, how, when and to what extent PEF is replenished and continues to be used in partnership with SGP to support implementation of New Zealand's aid programme in the Pacific islands region:

- The clear need for further improvements at community level in environmental protection, sustainable use of natural resources, poverty alleviation and community empowerment, including improved livelihoods – the 36 PEF-funded full-sized SGP projects have delivered significant benefits for the involved communities; there is a need for this to happen more comprehensively;
- PEF funding should be used to ensure continuation of the current trend of SGP projects away from a narrow focus on biodiversity conservation and ecosystem management (and latterly climate change as well), to more diversified national portfolios of SGP projects, covering the full range of GEF focal areas and making significant contributions to the sustainable economic development of participating communities –see page 14;
- Community development is the focus of SGP Pacific; since all aspects of development are climate sensitive, SGP Pacific (which includes both PEF and MAP CBA) is an ideal mechanism to ensure that the improvements sought at community level in the Pacific are not offset by climate change; the next phase of the SGP Pacific could apply the lessons learned from the current SPA CBA and MAP CBA initiatives and integrate a climate change dimension into all community development initiatives undertaken by SGP Pacific;
- The excellent alignment of SGP-PEF with New Zealand's overseas development assistance policy and with the policies of the Ministry of Foreign Affairs – see page 32;
- The next phase of SGP-PEF should be consistent with the objective of adding value to the global SGP;
- SGP-PEF provides an effective mechanism for New Zealand to assist with the implementation of MEAs in developing countries – see page 28;

- The progress already achieved under the PEF, working in partnership with the SGP and, more recently with the MAP CBA initiative funded by AusAID;
- The evidence that a globally implemented, and regionally executed programme can deliver synergies and other benefits, including at community level; operationally and in terms of impact, SGP-PEF is more like a regional programme that is delivered bilaterally, with the added benefits of regional coordination, cooperation and the resulting synergies that come from a collective application of demonstrated good practices and of lessons learned – see page 34;
- The comparatively low management costs of the SGP-PEF, with almost all the PEF resources going to the Pacific, and especially communities and their local development partners – see page 34;
- The evidence that the efficiency and effectiveness of SGP-PEF will likely increase as lessons are learned and the levels of grant making increase – see page 37; and
- The next phase of the SGP-PEF-MAP CBA could be a working example of the Cairns Compact for Closer Development Cooperation.

The review team considered four options for the future of SGP-PEF, as follows:

- New Zealand ceases to co-finance SGP Pacific and the PEF is either wound down or another modality is used to fund sustainable environmental management and community development in the Pacific, such as setting up bilateral small grants programmes in each PIC and Pacific island territory - this option was rejected as this report clearly shows (e.g. Table 5) that through the PEF New Zealand is making an important contribution to improved environmental management and economic development at community level in the Pacific, that this is also assisting PICs to meet their MEA obligations, and that the SGP is the most appropriate mechanism to deliver this assistance and will be even more so if the findings of this review are acted on promptly and appropriately;
- New Zealand signals its intention to renew its contributions to SGP Pacific, but only after the findings have been addressed and the recommendations implemented – this option was also rejected; to do otherwise would mean losing experienced and productive personnel, including all the NFPs who manage the programmes in the ten sub-regional countries; PEF provides administration budget top-ups, including salaries, monitoring costs and helps meet the costs of NHIs; during the transition from GEF4 to GEF5 (July - December 2010) operating budgets for countries will be only 45% of the normal full allocation; in addition, many projects in the SGP pipeline are “non-GEFable” due to the involvement of government agencies;
- New Zealand and UNDP agree on an interim CSA, which essentially maintains a “business-as-usual” operation for six or 12 months – while the expedient nature of this option is somewhat appealing, it was also rejected; the need for change in funding and implementing the SGP-PEF are so pervasive, that maintaining a “business-as-usual” approach is untenable; for example, there is an urgent need to change from DEX to UNOPS execution; in addition, negotiating and implementing a CSA is very time-consuming and resource intensive, making the idea of an interim CSA highly impractical - based on past experience, negotiating and signing a 12 month CSA and making funds available in ATLAS would leave only four months for countries to implement the programme; and
- New Zealand enters into a new and strengthened CSA with UNDP, commencing July 2010 and running for four years, with PEF providing a similar level of resources to SGP Pacific as in the previous CSA, but with several conditions designed to improve performance and accountability – this option is recommended as it not only addresses all the shortcomings of the previous two options; it also avoids the many adverse consequences of discontinuing a high profile programme that has generated high interest and expectations at political and other levels within and beyond the Pacific, reconfirms New Zealand’s commitment to supporting GEF programmes both financially and operationally, and assists PICs and territories to meet their MEA obligations.

The following recommendations therefore relate to implementing the fourth of the above options.

For Consideration and Action in the Near Term

Recommendation. New Zealand should negotiate and sign a new and strengthened CSA with UNDP, commencing July 2010 and running for four years, with PEF providing a similar level of resources to SGP Pacific as in the previous CSA, but with several conditions designed to improve performance and accountability; the CSA should be based on and consistent with the new Project Document, but it should be formulated in such a way that amendments will not be necessary during the life of the agreement, unless unforeseeable circumstances necessitate a revision.

Recommendation. The new CSA should guarantee that the involvement of government actors will continue to be supported through the PEF, as well as other “non GEFable” activities, additional capacity building and LTAs where justified; for example, the SRC for the Northern Pacific is requesting an LTA to work at the regional host institution level, rather than limiting them to assist just stand alone countries.

Recommendation. That SGP, NZAID and AusAID continue to prioritise capacity building support in future programming. The new CSA should therefore recognise that additional capacity building is clearly required, in order to move all countries and Tokelau closer to and perhaps even beyond the operational performance now being achieved by Samoa and Fiji; further investment in building the capacity for grant making and successful project execution must go hand in hand with a significant effort to improve the standard of both monitoring and reporting on the tangible benefits and hence the effectiveness of these efforts to build capacity.

Recommendation. The new CSA should also specify that the CPMT will establish a new position, a SGP Regional Technical Advisor (a term used by GEF and many other development partners) for the Pacific; work undertaken by the Advisor should build on, expand and refine the mandate, reporting lines and responsibilities of the current PEF Coordinator; the new Regional Technical Advisor will work in the region, with delegated authority to act on behalf of the SGP Global Manager, as appropriate²⁵; there would be value in having the Advisor co-located in SPREP and working with GEF Support Advisor in the Pacific, but reporting to the SGP Global Manager.

Recommendation. In order to foster operational and policy linkages between the SGP and the larger GEF projects that are planned or already underway, every reasonable effort should be made to secure the increased involvement of the GEF Support Advisor in the Pacific in the SGP.

For Consideration and Action in the Slightly Longer Term

Recommendation. UNDP, AusAID and the New Zealand aid programme should options, pathways and timetables for moving expeditiously towards a situation where PEF resources are pooled with the GEF core funding and the AusAID funding, with no specific allocations as to how they should be disbursed and expended; rather the global SGP managers, and their sub-regional and national counterparts, should be guided on this matter by the new CSA including performance targets, indicators and timelines; while it may take up to three

²⁵ An indicative TOR is provided in Annex 9.

years to achieve full alignment of the three components of SGP Pacific, the new CSA between UNDP and New Zealand should allow for this development.

9. Recommendations

The fourth objective of the review also calls for set of clear recommendations to improve programme performance and to guide New Zealand's decision making related to the ending of the current cost-sharing agreement. The preceding findings give rise to the following recommendations:

9.1 Improving Programme Performance

Directed Especially to NCs/NFPs, NSCs/NFGs and Relevant CROP Agencies

20. To improve efficiency and effectiveness, NCs/NFPs and NSCs/NFGs should monitor projects more carefully, and be prepared to terminate a project in a professional and sensitive manner, where the evidence suggests such action is justified.
21. More attention be given to systematically assessing grantee and community capacity early in grant making process, in order to decide if the community and grantee have the required actual or potential capacity, or whether it is best for them to partner with an NGO or government; it is insufficient to just assess a pre-proposal/concept on its technical merits alone.
22. Develop and implement more robust but streamlined proposal screening and project approval procedures, and improve monitoring and reporting overall.
23. Improve the separation and clarify the roles and responsibilities of the NSC/NFG, their Technical Committee, the NC/NFP, the LTA and the PEF Coordinator.
24. Relevant CROP agencies, and especially SPREP, SOPAC and SPC, should be encouraged and assisted to play a more tangible role in SGP Pacific.

Strengthened Monitoring and Reporting

25. Develop more harmonized and streamlined reporting covering the three components of SGP Pacific (core GEF, PEF and MAP CBA), with clear allocation of responsibilities and setting of timelines for reporting at all levels, from projects through to SGP Pacific as a regional initiative.
26. Undertake further capacity building, but any additional investment should be predicated on adequate needs assessments, and on monitoring and reporting procedures being in place.

The SGP Pacific Steering Committee

27. Clarify and formalise the responsibilities, powers, funding, membership and procedures of the Steering Committee, with consideration given to the Steering Committee itself comprising representatives of the wider GEF SGP-NZAID PEF-AusAID MAP CBA partnership, as well as UNOPS and with sub-committees comprising a SRC, the associated NCs/NFPs as well as the relevant UNDP CO.
28. The revised programme logic prepared specifically for the SGP-PEF be reviewed and endorsed at the next meeting of the Steering Committee.

9.2 Guiding New Zealand's Decision Making

For Immediate Consideration and Action

29. UNDP, represented by the CPMT, and working in consultation with PICs, Tokelau, the New Zealand Ministry of Foreign Affairs and AusAID, should complete preparation of the "Pacific Framework for SGP Operations in the Pacific" as a matter of utmost urgency.
30. Harmonize the assistance being provided through SGP-PEF and New Zealand's bilateral assistance, in order to ensure that, overall, the New Zealand government can be assured it is receiving value for money.
31. As a matter of some urgency, UNDP should prepare a new Project Document for SGP-PEF, taking into account the experience with the first phase of the programme, the findings and recommendations of this review and the capacities, opportunities and emerging needs of the target countries, territories and communities.
32. New Zealand's aid programme should continue to fund the PEF Coordinator until June 30, 2011 in order to ensure continuity and support the development and early implementation of a new CSA, including facilitating coordination of the core, PEF and MAP CBA inputs and outputs, and the improved monitoring and reporting at project, national, sub-regional and regional levels, including lessons learned, good practices and success stories.

For Consideration and Action in the Near Term

33. New Zealand should negotiate and sign a new and strengthened CSA with UNDP, commencing July 2010 and running for four years, with PEF providing a similar level of resources to SGP Pacific as in the previous CSA, but with several conditions designed to improve performance and accountability; the CSA should be based on and consistent with the new Project Document, but it should be formulated in such a way that amendments will not be necessary during the life of the agreement, unless unforeseeable circumstances necessitate a revision.
34. The new CSA should guarantee that the involvement of government actors will continue to be supported through the PEF, as well as other "non GEFable" activities, additional capacity building and LTAs where justified; for example, the SRC for the Northern Pacific is requesting an LTA to work at the regional host institution level, rather than limiting them to assist just stand alone countries.
35. That SGP, NZAID and AusAID continue to prioritise capacity building support in future programming. The new CSA should therefore recognise that additional capacity building is clearly required, in order to move all countries and Tokelau closer to and perhaps even beyond the operational performance now being achieved by Samoa and Fiji; further investment in building the capacity for grant making and successful project execution must go hand in hand with a significant effort to improve the standard of both monitoring and reporting on the tangible benefits and hence the effectiveness of these efforts to build capacity.
36. The new CSA should also specify that the CPMT will establish a new position, a SGP Regional Technical Advisor (a term used by GEF and many other development partners) for the Pacific; work undertaken by the Advisor should build on, expand and refine the mandate, reporting lines and responsibilities of the current PEF Coordinator; the new Regional Technical Advisor will work in the region, with delegated authority to act on

behalf of the SGP Global Manager, as appropriate²⁶; there would be value in having the Advisor co-located in SPREP and working with GEF Support Advisor in the Pacific, but reporting to the SGP Global Manager.

37. In order to foster operational and policy linkages between the SGP and the larger GEF projects that are planned or already underway, every reasonable effort should be made to secure the increased involvement of the GEF Support Advisor in the Pacific in the SGP.

For Consideration and Action in the Slightly Longer Term

38. UNDP, AusAID and the New Zealand aid programme should options, pathways and timetables for moving expeditiously towards a situation where PEF resources are pooled with the GEF core funding and the AusAID funding, with no specific allocations as to how they should be disbursed and expended; rather the global SGP managers, and their sub-regional and national counterparts, should be guided on this matter by the new CSA including performance targets, indicators and timelines; while it may take up to three years to achieve full alignment of the three components of SGP Pacific, the new CSA between UNDP and New Zealand should allow for this development.

²⁶ An indicative TOR is provided in Annex 9.

Annex 1

Terms of Reference

Review of NZAID Support to the Global Environment Small Grants Programme

1. Background

The UNDP (United Nations Development Programme) Global Environment Facility (GEF) Small Grants Programme (SGP) was launched in 1992 with the aim of securing global environmental benefits through local level environmental protection, poverty reduction and community empowerment. The SGP emphasises local stakeholder engagement and ownership to ensure sustainability and relevance, and is intended not just to deliver environmental benefits and poverty elimination, but also to build the capacity of communities and stakeholders to manage these issues.

Its focal areas of concern are: biodiversity, climate change, international waters, land degradation, persistent organic pollutants, and climate change adaptation, all while working to create sustainable livelihoods.

As a corporate programme of the GEF, the SGP receives an allocation of funds from the main GEF Trust Fund. UNDP-GEF provides non-grant funding (on average about 25% of the size of the country programme) for use in administering the SGP and for capacity building of both national committees and prospective/current project proponents in the community. Programme oversight and management is provided by a Central Programme Management Team (CPMT) based in New York. UNOPS (United Nations Office for Project Services) is the single global executing agency for the for the GEF funds received by the UNDP for the SGP at the global level. UNOPS has a dedicated SGP cluster also based in New York. UNDP Country Offices provide support with programme implementation on behalf of UNOPS.

The activities of non-governmental organisations (NGOs) and community based organisations (CBOs) in developing countries receive SGP support through a competitive system administered by National Steering Committees (NSCs) comprising of government, NGOs, civil society, academia, private sector, international partners and community representatives. National Steering Committees (BSC) or in the case of smaller countries that form part of a sub-regional programme, a National Focal Group (NFG) provide strategic direction, assess proposals and undertake programme administrative duties including liaison with and assisting NGOs and CBOs through a local National Coordinator (NC) or in the case of the Pacific and Caribbean regions a National Focal Person (NFP). In the majority of countries worldwide, the SGP the National Coordinator is based in the UNDP Country Office in the country. In the case of the Pacific, as well as elsewhere, the SGP NC may also be located in a national host institution (NHI), such as an NGO or environmental trust fund, in each participating country.

Some ten years after the global launch of SGP in 2002-2003, Pacific Countries called for the expansion of the programme throughout the region. At around the same time, New Zealand was looking at ways to support its Pacific partners in addressing community level environmental issues. The partnership that was formed

between SGP and NZAID resulted in the signing of a cost-sharing agreement and the launch of the 3-year Pacific Environment Fund (PEF) in mid-2006.²⁷ NZAID has provided US\$2,970,500 to UNDP under this arrangement since May 2006.²⁸

The GEF-SGP applies its standard processes and systems throughout the world. It was the stated intention of NZAID for its contribution to be delivered through the same systems and processes wherever possible which was seen as a cost effective way to deliver small grants funding for the region. In actual practice, the programme has used an alternative to UNOPS execution the UNDP “Direct Execution” (DEX) modality operated through the concerned UNDP Country Offices (in Fiji, PNG and Samoa). The review will examine the implications of this decision and make recommendations about the future.

