



Evaluation of GEF Engagement with Micro, Small, and Medium Enterprises (MSME)

MSME: Portfolio

52%
(158)

of 303 completed private sector projects involved MSMEs, mainly in the **biodiversity, multifocal** and **climate change** focal areas

SOURCE OF FINDINGS

158

completed projects involving MSMEs

2

in-depth case studies in the Philippines and India

40

CEO-endorsed IAP and IP projects



MSME: Rationale, Profile, Results

To adopt interventions supporting GEBs, innovation and scaling up

To finance past project completion

MOST COMMON INTERVENTIONS

awareness-raising and technical training

technologies and practices

grants and financing

support for policy reforms

PERFORMANCE

- 82 % successful outcomes
- 63% likely sustainable
- 85% met environmental targets
- 72% with behavior change



MSME: Engagement and outcomes

57%

of MSME projects effectively engaged private sector actors and generated environmental, social, and economic benefits

COMMON SOCIAL AND ECONOMIC BENEFITS

Improved access to financing, increased income, improved technical standards, access to markets, business systems, ease of complying with regulations

Micro and small enterprises benefitted more from low-cost practices and technologies, not access to finance.



MSME: Influencing factors

Relevant project design

Good project preparation

Accounting for different needs, capacities, motivations, and barriers

Support for removing barriers to new technologies and practice

Engaging and building the capacity of well-established organizations



MSME: Recommendations

MSMEs vary in their capacities and constraints

GEF should address their context-specific needs, barriers, and economic viability

- through **low-cost**, context-appropriate solutions
- facilitate **reforms** required for access to finance and technical resources
- Partner with **local organizations** for post-project support needed for broader adoption

Design for and monitor **social and economic benefits** that engage the private sector, including MSMEs





GEF Support to Innovation

Purpose



- Assess **GEF's efforts and progress** in supporting innovation since its inception
- Assess the **results** of innovative interventions
- Identify **factors** that have influenced innovation in the GEF
- Draw **lessons** for the future



Sources of evidence

99

completed innovative projects
(selected based on text mining
of **1,706** completed projects)

13

in-depth case studies
(consisting of **18** projects)

74

IAP and IP projects

41

**stakeholders
interviewed**

488

**stakeholder
survey responses**

+ Evaluation synthesis
+ Literature and document review

Portfolio



GEF supports innovation across its portfolio, programs, at the strategic and institutional levels



Increasing trend in innovative projects over GEF phases

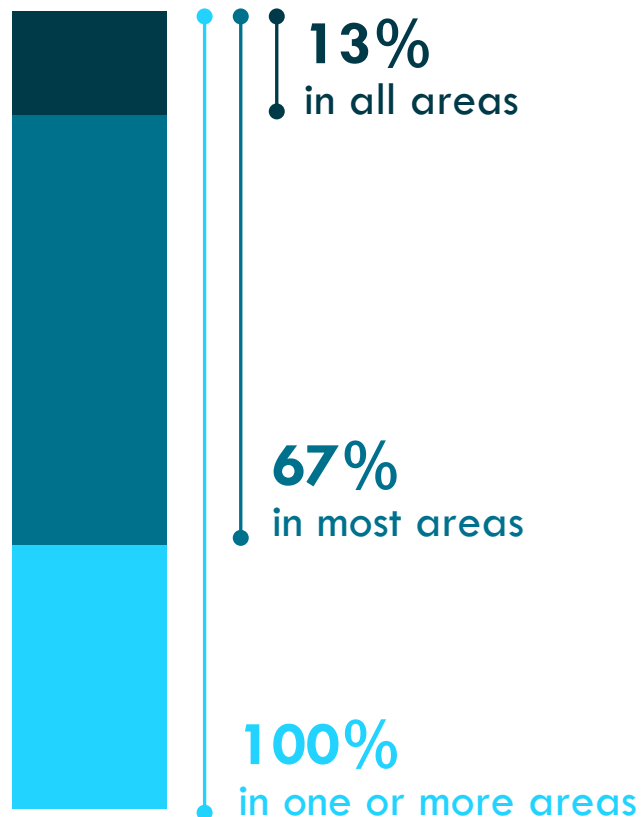


GEF-6 and GEF-7:
77% IAP and 100% IP
projects incorporate innovation in their design

Results associated with innovation

(based on the sample of closed innovative projects)

Innovations **add highest value**



Innovation is **not necessarily correlated with higher risks** for outcomes or sustainability

86% satisfactory outcomes

71% likely sustainable

Innovations help generate **transformational change**

38% achieved full or partial transformation

Factors influencing effectiveness

The use of **multi-sectoral approaches**, along with economic incentives

1

Knowledge and **Learning**

2

Stakeholder **engagement**



3

Adaptive, flexible management

4

Combining innovations to increase outcomes sustainability and scaling up

5



Innovation: Example

Environmentally sound management and disposal of obsolete POPs pesticides and other POPs wastes (China)



Innovations:

- *Technological*
- *Policy*
- *Institutional*
- *Business model*

Factors :

- *Economic incentives*
- *Combining several innovation types*
- *Stakeholder engagement*
- *Adaptive management*

Results exceeded targets

- Fly ash — 80 times
Pesticide elimination — 5 times
POPs pesticide waste — 5 times
Fly ash dioxins — 3 times
- Reduced the health risks to a population ranging from 4.3 million to over 15 million people.

