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Agenda Item 11

**SEMI-ANNUAL EVALUATION REPORT OF THE
INDEPENDENT EVALUATION OFFICE: NOVEMBER 2018**

(Prepared by the Independent Evaluation Office of the GEF)

Recommended Council Decision

Regarding the Semi-Annual Evaluation Report of the Independent Evaluation Office.

The Council, having reviewed the “Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: November 2018,” endorses the recommendations of the evaluations included. The Council endorses the proposal for the peer review of the Independent Evaluation Office.

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EXECUTIVE SUMMARY

1. This Semi-Annual Evaluation report summarizes the key conclusions from the study on additionality and the two evaluations completed between July 2018 and November 2018, provided in full in the information documents listed below. The document also includes an update on ongoing evaluations and on the knowledge management activities of the Office.

- GEF/ME/C.55/Inf. 01, An Evaluative Approach to Assessing GEF's Additionality
- GEF/ME/C.55/Inf. 02, Evaluation of GEF's Support to Mainstreaming Biodiversity
- GEF/ME/C.55/Inf. 03, Evaluation of the GEF-UNIDO Global Cleantech Innovation Programme

I. INTRODUCTION

1. This Semi-Annual Evaluation Report (SAER) presents a brief summary of the conclusions of the evaluations completed by the IEO during the reporting period June-November 2018. These include a study and a proposed evaluation framework for GEF's additionality, the evaluation of GEF support to Biodiversity Mainstreaming, and the evaluation of the GEF-UNIDO Global Cleantech Innovation Programme. The proposed Council decision pertaining to the recommendations of the evaluations is also included, as is the Council decision on the proposal for the Third Peer Review of the IEO. Finally, this report includes an update on the knowledge management activities of the IEO. The full evaluation reports of the three completed evaluations are included as information documents.

II. COMPLETED EVALUATIONS

An Evaluative Approach to Assessing GEF's Additionality

2. **A central concern for the GEF, as it is for other development institutions, is the attribution of its support to environmental impact.** Most development institutions, whether they fund programs directly, or through other implementing agencies, focus on increasing the total flow of resources going towards a particular cause. A frequent concern that is raised regards the additionality that is generated by multilateral development banks and other development institutions. Did their funds displace (crowded out) other funding that would have materialized? Equally important, what outcomes can truly be attributed to the additional funding, and what part of the outcomes would have happened even without additional funding?

3. **For the GEF, these considerations were at the outset addressed through the incremental cost approach.** The GEF has adopted the incremental cost as its fundamental operational principle since 1994. The aim was to ensure that GEF funds do not substitute for existing development finance but provide additional funding to produce agreed GEBs. However, the evaluation by the GEF's Independent Evaluation Office (GEF-IEO) of the incremental cost approach (2006) found that it added little to the operational aspects of project preparation, was often poorly understood in its concept, and at times could even lead to operational modifications that ran counter to other global environmental benefits or good development practices.

4. **The incremental cost reasoning often remains generic and a portfolio analysis indicates that quantitative environmental indicators baseline information is absent in more than a third of the documents.** A portfolio review reveals the difficulties in finding the evidence of GEF's planned additionality in the section on incremental cost reasoning because the explanation remains generic and often does not include baseline data. Seventy-two percent of the projects reviewed included explanations of incremental reasoning in the project appraisal document. Yet, 40 percent of the projects had no quantitative environmental baseline in the request for CEO endorsement or project appraisal document. There is also limited common understanding of additionality beyond the specific global environmental benefits. The portfolio

analysis also suggests that a narrow look at the incremental cost approach is significantly under-estimating the contributions made by the GEF.

5. **The academic interest in examining and broadening the concept of additionality is also expanding.** Based on a review of the academic literature, it seems evident that the trend for measuring additionality points in the direction of a broader understanding that places increasing emphasis on development outcomes. Several authors and institutions have also looked at defining additionality around types of additionality, recognizing that in the development context, not all benefits are derived purely from the achievement of narrowly defined project objectives. For example, Gillenwater (2012) in his work consolidated 23 variations of additionality in the climate policy literature.¹

6. **Recognizing the need for a more robust evaluative approach to assessing the GEF's environmental and other additionalities, and drawing on the recent literature, this paper proposes a framework that builds on the evolving nature of the GEF portfolio and policies to capture GEF's results.** The proposed approach to assessing additionality aims to align the additionality concept with GEF's current strategies and practices. In doing so, it seeks to build on the current results architecture for the GEF and the practice that many projects have already followed in their design. At the same time, the framework challenges projects from the design stage through completion to retain a clear focus on articulating how the GEF-funding enables greater impact. The aim is to provide a systematic structure for capturing GEF's ways of generating additionality, while staying true to the basic principle of demonstrating the incremental contribution that is provided by having the GEF support the operational programs of implementing agencies.

Six areas of Additionality are proposed.

Six Areas of GEF's Additionality

GEF's Additionality	Description	Additionality Question
Specific Environmental Additionality	The GEF provides a wide range of value added interventions/services to achieve Global Environmental Benefits (e.g. CO2 reduction, Reduction/avoidance of emission of POPs).	Has the project generated the Global Environmental Benefits that would not have happened without GEF's intervention?

¹ Gillenwater, Michael.2012. "What is Additionality? Part1: A Long-Standing Program". GHG Management Institute, Discussion Paper 1.