The budget recommended in the design document formed the basis of the 2006 Cost-Sharing Agreement.(CSA) UNDP allocated the 6% implementing agency fee structure in the design document as follows: the UNDP Corporate level (2%), UNDP/GEF Finance coordination (1%), and the Country Offices (3%). No funds were allocated for the services of the SGP Central Programme Management Team (CPMT) or UNOPS. At the time of the design document in 2006, the standard SGP fee was 10% including a 4% fee to UNDP, and a 6% fee to UNOPS. The review will assess the implications of the amounts and allocations of management fees.

As proposed in the NZAID project design document, an NZAID Pacific Environment Fund (PEF) Coordinator was contracted to assist in the establishment, ongoing management, monitoring and evaluation of the NZAID-UNDP GEF partnership. The NZAID PEF Coordinator is a NZ-based contractor, Leanne Harrison.

SGP Pacific is now entering a new phase. Australia (AusAID) joined the programme in mid-2009 with a thematic focus on climate change adaptation through the Mekong and Asia-Pacific Community Based Adaptation Programme (MAP-CBA). Changes to the PEF execution modality are being considered as a way of helping to further streamline operations.

Objectives of the NZAID – UNDP GEF Partnership

The objectives of the NZAID funding are set out in the Cost Sharing Agreement (CSA) and are similar to that of the GEF-SGP, namely to support the activities of NGOs and CBOs in developing countries through environmental protection, poverty reduction and local empowerment. However the NZAID PEF also allows flexibility for government agencies and local government to apply for funds, whereas they are not allowed to apply for GEF -SGP funds. The objectives of the GEF-SGP and of the SGP-PEF are set out in Appendix 1 to this ToR.

²⁷ The full title for the programme is the Global Environment Fund Small Grants Programme. (GEF-SGP).It was agreed when NZAID joined the partnership that the programme would be known as the Small Grants Programme-Pacific Environment Fund (SGP-PEF). NZAID is providing funds through its Pacific Environment Fund (PEF) budget line.

²⁸ Subsequent to the signing of the cost-sharing agreement, the UNDP Country Offices were required to developed detailed UNDP project document to be submitted to the UNDP Associate Administrator for a waiver on Direct Execution (DEX) of donor contributions for the Pacific region on the basis of limited capacities of the host governments.

Support was seen by NZAID as in line with NZAID's Policy Statement and Strategic Outcomes in the areas of fulfilment of basic needs, sustainable livelihoods, and sustainable and equitable development (including sustainable natural resource management) and the 2006 Environment Policy. It was also in line with NZAID's 5-year Strategy (2005-10) including empowerment through environmentally sustainable resource use and a commitment to work in harmonisation with other donors and in alignment with partner systems. NZAID's draft Pacific Natural Resources and Disaster Management Strategy (2008 – 2015) also identifies the GEF Small Grants Programme as a priority mechanism. The review will assess whether this programme still aligns with relevant current policies and strategies including those around Mainstreamed and Cross-Cutting Issues.

Scope and Purpose of the Review

The current cost sharing agreement between NZAID and UNDP-GEF is predicted to conclude operationally on 30 June 2010 with one further year being allocated to enable UNDP to spend all funds. NZAID needs to undertake a review of its contribution to the GEF-SGP before 30 June 2010. The review will provide learning for NZAID and UNDP about how to improve the partnership and make recommendations to NZAID on future support to Pacific SGP. It will also provide accountability.

The purpose of the review is to assess the effectiveness and relevance of the SGP as means for NZAID to support community based environmental management and to analyse the efficiency of NZAID's engagement in the SGP in the Pacific. Impact and sustainability will not be assessed in the review as it is deemed too early to address these areas²⁹.

3 Objectives

3.1 Objective One: First step. Establish the intended 'programme logic' of the SGP-PEF (e.g. in terms of intended activities, outcomes and impact). This programme logic should be used as a basis for the review.

3.2. Objective Two: Assess the effectiveness (extent to which outcomes have or are being achieved), and relevance (to beneficiaries, NZAID and other stakeholders) of the SGP-PEF in supporting community level environment initiatives in the Pacific, and in building national capacity for environmental governance. Identify factors that have enhanced or constrained achieving and sustaining outcomes.

3.3. Objective Three. Assess the efficiency and implementation of NZAID-UNDP GEF partnership, as a mechanism for supporting community level environment initiatives linked to sustainable livelihoods and poverty reduction. Identify factors that have enhanced or constrained efficiency and implementation.

²⁹ In NZAID terminology (see Evaluation Policy Statement) an **outcome** refers to short and medium term effects of a development activity. In NZAID terminology an **impact** is the wider, deeper and long term effects of a development activity. e.g. long term environmental effects and poverty reduction.

3.4. Objective Four: Identify the lessons learnt and develop a set of clear recommendations to improve programme performance and to guide NZAID's decision making after the current Cost Sharing Agreement ends.

Recommendations should be made in view of the changing environment operating context such as AusAID becoming a major donor to the SGP and other large donor commitments being made to climate change more broadly

4. Methodology

The review will be underpinned by NZAID values and guided by the NZAID principles of evaluative activity. (Reference: NZAID Policy Statement.) The evaluation team will use a participatory approach, working in partnership with NZAID and SGP-PEF stakeholders to conduct the review. Evaluative activities will be transparent and independent' (Reference: NZAID Evaluation Policy Statement).

The review should describe and assess how the SGP-GEF has addressed cross-cutting and mainstreamed issues of gender, environment and human rights and should ensure that the review is conducted in a way that takes crosscutting issues into consideration. Details of how this will be done should be made explicit in the evaluation plan. (Reference: NZAID Screening Guide for Mainstreamed and other Crosscutting Issues).

The review team will work closely with NZAID and the PEF Coordinator to consider the timing and sequence of the review in terms of meetings, interviews, collation of relevant literature and so on. As far as possible the review should be designed as a positive learning experience that benefits the GEF SGP.

The team will hold discussions and communicate regularly with NZAID Programme staff, and the SGP Central Programme Management Team (CPMT) in New York. It should also contact other relevant NZAID and SGP staff, and UNOPS SGP cluster staff,

The team will travel in the Pacific region to talk with UNDP/GEF Finance unit; the UNDP Country offices in Fiji, and Samoa; and with recipient communities. A suggested process for organising field visits is set out in Appendix 2.

Desk reviews of files, interviews with key managing staff in both New Zealand, and the SGP sub regional country programmes in Fiji and Samoa, and case studies of funded projects from at least 2 countries are likely to form the basis of information gathering.

Stakeholders and information sources

NZAID files and interviews with NZAID staff involved in project management

Phone interviews with members of the original project design team

PEF coordinator files and interview with .PEF coordinator

Telephone or written Interviews with UNDP/GEF, CPMT and UNOPS in New York

Multi-Country Office visits:

- UNDP Country Offices and SGP country programmes in Samoa and Fiji. The desk files will show what projects have been funded through NZAID funds the application and approval process, and any initial outcomes of community programmes. They will be an important source of information.
- Consultations with key implementing staff in the sub regional offices and host institutions, including visits to case study countries and written or telephone consultations with the others

Country level visits:

- At least two country programmes, at least one for each SGP sub regional office and ones that are at different levels of development.
- National Host Institutions (NHI) and as far as possible managers of funded projects and project beneficiaries.
- Input from NZAID Posts in all Pacific countries visited

Overview of the Suggested Process

NZAID suggests the following approach in conducting the review. This process is subject to alteration after initial team assessment of the situation and discussion with NZAID and as the evaluation plan is developed.

Pre contract work

- Participate in a pre-review briefing with NZAID, at which existing documentation on the initiative, including the role of the PEF Coordinator will be provided for background study.

Develop a review work plan and budget. This work plan and budget will be based on the following process and will be approved by NZAID before work commences and the final contract is signed.

Phase 1.

Gain an overview of the project by conducting a desk review of the project using NZAID files, PEF Coordinator files, and any files/documents provided by the UNDP Country Offices, UNDP/GEF, SGP country teams, and the SGP CPMT in New York.

- Consult with PEF Coordinator/Tourism Resource Consultants Ltd and UNDP/GEF and CPMT in New York for initial information gathering.
- Carry out phone interviews with the members of the original project design team

- Develop a formal evaluation plan for the review. The evaluation plan must be approved by NZAID before additional work is carried out

Phase 2

- Plan the Pacific visit that enables the issues in the ToR and the evaluation plan to be addressed.
- Travel to the four Pacific countries outlined in Appendix 2 (or as agreed with NZAID) to undertake a desk review of files and consult with implementation and management agencies, and recipient communities.
- Call on and consult with the NZAID Manager at the New Zealand High Commission in relevant countries at the start and end of field visits.
- While in the Pacific, conduct review (particularly Objectives Two and Three). Ensure the main initial findings are presented to stakeholders, findings verified and feedback gained in-country and sub regionally before leaving the country.
- On return to New Zealand, conduct a working session with NZAID and PEF Coordinator/ Tourism Resource Consultants Ltd to discuss main findings and receive initial verbal and written feedback.
- Submit a draft report to NZAID and other key stakeholders for comment. NZAID and stakeholder comments to the review team will be due two weeks after the circulation of the draft report,
- After stakeholder comments are incorporated, and the report is finalised, it will be submitted to NZAID (no later than two weeks after comments are received). The report will be 'peer reviewed'. It is possible that further work may be required if NZAID does not consider that draft report meets the ToR or does not meet the NZAID and/or DAC Evaluation Quality Standards.

Evaluation Plan

should include³⁰:

A stakeholder analysis

Key evaluation questions to meet the objectives

Overview of information needed to answer evaluation questions and meet review objectives.

How will the information be collected and from whom?

Some initial questions to be asked in interviews or questionnaires.

³⁰ A fuller discussion of evaluation plans can be found in NZAID Guideline on Developing Terms of Reference for Reviews and Evaluations. Page 14.

How will information be cross checked?

How will data collected be analysed. E.g. how will qualitative data such as interview notes be analysed?

How will the cross cutting and mainstreaming issues be addressed?

How will initial findings be fed back to stakeholders during the review process and how will this be incorporated in the report?

What risks, limitations and constraints are there likely to be and how can these be mitigated?

How will ethical issues be addressed

5. Outputs

The review team will provide the following outputs:

- A contract budget and work plan
- An evaluation plan based on the ToR and the suggested process above
- Material for a debriefing meeting with NZAID, Tourism Resource Consultants Ltd / PEF Coordinator where main review findings will be presented.
- An initial draft report for circulation to stakeholders for comment.
- A final report for peer review for NZAID (see above). The report will set out the methodology of the review, evidence-based findings with supporting analysis, and recommendations for improving performance and the future direction of NZAID's engagement with the GEF SGP. It will also identify recommendations to other members of the partnership where appropriate (See NZAID Guideline on the Structure of Evaluation and Review Reports).

The report will be the property of NZAID and should not exceed 30 pages excluding annexes.

Please note that NZAID now publically releases all evaluation and review reports. Any information that could prevent the public release of the document should be placed in a confidential annex (see NZAID Guideline on the Structure of Evaluation and Review Reports).

6. Team composition and skills required

The review and evaluation team will consist of two people, with complementary skills that together provide the skills set out below. NZAID has a preference for at least one Pacific Island-based member. NZAID will select the team from qualified and available Accredited Consultant Scheme (ACS) consultants. NZAID reserves the

right to put its own team together based on its assessment of the capability of interested candidates.

Once chosen the team will decide their own split of work, with the expectation that the Team Leader will be primarily responsible for writing the draft and final reports, with the assistance of the other member.

It is expected that the team will spend between 50-60 days in preparation, field work and working on the draft and final report. The team is expected to work in a cost effective manner.

- The team will have relevant formal qualifications and/or consulting experience in all or most of the following areas

General Skills

- Expertise and experience in evaluation
- Programme and project planning skills and experience
- Demonstrated analytical and reporting skills
- Cross cultural communication and general interpersonal skills

Specific Skills

Expertise in Management and Project Management within a large organisation, especially ability to analyse project management financial systems and allocations of costs.

A working knowledge of UNDP in the Pacific and global UN systems

Expertise in social and environmental impact assessment in the Pacific

Expertise in the evaluation of small grants programmes, institutional strengthening, and capacity building in the Pacific

Expertise in management of environmental and resource issues in the Pacific

Expertise in rural community development in the Pacific

Experience and understanding of the Pacific political and economic context, in particular the relative roles of regional organisations, NGOs, and national governments

A strong understanding of poverty and hardship issues in the Pacific and the NZAID policy framework

Demonstrated understanding of, and commitment to, gender and development issues

Team Leader (one of team)

- Team leadership skills and experience
- Demonstrated facilitation and negotiation skills
- Demonstrated analytical and reporting skills
- Demonstrated ability to integrate results of multidisciplinary studies
- A strong understanding of the Paris Declaration of Aid Effectiveness and its influence on donor policy settings

7. Management and Governance of the Review

This review is being commissioned by the NZAID Pacific Social and Vulnerability team. It will also be made available to all stakeholders and will be made publically available.

Geoff Woolford, Pacific Social and Vulnerability Team, is the NZAID staff member coordinating and managing this review on a day to day basis.

A 'steering' committee comprised of NZAID and UNDP personnel will meet at key points in the review. This committee will approve the evaluation plan, approve the review team, provide feedback on the draft report and formally accept the final report. The committee would make decisions on any major issues that arise during the review,

**NZAID
November 2009**

APPENDIX ONE

Objectives of the UNDP GEF Small Grants Programme

Develop community level strategies and implement technologies that could reduce threats to the global environment if they are replicated over time

Gather lessons from community level experience and initiative the sharing of successful community level strategies and innovations among CBOs and NGOs. Host governments, development aid agencies, GEF and others working on a regional global scale

Build partnerships and networks to support and strengthen community, NGO and national capacities to address global environmental problems and promote sustainable development

Ensure that conservation and sustainable development strategies and projects that protect the global environment are understood and practised by communities and other stakeholders.

(Taken from NZAID Pacific Environment Fund Design Document January 2006)

Objectives of the NZAID – UNDP GEF Partnership

The SGP-PEF has similar objectives to the UNDP SGP but allows Government Agencies and local government to apply for funds. They are not allowed to apply for SGP funds.

These objectives are set out in Annex 1 of the 2006 NZAID-UNDP Cost Sharing Agreement (CSA) as follows.

Programme Goal

Socially, economically, and environmentally sustainable community development for poverty elimination in the Pacific region.

Project Objective

To strengthen the capacity of Pacific governments, NGOs and communities to plan, manage, monitor and evaluate community environmental and sustainable initiatives for poverty elimination

Project Components

Component 1: GEF/NZAID Small Grants Programme

To provide cost effective support for community development initiatives (by PIC government agencies, local government, NGOs and CBOs) promoting environmental protection, poverty elimination, and sustainable livelihoods and to strengthen the capacity of those organisations undertaking those initiatives.

Note: NZAID will also develop direct relationships with NGOs in the region in separate partnerships to the NZAID-UNDP GEF arrangement.

Component 2: Strategic Relationships Programme between NZAID PEF and key Environment NGOs in the Pacific Region.³¹

Objective:

To enhance the capacity of selected environment NGOS to deliver and achieve good development outcomes in relation to community level environmental protection and sustainable livelihoods.

NB. The review will only include any aspects of component two that have been implemented through the UNDP-GEF SGP partnership.

³¹ Component 2 is not part of this review.

APPENDIX 2 Possible Issues and questions

Some specific issues and questions that could be considered are set out below. NB The reviewers should not be limited to these issues.

Objective Two: Assess the effectiveness (extent to which outcomes have or are being achieved), and relevance (to beneficiaries, NZAID and other stakeholders) of the NZAID-PEF in supporting community level environment initiatives in the Pacific, and in building national capacity for environmental governance. Identify factors that have enhanced or constrained achieving and sustaining outcomes.

