

Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2017

1. Project Data

Summary project data			
GEF project ID		4257	
GEF Agency project ID			
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		World Bank IFC	
Project name		The GEF Earth Fund: IFC Earth Fund Platform	
Country/Countries		Global	
Region		Global	
Focal area		Multifocal Area	
Operational Program or Strategic Priorities/Objectives		BD SP 1-8, CC SP 1 -6, IW SP 2-4	
Executing agencies involved		IFC	
NGOs/CBOs involvement		As project partners	
Private sector involvement		In execution	
CEO Endorsement (FSP) /Approval date (MSP)		September 1 st , 2008	
Effectiveness date / project start		September 2008	
Expected date of project completion (at start)		June 2013	
Actual date of project completion		June 2014	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.0	0.0
	Co-financing	0.0	0.0
GEF Project Grant		30.0	
Co-financing	IA own	10.0	103.0
	Government		
	Other multi- /bi-laterals	80.0	925.0
	Private sector		
	NGOs/CSOs		
Total GEF funding		30.0	30.0
Total Co-financing		90.0	103.0
Total project funding (GEF grant(s) + co-financing)		120.0	133.0
Terminal evaluation/review information			
TE completion date		August 2016	
Author of TE		Ernst & Young	
TER completion date		4/9/2018	
TER prepared by		Molly Watts	
TER peer review by (if GEF IEO review)		Neeraj Negi	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	-	-	-	S
Sustainability of Outcomes		-	-	UA
M&E Design		-	-	MU
M&E Implementation		-	-	UA
Quality of Implementation		-	-	UA
Quality of Execution		-	-	UA
Quality of the Terminal Evaluation Report		-	-	MS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's global environmental objective is "to leverage private sector funds to generate global environmental benefits." (project document p.25) This is the same as for the parent project, the GEF Earth Fund. This is a child project funded as part of the GEF Earth Fund program.

3.2 Development Objectives of the project:

The project's development objective as stated in the project document is as follows: "The objective of the IFC Earth Fund is to enable the private sector to access GEF Funding for the purpose of accelerating their emergence and replication of project that will generate global environmental benefits in the areas of Climate Change, Biodiversity and International Waters in a streamlined and cost-effective manner." (Request for CEO Endorsement p.1) Specifically the IFC Earth Fund will develop a portfolio of projects in areas that are consistent with the IFCs traditional engagement with the private sector in the areas of Climate Change, Biodiversity and Water.

The two project components were portfolio/project support and investments and technical assistance, capacity building and knowledge management. Its four key outcome targets were that:

- Minimum of \$30M of projects funded (both Earth Fund and private sector) within three years of IFC Earth Fund operations, or minimum of 30% of funds deployed.
- Growth of the IFC Earth Fund Platform beyond initial capitalization of US\$40M
- Replication effect of projects supported under the EF (measured by market assessment)
- Adequately addressed environmental problems associated with the GEF strategic priorities and operational programs that the IFC EF supports

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

The scope of the project was revised at project mid-term to focus solely on climate change-related investments, as an insufficient number of mature or relevant projects had been identified in other environmental areas.

4. GEF IEO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: Satisfactory
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This multifocal project is relevant to a number of GEF's strategic priorities in the Biodiversity, Climate Change and International Waters focal areas. This is a child project of the GEF Earth Fund platform. It also addresses GEF's Private Sector Strategy, and the use of non-grant instruments in the GEF.

The project is a global initiative, and it is not in line with any country strategy, but focuses instead on GEF's engagement with the private sector.

4.2 Effectiveness	Rating: Satisfactory
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The TE notes that the project was considered a success by involved stakeholders, and it has met its outcome level targets.

The project's first outcome level target was that a minimum of \$30M of projects funded (both EF and private sector) within three years of IFC Earth Fund operations, or minimum of 30% of funds deployed. The IFC Earth Fund supported 14 projects, five of which are investment services or projects, which provided loans, risk-sharing facilities and equity for cleantech-related projects and services addressing market barriers related to high risks or upfront costs, and nine advisory service projects, which support research, consulting, capacity building or training for private and public sector clients, for a total of 39\$ million in funds from the platform, and covers 16 countries. Six of these subprojects are completed while the remaining 8 were ongoing at the time the terminal evaluation was written.

