



GLOBAL ENVIRONMENT FACILITY  
EVALUATION OFFICE

# Annual Impact Report 2013

GEF Council  
November 5-7, 2013  
Agenda item 5

# Introduction

- Annual Impact Report provides overview of ongoing work and reports on the Climate Change mitigation impact evaluation
- Ongoing work: input on impact issues in OPS5 and joint evaluation with UNDP's independent evaluation office on GEF support on protected areas
- Continued work on methodology development and testing

# GEF Climate Change Mitigation Impact Evaluation

GEF Support to Market  
Change in China, India,  
Mexico, and Russia

# Key Questions

- What have been the GEF contributions to GHG emission reduction and avoidance?
- What is the progress of GEF supported activities on transforming markets for climate change mitigation?
- What are the impact pathways and factors that affect further progress towards market transformation?

# Approach

- June 2012 Approach Paper
- Focus on Emerging Markets
  - Important for stabilizing global atmospheric GHG concentrations
  - Many completed projects allow for post-project impact assessment
- Choice of countries
  - Brazil covered in other evaluations, South Africa portfolio too small
  - Focus on China, India, Mexico, Russia
  - 18 Projects
- Attention to: GHG, pathways to change, barriers

# GHG impacts

## Conclusion 1:

16 of the 18 projects report significant GHG emission reductions: 6 million tons CO<sup>2</sup>/yr. Indirect GHG emission reduction, achieved through causal links from the projects to other activities, is estimated at 10 times higher than the direct emission reduction, but could not be verified.

# Pathways to Impact

## **Conclusion 2:**

Broader adoption of technologies, approaches and strategies tested by GEF projects was observed in 17 cases and they included all pathways of broader adoption identified in the GEF Theory of Change Framework.

# GEF Theory of Change Framework: Pathways to Broader Adoption

<i>Sustaining</i>	Continue using outcomes beyond the actual project.
<i>Replication</i>	Reproducing at a comparable scale, often in different geographical areas.
<i>Mainstreaming</i>	Incorporating information, lessons, or aspects of a GEF initiative into a broader initiative, e.g. policies, institutional reforms, and behavioral transformation.
<i>Scaling-up</i>	Expanding to address concerns at larger geographical, ecological or administrative scales.
<i>Market change</i>	Catalyzing changes in the market, through significant reduction of the more polluting technology or changing practice in a significant share of the market.



# Best Practices for Impact

## Conclusion 3

Projects with high progress towards impact have adopted comprehensive approaches to address market mechanisms and specifically targeted supportive policy frameworks

# Projects with high impact use multiple pathways

Country & Project



# Market Change

- Important entry-points for market change were identified:
  - Improved product quality
  - More and better suppliers
  - More demand for the sustainable energy technology / practice
  - Lowered incremental costs
  - Availability of loans from the financial sector
  - Supportive local and/or national regulations and policies
- 13 projects initiated market change via one or more of these entry-points
- The analysis demonstrates that the road to market change is depending on local circumstances and needs a mix of approaches

# Role of GEF : Counterfactuals

## Conclusion 4:

Expert and stakeholder opinions on counterfactuals indicate that GEF support:

- initiated processes toward impact in 8 projects
- speeded up existing processes in 7 projects
- improved existing processes to international standards in 2 projects.

# What would have happened?

Out of 18 projects:

- 8 projects would not have happened without GEF
  - In 2 projects, the GEF caused the activities
  - In 6 projects, the GEF triggered the activities
- 9 projects would have happened without GEF but with a different speed and/or quality
  - In 7 projects, the GEF accelerated the activities
  - In 2 projects, the GEF enhanced the quality of the change
- 1 project would have happened without GEF

# Measuring GHG Emissions

## **Conclusion 5:**

Methodology for measuring GHG emissions and calculating emission reduction is not robust and contains uncertainties

# Weaknesses in GHG Reporting

- Shortcomings in old projects:
  - GHG calculations not fully documented
  - None of the CO2 analyses tested for sensitivity in assumptions
  - Reports consistently chose the maximum estimates
  - No methodology developed at time of project preparation
- 2008 methodology and subsequent efforts have addressed uncertain assumptions by introducing benchmarks and criteria applicable to specific types of interventions
- Persistent challenges:
  - GEF outcomes are difficult and expensive to measure and monitor
  - Key parameters of methodology have changed over time
  - Calculations include uncertain assumptions about the future

# Weaknesses in GHG Reporting

- Shortcomings in old projects...
  - GHG calculations not fully documented
  - None of the CO2 analyses tested for sensitivity in assumptions
  - Reports consistently chose the maximum estimates
  - No methodology developed at time of project preparation

2008 methodology and subsequent efforts have addressed uncertain assumptions by introducing benchmarks and criteria applicable to specific types of interventions

- Persistent challenges :
  - GEF outcomes are difficult expensive to measure or monitor
  - Key parameters of methodology have changed over time
  - Calculations include uncertain assumptions about the future



# Recommendations

- Recommendation 1: The current focus on interventions that tackle barriers to broader adoption in a comprehensive way should be continued and where necessary further strengthened in GEF-6
- Recommendation 2: the measurement of GHG emission reduction, both direct and indirect, needs to be further improved. STAP should be requested to formulate a targeted research project to ensure that over time assessments of direct and indirect GHG emission reductions can be verified

# Proposed Council Decision

The Council notes the considerable achievements of GEF support to Climate Change Mitigation in China, India, Mexico and Russia. It notes that in several projects progress toward impact was slowed down by barriers to change that were not fully included in project design and implementation. However, it is also noted that the current portfolio of mitigation support has shifted towards tackling broader adoption in a more comprehensive way in mitigation support in GEF-5. The Council requests the Secretariat to include this emphasis and where necessary further strengthen it in the proposals for GEF-6.

Furthermore, the Council requests STAP in collaboration with GEF entities to continue its work on the improvement of the methodology of GHG emission reduction calculations, and to propose a targeted research project on this issue, placing more emphasis on improving the assessment of direct GHG emission reduction during implementation and at project completion and to enable verification of indirect GHG emission reduction.



Thank you

[gefevaluation@thegef.org](mailto:gefevaluation@thegef.org)

[www.gefeo.org](http://www.gefeo.org)