- Consider the direction provided in the draft NZAID Regional Natural Resources and Disaster Management Programme Strategy 2008 – 2015, from which the SGP was originally supported and the NZAID Environment Policy. Analyse the extent that support for this programme is still consistent with these strategies and policies
- Consider the extent to which NZAID policy on Mainstreamed and Cross-Cutting issues along with UN policy, has been applied
- Assess the extent that budgets have been screened for gender responsiveness using UNDP tools for gender responsiveness budgeting,
- Assess whether the projects that have received or will receive NZAID funding meet the NZAID funding criteria.
- Assess whether there has been equitable and open access to the funding by target groups in at least two sample countries. Examine processes used to identify target groups and to involve them in project design and implementation. Determine how the different needs, priorities, interests, roles and responsibilities of women, men, girls and boys have been identified and addressed. Identify barriers to any groups accessing the funds that should be removed in the future.
- As far as possible analyse the outputs and any known outcomes of a sample of funded projects from each of the hub sub regional SGP offices. Assess outcomes (positive or negative) on sustainable livelihoods and poverty reduction for women, men, girls and boys.
- Has the capacity building component of the programme increased the capacity for environmental governance of the organisations involved?
 - Have the developments over the past 3 years produced sub regional and in-country organisations that now have the capacity to deliver the programme more effectively.
 - What are the needs for continued capacity funding and support that should be addressed in any future agreement.
- Evaluate the effectiveness and added-value of NZ-based PEF Coordinator. Identify the tasks currently performed by the PEF Coordinator that would need to be continued in any future agreement.

- Identify any other problems/issues that impede the effectiveness, and relevance of the UNDP-NZAID PEF and make recommendations about how these could be overcome.

Objective 3 Assess the efficiency and implementation of NZAID-UNDP GEF partnership as a mechanism for supporting community level environment initiatives linked to sustainable livelihoods and poverty reduction. Identify factors that have enhanced or constrained efficiency and implementation.

- Consider the responsiveness, representativeness, appropriateness, and overall effectiveness of the partnership including;
 - governance structures; (partnership Steering Committee);
 - effectiveness and appropriateness of administrative funding arrangements through UNDP DEX compared to standard global SGP execution arrangements through UNOPS,
 - the extent to which the NZAID funding was able to be delivered to communities as envisaged in the Cost Sharing Agreement.
 - whether the differences in objectives and criteria between the NZAID PEF scheme and the GEF SGP has had any affect on how the scheme has been managed.
 - the narrative and financial accountability to NZAID including quality of reporting, project management, risk management and acquittals from UNDP Country Offices provided to the CPMT for consolidation to NZAID, Identify any factors that have affected the reporting.
 - value-for-money apparent from available reported outcomes including the criteria set out in the cost sharing agreement i.e. development results, effective administration and support;
 - Consider the process for setting UNDP management fees and whether the fees were sufficient to ensure the project was managed effectively.
 - simplicity and effectiveness of NZAID's 4-tier contribution structure and formula-based support for capacity building and administration; (as agreed in Addendum 1 September 2007)
 - If possible advise on how the administration costs could be reduced in a future funding agreement.
 - effectiveness of communications and relationship management between partners including: UNOPS, UNDP COs and CPMT; NZAID and CPMT; and the partnership Steering Committee. Ensure any recommendations take account of AusAid's recent involvement in the partnership.

- Quality of support provided by SGP Sub-Regional Coordinating teams (SGP Sub-Regional Coordinator and SGP Programme Assistant/Associate which are fully contracted by UNOPS at the global level)³² to their sub-regional countries.
 - Has the in-country NSC/NFG approval process functioned effectively? Note any other issues in in-country project approval and management that should be addressed and make recommendations for future improvements.
 - Examine the process between approval at the local level and the actual receipt of funds by the project and identify any ways in which this process could be improved.

Objective 4: Identify the lessons learnt and develop a set of clear recommendations to improve programme performance and to guide NZAID’s decision making after the current Cost Sharing Agreement ends.

Recommendations should be made in view of the changing environment operating context such as AusAID becoming a major donor to the SGP and other large donor commitments being made to climate change more broadly

- Provide attributable and specific recommendations to NZAID on future support to UNDP/GEF as the implementing agency of the GEF SGP (and to any other stakeholders where appropriate) as they relate to Objectives One, Two and Three.
- Identify the advantages and disadvantages of multilateral funding such as GEF SGP compared to other possible methods for delivering environmental benefits to communities and to build national capacity for environmental governance.
- Make clear recommendation as to whether any future agreement should continue with the current DEX arrangements by UNDP COs, or to switch to the standard global UNOPS execution of the programme (also selected by AUSAID).
- Give particular emphasis to options for future assistance (i.e. regional, national, local, co-funding, co-financing, trust funds) in the context of the range of existing regional mechanisms and donor support, and the Paris Declaration on Aid Effectiveness.
- Include any recommendations about cost effective ways to ensure the smooth delivery of funds from all three programme donors (UNDP, AUSAID and NZAID)

³² NZAID does not contribute to the salaries of the UNOPS contracted SGP staff – only to the honorarium-based system of NFP remuneration under the administrative budget contribution.

APPENDIX 3:

Suggested process for conducting the Field Work. The consultants are invited to discuss these suggestions with NZAID after their initial assessment of the situation.

This process was developed in consultation with the PEF Coordinator.

Process

Given there is a relatively short timeframe for conducting this review, it will not be possible to review activities from all 15 countries. A sample of countries for the contractor/s to visit has been suggested. Budget and evaluation plans should be developed on the basis of the process below. If after an initial analysis the reviewers recommend and can justify to NZAID an alternative country visit programme this would be the subject of a formal contract variation.

The countries selected are highlighted below:

| EXECUTED UNDP CO | BY | SUB-REGIONAL CLUSTER | COUNTRY | OPERATIONAL STATUS ³³ | PROGRAMME STATUS ³⁴ |
|------------------|----|-----------------------|------------------|----------------------------------|--------------------------------|
| Samoa UNDP MCO | | Samoa | Samoa | Phase 1 | Full |
| | | | Niue | Phase 1 | Sub-Regional |
| | | | Cook Islands | Phase 1 | Sub-Regional |
| | | | Tokelau | Phase 1 | Sub-Regional |
| Fiji UNDP MCO | | Fiji | Fiji | Phase 1 | Full |
| | | | Kiribati | Phase 1 | Sub-Regional |
| | | | Tonga | Phase 1 | Sub-Regional |
| | | | Tuvalu | Phase 1 | Sub-Regional |
| | | | Nauru | Phase 1 | Sub-Regional |
| | | FSM | FSM | Phase 1 | Full |
| | | | Palau | Phase 1 | Sub-Regional |
| | | | Marshall Islands | Phase 1 | Sub-Regional |
| | | Stand-Alone Programme | Solomon Islands | Phase 2 | Full |
| | | Stand-Alone Programme | Vanuatu | Phase 1 | Full |
| PNG UNDP CO | | Stand-Alone Programme | PNG | Phase 2 | Full |

Rationale for the countries selected for field visits

- **Fiji:** The Fiji SGP office acts as a sub-regional 'hub' country. The Sub-Regional Coordinator (SRC) and Programme Assistant (PA) support four sub-regional countries as well as managing their own national programme. The SRC is the longest serving in the region (2 years). The Fiji SGP programme is located near

³³ Phasing countries for the SGP PEF is explained in Addendum One Annex 2 of the CSA.

³⁴ Typically, the SGP establishes full country programmes. This means a full-time National Coordinator is contracted, an NHI is contracted and the grant budget starts at US\$250,000. Due to recognized capacity issues in the Pacific, SGP trialed starting countries as junior programmes supported by a full country programme. The junior, or sub-regional countries have part-time staff paid by honorarium, interim NHIs and grant budgets starting from US\$60,000.

the Fiji UNDP Multi-Country Office (MCO_ which administrates 10 out of the 15 countries in the programme. (Fiji, Tonga, Tuvalu, Kiribati, Nauru, Federated States of Micronesia, Palau, Marshall Islands, Vanuatu, and Solomon Islands).

- **Kiribati:** Kiribati is a sub-regional country supported by the Fijian SGP office. It is a Phase1, sub-regional programme. They have recently approved NZAID-funded projects and the Fijian SRC recommended they would be an appropriate country for the NZAID review.

Vanuatu: Vanuatu began SGP implementation in 2008. It is a Phase 1 programme with “Full” country status. There are direct flights between Vanuatu and Fiji. Vanuatu can provide the review team with the perspective of a stand-alone country programme which is also serviced by the Fiji UNDP MCO.

Samoa: The Samoa SGP office also acts as a sub-regional ‘hub’ country, serving 3 other countries (Cook Islands, Niue, and Tokelau) as well as managing their own national programme. The Samoan programme is one of the longest-running programmes in the Pacific. The SRC is relatively new to the programme and the SGP office is based near the UNDP Multi-Country Country Office.

The reviewers should study both the operation of the sub regional hub and the Samoa country programme which are supported from the same office.

Rationale for not visiting specific countries

Cost is the main rationale for not visiting all countries. The visits planned above are all accessible from Fiji. If possible the reviewers should conduct telephone and written consultations with all countries involved in the programme.

Papua New Guinea: The PEF programme was originally intended to operate in Papua New Guinea but this has not happened. NZAID has decided for cost effective reasons to exclude PNG from this review. Although operational for over 10 years, SGP PNG has faced considerable operational difficulties, and is in the process of reorganisation.

Solomon Islands: The UNDP Country Office is currently supporting the disbursement and support to SGP grants in the country, and the UNOPS are in the process of recruiting a replacement National Coordinator. Given there is no NZAID programming yet, it is not considered critical to engage with the Solomon Islands at this stage.

Micronesian Sub-Region: While the 3 countries in Micronesia (FSM, ROP, RMI) have been functioning as Phase 1 countries for the duration of the partnership, given the parameters placed on this contract due to timing and resourcing, it is not considered viable for the contractor/s to travel to this region. However, it is highly recommended that once the reviewers have a good grasp of the programme they consult via phone and email with the Micronesian SRC and Regional Host Institution CEO (Micronesian Conservation Trust).

APPENDIX 4:

Initial Key Documents to be provided to the Consultant(s)

Project Documents available from NZAID

- 1. Original 2006 NZAID project design for an NZAID Pacific Environment Fund.** (This recommended that NZAID undertake a partnership with the UNDP Global Environment Facility (GEF) Small Grants Programme (GEF).
- 2. Cost Sharing Agreements between NZAID and UNDP.** – Original Agreement (May 2006) and 4 subsequent Addendum. Addendum 1,2 and 3 include financial acquittals and revised budgets,
- 3. Terms of Reference for the PEF Coordinator and all PEF Coordinator reports.**
- 4. Minutes of all Project Steering Committee meetings (2006-2009)**

Project Documents available from UNDP

- 5. The 4th performance study of the whole UNDP GEF** (This is near completion and should be available sometime in November 2009).
- 6. SGP Global Operational Guidelines, M&E framework and CPS Guidance**
- 7. 2007 Joint Evaluation of the SGP by the GEF Evaluation Office and UNDP Evaluation Office.**
- 8. UNOPS standard operating procedures (SOP) in application for the UNOPS-executed portion of SGP operations in the Pacific.**
- 9. SGP Global Project Document for its 4th Operational Phase from July 2007 to June 2010.**
- 10. GEF-5 planning documents, including strategic papers on the SGP to be considered by the GEF Council.**
- 11. UNDP tools on Gender Responsiveness Budgeting (GRB)**
- 12. Other important SGP documents identified by the CPMT.**

Background information

- 13. NZAID Evaluation Policy Statement**
- 14. DAC Evaluation Quality Standards**
- 15. NZAID Guidelines on the Structure of Review and Evaluation Reports**

Annex 2³⁵

SGP-Pacific Beneficiaries and Key Players

a) Pacific Communities

| Interviewees | Role | Involvement in Review |
|---|---|--|
| Leaders of selected SGP projects and leaders of host communities in Kiribati, Samoa, Vanuatu, Cook Islands and Fiji | Principal responsibility for project implementation, and for monitoring and reporting | Face to face interviews |
| Leaders of selected SGP projects in other PICs | Principal responsibility for project implementation, and for monitoring and reporting | Interview questions (Annex 5) sent by email; option to reply by email or in phone/Skype call |

b) PIC government agencies (national and sub-national), NGOs and CBOs

| Interviewees | Role | Involvement in Review |
|---|---|--|
| NFPs, NCs, SCs, NFGs, NHIs in Kiribati, Samoa, Vanuatu, Cook Islands and Fiji | Beneficiaries of capacity building activities funded by SGP-PEF | Face to face interviews |
| Selected NFPs, NCs, SCs, NFGs, NHIs in other PICs | Beneficiaries of capacity building activities funded by SGP-PEF | Interview questions (Annex 5) sent by email; option to reply by email or in phone/Skype call |
| Selected employees of governments, NGOs and CBOs in Kiribati, Samoa, Vanuatu, Cook Islands and Fiji | Beneficiaries of capacity building activities funded by SGP-PEF | Face to face interviews |
| Selected employees of governments, NGOs and CBOs in other PICs | Beneficiaries of capacity building activities funded by SGP-PEF | Interview questions (Annex 5) sent by email; option to reply by email or in phone/Skype call |

c) SGP-Pacific Key Players

| Interviewees | Role | Involvement in Review |
|---|--|--|
| PIC government agencies, NGOs and CBOs in Kiribati, Samoa, Vanuatu, Cook Islands and Fiji | Responsible for hosting, delivering and oversight of the national SGP | Face to face interviews |
| PIC government agencies, NGOs and CBOs in other selected PICs | Responsible for hosting, delivering and oversight of the national SGP | Interview questions (Annex 5) sent by email; option to reply by email or in phone/Skype call |
| Capacity building facilitators and practitioners in Kiribati, Samoa, Vanuatu, Cook Islands and Fiji | Responsible for oversight and delivery of SGP-PEF capacity building activities | Face to face interviews |
| Capacity building facilitators and practitioners in other selected PICs | Responsible for oversight and delivery of SGP-PEF capacity building activities | Interview questions (Annex 5) sent by email; option to reply by email or in phone/Skype call |
| William Ehlers | Team Leader for External Affairs, GEF | Phone/Skype interview |
| Yoko Watanabe | Oversight of GEF capacity building in the Asia-Pacific region; | Phone/Skype interview |

³⁵ The names of members of SGP project teams interviewed during the review are listed in Annex 7.

| | | |
|----------------------|---|------------------------|
| Tom Wilson | NZAID (former PEF Programme Manager) | Face to face interview |
| Paul Eastwood | Environment Officer, NZAID; Review Steering Committee | Face to face interview |
| Elizabeth McNaughton | NZAID Programme Manager | Phone/Skype interview |
| Deborah Collins | NZAID Programme Manager; Review Steering Committee | Face to face interview |
| Lance Fowler | NZAID Budget Advisor | Face to face interview |
| Geoff Woolford | NZAID Programme Manager; Review Steering Committee | Face to face interview |
| Miranda Cahn | NZAID Evaluation Advisor; Review Steering Committee | Face to face interview |
| Tui Dewes | Environment Division, MFAT | Face to face interview |
| Andrew Bignell | Department of Conservation | Phone/Skype interview |
| Leanne Harrison | PEF Coordinator | Face to face interview |
| Terence Hay Edie | SGP CPMT | Phone/Skype interview |
| Delfin Ganapin | GEF SGP Global Manager | Phone/Skype interview |
| Knut Ostby | RR, UNDP MCO, Fiji | Face to face interview |
| Waisale Naqiolevu | ARR, UNDP MCO, Fiji | Face to face interview |
| Easter Galuvao | ARR, UNDP MCO Samoa | Face to face interview |
| Asenaca Ravuvu | Environment Team Leader, UNDP MCO Fiji | Face to face interview |
| Nileema Noble | RR, UNDP MCO, Samoa | Face to face interview |
| Joyce Yu | Former RR, UNDP MCO, Samoa | Phone/Skype interview |
| Dave Bamford | TRC (PEF Advisor) | Face to face interview |
| Hilary Marwick | TRC | Face to face interview |
| Paul Mitchel | AusAID, Canberra (IACCI Programme Manager) | Phone/Skype interview |
| Ryan Medrana | AusAID, Suva | Face to face interview |
| Markus Schnall | Project Manager, UNOPS | Phone/Skype interview |
| Philipp von Waechter | UNOPS | Phone/Skype interview |
| Marion Quinn | Co-author, Design Document | Phone/Skype interview |
| Sam Sesega | Co-author, Design Document | Face to face interview |
| David Sheppard | Director, SPREP | Face to face interview |
| Cristelle Pratt | Former Director, SOPAC | Phone/Skype interview |
| David Gowty | Planning Advisor, SPC | Phone/Skype interview |

