

Evaluation of GEF Support for Transformational Change



Supporting transformational change is one of the strategic priorities of the GEF and has been outlined in the 2020 vision.

In this evaluation, the IEO identified transformational change as deep, systemic, and sustainable change with large-scale impact in an area of global environmental concern. Specifically, there are four criteria that permit differentiation between transformational interventions from operations that are “merely” highly successful, complex, or large in size:¹

- **Relevance.** The intervention addresses a global environmental challenge such as climate change, biodiversity loss, or land degradation.
- **Depth of change.** The intervention causes or supports a fundamental change in a system or market.

- **Scale of change.** The intervention causes or supports a full-scale impact at the local, national, or regional level.
- **Sustainability.** The impact is financially, economically, socially, and politically sustainable in the long term after the intervention ends.

The underlying theory of change is that by strategically identifying and selecting projects that address environmental challenges of global concern and are specifically designed to support fundamental changes in key economic markets or systems, GEF interventions will be more likely to cause a large-scale and sustainable impact, subject to the quality of implementation and execution, as well as supportive contextual conditions. An outline of the theory of change, and the main causal conditions and indicators, is shown in figure 1.

¹ Independent Evaluation Group, *Supporting Transformational Change for Poverty Reduction and Shared Prosperity—Lessons from the World Bank Experience* (Washington, DC: World Bank, 2016).

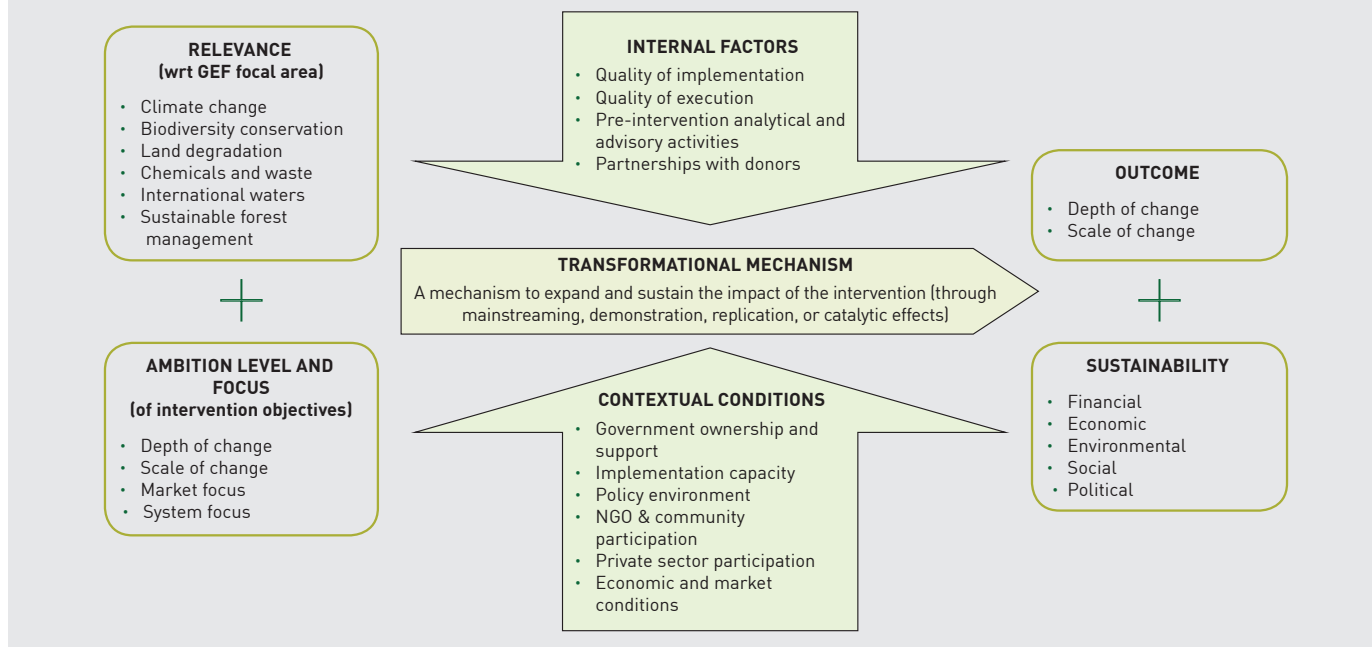
PURPOSE AND METHODS: The objective of this evaluation was to review the Global Environment Facility (GEF) experience with a purposeful sample of its operations that have generated transformational results, and to identify the factors that have contributed to such results and distill the lessons learned. The evaluation, based on a sample of eight cases, used a cross-case analysis in combination with a meta-evaluation to assess the conditions and combinations of conditions that support transformational change.