Legal/Regulatory Additionality	The GEF helps stakeholders in generating transformational change through sustainable environmental legal /regulatory forms.	Has the project led to legal or regulatory reforms that would not have occurred in the absence of the project?
Institutional Additionality/Governance additionality	The GEF provides support to strengthen existing institutions.	Have institutions been strengthened to provide a supportive environment for achievement and measurement of environmental impact as a result of the project?
Financial Additionality	The GEF provides incremental financing which is associated with transforming a project with national/local benefits into one with global environmental benefits.	Has the involvement of the GEF led to greater flows of financing than would otherwise have been the case from private or public sector sources?
Socio-Economic Additionality	The GEF helps society improve their livelihood and social benefits through GEF activities.	Can improvements in living standards among population groups affected by environmental conditions be attributed to the GEF contribution?
Innovation Additionality	The GEF provides efficient/sustainable technology and knowledge to overcome the existing social norm/barrier/practice for developing a bankable project.	Has the GEF involvement led to fast adoption of new technologies, or the demonstration of market-readiness for technologies that had not previously demonstrated their market viability?

Conclusions

7. **The broader approach to additionality developed in this paper would strengthen GEF's results-based approach in the GEF-7 programming directions.** With GEF-7, the evolution of the GEF results architecture clearly indicates a shift towards evidence-based decision making and learning. The challenge remains, however, that in some cases, project intentions are ahead of monitoring and evaluation requirements, while for a significant number of projects the intentions to leverage the GEF's capabilities for broader impact are difficult to discern.² In developing an updated additionality framework, one significant task is to give structure to the ways in which additionality in a GEF project manifests itself.

8. This paper is not proposing additional core indicators which implementing agencies need to monitor and report on during the project implementation phase. However, to do justice to future assessments of the GEF's additionality, it is essential that project documentation at the concept and design stage, as well as at the completion stage, provide adequate evidence and data for sound evaluation.

9. **Measurement and evidence on achievement of outcomes will be instrumental in demonstrating additionality.** The rigorous implementation of actions leading to outcomes beyond direct environmental benefits will, in future, form the basis for more in-depth evaluations by GEF-IEO and provide evidence of the additionality that is provided by the GEF's participation in projects. To the extent that areas of additionality are part of project outcomes, the expectation is, as with any other outcomes, that the project evaluation will provide evidence on the achievement of outcomes. However, unlike with the core indicators defined for environmental benefits, the measure for achievement of the outcome in areas such as regulatory reform will depend on the definition of the change that was expected to be accomplished through the GEF's participation.

Recommendation

10. The Council endorses the application of this broader approach to assess GEF's additionality in IEO evaluations. This will be reflected in the Evaluation Policy and in an update to the Terminal Evaluation Guidelines.

Evaluation of GEF's Support to Mainstreaming Biodiversity

11. **This is the first stand-alone evaluation of the Global Environment Facility's (GEF's) support to mainstreaming biodiversity interventions.** The purpose of this evaluation is to assess the overall performance and effectiveness of GEF biodiversity mainstreaming projects drawing on the portfolio, and on in-depth case studies conducted in Colombia, India and South Africa. The study is based on the evaluative evidence drawn from the portfolio analysis of 471 biodiversity mainstreaming related projects, and three country case studies, covering the period from GEF3 through GEF6. The three countries selected for the case studies are at

² The evolution of the GEF Results Architecture is fully captured in "Updated GEF-7 Results Architecture" that was prepared for the 2018 GEF Assembly.

different stages of the mainstreaming process in addressing the drivers of biodiversity loss. They were selected based on the portfolio analysis which shows these three countries were in the top seven in terms of the number of GEF projects and grant amounts. These countries have also had long-term complementary interlinked projects over the GEF phases and are representative of the opportunities and challenges faced by the GEF, and its national and international partners, in conserving biodiversity of global importance.

12. The GEF Biodiversity Mainstreaming portfolio is composed of 471 projects amounting to \$2.34 billion in grants and \$12.73 billion in co-financing. The number of biodiversity mainstreaming projects and levels of grant funding have been relatively consistent between GEF-3 and GEF-5, followed by a small increase in the number of projects and a slight decrease in the total grant funding under GEF-6. There were steady increases in the co-financing ratio achieved at the portfolio level, reaching 1:6 during GEF-6 in line with the target set by the GEF co-financing policy. The mainstreaming portfolio has increased substantially in GEF-6 from previous replenishment periods; 51 percent of projects with 55 percent of the funding have mainstreaming components.

13. The regional distribution of biodiversity mainstreaming support is generally consistent with that of the world's globally-significant biodiversity. Throughout successive cycles, GEF biodiversity mainstreaming support has been focused on the Asia-Pacific and Latin America & Caribbean regions, followed by Africa. As of June 2018, the largest number of GEF projects supporting biodiversity mainstreaming is in Latin America (140 or 30% of projects) closely followed by Asia and Pacific (129 or 27% projects), and Africa (110 or 23% projects); whereas 46 projects were based in the Europe and Central Asia region. 73 percent of mainstreaming interventions focus on encouraging inclusion of biodiversity-friendly activities in production practices and over half of the projects with mainstreaming biodiversity objectives are implemented in the forestry and agriculture sectors.

