10 CONCLUSIONS
The Independent Evaluation Office presents these 10 conclusions based on evidence from 29 evaluations conducted as part of the Sixth Comprehensive Evaluation of the Global Environment Facility (OPS6) — The GEF in the Changing Environmental Finance Landscape.

These conclusions formed the basis of the OPS6 recommendations for GEF-7, which have been considered in the replenishment process.
The changing landscape for environmental finance presents an opportunity for the GEF to build on its comparative advantage.

**Sources of Comparative Advantage**

1. Interlinkages and synergies across focal areas
2. Policy and regulatory reforms in countries for enabling environment to attract investment
3. Innovative financing models and risk-sharing approaches
4. Support to lower-income countries and small island developing states

The GEF has a strong track record in delivering overall good project performance, being catalytic, and driving transformational change.

- 79% of the OPS6 cohort of 577 projects had satisfactory outcomes
- 61% of a sample of 415 projects had a catalytic role
- Scaling up and market change had limited success

Programmatic approaches and multifocal area projects address drivers of environmental degradation; however, complex program designs have implications for outcomes, efficiency, and management.

- Most multifocal area projects generated multiple benefits
- Multifocal projects have the potential to enhance synergies and mitigate trade-offs
- Outcome performance, cost effectiveness and efficiency decline with increased complexity
The INTEGRATED APPROACH PILOTS are relevant to environmental issues, countries and cities and are designed with innovative knowledge components for long-term sustainability.

Designed for scaling up, replication, and market transformation.

Targets are inconsistently specified and measured.

The new policy has made GENDER MAINSTREAMING more systematic, though its implementation remains unclear.

Gender consideration in project design has increased.

Only 14% of projects at entry included a gender analysis.

Policies and guidance on SAFEGUARDS AND INDIGENOUS PEOPLES have advanced GEF efforts in these areas, but gaps exist.

Instrumental in advancing policies in agencies.

Most agencies comply with minimum standard on indigenous peoples.

Limited guidance and monitoring of safeguards have implications for risks.

GEF FINANCING has been constrained by exchange rate volatility.

15% funding shortfall caused by exchange rate volatility.

In-house expertise and size matter for nongrant instruments to be attractive.
Operational restrictions and lack of awareness of the GEF have resulted in limiting the potential for successful engagement with the private sector.

Hurdles for GEF Private Sector Stakeholders

<table>
<thead>
<tr>
<th>Hurdle</th>
<th>Share of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inconsistent regulatory environment</td>
<td>94% (companies: 91%)</td>
</tr>
<tr>
<td>High development costs</td>
<td>70% (financial institutions: 75%)</td>
</tr>
<tr>
<td>Difficulty in attracting funding</td>
<td>75% (companies: 64%)</td>
</tr>
<tr>
<td>Uncertain market demand</td>
<td>85% (financial institutions: 75%)</td>
</tr>
<tr>
<td>Lack of in-house expertise</td>
<td>27% (companies: 54%)</td>
</tr>
</tbody>
</table>

Overall, the GEF partnership is well governed; concerns exist on matters related to representation, efficiency, accountability, and transparency.

73% responded that the GEF is effectively governed.

Inadequate clarity and communication of programming decisions.

Some progress has been made on GEF’s project management information system, results-based management system, and knowledge management.

The availability and quality of information provided by the PMIS remains an area of major concern.

On reporting, there is too much information with little focus on impact.

The results-based management system plays a strong role in accountability, but is limited in measuring program additionality.

Knowledge generated is useful but is not consistently accessible.
RECOMMENDATIONS

The main recommendations of OPS6 for GEF-7 include: building on GEF’s strategic position in addressing drivers of environmental degradation; promoting transformational change; continuing the focus on integration based on additionality; improving financial management; adapting the private sector strategy to engage the private sector more broadly than as a source of financing; promoting gender equality; reviewing and revising safeguard policies and rules of engagement with indigenous peoples to adjust gaps against good practices; strengthening operational governance across the partnership; and improving systems for data, monitoring, and knowledge.

Download the full OPS6 at gefieo.org/evaluations/ops-period/ops6

Contact gefevvaluation@thegef.org

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