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Is there evidence of GEF support to transformational change?

Supporting transformational change is one of the strategic priorities of the GEF and has been outlined in the 2020 vision. The objective of this study is to inform the GEF-7 replenishment discussion on lessons from the GEF experience in supporting transformational change, which is characterized by interventions that achieve deep, systemic and sustainable change with large-scale impact in an area of major environmental concern. The emerging findings presented here are based on an ongoing study that will be completed in May 2017. The study, based on a purposeful sample of eight projects, draws on evaluation evidence complemented by case study analysis, interviews, and qualitative comparative analysis to better understand the drivers of and constraints to transformation. The study develops a theory of change of transformation, and presents the application of this framework to one of the projects identified as transformational.

FINDINGS

While it is too early to report on conclusions of the analysis, the following

common elements characterize the transformational engagements selected.

- **Initial intent of ambition.** Most interventions that achieved transformational change had ambitious objectives in terms of aiming at a profound, fundamental, and lasting breakthrough in addressing a market distortion or systemic bottleneck.
- **Quality of implementation and execution.** Most interventions that achieved transformational change were well implemented in terms of quality of project design, supervision and assistance by the GEF Agency, and the effectiveness of the executing agency in performing its role and responsibilities.
- **A propagation driver.** Most interventions that achieved transformational change established a self-sustaining mechanism that will continue to scale up and expand impacts after completion of the intervention.
- **Financial sustainability.** Most interventions that achieved transformational change integrated the changes within government budgetary systems or generated their own revenue streams to sustain them.

PURPOSE AND METHODS: The objective of this study is to review the Global Environment Facility (GEF) experience with a purposeful sample of operations that have generated transformational results and to identify the factors in the design, implementation, and context of these operations that have contributed to such results, and distill the lessons learned.

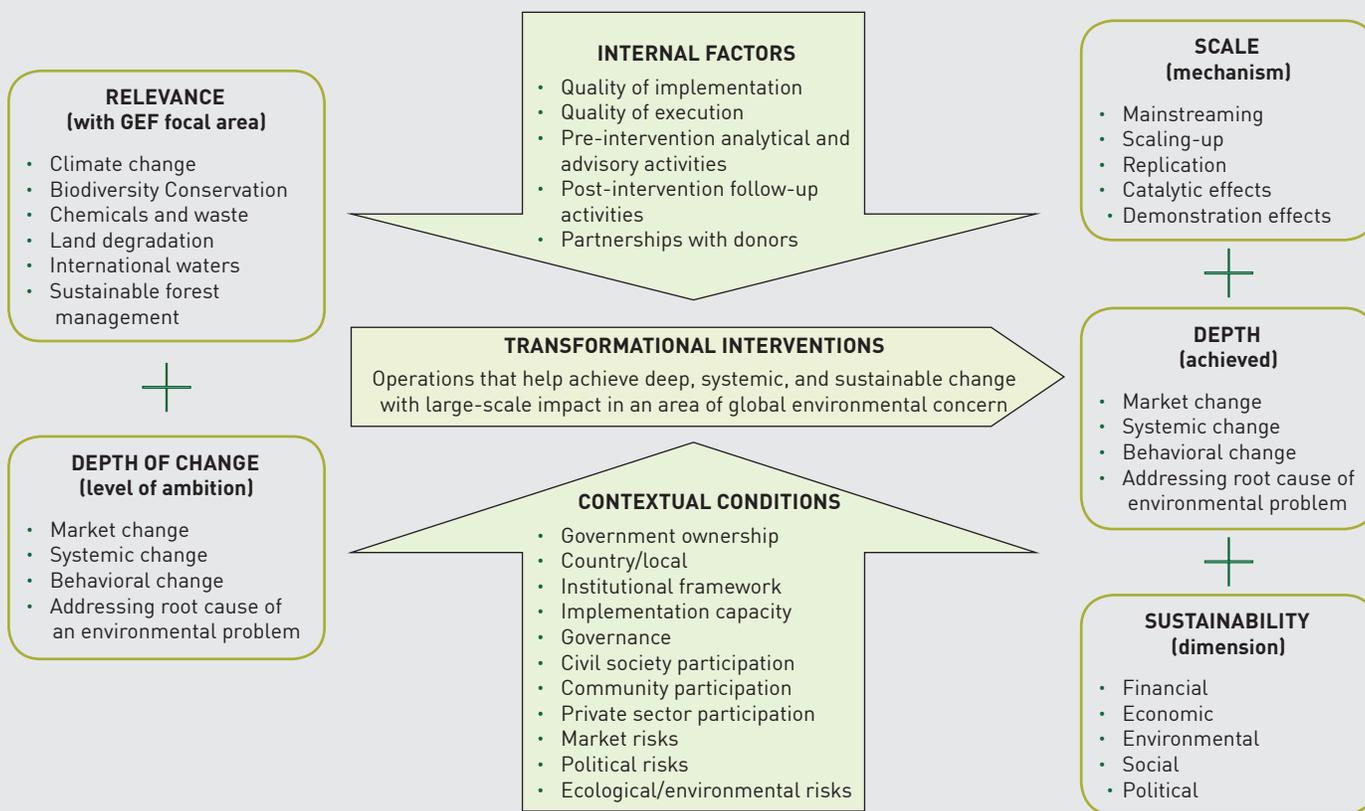
The purpose is to help improve the identification, design, and organization of future operations aimed at catalyzing transformational change.