Findings and Conclusions

Relevance

14. The GEF's biodiversity mainstreaming portfolio has played a significant role in the implementation of the global convention for the Conservation of Biological Diversity (CBD) and its member countries. The GEF has been instrumental in supporting national policy reform and planning frameworks that promote biodiversity considerations across sectors and territories.

Project Design

15. Projects are explicitly designed to address recognized threats to biodiversity. In most cases, the reviewed projects had components and activities to address recognized threats to biodiversity with the aim of mitigating their effects on biodiversity of global importance. This is being pursued through diverse approaches that include the extension of landscape management practices, agroforestry and sustainable production systems, and biological connectivity linking vulnerable forests to protected areas. Implementation strategies are integrative and multi-tiered in their approach. Findings of applied research, field

demonstrations and extension have been transferred to senior sector and government levels, for transforming productive models and informing policy decisions.

Performance

16. **Most of the GEF projects have successfully elevated biodiversity conservation to targeted sectors, institutions, policies and territories with globally significant biodiversity.** A smaller number of projects and national partners are successfully accelerating biodiversity mainstreaming across sectors, institutions and territories. There are fewer cases of accelerated mainstreaming, by which mainstreaming processes gain in scale and momentum, and begin to have effect at systemic levels. The acceleration of mainstreaming to a broader range and scale of actors involves incremental processes that build over time and exceed the lifespan of most projects. This is also influenced by external factors – the capacity and commitment of national partners, governance cycles and political junctures, resource availability, competing sector priorities – that fall outside the influence of most projects. As a result, many projects may require continuity into successive cycles to accelerate mainstreaming processes that enable the achievement of expected outcomes.

17. **Similar positive influences and challenges affect outcomes in the biodiversity conservation and mainstreaming projects across the three countries.** While the challenges are largely determined by specific national or landscape contexts, successful mainstreaming is ultimately influenced by the interaction of economic and environmental interests, institutional monitoring and enforcement capacities, and communications and outreach capabilities. Other positive features that facilitate mainstreaming include the presence of preconditions such as well-developed policy and regulatory frameworks for biodiversity conservation, recognized and capable scientific-research institutions and expertise, and favorable political junctures. Mainstreaming efforts are more successful when there are strong government champions who cut across organizational “silos”.

18. **The potential for biodiversity mainstreaming is conditioned to a large extent by intervening factors that encompass project effectiveness and efficiency, the commitment of national partners, and externalities outside the project’s control.** The progress achieved in mainstreaming biodiversity is directly influenced by intervening factors that are directly related to the project’s implementation performance – efficiency, timely output delivery, monitoring and adaptive management - as well as external to the immediate project context, i.e. national capacities and institutional commitment, governance cycles, political and policy junctures. The implementation of several projects in projects in the three countries was negatively impacted by late approvals and start-up, recruitment delays, and/or low partner capabilities and responsiveness.

Additionality

19. **The GEF biodiversity mainstreaming portfolio has contributed to legal-environmental, regulatory, governance, and socio-economic additionalities going beyond incremental cost benefits.** These include innovative approaches based on multi-stakeholder partnerships that link “grassroots” organizations to regional research institutions, advocacy platforms and

national environmental authorities. Landscape management practices are validated on the ground and have been elevated to influence national policy and legislative-regulatory reforms. Several projects have contributed to landmark biodiversity legislation, transformed core institutional/sector practices, and resulted in measurable conservation impacts in forest cover, pasture and other biodiversity indicators. However, capturing other additionalities such as socio-economic and environmental impacts deriving from the GEF's support for biodiversity mainstreaming in productive landscapes and seascapes is a challenge.

Theory of Change, and Monitoring and Evaluation

20. **The GEF's Theory of Change for mainstreaming biodiversity is validated by the empirical experience of projects and provides a sound conceptual basis for their design and evaluation.** The GEF's Theory of Change model for biodiversity mainstreaming is validated by project experiences in diverse contexts and is reflected in programming trends over successive cycles. The underlying problems that were identified by the GEF Secretariat in collaboration with GEF partners and internal and external experts such as loss of habitat in productive landscapes and seascapes and decline of globally-significant biodiversity outside protected areas, have been addressed with greater attention being given (and resources invested) to biodiversity conservation in production landscapes and seascapes. The ToC is further supported by the correspondence of its expected outcomes with those of the projects that were reviewed.

21. **The TOC needs to be adapted during project implementation.** The GEF ToC clearly recognizes the dynamic and nonlinear process of mainstreaming. Projects need to account for this non-linearity in implementation and recognize the need for dynamic adjustments. For example, projects with policy and regulatory change requirements need to be cognizant of changes in government legislative priorities or in champions of reforms.

22. **The current monitoring and evaluation framework for GEF biodiversity projects does not appear to focus sufficiently on quantitative measures and on outcomes and impacts.** Conventional project monitoring practices are generally limited in scope to measure changes in habitat quality, forest cover, vegetation productivity, land use, species richness and evenness, or other indicators that offer insight on the state of biodiversity. Longer-term effects are even more difficult to track unless capacities exist at the country level, once technical activities are completed, and the budget is closed. Although considerable effort has been invested in the design of M&E frameworks and SMART indicators, project indicators tend to remain qualitative instead of quantitative, with inconsistent baselines that often rely on secondary data or are drawn from sources that apply different criteria and timelines, undermining a reliable tracking of changes over time.

