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The Role of Medium-Size Projects in the GEF Partnership

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The Role of Medium-Size Projects in the GEF Partnership

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Foreword

The Global Environment Facility (GEF) provides support to countries through three main modalities: enabling activities, medium-size projects (MSPs), and full-size projects. Additional financing is provided through programs.

The MSP modality was introduced in the GEF 24 years ago and has been operational since October 1996. The MSP was initially designed to offer opportunities for a broad range of programming typically smaller in scale than full-size 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.

This evaluation by the Independent Evaluation Office (IEO) examined the evolution of the MSP modality, assessed progress made since the most recent evaluation, and examined the extent to which the MSP modality is fulfilling its intended

role. The evaluation additionally assessed the relevance of the MSP within the GEF suite of modalities.

The analyses for this evaluation contributed to the findings of the IEO's Seventh Comprehensive Evaluation (OPS7). The Council took note of its conclusions and endorsed its recommendations. Through this report, the GEF IEO intends to share the lessons from the evaluation with a wider audience.



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Administrative support was provided by Evelyn Chihuguyu, Program Assistant, and Marie-Constance Manuella Koukoui, Senior Executive Assistant; Juan Jose Portillo, Senior Operations Officer,

provided operations/administrative oversight. Mary Cadette edited the report. Nita Congress designed and laid out the publication.

Critical information was provided during interviews by the GEF staff, GEF focal points, and the GEF Council; national and local government staff; the GEF Agencies and external funds; and civil society organizations.

The GEF IEO is deeply grateful to all these individuals and institutions for their contributions, which were critical to the success of the evaluation. Final responsibility for this report remains firmly with the Office.

Abbreviations

APR	annual performance report	NGO	nongovernmental organization
CBIT	Capacity-Building Initiative for Transparency	PIF	project identification form
CEO	Chief Executive Officer	PPF	project preparation facility
CSO	civil society organization	PPG	project preparation grant
FSP	full-size project	SAP	simplified approval process
GCF	Green Climate Fund	SGP	Small Grants Programme
GCIP	Global Cleantech Innovation Programme	STAP	Scientific and Technical Advisory Panel
GEF	Global Environment Facility	STAR	System for Transparent Allocation of Resources
IEO	Independent Evaluation Office	UNDP	United Nations Development Programme
IUCN	International Union for Conservation of Nature	UNEP	United Nations Environment Programme
M&E	monitoring and evaluation	UNIDO	United Nations Industrial Development Organization
MDB	multilateral development bank	WWF-US	World Wildlife Fund (U.S. chapter)
MSP	medium-size project		

GEF replenishment periods

Pilot phase: 1991–94	GEF-5: 2010–14
GEF-1: 1995–98	GEF-6: 2014–18
GEF-2: 1999–2002	GEF-7: 2018–22
GEF-3: 2003–06	GEF-8: 2022–26
GEF-4: 2006–10	

Executive summary

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 more than \$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-size projects (MSPs), and (3) full-size 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 1996. The MSP was initially designed to offer opportunities for a broad range of programming that is typically smaller in scale than full-size 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.

This evaluation examined the evolution of the MSP modality, assessed progress made since the most recent evaluation, completed in 2001 (GEF 2001b), 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 as follows.

- **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.
- **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 GEF partners' 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.
- **Conclusion 3:** MSPs address funding gaps for both GEF Agencies and the countries with which they work. Agencies use them for risky projects that other donors are not necessarily prepared to support. The nongovernmental organization 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 multicountry regional programs.

- **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.
- **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 multilateral development banks (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 United Nations and civil society organization 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, midterm reviews for MSPs are optional and may be a missed opportunity to learn from, particularly for those MSPs designed to be innovative or transformative.

- **Conclusion 6:** The use of the MSP modality has been affected by the System for Transparent Allocation of Resources (STAR). Concerns have been raised about the impact of the STAR on the uptake of MSPs, and the related problem of crowding out. The STAR 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.
- **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. Extending it might blur the lines between the MSP and FSP modalities.

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 try out 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, small or medium enterprises’ nature-based entrepreneurship, and health and the environment. Stakeholders consulted during this

evaluation viewed the \$2 million limit as appropriate and did not deem an increase necessary. The conclusions suggest that the instrument is relevant and effective and fulfills its intended role in the GEF suite of instruments. This evaluation recommends the following:

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.

Introduction

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, the World Bank as trustee, and an Independent Evaluation Office (IEO).

The GEF provides support to countries in three main modalities: (1) enabling activities, (2) medium-size projects (MSPs), and (3) full-size projects (FSPs). Additional financing is provided through programs such as the GEF Small Grants Programme (SGP).¹ programmatic approaches,

integrated approach pilots, integrated programs, and the nongrant instrument program. This evaluation assesses the GEF MSP modality. It will provide evidence of past GEF experience in designing and implementing MSPs² 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 (GEF 2018a).

1.1 Objectives, questions, methods, and limitations

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 most recent evaluation, completed in 2001 (GEF

¹ The Small Grants Programme is approved as a GEF FSP and implemented by the United Nations Development Programme on behalf of the GEF partnership.

² The activities under these programs are approved as individual MSP, FSP, or enabling activities alongside an overarching program framework.

2001b), 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

The specific objectives are to:

- 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;
- Assess whether the MSP is fulfilling its intended role;
- Evaluate the impacts of MSPs; and
- Evaluate the design and implementation of MSPs.

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.

Questions are divided into the five main evaluation criteria of relevance, effectiveness and results, governance, efficiency, and sustainability. The evaluation matrix is presented in [annex A](#).

Relevance

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

Effectiveness and results

- To what extent is the GEF MSP contributing to the delivery of global environmental and socio-economic 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?

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 ([annex C](#)). 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 period³ for additional country level

³Meta-analysis covered the following completed evaluations (full details are in the [references](#) section): the small island developing states, least developed countries, and African biomes strategic country cluster evaluations; the artisanal small-scale gold mining, Global Cleantech Innovation Programme, transformational change, and

information on MSPs (GEF IEO 2019a, 2019b, 2019c).

The evaluation covers MSPs designed and implemented beginning in GEF-4. The portfolio is composed of 819 MSPs with \$957.55 million in GEF grants and \$5.09 billion in planned cofinancing.⁴ 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.

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

The GEF defines MSPs as GEF project financing of up to \$2 million,⁵ 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.⁶ 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 the United Nations Development Programme (UNDP) and makes funds up to \$50,000 available directly to community-based organizations (CBOs) and nongovernmental organizations (NGOs). In its fifth operational phase, the SGP updated its operational guidelines to allow for strategic projects of up to \$150,000.

A GEF Agency, in consultation with relevant country institutions and other partners, chooses one of two procedures for MSP approval: a one-step approval process that does not require a project identification form (PIF), or 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 D](#)).⁷ 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.

programmatic approaches evaluations; and the *Annual Performance Report 2017*.

⁴ GEF grant amount includes project preparation grants but excludes associated Agency fees.

⁵ The MSP financing ceiling was at \$1 million and raised to \$2 million in 2012.

⁶ The GEF considers all financing up to \$2 million to be MSPs; however, GEF enabling activities may be MSPs but may follow a separate expedited procedure, or can be approved as an FSP umbrella arrangement.

⁷ Prior to 2010, all MSPs followed the two-step process; the one-step MSP was approved during the GEF’s 38th Council.

Two-step MSPs require operational focal point 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 GEF Chief Executive Officer (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 rolling basis to the GEF Secretariat; FSPs are included in a work program for GEF Council approval (GEF 2018b).

1.3 Background and history of the MSP modality

The MSP modality was first proposed in an information document, “Promoting Strategic Partnerships between the Global Environment Facility and the NGO Community” (GEF 1996a), presented to the GEF’s 7th Council meeting in April 1996 ([annex E](#)). The paper, prepared by a working group of 10 NGO representatives chosen by the NGO community, was in response to the 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.

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 with a \$1 million financing ceiling (GEF 1996b).

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 implementation” (GEF 1996b), saying MSPs “often don’t require the same level of preparation and oversight as large-size projects.”

When MSPs were first introduced in 1996, they addressed the gap between the two funding mechanisms at the time—FSPs and the SGP. 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 (GEF 2001b). In October 1998, the Secretariat presented “Review of Experience with Medium-size Project Procedures to the Council” (GEF 1998a). The review found that the MSP modality was very well received among stakeholders and the demand for MSPs was high. The document found that although the introduction of the MSP allowed for a faster approval process, more work was needed to further streamline the approval process ([box 1.1](#)). At the same Council session, the GEF Secretariat presented “Streamlining the Project Cycle” (GEF 1998b), which addressed conceptual or procedural constraints in the project cycle to further shorten the MSP project cycle. The GEF Secretariat and the GEF 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 2001a). This allowed funds for MSPs to be “disbursed on the basis of projected expenditures, rather than reimbursement for expenses” (GEF 2001a).

Following a request from the Council, the Secretariat presented a document, “Medium-Size Projects Evaluation,” for the 18th session of the Council in December 2001 (GEF 2001b). What was then the Monitoring and Evaluation (M&E) unit of the GEF

Box 1.1 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, interrelated issues emerged:

- **Volume-related issues.** 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 MSP Information Kit to be user friendly.
- **Process-related issues.** The time to prepare a project was substantial since it could take months for Implementing Agencies to work 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-country focal points delayed endorsements, and MSPs' transaction costs were found to be high.

conducted the evaluation.⁸ 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 although there had been 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 2001b).

The 2001 MSP evaluation also pointed out that the “prevailing two- to three-year time frame for MSPs is often too short, and few of the projects

can be expected to achieve sustainability in this time.” More, the evaluation stated that there had 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” (GEF 2001b).

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” (GEF 2001b).

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 an MSP still involved a complex process and a high workload.

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.

The Secretariat presented an action plan to the 23rd Council session to follow up on the

⁸ The GEF's Monitoring and Evaluation Unit was later strengthened to become the GEF IEO.

recommendations of the evaluation. At the 24th Council session in November 2004, it presented its Proposal for Enhancing GEF Medium-sized Projects (GEF 2004). 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.

The Joint Evaluation of the GEF Activity Cycle and Modalities (GEF IEO 2007) mapped the number of emerging GEF modalities based on definition, key outputs, 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.”

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 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.

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 (GEF 2012). 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 2012).

The GEF Secretariat presented the document “Improving the GEF Project Cycle” to the GEF’s 47th Council in 2014 (GEF 2015). 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 2007). 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 2020).

1.4 GEF intervention types: MSPs versus FSPs

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 awareness raising, while more FSPs focused on implementing strategies, particularly on technologies and approaches and implementing mechanisms and bodies ([table 1.1](#)). Country case

studies and interviews with Agencies and country representatives confirm this pattern.