Burundi sustainable coffee landscape project



Innovations:

- *Technological*
- *Policy*
- *Institutional*
- *Business model*

Factors :

- *Multi-sectoral approaches*
- *Economic incentives*
- *Combination of innovation types*
- *Stakeholder engagement*
- *Knowledge and learning*

Results

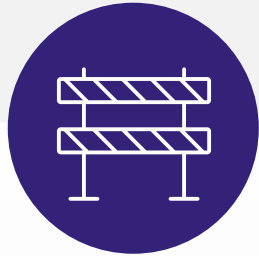
- Broke the unsustainable tradition of mono-culture sun-grown coffee
- The government recognized the advantages of a sustainable shade-grown coffee
- Opened access to high value coffee markets
- Coffee productivity rose by 23%
- Food security index improved by 27%
- Biodiversity significantly restored

GEF's comparative advantage

- 
- Grant funding bridges the gap between **the proof of concept and demonstrated applications**
 - Enables innovations which otherwise would **not be attempted**
 - ***Innovates and supports transformational change** by capitalizing on its ability to synergize between the conventions*
 - Supports technological, business, and financial innovations with **policy and institutional reforms**
 - Works with a **wide range of stakeholders**
 - Supports both **cutting-edge** and **well-known technologies**
 - Allows **adaptive management**



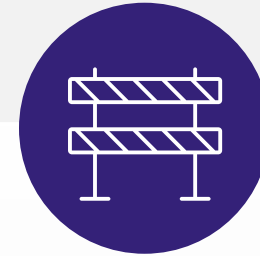
Obstacles to innovation and mitigation strategies



- Review mechanisms may discourage innovation
- Effort for preparing projects not commensurate with funding volume



The selection and evaluation criteria need more clarity



Sometimes missed opportunities to replicate/scale up successful innovations



Need for sustainable financing and rapid knowledge sharing

Recommendations

1

Monitor the risk, identify an acceptable tolerance level and communicate it to the Agencies

2

Explore and partner with innovation support programs that may mobilize larger sources of risk capital

3

The GEF must require monitoring, midterm reviews, evaluation, and knowledge sharing in all innovative projects





Evaluation of Institutional Policies and Engagement at the GEF

Assesses coherence, operational relevance, and implementation



Updates to 2017 Evaluation of the CSO Network

Update to 2017 Evaluation of GEF's
engagement with Indigenous Peoples

Findings

***Policies well reflected** in the GEF's vision, strategic priorities and operational principles*

*The three policies are generally **consistent in their structure***

*The policy documents are mutually **reinforcing with some gaps***

*Current documentation limits ability **to draw conclusions** between policy implementation and outcomes*



1 Stakeholder Engagement



GEF definition and policy requirements **consistent** with comparator institutions

Updated policy is **well designed**: meaning, intent, and requirements

GEF reporting guidelines are **clear, useful and not onerous**.

Inclusion of a Stakeholder Engagement Plan is evident **in more projects** at CEO Endorsement

Stakeholder engagement in program/project governance, project monitoring and evaluation **remains limited**

Uncertainty among **Operational Focal Points** as to what is expected of them

Documentation of impact is limited and done mostly at a project/program level

2 Institutional Policies and Engagement

Gender

Policy reflects 2017 IEO
evaluation recommendations

Gender policy guidance and action plans

- *Implementation Strategy identified “entry points”*
- *Augmented in-house capacity to deliver*

Increased attention to gender equality in portfolio

- *Gender analysis and gender action plan*
- *Disaggregated and specific indicators*
- *Resource for training, knowledge management*

Constraints in implementation

- *Uneven data collection*
- *Convincing staff with gender equality concepts*
- *Recognition of gender equality as bearing on environment*

Gaps in alignment with best practices:

- *definition of the gender focal point role*
- *tracking of financial data to assess commitment to the Policy*



3 Environmental and Social Safeguards

Responding to the 2017 IEO evaluation

Improved safeguards reporting and monitoring requiring information at project mid-term and project completion.

Increased portfolio-level reporting on **safeguard risks and grievance cases**, but does not require safeguards reporting in PIRs

GEF has not moved forward on the IEO **recommendation** to support capacity development, expert convening and communications on safeguards

Incorporates a wide-range of **“new” thematic areas**, but gaps remain

No desire for a **change** in the ESS policy in Agencies

Institutional Policies and Engagement

The CSO Network



Limited progress across the 2016 IEO recommendations



Updated vision document was developed and approved (2017)



Secretariat's Partnership Team is engaging the CSOs mostly connected to the **Small Grants Program**



Internal tensions and financial constraints hampering governance of the network



More diverse CSO involvement in GEF governance and more focused conversations



Positive views on structure, representation, election processes and pre-Council CSO consultations but perceptions of these aspects are **less favorable today**

GEF Engagement with Indigenous Peoples (2018)



Good progress against the recommendations

Inclusive Conservation Initiative is **breakthrough and precedent-setting**

IPAG is credible, operationally **stable and strong, but unknown value proposition**

Observations on performance are mixed.

At worst:

“exclusion by design”
underwhelming applications of Free, Prior and Informed Consent

At best: Indigenous peoples are authentically engaged in partnerships

Work in progress: Improving dialogue and monitoring of minimum standard



Results Based Management: Evaluations of the Agency Self-Evaluation Systems and the GEF Portal

GEF Agency Self-Evaluation Systems

Agencies have **policy frameworks** to support self-evaluation

Quality of **terminal evaluations** has improved

Variations across agency system in quality assurance and ratings approaches, making comparisons difficult

Self-evaluation systems are more focused on **doing things right**, not doing right things.

Gaps exist in submission of project implementation reports and mid term reviews

Candor is not incentivized



GEF Portal

The Portal is an improvement over the PMIS

Key findings and conclusions



Enhancement in project review and processing

Capturing of information in a consistent format

Integration of GEF programming strategies and policies

Tracking of results of GEF activities

Enhanced transparency and safeguarding of confidential information



Taxonomy and tagging

Search and analytical abilities

Availability of data to external stakeholders

Batch document download ability

System of alerts

Data Errors

Strengthening process to address user feedback and enhancing speed of Portal development