23. **The GEF-7 core indicators and sub-indicators are a move in the right direction but not adequate.** While the hierarchical indicators used are more efficient and relevant in line with earlier IEO recommendations, they are not adequate to capture the socio-economic benefits, financial flows, and policy and regulatory reforms influenced by GEF interventions. The biodiversity mainstreaming indicators heavily rely on qualitative measurements and area estimates. There is also an ambiguity about the requirement on collection of spatially explicit

boundary information. In addition, there is a need to measure socio-economic benefits influenced by GEF interventions along with biodiversity-based indicators since mainstreaming projects often involve the need to balance trade-offs between socio-economic benefits and environmental impacts.

Recommendations

24. Recommendation 1: Design mainstreaming interventions with a longer-term perspective and a resource envelope to ensure sustainability. Sustainability of biodiversity mainstreaming depends on programming for multiple phases and accompanied financing as standard project durations are often insufficient to enable ecological change, build baseline capacity, influence institutional mind sets, and change behavior. Mainstreaming interventions, including the most straightforward activities such as spatial and land-use planning, depend on the presence of suitable pre-conditions, and involve iterative processes. While GEF's TOC and the GEF 7- strategy reflects this understanding, agencies should design projects with a longer-term perspective and systematically apply the TOC. Countries should explore sources of innovative financing including private and public- sector contributions to support long-term transformation processes which biodiversity mainstreaming interventions require.

25. Recommendation 2: Improve and Strengthen M&E design and implementation. Indicators at the project and portfolio level should capture environmental, socio-economic, financial and policy and regulatory outcomes, to assess performance and for assessing benefits and trade-offs, and for adaptive management. Quantitative measurements of bio-physical and socio-economic impacts are required to complement existing qualitative assessments. Measuring changes in biophysical attributes requires knowledge of the spatially explicit delineated boundaries. IT based solutions can be used to accomplish this based on GEF experience supporting similar initiatives. Biodiversity mainstreaming projects are time-intensive and assessing their outcomes and contributions in terms of incremental transformations presents a major challenge during project lifetime. To some extent, this can be overcome by in-depth assessments at post completion for groups of projects that address common issues and apply comparable approaches, or in countries which have a series of mainstreaming interventions over time.

26. Recommendation 3: The GEF should continue to leverage its convening power to improve policy design and process and strengthen inter-ministerial and inter-sectoral collaboration. In the context of countries allocating more resources to biodiversity mainstreaming and their evolving priorities, GEF should continue to leverage its convening power to bring together different actors within governments, council members, funders, policy leaders and partners to strengthen the policy process and build capacity. The GEF should work with countries and implementing partners to actively strengthen collaboration across relevant ministries and sectors. While such collaborations enable engagement with a broad range of stakeholders, these partnerships also help address externalities such as market shocks, land tenure insecurity, political discontinuity, conflict, natural disasters and climate change risks.

27. Recommendation 4: Include a systematic analysis of associated benefits and trade-offs in project design. Project designs should include provisions for systematic analysis of benefits

and tradeoffs of socio- economic and ecological outcomes, both ex-ante and ex-post, associated with biodiversity mainstreaming interventions. Due consideration should be given to transitional costs and short term socioeconomic trade-offs that may precede benefits.

Evaluation of the GEF-UNIDO Global Cleantech Innovation Programme

28. **The Global Environment Facility has a long history of engagement with the private sector³.** The Global Environment Facility-United Nations Industrial Development Organization (GEF-UNIDO) Global Cleantech Innovation Programme (GCIP) is a major initiative under Modality 3 of the GEF-5 Revised Private Sector Strategy⁴.

29. **The GCIP is one example of GEF's support to development of small and medium enterprises (SMEs).** SMEs are, by definition, modest in size and constitute the backbone of developing economies where they account for the majority of employment and jobs created. Under the GCIP, support was focused on SMEs developing clean technologies and solutions that can deliver global environmental benefits (GEBs).

30. **As part of the GEF Independent Evaluation Office's evaluations of GEF's engagement with the private sector, this report presents a summary of results of an independent evaluation of the GCIP.** Labelled as a global *program*, UNIDO developed GCIP as 9 separate national level projects. Six of the countries had completed implementation at the time of evaluation (Armenia, Malaysia, India, Pakistan, South Africa and Turkey). Information from GCIP projects underway in Thailand, Morocco, and Ukraine was also considered in the evaluation.

31. **The purpose of the GCIP was to remove/mitigate barriers to functioning national cleantech entrepreneurial ecosystems.** Projects identified the most-promising cleantech innovators in a country through a competition-based Accelerator and delivered business development training. Cleantech Open, a Silicon Valley Accelerator was UNIDO's 'knowledge partner' and delivered all the training in GCIP countries. GCIP projects were also expected to strengthen policies, capacities, institutional frameworks, and solidify support from co-sponsors and sustain the competition-based Accelerator.

32. **In 2013, GCIP was launched in Armenia, India, Malaysia, Pakistan, South Africa and Turkey. Morocco and Thailand joined in 2016.** The concept for a Ukraine GCIP with an accompanying Project Preparation Grant (PPG) was approved in August 2017. The CEO project approval came in October 2018. All are "smaller", i.e. Medium-Size Projects (MSPs) planned to run for 3 years with a target of 2-3 annual competition-based Accelerator cycles.