Annex 3
Evaluation Plan
Review of
NZAID Support to the Global Environment Facility's Small Grants Programme

Evaluation Plan

Prepared For
The New Zealand Agency for International Development

By

John E. Hay
JEH+ Ltd
Rarotonga

and

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Apia

Final Version

February, 2009

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Acronyms

| | |
|---------|--|
| AusAID | Australian Agency for International Development |
| CBO | Community Based Organisation |
| CO | Country Office |
| CPMT | Central Programme Management Team |
| DEX | Direct Execution |
| EEP | Evidence and Evaluation Portfolio |
| GEF | Global Environment Facility |
| MAP-CBA | Mekong and Asia-Pacific Community Based Adaptation Programme |
| MDG | Millennium Development Goal |
| MEA | Multilateral Environmental Agreement |
| MFAT | Ministry of Foreign Affairs and Trade |
| NGO | Non-governmental Organisation |
| NZAID | New Zealand Agency for International Development |
| PIC | Pacific Island Country |
| SGP | Small Grants Programme |
| SGP-PEF | Small Grants Programme-Pacific Environment Fund |
| UNDP | United Nations Development Programme |
| UNOPS | United Nations Office of Project Services |

1. Introduction and Background to the Review

The Global Environment Facility (GEF) Small Grants Programme (SGP) was launched in 1992, with the aim of securing global environmental benefits through local level environmental protection, poverty reduction and community empowerment. The SGP emphasises local stakeholder engagement and ownership to ensure sustainability and relevance, and is intended not just to deliver environmental benefits and poverty elimination, but also to build the capacity of communities and stakeholders to manage these issues. Its focal areas of concern are: biodiversity, climate change, international waters, land degradation, persistent organic pollutants, and climate change adaptation, all while working to create sustainable livelihoods.

The United Nations Office of Project Services (UNOPS) is the single global executing agency for the GEF funds received by the United Nations Development Programme (UNDP) for the SGP at the global level. UNDP Country Offices (COs) provide support with programme implementation on behalf of UNOPS.

Some ten years after the global launch of SGP Pacific Island Countries (PICs) called for the expansion of the programme throughout the region. At around the same time, New Zealand was seeking ways to support its Pacific partners in addressing community level environmental issues. The partnership that was formed between SGP and the New Zealand Agency for International Development (NZAID) resulted in the signing of a cost-sharing agreement and the launch of the 3-year Small Grants Programme-Pacific Environment Fund (SGP-PEF)³⁶ in mid-2006. To date NZAID has provided US\$2,970,500 to UNDP under this arrangement.

SGP Pacific is now entering a new phase. NZAID's funding commitment is close to ending³⁷. The Australian Agency for International Development (AusAID) joined the SGP in mid-2009, with a focus on supporting community-based adaptation to climate change through the Mekong and Asia-Pacific Community Based Adaptation Programme (MAP-CBA). Changes to the SGP-PEF execution modality are being considered as a way of helping to further streamline operations.

1.1 Purpose of the Review

The current cost-sharing agreement between NZAID and UNDP-GEF is predicted to conclude operationally on 30 June 2010, with one further year being allocated to enable UNDP to spend all funds. NZAID wishes to undertake a review of its contribution to the GEF-SGP before 30 June 2010. The review will provide learning for NZAID and UNDP about where and how the partnership might be improved, and make recommendations to NZAID on future support to SGP-Pacific. It will also provide accountability.

As stated in the Terms of Reference (Annex 1), the purpose of the review is to assess the effectiveness and relevance of the SGP as means for NZAID to support community-based environmental management in the Pacific, and to analyse the efficiency of NZAID's engagement in the SGP. NZAID had determined that it is too early to assess either the wider, deeper and long-term effects (i.e. impacts) of the SGP-Pacific or its sustainability. However, the short- and medium-term effects (i.e. outcomes) of the SGP-Pacific will be assessed, where possible and practicable. Recommendations are to be made in view of the changing operating environment context, including AusAID becoming a major donor to the

³⁶ Henceforth the GEF SGP- NZAID PEF partnership will be referred to as "SGP-Pacific".

³⁷ While the amount of funding was unchanged, the duration of the assistance was extended and now ends in June 2010.

SGP and other large donor commitments being made to support climate change related activities in the region.

1.2 Objectives of the Review

The review is intended to fulfil four objectives (see Annex 1), namely:

5. Establish the intended 'programme logic' of the SGP-Pacific; this will be used as a basis for the review;
6. Determine the effectiveness and relevance of the SGP-Pacific in supporting community-level environmental initiatives in the Pacific, and in building national capacity for environmental governance, and identify factors that have enhanced or constrained achieving and sustaining outcomes;
7. Assess the efficiency and implementation of the NZAID-UNDP GEF partnership as a mechanism for supporting community-level environmental initiatives linked to building sustainable livelihoods and reducing poverty, including identifying factors that have enhanced or constrained efficiency and implementation; and
8. Identify the lessons learned and develop a set of clear recommendations to improve programme performance and to guide NZAID's decision making related to the ending of the current cost-sharing agreement.

1.3 Scope of the Review

As indicated in Section 1.2, above, the scope of the review is very broad when it comes to determining the effectiveness and relevance in that this part of the evaluation applies to the entire operation of the SGP in the Pacific. Sufficient information is available to undertake such a broad assessment. On the other hand, the scope of the review is considerably more focussed when efficiency and implementation are assessed – see Section 1.2. In this case only the NZAID-UNDP GEF partnership is considered. Adequate information is available to do this, but not for a more comprehensive assessment.

2. NZAID Evaluation Principles and Criteria

2.1 Evaluation Principles

The evaluative activities undertaken in this review will be guided by NZAID's evaluation principles, in the following ways:

Partnership – design, implementation and dissemination of the evaluation will involve working with NZAID and its development partners, such as GEF, UNDP and AusAID, and with other key players and beneficiaries, including those at regional, national and community level. These relevant partners are identified in Section 4. Due to the key roles they play, GEF, UNDP and AusAID have been consulted on the design of the overall review, along with NZAID and the New Zealand Ministry of Foreign Affairs and Trade (MFAT). All will have ongoing close involvement in the review and will hence be kept well informed at all stages.

Independence – this evaluation will be conducted in a way that avoids any adverse effects of political or organisational influence on the findings. The possibility that members of the review team have potential, perceived or actual conflicts of interest have been assessed in a comprehensive manner by NZAID, UNDP and the team members themselves. This included NZAID conducting a thorough background check on the consultants to be recruited.

The following possibilities for conflicts of interest have been identified:

- Cedric Shuster and Sam Sega are both Directors of Pacific Environment Consultants Ltd; Sam Sega co-authored the design document for the NZAID-UNDP GEF partnership;
- As a village chief Cedric Schuster has been involved in assisting some villages in Samoa to prepare proposals for SGP-Pacific funding, including NZAID PEF and AusAID CBA funding; where villages have been successful he helps them manage the grants and monitors progress; and
- Cedric Schuster coordinates the Pacific Board of the Global Greengrants Fund; it manages and disburses small grant to grassroots organizations for environmental projects (USD\$150,000 for 2007).

While Cedric Schuster's experience with small grant programmes in the Pacific may well help his understanding and be very useful in the review process, steps are being taken to ensure that information collection and analysis is rigorous and the resulting findings are clearly evidence based, transparent and unbiased. The leader of the review team will adopt a more proactive role for the assessment of the SGP for Samoa and in dealings with UNDP's Multi Country Office in Samoa. The leader of the review team will also take the lead and have full responsibility for the sections of the final report where a conflict of interest might manifest in relation to the possible conflicts of interest identified above. This includes the section of the report that considers the design of the NZAID-UNDP GEF partnership. Further steps to ensure independence are described in Section 6.

Participation – it is desirable that all beneficiaries and key players be involved at all stages of the evaluation; However, this is in some respects impractical. Rather, the review will be more consultative than fully participatory. This has already been operationalized – for example, GEF, UNDP and AusAID have been consulted on the design of the review, along with NZAID and MFAT. Both beneficiaries and key players (Section 4) will be involved in information gathering and in reviewing the draft report.

Transparency – the evaluation processes will be open to and understood by all parties; the consultative approach described in the preceding paragraph is designed to ensure conformity with this principle. Moreover, since NZAID now publically releases all evaluation and review reports, the report of the current review will be written to allow all information to be included in the main body of the report or its appendices. However, both members of the review team have a contractual as well as professional obligation to respect the confidentiality of information provided by NZAID and other parties that is formally described as 'confidential', 'restricted', or 'in-confidence'.

Information that could prevent the public release of the report of the current review will be placed in a confidential annex. The 'Report Release Checklist' that is in Appendix Three of the NZAID Evaluation and Research Committee Process Guideline will be used to help identify what, if any, information should be included in such an annex. At the time of writing, information that might well have to be included in such an annex relates to some aspects of: (i) the UNDP Internal Review of the GEF SGP implementation under the Fiji UNDP Multi-country Office, specifically addressing NZAID PEF funding; and (ii) financial management.

Capacity building - involvement of beneficiaries and key players in the evaluation process will also be treated as an opportunity to enhance organisational and individual capacity to design, implement and disseminate evaluation. However, the main capacity building opportunities will occur for NZAID, GEF, UNDP and AusAID, as well as for the two members of the review team. Even preparation and presentation of the current evaluation plan is seen as such an opportunity.

2.2 Evaluation Criteria

The evaluative activities used in this review aim to form judgements about particular aspects of SGP-Pacific. As a result, criteria are needed to underpin and help focus the assessments. Good practice suggests the use of five criteria for evaluations.

Effectiveness - whether and to what extent the programme and/or activity has achieved the desired outcomes. This criterion is especially relevant to fulfilling Objective 2 of the review. It is incorporated in relevant key evaluation questions and in the EEP. The outcomes identified in the programme logic for the SGP-Pacific will be used to assess effectiveness.

Relevance - whether and to what extent the activity has addressed the needs and priorities of the target groups and is aligned with the partner's policies and priorities. This criterion is also especially relevant to fulfilling Objective 2 and is therefore also reflected in the key evaluation questions and in the EEP. The needs and priorities of the key beneficiaries are identified in the design document for the SGP-PEF while GEF and NZAID documentation described relevant policies and priorities.

Efficiency - the extent to which the programme could have been implemented at less cost without reducing the quality and quantity of the activities; i.e. whether outcomes have been achieved at a reasonable cost, thereby representing value for money; and in what ways has implementation of the programme influenced value for money considerations. Consistent with the TOR, and specifically with respect to Objective 3, efficiency will be assessed for the NZAID-UNDP GEF partnership only. Financial and other relevant information provided by NZAID and UNDP-GEF will be used to quantify the inputs while programme and project reports will provide information on outputs and outcomes. Information on the efficiency of similar development assistance programmes will provide a benchmark against which the performance of the partnership will be assessed.

Impact - the positive and negative, intended and unintended effects of the activity or programme. For reasons given above this criterion will not be used in the current evaluation.

Sustainability - whether and to what extent the benefits can be sustained after the end of the development assistance. For similar reasons, this criterion will also not be assessed.

3. Programme Logic

The programme logic for the SGP-Pacific is a required output of the review (see Annex 1). It is presented here because it provides a framework for assessing the efficiency, effectiveness and other aspects of the SGP-Pacific. The programme logic presented here may be revised in light of information obtained from stakeholders during the planned interviews.

NZAID support for the SGP-PEF is strongly linked to the broader NZ international policy of engagement which:

- identifies the Pacific as its primary geographic region for international assistance; and
- International obligations of developed countries to assist with the implementation of multilateral environmental agreements (MEAs) in developing countries.

The new mission statement for NZAID, approved by Cabinet in April 2009, states that New Zealand's official development assistance programme will support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world. In delivering on that mission, there will be a focus on sustainable economic development and also a focus on the Pacific. NZAID has contributed

to several environmental related programs in the Pacific region over the last 25 years, either at the bilateral or regional level. The PEF is seen as more targeted support for community level implementation. PEF is specifically directed funding support for community level projects to assist Pacific Island countries with meeting their obligations to the MEA's while further supporting the NZAID's international policy of eliminating poverty through sustainable and equitable development.

PEF Goal

Socially, economically, and environmentally sustainable community development for poverty elimination in the Pacific region.

Overall Objective of PEF

To strengthen the capacity of Pacific governments, non-governmental organisations (NGOs) and communities to plan, manage, monitor and evaluate community environmental and sustainable initiatives for poverty elimination

The PEF has two components, namely:

Component 1: GEF SGP – NZAID Partnership:

To provide cost effective support for community development initiatives (PIC government agencies, local governments, NGOs and community based organisations (CBOs)) promoting environmental protection, poverty elimination and sustainable livelihoods and to strengthen the capacity of those organisations undertaking these initiatives.

Component 2: Strategic Relationships Program between NZAID PEF and Key Environmental NGO's in the Pacific

To enhance the capacity of selected environmental NGO's to deliver and achieve good development outcomes in relation to community-level environmental protection and sustainable livelihoods.

The TOR notes that Component 2 is outside the scope of the current review. Hence, the remainder of the programme logic refers to Component 1.

Objectives of SGP-PEF

1. Provide support for community development initiatives promoting environmental protection and sustainable livelihoods;
2. Strengthen the capacity of governments, NGOs, CBOs and communities to plan, manage, monitor and evaluate community environmental and sustainable livelihoods initiatives;
3. Assist Pacific countries to fulfil obligations made under international environmental agreements.

Intended outputs

Year 1:

- PEF objectives integrated into the SGP country programme strategies
- NSC's and NFG's informed of the PEF and its funding requirements
- Disseminate SGP Operational guidelines and PEF manuals of Operations

- Financial management arrangements established in UNDP
- Technical support provided to countries

Year 2 and Year 3:

- PIC's PEF programmes fully operational
 - Support countries with their PEF activities
 - Disburse funds to PIC's
 - Produce and submit progress reports on PEF activities
 - Assist countries with the PEF programmes

Intended Outcomes (related to the objectives listed above)

- 1.1 Quality community level projects in all participating countries are financially resourced and making positive contributions to environmental protection and empowerment of local communities;
- 1.2 Effective structures and appropriately qualified staffed installed to assist projects implementation and program administration;
- 1.3 Clear systems installed for monitoring and financial accounting.

- 2.1 Appropriately qualified recruited national coordinators to support project implementation;
- 2.2 Planning grants provided to enable communities to access technical expertise for consultation and build capacity of communities for implementation;
- 2.3 Funds available to NC for capacity building are utilized to improve capacity of all stakeholders;
- 2.4 NZAID funding of strategic relationships has build capacity of NGOs in addressing environmental concerns at the national level.

- 3.1 All projects funded contribute to meeting countries obligations to the MEA's (CBD, UNFCCC, POPs, UNCCD);
- 3.2 Community level best practices that can be replicated over time to improve environmental protection;
- 3.3 Effective partnerships and networks established through the SGP-PEF.

