

GEF IEO AUDIT TRAIL
Response to GEF Secretariat Comments received on May 19, 2021 on the “GEF Support to Innovation: Findings and Lessons”

General comments

Paragraph Number	Reference text	Comments	IEO response and action taken
	<i>General Comment</i>	Innovation is an important topic for us. We greatly welcome the focus of the Evaluation Office on this topic. However, we feel that the analysis as it stands is incomplete, as outlined in other comments below. Innovation requires flexibility, perhaps the streamlining of processes and policies – it would have been useful if the analysis also focused on this aspect, and brought forward recommendations based on that. The analysis also seems to result in a list of quite vague recommendations that we don’t quite understand in terms of actionable items (as is also reflected in specific comments below).	Thank you for your feedback. The entire report and recommendations have been revised. More specifically, in relation to processes and policies: The institutional processes and policies are discussed in chapters 1 and 4. The role of policies in innovative projects and programs are covered in chapters 2 and 3. In addition, GEF IEO Evaluation of Institutional Policies and Engagement at the GEF (2021) provides a detailed assessment of GEF policies and processes.
	<i>General Comment</i>	The lion’s share of the project sample analyzed is from GEF3 and GEF4. Only 14% is from GEF5 and 2% from GEF6. While using completed projects may be the preferred option as it allows the researchers to access information from project completion reports, this can lead to a picture that is incomplete and potentially misleading when the results are used as material to be analyzed in the context of the GEF8 replenishment. The cohort of projects studied, while having innovative design and elements at the time are far from the programs and projects done in GEF 6 and 7 and as such the analysis could take some of those later projects into consideration (even though they are not yet completed) to give at least a balanced view that the GEF is already taking significant steps towards more innovative programs and projects. Considering the long time lag between GEF cycles, focusing only on old projects may not serve well in drawing an accurate picture of where the GEF currently is in terms of innovation. Criteria to evaluate innovation from project design could have been developed and applied to PIFs or CEO ERs from later generation GEF projects and the report could have offered differentiated results based on the type of documents used to inform the analysis (project completion reports/TE up to GEF5, and PIFs or CEO ERs for GEF6/GEF7. For instance, the CCM project selected as good example for section 3.1 (GEFID 1155, which is featured in para 31), while it is a very good project,	Thank you for your comments. The report has been revised. Please see methodology description in Chapter 1. All GEF phases have been included: The study focused on a sample of innovations identified through a review of the entire terminal evaluation database of 1,706 closed GEF projects, as of May 2020, and projects nominated by GEF Agencies and the GEF Secretariat to understand the diversity of innovations in completed projects and programs, and to identify factors that influence outcomes in innovative projects. In addition, a quality at entry analysis was carried out on innovation at the design and early implementation stages of ongoing child projects in integrated programs from GEF-6 and GEF-7 (31 IAP child projects and 43 IP child projects). The study also reflected on innovative projects and programs identified in other GEF IEO evaluations. evaluations. These included, inter alia, projects under the Cleantech program, the GOLD Program, the Small Grants Programme, innovations in

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		it was approved almost 20 years ago in 2002, which means it was designed even earlier than that. Also, the introduction of the report mentions several guidance and strategy documents to frame the topic (2020 strategy, GEF-7 Programming Directions, etc.) but then it only looks at old projects. We believe that the validity of the findings of this report would therefore benefit from further analyses to draw a contemporary picture of innovation in the GEF portfolio from the latest generations of projects, in particular GEF-6 and GEF-7.	medium-sized projects and in projects of the Least Developed Countries Fund (LDCF), as well as the Special Climate Change Fund (SCCF). Highlights of these innovative projects and programs are reflected in this report. However, it is impossible to discuss every innovative project and program the GEF portfolio. The focus has been on synthesis of findings. These sources of evidence were complemented by interviews with 41 stakeholders and projects managers. The study also gauged stakeholder opinions on innovation in the GEF from a survey on GEF's comparative advantage that was conducted in March 2021, which captured 588 responses from a broad range of internal and external stakeholders. The study also reviewed previous GEF IEO evaluations, GEF strategies, and the literature on innovations in environmental interventions. Project 1155 was nominated as innovative by GEF Secretariat and was selected based on the criteria described in Section 1.6 and Annex I.
	<i>General Comment</i>	We would like to know more as to how this purposive sample was selected. Can it/how can it be considered “representative” in driving the conclusions and recommendations of the study? For example, many GEF innovative outcomes have come from projects that have applied the multi-sectoral approach, particularly when economic incentives designs have been tied with environmental objectives. By a different/more purposive/wider sample selection, the report could do a much better job of highlighting this very successful multi sectoral approach. The GEF Secretariat had submitted the following: - the most important innovations at the strategic level of the GEF Partnership (e.g. at the policy and strategy levels, in institutional arrangements, implementation mechanisms, governance and decision-making mechanisms). - examples of projects and programs that supported the most important innovations in the GEF portfolio. The examples could include both	Clarified. Please see the description of the selection methodology in section 1.6 and Annex I. The cases selected for the study and the sample portfolio of innovative projects (including FSPs and MSPs) are presented in Annexes II and III. The reviewed ongoing projects of GEF-6 and GEF-7 programs are presented in Table 1.2. The policy, institutional, and strategic level innovations are discussed in chapters 1 and 4. Innovations in projects and programs are discussed in chapters 2 and 3, and reflected in chapter 4.

