

GEF Annual Impact Report 2013



GEF Annual Impact Report 2013 presents findings and recommendations on the Climate Change Mitigation Impact Evaluation: Global Environment Facility (GEF) Support to Market Change in China, India, Mexico, and Russia. The report

also highlights ongoing impact-related work at the GEF Independent Evaluation Office such as the biodiversity impact evaluation of GEF support to protected areas, an assessment of arrangements to measure the environmental impact of projects at completion, and mainstreaming of impact evaluation.

Climate Change Mitigation Impact Evaluation

In the climate change mitigation focal area, the GEF seeks to support efforts to change markets to reduce greenhouse gas (GHG) emissions of developing countries and countries with economies in transition. Major emerging market economies, which account for 40 percent of the global population, are especially important in terms of their potential for climate change mitigation.

This evaluation focused on the impact of completed GEF climate mitigation projects in four large emerging markets: China, India, Mexico, and the Russian Federation. The basis for the evaluation consisted of 18 completed and evaluated GEF mitigation projects in these countries. The evaluation aimed to identify GEF contributions to GHG emissions reduction, the progress made in transforming markets in climate change mitigation, and factors affecting further progress toward market transformation. The findings were also used as an input to the Fifth Overall Performance Study (OPS5) of the GEF.

Findings

Sixteen of the 18 projects assessed have resulted in significant direct GHG emissions reduction of about 6 million tons of carbon dioxide equivalent per year. Indirect

GHG emissions reduction, achieved through causal links from the projects to other activities, is estimated at 10 times higher than the direct emissions reduction, but could not be verified. The determining factors for the ultimate scale of direct GHG impact are the combination of market size and specific mitigation impact of the technology, the project approach, and country emission factor. For indirect impacts, two different contexts were typical: demonstration projects provided opportunities for learning about technologies; the second group is projects that helped channel and support a local push for sustainable energy.

Broader adoption of technologies, approaches, and strategies tested by GEF projects was observed in 17 cases, and they included pathways of broader adoption identified in the GEF theory of change framework. The evaluation observed five pathways through which GEF-supported initiatives achieve broader impact: sustaining outcomes and benefits of GEF investments (achieved in 13 cases), mainstreaming (observed in many GEF projects), replication of technologies and approaches tested by GEF projects (observed in relation to 15 projects), scaling-up (observed in relation to 10 projects), and market change (observed in relation to 13 projects).

Projects demonstrating high progress toward impact are those that have adopted comprehensive approaches to address market barriers and specifically targeted supportive policy frameworks. All projects with a high progress-to-impact rating have supportive policy frameworks and tend to include the most mechanisms for market change. Scaling-up and market change have been able to leverage the most pervasive broader impacts. Mainstreaming, when enabling national policies, also proved to be significant for generating greater impacts.

Expert and stakeholder opinions on counterfactuals indicate that GEF support initiated processes toward impact in eight projects; in seven projects, GEF support speeded existing processes; and in two projects, GEF support ensured that existing processes were improved to reach

international standards. However, impact and progress to broader adoption cannot be attributed to the GEF alone, as in many cases broader adoption was continued by country governments and private sector agents after GEF projects ended. This made the counterfactual question harder to answer; thus, a diverse set of stakeholders and experts was consulted.

The methodology to measure GHG emissions and calculate ex post emissions reduction at project completion is not robust and contains uncertainties. Typical challenges included GEF outcomes that were difficult and/or expensive to measure or monitor, key parameters that changed over time, and calculations needed to make uncertain assumptions about the future.

Recommendations

- 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 (2014–18).
- The measurement of GHG emissions reduction, both direct and indirect, needs to be further improved. The GEF Scientific and Technical Advisory Panel (STAP) should be requested to formulate a targeted research project to ensure that over time assessments of direct and indirect GHG emissions reductions can be verified.

Follow-Up

The GEF Council asked the GEF Secretariat to include tackling broader adoption in the mitigation portfolio in a more comprehensive way, and—where necessary—to further strengthen it in proposals for GEF-6. The Council also asked the Secretariat, in collaboration with the STAP and other entities, to continue work on the improvement of a methodology for GHG emissions reduction calculations, and to engage in a dialogue to improve assessment of direct GHG emissions reduction as well as improve estimation of indirect GHG emissions reduction.

Progress on Other Impact-Related Work

Impact Evaluation of GEF Support to Biodiversity. The Independent Evaluation Offices of the GEF and the United Nations Development Programme are undertaking a joint impact evaluation of GEF support of biodiversity. The intent is to assess the impact of existing interventions on enhanc-

ing species and habitat protection/restoration while securing livelihoods, good health, and resilience for poor people. The evaluation will focus on protected areas and how GEF support has been mainstreamed into landscape management frameworks. The first phase has focused on assessing biodiversity parameters before and after GEF support. The second phase will include a more in-depth analysis, particularly on factors that contribute to impact and enable biodiversity conservation and sustainable livelihoods to be mutually reinforcing.

Assessment of Arrangements to Measure Environmental Impact at Project Completion. *GEF Annual Impact Report 2012* included an evaluation of monitoring and evaluation arrangements at project design. Since then, the GEF Independent Evaluation Office has carried out a review of arrangements to measure impact at project completion. This is assessed based on the availability of institutions to conduct environmental monitoring and on mechanisms for the use and reporting of data collected. This review, along with a separate review on the use of Management Effectiveness Tracking Tools (METTs), by GEF projects will be incorporated into OPS5.

Mainstreaming Impact Evaluation. The Office continues to mainstream impact-related considerations across other evaluation streams. A webinar was held on the Impact Evaluation of GEF Support in the South China Sea and Adjacent Areas, and the results of that evaluation were presented at the STAP knowledge exchange workshop on regional organizations and international waters. Blogs, videos, and publications explaining the GEF's approach to impact evaluation have also been produced throughout the year. The Office continued to generate and share knowledge to improve impact evaluation tools and methods through participation in the United Nations Evaluation Group, the Evaluation Cooperation Group, and collaborative work with the Institute for Development Studies.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *GEF Annual Impact Report 2013* (Evaluation Report No. 91) is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.