When examining the global environmental benefits identified in project documents (figure 1.1), the main intervention domains of FSPs and MSPs are in global environmental benefits 1–4; however,

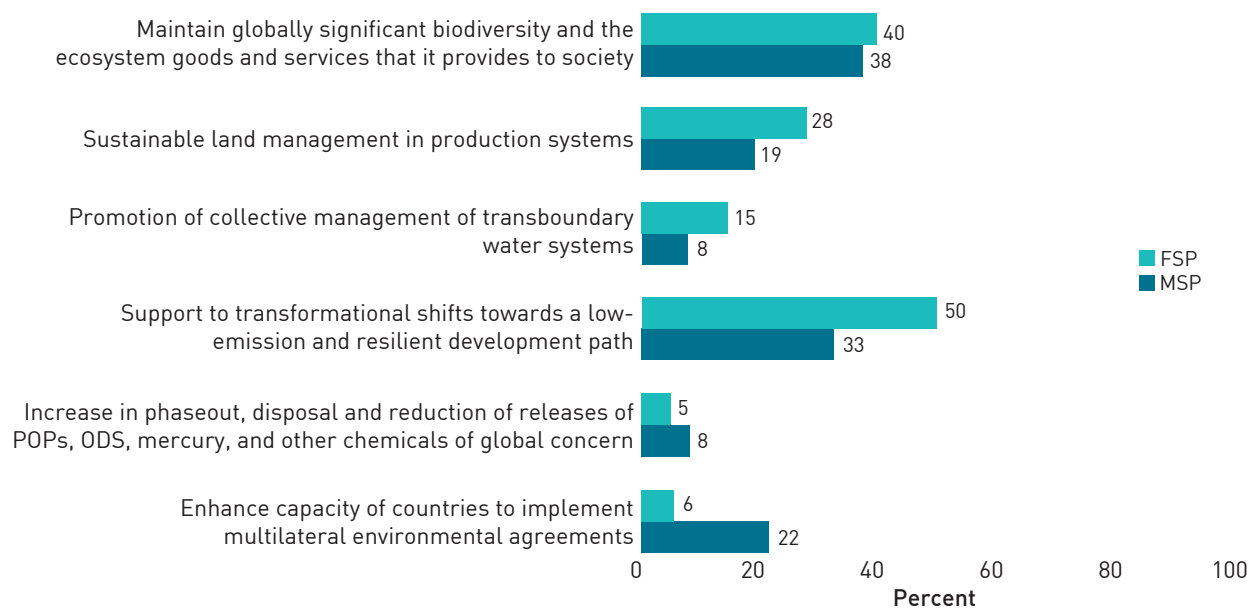
more MSPs focus on global environmental benefit 6: “Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and subnational policy, planning, financial, and legal frameworks” as the main intervention domain.

Table 1.1 Intervention typologies of MSPs versus FSPs

Intervention area	Typology	MSP (n = 197)		FSP (n = 538)	
		No.	%	No.	%
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

Note: Several projects address multiple intervention areas.

Figure 1.1 GEF interventions and global environmental benefits of MSPs versus FSPs



Note: n = 197 MSPs and 538 FSPs—several projects address multiple areas of intervention; POPs = persistent organic pollutants; ODS = ozone-depleting substances.

An example of projects focusing on enhanced capacity is the Sustainable Urban Mobility Program for San Jose (GEF ID 5838; Inter-American Development Bank), 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; UNDP) 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.

The GEF MSP portfolio

2.1 Funding

As of September 15, 2020, the GEF had 1,204 MSPs committing \$1.24 billion in GEF grants¹ and \$5.89 billion in planned cofinancing,² accounting for 23 percent of all projects and 6 percent of GEF grants (table 2.1).

¹ This amount includes project preparation grants, but excludes Agency fees

² Actual cofinancing is only reported on for closed projects with terminal evaluations in the annual performance report database. This evaluation reports on planned cofinancing unless otherwise stated

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 2.1 and 2.2).

The overall funding envelope for the GEF has not changed significantly since GEF-5, with a little more than \$4 billion for GEF-5, GEF-6,³ and

³ GEF-6 suffered a 15 percent shortfall of \$677 million, bringing the total available funds for the replenishment to \$3.757 billion.

Table 2.1 Cumulative number of and funding for GEF projects by modality

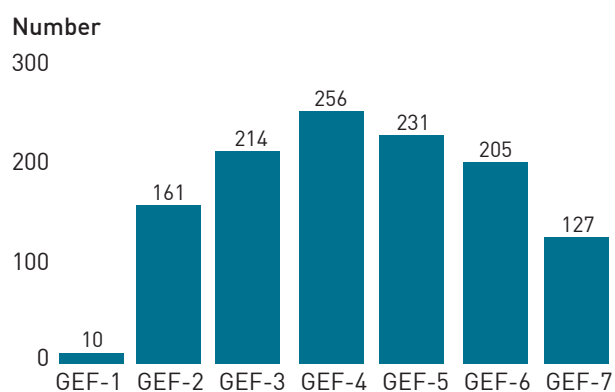
Modality	Projects		GEF grant	
	Number	% of total	Million \$	% of total
Enabling activity	1,364	26	590.10	3
FSP	2,648	50	16,678.59	83
MSP	1,204	23	1,240.01	6
Program	99	2	1,644.33 ^a	8
Total	5,315	n.a.	20,153.03	n.a.

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

Note: n.a. = not applicable.

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

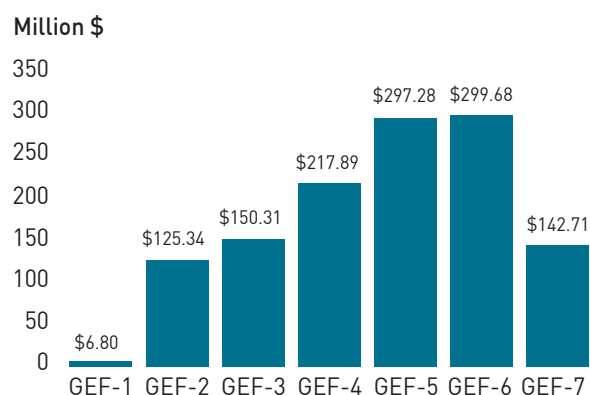
Figure 2.1 Number of MSPs by GEF replenishment period



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

Note: GEF-7 is not yet fully programmed; programming is still under way.

Figure 2.2 GEF funding for MSPs by GEF replenishment period



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

Note: GEF-7 is not yet fully programmed; programming is still under way.

GEF-7 [\$4.34 billion, \$4.43 billion, and \$4.1 billion, respectively].⁴ Although the total number of MSP projects has decreased since GEF-4, total MSP financing reached almost \$300 million in GEF-5 and GEF-6, compared with \$218 million in

⁴GEF webpage, [Funding](#).

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 \$2 million 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 2.2](#)).

2.2 Focal areas

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; land degradation makes up 10 percent of projects and 8 percent of funding. The remaining projects are distributed among the climate change adaptation,

Table 2.2 Average project size by GEF replenishment period (million \$)

GEF period	MSP	FSP
Pre-MSP ceiling increase	0.84	6.44
Pilot phase	n.a.	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	1.42	6.42
GEF-4	0.95 ^a	4.76
GEF-5	1.35	5.88
GEF-6	1.45	6.54
GEF-7	1.53	7.54

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

Note: n.a. = not applicable. GEF-7 is not yet fully programmed; programming is still under way.

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

international waters, and chemicals and waste⁵ focal areas (figures 2.3 and 2.4).

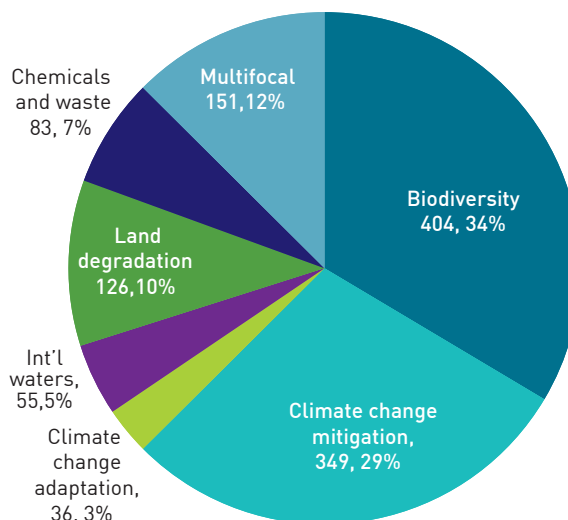
When MSPs were first introduced in GEF-1, most were in the biodiversity focal area (70 percent of projects and 68 percent of financing). Distribution of MSPs by focal area over the GEF replenishment periods shows a clear decrease in the number of biodiversity projects and a significant increase in the 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.

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 2.5 and 2.6). 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 2.3).

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 in GEF-3,

⁵ The chemicals and waste focal area includes persistent organic pollutant and ozone-depleting substance projects.

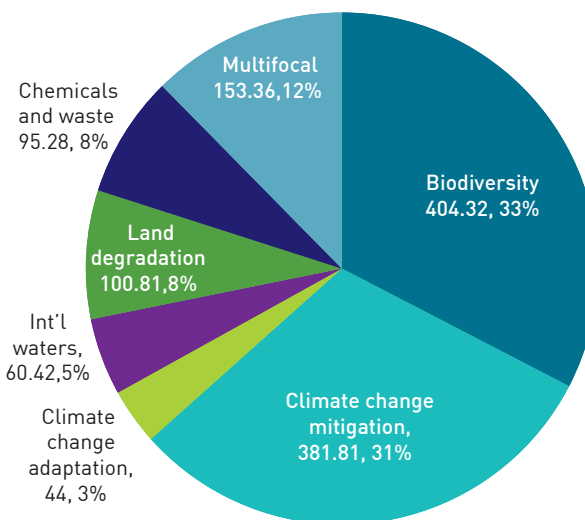
Figure 2.3 Number of MSPs by focal area



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

Note: The chemicals and waste focal area includes persistent organic pollutant and ozone-depleting substance projects.

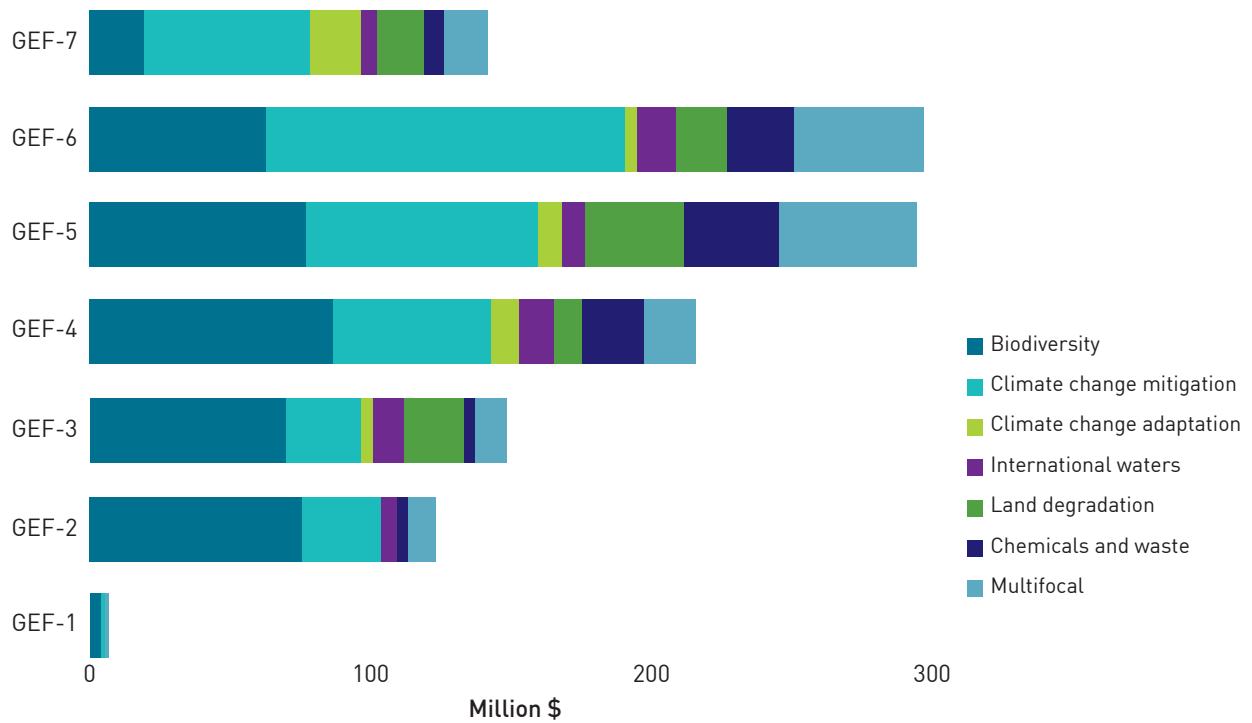
Figure 2.4 GEF funding for MSPs by focal area