33. **Countries were selected primarily by their willingness to invest portions of their STAR allocation in GCIP which ensured the initiative was 'demand-driven' and confirmed country buy-in and relevance.** Thereafter, UNIDO's own institutional set up that could support a Project

³ The GEF has undertaken work with private sector engagement since 1996, when the first strategy for engaging the private sector was finalized based on a recognition that in order to bring about transformational change to the global environment, public and private sectors must work together.

⁴ [Revised Strategy for Enhancing Engagement with the Private Sector](#). GEF/C.41/09/Rev.01, 10 November 2011

Management Unit (PMU) and certain national conditions were considered positive factors for nurturing cleantech entrepreneurs, as was the ability to play a regional “hub” role. A balanced approach that considered country readiness as well as country demand was considered to increase the likelihood of sustainability.

34. **The total GEF grant is USD 11,130,426 for the 9 countries, co-financing is 2 to 8 times the GEF grant level in the beneficiary countries.** Although structured similarly, in response to national priorities, there was some variation in country implementation strategies—for example, in organization and technical maturity of startups at entry, focus on gender mainstreaming/social inclusion, translation of training materials into local languages. All projects were designed to have private sector contributions as a key pillar of project delivery.

35. **By the end of 2017, GCIP had supported 795 ‘semi-finalists’ across 8 countries⁵. Twenty-five (25%) percent of teams were led by women.** This is within the range for projects that set targets for female entrepreneurs (10-30% of entrants). An average of 32 startups per country benefitted from the business acceleration activities and inputs. At least 12 startups had success in gaining access to finance attributed to GCIP services. These investments ranged from USD 5,000 to USD 1.9 million.

36. In 2017, the majority of startups were active in the field of Energy Efficiency (26%) followed by Renewable Energy (23%), Waste to Energy (20%), Water Efficiency (20%), and through more recently-added categories of Green Building (10%), Transportation (1%), and Advanced Material (1%).

CONCLUSIONS

Conclusion 1: GCIP is highly relevant and will remain so as developing countries realize the economic and environmental opportunities to take up cleantech innovation as an engine of low-carbon growth.

37. GCIP projects are aligned with the mandates of GEF and UNIDO and national priorities and strategies for helping countries transition to low carbon economies. GCIP supported the development of national entrepreneurship ecosystems and fostered startups so that they may contribute to the creation of ‘green jobs’ in countries ranked⁶ lower in terms of having functioning cleantech innovation ecosystems. Institutional partners within the implementing

⁵ Not all national projects set targets for the number of teams/startups that would be supported. It is, therefore, difficult to put this number into context. Several countries set targets for number of *applicants* at 80-100 per annum (South Africa, Turkey, Pakistan and Thailand). South Africa explicitly set a target for support to “semi-finalist” startups (initially 40-50/year and then revised down to 20-25).

⁶ Ranking was undertaken by the Global Cleantech Innovation Index (GCII) which identifies countries with the greatest potential to produce startups that will commercialize clean technology innovations over the next 10 years. UNIDO/GEF partnered with GCII for the [GCII’s 2017 Report](#) which was undertaken several years after the selection of the 9 GCIP countries to investigate, relative to GDP, where cleantech companies are most likely to emerge and why.

countries have confirmed the value and relevance of the GCIP. Of the countries that implemented GCIP, 4 of these (Pakistan, South Africa, Thailand and Turkey) are planning to request support for a second phase under the GEF-7 cycle. Beneficiary startups have developed and advanced their cleantech ideas through project support. Going forward, the potential for cleantech SMEs in developing countries is estimated to be a USD 1.6 trillion market opportunity.

Conclusion 2: GCIP projects have meaningfully contributed to development of cleantech innovation ecosystems with improved performance over time through business acceleration support, capacity-building, and institutional strengthening. Effectiveness could have been improved through a more coordinated delivery, sufficient timeframe and adequate resourcing.

38. With the relatively limited resources of an MSP, all GCIP projects succeeded in promoting clean technology innovation by conducting annual competition-based acceleration activities. Startups benefited through the development of business skills and access to mentoring, new markets, and investment. The GCIP also delivered outcomes beyond the level of individual businesses. In Turkey, Pakistan, and South Africa, the projects' host institutions further established platforms with relevant organizations to assure the continued organization of the competition-based Accelerator.

39. Global coordination was implicitly indicated in project documents, however without a specific budget for this management activity. Cross-country scrutiny would have been more naturally carried out on a regular basis and generated lower transaction costs if the GCIP had been implemented under an overall program or global project framework with resources for coordination between projects. GCIP did not readily realize the results aggregation, cross-country network building and knowledge exchange foreseen in the individual Project Approval Documents. In addition, among the completed projects, almost all had no-cost extensions, which prolonged their activities by up to an additional 26 months. This mostly stemmed from delays in the initial stages related to understanding the concept, engaging the counterpart, and establishing a PMU.

Conclusion 3: GCIP has demonstrated additionality but not in its planned strengthening of national policy and regulatory environments.

40. The GCIP demonstrated additionality through its promotion and results in innovation for clean technology; socio-economic returns; institutional capacity; realization of financing for some startups; and business support to enterprises whose products and services have environmental benefits. Policy and regulatory strengthening additionality was not realized in a meaningful way because these project activities were limited, under-resourced, and generally embarked on at the later stage of implementation. Attention was diverted to the competition-based Accelerator which was requested by national counterparts and generated relatively fast outputs that could be immediately seen and promoted, giving the GCIP project a national standing and branding.