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		successful and less successful innovations in completed and ongoing interventions. Can you let us know if/how any of these projects and information were used in this analysis? Furthermore, how many of the sample or case studies were MSPs? Given the recent MSP evaluation of the links between MSPs and innovation, it would seem logical that some of the analyzed cohort is MSPs.	
	<i>General Comment</i>	The report contradicts itself in several ways. Below are some examples which also are mirrored in specific comments throughout this matrix. It would be good if the report can be adjusted on some of these points. For example: • The report claims that there is no common understanding of innovation across the GEF Partnership. For example, see paragraph 13: “In the absence of a common understanding of innovation across the GEF partnership, innovative interventions have not been systematically tagged or tracked in the portfolio.” How, or based on what evidence, is there this conclusion of no common understanding? Furthermore, if there is no common understanding, how can the study then review “a purposive sample of representative examples to drive lessons to GEF8”? • There is a statement in paragraph 78 that “GEF is seldom the original source of the innovation.” This seems a very wide-reaching and sweeping statement with an unclear evidence base, and also contradicts other parts of the report that demonstrates that the GEF generates innovation, such as the very paragraph below (79) that states that GEF as an institution is innovative because of its unique position in the environmental governance space as the only institution that simultaneously serves several major multilateral environmental conventions. • There are many contradictory statements over the relationship between innovation and size – smaller and innovative, versus big and standard, then alternatively the claim that STAR and smaller allocations works against innovation, then a recommendation that innovation can be facilitated in “smaller” countries through additional support via mechanisms such as set-asides.	Thank you, revised. See chapters 1 and 4.
	<i>General Comment</i>	The piece indicates that innovation achieves higher levels of transformative change, however is there a definition of transformative change that is being used to make	Transformational change is defined in chapter 1 (paragraph 22b). The measurement of transformational change is outlined in chapter 2 (box 2.3). More about measurement of

