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INVESTING IN OUR PLANET

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Agenda Item 11

EVALUATION OF THE ROLE OF MEDIUM-SIZED PROJECTS IN THE GEF PARTNERSHIP

(Prepared by the Independent Evaluation Office of the GEF)

Recommended Council Decision

The Council, having reviewed document GEF/E/C.59/03, *Evaluation of the Role of Medium-sized Projects in the GEF Partnership,* and the Management Response*,* endorses the following recommendations:

1. The MSP should continue to be primarily used for developing innovative projects.
2. Midterm and final evaluations should be conducted on MSPs designed as innovative or transformative, to provide lessons for scaling up or replication.

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ABBREVIATIONS

ADB	Asian Development Bank
AfDB	African Development Bank
AFR	Africa
APR	Annual performance report
BOAD	West African Development Bank
CAF	Development Bank of Latin America
CEO	Chief executive officer
CI	Conservation International
COP	Conference of the parties
CSO	Civil society organization
DBSA	Development Bank of Southern Africa
EA	Enabling activity
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia
FAO	Food and Agriculture Organization
FECO	Foreign Economic Cooperation Office, Ministry of Environmental Protection of China
FSP	Full-sized project
FUNBIO	Brazilian Biodiversity Fund
GCF	Green Climate Fund
GCIP	Global Cleantech Innovation Programme
GEB	Global environmental benefit
GEF	Global Environment Facility
IAP	Integrated approach pilot
IDB	Inter-American Development Bank
IEO	Independent Evaluation Office
IFAD	International Fund for Agricultural Development
IUCN	International Union for Conservation of Nature
LAC	Latin America and the Caribbean
LDC	Least developed country
M&E	Monitoring and evaluation
MDB	Multilateral development bank
MEA	Multilateral environmental agreement
MSP	Medium-sized project
MTR	Midterm report
NGO	Nongovernmental organization
OFP	Operational focal point
PIF	Project identification form
PIR	Performance implementation report
PPF	Project preparation facility

PPG	Project preparation grant
POP	Persistent organic pollutant
SAP	Simplified approval process
SCCE	Strategic Country Cluster Evaluation
SGP	Small Grants Programme
SIDS	Small island developing states
STAR	System for Transparent Allocation of Resources
TAF	Technical assistance facility
TER	Terminal evaluation rating
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
WWF-US	World Wildlife Fund

Note: All dollar amounts are in U.S. dollars unless otherwise indicated. The GEF replenishment periods are as follows:

Pilot phase: 1991–94
GEF-1: 1995–98
GEF-2: 1999–2002
GEF-3: 2003–06
GEF-4: 2006–10
GEF-5: 2010–14
GEF-6: 2014–18
GEF-7: 2018–22

EXECUTIVE SUMMARY

1. The Global Environment Facility (GEF) provides grants to developing countries and countries with economies in transition for projects that address global environmental concerns and has provided over $20 billion in grants and mobilized an additional $130 billion in financing for more than 5,200 projects in 170 countries. The GEF provides support to countries in three main modalities: (1) enabling activities, (2) medium-sized projects (MSPs), and (3) full-sized projects (FSPs). Additional financing is provided through programs. The MSP modality was introduced in the GEF 24 years ago and has been operational since October of 1996. The MSP was initially designed to offer opportunities for a broad range of programming that is typically smaller in scale than full-sized projects. MSPs were meant to increase the GEF's flexibility in allocating its resources: a wide range of stakeholders can propose and develop project concepts.

2. This evaluation examined the evolution of the MSP modality, assessed progress made since the last evaluation completed in 2001[1] and examined the extent to which the MSP modality is achieving its intended role. The evaluation additionally assessed the relevance of the MSP within the GEF suite of modalities.

Based on the evaluation evidence and findings, the main conclusions of this evaluation are:

3. **Conclusion 1: The MSP modality serves as a good entry point into the GEF.** MSPs are thought to be useful entry points to test and learn without taking the risks associated with larger FSPs, particularly for newer GEF Agencies.

4. **Conclusion 2: MSPs remain relevant to the GEF partnership. The MSP modality is useful in piloting new approaches for scaling up and enhancing knowledge sharing.** MSPs are relevant to their environmental goals. They are relevant for testing out new ideas, applying new science-based concepts or proof-of-concept in a pilot setting. Over the years, MSPs have also been shown to be useful glue that can hold large programs together, and this has especially been the case when the MSP focuses on coordination and knowledge sharing.

5. **Conclusion 3: MSPs address funding gaps for both GEF Agencies and the countries they work with.** Agencies use them for risky projects that other donors are not necessarily prepared to support. The NGO GEF Agencies indicated that MSPs fill a financing niche that is not attractive to other actors such as foundations, investment funds, and the broader private sector. MSPs will support risky projects where financial return is not necessarily immediately apparent, and because private investment tends to be narrowly defined. This is especially the case for multi-country regional programs.

6. **Conclusion 4: GEF MSPs have performed well, are sustainable, and can be transformative.** GEF MSPs have performed as well as FSPs on most dimensions. GEF MSPs have achieved impact and transformational change with their focus on stakeholder inclusion, country

[1] *Medium-sized Projects Evaluation* (GEF/C.18/Inf.4)

ownership, and innovative designs. Recent projects that are well designed and focus on integration are more successful than site-specific and topic-specific, one-off projects. MSPs are rated higher than FSPs on political and institutional sustainability.

7. **Conclusion 5: The GEF MSP modality approval process is efficient for the one step MSP. Developing and implementing two step MSPs often requires the same process as FSPs which may be justified for projects designed to be innovative or transformative.** The approval process of the GEF MSP, specifically the one-step MSP, is streamlined compared with GEF FSPs. The amount of contact and level of support the GEF Secretariat gives agencies for the MSP is appropriate and appreciated. However, some agencies have raised concerns that the amount of effort required to develop a proposal, administer and monitor an MSP project is not very different from an FSP. The MDBs have indicated that MSPs are less useful than they were in the early days of the modality, partly because of the high transaction costs during project preparation and implementation and numerous processing requirements. By contrast, the UN and CSO GEF Agencies have made significant use of the modality and consistently encourage its availability. However, developing innovative and transformational MSPs may require increased processing and monitoring and evaluation, similar to FSPs. However, in terms of monitoring, mid-term reviews for MSPs are optional and may be a missed opportunity to learn from, particularly for those MSPs designed to be innovative or transformative.

8. **Conclusion 6: The use of the MSP modality has been affected by the STAR allocation system.** Concerns have been raised about the impact of the STAR allocation system on the uptake of MSPs, and the related problem of crowding out. The STAR allocation system significantly affects the choice of GEF modality for GEF Agencies and countries. This issue is amplified when donors are in competition with each other for the attention of country clients. In situations such as these, some interviewees did indicate that MSPs were thought of by countries as being an option for use when there is "leftover" STAR.

9. **Conclusion 7: The $2 million limit seems appropriate for smaller agencies and countries.** The larger MDB GEF Agencies think of the MSP as small, and this affects their perception of its usefulness and potential effectiveness. The MDBs suggested that the upper limit be raised. However, the same view is not necessarily held by the smaller GEF Agencies, which have managed to find a niche for MSPs. One argument against increasing the funding limit is that executing agencies are already possibly overreaching the $2 million financing ceiling. E extending it might blur the lines between the MSP and FSP modalities.

Recommendation

10. MSPs have a very specific role to play in the constellation of donor environment financing. MSPs appear to be most effective when they: (1) are applied to risky projects that can trial new approaches, and leverage more traditional forms of capital, (2) are integrated into a larger intervention, or (3) are supporting targeted research of global or regional importance, such as the Arctic, finance governance, SME nature-based entrepreneurship, and health and the environment. Stakeholders consulted during this evaluation view the $2 million limit as

appropriate and did not deem an increase necessary. The conclusions suggest that the instrument is relevant and effective and fulfils its intended role in the GEF suite of instruments. This evaluation recommends:

The MSP should continue to be primarily used for developing innovative projects. Midterm and final evaluations should be conducted on MSPs designed as innovative or transformative, to provide lessons for scaling up or replication.

1. INTRODUCTION

1. The Global Environment Facility (GEF) is an international financial organization that provides grants to developing countries and countries with economies in transition for projects that address global environmental concerns related to biodiversity, climate change, international waters, land degradation, and chemicals and waste. The GEF has provided more than $20 billion in grants and mobilized an additional $130 billion in financing for more than 5,200 projects in 170 countries. Today, the GEF is an international partnership of 183 countries, international institutions, civil society organizations (CSOs), and the private sector. The governance structure of the GEF includes an Assembly, a Council, a Secretariat, a Scientific and Technical Advisory Panel (STAP), the World Bank as Trustee, and an Independent Evaluation Office (IEO).

2. The GEF provides support to countries in three main modalities: (1) enabling activities, (2) medium-sized projects (MSPs), and (3) full-sized projects (FSPs). Additional financing is provided through programs such as the GEF Small Grants Programme (SGP)[2], programmatic approaches, integrated approach pilots, integrated programs, and the non-grant instrument (NGI) program. This evaluation assesses the GEF Medium Size Project modality. It will provide evidence of past [3] GEF experience in designing and implementing MSPs as well as the efficiency and effectiveness of MSP projects. It will contribute to further understanding the role of MSPs in the context of GEF's strategic move to increase its investments in integrated programming approaches as a strategy to tackle the main drivers of environmental degradation and achieve impact at scale.[4]

1.1 Evaluation objectives, questions, methods, and limitations

3. The purpose of the evaluation is to assess the MSPs in the GEF portfolio. The main objective is to evaluate the role and performance of the GEF MSP modality and its use in the current GEF architecture. The evaluation will examine the evolution of the MSP modality, assess progress made since the last evaluation completed in 2001[5] and examine the extent to which the MSP modality is achieving its intended role. The evaluation will also assess the relevance of the MSP within the GEF suite of modalities.

4. The specific objectives are to:

(a) Evaluate the specific role of the MSP within the GEF suite of instruments and whether MSPs play a specific role in the GEF that cannot be met by FSPs, small grants, enabling activities, or programs

[2] The Small Grants Programme is approved as a GEF FSP and implemented by UNDP on behalf of the GEF partnership.
[3] The activities under these programs are approved as individual MSP, FSP, or enabling activities alongside an overarching program framework.
[4] GEF/R.7/19 – GEF-7 Replenishment Programming Directions
[5] *Medium-sized Projects Evaluation* (GEF/C.18/Inf.4)

(b) Assess whether the MSP is fulfilling its intended role.

(c) Evaluate the impacts of MSPs

(d) Evaluate the design and implementation of MSPs

5. The primary audience for this evaluation is the GEF Council. The evaluation will also be useful to the GEF Secretariat, to the broader constituency of GEF Agencies, and to GEF member countries as well as civil society partners.

6. Questions are divided into the five main evaluation criteria of relevance, effectiveness and results, governance, efficiency and sustainability. An Evaluation Matrix is presented in Annex 1.

Relevance

- What factors have influenced participating countries' use of MSPs?
- Are there particular gaps the MSP modality is addressing?
- Have the MSPs allowed for a wider range of stakeholder engagement in GEF projects as intended?

Effectiveness and Results

- To what extent is the GEF MSP contributing to the delivery of global environmental and socioeconomic benefits?
- What are the key factors affecting achievement of results?

Efficiency

- To what extent is the GEF project cycle for MSPs efficient?
- Is the monitoring and evaluation (M&E) system for MSPs adequate?

Sustainability

- Are the outcomes from MSP projects sustainable? What are the key factors influencing sustainability of outcomes in MSPs?
- To what extent are innovative practices being replicated and upscaled, and what factors influence this?

7. The evaluation questions were answered by applying a mixed-methods approach to both quantitative and qualitative data. The evaluation used data from the GEF portal and included a desk study of project documents and an aggregate portfolio analysis. In addition, the evaluation conducted extensive interviews with GEF Agencies and the GEF Secretariat and undertook two country case studies in Costa Rica and Mozambique. These countries were selected based on regional representation, the size of the MSP portfolio, and opportunistic

considerations, given the high restriction on field work during the COVID-19 pandemic. A standardized interview and country study approach was used to ensure cohesiveness across the evaluation. The evaluation also completed a meta-analysis of MSP projects covered in other evaluations in the OSP7 period[6] for additional country level information on MSPs.

8. The evaluation covers MSPs designed and implemented beginning in GEF-4. The portfolio is composed of 819 MSPs with $ 957.55[7] million in GEF grant and $ 5.09 billion in planned cofinancing. It will consist of an analysis of completed projects, ongoing MSPs and field verifications in two countries: Costa Rica and Mozambique. Cross-cutting issues such as gender, resilience, and private sector and CSO involvement will be covered where opportunities for specific data gathering arise. Triangulation of the qualitative as well as quantitative data and information collected was conducted at the completion of the data analysis and information gathering phase to determine trends and to identify the main findings, lessons, and conclusions. In line with IEO practice, an internal peer reviewer was selected for this evaluation. The approach paper was shared with stakeholders and comments were provided by peers in the GEF IEO.

9. One main limitation encountered during this evaluation was the travel and mobility limitations imposed because of COVID-19. This limitation was mitigated by working with local consultants to conduct country case studies and in-country interviews. The evaluation used the GEF portal data as of September 15, 2020.

1.2 Defining the GEF modalities

10. The GEF defines medium-sized projects (MSPs) as GEF project financing up to $2 million[8], whereas an FSP is GEF project financing exceeding $2 million. A GEF enabling activity is a "project for the preparation of a plan, strategy, or report to fulfill commitments under a Convention." Enabling activities may be approved under an expedited process for funds up to $1 million or as an MSP for funds from $1 million to $2 million, or can be approved through the FSP project cycle procedures for funds exceeding $2 million.[9] GEF enabling activities will be covered in a separate evaluation. GEF programs are longer-term strategic arrangements of individual, interlinked projects that aim to achieve large-scale impact on the global environment. The GEF SGP, while procedurally approved as an FSP, is administered by United Nations Development Programme (UNDP) and makes funds up to $50,000 directly to community-based organizations (CBOs) and nongovernmental organizations (NGOs). In its fifth

[6] Meta-analysis covered the following completed evaluations (full details are in the references section): the SIDS, LDCs, and African Biomes SCCEs, the artisanal small-scale gold mining, Global Cleantech Innovation Programme, Evaluation of GEF Support to Transformational Change, Evaluation of Programmatic Approaches, and the Annual Performance Report 2017.

[7] Grant amount including project preparation grant but excluding associated agency fees.

[8] The MSP financing ceiling was at $1 million and raised to $2 million in 2012.

[9] The GEF considers all financing up to $2 million MSPs, however GEF enabling activities may be MSPs, but may follow a separate expedited procedure, or can be approved as an FSP umbrella arrangement.

operational phase, the SGP updated its operational guidelines to allow for strategic projects of up to $150,000.

11. A GEF Agency, in consultation with relevant country institutions and other partners chooses one of two procedures for MSP approval: (1) a one-step approval process that does not require a project identification form (PIF), or (2) a two-step approval process that requires a GEF agency to prepare a PIF at the request of, and in consultation with, relevant country institutions (annex 3)[10]. The approval procedures for both the one-step and two-step MSPs, as well as other GEF modalities, is outlined in the GEF's *Project and Program Cycle Policy* (GEF, 2018b). For one-step MSPs, an MSP approval request is submitted to the GEF Secretariat after endorsement from the GEF Operational Focal Point (OFP). Two-step MSPs require OFP endorsement of the PIF and the Agency submits it to the Secretariat on a rolling basis. The Agency may request a project preparation grant (PPG) at the time the PIF is submitted or any time before it is submitted for CEO approval. The CEO decides whether to approve the PPG and approves MSPs no later than 12 months after approving the PIF. MSPs, both one- step and two-step, are submitted on a roiling basis to the GEF Secretariat; FSPs are included in a work program for GEF Council approval.[11]

1.3 Background and history of the MSP modality

12. The MSP modality was first proposed in an information document, *Promoting Strategic Partnerships between the Global Environment Facility and the NGO Community,*[12] presented to the GEF's 7th Council meeting in April 1996. The paper, prepared by an NGO working group of 10 NGO representatives chosen by the NGO community, was in response to Council's request at previous meetings (2nd and 4th GEF Council sessions in November 1994 and May 1995) for the GEF Secretariat to consider ways to strengthen NGO involvement in GEF project activities.

13. During the GEF's 7th Council, the GEF Council asked the Secretariat to prepare, in consultation with the then-Implementing Agencies, a proposal for GEF MSPs, including pathways to streamline their processing and financing. Procedures for preparing, approving, and managing MSPs were formally proposed and approved by the GEF Council at its 8th session in October 1996[13] with a $1 million financing ceiling.

14. MSPs were intended to promote rapid, efficient project execution by simplifying preparation and approval procedures and by shortening the project cycle, and delegating responsibility for approving project proposals to the CEO or Chairman of the GEF. The Council highlighted the goal of "streamlining and simplifying all stages of the project preparation and

[10] Prior to 2010, all MSPs followed the two-step process; the one-step MSP was approved during the GEF's 38th Council.
[11] Details on the GEF MSP approval process is found in the GEF's Project and Program Cycle Policy (OP/PL/01). https://www.thegef.org/sites/default/files/documents/Project_Program_Cycle_Policy.pdf
[12] GEF/C.7/Inf.8
[13] GEF/C.8/5, a Proposal for medium-sized projects

implementation"[14] saying MSPs "often don't require the same level of preparation and oversight as large-size projects."