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

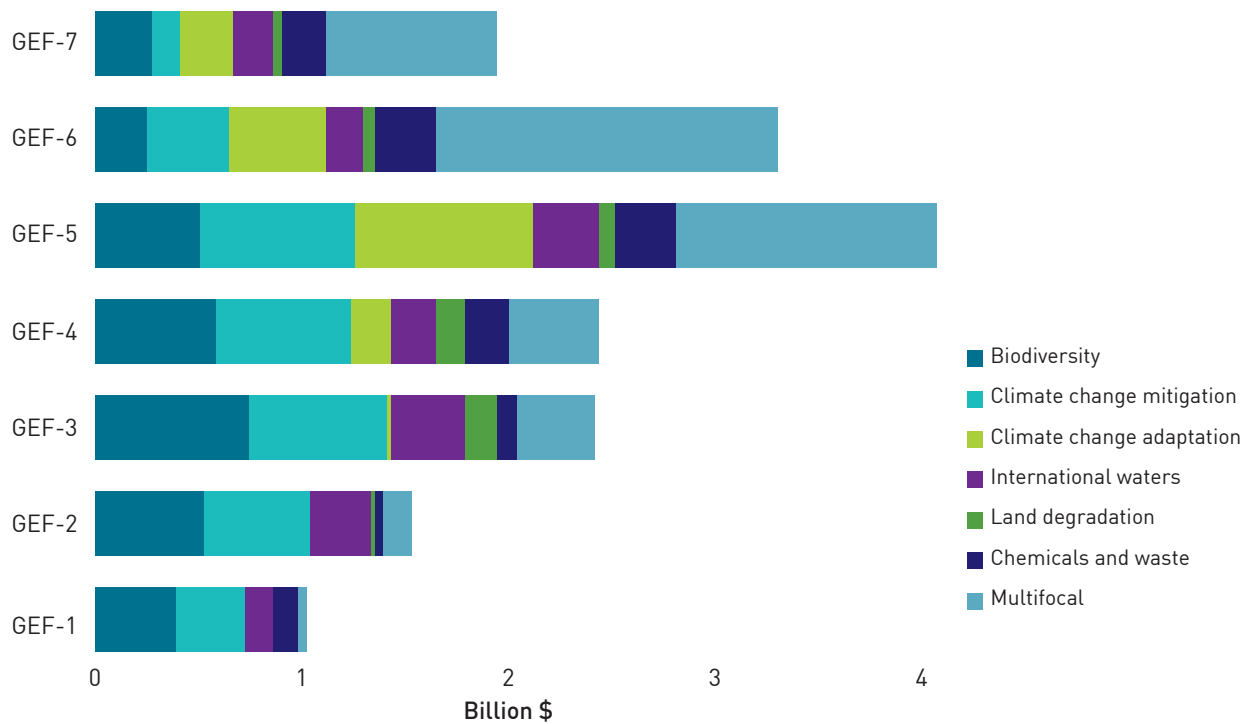
Note: The chemicals and waste focal area includes persistent organic pollutant and ozone-depleting substance projects.

Figure 2.5 GEF funding to MSPs by focal area and GEF replenishment period



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

Figure 2.6 GEF funding to FSPs by focal area and GEF replenishment period



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

Table 2.3 Cumulative number of and funding for GEF MSPs and FSPs by focal area

Focal area	MSPs				FSPs			
	Projects		GEF grant		Projects		GEF grant	
	No.	% of total	Million \$	% of total	No.	% of total	Million \$	% of total
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
Multifocal	151	13	153.36	12	591	22	4,563.73	27
Total	1,204	n.a.	1,240.01	n.a.	2,648	n.a.	16,678.59	n.a.

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

Note: n.a. = not applicable. The chemicals and waste focal area includes persistent organic pollutant and ozone-depleting substance projects.

while FSPs accounted for 29 percent. 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

The GEF Agencies implementing MSPs have diversified, beginning with GEF-4. Although the UNDP, the United Nations Environment Programme (UNEP), and the World Bank implement most of

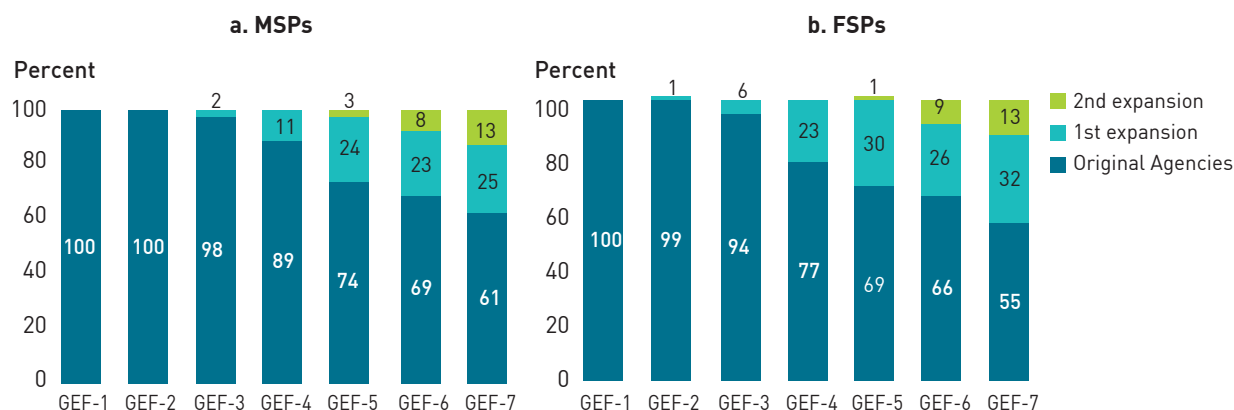
the GEF portfolio,⁶ the relative share of funding for MSPs and FSPs for these three original Agencies diminished as newer Agencies joined the partnership ([figure 2.7](#)).⁷The Sixth Comprehensive Evaluation of the GEF found that expanding the GEF partnership has increased Agency competition for GEF resources in most countries, a point echoed by GEF Agencies interviewed..

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 with 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 2.4](#)).

⁶ UNDP, UNEP, and the World Bank are the three original GEF Agencies active since the pilot phase.

⁷ 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 2.7 Share of GEF grants by GEF Agency from GEF-1 to date, MSPs versus FSPs



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

Table 2.4 Number of and funding for GEF MSPs and FSPs by GEF Agency, GEF-4 to GEF-7

Agency	MSPs				FSPs			
	Projects		GEF grant		Projects		GEF grant	
	No.	% of total	Million \$	% of total	No.	% of total	Million \$	% of total
Asian Development Bank	8	1	9.61	1	42	2	209.60	2
African Development Bank	3	0	4.87	1	58	3	391.14	3
West African Development Bank	n.a.	n.a.	n.a.	n.a.	4	0.2	27.53	0.2
Dev. Bank of Latin America	5	1	8.43	1	9	0.5	53.47	0.5
Conservation International	18	2	24.47	3	26	1	186.69	2
Dev. Bank of Southern Africa	n.a.	n.a.	n.a.	n.a.	4	0.2	39.22	0.3
EBRD	2	0.2	3.90	0.4	20	1	180.20	2
FAO	47	6	62.84	7	198	10	964.27	9
FECO	2	0.2	3.53	0.4	1	0.1	n.a.	n.a.
Brazilian Biodiversity Fund	n.a.	n.a.	n.a.	n.a.	2	0.1	28.77	0.3
Inter-American Development Bank	11	1	15.85	2	43	2	340.61	3
IFAD	5	1	5.42	1	51	3	260.80	2
IUCN	8	1	11.24	1	25	1	109.69	1
UNDP	309	38	349.01	36	787	41	4,396.19	39
UNEP	260	32	300.63	31	241	13	1,192.13	11
UNIDO	87	11	97.06	10	114	6	579.50	5
World Bank	47	6	49.70	5	265	14	2,189.20	19
World Wildlife Fund	7	1	10.99	1	17	1	103.50	1
Total	819	100	957.55	100	1,907	100	11,252.51	100

Source: GEF Portal.

Note: EBRD = European Bank for Reconstruction and Development; FAO = Food and Agriculture Organization; FECO = Foreign Economic Cooperation Office, Ministry of Environmental Protection of China; IFAD = International Fund for Agricultural Development; IUCN = International Union for Conservation of Nature; UNIDO = United Nations Industrial Development Organization; n.a. = not applicable.

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 with 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 2.5).

2.4 Regions and geographic scope

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 2.6). 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 2.8).

Table 2.5 Types of executing agencies of GEF projects

Executing agency type	MSPs		FSPs	
	Number	% of total	Number	% of total
Bilateral	1	0	2	0
CSO (including NGOs, institutes, and foundations)	215	18	97	4
Donor agency	1	0	0	0
GEF Agency	35	3	77	3
Government	680	56	1,855	70
Multilateral	150	12	377	14
Private sector	19	2	25	1
Other	103	9	215	8
Total	1,204	n.a.	2,648	n.a.

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

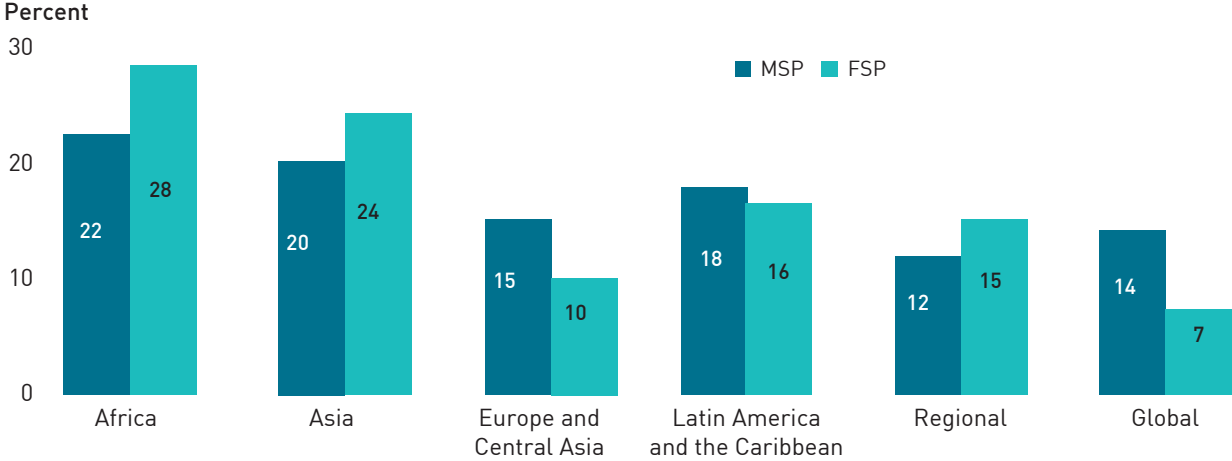
Note: n.a. = not applicable.