WEB PAGE: <http://www.gef.io.org/evaluations/review-gef-support-transformational-change>

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ABOUT US: The Independent Evaluation Office (IEO) of the GEF has a central role in ensuring the independent evaluation function within the GEF. www.gef.io.org

FIGURE 1: Theory of change for GEF transformational interventions



BACKGROUND

The evaluation was designed to explore the following questions:

- What are the necessary and sufficient conditions for GEF interventions to achieve transformational change?
- What causal factors make a difference in the outcome?

As a first step, the GEF Secretariat and the GEF Agencies were invited to identify recently completed and evaluated interventions, in line with the above criteria, for potential inclusion in this evaluation. There were 156 projects nominated: 93 by the World Bank, 45 by the United Nations Development Programme, 14 by the United Nations Environmental Programme, 2 by the Food and Agriculture Organization of the United Nations, and 2 by the Asian Development Bank. Applying key criteria of transformation, eight illustrative interventions were selected to represent a diversity of GEF focal areas and responding Agencies, with careful consideration to the availability and quality

of evaluative evidence—especially with respect to the scale, depth, and sustainability of transformational impacts. The following list of interventions was determined through a series of iterative screenings:

- Lighting Africa
- China Renewable Energy Scale-Up Program, Phase I (CRESP-I)
- Uruguay Wind Energy Programme
- Sanjiang Plain Wetlands Protection Project
- Sustainable Land, Water, and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Wind Sector Project
- Namibia – Strengthening the Protected Area Systems
- Amazon Regional Protected Areas Program, Phase I (ARPA-I)
- Promoting Payments for Environmental Services and Related Sustainable Financing Schemes in the Danube Basin

Given this sample of interventions, the evaluation team undertook a meta-evaluation based on a desk review

of the evaluation reports to assess the factors and circumstances that have supported transformational changes. The meta-evaluation was supplemented by a cross-case analysis.

LESSONS

Based on the review of the eight cases, the evaluation found the following as important drivers of change that should serve as lessons for the future.

- **Clear ambition in design.** The interventions that achieved transformational change had ambitious objectives in terms of aiming at profound, fundamental change in addressing a market distortion or a systemic bottleneck that was a root cause for an environmental issue of global environmental concern. Four of the cases were primarily aimed at transforming a market (i.e., the supply and demand of goods and services associated with environmental impacts of global concern). In the four remaining cases, the primary focus was on systemwide transformation (i.e., they attempted

a more comprehensive approach to modify the functioning of a collection of components—economy, public sector, private sector, community—that interact with one another to affect the environment).

- **Addressing market and system reforms through policies.** The adequacy of the policy environment had an important impact on the depth and scale of reforms promoted by all transformational interventions. In three cases, the interventions had a major role in helping define and implement the main policies essential to trigger and sustain transformational change. In China and Uruguay, the projects had a strong influence on policies that provided an effective stimulus to development of renewable energy in these countries. In Namibia, the projects provided technical support for the drafting of new policies for the Ministry of Environment and Tourism affecting the protected area systems. In three other cases, the interventions played a modest role in strengthening the policy framework needed to support transformational change. These ranged from discussing with the governments of Kenya and Ghana lowering import taxes as an enabling environment for the solar lamps market, to proposing prohibition of animal grazing and finishing in all nature reserves in the Sanjiang Plain in China, to mainstreaming payment for environmental services concepts into national fisheries policies in Romania and Bulgaria. In the two remaining cases, the projects have been able to leverage the existing enabling policy frameworks supportive for transformational changes. In India, the state government of Uttarakhand granted the local rural governments formal legal recognition for watershed development planning. In Brazil, ARPA-I used the existing legal context for protected areas to involve many

government agencies and financing partners to demonstrate the practicality of a participatory approach to the establishment and management of protected areas.