WEB PAGE: <http://www.gefio.org/evaluations/transformational-engagements>

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ABOUT US: The Independent Evaluation Office (IEO) of the GEF has a central role in ensuring the independent evaluation function within the GEF. www.gefio.org

THEORY OF CHANGE FOR GEF TRANSFORMATIONAL INTERVENTIONS



METHODOLOGY AND APPROACH

This study is designed to explore the following evaluative questions:

- What are the necessary and sufficient conditions for GEF interventions to achieve transformational change?
- What causal factors make a difference in the outcome?

Specifically, there are four criteria that permit differentiation between transformational interventions and engagements that are “merely” highly successful, complex, or large in size:¹

- **Relevance.** The intervention addresses a global environmental

challenge such as climate change, biodiversity loss, or land degradation.

- **Depth of change.** The intervention causes or supports fundamental change in a system or market.
- **Scale of change.** The intervention causes a large-scale impact at the national, regional, or global level.
- **Sustainability.** The impact is economically, financially and environmental sustainable in the long term, after the intervention ends.

The underlying theory of change (see figure above) is that by strategically identifying and selecting projects that address environmental challenges of global concern and are purposely designed to support fundamental changes in—i.e., “flip”—key economic markets or systems, GEF interventions will be more likely to cause a large-scale and sustainable impact, subject to the quality of implementation/execution and supportive contextual conditions. An outline of the theory of change, and the main causal conditions

WHAT IS TRANSFORMATIONAL CHANGE?

- Between 2005 and 2015, China’s wind power capacity increased from 1.3 GW to 129.3 GW, producing about 3.3 percent of its electricity, and avoiding about 82.7 million tons/year of carbon emissions.
- The management effectiveness was improved in about 98 percent of Namibia’s protected areas, while estimated populations of lion, leopard, cheetah, and wild dog doubled from 2004 to 2012.
- About 1.3 million households in remote, off-grid areas of Africa have purchased quality-certified solar photovoltaic lanterns at market prices through a market transformation scheme supported by the Lighting Africa program.

¹ Independent Evaluation Group, *Supporting Transformational Change for Poverty Reduction and Shared Prosperity—Lessons from the World Bank Experience*. Washington, DC: World Bank, 2016.

and indicators is shown in the figure. This theory of change will provide a basis for the specification of a qualitative comparative analysis model that will be used to pursue the evaluative questions.