4. Stakeholders in the Review: SGP-Pacific Beneficiaries and Key Players

NZAID's evaluation principles highlight the importance of beneficiaries and key players being involved at all stages of the evaluation. This section identifies the intended beneficiaries of, and key players in, SGP-Pacific, and provides specific details for those whom it will be possible and reasonable to engage with directly during the review.

4.1 SGP-Pacific Beneficiaries

Two broad categories of beneficiaries can be identified given that the objective of the NZAID-UNDP GEF partnership is to provide cost effective support for community development initiatives promoting environmental protection, poverty elimination, and sustainable livelihoods, and to strengthen the capacity of the organisations undertaking these initiatives. These are:

- Pacific communities which are planning to, or actually undertaking initiatives to enhance environmental quality, alleviate poverty and enhance their livelihoods; and
- The PIC government agencies (national and sub-national), NGOs and CBOs who would benefit, or are benefitting, from an increased capacity to undertake such initiatives.

Annex 2 lists representatives of these two broad categories who will be interviewed (face to face or by phone, Skype or email) during the course of the review.

4.2 Key Players in SGP-Pacific

The key players are primarily concerned with planning, implementing and reviewing the SGP-Pacific. Several broad categories of such key players can be identified, namely:

- The PIC government agencies, NGOs and CBOs identified above are also key players, responsible for on the ground delivery;
- GEF, NZAID and AusAID; as the main funding partners they have an interest in performance against all the evaluative criteria listed above, and including fiduciary performance;
- UNDP and UNOPS, as the implementing and executing agencies;
- The PEF Coordinator, as a contributor to the establishment, ongoing management, monitoring, and evaluation of the NZAID-UNDP GEF partnership;
- Members of the original design team for SGP-Pacific;
- Other relevant divisions of MFAT and government ministries, including the Department of Conservation and the Ministry of the Environment; and
- Relevant members of the Council of Regional Organisations of the Pacific, and especially the Pacific Regional Environment Programme.

Annex 3 lists the relevant representatives of the organisations identified above. They, or their alternates, will be interviewed (face to face or by phone, Skype or email) during the course of the review.

5. Overview of the Review

The review will be underpinned by NZAID values and guided by the NZAID principles of evaluative activity, as summarized above. A participatory approach will be used, working in partnership with beneficiaries and key players identified above to conduct the review. Evaluative activities will be transparent and independent. The review team will work closely with NZAID and the PEF Coordinator to consider the timing and sequence of the review in terms of such activities as meetings, interviews, review of relevant literature. Priority will be given to ensuring that the review is a constructive learning experience that benefits the GEF SGP. The team will hold discussions and communicate regularly with NZAID Programme staff, and the SGP Central Programme Management Team (CPMT) in New York.

5.1 Review Framework and Methodology

Figure 1 presents the framework for the review and identifies the relationship with the four evaluation objectives and other requirements. The latter include to describe and evaluate how the SGP-Pacific has addressed the cross-cutting and mainstreamed issues of human rights, gender equality, environmental impacts, conflict prevention, peace building and HIV / AIDS.

5.2 Key Evaluation Questions

In addition to the comprehensive list of possible issues and questions provided in the TOR, a smaller number of focus questions have been developed for each of the three substantive objectives of the review. These are as follows:

Re Review Objective Two, which is concerned with effectiveness, relevance and strengthening capacity for environmental governance:

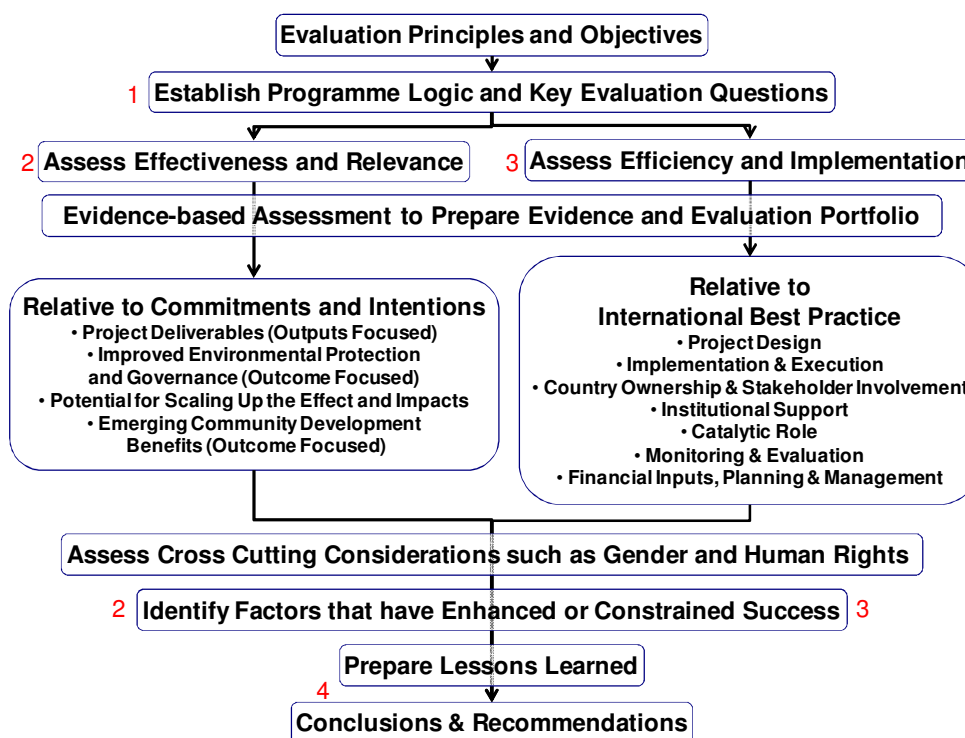


Figure 1. Framework for the review, including the relationship with the four evaluation objectives and other considerations.

- To what extent is the design and implementation of SGP-Pacific relevant to and aligned with:
 - NZAID's Mandate and Policy Settings and its Policy Statement and Strategic Outcomes in the areas of fulfilment of basic needs, sustainable livelihoods, and sustainable and equitable development, the 2006 Environment Policy, the draft NZAID Regional Natural Resources and Disaster Management Strategy (2008 – 2015) and other relevant policies and strategies?
 - The SGP's objectives of promoting outreach and awareness regarding global environmental concerns, building capacities of communities and NGOs to address these concerns, and providing a mechanism for demonstrating and disseminating community-level and community-led solutions to global environmental problems?
- To what extent has the Pacific component delivered the planned outputs and outcomes (see pp. 5 to 6) in ways consistent with good practice and policy compliance in terms of such cross-cutting and mainstreamed considerations as human rights, gender equity, accountability and transparency?
- To what extent has the Pacific component of the SGP, and especially its capacity building component, enhanced the capacity of the participating national non-governmental and community-based organisations to deliver the programme more effectively?

Re Review Objective Three, which is concerned with efficiency and implementation:

- Do the outputs and outcomes of the SGP-Pacific represent value for the resources invested?

- How efficiently has NZAID funding been delivered to the intended beneficiaries, especially the target communities?
- Considered especially from the point of view of PIC beneficiaries, is the SGP-Pacific the best practical mechanism for supporting community-level environmental initiatives in the Pacific, and for building national capacity for environmental governance?
- To what extent has the SGP-Pacific demonstrated good practice and policy compliance in terms of:
 - The cross-cutting and mainstreamed issues of human rights, gender equality, environmental impacts, conflict prevention, peace building and HIV / AIDS?
 - Financial management especially in relation to the narrative and financial accountability to NZAID, including quality of reporting, project management, risk management, acquittals from UNDP Country Offices provided to the CPMT for consolidation to NZAID, and whether funded projects meet NZAID funding criteria?
- Has the PEF Coordinator been able to make an effective and value-adding contribution to the Pacific component of the SGP and is there a rationale for providing such ongoing support?

Re Review Objective Four, which is concerned with documenting lessons learned and developing recommendations:

- What are the lessons learned with respect to such matters as:
 - informing a revised strategic plan and operational framework for the Pacific component of the SGP?
 - In-country project approval and management, including the process between project approval at the local level and the actual receipt of funds by the project?
 - The appropriateness of NZAID's 4-tier contribution structure and formula-based support for capacity building and administration (as agreed in Addendum 1 September 2007)?
 - Effectiveness of communications and relationship management between SGP-Pacific partners, including UNOPS, UNDP COs, CPMT, NZAID and the partnership Steering Committee?
 - The process for setting UNDP management fees and whether the fees were sufficient to ensure the project was managed effectively and represents value for the resources invested by NZAID;
- What evidence-based and attributable recommendations can be made in relation to improving programme performance and guiding NZAID's decision making related to the ending of the current cost-sharing agreement, taking into account such matters as:
 - AusAID becoming a major donor to the SGP and other large donor commitments being made to support climate change related activities in the region;
 - The advantages and disadvantages of multilateral funding, such as GEF SGP, compared to other possible methods for delivering environmental benefits to communities and to build national capacity for environmental governance;
 - Options for future assistance (i.e. regional, national, local, co-funding, co-financing, trust funds) in the context of the range of existing regional mechanisms and donor support, and the Paris Declaration on Aid Effectiveness, in terms of harmonizing the UNDP-GEF, AUSAID and NZAID contributions to the SGP;
 - The needs for continued funding for capacity building and support that should be addressed in any future agreement;
 - How administrative costs might be reduced in any future funding agreement;
 - The relative merits of the direct execution (DEX) arrangements used by UNDP COs and the standard global UNOPS execution of the SGP, including the AUSAID CBA component;
 - Future support to UNDP/GEF as the implementing agency of the GEF SGP; and

- The quality of support provided by SGP Sub-Regional Coordinating teams to their sub-regional countries.

5.3 Review Team, Including Roles and Responsibilities

The review team comprises John E. Hay (Team Leader) and Cedric Schuster. Their brief biographies, roles and responsibilities are provided in Annex 4. The review team will work under the overall supervision of Mr Geoff Woolford, Pacific Social and Vulnerability Team. He is the NZAID staff member coordinating and managing the review on a day to day basis. A 'steering' committee comprised of NZAID and UNDP personnel will meet at key points in the review. This committee will approve the evaluation plan, provide feedback on the draft report and formally accept the final report. The committee will also make decisions on any major issues that arise during the review.

6. Information Needs, Sources, Acquisition and Analysis

Figure 2 provides an overall framework for information acquisition and analysis. It highlights the importance of desk reviews of files, and interviews with key players in New Zealand (as well as those in relevant NZAID posts, the SGP sub-regional country programmes and SGP offices in Fiji and Samoa as well as those in four selected countries who have been involved in the approval and implementation of funded projects. Structured, semi-structured and open-ended face-to-face interviews will be conducted where possible and practicable. Where necessary, similar interviews will be conducted by telephone, Skype or email.

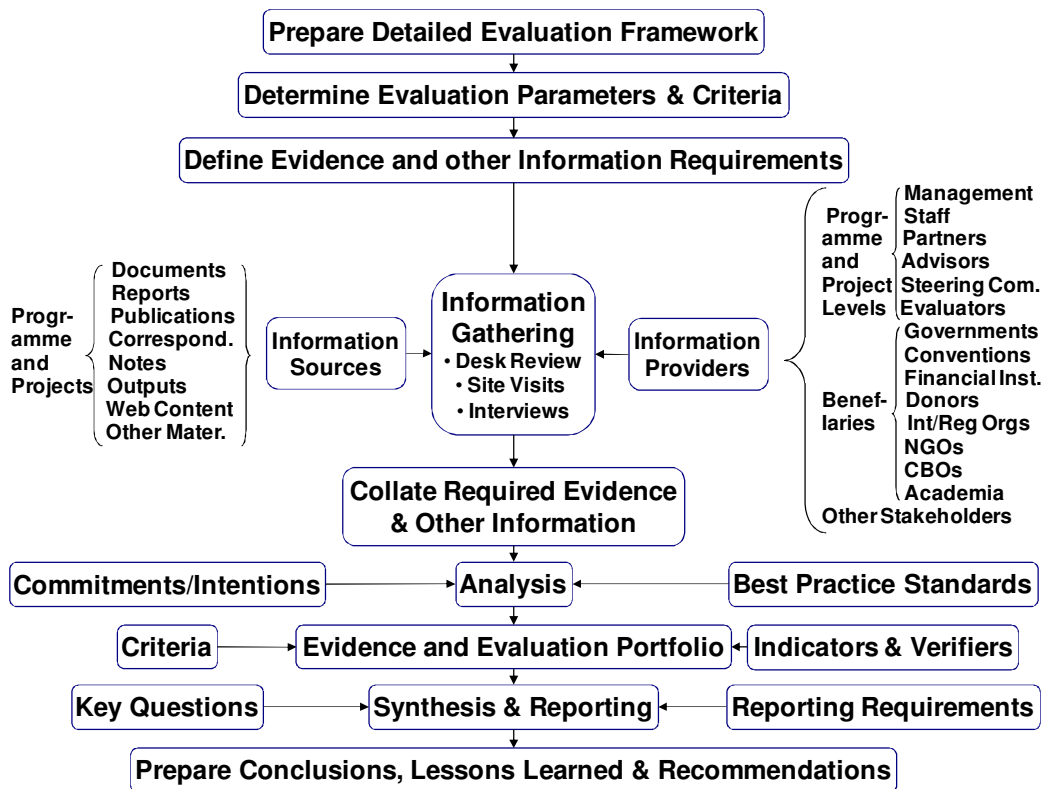


Figure 2. Framework for the acquisition and analysis of information.

6.1 Schedule for Site Visits and Interviews

Table 1 provides the schedule for site visits and interviews of key players and beneficiaries.

Table 1

Schedule for Site Visits and Interviews

| Start Date | End Date | Site | Interviewees | Responsible |
|------------|----------|--------------|--|----------------------|
| Jan 13 | Jan 20 | Wellington | Key players in New Zealand (esp. NZAID, MFAT, PEF Coordinator), UNDP (esp. CPMT), GEF and AusAID; Marion Quinn (member of original design team) | JH & CS |
| Feb 8 | Feb 12 | Cook Islands | NFP, NFG, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, GoCI, NZ Post and, as time permits, long distance interviews with key players and beneficiaries in FSM, RMI, Nauru, Niue, Palau, PNG, Solomon Is., Tokelau, Tonga, and Tuvalu | JH & CS |
| Feb 11 | Feb 16 | Kiribati | NFP, NFG, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, GoK, NZ Post, AusAID | CS |
| Feb 15 | Feb 19 | Fiji | SRC, NFG, UNDP MCO, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, GoF, SOPAC, USP | JH |
| Feb 17 | Feb 23 | Vanuatu | NC, NSC, NHI, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, GoV | CS |
| Mar 1 | Mar 8 | Samoa | SRC, NFG, UNDP MCO, Project Leaders, Leaders of target communities, capacity building facilitators, NZ Post, AusAID, SPREP, GEF Coordinator, GoS, NUS, USP, Sam Sesega (member of original design team) | JH & CS |
| Mar 11 | Mar 12 | Wellington | Steering Committee | JH (+CS by phone) |

6.2 Indicative Interview Questions

Annex 5 presents indicative interview questions to be used at country and community levels, differentiating between key players and beneficiaries.

6.3 Analysis of Information

The bulk of the information collected will be of a qualitative nature, coming from interviews, direct observation and reviews of documents and files. This and any quantitative information will be entered into the SGP-Pacific Evidence and Evaluation Portfolio (EEP) (see Annex 6). The EEP tool has been used successfully in previous evaluations of multi-country programmes undertaken by the Team Leader.

The EEP facilitates a bottom up approach to the evaluation and, ultimately, to the review. It is based on the key evaluation questions listed above. The performance of the SGP-Pacific will be assessed and summarized using the GEF project evaluation rating scale which ranges from 'highly satisfactory' to 'highly unsatisfactory' (see Table 3).