Table 2.6 Number of and funding for GEF MSPs and FSPs by geographic scope and region, GEF-4 to GEF-7

Geographic scope/region	MSPs				FSPs			
	Projects		GEF grant + PPG		Projects		GEF grant + PPG	
	No.	% of total	Million \$	% of total	No.	% of total	Million \$	% of total
National	610	74	672.57	70	1,535	80	7,982.77	71
Africa	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 & 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

Source: GEF Portal.

Figure 2.8 Share of GEF grants by GEF Agency from GEF-1 to date, MSPs versus FSPs



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

Relevance of the MSP modality

3.1 Introduction

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

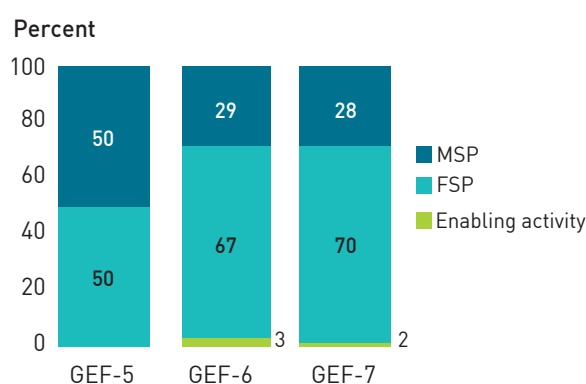
The team asked the following key evaluation questions:

- What factors have influenced the use of MSPs by participating GEF Agencies and countries?
- Are there particular gaps that the MSP modality has addressed?
- Are MSPs deploying innovative approaches?
- How does the MSP modality compare with relevant modalities of comparators?

3.2 Factors influencing the choice of MSPs

The MSP modality is a good entry point into the GEF. For Agencies admitted during the 2013–15 accreditation process, half the projects they took on were MSPs in GEF-5 ([figure 3.1](#)). Several GEF Agencies interviewed said their initial involvement with the GEF was through MSPs, which they found

Figure 3.1 Use of different project modalities by the GEF Agencies since the second Agency expansion



Source: GEF Portal.

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.

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 3.1](#) 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; World Wildlife Fund, US) highlighted later. 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; Conservation International), 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; World Wildlife Fund, US). 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

Box 3.1 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 from GEF-4 onward, 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 a 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-assessments, and national biodiversity strategy and action plans.

In a small country such as 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 International Fund for Agricultural Development (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; UNDP) 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.

financial relief and stimulus products with local nature-based tourism enterprises and beneficiary communities affected by the spread of COVID-19” (GEF ID 10625). The MSP is deemed a quick and agile modality. One-step MSPs have allowed GEF Agencies to react quickly to opportunities to develop projects.

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 affected the use of MSPs by some Agencies such as the World Bank as shown in [table 3.1](#). 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, 9 in GEF-5, 5 in GEF-6, and none in GEF-7). Interviews with other Agencies also pointed to the relatively higher transaction costs associated with the MSP compared with the FSP.

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

Table 3.1 Number of and funding for MSPs by GEF Agency and replenishment period

Agency	GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		GEF-6		GEF-7	
	No.	Mil. \$	No.	Mil. \$	No.	Mil. \$	No.	Mil. \$	No.	Mil. \$	No.	Mil. \$	No.	Mil. \$
Original 3	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	n.a.	n.a.
1st expansion (1999–2006)					5	3.91	29	26.12	55	69.98	47	70.31	32	33.13
ADB	n.a.	n.a.	n.a.	n.a.	3	2.28	1	1.00	3	1.60	2	3.67	2	3.33
AfDB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	1.32	2	3.55	n.a.	n.a.
EBRD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2	3.90	n.a.	n.a.	n.a.	n.a.
FAO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	5.69	9	12.80	18	22.61	14	21.74
IDB	n.a.	n.a.	n.a.	n.a.	1	1.00	2	2.00	3	4.27	6	9.58	n.a.	n.a.
IFAD	n.a.	n.a.	n.a.	n.a.	1	0.64	4	3.42	n.a.	n.a.	n.a.	n.a.	1	2.00
UNIDO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16	14.00	37	46.10	19	30.90	15	6.06
2nd expansion (2013–15)									6	8.69	17	23.73	17	26.26
CAF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2	4.05	3	4.39
CI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4	5.78	9	10.37	5	8.31
FECO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	1.83	1	1.70
IUCN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4	5.42	4	5.82
WWF-US	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	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

Note: ADB = Asian Development Bank; AfDB = African Development Bank; EBRD = European Bank for Reconstruction and Development; FAO = Food and Agriculture Organization; IDB = Inter-American Development Bank; IFAD = International Fund for Agricultural Development; UNIDO = United Nations Industrial Development Organization; CAF = Development Bank of Latin America; CI = Conservation International; FECO = Foreign Economic Cooperation Office, Ministry of Environmental Protection of China; IUCN = International Union for Conservation of Nature; WWF-US = World Wildlife Fund [US chapter]; n.a. = not applicable.

a general interest in using MSPs more strategically and selectively to test a new approach or catalyze larger projects.

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 socio-economic commitments. One project, Improving Mangrove Conservation across the Eastern Tropical Pacific Seascape through Coordinated Regional and National Strategy Development and Implementation (GEF ID 5771; WWF-US), 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 (2015–35) of July 2014, as well as 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.

The data show no correlation between a country’s STAR allocation and the amount of financing provided for MSPs. Based on interviews with operational focal points 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 program their funds through one or two large FSPs with the remaining allocation for an MSP so they do not lose out on funds, or they

program multiple MSPs to use their allocation for multiple smaller projects.

Some interviewees said countries think of MSPs 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

MSPs address funding gaps for GEF Agencies and the countries with which they work. 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 project (GEF ID 5810; Conservation International) looked at the impact of climate change on management of protected areas around the world; one example follows.

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.

MSPs are used for capacity building and developing knowledge products. MSPs have served as a binding instrument that holds regional programs together (box 3.2) (GEF IEO 2018a). 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. 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 United Nations Framework Convention on Climate Change. Interviewees said these initiatives, and their reporting outputs, would not have existed in the same consistent fashion without MSP support.

Analysis of the country case studies indicates that countries with strong capacity have found they need

Box 3.2 MSPs as glue project

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. However, coordination projects were much larger because the overall programs are larger.

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; Inter-American Development Bank). It advanced local municipal efforts to make a unified urban 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.

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

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 post-climate change, and online platforms that analyze land degradation on a global scale. [Box 3.3](#) outlines the GEF-supported targeted research for scientific targeted research (GEF STAP 2012).

The global project on spatial planning for protected areas (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 Scientific and Technical Advisory Panel (STAP), to reach a better understanding of 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 scenarios of change in the three highest-diversity continental tropical regions to better understand better both threats from disrupting climate shifts and opportunities for adaptation of terrestrial protected area networks.

MSPs are being used to test pilot technology and test applications that could be applied on a much larger scale. The International Union for

Conservation of Nature (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; IUCN) 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, the STAP presented a document to the GEF Council, “Harnessing Blockchain Technology for the Delivery of Global Environmental Benefits” (GEF STAP 2019). 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” (GEF STAP 2019).

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

Box 3.3 MSPs and targeted research

The GEF Council first approved the Principles for GEF Financing of Targeted Research at its ninth meeting (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.

Project modality	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

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; 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 Technical Assistance Facility project (GEF ID 9900; WWF-US), 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, 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 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 technical assistance facility received an MSP grant, and another \$4.9 million in donor cofinance. This blended finance approach is a relatively new concept in combating land degradation, and MSPs can clearly play a role in encouraging private investors.

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– United Nations Industrial Development Organization (UNIDO) project, Greening the COP17 (Conference of the Parties) in Durban (GEF ID 4514), which was scaled up to a series of MSPs with a global coordination platform, and later became a GEF program. The project showcased targeted activities in South Africa, including the

innovative technology competition for the small or medium-size enterprise component of the MSP. This was later scaled up to a global flagship program on cleantech for small and medium-size 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.

MSPs can bring about transformational change.

The GCIP also supported market transformation for energy efficiency in industry and the building sector (GEF 2011). The Uruguay Wind Energy Programme, launched in 2007 (GEF ID 2826; UNDP) 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 had been created, with 43.45 megawatts (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; UNEP) 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.

Although 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 ring-fence 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

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 3.2](#)).

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.”

The maximum funding cap for the GCF’s SAPs is \$10 million. However, in all other respects, the SAP is a similar modality to the MSP—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:

Table 3.2 Comparison of GEF MSP with similar modalities

	GEF	Adaptation Fund	GCF
Modality	MSP	<ul style="list-style-type: none"> • Grants for scaling up • Learning grants • Small grants for innovation 	SAP
Finance ceiling	\$2 million		\$10 million
Approval process	<ul style="list-style-type: none"> • Simplified preparation process • Simplified templates • Possibility of one-step approval process 	<ul style="list-style-type: none"> • Simplified preparation process • Simplified templates • Decreased or lighter analysis of compliance with policies 	<ul style="list-style-type: none"> • Simplified preparation process • Simplified templates
Business standards	Shorter business standards		Shorter business standards
Approval authority	Delegation of approval authority to CEO		No delegation of approval authority
Strategic reasoning for modality	<ul style="list-style-type: none"> • Created to provide an expedited mechanism • Allows for a broader, more balanced representation of executing agencies and stakeholders 		<ul style="list-style-type: none"> • Created to provide an expedited mechanism • Allows for a broader, more balanced representation of executing agencies and stakeholders

- 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.
- 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 acknowledges that it does not expect the same depth of analysis for smaller grants as for regular projects.
- 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) (GCF IEU 2020).

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.

In the project approval phase, only the GEF MSP modality allowed delegation of approval authority to the executive instead of the board, as 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 with other modalities.

The GEF's 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 grants¹ 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 the 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.

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 with 3 percent for the GCF SAP.

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, although 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 later in this evaluation.

¹ This amount includes project preparation grants but excludes Agency fees.

Effectiveness, results, and sustainability

4.1 Introduction

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

The key evaluation questions asked were:

- What are the key factors affecting achievement of results?
- To what extent is the MSP contributing to the delivery of global environmental and socio-economic benefits?
- What are the key factors influencing sustainability of outcomes for MSPs?

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

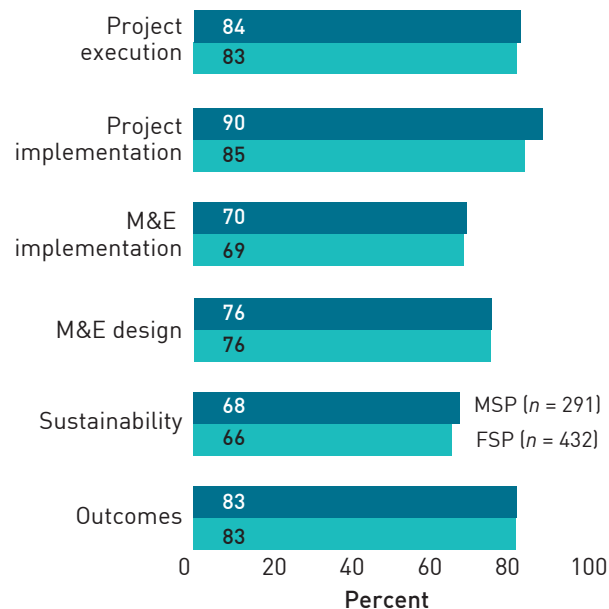
GEF MSPs have overall received slightly higher or equal performance ratings to FSPs. Analysis

of terminal evaluation ratings from the 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 in the satisfactory range compared with 85 percent of FSPs ([figure 4.1](#)).