As a first step, GEF Agencies were invited to identify recently completed and evaluated interventions in line with the above criteria, for potential inclusion in this study. There were 156 projects nominated: 93 by the World Bank, 45 by the United Nations Development Programme (UNDP), 14 by the United Nations Environment Programme (UNEP), 2 by the Food and Agriculture Organization of the United Nations (FAO), and 2 by the Asian Development Bank (ADB). Applying key criteria of transformation, eight illustrative interventions were selected to represent—to the extent feasible—all GEF focal areas and responding Agencies, with careful consideration of the availability and quality of evaluative evidence, especially with respect to the scale, depth, and sustainability of transformational impacts. The list of transformational projects identified includes the following:

- Amazon Protected Areas Program
- China Renewable Energy Scale-up Program—Phase I
- Lighting the Bottom of the Pyramid
- Namibia—Strengthening Protected Areas
- Promoting Payments for Environmental Services and Related Sustainable Financing Schemes in the Danube Basin
- Sanjiang Plain Wetlands Protection Project
- Uruguay Wind Energy Programme
- Uttarakhand Decentralized Watershed Development Project

The application of the framework to assess transformational change is presented in the box to the right.

CHINA RENEWABLE ENERGY SCALE-UP

The First Phase of the China Renewable Energy Scale-up Program (CRESP-I), approved in 2005, was a programmatic, sectorwide intervention that integrated (1) a GEF grant (GEF ID 943, \$40.2 million) aimed at supporting the development of the legal, regulatory, and policy framework needed to stimulate demand for renewable energy and to build a strong renewable energy equipment manufacturing industry; and (2) two World Bank loans (\$87.0 million and \$86.3 million) to support pilot investments in four participating provinces. The project objectives aimed at major changes in China's renewable energy system and market: (1) to create a legal, regulatory, and institutional environment conducive to large-scale renewable electricity generation; and (2) to demonstrate success in large-scale, renewable energy development with local developers in four provinces.

Five years after the project's closing in 2011, the Project Performance Assessment Report (PPAR) concluded that CRESP-I has made a substantial contribution to the transformation of China's renewable energy sector from an early piloting and demonstration stage to its development into a global leader in wind energy generation and the manufacture of wind power equipment. Thus, between 2005 and 2010, China's installed wind power capacity increased from 1.3 GW to 29.6 GW, greatly exceeding the original 11th Five-Year Plan target of 10 GW. As of 2015, installed wind capacity had reached 129.3 GW, amounting to 3.3 percent of China's electric power generation and equivalent to about 82.7 million tons per year of avoided carbon emissions.

These impacts are likely to be sustained given the government's implementation of a project-recommended tariff policy that delivers attractive financial returns to renewable energy investors, and its commitment to further increase the share of nonfossil fuels to 15 percent by 2020—up from 9.4 percent in 2010 to 12.0 percent in 2015.

The main factors that contributed to the project's transformational impact can be summarized as follows.

- The three-way integration of institutional development and capacity building, technology improvement, and investment activities in a single intervention with mutually reinforcing components created the momentum needed to pursue regulatory reforms and overcome the resistance of established interests in the sector.
- The extensive efforts by the Bank—supported by GEF project development facility (PDF) B and C grants—through workshops, study tours, and studies during a multi-year preparation period were essential to achieve consensus and cohesiveness about key policy directions and reforms.
- The project's experience with cost-shared subgrants—where the grant provides 20–25 percent of total research and development costs—leveraged substantially greater investments by the implementing counterparts, enhanced selectivity, and built ownership and commitment.
- The long-term, predictable, and financially attractive price signal implemented by the government, as recommended by project-supported studies, provided an effective stimulus for continuing and expanding investments in renewable energy. ■

Source: Independent Evaluation Group, "Project Performance Assessment Report: China—First Phase of the Renewable Energy Scale-up Program and Follow-up Project to the First Phase of the China Renewable Energy Scale-up Program." Report in preparation, World Bank, Washington, DC, 2017.