15. When MSPs were first introduced in 1996, they addressed the gap between the two funding mechanisms at the time—FSPs and the Small Grants Programme (SPG). MSPs were to provide an expedited mechanism allowing a broader, more balanced representation of executing agencies and stakeholders to access GEF funds, including government agencies, international NGOs, national NGOs, academic and research institutions, and private sector companies.[15]In October 1998, the Secretariat presented *Review of Experience with Medium-sized Project Procedures* (GEF/C.12/Inf.7) to the Council. The review found that the MSP modality was very well received among stakeholders and the demand for MSPs was high. The document found that while the introduction of the MSP allowed for a faster approval process, more work was needed to further streamline the approval process. At the same Council session, the GEF Secretariat presented *Streamlining the Project Cycle* (GEF/C.12/9), which addressed conceptual or procedural constraints in the project cycle to further shorten the MSP project cycle. The GEF Secretariat and Implementing Agencies continued to work on streamlining the project cycle and further reduced disbursement time with the introduction of *Mechanisms and Arrangements for Expediting Disbursement of Funds for Small Projects* (GEF/C.17/12). This allowed funds for MSPs to be "disbursed on the basis of projected expenditures, rather than reimbursement for expenses." (GEF/C.17/12)

Box 1: Findings from the MSP review, 1998

A first review of MSPs in 1998 was a joint effort of the GEF Secretariat, Implementing Agencies, and the GEF–NGO Network. Three key, inter-related issues emerged:

- **Volume related issue**: The volume of proposals submitted exceeded the budgetary resources of the Implementing Agencies.
- **Information related issues**: Project proponents and NGOs had a hard time understanding GEF requirements. NGOs and project proponents at the country level were unaware of GEF requirements. Many did not find the *Medium-sized Projects Information Kit* user friendly.
- **Process related issues**: The time to prepare a project was substantial since it could take months for Implementing Agencies to work upfront with the project proponents interactively to develop an idea into a feasible concept. Implementing Agencies sometimes did not provide timely responses to MSP concepts and project eligibility, GEF in-county focal points delayed endorsements, and MSPs transaction costs were found to be high.

16. Following a request from the Council, the Secretariat presented a *Medium-sized Projects Evaluation* (GEF/C.18/Inf.4) for the 18th session of the Council in December 2001 (called the

[14] GEF/C.8/5 – Proposal for medium-sized projects
[15] GEF/C.18/Inf.4 – Medium-sized Projects Evaluation

2001 MSP evaluation).The then-Monitoring and Evaluation (M&E) unit of the GEF conducted the 2001 MSP evaluation[16]. The evaluation found the MSP modality improved collaboration with NGOs, increased local and national capacity, and provided support for implementing environmental strategies and action plans. However, the evaluation noted that the while there were improvements in MSP processing over time, "reality has fallen far short of the expectation that MSPs would be a relatively fast-moving and flexible funding opportunity" (GEF/C.18/Inf.4).

17. The 2001 MSP evaluation also pointed out that the "prevailing two- to three-year timeframe for MSPs is often too short, and few of the projects can be expected to achieve sustainability in this time." Moreover, the evaluation stated that there has been considerable pressure within GEF to make MSPs comprehensive and overambitious rather than small and simple. Some of the projects, the report said, were "encouraged to bite off more than they could reasonably be expected to chew."

18. Among its findings, the 2001 MSP evaluation report states, "the most important comparative advantages of MSPs appear to lie in partnership building, awareness raising, public participation, capacity building, and innovation, as well as the opportunity to engage a diverse range of highly motivated executing agencies."

19. The 2001 MSP evaluation also highlighted one of the key strengths of smaller projects: "it is very likely that the overall value and impact of GEF dollars invested in MSPs compares favorably with investments in many larger projects by either the GEF or other donors, especially in the biodiversity focal area." The evaluation noted additional benefits, such as strengthened collaboration, efficiency, cost effectiveness and policy impacts. However, it also noted that it still involved a complex process and a high workload.

20. As a follow-up to the MSP evaluation, the GEF Secretariat organized an MSP working group with representatives from the original three GEF Implementing Agencies, two NGOs, an executing agency, and the Secretariat to review the recommendations from the evaluation report. The working group agreed to address the recommendations under six categories: capacity building for executing agencies, technical standards for MSPs, implementing agency policies and procedures, role of the focal points, project cycle, and information dissemination.

21. The Secretariat presented an action plan to the 23rd Council session to follow up on the recommendations of the evaluation. At the 24th Council session in November 2004, it presented its *Proposal for Enhancing GEF Medium-sized Projects* (GEF/C.24/13). The proposal increased the ceiling for project preparation and development facility funding for MSPs to $50,000 from the original $25,000 and permitted operational focal points to endorse MSP project proposals on a no-objection basis within four-weeks.

22. The Joint Evaluation of the GEF Activity Cycle and Modalities, conducted in May 2007, mapped the number of emerging GEF modalities based on definition, key outputs,

[16] The GEF's Monitoring and Evaluation Unit was later strengthened to become the GEF Independent Evaluation Office (GEF IEO)

characteristics, and issues they aimed to address. The evaluation presented an in-depth analysis of MSPs and FSPs, the time lags at various stages of the cycle pertaining to project preparation and appraisal, and the reasons for the time lags. The evaluation concluded that the lag time for proposals awaiting approval, both MSPs and FSPs, had become unacceptably long. To simplify the process, the evaluation recommended that the identification phase of the project cycle "should simply establish project eligibility, whether resources are in principle available, and whether the concept is endorsed by recipient countries.

23. Taking note of the evaluation, the GEF Council approved a new project cycle in June 2007. The new cycle eliminated project concept approval. Instead of detailed project documents for work program inclusion, agencies were expected to submit a streamlined project identification form (PIF). The Council set a business standard of 10 workdays for the GEF Secretariat to respond to PIF submissions and requests for CEO endorsement. At this time, MSPs were only approved for two-step approval.

24. At its 38th session, the GEF Council approved the one-step approval process for MSPs. The Council additionally approved the 18-month standard for projects to secure CEO endorsement after PIF approval. Further measures to streamline the GEF project cycle included increasing the MSP financing ceiling from $1 million to $2 million, effective January 1, 2013. The proposal to raise the MSP financing ceiling was one of eight proposed streamlining and cost-savings measures to improve the efficiency of the GEF project cycle[17]. The increase in the MSP financing ceiling was approved to "help deal with this value-erosion, while maintaining an expedited process" with approval delegated to the CEO (GEF/C.43/06).

25. The GEF presented the document *Improving the GEF Project Cycle* (GEF/C.47/07) to the GEF's 47th Council in 2014. It introduced a new cancellation policy, setting project cycle standards for all projects. This was an update to the May 2007 policy, which set the criteria for cancellation, termination, or suspension of projects (GEF/C.31/7). The 2014 policy further solidified the 12- and 18–month business standard for MSPs and FSPs to secure CEO approval or endorsement after PIF approval. The GEF continues to update the project cycle policy and guidelines to reflect any policy changes the Council approves. The GEF recently updated its Guidelines on the Project and Program Cycle Policy in July 2020 (GEF, 2020a).

1.4 Types of GEF interventions: MSP vs. FSP

26. Based on a quality-at-entry review of about 700 projects, the evaluation team observed that project interventions both through MSPs and FSPs include a focus on institutional capacity (policy, legal and regulatory frameworks), implementing strategies (technologies and approaches), and knowledge and information (skills-building). However, a higher portion of MSPs focused on knowledge and information, particularly knowledge generation and

[17] Full proposal of streamlining and cost savings measures is in the GEF Council document: GEF/C.43/06 Streamlining of Project Cycle

awareness raising, while more FSPs focused on Implementing strategies, particularly on technologies and approaches and implementing mechanisms and bodies (table 1). Country case studies and interviews with agencies and country representatives confirm this pattern.

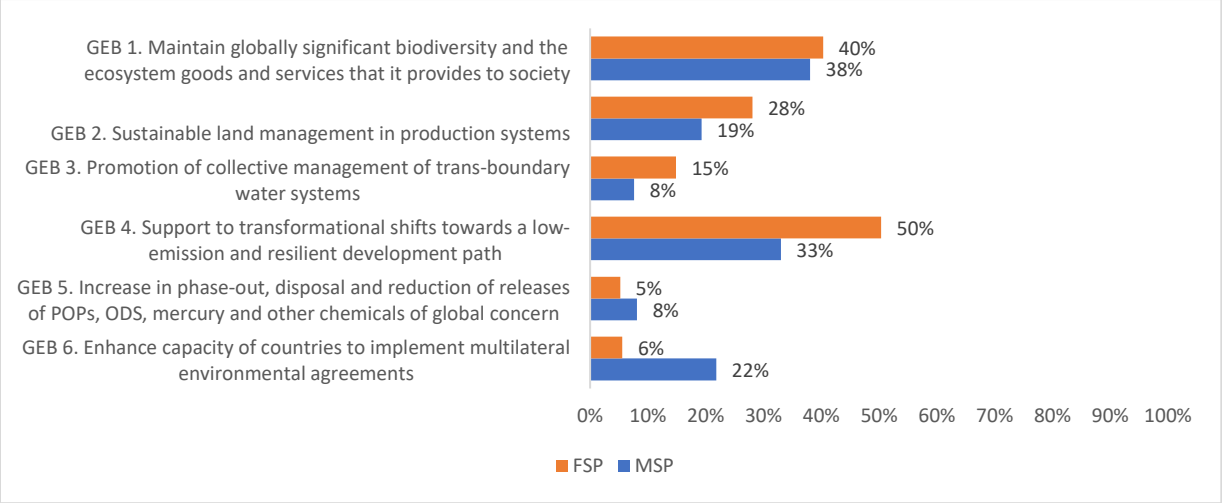
Table 1: Intervention typologies of MSPs vs. FSPs

Area of Intervention	Typology	MSP (n=197)		FSP (n=538)	
		(n)	(%)	(n)	(%)
Knowledge and information	Knowledge generation	71	36%	147	27%
	Information sharing and access	62	31%	190	35%
	Awareness-raising	71	36%	120	22%
	Skills-building	121	61%	349	65%
	Monitoring and evaluation	44	22%	154	29%
Institutional capacity	Policy, legal, and regulatory frameworks	114	58%	329	61%
	Governance structures and arrangements	49	25%	118	22%
	Informal processes for trust building and conflict resolution	1	1%	4	1%
Implementing strategies	Technologies and approaches	91	46%	354	66%
	Implementing mechanisms and bodies	60	30%	192	36%
	Financial mechanisms for implementation and sustainability	36	18%	110	20%

*Several projects address multiple areas of intervention

27. When examining the global environmental benefits (GEBs) identified in project documents (figure 1), the main intervention domains of FSPs and MSPs are in GEBs one–four, however more MSPs focus on GEB six: “Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and subnational policy, planning, financial, and legal frameworks” as the main intervention domain.

Figure 1: GEF interventions and global environmental benefits of MSPs vs. FSPs



Note: n = 197 MSPs and 538 FSPs. Several projects address multiple areas of intervention

28. An example of projects focusing on enhanced capacity is the Sustainable Urban Mobility Program for San Jose (GEF ID 5838), which enhanced capacities and advanced local municipal efforts to make a unified urban transportation plan for Costa Rica's path toward a green economy. The project emphasized the importance of cooperation among the Ministry of Transportation, the municipality of San Jose, the national government, and the public transportation union, as well as the need to engage civil society. In Mozambique, the Coping with Drought and Climate Change project (GEF ID 3155) aimed to contribute to food security and capacity to adapt to climate change in agricultural and pastoral systems in the southern parts of the country. The project, which worked primarily on building institutional capacity and knowledge and information sharing enhanced the necessary capacity for communities to interpret and transmit relevant information and helped develop community plans to cope with droughts and improve access to land and water, replicating successful approaches in other areas.

2. THE GEF MSP PORTFOLIO

2.1 Funding

29. As of September 15, 2020, the GEF had 1,204 MSPs committing $1.24 billion in GEF grants[18] and $5.89 billion in planned cofinancing,[19] accounting for 23 percent of all projects and 6 percent of GEF grants (table 2).

Table 2: GEF portfolio by modality—pilot phase to date

Modality	Number of Projects/Programs		Grant Amount ($ millions)	
	(#)	(%)	(#)	(%)
Enabling activities	1,364	26%	590.10	3%
Full-sized projects	2,648	50%	16,678.59	83%
Medium-sized projects	1,204	23%	1,240.01	6%
Programs	99	2%	1,644.33[20]	8%
Total	**5,315**	**-**	**20,153.03**	**-**

Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

30. The number of MSPs and associated GEF financing increased steadily since the introduction of the MSP modality until GEF-4. During GEF-5, with the increase of the MSP ceiling to $2 million in 2012—the number of MSP projects decreased halfway through the replenishment, while total financing for MSPs increased (figures 2 and& 3).

Figure 2: Number of MSP projects by GEF period

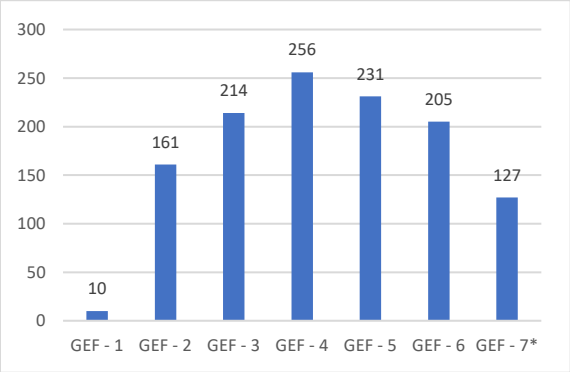
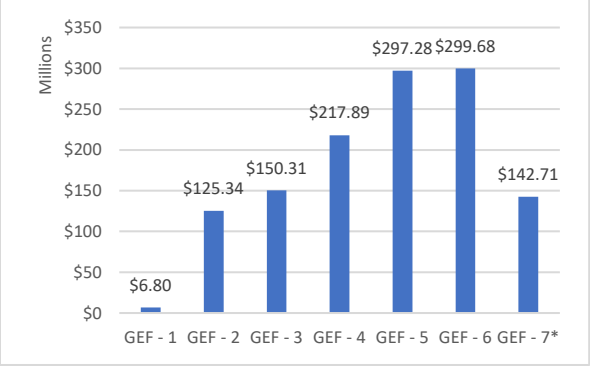


Figure 3: MSP project financing by GEF period



* GEF-7 is not yet fully programmed; programming is still under way

Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects

[18] This amount includes project preparation grants, but excludes Agency fees

[19] Planned cofinancing. Actual cofinancing is only reported on for closed projects with terminal evaluations in the annual performance report database. For consistency, this evaluation reports on planned cofinancing unless otherwise stated

[20] The total amounts listed for programs are the funds remaining in parent programs that have not been fully allocated as of September 15, 2020. As child projects get approved or endorsed, the total remaining will decrease. The numbers were included to reflect overall GEF financing to-date.

31. The overall funding envelope for the GEF has not changed significantly since GEF-5, with a little more thana $4 billion for GEF-5, GEF-6[21], and GEF-7 ($4.34 billion, $4.43 billion, and $4.1 billion respectively[22]). While the total number of MSP projects has decreased since GEF-4, total MSP financing has reached almost $300 million in GEF-5 and GEF-6, compared to $218 million in GEF-4. The average size of an MSP increased from $0.86 million in GEF-4 before the MSP ceiling increase, to $1.35 million in GEF-5 and $1.45 million in GEF-6. This is an increase of 57 percent and 68 percent respectively since GEF-4 because the MSP ceiling doubled to $2million during GEF-5. Within the GEF-5 period, the average size of MSPs increased from $0.96 million to $1.35 million, a 41 percent increase (table 3).

Table 3: Average project size: MSP vs. FSP

	MSP average size ($ million)	**FSP average size ($ million)**
Pre MSP ceiling increase to $2 million	**0.84**	**6.44**
Pilot Phase	-	6.24
GEF–1	0.68	7.79
GEF–2	0.78	7.71
GEF–3	0.88	6.86
GEF–4	0.86	4.83
GEF–5	0.96	5.68
Post MSP ceiling increase to $2 million	**1.42**	**6.42**
GEF–4	0.95[23]	4.76
GEF–5	1.35	5.88
G–6	1.45	6.54
GEF – 7*	1.53	7.54

*GEF-7 is not yet fully programmed; programming is still under way

Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects

2.2 Focal areas

32. The highest number of MSPs are in the biodiversity focal area, with 34 percent of projects and 33 percent of funding, closely followed by climate change mitigation with 29 percent of projects and 31 percent of funding. Multifocal area projects account for 12 percent of projects and funding, while land degradation makes up 10 percent of projects and 8 percent

[21] GEF–6 suffered a 15 percent shortfall of$ 677 million, bringing the total available funds for the replenishment to $3.757 million.

[22] GEF website, accessed September 2020: https://www.thegef.org/about/funding

[23] One GEF-4 project entered the system before the MSP ceiling increase to $2 million but received endorsement after the increase took effect.

of funding. The remaining projects are distributed among the climate change adaptation, international waters, and chemicals and waste[24] focal areas (figures 4 and 5).