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		this assessment? How is this change measured and what are the indicators for it? Some additional clarity on this point would be useful.	transformational change is in the GEF IEO Evaluation of Transformational Change (GEF/ME/C.52/Inf.06).
	<i>General Comment</i>	There is no executive summary. The GEF would like to have the opportunity to comment on the executive summary.	Added to the final report.
	<i>General Comment</i>	It is fully understood that this is a draft version, however it is noted that it comes across as long-winded. Going forward, the document can be made more concise.	The report has been revised.
	<i>General Comment</i>	The report fails to mention the GEF/UNIDO Global Cleantech Innovation Program, which includes several projects from GEF5, 6 and 7. Even though it was covered by a recent separate IEO evaluation, this program is indeed very aligned with the innovation theme, and therefore it is very odd that the conclusions from the IEO report on GCIP are not even mentioned, especially since GEF7 approved a significant expansion of the scope of the Program. Also, the Global E-Mobility Program could have been at least mentioned as a key innovation in GEF-7. There is for instance mention of the recent GEF Challenge Program for Adaptation Innovation, so it is unclear why some of the other most recent innovative key programs are not mentioned in the relevant sections.	GEF/UNIDO Global Cleantech Innovation Program is discussed in chapter 2, paragraph 53a and Box 2.5. Noted, GEF-6 and GEF-7 integrated programs are discussed throughout the report. Please see general comments above on what is included in the report. Section 1.6 discusses the methodology and coverage.
	<i>General Comment</i>	The evaluation doesn't discuss the sample size, which amounts to 5% of completed projects. Such analysis would help inform the recommendation on risk appetite.	Sample size is discussed in section 1.6. Risk in the sample portfolio of closed projects is discussed in paragraph 45. The relationship between innovation and risk in the GEF is discussed in sections 1.2, 1.3, and in chapter 4.
	<i>General Comment</i>	The evaluation focuses overall more on successes rather than failure, which makes it difficult to assess the level of risk associated with innovative projects.	Discussed in chapter 2, paragraph 45.
	<i>General Comment</i>	Please rename "portfolio structure" throughout the document as "sample portfolio structure". "Portfolio" should also be replaced by "sample portfolio" throughout the document where relevant. Otherwise, the narrative gives the wrong impression in many places throughout the document and in several heading text that the entire GEF portfolio is under consideration.	Revised
	<i>General Comment</i>	Similarly, there is reference throughout the document to "the GEF's Innovation Portfolio" across the document. Do you mean instead, "the sample of projects selected by the IEO for this study"? By using "the GEF's Innovation Portfolio", a wrong impression is given about the extent of the study and the applicability of its findings.	Clarified. Please see methodology description in chapter 1.
	<i>General Comment</i>	It is not quite clear where the 99 completed projects are being used, versus the 18 case studies as given by Annex 1.	Chapter 2 is based on the sample portfolio of closed projects and quality-at-entry analysis of ongoing projects. Chapter 3

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			complements the findings from the portfolio review and quality-at-entry analysis with case studies.

SPECIFIC COMMENTS

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Para 1	<i>Entire paragraph</i>	This paragraph also includes a mention to the major programs of GEF 6 and 7 that have innovation built in such as GOLD and GOLD+, ISLANDS etc.	Paragraph revised.
Para 12	<i>Portfolio review: In the absence of systemic tagging of innovation in the GEF portfolio, the study team quantitatively scanned the terminal evaluations (TE) of 1676 completed projects to identify an “innovation portfolio” of 99 projects based on the frequency of key words and word combinations associated with innovation found in the TE.</i>	It would be useful to have more detail on the key words and word combinations that were used. Perhaps in a footnote or an Annex?	Included in Annex I.
Para 13	<i>Entire paragraph</i>	As discussed in a general comment above, using older projects to project into GEF 8 without considering the work done in GEF 6 and GEF 7 towards innovation does not give the full picture of the deliberate efforts of the GEF to be more innovative. This is an overarching comment that applies to many parts of the narrative of this document.	Please see responses above. The ongoing GEF-6 and GEF-7 projects and programs have been included.
Section 2, entire section	<i>Portfolio structure by focal area, replenishment, region and size</i>	As in a general comment above, please rename “portfolio” to “sample portfolio” where relevant throughout the document. The utility of comparing the sample portfolio to the full GEF portfolio seems unclear. As footnote 8 states, “ <i>Note that the methodology of innovative portfolio selection did not aim at creating a representative sample</i> ”.	Revised, see chapter 2.
Section 2	<i>Portfolio structure by innovation type and by innovative projects’ outcome variables</i>	This is an interesting methodology, but by calculating based on older projects, it does not give an accurate picture of innovation as is being measured in this analysis by value added and transformational change.	Revised, see chapter 2.
Para 18 and footnote 8	<i>The distribution of the GEF’s portfolio of innovative projects is similar to that of the overall GEF portfolio.⁸ The portfolio of</i>	We suggest that the part of footnote 8 which states that “ <i>Note that only closed projects were selected for the innovation portfolio, therefore the structure is compared to the GEF</i>	Revised Added to Annex I. The approach paper that was shared in April 2020 also discussed the methodology.