6.4 Validation of Information

Information will be collected from multiple sources using a variety of methods. The intention is that there will be considerable overlap and duplication in the resulting information. This is deliberate as it provides an important opportunity to triangulate and verify the resulting findings, thereby providing the basis for robust, evidence-based and attributable conclusions and recommendations. Where alternative sources of information are limited, the sources and the information they provide will be critically assessed in an effort to identify and compensate for any distortions that might precluded a balanced and rigorous assessment for the report.

Table 2

GEF Project Evaluation Rating Scale

| Rating | Meaning |
|--------------------------------|---|
| Highly Satisfactory (HS) | The project had no shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |
| Satisfactory (S) | The project had minor shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |
| Moderately Satisfactory (MS) | The project had moderate shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |
| Moderately Unsatisfactory (MU) | The project had significant shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |
| Unsatisfactory (U) | The project had major shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |
| Highly Unsatisfactory (HU) | The project had severe shortcomings in the achievement of its objectives, in terms of relevance, effectiveness or efficiency |

Where significantly disparate views and interpretation are identified, or the information provided lacks credibility, further information may be sought in order that robust findings can be developed. This might, for example, require additional interviews. Where disparate views and interpretations remain, these will be documented in the report, to ensure transparency and accountability to stakeholders. In such cases those using the report to guide decisions, and for other purposes, will have to use their own judgement.

If the experience and/or perceptions of either member of the review team form part of the information which is analysed and presented in the report this will be identified in the review report. As noted above, the leader of the review team will take the lead and have full responsibility for the sections of the final report where the identified possible conflicts of interest might occur.

7. Cross-cutting Considerations

Cross-cutting considerations of most immediate relevance to this review are human rights, gender equity and relationships with NGOs.

7.1 Human Rights

Human rights considerations are an integral element of all aspects of the project management cycle, from appraisal to evaluation and impact assessment. Moreover, NZAID requires that all staff and contractors working in and for NZAID have an understanding and awareness of human rights appropriate for their work, and that they put these into practice. NZAID's Human Rights Policy sets out the rationale for integrating human rights into NZAID's organisational culture as well as into all of NZAID's policies, strategies, programmes and processes. NZAID addresses poverty reduction both as a human rights issue as well as a development issue. Thus integrating human rights and development requires bringing together the standards and principles of human rights with the plans, policies and processes of development.

Both members of the review team are conversant with NZAID's Human Rights Policy and especially with the need to integrate the standards and principles of human rights into the plans, policies and processes of development. The EEP includes a specific SGP-Pacific assessment criterion related to this requirement. As required, the review team will undertake consultations with, and request advice and guidance from human rights advisors in NZAID.

7.2 Gender Equity

New Zealand is committed to the promotion of women's rights and to achieving gender equality for all people, young and old. NZAID's gender policy aims to equally empower women and men, girls and boys to realise their rights and improve the wellbeing of their families, communities and societies. Empowering women and contributing towards gender equality is essential to sustainable economic development in order to reduce poverty. Gender inequality exacerbates poverty, and poverty exacerbates gender inequality. New Zealand considers that gender equality is both a Millennium Development Goal (MDG) in its own right and also a key means to achieving all the MDGs. Ensuring that women and men, girls and boys, are equally able to contribute fully to their own social and economic development, and that development benefits are fairly shared, are essential cornerstones to achieving NZAID's mission of sustainable development to reduce poverty.

At the programming level, NZAID's strategic approach is to ensure that women's empowerment and gender equality are actively pursued in all development activities. New Zealand's special relationship with the Pacific underpins a core focus on advancing gender equality and women's empowerment in the region. As such, NZAID is committed to working with its Pacific partners to support full implementation of the Revised Pacific Platform for Action 2005-2015 and Pacific Plan Strategic Objective 8 on Improved Gender Equality

Both members of the review team are conversant with NZAID's Gender Policy and its Gender Analysis Guideline. These highlight the need to integrate the standards and principles of gender equity into the plans, policies and processes of development. The EEP includes a specific SGP-Pacific assessment criterion related to this requirement. As required, the review team will undertake consultations with, and request advice and guidance from gender equity advisors in NZAID.

7.3 Relationships with NGOs

Both members of the review team are conversant with NZAID's Strategic Policy Framework for relations between NZAID and New Zealand NGOs. While it relates specifically to New Zealand NGOs, identification of common goals and interests, and development of shared principles and respective undertakings has much of relevance to Pacific NGOs.

The latter are key partners in implementing the SGP-Pacific. As such, much of the current evaluation and review relates to assessing the effectiveness of relationships and NGO performance. Many of the assessment criteria in the EEP have this perspective.

7.4 Environmental Benefits and Impacts

Both members of the review team are conversant with NZAID's Environment Policy. It aims to ensure that environmental sustainability is integrated into all of NZAID's work and programmes. As such, much of the current evaluation and review relates to assessing the effectiveness of efforts to promote environmental protection and strengthen environmental governance as well as the capacity of the organisations undertaking these initiatives. Many of the assessment criteria in the EEP have this perspective. As required, the review team will undertake consultations with, and request advice and guidance from NZAID's Environment Advisor.

7.5 Conflict Prevention and Peace Building

Both members of the review team are conversant with the NZAID's policy that outlines its approach to preventing violent conflict and building peace, including the operating principles contain priorities for policy development and decision-making in both conflict prevention and

peace building. As required, the review team will undertake consultations with, and request advice and guidance from conflict prevention and peace advisors in NZAID.

7.6 HIV / AIDS

It has long been well recognised that breaking the vicious cycle of poverty and ill health is an essential precondition for sustainable pro-poor development. The Millennium Development Goals are the globally agreed framework to progress poverty reduction. NZAID is committed to making sure the eight MDGs are reached by 2015, including MDG 6 - Combat HIV and AIDS, malaria and other diseases. NZAID's support to health is prioritised to reflect the principles of gender equality, poverty reduction, economic development and environmental sustainability. It focuses on respect, protection and fulfilment of the right to the highest attainable standard of health with consideration for key health issues and trends. NZAID's Health Strategy, 2008-2013, seeks to improve health for men, women and children in NZAID's partner countries with a particular focus on poor and vulnerable groups. The major focus of NZAID's assistance for health activities is to improve access to primary health care services and to strengthen health care systems.

Both members of the review team are familiar with NZAID's Health Strategy. Many of the assessment criteria in the EEP reflect the linkages between poverty, ill health and sustainable pro-poor development. As required, the review team will undertake consultations with, and request advice and guidance from health advisors in NZAID.

8. Feedback to and from Review Stakeholders

Formally, this is the responsibility of NZAID. The following section (Section 9) shows that time has been allocated for the review and commenting on the Review Plan, emerging key findings, the draft report and the draft final report. In addition, where appropriate and where time allows, the Team Leader will keep SGP-Pacific beneficiaries and key players informed on progress of the review.

9. Schedule of Activities and Reporting

Table 3 provides details of the work schedule. Annex 7 presents a draft table of contents for the review report.

Table 3

Schedule of Activities and Reporting

| Activity | Start Date | Completed by |
|--|------------|--------------|
| Sign contract | Fri 18 Dec | Fri 18 Dec |
| NZAID provides key documents which evaluators review | Sun 20 Dec | Tue 12 Jan |
| Prepare for visits to selected Pacific countries | Thu 07 Jan | Mon 15 Feb |
| Discussions and review relevant files held in Wellington | Wed 13 Jan | Wed 20 Jan |
| Consultations with key players in NZAID, GEF, UNDP | Wed 13 Jan | Wed 20 Jan |
| Consultations with members of the original design team | Thu 14 Jan | Wed 20 Jan |
| Establish the intended 'programme logic' | Thu 07 Jan | Fri 22 Jan |
| Prepare and submit draft of evaluation plan | Thu 07 Jan | Mon 25 Jan |
| NZAID review evaluation plan and provides feedback | Tue 26 Jan | Fri 29 Jan |
| Revise and submit evaluation plan | Mon 01 Feb | Fri 05 Feb |
| NZAID approves evaluation plan | Mon 08 Feb | Fri 12 Feb |
| Conduct review in selected Pacific countries and present preliminary findings | Mon 15 Feb | Tue 09 Mar |
| Conduct phone/email discussions with key players in other selected countries | Mon 08 Mar | Tue 09 Mar |
| Prepare: (i) key findings for each evaluation objective and (ii) draft recommendations | Mon 08 Mar | Tue 09 Mar |
| Conduct working session with NZAID and PEF Coordinator | Wed 10 Mar | Wed 10 Mar |
| Prepare and submit draft report | Mon 08 Feb | Fri 12 Mar |
| NZAID and other stakeholders prepare and submit comments on draft | Sun 14 Mar | Fri 26 Mar |
| Prepare draft final report | Mon 29 Mar | Fri 02 Apr |
| Report is peer reviewed and comments provided to evaluation team | Mon 05 Apr | Fri 16 Apr |
| Revise report based on results of peer review | Mon 19 Apr | Fri 23 Apr |
| Submit final report | Mon 26 Apr | Mon 26 Apr |

10. Risks, Limitations and Constraints, and their Mitigation

Table 4 identifies risks, limitations and constraints and how their impacts on the review will be mitigated.

Table 4
Risks, Limitations and Constraints, and their Mitigation

| Risks, limitation or constraint | Mitigation |
|---|---|
| Inadequate or poor quality quantitative data | Ensure that conclusions do not rely solely on any one data source. Triangulation very important. |
| Availability of individuals and groups for interview | Visits and interviews will be arranged with as much notice as possible. The team will be flexible to rearranging schedules at short notice. Sufficient interviews will be scheduled to cover for those not able to be completed. |
| SGP-Pacific beneficiaries unwilling to critique the programme in case it jeopardises future involvement | Emphasise positive framing of questions, such as 'suggestions', 'improvements', 'lessons learned', 'success stories', 'valued aspects of the programme' and 'other ideas', rather than negative framing. |
| Independence of review compromised as not all actual and potential conflicts of interest are recognised | Maintain a high awareness of, and sensitivity, to this risk, and take a transparent and adaptive approach if new actual or potential conflicts arise. |
| Both members of the review team are male | Where appropriate, the review team will undertake consultations with, and request advice and guidance from, gender equity advisors in NZAID. |
| Too much information is provided "in confidence" | Both members of the review team will be sensitive to the need for a balance between transparency and confidentiality. The 'Report Release Checklist' in the NZAID Evaluation and Research Committee Process Guideline will be used to help identify what, if any, information should be included in such a confidential annex of the review report. |

11. Ethical Considerations

The vulnerability and relative powerlessness of those reliant on SGP-Pacific for improvements in their quality of life will be respected in information collection and reporting. Participation in interviews will be voluntary. Participants will be informed at the start of interviews about how the information they provide will be used, that information provided will not be attributed, that they need not answer any question and that they can withdraw from the interview at any time.

In the review report feedback and opinions will not be attributed to individuals. While the views of beneficiaries and key players will be discussed, every effort will be made to ensure that these are not able to be linked to individuals.

Both members of the review team will adhere to the guiding principles for the practice of evaluation developed by the American Evaluation Association. These guiding principles for evaluators identify the basic ethics that can be expected from an evaluator. They include:

- Systematic inquiry. Evaluators conduct systematic, data-based inquiries about whatever is being evaluated;
- Competence. Evaluators provide competent performance to stakeholders.
- Integrity/honesty. Evaluators ensure the honesty and integrity of the entire evaluation process;

- Respect for people. Evaluators respect the security, dignity, and self-worth of the respondents, program participants, clients, and other stakeholders with whom they interact; and
- Responsibilities for general and public welfare. Evaluators clarify and take into account the diversity of interests and values that may be related to the general and public welfare.

As noted above, the cross-cutting considerations of most immediate relevance to this review are human rights, gender equity and relationships with NGOs. Inadequate consideration of matters related to gender equity has already been identified as a risk (see Section 10). It will be mitigated by requesting and following the advice and guidance from gender equity advisors in NZAID. In addition, the key evaluation questions (Section 5.2), the interview questions (Annex 5) and the EEP (Annex 6) show how information relevant to the cross-cutting issues will be gathered and analysed.

Annex 4

Cross-cutting and Ethical Considerations

Cross-cutting considerations of most immediate relevance to this review are human rights, gender equity and relationships with NGOs.

Human Rights

Human rights considerations are an integral element of all aspects of the project management cycle, from appraisal to evaluation and impact assessment. Moreover, NZAID requires that all staff and contractors working in and for NZAID have an understanding and awareness of human rights appropriate for their work, and that they put these into practice. NZAID's Human Rights Policy sets out the rationale for integrating human rights into NZAID's organisational culture as well as into all of NZAID's policies, strategies, programmes and processes. NZAID addresses poverty reduction both as a human rights issue as well as a development issue. Thus integrating human rights and development requires bringing together the standards and principles of human rights with the plans, policies and processes of development.

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Gender Equity

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At the programming level, NZAID's strategic approach is to ensure that women's empowerment and gender equality are actively pursued in all development activities. New Zealand's special relationship with the Pacific underpins a core focus on advancing gender equality and women's empowerment in the region. As such, NZAID is committed to working with its Pacific partners to support full implementation of the Revised Pacific Platform for Action 2005-2015 and Pacific Plan Strategic Objective 8 on Improved Gender Equality

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Relationships with NGOs

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The latter are key partners in implementing the SGP-Pacific. As such, much of the current evaluation and review relates to assessing the effectiveness of relationships and NGO performance. Many of the assessment criteria in the EEP have this perspective.

Environmental Benefits and Impacts

Both members of the review team are conversant with NZAID's Environment Policy. It aims to ensure that environmental sustainability is integrated into all of NZAID's work and programmes. As such, much of the current evaluation and review relates to assessing the effectiveness of efforts to promote environmental protection and strengthen environmental governance as well as the capacity of the organisations undertaking these initiatives. Many of the assessment criteria in the EEP have this perspective. As required, the review team will undertake consultations with, and request advice and guidance from NZAID's Environment Advisor.

Conflict Prevention and Peace Building

Both members of the review team are conversant with the NZAID's policy that outlines its approach to preventing violent conflict and building peace, including the operating principles contain priorities for policy development and decision-making in both conflict prevention and peace building. As required, the review team will undertake consultations with, and request advice and guidance from conflict prevention and peace advisors in NZAID.

HIV / AIDS

It has long been well recognised that breaking the vicious cycle of poverty and ill health is an essential precondition for sustainable pro-poor development. The Millennium Development Goals are the globally agreed framework to progress poverty reduction. NZAID is committed to making sure the eight MDGs are reached by 2015, including MDG 6 - Combat HIV and AIDS, malaria and other diseases. NZAID's support to health is prioritised to reflect the principles of gender equality, poverty reduction, economic development and environmental sustainability. It focuses on respect, protection and fulfilment of the right to the highest attainable standard of health with consideration for key health issues and trends. NZAID's Health Strategy, 2008-2013, seeks to improve health for men, women and children in NZAID's partner countries with a particular focus on poor and vulnerable groups. The major focus of NZAID's assistance for health activities is to improve access to primary health care services and to strengthen health care systems.

Both members of the review team are familiar with NZAID's Health Strategy. Many of the assessment criteria in the EEP reflect the linkages between poverty, ill health and sustainable pro-poor development. As required, the review team will undertake consultations with, and request advice and guidance from health advisors in NZAID.

Ethical Considerations

The vulnerability and relative powerlessness of those reliant on SGP-Pacific for improvements in their quality of life will be respected in information collection and reporting. Participation in interviews will be voluntary. Participants will be informed at the start of

interviews about how the information they provide will be used, that information provided will not be attributed, that they need not answer any question and that they can withdraw from the interview at any time.

In the review report feedback and opinions will not be attributed to individuals. While the views of beneficiaries and key players will be discussed, every effort will be made to ensure that these are not able to be linked to individuals.