Figure 4: Number of MSPs by focal area

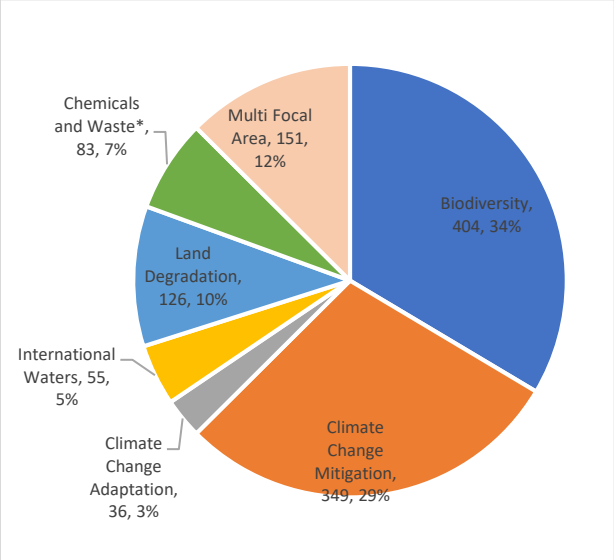
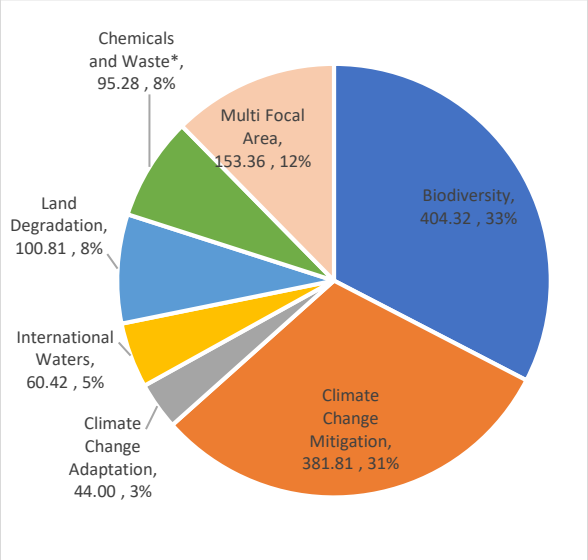


Figure 5: MSP financing by focal area



*Chemicals and waste focal area includes projects under persistent organic pollutants (POPs) and ozone-depleting substances (ODS)

Source: GEF Portal as of September 15, 2020, excluding canceled/dropped projects

33. When MSPs were first introduced in GEF-1, most were in the biodiversity focal area (70 percent of projects and 68 percent of financing). Distribution of MSPs by focal area over the GEF replenishment periods shows a clear decrease in the number of biodiversity projects and a significant increase in the number of climate change mitigation projects in GEF-6. This can be attributed in large part to the creation of the Capacity Building Initiative for Transparency (CBIT) under the Paris climate change agreement, which is almost exclusively financed through MSPs and accounts for almost half (48 percent) the climate mitigation MSPs in GEF-6.

34. **MSPs are used more for single focal area projects compared to FSPs, where projects have moved more toward a multifocal approach.** In contrast to FSPs, where focal area distribution over the GEF periods shows a decrease in single focal area projects and an increase in multi-focal area projects (both in number of projects and grant amount), MSPs follow a different trend (figures 6 and 7). Biodiversity, climate change mitigation, and land degradation have accounted for a higher percentage of MSPs than of FSPs. A larger portion of projects in the international waters and climate change adaptation focal areas are FSPs. Chemicals and waste account for the same share (7 percent) in both portfolios (table 4).

[24] Chemicals and waste focal area includes POPs and ODS.

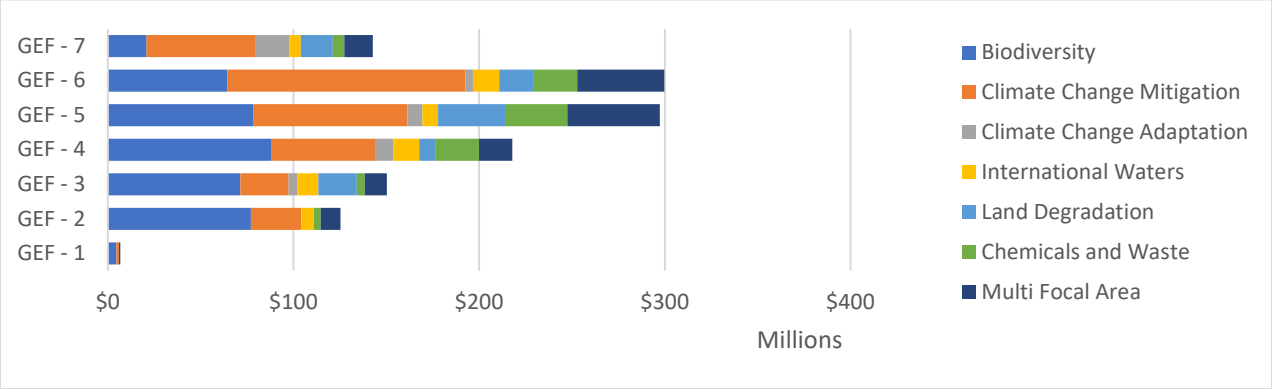
Table 4: MSPs vs. FSPs by focal area

	MSP				FSP			
	Number of Projects	**(%)**	**GEF Grant ($ millions)**	**(%)**	**Number of Projects**	**(%)**	**GEF Grant ($ millions)**	**(%)**
Biodiversity	404	34%	404.32	33%	636	24%	3,459.70	21%
Climate Change Mitigation	349	29%	381.81	31%	576	22%	3,472.09	21%
Climate Change Adaptation	36	3%	44.00	4%	316	12%	1,788.17	11%
International Waters	55	5%	60.42	5%	234	9%	1,704.47	10%
Land Degradation	126	10%	100.81	8%	104	4%	465.80	3%
Chemicals and Waste*	83	7%	95.28	8%	191	7%	1,224.62	7%
Multi Focal Area	151	13%	153.36	12%	591	22%	4,563.73	27%
Total	**1204**		**1,240.01**		**2648**		**16,678.59**	

*Chemicals and waste focal area includes projects under POPs and ODS

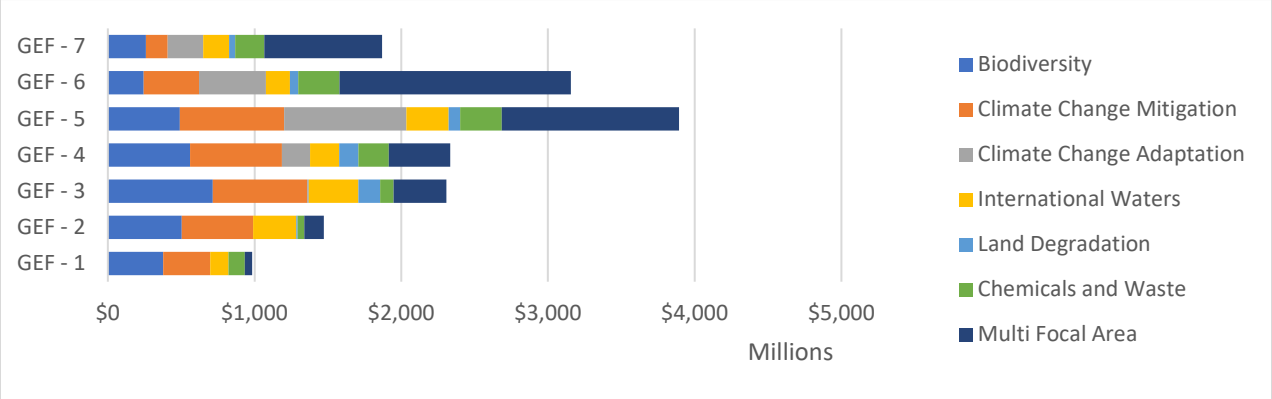
Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects

Figure 6: MSP financing invested by focal area and GEF period



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

Figure 7: FSP financing invested by focal area and GEF period



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

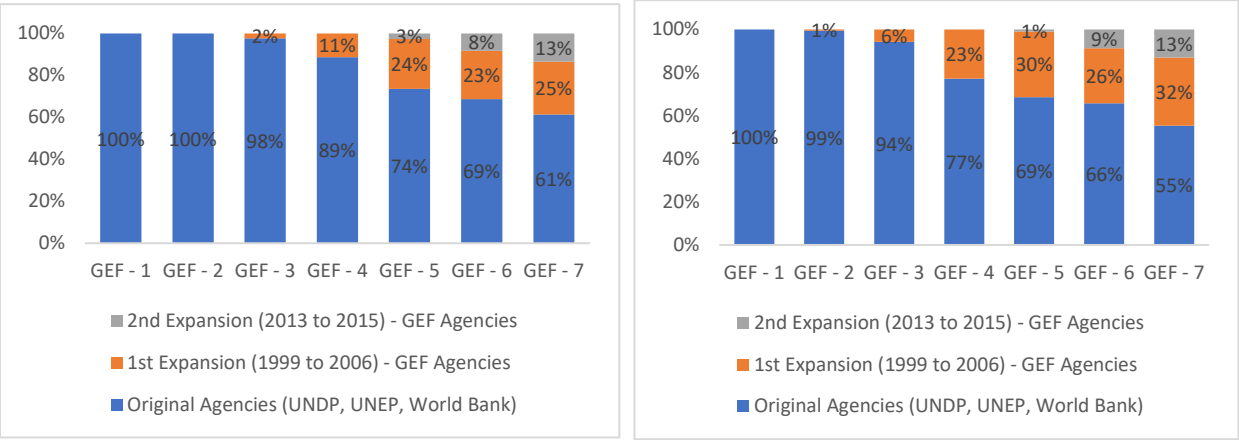
35. **The MSP modality is a mechanism to test and pilot new approaches and initiatives in the GEF.** In GEF-3, when land degradation was introduced as a focal area, MSPs were used to test stand-alone land degradation projects. MSPs accounted for 71 percent of land degradation projects while FSPs accounted for 29 percent in GEF-3. In GEF-5, the MSP modality was used to test a series of artisanal and small-scale gold mining -focused projects under the chemicals and waste focal area in anticipation of the Minamata Convention. The GEF showcased its ability to fund mercury emissions reductions projects, which paved the way for it to become an official financing mechanism for that convention once it was signed. This worked as well with the establishment of the CBIT. At the request of the parties to the Paris Agreement and to meet the agreement's key result—an enhanced transparency framework for tracking and reporting progress of existing and future country commitments, the GEF created the CBIT trust fund. All approved CBIT projects to date have been MSPs. Seven projects are awaiting approval (two FSPs and five MSPs). This explains the increase in climate change mitigation MSPs in GEF-6 and GEF-7.

2.3 Agencies

36. **The GEF Agencies implementing MSPs have diversified, beginning with GEF-4.** Although UNDP, United Nations Environment Programme (UNEP), and the World Bank implements most of the GEF portfolio, [25] the relative share of funding for MSPs and FSPs for these three original agencies diminished as newer agencies joined the partnership[26] (figure 8). The Sixth Comprehensive Evaluation of the GEF found that expanding the GEF partnership has increased agency competition for GEF resources in most countries, a point echoed by GEF Agencies interviewed.

[25] UNDP, UNEP, and the World Bank are the three original GEF Agencies active since the pilot phase.
[26] The GEF has undergone two agency expansions. The first round, (1999–2006) added seven more Agencies—four regional multilateral development banks and three UN organizations. The second round, (2013–2015) added eight more Agencies, including three national agencies, two subregional agencies, and three international CSOs.

Figure 8: Share of GEF grants by GEF Agency from GEF-1 to date, MSPs vs. FSPs



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

37. UNDP has by far the largest share of the GEF MSP and FSPs portfolios, followed by UNEP and the World Bank. From GEF-4 to GEF-7, the share of World Bank-implemented MSPs dropped to 6 percent compared to 28 percent. The World Bank and other multilateral development banks (MDBs) have moved away from MSP programming in favor of larger integrated programming and investments. The share of UNEP-implemented MSPs increased to 32 percent from 22 percent in GEF-4 (table 5).

Table 5: Share of GEF projects and grant amount by GEF Agency, GEF-4 to GEF-7

Agency	FSP				MSP			
	Number of projects		GEF grant		Number of projects		GEF grant	
	(#)	(%)	($ millions)	(%)	(#)	(%)	($ millions)	(%)
Asian Development Bank (ADB)	42	2%	209.60	2%	8	1%	9.61	1%
African Development Bank (AfDB)	58	3%	391.14	3%	3	0%	4.87	1%
West African Development Bank (BOAD)	4	0.2%	27.53	0.2%	n/a	n/a	n/a	n/a
Development Bank of Latin America (CAF)	9	0.5%	53.47	0.5%	5	1%	8.43	1%
Conservation International (CI)	26	1%	186.69	2%	18	2%	24.47	3%
Development Bank of Southern Africa (DBSA)	4	0.2%	39.22	0.3%	n/a	n/a	n/a	n/a
European Bank for Reconstruction and Development (EBRD)	20	1%	180.20	2%	2	0.2%	3.90	0.4%
Food and Agriculture Organization (FAO)	198	10%	964.27	9%	47	6%	62.84	7%

Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO)	1	0.1%	n/a	n/a	2	0.2%	3.53	0.4%
Brazilian Biodiversity Fund (FUNBIO)	2	0.1%	28.77	0.3%	n/a	n/a	n/a	n/a
Inter-American Bank (IIDB)	43	2%	340.61	3%	11	1%	15.85	2%
International Fund for Agricultural Development (IFAD)	51	3%	260.80	2%	5	1%	5.42	1%
International Union for Conservation of Nature (IUCN)	25	1%	109.69	1%	8	1%	11.24	1%
UNDP	787	41%	4,396.19	39%	309	38%	349.01	36%
UNEP	241	13%	1,192.13	11%	260	32%	300.63	31%
United Nations Industrial Development Organization (UNIDO)	114	6%	579.50	5%	87	11%	97.06	10%
World Bank	265	14%	2,189.20	19%	47	6%	49.70	5%
World Wildlife Fund (WWF-US)	17	1%	103.50	1%	7	1%	10.99	1%
Total	**1907**	**100%**	**11,252.51**	**100%**	**819**	**100%**	**957.55**	**100%**

Note: n/a = no projects

38. **MSPs have included a broad representation of CSO executing agencies, including NGOs, institutes, and foundations.** Consistent with its intended purpose, more CSOs are executing agencies for MSPs than for FSPs (18 percent of MSPs and 4 percent of FSPs). Government entities execute more FSPs (70 percent of FSPs compared to 56 percent of MSPs), while multilateral organizations execute equally: FSPs 14 percent. MSPs 12 percent. Private sector institutions execute less than 1 to 2 percent of FSPs and MSPs (table 6).

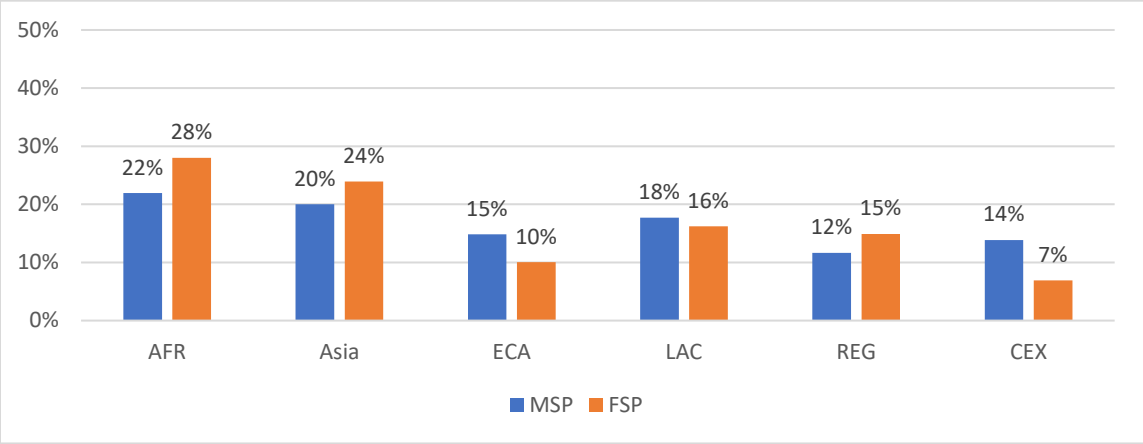
Table 6: Project executors, MSPs vs. FSPs

Executing Agency type	FSP		MSP	
	(#)	(%)	(#)	(%)
Bilateral	2	0%	1	0%
CSOs (including NGOs, institutes, and foundations)	97	4%	215	18%
Donor agency	0	0%	1	0%
GEF Agency	77	3%	35	3%
Government	1,855	70%	680	56%
Multilateral	377	14%	150	12%
Private sector	25	1%	19	2%
Others	215	8%	103	9%
Total	**2,648**	**n/a**	**1,204**	**n/a**

2.4 Regions and geographic scope

39. **MSPs are primarily delivered through national projects.** However, more MSPs are global projects than FSPs. MSPs are well distributed among the GEF regions. From GEF-4 through GEF-7, global projects account for 18 percent of MSP financing and 13 percent of FSP financing (table 7). FSPs are slightly more prevalent in Africa and Asia, and slightly less prevalent in Europe and Central Asia and Latin America and the Caribbean (figure 9).

Figure 9: FSPs vs. MSPs by region (all replenishment periods)



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

Table 7: GEF-4 to GEF-7 support by geographic scope and region, MSPs and FSPs

Geographic Scope and Region	MSP				FSP			
	Number of Projects		GEF Grant + PPG		Number of Projects		GEF Grant + PPG	
	(#)	(%)	($ millions)	(%)	(#)	(%)	($ millions)	(%)
National	**610**	**74%**	**672.57**	**70%**	**1535**	**80%**	**7,982.77**	**71%**
AFR	*190*	*23%*	*209.14*	*22%*	*594*	*31%*	*2,897.88*	*26%*
Asia	*165*	*20%*	*185.18*	*19%*	*478*	*25%*	*2,661.52*	*24%*
Europe and Central Asia	*120*	*15%*	*118.99*	*12%*	*154*	*8%*	*700.27*	*6%*
Latin America and the Caribbean	*135*	*16%*	*159.26*	*17%*	*309*	*16%*	*1,723.10*	*15%*
Regional	**90**	**11%**	**113.01**	**12%**	**253**	**13%**	**1,856.77**	**17%**
Global	**119**	**15%**	**171.98**	**18%**	**119**	**6%**	**1,412.97**	**13%**
Total	**819**	**100%**	**957.55**	**100%**	**1,907**	**100%**	**11,252.51**	**100%**

3. RELEVANCE OF THE MSP MODALITY

3.1 Introduction

40. Relevance measures the extent to which the modality meets the needs of the GEF Agencies, lead executing agencies, executing partners, and grant recipients.

41. The team asked the following key evaluation questions:

(a) What factors have influenced the use of MSPs by participating GEF Agencies and countries?