Conclusion 4: GCIP's operating model successfully enlarged the available pool of resources through catalyzing the support of private ecosystem actors, although reliance on their voluntary contributions presents some vulnerabilities.

41. The reliance on private sector involvement is part of an operational model that contributes to strengthening the national entrepreneurial ecosystem and sustains project results and benefits, but one which requires significant local logistics. Individuals tapped for participation are not always available for each annual run. This meant that for each Accelerator cycle, the PMUs were tasked with securing and renewing participation, which imposes a burden on administrators.

Conclusion 5: Commitment by a national entity, adequate funding and a planned exit strategy at project completion enhances prospects for sustainability.

42. The handover to TIA in South Africa and TÜBITAK in Turkey attest to the importance of ensuring that the transition to a national entity takes place during the project period. The experience thus far attests that without this attribute, the initiative seems destined to not continue or may continue with significant delay, sacrificing important momentum (as evidenced by the case of GCIP Pakistan). All institutions involved in the implementation of GCIP projects expressed strong interest in continuation of the GCIP after project completion. However, the ability to finance the project initiatives remained mostly unsecured. Countries that ran more than 2-3 competition-based Accelerator cycles had greater success in transitioning the project to national institutions for continued delivery. UNIDO's continued association was indicated as vital to successful continuation and project reputation.

Conclusion 6: The direct and indirect results of the GCIP are not easy to gauge due to generally weak monitoring and evaluation, including inconsistency in measurement and the lack of systematic guidance for beneficiaries to estimate global environmental and socio-economic benefits.

The projects' Theory of Change to higher-level impacts was found to be sound. However, M&E was amongst the GCIP's weaker areas of implementation. UNIDO has estimated impacts suggesting some tangible progress being made along this route, however it is too early to verify expected long-term results. Tracking and communicating positive environmental impacts (global climate stress reductions and improvement in environmental status) is difficult for many GEF projects as they usually take place well beyond project completion. This challenge is exacerbated by a lack of standardized methodology for target setting and projection of impacts.

Recommendations

Recommendation 1: Any future “GCIP” or similar program should be structured using a more globally coordinated approach with appropriate choice of interventions based on strategic country selection.

43. A globally coordinated approach would allow for the establishment of a ‘platform’ to support coordination and exchange across national projects. Provided that the right metrics are in place for systemic monitoring and evaluation, this would usefully inform decision-making and support the measurement of impact. Country ownership of such a platform would facilitate measurement of impact after project completion.

44. Countries should be selected strategically based not only on their willingness to use STAR allocation but also factors concerning their current state and readiness to support cleantech innovation, particularly the mandate and capacities of the host institution and the way in which cleantech innovation is a part of national environmental and development strategy. This could be assessed during a project preparation phase.

Recommendation 2: The GCIP should actively support national-level coordination to dynamize the cleantech entrepreneurship ecosystem.

45. GCIP should focus on catalyzing the national host’s mandate to coordinate, convene and communicate with actors already working in-country to support technology innovation. This includes using a more explicit system to categorize the significant volume of entrants who apply, but are not selected, and channeling them to more suitable ecosystem actors according to their stage of development of enterprise maturity and technology phase.

46. **Recommendation 3: Allow sufficient time to customize and sharpen the focus on policy strengthening and regulatory frameworks to foster cleantech innovation and its adoption.**

47. A conducive policy environment is needed to support the growth of the cleantech SMEs. The GCIP policy strengthening component needs to be adequately scoped, sufficiently resourced, embarked on at an early stage, with appropriate steering and according to local conditions. Allocating government co-financing commitments to this outcome would be a suitable dedication of national resources for creating inputs to ongoing processes, and during post-project completion. Entities tasked with this outcome should have policy engagement as core to their own institutional mandate.

Recommendation 4: Expand the network of private sector partners to address GCIP participants’ needs for business expertise and early stage technology validation.

48. GCIP should tap into a broader private sector network to access the desired external expertise of the private sector and integrate the industry-specific technology challenges for more beneficial collaborations. Processes that are involved in regularly renewing private sector support should be streamlined.

Recommendation 5: Measure direct and indirect impacts of the GCIP by establishing adequate monitoring and evaluation systems and ensure that they are implemented using standardized and relevant indicators.

49. GCIP results frameworks should systematically gather information on outcomes and higher-level impacts/results. A common methodology is required for data collection, and comparison. GCIP projects require mechanisms for systematic follow-up and verification with assisted entrepreneurs on achievements in terms of GHG emissions avoided, jobs created, and investment facilitated. This could potentially include a requirement that beneficiary startups periodically provide relevant data to the local host organization (or platform) for a period into the future, when impacts are achieved and can be reliably quantified and verified.

50. GCIP attracts applications from startups that are developing technologies which generate environmental and social co-benefits beyond climate change. GCIP should also capture and report on these co-benefits. Startups should be able to present standardized GEB benefits to a large and growing impact investment community that is looking specifically for the creation of GEBs as part of the return on investment.

Recommendation 6: Deepen country engagement during the project period, including a plan and resourcing, to sustain activities and expand outcomes after project closure.