Both members of the review team will adhere to the guiding principles for the practice of evaluation developed by the American Evaluation Association. These guiding principles for evaluators identify the basic ethics that can be expected from an evaluator. They include:

- Systematic inquiry. Evaluators conduct systematic, data-based inquiries about whatever is being evaluated;
- Competence. Evaluators provide competent performance to stakeholders.
- Integrity/honesty. Evaluators ensure the honesty and integrity of the entire evaluation process;
- Respect for people. Evaluators respect the security, dignity, and self-worth of the respondents, program participants, clients, and other stakeholders with whom they interact; and
- Responsibilities for general and public welfare. Evaluators clarify and take into account the diversity of interests and values that may be related to the general and public welfare.

As noted above, the cross-cutting considerations of most immediate relevance to this review are human rights, gender equity and relationships with NGOs.

Annex 5

Focus Questions and Indicative Interview Questions

Re Review Objective Two, which is concerned with effectiveness, relevance and strengthening capacity for environmental governance:

- To what extent is the design and implementation of SGP-Pacific relevant to and aligned with:
 - NZAID's Mandate and Policy Settings and its Policy Statement and Strategic Outcomes in the areas of fulfilment of basic needs, sustainable livelihoods, and sustainable and equitable development, the 2006 Environment Policy, the draft NZAID Regional Natural Resources and Disaster Management Strategy (2008 – 2015) and other relevant policies and strategies?
 - The SGP's objectives of promoting outreach and awareness regarding global environmental concerns, building capacities of communities and NGOs to address these concerns, and providing a mechanism for demonstrating and disseminating community-level and community-led solutions to global environmental problems?
- To what extent has the Pacific component delivered the planned outputs and outcomes in ways consistent with good practice and policy compliance in terms of such cross-cutting and mainstreamed considerations as human rights, gender equity, accountability and transparency?
- To what extent has the Pacific component of the SGP, and especially its capacity building component, enhanced the capacity of the participating national non-governmental and community-based organisations to deliver the programme more effectively?

Re Review Objective Three, which is concerned with efficiency and implementation:

- Do the outputs and outcomes of the SGP-Pacific represent value for the resources invested?
- How efficiently has NZAID funding been delivered to the intended beneficiaries, especially the target communities?
- Considered especially from the point of view of PIC beneficiaries, is the SGP-Pacific the best practical mechanism for supporting community-level environmental initiatives in the Pacific, and for building national capacity for environmental governance?
- To what extent has the SGP-Pacific demonstrated good practice and policy compliance in terms of:
 - The cross-cutting and mainstreamed issues of human rights, gender equality, environmental impacts, conflict prevention, peace building and HIV / AIDS?
 - Financial management especially in relation to the narrative and financial accountability to NZAID, including quality of reporting, project management, risk management, acquittals from UNDP Country Offices provided to the CPMT for consolidation to NZAID, and whether funded projects meet NZAID funding criteria?
- Has the PEF Coordinator been able to make an effective and value-adding contribution to the Pacific component of the SGP and is there a rationale for providing such ongoing support?

Re Review Objective Four, which is concerned with documenting lessons learned and developing recommendations:

- What are the lessons learned with respect to such matters as:

- informing a revised strategic plan and operational framework for the Pacific component of the SGP?
- In-country project approval and management, including the process between project approval at the local level and the actual receipt of funds by the project?
- The appropriateness of NZAID's 4-tier contribution structure and formula-based support for capacity building and administration (as agreed in Addendum 1 September 2007)?
- Effectiveness of communications and relationship management between SGP-Pacific partners, including UNOPS, UNDP COs, CPMT, NZAID and the partnership Steering Committee?
- The process for setting UNDP management fees and whether the fees were sufficient to ensure the project was managed effectively and represents value for the resources invested by NZAID;
- What evidence-based and attributable recommendations can be made in relation to improving programme performance and guiding NZAID's decision making related to the ending of the current cost-sharing agreement, taking into account such matters as:
 - AusAID becoming a major donor to the SGP and other large donor commitments being made to support climate change related activities in the region;
 - The advantages and disadvantages of multilateral funding, such as GEF SGP, compared to other possible methods for delivering environmental benefits to communities and to build national capacity for environmental governance;
 - Options for future assistance (i.e. regional, national, local, co-funding, co-financing, trust funds) in the context of the range of existing regional mechanisms and donor support, and the Paris Declaration on Aid Effectiveness, in terms of harmonizing the UNDP-GEF, AUSAID and NZAID contributions to the SGP;
 - The needs for continued funding for capacity building and support that should be addressed in any future agreement;
 - How administrative costs might be reduced in any future funding agreement;
 - The relative merits of the direct execution (DEX) arrangements used by UNDP COs and the standard global UNOPS execution of the SGP, including the AUSAID CBA component;
 - Future support to UNDP/GEF as the implementing agency of the GEF SGP; and
 - The quality of support provided by SGP Sub-Regional Coordinating teams to their sub-regional countries.

Indicative Interview Questions

This annex presents indicative interview questions to be used at country and community levels, differentiating between key players and beneficiaries. It also presents indicative interview questions to be used in consultations with Posts and other key players at national, regional and global levels.

| |
|---|
| a) Key Players |
| To what extent has the SGP-Pacific, and especially its capacity building component, enhanced the capacity of you, and your organisation, to deliver the programme more effectively? [ask for specific examples, including what has changed] |
| To what extent has the Pacific component of the SGP delivered outcomes related to promoting outreach and awareness regarding global environmental concerns, and building capacities of communities and NGOs to address these concerns? [ask for specific examples, including what has changed] |
| How efficiently has NZAID funding been delivered to the intended beneficiaries, especially the target communities? |
| To what extent has the Pacific component of the SGP delivered outputs and outcomes in ways consistent with good practice and policy compliance in terms of such cross-cutting and mainstreamed considerations such as human rights, gender equity, accountability and transparency? [ask for specific examples] |

| |
|---|
| To what extent do the outputs and outcomes of the SGP-Pacific represent value for the resources invested? |
| Considered especially from the point of view of PIC beneficiaries, what are your views of the SGP-Pacific as a mechanism for supporting community-level environmental initiatives in the Pacific, and for building national capacity for environmental governance? |
| To what extent has the PEF Coordinator been able to make an effective and value-adding contribution to the Pacific component of the SGP? [ask for specific examples] |
| What are the arguments for and against continuing the position of PEF Coordinator? |
| Describe any lessons learned that can be used in preparing a revised strategic plan and operational framework for the Pacific component of the SGP |
| Describe any lessons learned regarding in-country project approval and management, including the process between project approval at the local level and the actual receipt of funds by the project |
| Describe any lessons learned regarding the appropriateness of NZAID's 4-tier contribution structure and formula-based support for capacity building and administration |
| Describe any lessons learned regarding the effectiveness of communications and relationship management between SGP-Pacific partners |
| b) Beneficiaries |
| To what extent has the SGP-Pacific, and especially its capacity building component, enhanced the capacity of you, and your community, to implement the project activities more effectively? [ask for specific examples, including what has changed] |
| How efficiently has NZAID funding been delivered to your community? |
| To what extent have you and your community planned for and undertaken the project in ways consistent with good practice in terms of such considerations such as human rights, gender equity, accountability and transparency? |
| To what extent do the outputs and outcomes of the SGP project represent value for the resources invested? [ask for specific examples] |
| What are your views of the SGP as a mechanism for supporting community-level environmental initiatives in the Pacific, including building capacity for environmental governance? [ask for specific examples, including what has changed] |
| To what extent has the PEF Coordinator made an effective and value-adding contribution to your project? [ask for specific examples] |
| What are the arguments for and against continuing the position of PEF Coordinator? |
| Describe any lessons learned regarding project approval and management, including the process between project approval at the local level and the actual receipt and expenditure of funds by the project. |
| Describe any lessons learned regarding the effectiveness of communications and relationship management in the SGP. |
| c) Key Players at Post and other Levels |
| To what extent has the Pacific component of the SGP delivered outcomes consistent with the SGP's overall objectives of promoting outreach and awareness regarding global environmental concerns, building capacities of communities and NGOs to address these concerns? [ask for specific examples, including what has changed] |
| How useful is the Pacific component as a mechanism for demonstrating and disseminating community-level and community-led solutions to global environmental problems? [ask for specific examples, including what has changed] |
| Has the Pacific component delivered outputs and outcomes in ways consistent with good practice and policy compliance in terms of such cross-cutting and mainstreamed considerations such as human rights, gender equity, accountability and transparency? |
| How efficiently has NZAID funding been delivered to the intended beneficiaries, especially the target communities? [ask for specific examples, including what has changed] |
| Has the Pacific component of the SGP, and especially its capacity building component, enhanced the capacity of the participating national non-governmental and community-based organisations to deliver the programme more effectively? [ask for specific examples, including what has changed] |
| To what extent has the PEF Coordinator been able to make an effective and value-adding contribution to the Pacific component of the SGP and is there a rationale for providing such ongoing support? [ask for specific examples] |
| Describe any lessons learned which could inform a revised strategic plan and operational framework for the Pacific component of the SGP. |
| Considered especially from the point of view of PIC beneficiaries, what are your views of the SGP as |

a mechanism for supporting community-level environmental initiatives in the Pacific, and for building national capacity for environmental governance? [ask for specific examples]

Annex 6

Revised Programme Logic for SGP-PEF

Goal

Socially, economically, and environmentally sustainable community development for poverty elimination in the Pacific region [unchanged]

Objectives of SGP PEF

- 1.To provide cost effective support for community development initiatives (PIC government agencies, local governments, NGOs and CBOs) promoting environmental protection, poverty elimination and sustainable livelihoods
- 2.To strengthen the capacity of those organisations undertaking these initiatives
- 3.To assist Pacific countries to fulfil obligations made under international environmental agreements

Planned Outputs

Year 1:

- PEF objectives integrated into the SGP country programme strategies
- NSCs and NFGs provided with information on the SGP-PEF and its funding requirements
- Disseminate SGP Operational Guidelines and PEF Manuals of Operation
- Financial management arrangements established in UNDP
- Technical support provided to countries

Year 2 and Year 3:

- SGP PEF programmes fully operational
- Support provided to countries for their PEF activities
- Funds dispersed to countries and to projects
- Progress reports on SGP-PEF activities

Intended Outcomes

- 1.1 Quality community level projects in all participating countries are adequately supported and making positive contributions to environmental protection and empowerment of local communities;
- 1.2 Effective project implementation and programme administration due to sound systems and appropriately qualified staffed;
- 1.3 Monitoring and financial accounting meet accepted performance standards
- 2.1 Appropriately qualified recruited national coordinators provide quality support for project implementation;
- 2.2 Communities able to access technical expertise for consultation and build capacity for implementation as a result of grants;
- 2.3 Capacity of all stakeholders improved as a result capacity building initiated by NCs using capacity building funds;

- 3.1 Projects contribute to meeting countries' obligations to the MEAs (CBD, UNFCCC, POPs, UNCCD);
- 3.2 Improved environmental protection and sustainable resource use as a result of community level best practices being replicated over time;
- 3.3 Partnerships and networks established through the SGP PEF functioning effectively

Annex 7. Findings of the Review of 22 SGP Projects in Fiji, Samoa, Cook Islands, Kiribati and Vanuatu

| Country | Samoa | | Project Title Rehabilitation of Degraded Quarry Land | | | | | | |
|--|----------------|---------------------------|--|---------------------|------------------------|--------------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Rehabilitation and landscaping of degraded land, due to high soil erosion and human activity | PEF | Site visit 2 males | \$50,000 | October, 2007 | \$12,642 | Not on track | Delayed | <ul style="list-style-type: none"> ▪ Little in-the-ground evidence of progress ▪ Planting, weeding and maintenance are ad hoc in the absence of the Rehabilitation Plan - this was to be one of the early outputs ▪ Intention is for quarry facility to be self funding via user pay fee | 4 |

| Country | Samoa | | Project Title Coral Restoration and Fish Stock Rehabilitation of Marine Reserve | | | | | | |
|--|----------------|---|---|---------------------|------------------------|----------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| To rehabilitate corals and fish stock by establishing a marine conservation area in Tafagamanu Village | PEF | Site visit 2 females and 4 males | \$16,600 | October, 2007 | \$9,781 | On track | Delayed | <ul style="list-style-type: none"> ▪ Training tour guides for eco-tourism, educational programmes for the village primary school; ▪ Emphasis on sustainable livelihoods - developed and established a business plan and strategy for tourist visits; ▪ Promoted and enhanced eco-tourism development; ▪ Replication occurring | 2 |

| Country | Samoa | | Project Title Extension to the Marine Biodiversity Conservation Project, Savaia Village | | | | | | |
|--|-----------------------|---------------------------|--|----------------------------|-------------------------------|-----------------|---------------|---|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Extend a village based, owned and operated marine protected area; marine resources are managed in a sustainable manner for the ongoing benefit of village people | PEF | Site visit 3 males | \$19,730 | May, 2008 | \$11,838 | On Track | Delayed | <ul style="list-style-type: none"> ▪ When reserve was originally established, coral cover was 20%, due to human pressures, cyclones etc; now the cover is around 98%; ▪ Now there are good catches near the boundary to the reserve; this provides a good supply of food for meetings, functions etc; ▪ Boys of the village provide maintenance as well as recovery; women are also involved in some activities; ▪ The village uses some of its own funds – gathered from fines; in collaboration with SGP, EU funds have been used for an ecotourism project (beach fales); ▪ Replication occurring | 1 |

| Country | Samoa | | Project Title Conservation and Replanting of Mangroves in Vaiusu | | | | | | |
|--|-----------------------|-----------------------------|---|----------------------------|-------------------------------|-----------------|---------------|--|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Replanting of the degraded Vaiusu Bay to improve the mangrove ecosystem biodiversity for food security and also to protect the community from storm surges | GEF | Site visit 4 females | \$19,230 | July, 2006 | \$11,538 | On track | Delayed | <ul style="list-style-type: none"> ▪ Significant delays due to project having many outputs with overlapping timelines and reliance on collaborating agencies; ▪ Delays to date also a result of late and incomplete reporting due to shortfalls in community capacity in several key areas; ▪ High level of community participation; ▪ Replication occurring | 3 |

| Country | Fiji | | Project Title Savakumi Forest Conservation Project | | | | | | |
|--|-----------------------|---|---|----------------------------|-------------------------------|-----------------|---------------|---------------------------|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Establishment of a Community Led Forest Park Reserve | PEF Planning Grant | Present ation and discussi on at SGP office 1 male | \$2,000 | August, 2009 | \$2,000 | Not on track | Delayed | No further action to date | 5 |

| Country | Fiji | | Project Title Extension and Consolidation of Marine Resources Management, NE Macauata Province | | | | | | |
|---|-----------------------|---|---|----------------------------|-------------------------------|-----------------|--------------------|--|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Community-based management of marine resources – project covers 32 villages in 4 districts of Macauata Province | PEF | Present at SGP office and discussion 1 male | \$45,300 | October, 2007 | \$40,770 | On track | Almost on schedule | <ul style="list-style-type: none"> ▪ Core project team and District Environment Committee established ▪ Conducted resource governance training for Environment Committee and a Women’s Group awareness workshop; ▪ Nurseries under construction to support food security, reforestation and income generation | 1 |

| Country | Fiji | | Project Title Cakaudrove Integrated Community Resource Management Project | | | | | | |
|--|----------------|--|---|---------------------|------------------------|----------|--------------------|--|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Demonstration and capacity building project in integrated ecosystem management | PEF | Presentation at SGP office and discussion at USP | \$44,500 | October, 2007 | \$40,050 | On track | Almost on schedule | <ul style="list-style-type: none"> ▪ Established alternative livelihood projects based around sea cucumber culture, fish pond projects, seaweed farming, pearl farming, giant clam restoration, bird watching, bee keeping and micro-finance projects; ▪ Other resource management initiatives have evolved from this project, including sustainable forest management and climate change adaptation programmes; ▪ Youth involvement through drama and expression of nature | 1 |