(b) Are there particular gaps that the MSP modality has addressed?

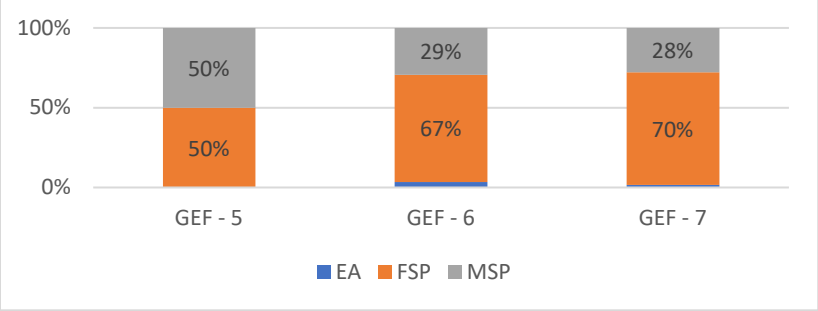
(c) Are MSPs deploying innovative approaches?

(d) How does the MSP modality compare with relevant modalities of comparators?

3.2 Factors influencing the choice of MSPs

42. **The MSP modality is a good entry point into the GEF.** For agencies admitted during the 2013–2015 accreditation process, half the projects they took on were MSPs in GEF-5 (figure 10). Several GEF Agencies interviewed said their initial involvement with the GEF was through MSPs, which they found useful entry points, to learn without the risks of the larger FSPs. The NGO GEF Agencies appear to have used MSPs to test out early systems and processes to administer GEF projects. An example they gave was the CBIT, which has been almost entirely funded by MSPs. When the CBIT was launched in GEF-6, NGO GEF Agencies said they had little experience implementing the GEF, but they did have a background in climate policy work, so they were able to quickly engage with the CBIT.

Figure 10: Project type for GEF project agencies (2nd expansion, 2013–2015)



43. **GEF Agencies and countries have used MSPs to test new approaches**. Agencies and countries have generally used MSPs to test new approaches with the potential to be scaled up

once proof of concept has been achieved, and to catalyze partners. Box 2 gives an example of how MSPs have been used with this aim in Armenia. MSPs have been used to build proposals that could then be ready for investment fund support, such as the Land Degradation Neutrality Fund Technical Assistance Facility project (GEF ID 9900) highlighted in section 3.4 below. MSPs also appear to have been useful for niche opportunities to meet demands, such as developing tools and analysis useful for the GEF or conventions to identify the best areas for interventions. This was the case with the Enabling the Use of Global Data Sources to Assess and Monitor Land Degradation at Multiple Scales (GEF ID 9163), which created the trends.earth platform. MSPs have been developed when a rapid response is necessary, such as the COVID pandemic. The GEF approved a WWF project, Collaborative Platform for African Nature-based Tourism enterprises, Conservation Areas, and Local Communities–a response to COVID-19 (GEF ID 10625). The objective is "to create an independent collaborative platform where resources and tools are centralized to facilitate and streamline ongoing communication at all levels in linking COVID-19 financial relief and stimulus products with local nature-based tourism enterprises and beneficiary communities affected by the spread of COVID-19" (PI –GEF ID 10625). The MSP is deemed a quick and agile modality. One-step MSPs have allowed Agencies to react quickly to opportunities to develop projects.

Box 2: Use of MSPs in Armenia

The GEF portfolio in Armenia is composed of 12 national FSPs and 11 MSPs, in addition to 14 regional and global interventions. Most projects in Armenia are GEF-4 onwards, with a significant number of completed projects. Armenia has used GEF resources strategically through an MSP portfolio designed to generate environmental benefits at scale. The projects were relevant to the environmental issues in Armenia and responsive to Armenia's international environmental commitments. MSPs have allowed GEF funds to be spread across several Agencies, all focal areas, including multifocal and several ministries, such as the ministry of nature protection, agriculture, and economic development. MSPs have addressed variety of areas ranging from forestry, hazardous waste management, entrepreneurship development, and environmental education to mainstreaming biodiversity. MSPs and FSPs often grew out of enabling activities, such as national implementation plans, National Capacity Needs Self-Assessment, and National Biodiversity Strategy and Action Plans.

In a small country like Armenia with a relatively small GEF STAR allocation (Armenia's STAR allocation has been around $8 million in GEF-5, GEF-6, and GEF-7), MSPs, when used effectively, can achieve a lot. Several country stakeholders found MSPs a means to demonstrate or pilot new approaches, and to test them before scaling up to an FSP. For example, the PIF for the GEF-6 FSP Sustainable Land Management for Increased Productivity in Armenia, implemented by IFAD, refers to coordinating and collaborating with the MSP Enhancing Livelihoods in Rural Communities through Mainstreaming and Strengthening Agricultural Biodiversity Conservation and Utilization implemented by UNEP to enhance conservation agriculture activities and other sustainable agriculture practices. The IFAD FSP intends to work in the same pilot sites as the MSP to maintain continuity of community engagement.

The Developing the Protected Area System (GEF ID 3762) generated a positive impact on protected area legislation in Armenia and enhanced general awareness of the need to protect systems under threat. The project achieved demarcation of the three new protected areas and prepared management plans and other protected area management requirements. The project also contributed to capability development of the relevant institutions.

44. **The amount of effort required to develop a proposal and administer an MSP is not very different from an FSP.** Interviews indicated that transaction costs for MSPs are almost as high as for FSPs. For example, the World Bank's 2006 evaluation of its use of MSPs showed that the average preparation cost for an MSP then was $41,000, with supervision costs averaging $64,000. These totals are the result of fixed costs associated with Bank-required financial management assessments and procurement plan preparation. These transaction costs, which are not too different from those for FSPs, appear to have impacted the use of MSPs by some Agencies such as the World Bank as shown in table 8. The World Bank, for example, supported 64 MSP projects in GEF-2. World Bank administered MSPs have dropped in each subsequent period (39 in GEF-3, 33 in GEF-4, nine in GEF-5, five in GEF-6, and none in GEF-7 [table 8]). Interviews with other Agencies also pointed to the relatively higher transaction costs associated with the MSP compared to the FSP.

Table 8: Number of MSPs and associated financing by GEF Agency and replenishment period

Agency	GEF - 1		GEF – 2		GEF - 3		GEF - 4		GEF – 5		GEF - 6		GEF - 7	
	(#)	($US mil.)	(#)	($US mil.)	(#)	($US mil.)	(#)	($US mil.)	(#)	($US mil.)	(#)	($US mil.)	(#)	($US mil.)
Original Agencies	**10**	**6.80**	**161**	**125.34**	**209**	**146.41**	**227**	**191.77**	**170**	**218.61**	**141**	**205.64**	**78**	**83.32**
UNDP	3	2.20	64	51.37	122	70.88	122	107.47	95	120.18	61	89.60	31	31.76
UNEP	4	2.37	33	23.36	48	40.21	72	55.19	66	86.53	75	107.36	47	51.56
World Bank	3	2.23	64	50.61	39	35.31	33	29.12	9	11.90	5	8.68		
1st expansion (1999–2006)					**5**	**3.91**	**29**	**26.12**	**55**	**69.98**	**47**	**70.31**	**32**	**33.13**
ADB					3	2.28	1	1.00	3	1.60	2	3.67	2	3.33
AfDB									1	1.32	2	3.55		
EBRD									2	3.90				
FAO							6	5.69	9	12.80	18	22.61	14	21.74
IADB					1	1.00	2	2.00	3	4.27	6	9.58		
IFAD					1	0.64	4	3.42					1	2.00
UNIDO							16	14.00	37	46.10	19	30.90	15	6.06
2nd expansion (2013–2015)									**6**	**8.69**	**17**	**23.73**	**17**	**26.26**
CAF										-	2	4.05	3	4.39
CI									4	5.78	9	10.37	5	8.31
FECO										-	1	1.83	1	1.70
IUCN										-	4	5.42	4	5.82
WWF-US									2	2.91	1	2.05	4	6.04
Total	**10**	**6.80**	**161**	**125.34**	**214**	**150.31**	**256**	**217.89**	**231**	**297.28**	**205**	**299.68**	**127**	**142.71**

45. Despite the drop in the number of MSPs approved, none of the interviewed agencies or countries want the MSP modality to be eliminated. Rather, there is a general interest in using MSPs more strategically and selectively to testing a new approach or catalyze larger projects.

46. **Alignment with national priorities has increased the uptake of MSPs in countries.** The review of terminal evaluations showed a positive correlation between project success and alignment with national priorities listed in national development or sustainability plans. In Costa Rica, for example, the GEF's priorities are well aligned with the country's national environment and socioeconomic commitments. The project Improving mangrove conservation across the Eastern Tropical Pacific Seascape through Coordinated Regional and National Strategy Development and Implementation (GEF ID 5771) exemplifies the commitment to wetland conservation at a national and regional level. MSP take-up is also affected by how countries view their System for Transparent Allocation of Resources (STAR). In Mozambique, the MSP portfolio, indeed all GEF interventions, are in line with Mozambique's national development plan, anchored in the national development strategy (2015–2035) of July 2014, as well the country strategy program. They are therefore seen as highly relevant. Countries view their STAR allocation as essentially earmarked for FSPs. The evaluation team noted a clear correlation between country STAR allocation and the amount of money provided for FSPs in the STAR focal areas.

47. The data shows no correlation between a country's STAR allocation and the amount of financing provided for MSPs. Based on interviews with OFPs and agencies, however, the team noted that countries with smaller country allocations may program their funds more through MSP projects (and therefore funding through MSPs) than countries with higher country allocations They either (1) program their funds through one or two large FSPs with the remaining allocation 1 for an MSP so they do not lose out on funds; or, (2) program multiple MSPs to use their allocation for multiple smaller projects.

48. Some interviewees said countries think of MSPs were as an option when there is "leftover" STAR. Possibly related is what some GEF Agencies term "crowding out." Some donors argued that in some countries they are in competition for the attention of the government and its executing agencies. Consequently, donor modalities with small capital limits, such as MSPs, can sometimes appear less attractive than larger funds. This is the case in Mozambique, where most of the national portfolio is delivered through FSPs. MSPs are very much the exception (national projects include 16 FSPs and two MSPs). Most of Mozambique's MSP portfolio involves regional interventions.

3.3 MSPs address particular gaps

49. **MSPs address funding gaps for GEF Agencies and the countries they work with.** Agencies use MSPs for risky projects other donors may not be prepared to support. The NGO GEF Agencies said they sought MSP funding for projects their science divisions initiate to pilot new approaches or tools. They gave examples of MSPs used to test tools initially generated as

part of scientific research. Agencies have used MSPs to develop demand-driven tools and analysis quickly to identify the best areas for future interventions. The Spatial Planning for Protected Areas in Response to Climate Change (GEF ID 5810) looked at the impact of climate change on protected areas management around the world, highlighted below is one example.

50. The NGO GEF Agencies said MSPs fill a financing niche unattractive to others, such as foundations, investment funds, and the private sector because MSPs will support risky projects where financial return may not be immediately apparent, and because private investment tends to be narrowly defined. This is especially the case for multicountry regional programs.

51. **MSPs are used for capacity building and developing knowledge products.** MSPs have served as a binding instrument that holds regional programs together (box 3).[27] Some agencies tie them to big umbrella projects to support capacity building and development of knowledge products. Interviewees gave examples of MSPs used to identify an issue or pilot a new approach for a large initiative involving multiple countries.

52. MSPs have also been the main source of funding for CBIT projects, where the focus is entirely on building national institutions' capacity to meet the requirements of the UNFCCC. Interviewees said these initiatives, and their reporting outputs, would not have existed in the same consistent fashion without MSP support.

Box 3: MSPs as glue projects

The 2017 programmatic approach evaluation found early GEF programs funded coordination and M&E through a child project, typically an MSP with a budget of up to $1 million. Of the 48 programs in the GEF prior to GEF-6, 18 (38 percent) had a dedicated coordination and knowledge-sharing project, 15 (83 percent) of which were MSPs. The GEF Desert Ecosystems and Livelihoods Program in the Middle East and North Africa region (GEF ID 4620) is typical. A regional MSP was used to cover knowledge sharing, M&E, and program management costs. The larger GEF-6 and GEF-7 programs, particularly the integrated approach pilots and integrated programs, were designed similarly approach. However, coordination projects were much larger because the overall programs are larger.

53. Analysis of the country case studies indicates that countries with strong capacity have found they need to fund the institutional frameworks that provide the foundation for future interventions. MSPs have proven to be best used for policy development. In the case of Costa Rica for example, all GEF Agencies and national executing agencies agreed that the MSP has the potential for significant impact, but emphasized that it would be more relevant to the country's context and capacities if it focused on policy development, seen as having a high return on investment. The Sustainable Urban Mobility Program for San Jose MSP provided the groundwork for the Plan Nacional de Decarbonization, Costa Rica's renowned National Decarbonization Plan (GEF ID 5838). It advanced local municipal efforts to make a unified urban

[27] Global Environment Facility Independent Evaluation Office (GEF IEO), Evaluation of Programmatic Approaches in the GEF, Evaluation Report No. 113, Washington, DC: GEF IEO, 2018

transportation plan for Costa Rica's path toward a green economy. The capacity built in this project contributed significantly to developing the National Decarbonization Plan.

54. The GEF support for the Cartagena Protocol on Biosafety provides capacity-building support to countries to implement the protocol. To date, it has helped 126 countries develop their National Biosafety Frameworks. Support for biosafety interventions has been predominantly delivered through GEF MSPs. The portfolio of GEF biosafety interventions includes 43 stand-alone projects, 71 percent (32 projects) of which are MSPs, and one program with 32 child projects, 94 percent (30 projects) of which are MSPs.

3.4 MSPs deploy innovative approaches and achieve transformational change

55. **MSPs have been a catalyst for financing innovation and scaling up.** GEF Agencies have worked with countries to use MSPs for innovative purposes. Innovation has happened in the content of the projects and in the structuring of their financing. The focus has been on testing new approaches, based on science. Examples include tools developed to predict species distribution postclimate change, and online platforms that analyze land degradation on a global scale. Box 4 outlines the GEF-supported targeted research for scientific targeted research.[28]

Box 4: MSPs and targeted research

The GEF Council first approved the Principles for GEF Financing of Targeted Research at its 9th meeting in May 1997. The STAP highlighted the reason for considering GEF funding of goal-oriented research that supports the GEF operational strategy. The targeted research modality was not being taken up by GEF Agencies as expected and STAP expressed concern that "opportunities were being lost to improve the efficient and evidence-based functioning of the GEF in terms of up-to-date science and new tools and techniques." The targeted research modality comprises 46 projects distributed equally between MSPs and FSPs, with two enabling activities and two FSP child projects.

	Pilot Phase	GEF- 2	GEF-3	GEF-4	GEF-5	Total
Enabling activity		2	1	1	1	5
Two-step MSP		15	3	1		19
FSP	1	7	6		6	20
FSP child project			1	1		2
Total	**1**	**24**	**11**	**3**	**7**	**46**

56. The global project Spatial Planning for Protected Areas in Response to Climate Change (GED ID 5810) is a more recent example of a targeted research project. This project, a GEF-5 MSP, was initiated as a targeted research project in response to a request from the GEF's STAP to better understand the potential impact of climate change on the GEF's biodiversity portfolio, especially the GEF's support for the global protected area estate. The project is constructing

[28] GEF/STAP/C.43/Inf.02 https://www.stapgef.org/sites/default/files/documents/GEF-STAP-C43-Inf-02-Research-within-the-GEF-Proposals-for-Revising-the-Targeted-Reserach-Modality.pdf

scenarios of change in the three highest diversity continental tropical regions to better understand threats from disrupting climate shifts and opportunities for adaptation of terrestrial protected area networks.

57. **MSPs are being used to test pilot technology and test applications that could be applied on a much larger scale.** IUCN is investigating whether blockchain can be applied to an existing MSP portfolio of land restoration projects to encourage investors to pay communities to undertake restoration work. The Restoration Challenge Grant Platform for Smallholders and Communities, with Blockchain-Enabled Crowdfunding project (GEF ID 10637) will pilot the technology in a few countries to investigate whether it would add value to the larger portfolio. The use of blockchain is a new concept in the GEF. In December 2019, STAP presented a document to the GEF Council, *Harnessing Blockchain Technology for the Delivery of Global Environmental Benefits* (GEF/STAP/C.57/Inf.07). It highlights blockchain as an "enabling technology that can help with the secured monitoring and tracking of environmental data and natural resources, thereby facilitating their effective management and enabling sustainable outcomes" (STAP, 2019).

58. Another example is the use of blended finance in land degradation projects. The GEF has used a blended finance approach in the areas of clean energy and energy efficiency. However, it is a relatively new concept in the effort to combat land degradation. MSPs can clearly play a role in encouraging private investors. The Piloting Innovative Investments for Sustainable Landscapes project (GEF ID 9719), implemented by UNEP, is one example of blended finance for land degradation where the project goal is, among other things, "de-risking private finance in sustainable landscapes in seven target landscapes in Brazil, Indonesia, and Liberia." The Land Degradation Neutrality Fund (LDNF) Technical Assistance Facility project (GEF ID 9900), for example, is an attempt to mobilize private finance to pursue this goal. The fund, initially conceived by the United Nations Convention to Combat Desertification (UNCCD), invests in sustainable land use and land restoration projects that also deliver profitable returns to private investors. It is complemented by a technical assistance facility (TAF) that aids capacity development of current and potential Land Degradation Neutrality Fund project developers. The fund has a blended finance structure, meaning that public investors provide riskier forms of capital to encourage private investors to get involved. As of late 2019, the fund announced soft commitments of $100 million to $120 million from investors, with a final target size of $300 million. The TAF received an MSP grant, and another $4.9 million in donor cofinance. This blended finance approach is a relatively new concept in combatting land degradation, and MSPs can clearly play a role in encouraging private investors.