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	<i>innovative GEF operations included 99 closed projects.</i>	<i>portfolio of closed projects</i>” should be brought up to the main text. As in a comment above, the utility of comparing the sample portfolio to the full GEF portfolio seems unclear. Again, the general comment that “the GEF’s portfolio of innovative projects” should be renamed as “the sample of projects selected by the IEO” or something of that nature. It is also important to caveat here that we do not tag projects as innovative, these statements are made based on the IEO’s categorization of “innovative” based on key words and combinations (which we have not seen).	
Figure 2.1	<i>b: Portfolio Structure by Replenishment</i>	As discussed in a general comment above, the fact that the bulk of this sample of 99 completed projects are in GEF-3 and GEF-4 has implications for the validity of this entire analysis and its extrapolation to GEF-8.	Chapter 2 has been revised and includes the analysis of the sample portfolio of closed projects and the quality-at-entry analysis of ongoing projects in integrated GEF-6 and GEF-7 programs. Also, evidence on innovative projects and programs from other IEO evaluations have been included.
Para 20	<i>Text Box 2.1: Definitions of outcome variables associated with innovations: value added and transformation</i>	While the exercise is interesting to look at, it is not based on what is expected from projects. The depth of change and scale of change dimensions go beyond what a project aims to do: achieve outcomes, not impact. It does not seem fair to assess projects on elements they are not designed to achieve.	GEF strategies are rightfully ambitious and seek to be transformative. GEFI EO did similar analysis in Evaluation of Transformational Change (GEF/ME/C.52/Inf.06). Not all project are expected to be transformational, but a as shown by the Evaluation of Transformational Change and this study, G In addition, GEF-7 Strategies and Programming Directions refer to GEF’s comparative advantage in being an innovator, incubator, and catalyst while actively seeking to effect transformational change. The proposals for GEF-8 Startegic Positioning and Programming Directions presented during the First Meeting for the Eight Replenishment of the GEF in April 2021 also seek

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			to promote transformational change. It is important for the GEF to know factors in the design and implementation of its projects and programs that contribute to transformational change.
Para 23	<i>The portfolio analysis also included several standard parameters which affect innovation results, such as project size, replenishment, and focal area.</i>	It is not clear why these are termed “standard parameters which affect innovation results”. Why are these “standard”? And what are the assumptions of these relationships?	Revised, see section 2.2.2.
Para 23	<i>Text Box 2.2</i>	Factors that support innovation could include the level of technology and infrastructure development within a country. This sounds obvious but it seems missing. Without a capable information technology and communications infrastructure many of the innovations and tech adoption cited in paragraph 2 as the fourth wave of environmental innovation cannot be deployed at scale. Tech innovation, business model innovation and financial model innovation will all be impacted by the baseline of infrastructure within a country or indeed within a country and the urban/region/rural contexts.	Clarified in paragraph 50. The initial list of factors that was designed based on the literature review, interviews, and project document review was longer. However, the list was shortened to include those factors that were found in more than 10 percent of the sample projects. Also, the study focused on factors that are largely within control of GEF interventions, as GEF does not fund projects only in countries with higher level of technology and infrastructure development. In addition, the study shows that the GEF supports various types of innovation, including non-technological, such as execution arrangements (e.g. new models of engagements with farmers). The latter ones do not necessarily depend on the level of technology and infrastructure development within a country, and often enable less developed communities to improve their productivity and livelihoods while benefitting the environment.
Figure 2.7	<i>Figure 2.7: Private sector participation in innovative interventions is associated with a</i>	Quite difficult to read, and not sure about the value given low sample size.	As indicated in paragraph 54a, 34 percent of projects in the sample portfolio are characterized by private sector participation. As seen in the sample portfolio and case studies,

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	<i>higher likelihood of transformation and higher value added</i>		private sector participation is associated with better outcomes of innovative projects.
Table 1	<i>Table 1: Innovation case studies</i>	it would be useful to include the GEF Phase, and the type of project (FSP, MSP, child project of a program, etc.)	Details on case studies are in Annex II.
32	<i>Considering multiple demands on limited resources in developing countries, environmental objectives often end up at the bottom of the government priority list and sometimes receive very little financing and institutional support.</i>	The source and evidence of/for this sweeping statement is not clear.	Revised, see paragraph 63.
Section c	<i>Financial innovations supported by Policy section.</i>	The description is unclear on what we mean on financial innovation. The link between financial innovation and project sustainability generates some questions since financial innovation is inherently risky. It would perhaps help if we could give an example of the type of policies that result in financial innovation (and what we mean by financial innovation).	Revised, see section 3.2.3.
Para 44	<i>Financial innovations [supported by Policy] are important, as they are linked to the sustainability of projects' outcomes, yet their incidence within the GEF's innovation portfolio is relatively low, as compared with technical, policy, and institutional innovations.</i>	Financial innovation happens in conducive regulatory environment with well-established financial markets, regulations and enforceability (supervisory bodies, regulators, enforceability of rule of law). We would suggest "narrowing down" what we mean by financial innovation in GEF projects/programming.	GEF IEO follows definition of financial innovation proposed by STAP. See paragraphs 23b and 75.
Para 45	<i>A different example of financial innovation comes from the IFC's Earth Fund platform and involves blended finance which can be used very productively and in innovative ways.</i>	We recommend clarifying what the document mean by "productively". We suggest focusing on the role of blended finance in enabling pioneering investments and proving investment concepts.	Revised, see paragraph 77.
Para 68	<i>According to stakeholders interviewed for this study, the GEF Agencies and project teams have relative flexibility when</i>	It is not clear what is meant by "reallocating funds". The GEF <u>allocates</u> funds, we do not <u>reallocate</u> them.	Revised, see section 3.4.