| Country | Fiji | | Project Title Conserving Mount Nabukelevu, an Important Bird Area | | | | | | |
|---|----------------|--|---|---------------------|------------------------|----------|--------------------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Key Achievements | Rating |
| Takes an integrated approach to resource management by implementing sustainable land management practices on sloping agricultural lands | PEF | Presentation and discussion at SGP office 2 males | 47,230 | August, 2008 | \$28,338 | On track | Almost on schedule | <ul style="list-style-type: none"> ▪ Sustainable use of unproductive non-forested land; ▪ Community led native forest restoration in key areas, to maximize soil and water conservation; ▪ Ensuring the community has the capacity to continue post restoration project; ▪ Communities agreeing, developing and implementing a management plan for the area | 1 |

| Country | Fiji | | Project Title Driti Mangrove Fisheries Initiative | | | | | | |
|--|----------------|--|---|---------------------|------------------------|----------|--------------------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Reduce sediment levels through sustainable agriculture practices | PEF | Site visit as well as presentation and discussion at SGP office 4 males | \$33,885 | July, 2008 | \$20,331 | On track | Almost on schedule | <ul style="list-style-type: none"> ▪ Management Plan, operating nurseries, planted mangroves, planted river banks; ▪ Knowledge transferred to villages, and increased awareness in schools and village children; ▪ A community beginning to value sustainable fisheries and terrestrial environment; ▪ Increased sustainability of livelihoods, including income generation | 2 |

| Country | Fiji | | Project Title Community Natural Resource Management and Enhancement in Ono-i-Lau for Biodiversity Conservation and Sustainable Livelihoods | | | | | | |
|--|----------------|--|--|---------------------|------------------------|----------|--------------------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Establish a participatory community management programme to enhance local stakeholder capacity to implement community marine reserves through an integrated community natural resource and development management plan | GEF | Presentation and discussion at SGP office 3 males | \$42,500 | October, 2007 | \$42,500 | On track | Almost on schedule | <ul style="list-style-type: none"> ▪ Full participation of all 4 villages in Ono-i-Lau as well as Ono-I-Lau landowners living in Suva; ▪ Integrated community conservation activities and community development needs into an overarching, long-term community development plan; ▪ Identified existing and potential income generating opportunities; ▪ Awareness raising workshop related to climate change and its effect on biodiversity and a Youth Training for Awareness Programme. | 2 |

| Country | Cook Islands | | Project Title Conversion to Organic Aquaculture | | | | | | |
|---|-----------------------|--|--|----------------------------|-------------------------------|------------------|---------------|--|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| To reduce and eventually even eliminate chemical applications | PEF | Site visit 1 female and 2 males | \$32,000 | November, 2008 | \$28,800 | Largely on track | Delayed | <ul style="list-style-type: none"> ▪ Excellent progress and good buy-in from all stakeholders; ▪ Capacity of the CBO enhanced; ▪ Farmers educated in use of natural composting techniques; ▪ Eliminating exposure to POP toxins by farmers and consumers; ▪ Targets very ambitious and unreasonable to expect they will be fully achieved; ▪ Replication occurring | 2 |

| Country | Cook Islands | | Project Title Traditional Healing Practices and Biodiversity Conservation | | | | | | |
|--|-----------------------|-----------------------------|--|----------------------------|-------------------------------|------------------|---------------|---|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Assisting traditional healers to openly practice their traditional healing practices | GEF | Site visit 3 females | \$50,000 | September, 2009 | \$15,000 | Largely on track | Delayed | <ul style="list-style-type: none"> ▪ Originally based in Rarotonga, branches now established in 5 outer islands; ▪ Rare and endangered plant species with healing properties being re-established in villages, for use by traditional healer ▪ Women leading the initiatives, with benefits on lives and livelihoods | 3 |

| Country | Vanuatu | | Project Title: Ekipe Community improvement of environmental management, health, sanitation and fair sharing of labour on women and children | | | | | | |
|--|----------------|--------------------------------------|--|---------------------|------------------------|----------|---------|--|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Install water supply network for Ekipe village | GEF | Site visit 3 female 5 male | \$29,114 | April, 2008 | \$23,291 | On track | Delayed | <ul style="list-style-type: none"> ▪ Water supply network installed for village ▪ Environmental awareness programmes implemented for environmental health, hygiene and sanitation ▪ Improved capacity of Ekipe Health and Water Committee | 2 |

| Country | Vanuatu | | Project Title: Enhancing Community Management of Marine resources through monitoring in Vanuatu | | | | | | |
|--|----------------|--|--|---------------------|------------------------|----------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Enhancing community and reef owners capacity through survey and awareness raising to monitor and assess community reef resources and their habitat | GEF | Site visit: 3 female: 2 male: 15 students | \$25,948 | April, 2008 | \$23,360 | On track | On time | <ul style="list-style-type: none"> ▪ 2 years of reef monitoring ▪ 2 groups of students trained on reef check techniques | 2 |

| Country | Vanuatu | | Project Title Strengthening community capacity for sustainable management and protection of endangered species in TORBA and PENAMA Provinces | | | | | | |
|--|-----------------------|---|---|----------------------------|-------------------------------|-----------------|---------------|---------------------|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Community capacity building through surveys, training and awareness to ensure that Coconut Crab stock are secured for local community food and income generation | PEF | Discussions and review of documents in SGP office | \$37,090 | August, 2009 | None | Has not started | | | 5 |

| Country | Vanuatu | | Project Title Crab Bay Taboo Area Management Committee (AKTE) | | | | | | |
|---|-----------------------|---|--|----------------------------|-------------------------------|-----------------|---------------|--|---------------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Capacity building for communities to manage small scale eco-cultural tourism, and monitor the harvesting of marine resources. And further strengthen the traditional governance and resource management values that supports AKTE | GEF | Discussions and review of documents in SGP office | \$24,335 | July, 2008 | \$8,000 | Not on track | Delayed | Delay in disbursement of funds has lead to delay in implementation | 5 |

| Country | Project Title: Akhamb Community Energy Project | | | | | | | | |
|---|--|---|-------------------|---------------------|------------------------|----------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Provide renewable energy for lighting 7 public buildings and public awareness on climate change | GEF | Discussions and review of documents in SGP office | \$37,630 | February, 2009 | \$9,407 | On track | Delayed | <ul style="list-style-type: none"> ▪ Awareness programmes conducted ▪ Delay in fund disbursements has lead to delay in project implementation | 3 |

| Country | Project Title: Strengthening local community capacity for protection and sustainable management of endangered species in SANMA Province | | | | | | | | |
|--|---|---|-------------------|---------------------|------------------------|----------|--------|--------------|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Sustainable management of coconut crab in SANMA Province | GEF | Discussions and review of documents in SGP office | \$41,400 | August, 2009 | Nil | | | | 5 |

| Country | Kiribati | | Project Title: Gascony Parish Community: Rehabilitation and sustainable management of coastal wetlands | | | | | | |
|--------------------------------------|----------------|------------------|--|---------------------|------------------------|--------------|---------|--------------------------|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Replanting mangroves in coastal area | PEF | Site visit | \$50,000 | July, 2009 | \$12,500 | Not on track | Delayed | Small replanting started | 4 |

| Country | Kiribati | | Project Title: Community Sanitation and Water Supply Management and Enhancement at Buota Village, North Tarawa. | | | | | | |
|--|----------------|--------------------------------------|---|---------------------|------------------------|----------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Improving water supply for the school and community and reducing pollution into the groundwater aquifer and marine environment | GEF | Site visit 2 female 2 male | \$44,117 | July, 2008 | \$33,088 | On track | Delayed | Completed toilet facilities and water tanks | 3 |

| Country | Kiribati | | Project Title: Maurin Kiribati | | | | | | |
|---|----------------|------------------------------------|--------------------------------|---------------------|------------------------|--------------|---------|--|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Restoration of traditional medicinal plants | GEF | Site visit No one available | \$36,233 | August, 2008 | \$9,058 | Not on track | Unknown | No work has been undertaken at the project sites | 5 |

| Country | Kiribati | | Project Title: Sacred Heart High School: sanitation and water supply sustainable management | | | | | | |
|---|----------------|----------------------------|---|---------------------|------------------------|----------|---------|---|--------|
| Description | Funding Source | Nature of Review | Grant Value (USD) | Date Grant Approved | Amount Disbursed (USD) | Delivery | Timing | Achievements | Rating |
| Building toilet facilities at the school and water supply from underground water lens | GEF | Site visit 2 female | \$50,000 | July, 2009 | \$12,500 | On track | Delayed | <ul style="list-style-type: none"> ▪ Awaiting supply of materials from overseas; ▪ Wider community is fully behind the school programme - now prompting other schools and communities to replicate the activities within their areas. | 4 |

Notes:

Delivery: the likelihood that the intended outputs and/or outcomes will be delivered, regardless of timing; “on track” also includes projects almost on track

Timing: the likelihood that intended outputs and/or outcomes will be delivered on time; “on time” also includes “almost on time”

Rating: based on achievements, delivery and timing; 1 represents significant achievements, delivery on track and on schedule; 5 represents nothing achieved to date, and unlikely to be achieved in the foreseeable future

Annex 8

Example of Recent Unscheduled Reporting Request

From: Delfin Ganapin [delfin.ganapin@undp.org]
Sent: Wednesday, March 17, 2010 10:52 AM
To: SGP NCs; SGP PAs
Cc: SGP CPMT UNOPS
Subject: Urgent: Need KM Materials for GEF Assembly

URGENT: For Immediate Action

Dear SGP Family,

This coming May 24-28 is the GEF Assembly in Punta del Este, Uruguay. This is very important for us. The GEF CEO and the GEFSEC themselves have made it a point that we must strongly showcase the successful work that all SGP country programmes have been able to accomplish. The Assembly is where all the key country officials from both recipient and donor countries meet to decide on key GEF policies and strategies. **If SGP is to get the high core and STAR funding we need for GEF-5, then we have to enhance and update the understanding of the GEF Assembly on the importance of the work we do in SGP.**

SGP has been allotted space in the GEF Assembly venue to share the work we are doing and for this reason we would like to request you to send to us as fast as possible the following:

1. **Posters-** We need **good posters** to display in the booths.
2. **SGP Corporate Video-** SGP will develop a corporate SGP video that showcase the global work of the communities. For this reason we would like to request your assistance in submitting to us:
 - a. **SGP Video and picture materials** –all the **videos and pictures** you and your grantees have developed so we could use it to put together the video. If you have **quotes** of government, GEF, or UNDP representatives or other personalities that have visited your projects and have positive quotes on the work of SGP, **please send them our way** as well, along with the picture of the official.
 - b. **Testimonials/Interviews-** In addition, we would like to have **testimonials** of the work of SGP from different stakeholders like Operational Focal points of the government, SGP NSC members, high government officials, environmental leaders that know the work of SGP and most importantly SGP community leaders. Therefore, **we want to request that each of you select a stakeholder and ask them if they can give their testimony on the work of SGP (at the country, community or global level) and send it to us ASAP.** For this purpose you can use Digital cameras or video cameras with high resolution.
3. **Side Event-** For this we are planning on a video that showcase snapshots of the many projects SGP had supported together with a panel discussion involving a government official, an NGO/CBO network leader and an indigenous and/or women community leader. Given this unique opportunity to show our work in an official Assembly side event, we would like to request you to submit your ideas on how your country programme's work can best be presented. **If you know of an**

NGO/CBO network leader or an indigenous and/or women community leader from your country that is very articulate and good speaker please send their name and address for contact to us within the next two weeks.

4. **Country Snapshot:** As an opportunity to improve our website and give a better idea of the work that is happening in each country. We will soon be adding a few fields in the database to be filled with specific country information, rather than project specific that can give our audience a more complete picture of our global and local work. **Please be ready to submit a brief summary of your country programme, as well as a key lessons learned and examples of replication/scaling up cases.** We will send you another email shortly announcing these new features.
5. **Photo stories:** We have been piloting the use of a free Photo story software that allows the communities and Country Programmes to present a successful story of an SGP project by using pictures, captions and a narration to create a short video. We will be requesting **all of you to produce at least one photo story of a project that we can display at the Assembly** so that when any government delegation comes to our booth, they can click on a SGP success story from their country. We will be sending a separate email regarding this key component of SGP's global portfolio representation at the Assembly.
6. **Participation at the Assembly** – Your presence in the Assembly will be an advantage for our efforts. But as we have serious budgetary constraints, you have to **find support from partner donors** (where you can present the partnership you have with them in a side event we can arrange) **or perhaps be part of the Government Delegation** (we have had several NCs invited in previous meetings to be part of the government delegation as advisers). Please let us know if you succeed in becoming a sponsored participant as we are trying to see how many from the SGP family can be at the Assembly.

Please send all materials and ideas to our **Knowledge Management Facilitator Ana Maria Currea** at ana.maria.currea@undp.org by **APRIL 2, 2009**. For the video testimonials, please communicate with her and specify which stakeholder you will interview and by when do you think you can send the video. **Ana Maria will be persistently following up each one of you. Please give her your utmost attention and support on this very important effort.**

Again, note that this a great opportunity to show the work we are doing and to have a global SGP family presentation that we can show to all our partners and communities.

We hope to hear from you and receive the materials as requested above soon.

Delfin

Annex 9

Possible Scope of Work for the SGP Regional Technical Advisor for the Pacific

The Technical Advisor would provide support to all three partners in SGP Pacific, namely UNDP-GEF, NZAID and AusAID. The Advisor will have delegated authority from the Global Manager to address issues as they arise, with respect to the following areas of work:

- Coordinating capacity building initiatives;
- Supporting contracting of other technical inputs (e.g. AusAID has budgeted for additional technical inputs as part of MAP CBA);
- Finalising reporting templates;
- Ensuring timely delivery of regional reporting to donors and the Steering Committee;
- Development of management frameworks and ensuring staff are advised on process;
- Developing a suit of regional case studies;
- Documenting lessons learnt;
- Coordinating development of a regional website;
- Analysing regional reporting and ensuring submission of regional technical reports to partners in a timely manner (including MAP CBA updates, LTA monitoring and other regional reporting as appropriate).
- Timely appraisal of National Host Institution capacity;
- Working with SRC / NC/ NFPs to build NHI capacity;
- Assuming recruitment and staff induction responsibilities following standard SGP procedures;
- Supporting staff to build the capacity of NSCs and NFGs;
- Monitoring disbursement and contract approval processes;
- Working with the UNDP MCOs to address process issues;
- Ensuring funds are allocated and available at the start of each financial year;
- Overseeing annual SGP work planning for final approval by CPMT;
- Ensuring key outputs of Steering Committee meetings are delivered;
- Ensuring SRCs have the necessary resourcing to visit each sub-regional country twice a year;
- Being a regional coordination point for knowledge networks and resources (AusAID Knowledge Platform, UNDP initiatives, academic institutions etc.);
- Monitoring the quality of project applications and outputs; and
- Addressing staff performance issues.

Annex 10

Comparison Execution Modalities and Fees

Comparisons between the DEX system, including its overheads, as compared with UNOPS is a critical issue for the Review to address more directly. Under the CSA NZAID paid 6% in agency fees. This did not reach the level usually required for comprehensive coverage of all relevant oversight and execution needs by UNDP. In the SGP Global Programme for OP4, UNDP traditionally receives 4% in fees and UNOPS 6%.

The matter of fees will need to be revisited in detail for the second phase of the PEF. Under current GEF policy, UNDP would ask for a fee of 10% for administration while with UNOPS execution it would ask for 6% and UNDP would request 4%. However, in the next CSA UNOPS and the associated UNDP management costs should be established on the basis of services and cost efficiency rather than on the basis of a stated percentage of the PEF contribution.