Outcomes of 83 percent of both MSPs and FSPs implemented from GEF-4 to GEF-6 were rated in the satisfactory range (marginally satisfactory, satisfactory, or highly satisfactory). 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 (moderately sustainable or likely sustainable).

Compared with the two-step MSP and MSP child projects, the one-step MSP performs better on outcomes, M&E, and implementation. 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 ([figures 4.1](#) and [4.2](#)).

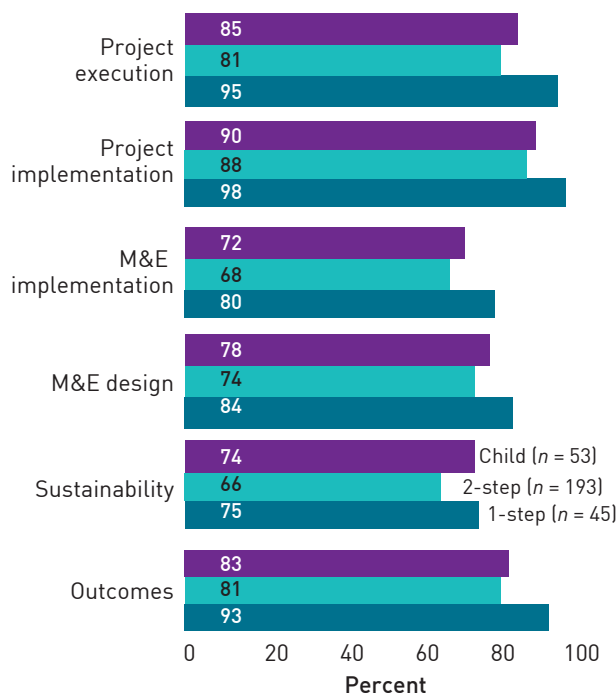
Figure 4.1 Percentage of projects rated in the satisfactory range, GEF-4 to GEF-6



Source: GEF IEO 2020.

Note: Excludes canceled or dropped projects.

Figure 4.2 Percentage of projects rated in the satisfactory range by MSP subtype, GEF-4 to GEF-6



Source: GEF IEO 2020.

Note: Excludes canceled or dropped projects.

The one-step MSP was approved in GEF-5 and is relatively new.

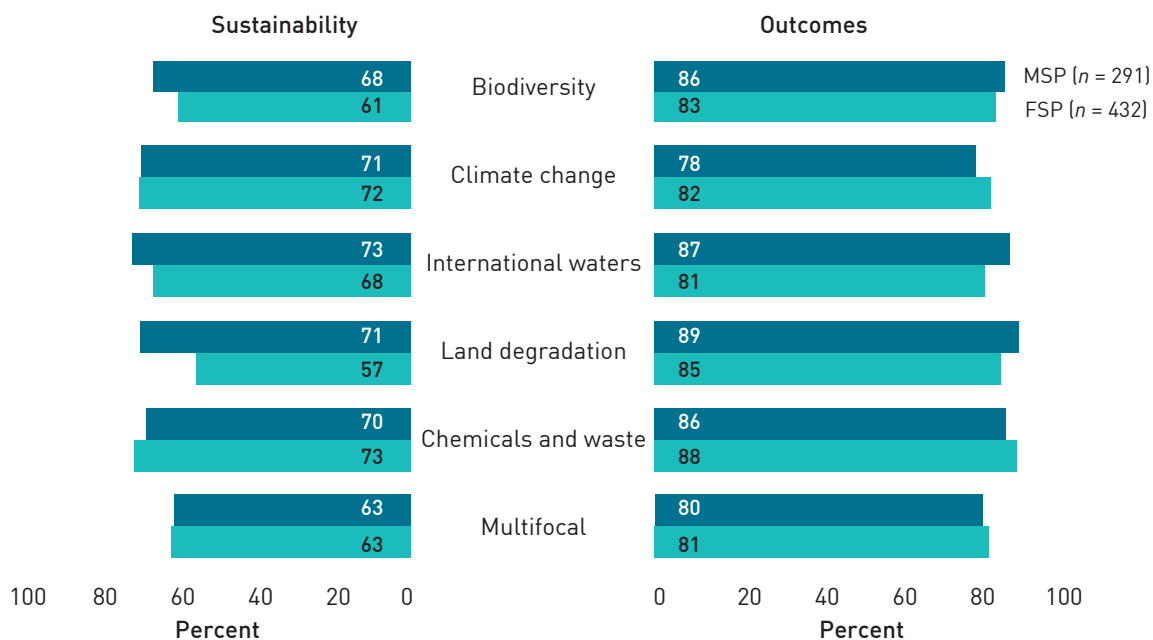
MSPs perform better than FSPs on outcomes and sustainability in the biodiversity, land degradation, and international waters focal areas (figure 4.3).

Apart from the Europe and Central Asia 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 4.4).

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 later under “Contribution of MSPs in raising awareness and developing capacity.” The review showed that many of the Costa Rica projects that were rated satisfactory were implemented and completed within the past five years, whereas projects considered less satisfactory had been 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.

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

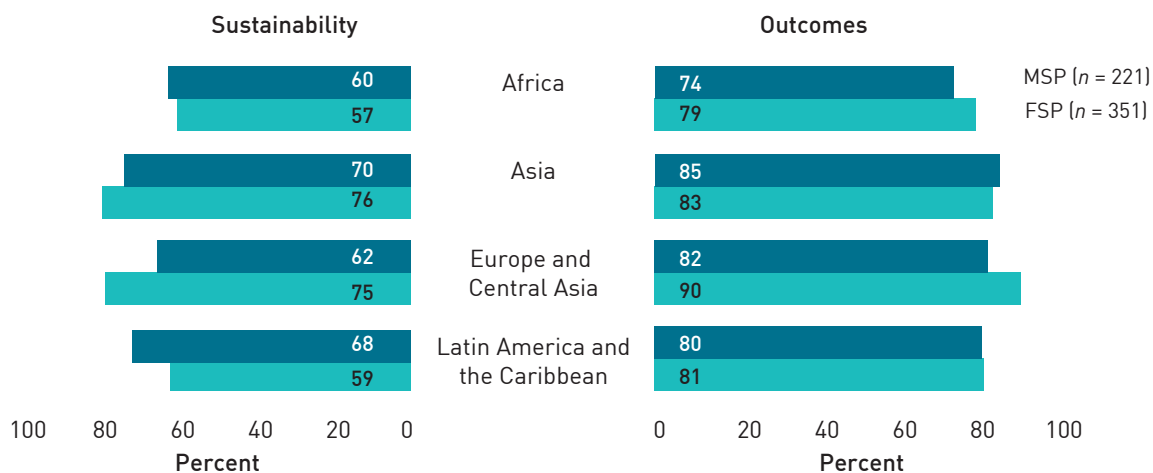
Figure 4.3 Percentage of projects rated in the satisfactory range by focal area, GEF-4 to GEF-6



Source: GEF IEO 2020.

Note: Excludes canceled or dropped projects. The chemicals and waste focal area includes persistent organic pollutant and ozone-depleting substance projects.

Figure 4.4 Percentage of projects rated in the satisfactory range by region, GEF-4 to GEF-6



Source: GEF IEO 2020.

Note: Includes national projects only. Excludes canceled or dropped projects.

larger strategy for the country tend to result in MSPs being rated more successful than one-off projects.

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 (GEF ID 5771). An existing regional coordination body (the Conservation International Permanent Commission for the South Pacific) ensured there was already a mechanism in place for country engagement. With cofinancing of \$4.5 million, the MSP funds filled needed financing gaps.

A similar situation is the Land Degradation Neutrality Fund project described earlier (GEF ID 9900). The project proponents—the United Nations Convention to Combat Desertification Global Mechanism, Agence Française de Développement, 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.

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.

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.

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—Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area (GEF ID 1713; UNDP), and Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies (GEF ID 1599; UNEP)—project coordinators had several objectives that appeared better suited to an FSP. Terminal evaluations indicated that these projects were overextended, resulting in lower effectiveness ratings.

4.3 Contribution of MSPs in raising awareness and developing capacity

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.

One of the most significant results from MSPs in Costa Rica has been expansion of 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 conferences of the parties.

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.

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 global environmental benefit 2 on sustainable land management.

MSPs have done valuable work in raising local awareness and delivering global environmental benefits, but interviewees suggested that 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 relatively easy solutions have already been found. In addition, public awareness of environmental issues has increased significantly in the past 10 to 15 years.

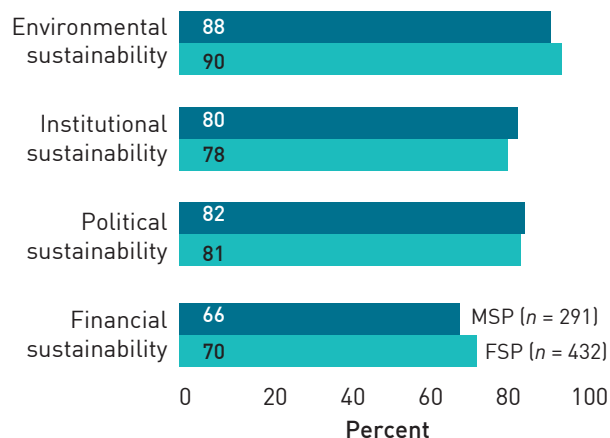
4.4 Key factors influencing the sustainability of outcomes

In its 2017 *Annual Performance Report*, the IEO conducted a desk review of 53 post-completion verification reports (GEF IEO 2018c). The analysis showed that outcomes of most GEF projects are sustained during the post-completion period. The review found the key factors that contribute to higher outcomes and broader adoption at post-completion 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 post-completion 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 post-completion than when the implementation ended.

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 4.5](#)).

In 2019 and 2020, the IEO undertook three strategic country cluster evaluations in the Sahel and Sudan-Guinea biomes of Africa, small island developing states, and least developed countries (GEF IEO 2019a, 2019b, 2019c). These evaluations covered 860 projects. In line with the results in the GEF IEO's 2017 APR, the projects reviewed in strategic country cluster evaluations 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 4.6). Institutional strategic partnerships functioning at project completion also emerged as a factor that affects MSP sustainability.