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	<i>restructuring and reallocating funds based on the emerging evidence.</i>		
Para 78	<i>By and large, GEF provides a framework to enable key stakeholders to work together and experiment with creative solutions to long-standing and emerging issues; GEF is seldom the original source of the innovation.</i>	This seems a very wide-reaching and sweeping statement with an unclear evidence base. It also contradicts other parts of the report that demonstrates that the GEF generates innovation.	Revised, see section 4.1.
Para 79	<i>Entire list of bullet points</i>	It is not clear how these bullets are derived and the text preceding the bullet does not clarify that. Furthermore, the list reads as a list from one interview. For example, there is specific reference to the World Bank in the phrase “<i>If they work out, the WB can then scale them up</i>”. There is also the odd statement “<i>If the GEF doesn't live and kill that space other players won't be able to</i>”. We suggest this list be revisited, edited and rewritten accordingly. However, there is also the bigger concern (that pervades this and other IEO evaluations) that a list of findings from <u>one</u> interview (presumably with the World Bank in this case, given the reference to the World Bank in the list) is being elevated and presented as the overall findings of an entire evaluation.	Revised, see section 4.2.2.
79	<i>The GEF's comparative advantage in innovation lies in its established willingness to provide grant funding in support of innovation and adaptively manage some of the attendant risks.</i>	The narrative does not explain how the evaluation derived this list of comparative advantages. Is this the evaluator's own thinking or based on evidence?	Revised, see section 4.2.2.
Para 83	<i>Entire paragraph</i>	This paragraph fuels the notion that grant resources should be more amenable for risky endeavors. The rationale is deceiving, especially as it omits developing countries need to turn those (scarce!) resources into results. The text also implies that Agencies are more free to select consultants than in the context of a loan. We fail to see why this would be the case,	Revised, see section 4.2.2.

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		particularly with the clear separation between implementing and executing agencies. The argument also seems to go against country ownership, which is promoted as a strong supportive factor of innovation earlier in the text.	
Para 84	<i>While there are many positive examples, there have been obstacles to innovation or missed opportunities – where GEF was well-positioned to support innovation, but for some reason did not. Most of these reasons appear to derive from constraints imposed by the GEF’s project screening practices, its approach to the allocation of funds, as well as its criteria for defining innovation.</i>	The meaning of this paragraph is unclear. What screening practices? What approach? Which criteria? There is no defined criteria by GEF for innovation. Again, the country position is missing here. What if country demand was simply geared toward different projects?	Revised, see section 4.2.3.
Para 84	<i>In the Sustainable Cities project implemented by the ADB in Vietnam, for example, all building codes and cost ratios had to be respected, the latter of which are defined in a country-wide “Standard Cost Manual”. Local engineering consulting companies play it safe, refer to previous projects and shy away from proposing new solutions, as it is assumed that the national executing agency would likely not accept them.</i>	The text makes it sound like bypassing local laws is innovative. Perhaps it should rather promote policy change.	Revised, see section 4.2.3.
Para 85	<i>Entire bullet point list</i>	Similar to paragraph 79 above, this list reads as findings from one interview. If so, it should be presented in that context rather than in terms of being extrapolated to overarching statements that apply to the whole portfolio.	Revised, see section 4.2.3.