51. GCIP projects should dedicate greater efforts to develop national and regional-level initiatives. This would deepen country engagement and connect startups with investors and other business partners. GCIP should consider procuring trainers and materials through more open competition for service providers, with preference given to qualified vendors based locally and regionally.

III. PEER REVIEW OF THE INDEPENDENT EVALUATION FUNCTION

52. The DAC/UNEG task force in early 2007 finalized the Framework for Professional Peer Reviews of Evaluation Functions in Multilateral Organizations, which has been applied in a number of peer reviews of evaluation functions of UN agencies and multilateral development banks.⁷ The professional peer reviews are intended to assess the evaluation function against accepted international standards and are centered on a “core assessment question”: *Are the agency’s evaluation function and its products: independent; credible; and useful for learning and accountability purposes, as assessed by a panel of professional evaluation peers against international standards and the evidence base.*

53. The previous peer reviews of the GEF IEO were completed in 2009 and 2014. We would like to propose a third peer review of the GEF IEO to commence in July 2019. A detailed terms of reference will be submitted to the Council in June 2019. Broadly, the peer review will assess the extent to which the GEF evaluation function has contributed to **accountability** and **learning** in the GEF. The primary intended audience for the peer review will be the Council, GEFSEC,

⁷ <http://www.unevaluation.org/document/detail/103>

agencies and other users of evaluation – including where appropriate the intended beneficiaries in member countries. We estimate the budget for the peer review to be USD 125,000.

IV. EVALUATION WORK IN PROGRESS

Evaluation of GEF Support to Scaling up Impacts

54. As indicated in the GEF 2020 Strategy and GEF-7 Programming Directions, the GEF aims to contribute to scaling up the global environmental benefits generated through its projects and programs. There is some evidence of scaling up in the GEF in previous IEO reports, but there has been no systematic study on how scaling-up is achieved through GEF support. This evaluation will develop a framework for assessing the processes and factors influencing scaling-up, drawing on evidence from the scientific literature, key informant interviews, portfolio and case study analysis, and field visits. A synthesis of preliminary findings from stakeholder interviews and a literature review has been completed. Field visits in Costa Rica, Macedonia and Mauritius were conducted to collect information on how scaling-up activities are sustained beyond GEF support. A portfolio analysis is currently underway. The final report will be presented to the Council in June 2019.

Value for Money Analysis of GEF support to Sustainable Forest Management and REDD+ projects

55. Since its inception in 1991, the GEF has supported about 418 forest projects and programs totaling more than \$2.7 billion in GEF grant support, leveraging \$14 billion from other sources. During the same period, the GEF Small Grants Programme which aims to deliver global environmental benefits through its community-based approaches, has supported over 2,700 projects related to the protection and restoration of forests. The Reducing Emissions from Deforestation and Forest Degradation (REDD+) effort, formalized in 2007 during UNFCCC COP12 in Bali, goes beyond deforestation and forest degradation and includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks. Since its pilot SFM Program in 2007, the GEF has increasingly provided resources for pilot projects focusing on REDD+, with a focus on fostering cross-sectoral cooperation.

56. The IEO is undertaking the first independent evaluation of GEF support to SFM and REDD+. GEF specific evaluative evidence on the nature of SFM and REDD+ interventions and their socioeconomic and environmental outcomes are limited. This evaluation includes a Value for Money (VfM) analysis to examine the impact, efficiency, and effectiveness of GEF support to SFM and REDD+ projects. The VfM would include the assessment of impact in terms of environmental variables using biophysical and socio-economic indicators and estimation of the monetary value based on the principle of natural capital accounting of ecosystem services. The study will also highlight the environmental and socio-economic factors that affect the outcomes of SFM interventions. The lessons from this VfM analysis will also help understand some of the challenges in monitoring and measuring environmental and socio-economic benefits as well as the potential tradeoffs at landscape scales. The findings will be presented at the June 2019 Council meeting.

The GEF Evaluation Policy

57. Recent consultations between the IEO and the Secretariat on the M&E Policy have led to the decision to split the current M&E Policy into two separate policies: a Monitoring Policy which will be prepared by the Secretariat, and an Independent Evaluation Policy which will be prepared by the IEO. Separation of these policies is consistent with international best practice. Most international organizations have an evaluation policy, which incorporates references to the organization's monitoring and reporting function where relevant. Evaluation policies define the principles (independence, credibility, utility), the criteria (relevance, efficiency, effectiveness, impact and sustainability), governance and key roles and responsibilities of the evaluation unit. The monitoring and reporting function is usually part of an organization's operational policies which follows the project cycle, clearly indicating who does what and when in providing information and data.

58. IEO and the Secretariat will continue consulting jointly with the partnership on the development of these policies. The evaluation policy, which will be developed with active stakeholder engagement, will be presented to the Council in June 2019.

Strategic Country Cluster Evaluations: African Biomes, LDCs and SIDS

59. The three Strategic Country Cluster Evaluations (SCCEs), namely: (i) the African biomes SCCE, (ii) the Least Developed Countries (LDCs) SCCE, and (iii) the Small Island Developing States (SIDS) SCCE, are currently ongoing. Designed around the same conceptual analysis framework to enable comparability in findings across geographic regions and/or portfolios, the SCCEs share two overarching objectives: (i) to provide a deeper understanding of the determinants of sustainability of the outcomes of GEF support in the countries covered by each evaluation, and (ii) to assess the relevance and performance of GEF support towards these areas' main environmental challenges, from the countries' perspective. In addition, the SCCEs will assess gender, resilience and fragility of the operational context, and engagement with the private sector as crosscutting issues, when applicable.