59. Another example of innovation and scaling up is the Global Cleantech Innovation Programme (GCIP) to accelerate uptake and investments in innovative cleantech solutions. The program started as a GEF-UNIDO Greening the COP17 (conference of parties) in Durban project (GEF ID 4514), which was scaled up to a series of MSPs with a global coordination platform, and later became a GEF program. The Greening the COP17 in Durban showcased targeted activities

in South Africa, including the innovative technology competition for the small or medium enterprise component of the MSP. This was later scaled up to a global flagship program on cleantech for small and medium enterprises with MSPs of $0.5 million to $2 million. A recent GEF IEO evaluation highlighted the program's relevance and results (GEF IEO, 2018b). The decision to use MSPs was because of the simpler approval process. The MSPs could be approved and executed more quickly to implement the GCIP through separate country projects.

60. **MSPs can bring about transformational change**. The GCIP also supported market transformation for energy efficiency in industry and the building sector (GEF 2011b). The Uruguay Wind Energy Programme, launched in 2007 (GEF ID 2826) was successful in removing barriers to develop commercially viable wind-energy investments and create an enabling policy framework for wind energy. The program was initially set to establish a 5-megawatt demonstration project, however by the time the project closed, a transparent market for wind power was created, with 43.45 MW introduced in the country by December 2013. Projects in development delivered 990 MW by December 2015, far exceeding project goals and converting wind power into a major energy source for the country. The Promoting Payments for Environmental Services and Related Sustainable Financing Schemes in the Danube Basin (GEF ID 2806) also demonstrates that MSPs can be transformational. The project was able, by demonstrating and promoting payment for ecosystem services and related financing schemes, to prompt testing and implementation of four national-level payment pilot schemes for national fisheries policies in Romania and Bulgaria.

61. While these examples of innovation and transformation are encouraging, there are concerns about whether the administrative structure of the MSP modality allows for genuine innovation. Some interviewees indicated that the STAR allocations, which tend to be earmarked for larger interventions, can discourage innovation. One interviewee argued that in an environment where donors and countries are seeking to support significant "transformational change," it becomes difficult to ask countries to ringfence part of STAR specifically for MSPs. For example, a country with a $10 million STAR allocation could have strong government interest in channeling the funds to a small number of FSPs. The allocation is therefore taken up, and there would be little left for MSPs.

3.5 Comparison with similar modalities

62. For this evaluation, the multilateral environment funds that are the closest comparators are the Adaptation Fund and the Green Climate Fund (GCF). The former offers grants for scale up, learning grants, and small grants for innovation. However, none of these approximate the intentions of MSPs. The modality that best serves as a comparison is the GCF's simplified approval process (SAP) (table 9).

Table 9: MSP comparison with similar modalities

Organization	Modality	Finance ceiling	Approval process	Business standards	Approval authority	Strategic reasoning for the modality	
GEF	Medium-sized projects	$2 million	Simplified preparation process Simplified templates Possibility of one-step approval process	Shorter business standards	Delegation of approval authority to CEO	Created to provide an expedited mechanism	Allows for a broader, more balanced representation of Executing Agencies and stakeholders
Adaptation Fund	Grants for scale up Learning grants Small grants for innovation		Simplified preparation process Simplified templates Decreased or lighter analysis of compliance with policies				
GCF	SAP	$10 million	Simplified preparation process Simplified templates	Shorter business standards	No delegation of approval authority	Created to provide an expedited mechanism	Allows for a broader, more balanced representation of Executing Agencies and stakeholders

63. The GCF approved the Simplified Approval Process Pilot Scheme in decision B.18/06 (October 2017). The objective was "to apply best practices to reduce the time and effort needed in the preparation, review, approval, and disbursement procedures for proposals of certain activities, in particular and small-scale activities that promote and support scalable and transformational actions in support of the GCF mandate."

64. The maximum funding cap for the GCF's SAPs is $10million. However, in all other respects, the SAP is a similar modality—it is aimed at what the GCF defines as micro and small projects. In its recent Assessment of the GCF's Simplified Approval Process Pilot Scheme, the Independent Evaluation Unit of the GCF conducted a benchmarking exercise comparing the SAP with other fast-track project approval processes in the climate and environment sector. The main findings were:

(1) Overall projects and investments that go through simplified or accelerated processes are usually selected based on criteria such as type of activity, entity, financial instrument, size of projects, level of Environmental and Social Standards risk, and a variety of entity-tailored requirements.
(2) When it comes to simplifying the review process, no specific approach stands out, but four organizations report using lighter due diligence processes. None of the processes reviewed involved a decreased level of compliance with policies, although the Adaptation Fund (AF) acknowledges that it does not expect the same depth of analysis for smaller grants as regular projects is not expected.
(3) Eleven of the 21 processes reviewed involved delegating authority for project approval to the management of the organization (either the head of the executive or different levels of management, or both).[29]

65. The benchmarking focused on three points in the project cycle of comparators: project preparation, project review, and project appraisal. One common aspect of project preparation was a comparatively simplified preparation process and simplified templates. The GCF SAP differed from comparators in that it required fewer documents for the project proposal. No differences were evident in the processes required for project review. Both MSPs and SAPs have shorter business standards than the Adaptation Fund.

66. In the project approval phase, only the GEF MSP modality allowed delegation of approval authority to the executive instead of the board, in the case of the GCF SAP). The other significant difference was that the MSP has the one-step approval possibility. This is perhaps one of the key process differences compared to other modalities.

67. The MSP modality has existed far longer than the GCF's SAP. As of September 15, 2020, the GEF had 1,204 MSPs committing $1.24 billion in GEF grants[30] and $5.89 billion in cofinancing. The MSPs account for 23 percent of all GEF projects and 6 percent of GEF grants. By contrast, as of March 2020, the SAP portfolio consisted of 13 approved projects implemented in 12 countries, representing 16 percent of all projects GCF Board approved. These 13 projects correspond to $115 million of commitments from the GCF and $71 million in cofinancing (six micro projects with total project costs of less than $10 million each, and seven $10 million–$50 million projects. They represent 16 percent of the total projects approved and 3 percent of funding provided by the Board since the SAP modality was approved at the 18th meeting of the GCF Board.

68. The GEF MSP and GCF SAP make up a somewhat similar portion of their respective portfolios, (23 percent and 16 percent respectively in approved project numbers). However, the MSP accounts for a larger portion of approved financing at 7 percent, compared to 3 percent for the GCF SAP.

[29] Green Climate Fund Independent Evaluation Unit (2020). Benchmarking Fast Track Processes. Independent Assessment of the GCF Simplified Approval Process Pilot Scheme. Evaluation Report No. 7, June.
[30] This amount includes project preparation grants but excludes Agency fees.

69. Despite differences in the funding cap, there are distinct similarities between the MSP and SAP modalities. Both were created to provide an expedited mechanism and allow for a broader and more balanced representation of Executing Agencies and stakeholders. Both make up similar portions of their respective portfolios in terms of financing or commitments and project numbers. Both cover a range of focal areas. However, there are notable differences between them. For example, while the number of approved MSP projects has been dropping in recent GEF cycles, the number of GCF SAPs has been increasing. There are also significant differences in processing times for the two modalities. This is addressed in Section 5.

4. EFFECTIVENESS, RESULTS, AND SUSTAINABILITY

4.1 Introduction

70. Effectiveness is a measure of the extent to which the intervention's intended outcomes or specific objectives have been achieved.

71. The key evaluation questions asked were:

(a) What are the key factors affecting achievement of results?

(b) To what extent is the MSP contributing to the delivery of global environmental and socioeconomic benefits?

(c) What are the key factors influencing sustainability of outcomes for MSPs?

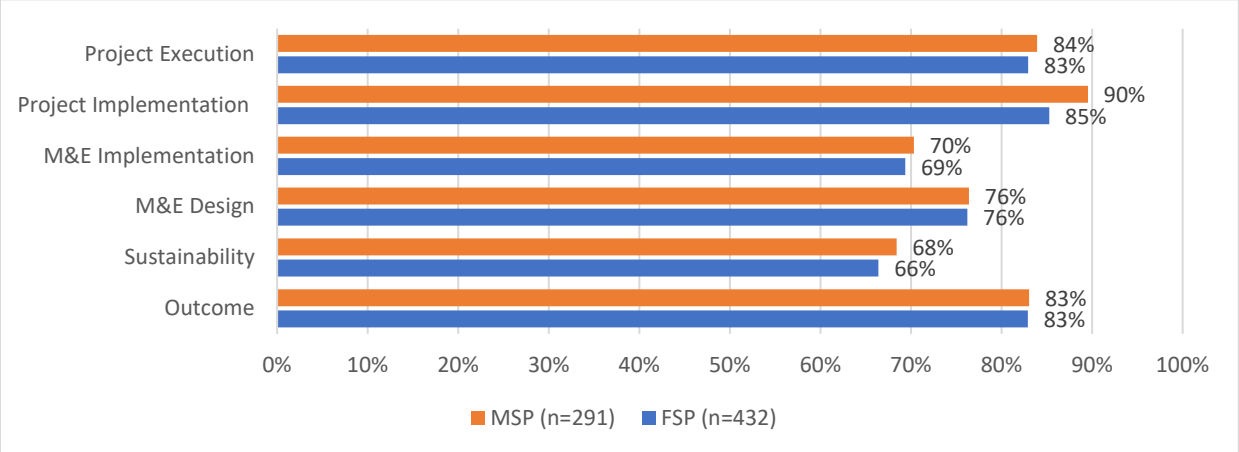
72. This question was addressed in interviews, field observations from the country case studies, review of terminal evaluations, and analysis of portfolio trends.

4.2 Key factors affecting the achievement of results

Performance

73. **GEF MSPs have overall received slightly higher or equal performance ratings to FSPs.** Analysis of terminal evaluation ratings from the most recent IEO Annual Performance Report (APR) 2020 database of completed projects for the period GEF-4 to GEF-6 shows that MSPs perform on a par with FSPs on all dimensions except project quality of implementation. Ninety percent of MSPs were rated satisfactory range compared with 85 percent of FSPs (figure 11).

Figure 11: APR rating comparisons, MSPs vs. FSPs (GEF-4 to GEF-6)

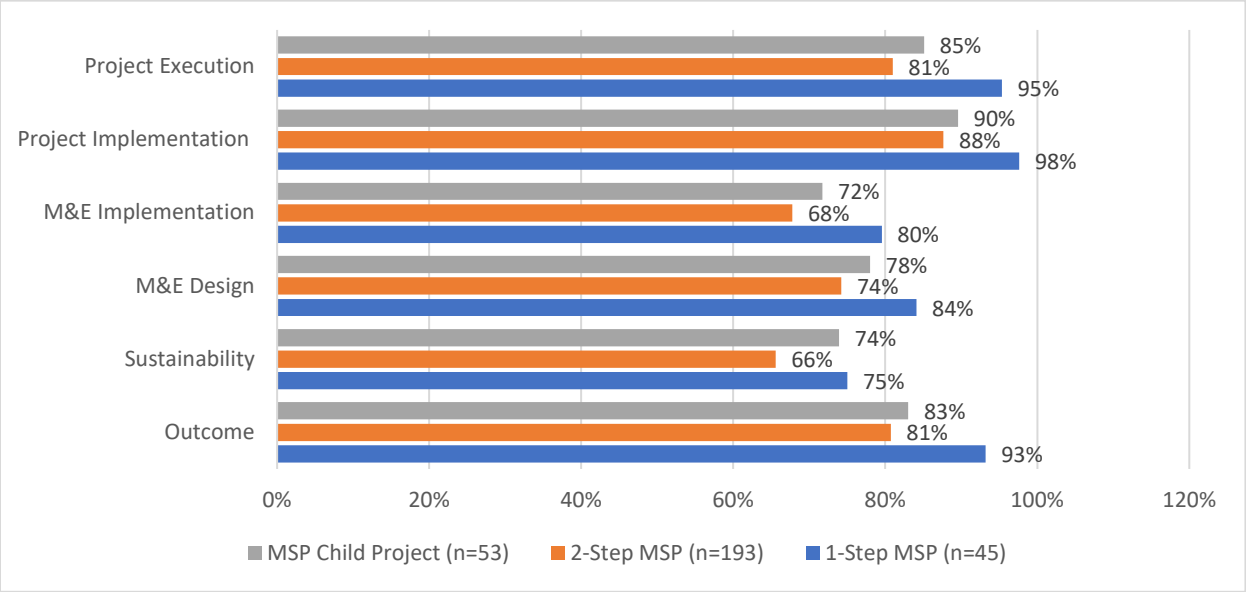


Source: GEF IEO APR 2020 Data –excluding canceled/dropped projects.

74. Outcomes of 83 percent of both MSPs and FSPs implemented from GEF-4 to GEF-6 were rated in the satisfactory range.[31] Ratings for the likelihood of sustainability of outcomes at project closure for MSPs and FSPs were also similar, with 68 percent and 66 percent respectively rated sustainable.[32]

75. **The one-step MSP performs better on outcomes, M&E and implementation as compared to the two-step MSP and MSP child projects**. Ninety three percent of one-step MSPs were rated satisfactory on outcomes and 75 percent were rated in the likely range for sustainability. Additionally, MSP child projects outperform two-step MSPs and FSPs on most dimensions (figure 11 and figure 12). The one-step MSP was approved in GEF-5 and is relatively new.

Figure 12: APR rating comparisons of MSP subtypes (GEF-4–GEF-6)

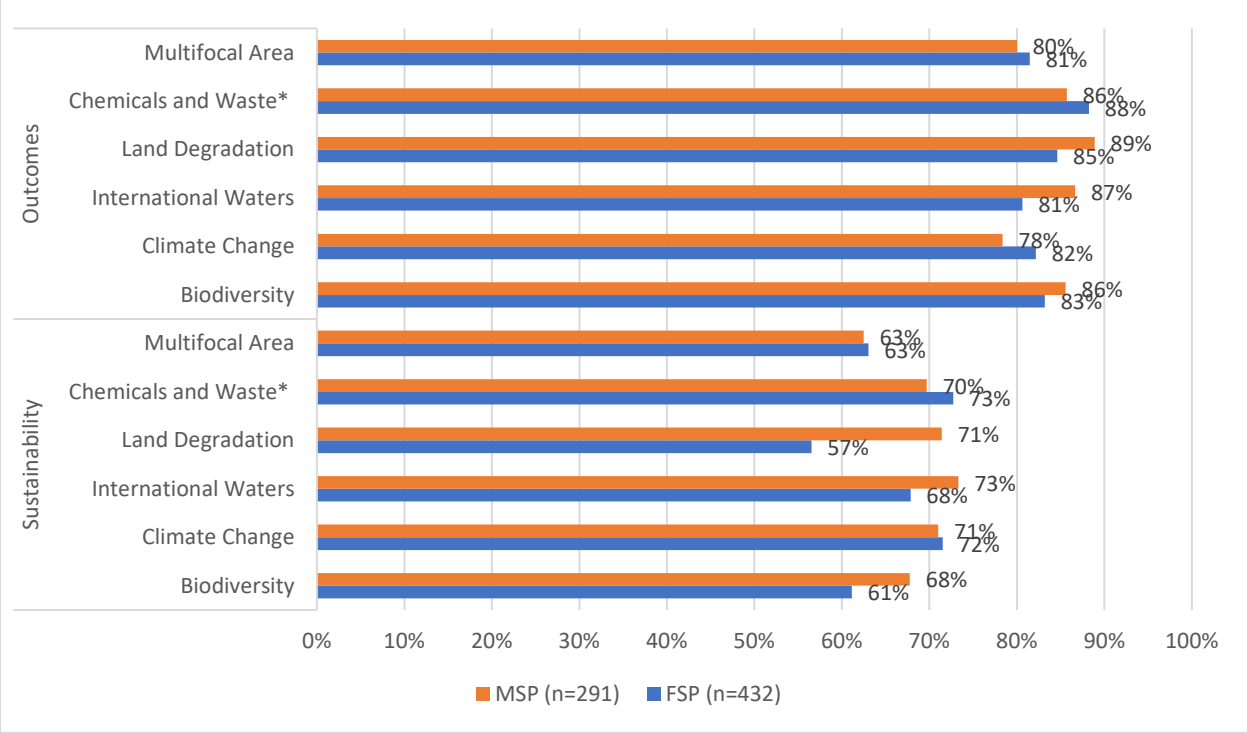


Source: GEF IEO APR 2020 Data – excluding canceled/dropped projects.

76. MSPs perform better than FSPs on outcomes and sustainability in the biodiversity, land degradation, and international waters focal areas (figure 13).

[31] This range includes three ratings: marginally satisfactory, satisfactory and highly satisfactory
[32] This range includes two ratings: moderately sustainable and likely sustainable

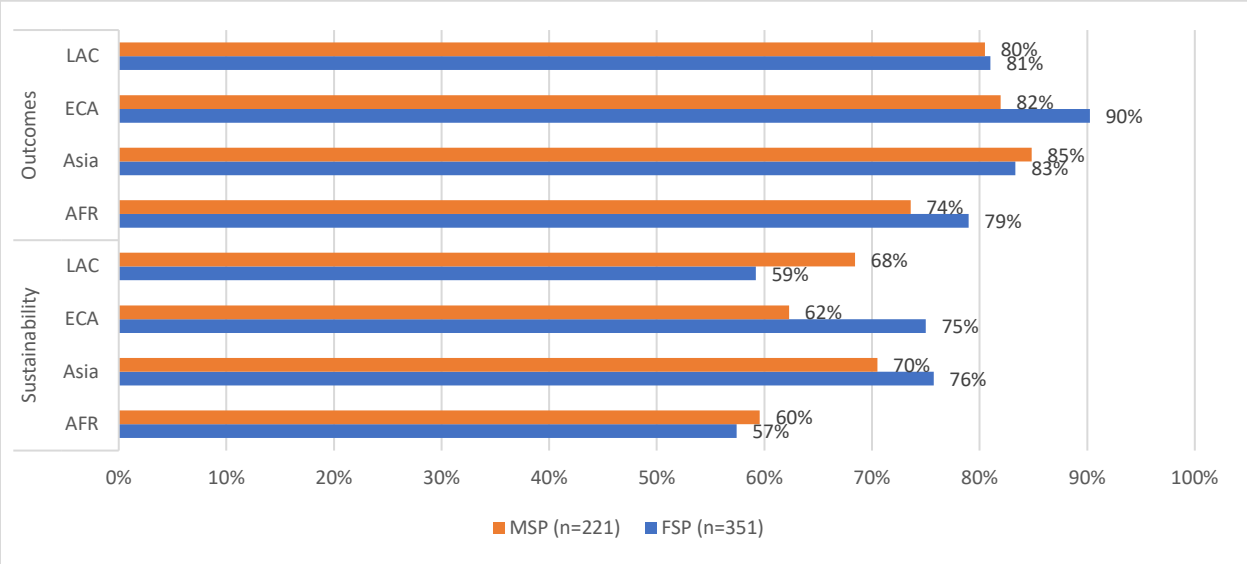
Figure 13: Project ratings by focal area (GEF-4 to GEF-6)



Source: Source: GEF IEO APR 2020 Data – excluding canceled/dropped projects.