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Para 85	<i>Another obstacle for innovation is that the amount of work for staff in preparing and implementing large and small projects remains ostensibly the same, independently of the funding volume, in particular for due diligence regarding fiduciary safeguards, Environmental and Social Safeguards (ESS) Standards, and risk management. Therefore, in terms of workload management it makes sense for project officers to focus on big and standard projects rather than smaller and innovative projects which take more time to prepare and implement.</i>	The implicit assumption here that smaller projects are innovative and larger ones are not, is both incorrect and unfounded in the analysis. It is also not clear how “small” and “large” are being defined. This also contradicts other parts of the analysis where the claim is made that innovation is stifled by “smaller” allocations (which is itself a claim that is disputed by comments to other parts of the report). Furthermore, this also contradicts the IEO’s MSP evaluation which specifically analysed the role of innovation in the MSP modality and recommended that <i>“The MSP should continue to be primarily used for developing innovative projects.”</i> What is meant here is probably: “Obstacle for funding innovation”? It is unclear on what ground an innovative project should have leaner ESS or fiduciary standards.	Revised, see section 4.2.3.
Para 85	<i>Many potential innovations require a minimum scale to be feasible for effective piloting. This makes it challenging to promote innovations in small countries, or where the (RAF and STAR) processes have encouraged smaller allocations among a greater number of agencies.</i>	This assertion does not seem to be substantiated by the analysis – and even contradicts the same paragraph which associates “smaller” with “innovative.” In any event, as also stated above, this also contradicts the IEO’s MSP evaluation which specifically analysed the role of innovation in the MSP modality and recommended that <i>“The MSP should continue to be primarily used for developing innovative projects.”</i>	Revised, see section 4.2.3.
Para 85	<i>The STAR system tends to encourage agencies to work with a single ministry to advocate for their share</i>	It is not clear how the STAR system encourages agencies to work with a single Ministry. Rather, perhaps what is meant is the system of working through an Operational Focal Point in a country? The STAR system is used for allocation of funding to countries.	Revised, see section 4.2.3.

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Para 87	<i>Reference to the 2020 WB Report: Accelerating and Innovating Climate Action</i>	This paragraph refers to an important report on climate-related trust funds at the WB, and it could have been given more visibility in this IEO report considering the relevance of the theme.	Noted and addressed; the report is referred to in Chapters 1 and 4.
Para 90, Footnote 36	<i>The World Bank helped to catalyze support for the Noor-Ouarzazate (Noor I) project, a 582 MW CSP project and the largest of its kind in the world, with a field of 2,000 mirrors covering more than 3,000 hectares with melted salt for energy storage.</i>	By placing an emphasis on the World Bank, the footnote omits mentioning that another Agency, AfDB, was also a core financier of the project.	revised.
Para 91	<i>Entire Paragraph</i>	While the consideration presented here makes sense, and the information useful, there is no mention on the report of what the GEF actually does in this space, especially through the blended finance portfolio. The reader may get the idea that this is an area where the GEF is not already active. Suggest mentioning some of the GEF operations in financial innovation and capital markets.	Revised, see section 4.2.
Para 100	<i>It may also be time of GEF to take a fresh look at “breakthrough” technologies. While GEF support for innovative technologies has become more limited and targeted, private sector-led initiatives may indicate a need for a fresh look at the opportunities in this approach.</i>	This paragraph is confusing. It suggests that the GEF focus on innovative technologies has been reduced and that the GEF needs to take a fresh look at breakthrough technologies. It is not clear what is meant here by the writers, since the GEF7 programming directions for CCM do clearly indicate -using very similar language - that objective 1 of the strategy is to “Promote innovation and technology transfer for sustainable energy breakthroughs”.	Revised, see section 4.2.
Para 101	<i>One example is the IEO evaluation of GEF support for protected areas to improve biodiversity conservation.</i>	It is interesting IEO quotes its own work here, but it might have been equally interesting to review the actually innovative approaches to monitoring that exist across the project portfolio.	Revised, see chapter 4, paragraph 129.
Recommendations	<i>Entire Recommendations Section</i>	While there are great ideas in this section, it currently reads like a brainstorming list and we cannot fully understand what, exactly, is meant by each of the recommendations. The section	Recommendations revised, see section 4.3.