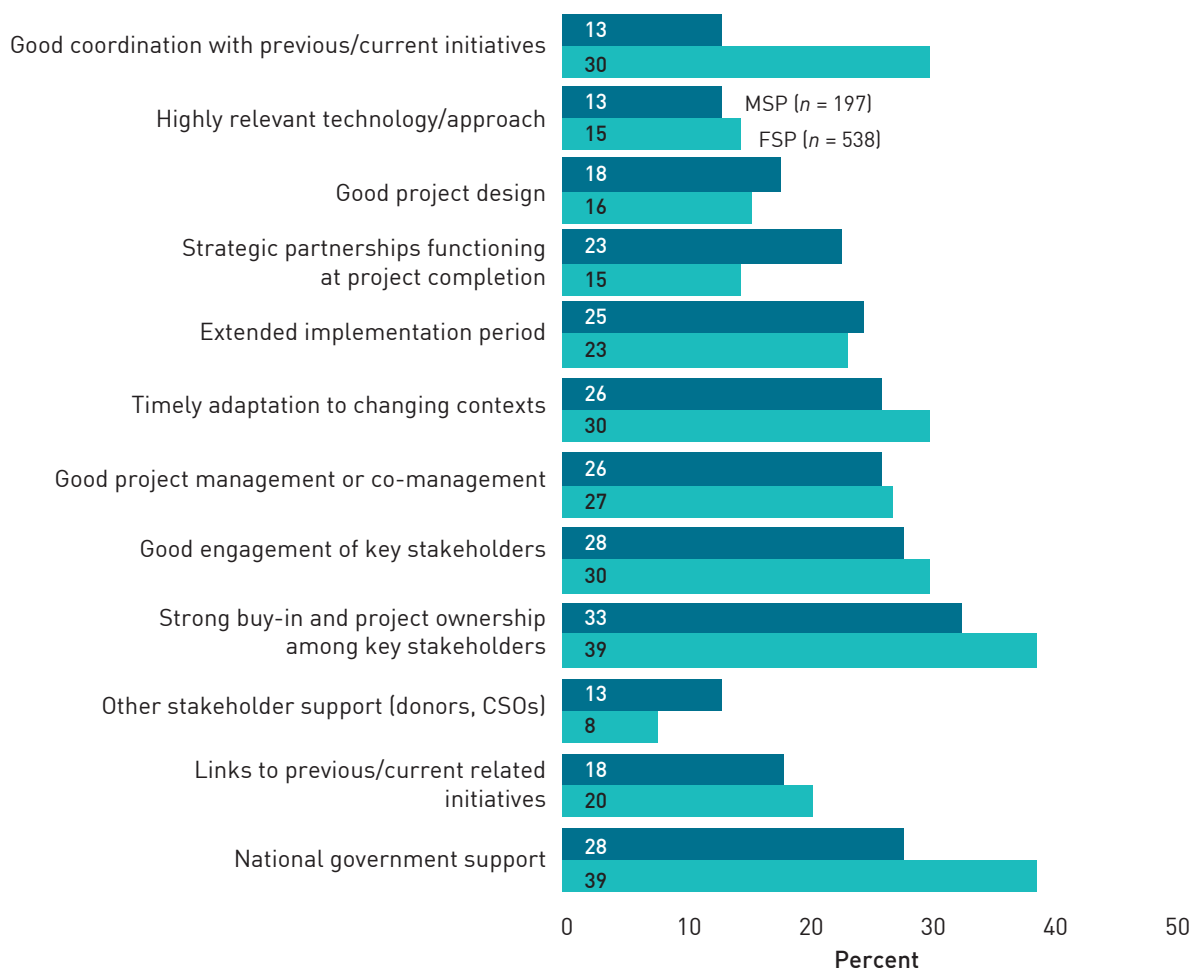
Figure 4.5 Percentage of projects rated in the satisfactory range on dimensions of sustainability, GEF-4 to GEF-6



Source: GEF IEO 2020.

Note: Excludes canceled or dropped projects.

Figure 4.6 Project- and context- related factors contributing to sustainability



Sources: GEF IEO 2019a, 2019b, 2019c.

The two figures 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, strategic partnerships and stakeholder support appear to be marginally more important than for FSPs (box 4.1).

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; UNEP) project, which committed to continuous investigation into payment for ecosystem services. The project Biodiversity Conservation in Cacao Agro-forestry (GEF ID 979; World Bank) listed engaging community representation through appropriate consultation, identifying champions, and coordinating with local organizations as key elements of and for ongoing sustainability.

Box 4.1 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.

In Mozambique, limited country capacity and ownership inhibited project sustainability. The Zambezi Valley Market Led Smallholder Development project (GEF ID 2889; World Bank) for example, relied heavily on implementation of the country's decentralization program and capacity development, neither of which was adequate at the time.

Efficiency

To analyze efficiency, this evaluation focused on speed of disbursement, complexity of the MSP process, and complexity of reporting. The key evaluation questions asked were as follows:

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

These questions were addressed through interviews, field observations from the country case studies, review of terminal evaluations, comparisons with other funding modalities, and analysis of portfolio trends.

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

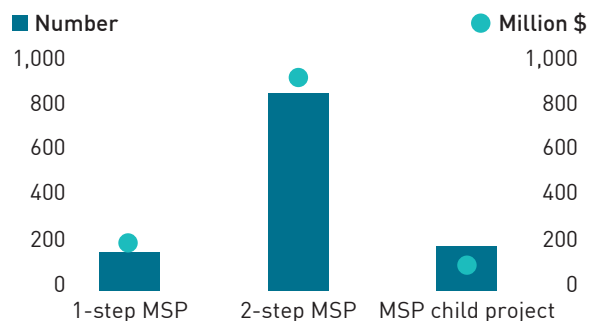
5.1 One-step versus two-step application procedures

GEF stakeholders prefer the two-step MSP procedure. As described earlier, 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 5.1](#)).

As shown in [figure 5.2](#), 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.

Interviews help explain these statistics. The two-step procedure is favored for several reasons.

Figure 5.1 MSPs by subtype



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

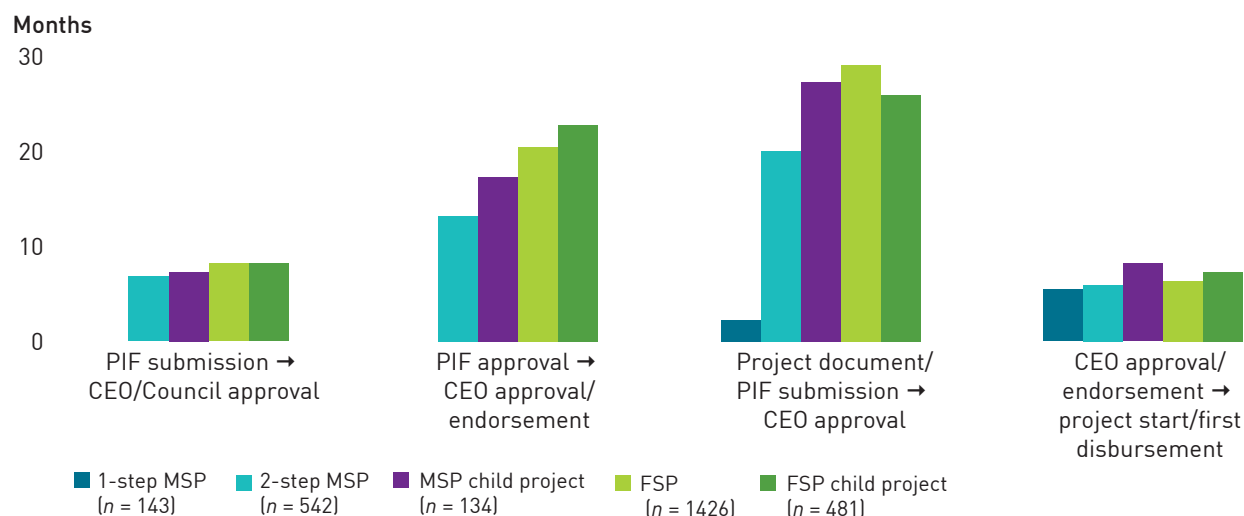
One GEF Agency posited that the one-step procedure can be risky for low-capacity countries if there is no clarity on objectives and aims. Another reason is that staff developing the proposals can be held to a timeline because the two-step procedure locks in GEF commitment. Some GEF Agencies find the 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.

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 procedure.

5.2 Processing time

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

Figure 5.2 Average time for GEF project cycle by project modality



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

focal point, and the Trustee, informing them the project is canceled, 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 2020).

[Table 5.1](#) shows the percentage of projects that take various lengths of time to move from PIF submission to PIF clearance or approval by the Council. This does not include one-step MSPs, because they do not require PIFs.

[Table 5.2](#) shows percentages of projects that take various lengths of time to move from PIF clearance to Council and CEO approval to CEO endorsement. [Table 5.3](#) 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.

An analysis of the statistics in tables [5.1](#), [5.2](#), and [5.3](#) shows a mixed outcome in MSP approval efficiency. The two-step MSP procedure moves proposals from PIF clearance to PIF approval

Table 5.1 Time from PIF submission to Council clearance/approval, by project modality

Project modality		Within 6 months	Within 12 months	More than 12 months
		Percentage of projects		
MSP	Two-step MSP	69	17	13
	MSP child project	67	14	18
FSP	FSP	54	27	18
	FSP child project	64	13	23

Source: GEF Portal.

Table 5.2 Months from PIF clearance to CEO endorsement/approval, by project modality and GEF replenishment period

Project modality		Percentage of projects: GEF-4		Percentage of projects: GEF-5 to GEF-7		
		18–22	22+	12–18	18–22	22+
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

Source: GEF Portal.

Table 5.3 Time from CEO approval/endorsement to project start or first disbursement, by project modality

Project modality		Within 6 months	Within 12 months	More than 12 months
		Percentage of projects		
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

Source: GEF Portal.

marginally faster than the FSP procedure. 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 5.3](#) shows that one-step startup is slightly faster than the other projects.

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 with FSPs is a drawing card.

5.3 MSPs and comparators

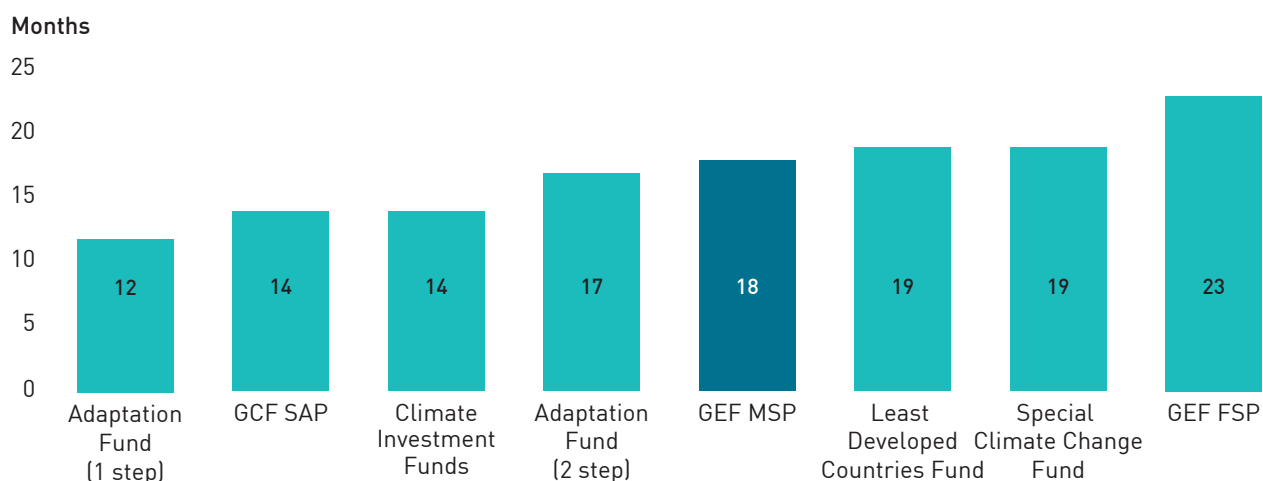
Comparing similar modalities other multilateral environment funds use is helpful. [Figure 5.3](#) shows that MSPs took slightly longer on average for approval compared to equivalent modalities at the GCF and the Adaptation Fund.