77. Apart from the ECA region where the performance of MSPs is lower than FSPs on outcomes and sustainability, there is no difference in outcome ratings between MSPs and FSPs for the other regions. Sustainability ratings for the MSPs are also similar to the FSPs within regions, with the exception of Latin America where MSPs demonstrate higher sustainability (Figure 14).

Figure 14: Project ratings by region, national projects only (GEF-4 to GEF-6)



Source: GEF IEO APR 2020 Data – excluding canceled/dropped projects.

78. The case studies and interviews deepened the analysis of results. For example, the Costa Rica case study reviewed 11 terminal evaluations and four project reports for the 20 remaining MSPs in country. Effectiveness ratings were generally satisfactory. Specific case examples are provided in Section 4.3 of the perceived global benefits of some of these projects. The review showed that many of the Costa Rica projects that were rated satisfactory were implemented and completed within the last five years, whereas projects considered less satisfactory were implemented more than five years ago. Earlier projects tended to have site- and topic-specific aims and impacts, while more recent projects are integrated and addressing systemic issues. In the case of Mozambique, all completed projects were considered satisfactory. However, projects face challenges during implementation, such as complexity of institutional arrangements, low ownership by executing agencies, and weak institutional capacity of government institutions, as well as weak M&E systems, all of which undermine project efficiency.

79. **There is a positive relationship between good project design and achievement of results.** In general, MSPs designed to address systemic issues through interventions that are part of an overall larger strategy for the country tend to result in MSPs being rated more successful than one-off projects.

80. This relationship is even stronger when there is a foundation of strong partners and cofinancing. When MSPs fit within an existing institutional arrangement of this type, positive outcomes are clear. An example is the multicountry Improving Mangrove Conservation Across the Eastern Tropical Pacific Seascape project. An existing regional coordination body (the Conservation International Permanent Commission for the South Pacific) ensured there was already a mechanism for countries to engage. With cofinancing of $4.5million, the MSP funds filled needed financing gaps.

81. A similar situation is the Land Degradation Neutrality Fund project, (section 3.4.). The project proponents—UNCCD Global Mechanism, AFD, the Mirova-Athelia Investment Fund, and the GEF—were heavily involved in project development. Project partners reported strong coordination through biannual technical assistance facility donor committee meetings.

82. **Involvement of a strong Executing Agency has a positive effect on performance.** GEF Agency interviewees said having an Executing Agency that can work efficiently and good stakeholder engagement are important to success. Agencies using MSPs to apply new tools need Executing Agencies that can drive the process and achieve results. Timelines need to be clear so MSPs do not drag on for too long.

83. **The $2 million limit seems appropriate for smaller agencies and countries.** The evaluation team assessed whether the $2 million financing ceiling influences effectiveness and achievement of results through interviews and country case studies. The team received mixed answers. The larger MDB GEF Agencies think of the MSP as small, and this affects their perception of its usefulness and potential effectiveness. They suggested raising the upper limit. However, smaller GEF Agencies do not share this view, as they have found a niche for MSPs.

84. One argument against increasing the funding limit is that Executing Agencies are already possibly overreaching within the limit and raising it could blur the lines between the MSP and FSP modalities. In two Costa Rica projects: (1) Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area, and (2) Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies, project coordinators had several objectives that appeared better suited to an FSP. Terminal evaluations indicated that these projects overextended, resulting in lower effectiveness ratings.

4.3 Contribution of MSPs in raising awareness and developing capacity

85. The question posed was whether there is any evidence of improved local awareness of global environmental concerns, increased local ownership of environmental interventions and strengthened local governance. GEF Agencies provided several examples and country representatives showed how specific projects led to increased local awareness and local ownership.

86. One of the most significant results from MSPs in Costa Rica has been in providing the technical expertise to support design of the National Decarbonization Plan. The Sustainable Urban Mobility Program for San Jose project has been notable for advancing local municipal efforts to make a unified urban transportation plan for Costa Rica's path toward a green economy. Capacity built in this project contributed significantly to developing the National Decarbonization Plan, which has become an accepted model for national environmental policy. UNIDO provided the example of its use of MSPs to support "greening the Conference of Parties." This one-off MSP led to a higher awareness of the environmental implications of large conferences. Lessons learned will be institutionalized in future COPs.

87. Conservation International presented the Spatial Planning for Area Conservation in Response to Climate Change project as an example of awareness raising and global benefits. It is the largest effort to estimate species movements caused by climate change ever undertaken, involving regional teams of scientists and policy experts from more than 20 institutions across the tropics in Latin America, Africa, and Asia. The project gives countries in the Neotropical, Afrotropical, and Indo-Malayan biogeographic realms the assessments and data needed to improve planning, design, and management of terrestrial protected areas for climate change resilience. It has built capacity focused on how people can use tools and connect global change models what is happening in their country. The project led to country-level policy briefs.

88. The Enabling Sustainable Dryland Management through Mobile Pastoral Custodianship: World Initiative on Sustainable Pastoralism (GEF ID 3660) started out as a policy-oriented project to help institutionalize sustainable development in rangelands and pastoral systems in a bigger program. This UNDP-implemented project was executed by IUCN. It was leveraged and became catalytic in upgrading IUCN's Eastern Africa Drylands program for sustainable land management within pastoral systems and contributed to GEB 2 on sustainable land management.

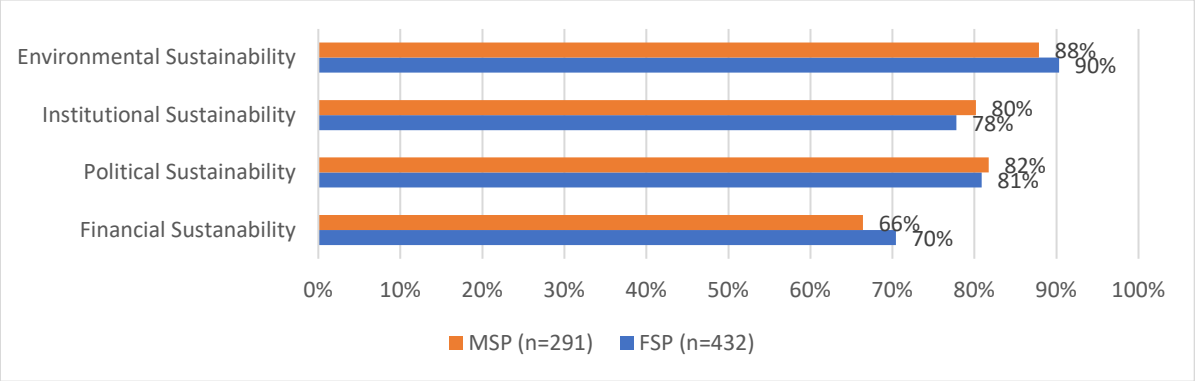
89. MSPs have done valuable work in raising local awareness and delivering global environmental benefits, but interviewees suggested the concept of awareness has changed since the early days of MSPs. At the beginning, GEF Agencies implemented many projects that identified best practices and produced valuable lessons learned. There are fewer opportunities now, as the low-hanging fruit has been harvested. In addition, public awareness of environmental issues has increased significantly in the last 10 to 15 years.

4.4 Key factors influencing the sustainability of outcomes

90. In its Annual Performance Report (APR) 2017,[33] the IEO conducted a desk review of 53 postcompletion verification reports. The analysis showed outcomes of most GEF projects are sustained during the postcompletion period. The review found the key factors that contribute to higher outcomes and broader adoption at postcompletion are high stakeholder buy-in, political support, availability of financial support for follow-up, and sustained efforts by the national executing agency. A few projects regressed to a lower outcome level postcompletion because of lack of financial support for follow-up, low political support, low institutional capacities, low stakeholder buy-in, or flaws in the project's theory of change. The desk review observed catalytic processes of broader adoption such as mainstreaming, replication, and scaling-up or sustaining project outcomes in a higher percentage of projects postcompletion than when the implementation ended.

91. Based on data in the APR 2020 database, an analysis of the available terminal evaluations with ratings on four dimensions of project sustainability—financial, institutional, sociopolitical, and environmental—shows that MSPs and FSPs are rated similarly. FSPs rate slightly better on environmental and financial sustainability, while MSPs are rated slightly better on institutional and political sustainability (figure 15).

Figure 15: APR 2020 sustainability dimensions in MSPs vs. FSPs

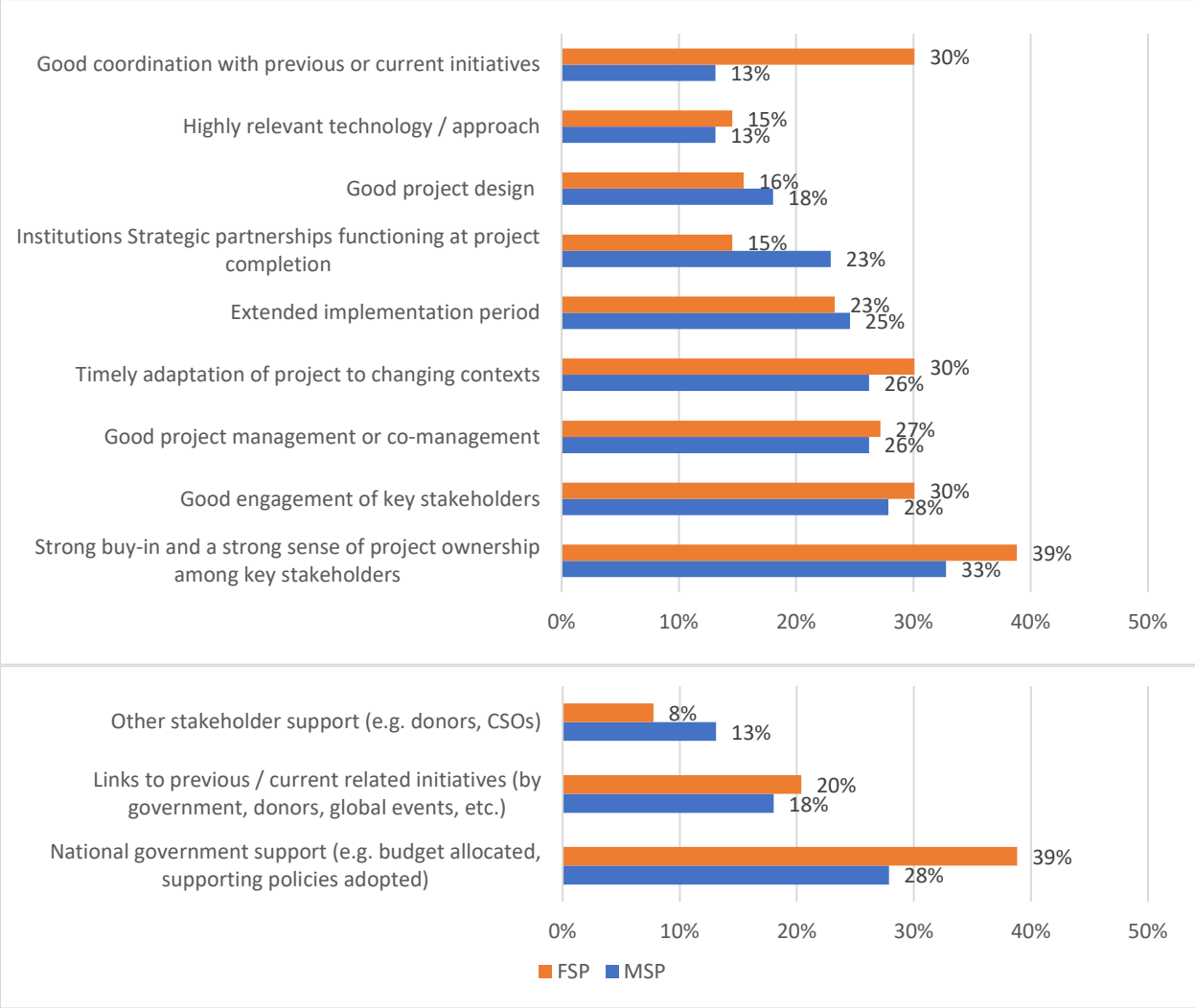


Source: GEF IEO APR 2020 Data – excluding canceled/dropped projects.

[33] GEF IEO, GEF Annual Performance Report 2017, Evaluation Report No. 136, Washington, DC: GEF IEO, 2019

92. In 2019 and 2020, the IEO undertook three strategic country cluster evaluations (SCCEs) in the Sahel and Sudan-Guinea Biomes of Africa, small island developing states (SIDS), and least developed countries (LDCs). These evaluations covered 860 projects. In line with the results in the GEF IEO's 2017 APR, the projects reviewed in SCCEs showed the main factors affecting MSP sustainability are stakeholder buy-in and ownership, good project management and design, and good engagement with key stakeholders (figure 16). Institutional strategic partnerships functioning at project completion also emerged as a factor that affects MSP sustainability.

Figure 16: Project- and context- -related factors contributing to sustainability



Note: n = 197 MSPs and 538 FSPs

93. The two graphs show that project and context-related factors contributing to sustainability are reasonably consistent for both modality types. Strong buy-in is especially important for both modalities, along with national government support. However, there are some significant differences. For example, "good coordination with previous or current

initiatives" stands out as a much more significant determinant of FSP sustainability than is the case for MSPs. This is perhaps understandable, given the size of FSPs, and their need to build on existing experience and institutions. For MSPs, the existence of strategic partnerships and stakeholder support appears to be marginally more important than for FSPs.

Box 5: Example of project sustainability in Vanuatu

In Vanuatu, the UNDP project Facilitating and Strengthening the Conservation Initiatives of Traditional Landholders and their Communities to Achieve Biodiversity Conservation Objectives (GEF ID 1682) worked with the Department of Forests in six provinces. An awareness process for the Penoru Community Conservation Area on the Santo Island started in 2006 with the Global Biodiversity Expedition, which brought much national and international attention. World Vision had its own project in the area and complemented the GEF project with a water supply system. At completion, the terminal evaluation rated the project's sustainability as moderately likely. After a field visit, it was upgraded to likely. After project completion in 2011, national stakeholders continued the work of the project. The communities continued with the promoted land use and management activities. Many of them still maintain the same practices. National stakeholders' ownership and project uptake were instrumental to its sustainability.

94. The MSP country case studies validated these findings. In Costa Rica, key factors supporting sustainability included good project management and the incorporation of a variety of stakeholders. National executing agencies in Costa Rica, for instance, ensured sustainability by maintaining a strong connection with all stakeholders and potential beneficiaries of projects after project completion. One example is the *Knowledge for Action: Promoting Innovation among Environmental Funds* (GEF ID 5880) project that committed to continuous investigation into payment for ecosystem services (PES). The project *Biodiversity Conservation in Cacao Agroforestry* (GEF ID 979) listed engaging community representation through appropriate consultation, identifying champions, and coordinating with local organizations as key elements of and for ongoing sustainability.

95. In Mozambique, limited country capacity and ownership inhibited project sustainability. The Market-Led Smallholder Development in the Zambezi Valley project (GEF ID 2889) for example, relied heavily on implementation of the country's decentralization program and capacity development, which were not adequately developed at the time.

5. EFFICIENCY

5.1 Introduction

96. To analyze efficiency, this evaluation focused on speed of disbursement, complexity of the MSP process, and complexity of reporting.

97. The key evaluation question asked were:

- To what extent is the GEF project cycle for MSPs efficient? Is the endorsement process efficient? Have policy improvements resulted in greater efficiencies?

98. This question was addressed through interviews, field observations from the country case studies, review of terminal evaluations, comparisons with other funding modalities, and analysis of portfolio trends.

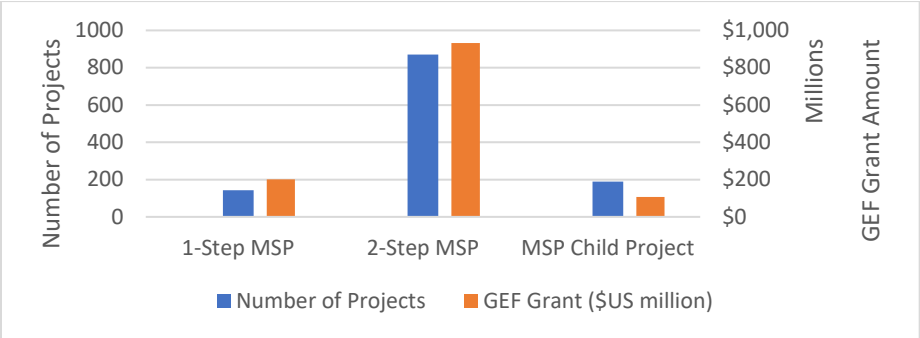
5.2 Efficiency in the project cycle

99. Policy improvements have been made over time, some which have directly affected how MSPs are processed and their overall efficiency. This section discusses how the policy changes described in section 1.3 and the two MSP application procedures affect efficiency, and how stakeholders viewed them.