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		requires a more precise language to make the recommendations clear so that the GEF can take action on these accordingly. It should be recognized that some of these recommendations will have to be sequential rather than simultaneous – and the first step would be a Council discussion, and a STAP one.	
Recommendations, bullet point 1	<i>The GEF should communicate its tolerance of risks more clearly... and entire paragraph</i>	While this recommendation may have some merit, its formulation is so generic that it is practically not implementable without further thinking or definition. What does “communicate risk tolerance” means in practice? How can this be concretely implemented? Also, there is no example in the report from where it emerges that risk tolerance is <u>unclearly</u> communicated throughout the GEF partnership. We would recommend rephrasing this recommendation to make it much more practical and less abstract. Furthermore, rather than “communicating” the tolerance level, the first step may be about <u>identifying</u> its tolerance level. And this would require communication with the Council. The question of risk is a delicate one which our council has not yet fully deliberated nor agreed upon. The GEF cannot be asked to establish and communicate a risk appetite without a clear mandate and guidance from Council. This section needs to reflect that point, perhaps directing a rewritten recommendation to the GEF Council, and the GEF can then take action with, and guidance from, the Council accordingly, perhaps with the help of STAP in these dialogues.	Revised, see section 4.3.
Recommendations, bullet point 2	<i>The GEF should communicate its tolerance more clearly for adaptive management..... and entire paragraph</i>	Again, this is a point that needs to be discussed with, and reinforced by, the Council. It would be useful if this statement incorporates this point. In addition, this recommendation is quite vague. Broader project components defined in the project design do not necessarily restrict adaptive management. The trial and error approach is not very clearly outlined nor mentioned anywhere	Revised, see section 4.3.

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		in the report. It is also unclear why the innovativeness of the project should exonerate it from describing the project planned intervention. We suggest removing the first sentence after the bolded recommendation.	
Recommendations, bullet point 3	<i>Entire recommendation and all three associated points</i>	This recommendation appears to be too general and It is difficult to see clear actions resulting from much of this recommendation. For example, how will the GEF “clearly signal its willingness”? The report does not substantiate this bullet (“<i>The GEF should foster greater innovation in recipient countries through: clearly signaling its willingness to help countries bridge the gap between the conceptualization, piloting and demonstration of innovative ideas, and their eventual scale-up and replication</i>”) by showing when the communication of the GEF willingness to support innovation has been lacking or insufficient. The GEF7 programming directions are clearly signaling the GEF’s partnership’s intention to support innovation and the importance given to this key attribute of its programming. ISLANDS, GOLD and GOLD+ all are examples of this already being done. Given that the ASGM portfolio has been recently evaluated, this can help in refining these recommendations. There is again a reference to “scale in smaller countries” implies that smaller projects do not seed innovation, which contradicts the IEO’s MSP evaluation, findings, and recommendations, as well as contradicting other parts of this very paper. This is also discussed in comments above.	Revised, see section 4.3.
Recommendations, bullet point 4	<i>The GEF should explore and partner with innovation support programs that may mobilize larger sources of risk capital</i>	Maybe “continue to explore”, may be the more useful wording, and with reference to existing partnerships and GEF strategies on this front?	Revised, see section 4.3.
Recommendations, bullet point 5	<i>Entire recommendation and associated paragraphs.</i>	This recommendation seems precipitous, in light of the spirit of the other recommendations, particularly 1 and 2 on risk appetite and adaptive management. It would seem that we	Revised, see section 4.3.

Paragraph Number	Reference text	Comments	IEO response and action taken
		need more of a sequential process, in the sense of first having the appropriate conversations with Council first, before trying to define specific guidance and indicators. In particular, the paragraph on M+E is overly prescriptive and should rather be directional. The focus on failure rather than success factors is understandable, but it may be wiser to start with enablers and success factors first. This exercise would also in itself increase the reporting burden on Agencies' end. Could we perhaps aim for a leaner recommendation focusing on continuing to better assess risk across the portfolio, and therefore folded into some revised version of recommendation 1 above on risk appetite? Also, innovations by definition is non-codifiable – the prescriptive request for “guidance” may not be an effective way of proceeding.	
Annex I	<i>IDs 793 and 1224</i>	IDs 793 and 1224 have a much later completion date recorded in the Portal than in the table. Perhaps this needs to be updated.	Data in this Annex comes from the GEF IEO Annual Performance Report 2020 dataset which was verified based on the document review.