The project's second target was that growth of the IFC Earth Fund Platform beyond initial capitalization of US\$40M, with a minimum leverage for GEF funds of 1:3. The overall platform leverage ratio at completion was 1:3.4, thus this target was met.

The project's third target was that replication effect of projects be supported under the IFC EF (as measured by market assessment). The terminal evaluation reports that replicability of some projects was high or was promising, whereas that of others was limited due to implementation challenges. The TE noted that it is difficult to fully assess project replicability as 8 of 14 projects supported under the platform are ongoing and market impacts would not be expected at the time of TE completion. Therefore, this target may be regarded as partially achieved.

The final project level target was that the projects adequately address environmental problems associated with the GEF Strategic Programs and Operational Programs that the IFC EF supports. All 14 projects aligned with one or more GEF Strategic Program, and the environmental benefits exceed original targets at the subproject level.

4.3 Efficiency	Rating: UA
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The terminal evaluation does not provide an assessment of project efficiency. It notes as a major lesson of the project that the program needs to be able to adapt to evolving market conditions, and that flexibility must be built in to investment programs. The project benefited from flexible conditions for use of funds, (for example as grants, or direct expenses). This TER is therefore not able to assess efficiency.

4.4 Sustainability	Rating: UA
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The likelihood of sustainability of project outcomes was not assessed as part of the terminal evaluation. There are some positive indicators of sustainability of project outcomes. For example, an estimated 70% of the portfolio supported scale-up of initiatives of previously successfully tested technologies, financial products, or business models, and in general the TE found project replicability to be high or promising, although it was not possible to fully assess as 8 of the 14 sub-projects were ongoing. Within the GEF, the project has had an impact as lessons learned contributed to the development of GEF-5 and GEF-6 programming around blended finance projects. Specifically, based on this project, the GEF proposed new procedures for approval of investments in advance if all investment plans can be determined upfront and are consistent with GEF focal areas.

As no further information on likelihood of sustainability at the project level is available, this TER is not able to assess likelihood of sustainability.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The TE reports that the project leveraged \$103 million in co-financing for a co-financing ratio of 3.4 to 1. An additional \$925 million in third party co-financing was also leveraged., to total \$1,028 million in co-financing, and a leverage ratio of 1:3.4 for GEF to co-financing. As leveraging GEF funds to mobilize

private sector finance was a key objective of the project, the high level of co-financing achieved was a key factor in the project's success.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project closed one year later than expected. This project is also made up of sub-projects, some of which were ongoing at the time of the terminal evaluation mission.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

This was a global project focused on partnership with the private sector. Country ownership therefore cannot be assessed.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 M&E Design at entry	Rating: Moderately Unsatisfactory
The project's log frame contains relevant and appropriate indicators for measuring project results. Although the IFC Earth Fund is a project rather than a program, it calls for M&E plans to be developed for each subproject to the fund, but no description of the M&E that will be conducted at the IFC Earth Fund platform level is provided, other than noting that IFC will be responsible for conducting M&E activities for its IFC Earth Fund Platform. Provisions made are not sufficient for evaluation at the overall project level.	
6.2 M&E Implementation	Rating: Unable to Assess
The terminal evaluation does not assess project monitoring and evaluation. Although a mid-term evaluation was conducted, it was not available for review as part of this TER. Similarly, the TE notes that the IFC prepared annual project reports to the GEF, however these were not available. The TE also notes an ongoing challenge in terms of monitoring "was that information on IFC's expected return on their share of the investment was considered as proprietary information based on IFC's internal policies." (TE p.40) As so little information on M&E Implementation was available, this TER is unable to assess quality of M&E Implementation.	

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 Quality of Project Implementation	Rating: Unable to Assess
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The project implementing and executing agency was IFC. IFC was responsible for selecting the portfolio of sub-projects, “as well as project management, financial management, monitoring and evaluation as well as other management and support functions.” Although the project was considered a success by GEF and IFC, as noted in the TE, very little information on the quality of IFC’s implementation and execution of the project is available. For this reason, the TER is unable to assess both.