60. A reference group meeting with representatives of GEF Agencies, GEF Secretariat and STAP convened in June 2018 to discuss the three SCCEs' evaluation objectives, main themes, key questions and scope. Scoping missions took place and interviews with key stakeholders were conducted in Senegal, Bangladesh and Seychelles to probe the key questions and evaluations' scope. Based on the feedback received, the three SCCEs approach papers were finalized and uploaded on the IEO's website in August 2018. SCCE teams have started the core activities of the evaluation data gathering and analysis phase. Among these are the aggregate portfolio analysis, geocoding of project sites, and review of project and program documents. These activities will inform the selection of countries and projects/programs for case studies, which is also ongoing. The focus of SCCE case studies is to deep-dive into the main hindering and/or contributing factors to sustainability and performance of GEF interventions in tackling the main environmental challenges countries face. Main findings, conclusions and recommendations of these three evaluations will be presented to the Council at the 2019 Fall meeting.

Evaluation of GEF Medium Size Projects

61. The GEF Medium Size Project modality has provided an expedited mechanism for execution of smaller projects by simplifying processing steps together with review and approval procedures, thereby shortening the project cycle relative to GEF full-sized projects (FSPs). MSPs have allowed a broader representation of stakeholders to directly access GEF funds, including government agencies, international NGOs, national NGOs, academic and research institutions, and private sector companies, among others.

62. The last evaluation of Medium Sized Projects took place in 2001 as an input into the Second Study of GEF's Overall Performance (OPS2). This evaluation will provide evidence on the recent GEF experience (GEF4-GEF6) in designing and implementing MSPs as well as the impact of MSP projects. The evaluation will draw on key informant interviews and surveys, portfolio and case study analysis and field visits. Countries for the field visits will be identified following a synthesis of stakeholder interviews/surveys and portfolio analysis, which has begun. The Approach Paper will be shared with the GEF Partnership in January 2019. The final report will be presented to the Council at the Spring 2020 meeting.

V. UPDATES ON KNOWLEDGE MANAGEMENT

63. During the reporting period the IEO has focused on sharing the findings of the Sixth Comprehensive Evaluation of the GEF (OPS6) and the component evaluations. Among other products, the office prepared a video summarizing the highlights of OPS6. The full report, and the executive summaries of OPS6 in English, French, and Spanish, as well as the OPS6 infographics, were shared during the GEF Assembly and are available on the IEO website. The office presented relevant evaluation findings at a variety of conferences on environmental and evaluation issues, including the Adaptation Futures Conference (June 2018), MERL Tech DC (September), Asian Evaluation Week (September), European Evaluation Society Biennial Conference (October), American Evaluation Association Conference (October), Resilience Measurement and Evidence Learning Conference (November), and the GEF Biennial International Waters Conference (November). The IEO staff also contributed to publications to share evaluation methodologies applied in OPS6 with broader audiences⁸.

64. The IEO continues to maintain strategic partnerships with global evaluation and environmental networks. The Office contributed to the development of the United Nations Evaluation Group (UNEG) Guidance on Evaluating Institutional Gender Mainstreaming (2018). The guide proposes a common approach for assessing progress of institutional gender mainstreaming in the United Nations system. The Office also contributes to the Evaluation

⁸ Lech, Malte; Uitto, Juha Iari; Harten, Sven; Batra, Geeta; Anand, Anupam. (2018) "Improving International Development Evaluation Through Geospatial Data and Analysis", *International Journal of Geospatial and Environmental Research*: Volume 5, Number 2: New Data for Geospatial Research. Article 3. 10-2018. Available at: <https://dc.uwm.edu/ijger/vol5/iss2/3>

Cooperation Group (ECG) meetings of the multilateral banks and the learning partnership on Transformational Change organized by the Climate Investment Funds (CIF).

65. The IEO website includes up-to-date information on evaluations, including evaluation reports, four-page briefs, presentations, and approach papers. The data and ratings website section displays performance ratings of completed GEF projects based on evidence from terminal evaluations. This dataset is updated by the IEO annually; currently it includes a cumulative portfolio of 1,372 completed projects, representing \$6.1 billion in GEF funding and \$30.1 billion in realized co-financing.

66. The community of practice Earth-Eval continues to evolve and has shifted from its focus on climate change to include broader environmental issues. Earth-Eval features original blogs by members on topics such as climate finance, multiple benefits, resilience, adaptation, sustainable cities and more. The Earth-Eval website has added several updates to its news and events section, which includes new publications, trainings, conferences, and job announcements for members. Membership and interest has steadily increased from these activities.

67. Earth-Eval also partners with other environment-focused communities of practice in knowledge generation and dissemination. Recently, Earth-Eval held a joint webinar with the Environmental Peacebuilding Association for a M&E Interest Group on environmental peacebuilding. In addition, Earth-Eval is collaborating with Eval-ForWARD, a community of practice developed by the evaluation offices of FAO, IFAD, WFP and CGIAR. Eval-ForWARD focuses on evaluation for food security, agricultural and rural development.