- **Mechanisms for financial sustainability.** The transformational interventions established mechanisms for financial sustainability by leveraging market forces and key stakeholders' economic interests or by integrating the changes within government budgetary systems. In China, CRESPI supported a feed-in tariff for renewable energies that provided financial returns attractive enough to encourage state-owned and private companies to accelerate their investing in renewable energy projects. In Uruguay, wind power investment licenses were allocated through a fair bidding process that guaranteed access to the grid. The resulting prices were competitive with those of fossil fuel alternatives and have gradually declined as a result of growing efficiencies and technological improvements. In Uttarakhand, project beneficiaries have an incentive to maintain water harvesting structures: their own investment through cost sharing. In the Sanjiang Plain, a portion of local county revenues generated from forest development activities are used to meet the financing requirements for nature reserve management.
- **Quality of implementation and execution.** All interventions that achieved transformational change were well implemented in terms

EXAMPLES OF TRANSFORMATIONAL CHANGE SUPPORTED BY THE GEF

- In 2016, Uruguay generated about 33 percent of its total electricity from wind power, up from 0 percent in 2008.
- Between 2005 and 2015, China's wind power capacity increased from 1.3 GW to 129.3 GW, producing about 3.3 percent of its electricity, and avoiding about 82.7 million tons/year of carbon emissions.
- Management effectiveness was improved in about 98 percent of Namibia's protected areas, while estimated populations of lion, leopard, cheetah, and wild dog doubled between 2004 and 2012.

of quality of project design, supervision by the GEF Agency, and the effectiveness of executing agencies in performing their role and responsibilities. The sample cases had salient features that had driven the quality of these factors. These were: comprehensive diagnostic assessments to identify barriers to be addressed; coherent logical frameworks of activities to target all identified barriers; the early involvement of strong executing agencies that were ready to "own" the project objectives; and a willingness on all sides to learn, adjust, and adapt the design, scope, and management of the intervention as needed to ensure its success.

“The GEF has experience in transforming systems and markets that affect the global environment. This evaluation provides lessons learned based on transformational change catalyzed by the GEF in different focal areas and regions.”

—Kseniya Temnenko, IEO Knowledge Management Officer

- **Transformation may be achieved by projects of different size.** The eight sample cases illustrate that transformation can be facilitated by major multiphase full-size interventions, as well as by relatively modest medium-size projects. For example, in China and Brazil, the transformational changes were supported by multimillion-dollar full-size projects. In Namibia, GEF financed six full-size projects implemented almost simultaneously over a period of more than 10 years which—by acting in different ways and cooperating with each other—managed to transform the country’s protected area system. At the same time, in Uruguay and in the Danube Basin, transformations were triggered by medium-size projects.

RECOMMENDATION

The GEF to should consider developing and applying a framework for ex ante assessments to enhance the impacts of programs or projects that are intended to be transformational. The evaluation presented an example of a framework that could be applied.

URUGUAY WIND ENERGY PROGRAMME

The Uruguay Wind Energy Program (GEF ID 2826, UNDP), was launched in 2007 to help eliminate barriers to the development of commercially viable wind energy investment. The country had almost exhausted its hydropower potential, and the default solution to meet its growing energy demand had been to import fossil fuels. The national government, interested in exploring the long-term benefits of renewable energy, provided \$53.78 million of cofinancing to the GEF’s \$0.95 million grant. The program supported the creation of an enabling policy framework for wind energy—including regulations for the construction and operation of wind farms, access and dispatch to the network, technical codes and financial incentives. The program strengthened business skills to prepare and implement wind energy technology with public and private delivery models. It also addressed technological barriers through the provision of measuring equipment and the demonstration of the technology’s viability through a 5 MW wind power plant connected to the grid.

The creation of a competitive and transparent wind energy market with a stable framework for investment and adequate tariff incentives—coupled with evident political will on the part of the national government—elicited a strong private sector response. In 2016, Uruguay generated about 33 percent of its total electricity from wind power, up from 0 percent in 2008, effectively transforming the market. Directly avoided carbon emissions were estimated at 0.86 million tons per year in 2015, from 0 in 2007. The main factors that contributed to the project’s transformational impact can be summarized as follows:

- The **quality of the project’s design**, which reflected a coherent logical framework from the identification of barriers to the planning for their removal through specific activities, with appropriate institutional arrangements and implementation strategy
- The **timing of the project**, which came at an unusual moment when the government had made a strong commitment to renewable energy, as reflected in its establishment of an enabling legal and regulatory framework and its willingness to leverage the GEF medium-size project by cofinancing a major share of project costs
- The **creation of a competitive and transparent wind energy market** with a stable framework for investments and adequate tariff incentives that elicited a strong private sector response
- The project’s inclusion and strengthening of a core of **wind power specialists at the national power company**, who helped with the preparation of technical standards and enabled the company to positively respond to the wind energy development mandate through both its own (public) as well as private investments