One-step versus two-step application procedures

100. **GEF stakeholders prefer the two-step MSP procedure.** As described in section 1.2, the GEF has two methods for approving MSPs. Under the one-step procedure, the GEF Agency submits a project document ready for CEO approval. For two-step MSPs, the CEO approves a PIF and the Agency has 12 months to secure CEO approval. The two-step MSP accounts for most MSPs in the GEF portfolio (72 percent of MSPs and 75 percent of MSP grants). The remaining MSPs are one-step or MSP child projects that belong to a larger program (figure 17).

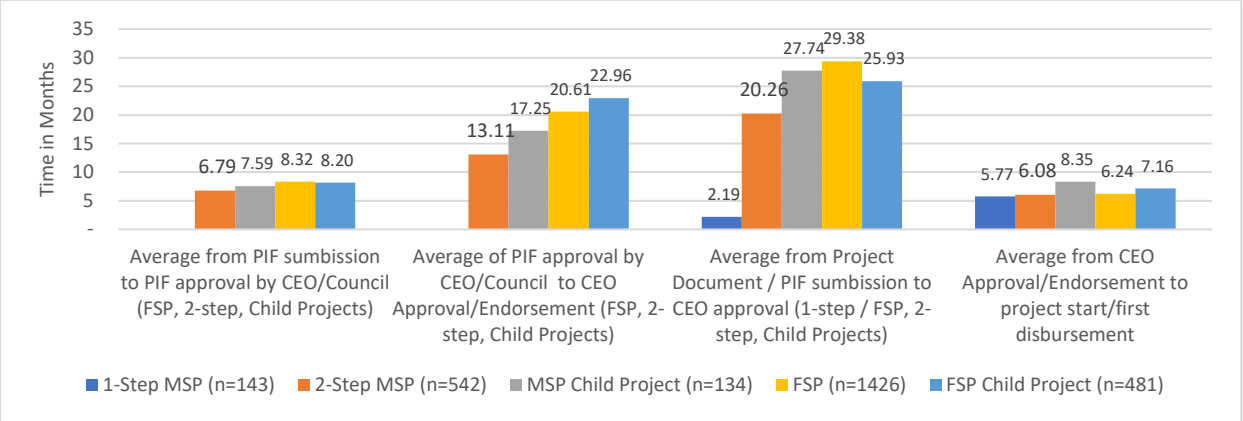
Figure 17: MSPs by subtype



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

101. As shown in figure 18, the one-step MSP is the fastest approval procedure the GEF offers, with an average approval time of a little more than two months. Thirty-eight percent of one-step MSPs are approved within one month of project document submission; 95 percent are approved within six months of submission. The approval process takes about 20 months for two-step MSPs and roughly 28 months for FSPs.

Figure 18: Average time in months for GEF project cycle by project type



Source: GEF Portal as of September 15, 2020, excluding canceled or dropped projects.

102. Interviews help explain these statistics. The two-step procedure is favored for several reasons. One GEF Agency posited that the one-step procedure can be risky for low-capacity countries if there is no clarity on objectives and aims. Another reason is that staff developing the proposals can be held to a timeline because the two-step locks in GEF commitment. Some GEF Agencies find the two-step procedure aligns with their own approval processes and the PPG helps prepare project documents. While the one-step procedure permits reimbursement for preparation costs, most agencies prefer to receive preparation funds up-front.

103. The minority of GEF Agencies that prefer the one-step procedure have very clear reasons. They tend to prefer the rolling basis for review and approval of MSPs over being tied to GEF Council work programs. They perceive the two-step procedure as more cumbersome and demanding, especially the automatic 12-month cancellation policy. These Agencies appreciate the speed of the one-step process, which allows them to react quickly to niche opportunities. The view is that if a proposal is designed and ready to go, the one-step procedure is more attractive. There appears to be no difference among the types of GEF agencies (MDBs, UN agencies, national agencies of CSOs) that prefer the one-step procedure over the two-step.

Processing time

104. The GEF has two main project cycle administrative milestones that affect MSPs. The first is the 12-month cancellation. If a project has not received CEO approval 12 months from the date the CEO approved the two-step MSP PIF, the CEO notifies the GEF Agency, the recipient

country operational focal point, and the Trustee, informing them the project is cancelled, and giving the effective date of cancellation. The second milestone is the six months allotted for a project to begin following CEO endorsement or approval (GEF, 2020a).

105. Table 10 shows the percentage of projects that take various lengths of time to move from PIF submission to PIF clearance or approval by Council. This does not include one-step MSPs, because they do not require PIFs.

Table 10: Time from PIF submission to Council clearance or approval

Project Type		within 6 months	within 12 months	more than 12 months
MSP	Two-step MSP	69%	17%	13%
	MSP child project	67%	14%	18%
FSP	FSP	54%	27%	18%
	FSP child project	64%	13%	23%

106. Table 11 shows percentages of projects that take various lengths of time to move from PIF clearance to Council and CEO approval to CEO endorsement.

Table 11: Time from PIF clearance to Council approval to CEO endorsement or approval

Project Type		GEF-4[34]		GEF-5 to GEF-7		
		18–22 months	more than–22 months	12–18 months	18–22 months	more than 22 months
MSP	Two-step MSP	89%	11%	11%	61%	27%
	MSP child project	45%	55%	100%		
FSP	FSP	71%	29%	26%	30%	44%
	FSP child project	46%	54%	19%	30%	50%

107. Table 12 shows percentages of projects that take various lengths of time to move from CEO approval or endorsement to project start or first disbursement. The business standard is six months.

[34] In GEF-4, two-step MSPs were expected to secure CEO approval within 18 months of PIF approval and FSPs within 22 months. This was updated in 2010 (GEF-5) to 12 and 18 months for two-step MSPs and FSPs.

Table 12: Time from CEO approval or endorsement to project start or first disbursement

Project Type		within 6 months of CEO approval or endorsement	within 12 months of CEO approval or endorsement	more than 12 months after CEO approval or endorsement
MSP	One-step MSP	72%	20%	8%
	Two-step MSP	70%	18%	12%
	MSP child project	54%	27%	19%
FSP	FSP	63%	25%	12%
	FSP child project	65%	18%	17%

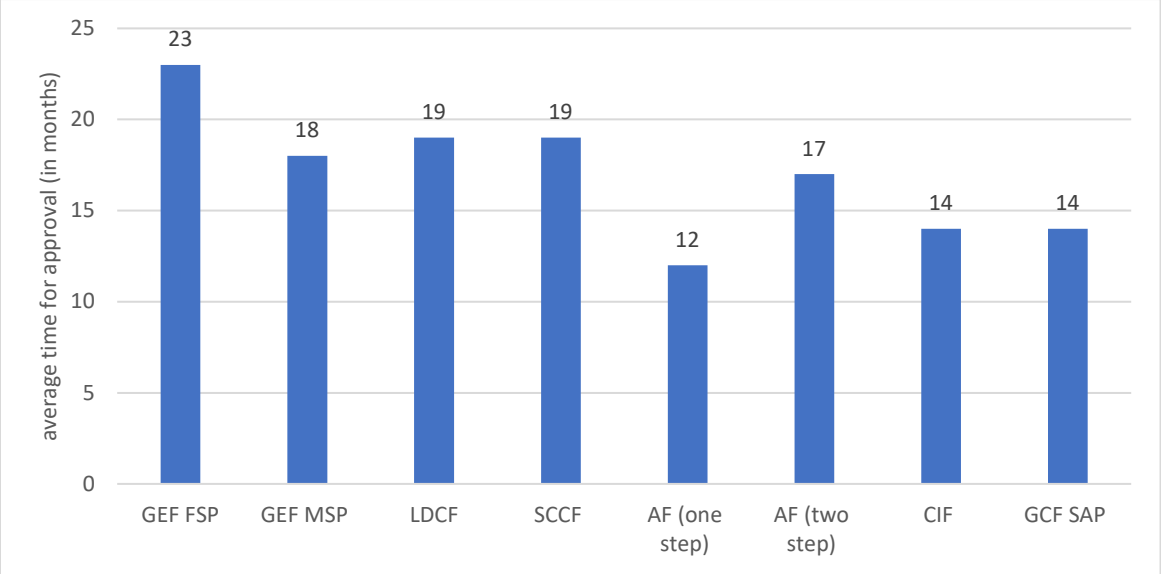
108. An analysis of the statistics in tables 10, 11, and 12 shows a mixed outcome in MSP approval efficiency. The two-step MSP procedure moves proposals from PIF clearance to PIF approval marginally faster than the FSPs. This is also true for the process from PIF clearance to Council or CEO endorsement. Although fewer projects in GEF-5 to GEF-7 are meeting the business standard, most still fall within the 18–22 month standard. Table 12 shows that one-step startup is slightly faster than the other projects.

109. Interviews and both country case studies indicate that stakeholders find the approval process and funds disbursement generally acceptable. There were no complaints about either. The streamlined approval process for MSPs in comparison to FSPs is a drawcard.

MSPs and comparators

110. Comparing similar modalities other multilateral environment funds use is helpful. Section 3.5 introduced the comparator modalities. Figure 19 shows that MSPs took slightly longer on average for approval compared to equivalent modalities at the GCF and AF.

Figure 19: Project approval times across climate change funds



Source: Third review of the Adaptation Fund (UNFCCC/TP/2017/6)

111. The World Resources Institute review of climate funds and the Third Review of the Adaptation Fund by the UNFCCC[35] found that in 2017 the Adaptation Fund was the most efficient climate change financial institution. It averaged 12 and 17 months to approve one- and two-step projects, respectively. The Adaptation Fund Secretariat continues to meet its goal of reviewing project proposals within two months of receipt.

112. Interviewees discussed the MSP's PPG. The GCF SAP also has a preparation grant, the project preparation facility (PPF). The intent of these grants may be the same, but there are notable differences. The first is the application process. In the MSP project cycle, applying for a PPG is an integrated element all entities can access. PPF applications for the GCF are separate, outside the funding proposal process. The second major difference is the financial support available. The GCF's PPF has a cap of $1.5 million; the MSP PPG has a $50,000 limit. The median is 353 days from a GCF PPF request until the first PPF disbursement. This lag is perhaps one reason so few SAPs have included PPF grants. By contrast, the overwhelming majority of MSPs apply for and accept PPGs.

[35] World Resources Institute (WRI), 2017. Future of the Funds: Exploring the Architecture of Multilateral Climate Finance: Third Review of the Adaptation Fund (UNFCCC/TP/2017/6)

6. GOVERNANCE

113. This evaluation reflects on the governance of the MSP modality and the extent to which the modality itself has been effectively and appropriately managed. The main evaluation question addressed is:

- To what extent is the operational structure ensuring adequate oversight of the design and delivery of MSPs? What are the key areas for improvement, if any?

114. This question was addressed through interviews, field observations from the country case studies, review of terminal evaluations, and comparisons with other funding modalities.

115. Box 6 outlines the nature of the governance relationship between the GEF and other stakeholders in implementing GEF projects in Costa Rica. Interviews investigated these relationships in more detail.

Box 6: Outline of the GEF governance structure in Costa Rica

Partner agencies and national executing agencies understand the GEF operational structure in Costa Rica. Immediate to the GEF are partner agencies, which have two functions: 1) operations and project implementation support; and 2) administration of funds, including managing political relations. Next, the country focal point ensures the articulation of interventions and the interface between partner agencies and national executing agencies. In Costa Rica, the Ministry of Environment (MINAE) plays this role, fulfilling two functions: 1) political focal point and 2) operational focal point. Finally, the national executing agencies implement the projects. A sound political relationship between government and partner agencies is necessary for satisfactory oversight. National executing agencies can be the project manager for their own projects or facilitate the MSP for a supplementary implementing organization. MINAE often plays the role of an executing agency, implementing projects. Sometimes partner agencies use a fund management agency as well.

116. Interviewees tended to focus on two issues: (1) the nature of their relationship with the GEF Secretariat and (2) descriptions of how their own project governance systems interacted with those of the GEF.

117. **The GEF Secretariat's level of support to GEF Agencies is appropriate.** GEF Agencies agreed unanimously that the amount of contact and level of support the GEF Secretariat provides for MSPs is appropriate and appreciated. They commented consistently that direct contact with GEF staff is helpful. This is supported by the 2019 performance assessment of multilateral agencies undertaken by the OECD-supported Multilateral Organisation Performance Assessment Network (MOPAN)[36]. In its survey of GEF stakeholders, 95 percent of respondents indicated that GEF had "sufficiently skilled and experienced" staff. Eighty-nine percent of respondents said the GEF provides transparent criteria for financial resource allocation. When asked whether the GEF organizational procedures are synergised with

[36] MOPAN (2019), MOPAN 2017–2018 Assessments: Global Environment Facility.

partners and whether GEF provides high-quality inputs to country dialogue, the stakeholder responses averaged approximately 70 percent positive.

118. A GEF Agency raised a challenge supported by the Costa Rica case study: the need for continuity in administrative arrangements. In many countries, political levels of government can change regularly. In some cases, this extends into the middle levels of the executive bureaucracy. To avoid a negative effect on project performance, GEF Agencies noted the need for formal agreements to ensure continuity of project delivery. In Costa Rica, interviewees claimed this was a significant factor in the MSP's success.

119. Dealing with the interaction between project governance systems and the GEF, most GEF Agencies interviewed said their own project monitoring and supervision systems were at the same level of oversight or more stringent. All projects produce performance implementation reports (PIRs) and practice adaptive management. As with FSPs, MSPs name a project manager and develop a preparation budget. Sometimes they hire consultants. Project managers do regular reviews and check-ins, conduct an upstream review and a final pre-submission review to check for quality, implementability, and adherence to policies.

120. Some Agencies noted that the GEF Secretariat engages with MSPs at the same level as FSPs, which is good in terms of oversight. Agencies said they experienced no difference in oversight between MSPs and FSPs.

121. Interviewees also raised the issue of how cofinancing affects MSP governance. Table 13 shows the MSP modality has a significantly higher cofinancing ratio than the GCF SAP modality.

Table 13: GEF MSP vs. GCF SAP cofinancing ratios

Modality	Agency's own commitments	Cofinancing commitment	Cofinancing ratio
GEF MSP	$1.15 billion	$5.54 billion	1:4.82
GCF SAP	$115 million	$71 million	1:0.62
GEF FSP	$16.67 billion	$105.88 billion	1:6.34

122. Cofinancing can affect MSP governance. Projects need to reach agreements with cofinanciers about which fiduciary and environmental or social standards are likely to be applied. This sometimes means that a cofinancier's standards will be accepted as being applied to the project in question, rather than those of other partners. With regard to safeguards, this means that some agencies involved in the co-financing package will have less direct control over project compliance and supervision. The GEF applies a rigorous check of each GEF Agency's environmental and social standards, to ensure they comply with the GEF's Policy on Environmental and Social Safeguards, Policy on Stakeholder Engagement, and Policy on Gender

Equality.[37] Once this formal compliance assessment is done, the GEF accepts GEF Agency safeguards documentation. GEF Agencies said this is an efficient way to deal with cofinancing standards. GCF is considered much more difficult, because it conducts second-level due diligence and direct monitoring and oversight of the projects its Accredited Entities implement.

[37] See, for example, GEF/C.57/05 (November 20, 2019). Report on the Assessment of Agencies' Compliance with Minimum Standards on the GEF Policies on: Environmental and Social Safeguards; Gender Equality; and, Stakeholder Engagement.

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

123. MSPs were originally designed to offer opportunities for a broad range of programming that is typically smaller in scale than full-sized projects. The approval process is supposed to be simpler, allowing them to be designed and executed more quickly and efficiently. MSPs were meant to increase the GEF's flexibility in allocating its resources: a wide range of stakeholders can propose and develop project concepts. Process efficiency is supposedly gained by delegating MSP approval authority to the GEF CEO and streamlining the approval process.

The main conclusions based on this evaluation are:

124. **Conclusion 1: The MSP modality serves as a good entry point into the GEF.** MSPs are thought to be useful entry points to test and learn without taking the risks associated with larger FSPs, particularly for newer GEF Agencies.

125. **Conclusion 2: MSPs remain relevant to the GEF partnership. The MSP modality is useful in piloting new approaches for scaling up and enhancing knowledge sharing.** MSPs are relevant to their environmental goals. They are relevant for testing out new ideas, applying new science-based concepts or proof-of-concept in a pilot setting. Over the years, MSPs have also been shown to be useful glue that can hold large programs together, and this has especially been the case when the MSP focuses on coordination and knowledge sharing.

126. **Conclusion 3: MSPs address funding gaps for both GEF Agencies and the countries they work with.** Agencies use them for risky projects that other donors are not necessarily prepared to support. The NGO GEF Agencies indicated that MSPs fill a financing niche that is not attractive to other actors such as foundations, investment funds, and the broader private sector. MSPs will support risky projects where financial return is not necessarily immediately apparent, and because private investment tends to be narrowly defined. This is especially the case for multi-country regional programs.

127. **Conclusion 4: GEF MSPs have performed well, are sustainable, and can be transformative.** GEF MSPs have performed as well as FSPs on most dimensions. GEF MSPs have achieved impact and transformational change with their focus on stakeholder inclusion, country ownership, and innovative designs. Recent projects that are well designed and focus on integration are more successful than site-specific and topic-specific, one-off projects. MSPs are rated higher than FSPs on political and institutional sustainability.