The World Resources Institute review of climate funds (WRI 2017) and the third review of the Adaptation Fund by the United Nations Framework

Convention on Climate Change found that in 2017 the Adaptation Fund was the most efficient climate change financial institution (UNFCCC Secretariat 2017). It averaged 12 and 17 months to approve one- and two-step projects, respectively. The Adaptation Fund’s secretariat continues to meet its goal of reviewing project proposals within two months of receipt.

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. The PPF applications for the GCF are separate, outside the funding proposal process. The second major difference is the financial support available. The MSP PPG has a \$50,000 limit; the GCF’s PPF has a cap of \$1.5 million. 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.

Figure 5.3 Project approval times across climate change funds



Source: UNFCCC Secretariat 2017.

Governance

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 questions addressed are: 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? These questions were addressed through interviews, field observations from the country case studies, review of terminal evaluations, and comparisons with other funding modalities.

[Box 6.1](#) 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. Interviewees tended to focus on two issues: the nature of their relationship with the GEF Secretariat and descriptions of how their own project governance systems interacted with those of the GEF.

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

Box 6.1 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: operations and project implementation support; and 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 plays this role, fulfilling two functions as political focal point and 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. The Ministry of Environment often plays the role of an executing agency, implementing projects. Sometimes partner Agencies use a fund management agency as well.

consistently that direct contact with GEF staff is helpful. This is supported by the 2019 performance assessment of multilateral agencies undertaken

by the Organisation for Economic Co-operation and Development-supported Multilateral Organisation Performance Assessment Network (MOPAN 2019). 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 compatible with partners’ procedures and whether GEF provides high-quality inputs to country dialogues, the stakeholder responses averaged approximately 70 percent positive.

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.

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 were 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. Project managers do regular reviews and check-ins, conduct an upstream review, and conduct a final presubmission review to

check for quality, implementability, and adherence to policies.

Some GEF 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.

Interviewees also raised the issue of how cofinancing affects MSP governance. [Table 6.1](#) shows the MSP modality has a significantly higher cofinancing ratio than the GCF SAP modality.

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 applied to the project in question, rather than the standards of other partners. This means that some Agencies involved in the cofinancing package will have less direct control over project compliance and supervision. The GEF rigorously checks 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 (GEF 2019). 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. The GCF is considered much more difficult, because it conducts second-level due diligence and direct monitoring and oversight of the projects that its accredited entities implement.

Table 6.1 GEF MSP versus GCF SAP cofinancing ratios

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

Conclusions and recommendation

7.1 Conclusions

MSPs were originally designed to offer opportunities for a broad range of programming that is typically smaller in scale than full-size projects. The approval process is supposed to be simpler, allowing projects 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 from this evaluation are as follows.

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.

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 the GEF's

and to the partner's environmental goals. They are relevant for testing out new ideas, applying new science-based concepts or showing 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.

Conclusion 3: MSPs address funding gaps for both GEF Agencies and the countries with which they work. 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 private investment tends to be narrowly defined. This is especially the case for multicountry regional programs.

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 effective 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.

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 the approval process for 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 the effort required for 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 both increased processing time and more monitoring and evaluation, similar to FSPs. However, midterm reviews for MSPs are optional; if not conducted, it may be a missed opportunity to learn from experience, particularly for those MSPs designed to be innovative or transformative.

Conclusion 6: The use of the MSP modality has been affected by the STAR. Concerns have been raised about the impact of the STAR on the uptake of MSPs and the related problem of crowding out some MSPs. The STAR 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 such cases, according to some interviewees, countries think of MSPs as being an option when there is “leftover” STAR.

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. Extending it might blur the lines between the MSP and FSP modalities.

7.2 Recommendation

Recommendation 1: 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 try out 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, small or medium enterprises’ nature-based entrepreneurship, and health and the environment. Stakeholders consulted during this evaluation viewed the \$2 million limit as appropriate and did not deem an increase necessary. The conclusions suggest that the instrument is relevant and effective and fulfills its intended role in the GEF suite of instruments. This evaluation recommends that 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.

Approach paper

This annex has been lightly edited for style and consistency. Most of its original annexes have been appended to this final evaluation report and the references updated accordingly.

The Global Environment Facility (GEF) is an international financial institution 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 over \$20 billion in grants and mobilized an additional \$88 billion in financing for more than 4,000 projects in 170 countries. Today, the GEF is an international partnership of 183 countries, international institutions, civil society organizations, and the private sector. The governance structure of the GEF includes an Assembly, a Council, a Secretariat, a Scientific and Technical Advisory Panel, and an Independent Evaluation Office (IEO).

The GEF provides support to countries through three main modalities: enabling activities, medium-size projects (MSPs), and full-size projects (FSPs); the GEF additionally provides financing through programs such as the GEF Small Grants

Programme, programmatic approaches, integrated approach pilots, and integrated programs.

This evaluation will assess the GEF MSP modality. It will provide evidence on past GEF experience in designing and implementing MSPs as well as the efficiency, effectiveness, and results of MSPs. It will contribute to the further understanding of the role of MSPs in the context of the GEF's strategic move to increase its investments in integrated programming as a strategy to tackle the main drivers of environmental degradation and achieve impact at scale (GEF 2018a).

A.1 Background and history

MSPs were initially introduced at the GEF to promote rapid and efficient project execution by simplifying preparation and approval procedures and by shortening the project cycle relative to GEF FSPs. MSPs are required to be consistent with the GEF eligibility criteria of the GEF Instrument; however the goal of "streamlining and simplifying all stages of the project preparation and implementation" was highlighted by the Council, in the view that MSPs "often don't require the same level of preparation and oversight as large-sized projects" (GEF 1996b).

MSPs were able to address the gap between the two funding mechanisms at the time—FSPs and the Small Grants Programme. MSPs were to provide an expedited mechanism allowing a broader and more balanced representation of executing agencies and stakeholders to access GEF funds—including government agencies, international nongovernmental organizations (NGOs), national NGOs, academic and research institutions, and private sector companies, among others (GEF 2001b).

The MSP modality was first proposed in an information document Promoting Strategic Partnerships between the Global Environment Facility and the NGO Community (GEF 1996a) presented to the GEF 7th Council meeting in February 1996 and prepared by a working group composed of members of the GEF-NGO Network, the GEF Agencies, and the GEF Secretariat. NGOs had an important leadership role in the creation of the MSP modality.

In April 1996, the GEF Council requested the Secretariat to prepare, in consultation with the then-Implementing Agencies, a proposal on ways to streamline the processing and financing of MSP proposals. Procedures for preparing, approving, and managing MSPs were formally proposed and approved by the GEF Council at its 8th session in October 1996 (GEF 1996b) with an increased limit of \$1 million. The MSP approval process was to be consistent with GEF operational policies and principles, and the review process was streamlined to expedite project approval.

The MSP grant ceiling was raised to \$2 million at the GEF's 43rd Council meeting in November 2012 as a streamlining and cost savings measure to improve the efficiency of the GEF project cycle. The GEF introduced a new cancellation policy in 2014 setting project cycle standards for all projects. This came as an update to the May 2007 policy which set criteria for cancellation, termination, or suspension of projects (GEF 2007). The GEF further amended its project cycle in 2016, consolidating

any conflicting decisions and streamlining the project cycle for all project and program modalities.

A.2 Previous evaluations on MSPs

A review of MSPs was undertaken in 1998 as a joint effort between the GEF Secretariat, the GEF Agencies, and the GEF-NGO Network (GEF 1998a). Three key and interrelated issues were identified:

- **Volume-related issues.** The volume of proposals submitted exceeded the budgetary resources of the GEF Agencies.
- **Information-related issues.** Project proponents and NGOs faced difficulties understanding GEF requirements. There was a lack of awareness of GEF requirements particularly among NGOs and project proponents at the country level. Furthermore, many did not find the MSP Information Kit to be user friendly.
- **Process-related issues.** The time lapse in project preparation was substantial since it could take several months for the GEF Agencies to work upfront with the project proponents in an interactive manner to develop an idea into a feasible concept. There was sometimes a lack of timely responses by the Agencies on MSP concepts and project eligibility, and delays in endorsement by the GEF in-country focal points; further, the transaction costs of MSPs were found to be high.

At the same Council session, the GEF Secretariat presented the document “Streamlining the Project Cycle” (GEF 1998b), indicating that it would address conceptual or procedural constraints in the project cycle to further shorten the MSP project cycle. The GEF Secretariat and the GEF Agencies continued to work on streamlining the project cycle and further reduced the disbursement time with the introduction of “Mechanisms and Arrangements for Expediting Disbursement of Funds for Small

Projects” (GEF 2001a). This allowed for funds for MSPs to be “disbursed based on projected expenditures rather than an ex-post reimbursement for expenses.”

An evaluation of the GEF experience with MSPs was undertaken in 2001 (GEF 2001b) as input to the Second Overall Performance Study (OPS2) of the GEF, presenting both challenges and opportunities. The final report concluded that MSPs had broadened and legitimized partnerships and multilateral relationships that have improved collaboration between civil society organizations, governments, research institutions, the private sector, and the GEF. However, the expedited procedures envisaged for the MSPs had “fallen far short of the expectations that MSPs would be a relatively fast-moving and flexible funding opportunity.”

The 2001 MSP evaluation also pointed out that the “prevailing 2-3 year time frame 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 had been considerable pressure within the GEF to make MSPs comprehensive and overly ambitious rather than small and simple, and some of the projects were “encouraged to bite off more than they could reasonably be expected to chew.”

Among its findings, the evaluation report states that

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.

The evaluation also highlighted one of the key strengths of these projects:

it is very likely that the overall value/impact of GEF dollars invested in MSPs compares favorably with investments in many larger projects of either

GEF or other donors, especially in the biodiversity focal area.

Additional benefits of MSPs as noted by the evaluation are summarized in [box A.1](#).

As a follow-up to the MSP evaluation, the GEF Secretariat organized an MSP Working Group consisting of 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, the project cycle, and information dissemination.

The Secretariat presented an action plan to the 23rd Council session to follow up on the recommendations of the evaluation, and at the 24th Council session in November 2004 presented the Council with its Proposal for Enhancing GEF Medium-Sized Projects (GEF 2004). The proposal increased the ceiling of PDF-A funding for MSPs up to \$50,000 and allowed for endorsement of MSP project proposals by the operational focal points on a no objection basis within a four-week period.

A Joint Evaluation of the GEF Activity Cycle and Modalities (GEF IEO 2007) was presented to the GEF’s 30th Council in 2006. This evaluation mapped the number of emerging GEF modalities based on their definitions, key outputs, characteristics, and issues they aimed to address. The evaluation presented an in-depth analysis of MSPs and FSPs including the time lags at various stages of the cycle that pertain to project preparation and appraisal and reasons for these time lags. The evaluation concluded that the lag time for proposals awaiting approval had become unacceptably long. To simplify the process, the evaluation recommended that the identification phase of the

Box A.1 Benefits of GEF MSPs medium size projects identified by the 2001 evaluation

MSPs have notably generated the following benefits:

Collaboration

- Broadened and legitimized partnerships and multisectoral relationships that have improved collaboration between NGOs, government, research institutions, the private sector and the Implementing Agencies.
- Strengthened international networking with respect to complex technical issues, especially through the global and regional MSPs implemented by UNEP.
- Improved local awareness of global environmental concerns, increased local ownership of environmental interventions and strengthened local governance.
- Increased capacity at local and national levels, including the capacity to access and participate in larger initiatives.