7.2 Quality of Project Execution	Rating:
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Please see above

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

Aggregate environmental changes cannot be assessed, though examples from subprojects are available:

Subprojects achieved an estimated 15.57 million tons of CO₂e reductions over the course of the project. Other project benefits include: 451,608 per year of renewable energy produced, and 1,097,488 MWh per year of energy consumption avoided.

(Annex 5:IFC EF Project descriptions, p.58-90)

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

Aggregate socioeconomic changes cannot be assessed, though examples from subprojects are available:

- Access was provided to modern energy for over 25 million people through one of the project's sub-projects. (TE p.64)

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Governance

Within the GEF, the project has had an impact as lessons learned contributed to the development of GEF-5 and GEF-6 programming around blended finance projects. Specifically, based on this project, the GEF proposed new procedures for approval of investments in advance if all investment plans can be determined upfront and are consistent with GEF focal areas. (TE p.41) The project "laid the foundation for GEF's work in GEF-5 and GEF-6 and contributed to structuring their approach in these programs." (TE p.41)

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

Unintended impacts were not reported.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

An estimated 70% of the portfolio supported initiatives with successfully tested technologies, financial products, or business models. (TE p.21)

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

Lessons from the subprojects financed under the IFC earth platform are grouped by theme below:

Project preparation and development

Confirming knowledge related to the current market, regulatory and project context is up to date before launching a project or allocating funds helps ensure its success. This recommendation was made because some projects faced difficulties related to market, regulatory or project context which may have been avoided if updates in the market, regulatory and project context had been incorporated.

Selecting the right partner and ensuring engagement of relevant stakeholders is crucial to project success. In this context, professional associations can be a meaningful lever for engaging with industry stakeholders. In some projects, key stakeholders have helped ensure sustainability by going on to champion further work.

Role and impact of Advisory Services projects

Advisory work has a crucial role for building awareness, technical capacity and catalyzing investment from the private sector. This factor was critical for success in a few of the subprojects.

Market impact is larger when Advisory Services projects are coupled with or supported by investment funds. On of the subprojects, the Carbon index could have had greater impact if it had received investment from IFC.

Dissemination and knowledge sharing

There is significant potential of benefiting from dissemination of project results amongst IFC Earth Fund Platform projects internally, beyond the scope of project reporting documents, as well as externally; this could benefit both IFC and other actors.

Good practice for financing facilities

- Having a small amount of time set aside for administering project budget and overseeing implementation is helpful.
- Allowing operations officers flexibility in allocating funds among projects under the facility seemed to represent a well-adapted and efficient model.
- A Knowledge Management platform and frequent meetings contributed to sharing of expertise and knowledge, which is useful for the development of simultaneous projects.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The terminal evaluation recommendations are as follows:

Specific recommendations for GEF

- The GEF should allow flexibility in program development to support blended finance and mobilize private sector co-financing, as well as to adapt to evolving market conditions to ensure program sustainability and meaningful market impact in GEF focal areas.
- When developing new programs, the GEF should ensure an appropriate balance of delegation on the part of the donor and transparency on the part of the implementing agency.

Specific recommendation for IFC

- IFC should play to its strengths in continuing to work on blended finance.
- IFC should ensure knowledge management and dissemination of lessons learned and best practices internally and externally.

Recommendation for IFC and GEF

- To ensure project success, before launching a project or allocating funds, IFC and the GEF should confirm that present knowledge related to the current market, regulatory and project context are still valid.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF IEO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	Due to the nature of the project outcomes are difficult to assess, as they are split between sub-projects. However the TE is able to provide a solid summary, as well as details on each sub-project.	S
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is consistent and evidence is compelling. No ratings are provided.	S
To what extent does the report properly assess project sustainability and/or project exit strategy?	Likelihood of sustainability of project benefits is not discussed, and information on likelihood of sustainability of subprojects is not included.	U
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned are comprehensive and supported	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	Costs and leveraged co-financing are provided, though the information is disaggregated in a way which makes it difficult to find.	MS
Assess the quality of the report's evaluation of project M&E systems:	The project M&E system is not assessed.	U
Overall TE Rating		MS

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).