128. **Conclusion 5: The GEF MSP modality approval process is efficient for the one step MSP. Developing and implementing two step MSPs often requires the same process as FSPs which may be justified for projects designed to be innovative or transformative.** The approval process of the GEF MSP, specifically the one-step MSP, is streamlined compared with GEF FSPs. The amount of contact and level of support the GEF Secretariat gives agencies for the MSP is

appropriate and appreciated. However, some agencies have raised concerns that the amount of effort required to develop a proposal, administer and monitor an MSP project is not very different from an FSP. The MDBs have indicated that MSPs are less useful than they were in the early days of the modality, partly because of the high transaction costs during project preparation and implementation and numerous processing requirements. By contrast, the UN and CSO GEF Agencies have made significant use of the modality and consistently encourage its availability. However, developing innovative and transformational MSPs may require increased processing and monitoring and evaluation, similar to FSPs**.** However, in terms of monitoring, mid-term reviews for MSPs are optional and may be a missed opportunity to learn from, particularly for those MSPs designed to be innovative or transformative.

129. **Conclusion 6: The use of the MSP modality has been affected by the STAR allocation system.** Concerns have been raised about the impact of the STAR allocation system on the uptake of MSPs, and the related problem of crowding out. The STAR allocation system significantly affects the choice of GEF modality for GEF Agencies and countries. This issue is amplified when donors are in competition with each other for the attention of country clients. In situations such as these, some interviewees did indicate that MSPs were thought of by countries as being an option for use when there is "leftover" STAR.

130. **Conclusion 7: The $2 million limit seems appropriate for smaller agencies and countries.** The larger MDB GEF Agencies think of the MSP as small, and this affects their perception of its usefulness and potential effectiveness. The MDBs suggested that the upper limit be raised. However, the same view is not necessarily held by the smaller GEF Agencies, which have managed to find a niche for MSPs. One argument against increasing the funding limit is that executing agencies are already possibly overreaching the $2 million financing ceiling. E extending it might blur the lines between the MSP and FSP modalities.

7.2 Recommendation

131. MSPs have a very specific role to play in the constellation of donor environment financing. MSPs appear to be most effective when they: (1) are applied to risky projects that can trial new approaches, and leverage more traditional forms of capital, (2) are integrated into a larger intervention, or (3) are supporting targeted research of global or regional importance, such as the Arctic, finance governance, SME nature-based entrepreneurship, and health and the environment. Stakeholders consulted during this evaluation view the $2 million limit as appropriate and did not deem an increase necessary. The conclusions suggest that the instrument is relevant and effective and fulfils its intended role in the GEF suite of instruments. This evaluation recommends:

***The MSP should continue to be primarily used for developing innovative projects. Midterm and final evaluations should be conducted on MSPs designed as innovative or transformative, to provide lessons for scaling up or replication*.**

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ANNEX 1: EVALUATION MATRIX

Key questions	Indicators/basic data/what to look for	Sources of information	Methodology
Relevance			
What are the typical projects funded using MSPs and why? What factors have influenced the use of MSPs by participating countries?	- Alignment of GEF support with national environmental priorities and budgets, and with other donors' support to the environmental sector in the countries - Evolution of STAR and non-STAR focal areas allocations and utilization	- IEO and GEF Agencies' evaluations - Country stakeholder - Available country data - Country stakeholder	- Documentation review - Portfolio analysis - Interviews - Case studies
Are MSPs deploying innovative approaches to demonstrate or pilot initiatives for transformational change? What is the role of MSPs when used in GEF programs as compared to standalone projects?	- Actual and planned use of the services available to countries from the GEF Agencies - Perceptions on incentives and disincentives to embark in GEF integrated programs and/or multifocal projects - Existence and trends in MSP child projects, including lessons and good practices	-GEF Secretariat, Agencies' strategic/programming documents - Country stakeholders - Available country data (laws/policies, strategies and budgets; documentation from other donors) - Portfolio data from PMIS verified by GEF Agencies and project documentation	- Documentation review protocol - Interviews - Field observations in country studies - Portfolio analysis
What gaps do the MSP modality address? How does the GEF MSP modality compare with similar modalities in multilateral organizations, GEF Agencies? Have MSPs allowed for a wider range of stakeholder engagement in GEF projects as intended? Who are those stakeholders?	- Degree of integration of GEF program support within country systems - Alignment of GEF program support with other donor programs support as well as with national priorities and national budgets - Perceptions of stakeholder incentives or disincentives to embark in GEF programs - Degree of consistency between GEF and other multilateral organizations and GEF Agencies in delivering an MSP-like modality?	- GEF Secretariat, Agency stakeholders - Country stakeholders - Available country data (laws, policies, strategies and budgets; documentation from other donors) IEO's country-level evaluations -Performance data, including available terminal evaluations of MSP-like projects from other multilateral organizations.	- Documentation review - Portfolio analysis - Interviews - Case studies
Effectiveness and results			
To what extend is the GEF MSP contributing to the	- Effectiveness ratings	-APR data, including any other available terminal evaluations/terminal evaluation	- Portfolio analysis, documentation review

delivery of global environmental and socioeconomic benefits?	- Review of results framework and indicators on environmental and socio-economic data - GEB targets at entry for MSPs	ratings (TERs) of projects completed from GEF-4 to GEF-6 -GEF Secretariat annual monitoring report data - Review of MSP project documents	- Broader Adoption, P2I desk analysis - Field observations in country case studies - Desk review - Interviews
What key factors affect achievement of results?	- M&E ratings - Existence and quality of elements of guidance on MSP M&E - Evidence of adaptive management (i.e., changes at midterm) - Types of M&E information used, acknowledgement of usefulness -Standards of measurement used for MSPs	- APR data, including any other available terminal evaluations/TERs of projects completed from GEF-4 to GEF-6 - PIRs, Midterm reports - Global, regional, and country level stakeholders	- Field observations in country studies - Interviews - Portfolio analysis, documentation review
Governance			
To what extent is the operational structure ensuring adequate oversight of the design and delivery of the MSPs? What are the key areas for improvement, if any?	- Time elapsed for project approval and reviews per project - Types of reporting for MSP projects available	- GEF Secretariat annual monitoring report data - Review of MSP project documents	- Desk review - Interviews - Portfolio analysis, documentation review
Efficiency			
To what extent is the GEF project cycle for MSPs efficient? Is the endorsement process efficient? Have policy improvements resulted in greater efficiencies?	- Efficiency ratings and their variations over time - Perception of the factors influencing elapsed times between various phases in the project cycle	-Terminal evaluations/TERs of projects completed from GEF-4 to GEF-6 - Portfolio data from PMIS verified by GEF Agencies - Country stakeholders	- Documentation review - Interviews - Case studies selected on an opportunistic basis - Portfolio analysis, documentation review
What are the factors affecting the project cycle and the areas for improvement?	- Analysis of quantitative findings and reasons for variations	- Terminal evaluations/TERs of projects completed from GEF-4 to GEF-6 - Portfolio data from PMIS verified by GEF Agencies - Country stakeholders	- Documentation review protocol - Interviews - Case studies selected on an opportunistic basis

			- Portfolio analysis, documentation review
Is the M&E system for MSPs adequate and useful? What role did M&E play in programs' adaptive management for the attainment of expected outcomes and impacts?	- M&E ratings - Existence and quality of elements of guidance on MSP M&E - Evidence of adaptive management (i.e., changes at midterm) - Types of M&E information used, acknowledgment of usefulness -Standards of measurement used for MSPs	- APR data, including any other available terminal evaluations/TERs of projects completed from GEF-4 to GEF-6 - PIRs, midterm reports - Global, regional, and country level stakeholders	- Field observations in country studies - Interviews - Portfolio analysis, documentation review
Sustainability			
What is the sustainability of outcomes from MSP projects? What are the key factors influencing sustainability of outcomes for MSPs?	- Ratings of sustainability of project outcomes Financial, sociopolitical, institutional, and environmental risks to sustainability ratings	- Study on the sustainability of GEF project benefits Terminal evaluations or TERs of projects completed from GEF-4 to GEF-6 - Portfolio data from PMIS verified by GEF Agencies - Country stakeholders	- Documentation review protocol - Interviews - Case studies selected on an opportunistic basis - Portfolio analysis or documentation review
To what extent are innovative practices being replicated and upscaled and what are the factors influencing this?	- Aggregate broader adoption—sustaining, replicating, scaling-up, mainstreaming, and market change mechanisms in place	- APR data, including any other available terminal evaluations or TERs of projects completed from GEF-4 to GEF-6	- Documentation review protocol - Interviews - Case studies selected on an opportunistic basis - Portfolio analysis, documentation review

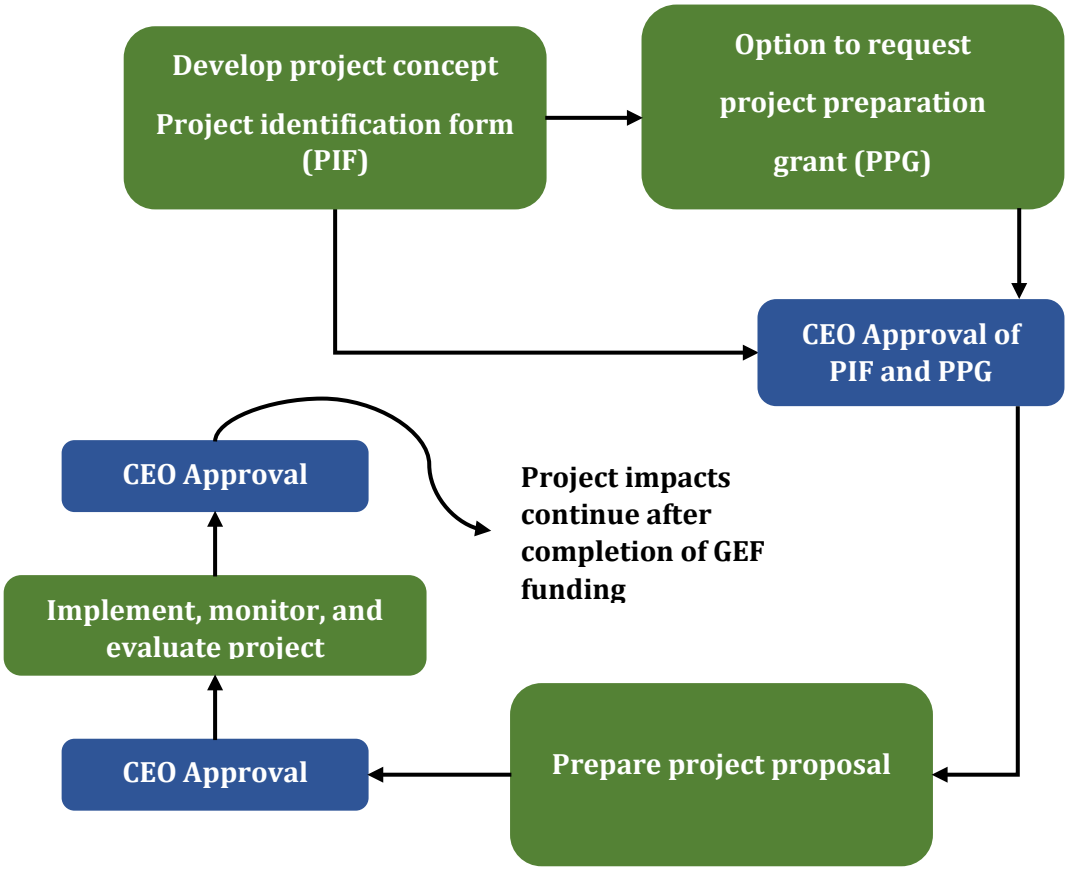
ANNEX 2: LIST OF COUNTRY CASE STUDIES AND PROJECTS

Country / ID	Agency	Focal Area	GEF period	Scope	Title
COSTA RICA					
5838	IADB	Climate Change	GEF-5	National	Sustainable Urban Mobility Program for San Jose
672	UNDP	Biodiversity	GEF-2	National	Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor
1713	UNDP	Biodiversity	GEF-3	National	Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area
5028	UNDP	Multi Focal Area	GEF-5	National	Capacity Building for Mainstreaming MEA Objectives into Interministerial Structures and Mechanisms
5420	UNDP	Biodiversity	GEF-5	National	Promoting the Application of the Nagoya Protocol through the Development of Nature-based Products, Benefit-sharing, and Biodiversity Conservation
3629	UNEP	Biodiversity	GEF-4	National	BS Implementation of the National Biosafety Framework
9283	UNEP	Climate Change	GEF-6	National	Development of a Market for Energy Efficient Lighting, Air Conditioners, and Refrigerators in Costa Rica
9652	UNEP	Climate Change	GEF-6	National	Costa Rica's Integrated Reporting and Transparency System
10284	UNEP	Climate Change	GEF-7	National	Accelerating the Move to Electric Buses in Costa Rica
979	World Bank	Biodiversity	GEF-2	National	Biodiversity Conservation in Cacao Agroforestry
27	UNDP	Climate Change	GEF-2	Regional	Creation and Strengthening of the Capacity for Sustainable Renewable Energy Development in Central America
9821	UNDP	Biodiversity	GEF-6	Regional	Support to Eligible Parties to Produce the Sixth National Report to the CBD (LAC)
3855	UNEP	Biodiversity	GEF-4	Regional	Strengthening the Implementation of Access to Genetic Resources and Benefit-Sharing Regimes in Latin America and the Caribbean
178	UNEP	Multi Focal Area	GEF-1	Regional	A Participatory Approach to Managing the Environment: An Input to the Inter-American Strategy for Participation
9119	UNEP	Biodiversity	GEF-6	Regional	Support to Prepare the Third National Biosafety Reports to the Cartagena Protocol on Biosafety—GRULAC and CEE Regions

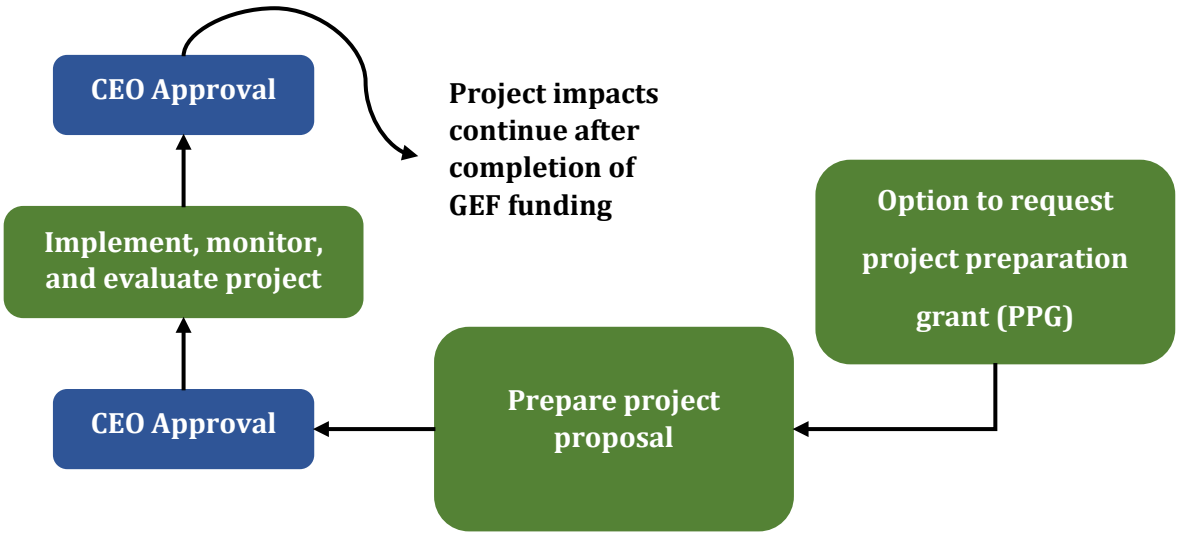
1571	World Bank	Biodiversity	GEF GEF-2	Regional	EcoEnterprises Fund
5771	WWF-US	International Waters	GEF-5	Regional	Improving Mangrove Conservation across the Eastern Tropical Pacific Seascape through Coordinated Regional and National Strategy Development and Implementation
616	UNDP	Biodiversity	GEF-2	Global	Harnessing Multi-Stakeholder Mechanisms to Promote Global Environmental Priorities
5880	UNEP	Biodiversity	GEF-5	Global	Knowledge for Action: Promoting Innovation Among Environmental Funds
1599	UNEP	Climate Change	GEF-3	Global	Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies (EMPower)
MOZAMBIQUE					
3155	UNDP	Climate Change	GEF-3	National	Coping with Drought and Climate Change
3649	UNEP	Biodiversity	GEF-4	National	BS: Support to the Implementation of the National Biosafety Framework of Mozambique
24	World Bank	Biodiversity	GEF-2	Regional	Africa Community Outreach Programme for Conservation and Sustainable Use of Biological Resources
849	UNEP	International Waters	GEF-2	Regional	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa
2052	UNEP	Land Degradation	GEF-3	Regional	Sustainable Management of Inland Wetlands in Southern Africa: A Livelihoods and Ecosystem Approach
2173	UNEP	Land Degradation	GEF-3	Regional	Sustainable Land Use Planning for Integrated Land and Water Management for Disaster Preparedness and Vulnerability Reduction in the Lower Limpopo Basin
2752	UNEP	Climate Change	GEF-3	Regional	Integrating Vulnerability and Adaptation to Climate Change into Sustainable Development Policy Planning and Implementation in Southern and Eastern Africa
4523	UNEP	Biodiversity	GEF-5	Regional	Support to Prepare the Second National Biosafety Reports to the Cartagena Protocol on Biosafety–Africa
9118	UNEP	Biodiversity	GEF-6	Regional	Support to Prepare the Third National Biosafety Reports to the Cartagena Protocol on Biosafety–AFRICA REGION
9882	UNEP	Biodiversity	GEF-6	Regional	Enhancing Legislative, Policy, and Criminal Justice Frameworks for Combating Poaching and Illegal Wildlife Trade in Africa

ANNEX 3: MSP PROJECT CYCLE

GEF Two-Step MSP



GEF one-Step MSP



ANNEX 4: MSP TIMELINE