Environmental and socioeconomic status

- Achieved positive policy impacts by facilitating policy dialogues, applying research results or

piloting new policy concepts and relating these to research priorities.

- Provided what in some countries is the only support for implementing environmental strategies and action plans, including those for biodiversity conservation and climate change.
- Demonstrated innovations that are providing more appropriate and effective approaches to environmental management.
- Improved livelihood and income opportunities for key stakeholders.

Reach

- Leveraged substantial cofinancing from a variety of sources.
- Demonstrated innovations that are providing more appropriate and effective approaches to environmental management.
- Increased the profile of global environmental priorities and obligations within national government policy and planning processes in at least some countries.

Source: GEF 2001b.

project cycle “should simply establish project eligibility, whether resources are in principle available, and whether the concept is endorsed by recipient countries.”

Concerning MSPs, the evaluation had several findings. First, the MSP modality had been effective in its goal of widening access of GEF funding to non-governmental partners and building their capacity. Second, MSPs appear to have performed well for their ability to leverage additional resources from other donors, governments, NGOs, and the private sector. Third, MSPs were effective in serving as an initial step in a longer process; i.e., the results of MSPs could be used as leverage to engage governments in policy dialogue, which is particularly

useful in countries where an entry point to setting environmental priorities is needed. Fourth, MSPs are not cost-effective because it takes too much time and effort to develop and implement as compared to the investment and modality objectives. Fifth, there was no significant reduction in time delays for MSPs, and elapsed time increased after the 2001 MSP evaluation but had since decreased.

The evaluation also pointed out that the resource-intensive nature of the MSP modality may have discouraged its growth and use, though some Agencies may have been motivated to undertake MSPs despite inefficiencies because they raised the profile of the Agency at the grassroots level. To make the most of the MSP modality as originally

envisaged, the evaluation suggested that the missed findings on complexity, flexibility, and comparatively high workload should be systematically addressed (GEF IEO 2007).

Taking note of the findings from the Joint Evaluation of the GEF Activity Cycle and Modalities, the GEF Council requested the GEF Secretariat to present options for a new project cycle, “with the objective of processing a proposal from identification to start of implementation in less than 22 months without compromising project quality or undermining financial accountability” (GEF 2007). The new project cycle proposal was approved by the GEF Council in June 2007. Its main elements included: (1) eliminating the stage of project concept approval; (2) instead of detailed project documents for work program inclusion, the Agencies were expected to submit a streamlined project identification form (PIF); and (3) establishing a business standard of 10 work days for the GEF Secretariat to respond to PIF submissions and requests for Chief Executive Officer (CEO) endorsement.

As of 2012, the CEO has delegated authority to approve MSPs requesting less than or equivalent to \$2 million in project financing. For MSPs, a GEF Agency chooses one of two procedures: a one-step approval process, wherein no PIF is required; or a two-step approval process where a GEF Agency prepares a PIF at the request of, and in consultation with, relevant country institutions (see [appendix A.2](#)). The respective GEF operational focal point endorses the PIF, and the Agency submits the PIF to the Secretariat on a rolling basis. The Agency may request a project preparation grant (PPG) at the time of PIF submission or at any time before CEO approval submission. The CEO decides whether to approve the PPG. MSPs receive CEO approval no later than 12 months after the CEO approves the MSP PIF.

A.3 Evaluation goals, objectives, and audience

The purpose of the evaluation is to undertake a comprehensive assessment of the MSPs in the GEF portfolio (see [appendix A.1](#)). 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 and progress made since the last evaluation, and will assess 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.

The specific objectives are as follows:

- Define the niche of MSPs in the GEF and whether MSPs play a specific role in the GEF that cannot be met by FSPs, small grants, enabling activities, or programs
- Assess the impacts of MSPs
- Assess the design and implementation of MSPs
- Assess the role of the MSPs within the context of the GEF’s shift toward integrated programming

The primary audience is the GEF Council, which will eventually be called upon to make decisions on the MSP modality in the context of GEF-7 and beyond. The evaluation will also be useful to the GEF Secretariat, the broader constituency of GEF Agencies, GEF member countries, as well as civil society partners.

A.4 Scope, issues, and questions

The evaluation will cover MSPs designed and implemented from GEF-4 to GEF-7. The GEF-4 to GEF-7 portfolio is composed of 776 MSPs with \$870.4 million in GEF grants and \$4.74 billion in

cofinancing.¹ It will consist of field and desk evaluations of MSPs in all the focal, including multifocal, areas of the GEF. Cross-cutting issues such as gender, resilience, and private sector involvement will be covered where opportunities for specific data gathering arise.

The evaluation questions are derived from (1) the GEF-7 Programming Directions, (2) the main issues identified by previous evaluations, and (3) issues of concern for the GEF Council. Questions are divided into the four main evaluation criteria of relevance, effectiveness and results, efficiency, and sustainability. An evaluation matrix is presented in [annex B](#).

Relevance

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

Effectiveness and results

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

Governance

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

¹ Grant amounts include PPGs but exclude Agency fees the total with Agency fees is \$952.6 million.

Efficiency

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

Sustainability

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

A.5 Evaluation design

The evaluation questions will be answered through a mixed-methods approach encompassing both quantitative and qualitative analytical methods and tools. An evaluation matrix composed of the key questions, relevant indicators, sources of information, and methods is presented in [annex B](#). Synergies with other ongoing evaluations will be sought by coordinated data gathering, analysis, and cross-fertilization.

The evaluation will also draw on existing IEO evaluation evidence and ongoing evaluations which cover MSPs through case studies. For example, the IEO has conducted a study on the sustainability of GEF project benefits in the annual performance report which includes MSPs. The study analyzed IEO data sets on terminal evaluation ratings and progress to impact to assess correlations among sustainability, outcomes, implementation, broader adoption, project design features, country characteristics, and other variables. The analysis also took stock of projects for which field verifications

were conducted by the IEO at least two years after project completion. The strategic country cluster evaluations and the scaling-up study have also covered MSPs, and will contribute to the evidence base.

Methods and tools will include the following:

- **Document review of GEF policy and strategy documents and MSP project-related documents.** These include program framework documents and related child PIFs, PPGs, and/or other design documents; and project implementation reports, midterm reviews, and terminal evaluations. Quality-at-entry analysis for recently approved MSPs will be used for answering questions about relevance.
- **Portfolio analysis of GEF MSPs based on Project Management Information System (PMIS) data and annual performance reports.** A broader adoption/progress toward impact analysis will be conducted using the available terminal evaluations. A database will be compiled including basic project information such as GEF activity cycle information, financing (including cofinancing), implementing institutions involved, focal areas, countries, main objectives, key partners, and implementation status. A project review template will be developed to assess the programs in a systematic way to ensure that key evaluation questions are addressed coherently and allow for aggregation.
- **Stakeholder interviews.** Semistructured interviews will be conducted with GEF staff, Agency staff, global stakeholders, and GEF country-level partners (including through meetings with governments, civil society organizations, academia, and other stakeholders as relevant). The interviews will help identify and represent perceptions of key institutions with regard to GEF support to MSPs including in selected country contexts. Criteria driving the sampling include the following: the overall diversity of GEF

support in terms of geographical distribution; Agency distribution within countries; and other issues arising during the evaluation, including practical considerations.

- **Surveys.** Surveys will be delivered online to capture the perspectives of a wide range of stakeholders, including the GEF Secretariat, the GEF Agencies, the GEF operational focal points, and other relevant government departments.
- **Case studies.** Case studies will assess the utility of MSPs for stakeholders and their method of implementation as compared to other GEF modalities. The evaluation will use evidence from case study visits conducted by the GEF IEO since OPS6, which included an in-depth analysis of progress toward impact of GEF projects in selected GEF-supported countries; and supplement those with complementary questions on the choice of MSP as a modality and its efficiency, effectiveness, and results. The selection of countries and intervention types will be informed by the overall portfolio analysis and guided by the following criteria: frequency of occurrence of intervention types in the portfolio, geographical distribution, and innovative nature for specific kinds of interventions. In addition, a meta-assessment will be conducted to aggregate findings from all relevant and available evaluations. A few country visits (to be determined) will be carried out to conduct these case studies.

Triangulation of the qualitative and quantitative information gathered will be conducted at completion of the data analysis and gathering phase to determine trends and identify the main findings, lessons, and conclusions. Stakeholders will be consulted during the process to test preliminary findings.

A.6 Quality assurance

In line with the IEO's quality assurance practice, quality assurance measures will be set up for this evaluation. An IEO internal reviewer will (1) provide feedback and comments on the approach paper, the preliminary findings, and the evaluation report; (2) help ensure evaluation relevance to ongoing as well as future operations; (3) help identify and establish contact with the appropriate individuals for interviews/focus groups; and (4) facilitate access to information. The principles of transparency and participation will guide this process. The feedback process will continue during data collection and analysis, as well as on completion of the report. Broader stakeholder interaction will contribute valuable information and qualitative data to supplement data, interviews, case studies, and other research.

A.7 Limitations

The evaluation team will be limited in the selection and analysis of the number of MSPs for deeper learning/field visits due to time constraints and budgetary restrictions. This limitation will make it challenging to capture differences and similarities in the cohort of projects in different sectors and within various countries, institutional, and governance contexts. The desk review will help identify the issues that require further study. Consultation with the reference group will also help the evaluation team identify countries/regions and specific projects that are likely to generate quality information and data.

Another limitation that can be identified at this stage is the unreliability of PMIS data on MSPs as the database is not regularly updated, especially on status. The accuracy of PMIS data will be addressed by cross-checking PMIS portfolio information with the management information systems of GEF Agencies as a priority before undertaking

any analysis. The team will report on how these as well as other emerging limitations will be dealt with during the evaluation data gathering and analysis phase.

A.8 Process, deliverables, and dissemination

This evaluation is being conducted between February and November 2020. The evaluation will be conducted in two phases: (1) aggregate analysis (portfolio, quality at entry, other); and (2) field verifications (case studies) and interviews. An initial work plan is presented here ([table A.1](#)). The work plan will be revised and fine-tuned as part of further preparations.

The main findings, conclusions, and recommendations will be presented to the GEF Council. The full report will be submitted as a Council information document. It will be distributed to the Council members, the GEF Secretariat, the GEF Scientific and Technical Advisory Panel, GEF country focal points and GEF Agency staff. An edited version will be published as open access on the IEO's website. A detailed dissemination plan will be prepared and implemented, which will include distribution of the above-mentioned outputs in the main evaluation networks through existing IEO mailing lists as well as lists of audience and stakeholders that will be developed during the conduct of the evaluation. The plan will also consider concrete opportunities to present the evaluation through webinars as well as at evaluation conferences and workshops.

A.9 Resources

The evaluation of MSPs will be conducted by a team led by an IEO evaluation analyst with overall guidance from the Chief Evaluation Officer of the IEO. The evaluation will coordinate with other ongoing evaluations for desk reviews and portfolio analyses

Table A.1 Evaluation timetable

Task	Year	2020												2021	
	Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Approach Paper															
Background information & portfolio data gathering		X													
Approach Paper discussed with the reference group			X												
Mission to a country to probe the evaluation design			X												
Finalizing the approach paper															
Data gathering and analysis															
Desk review/Portfolio analysis (PRT design and filling)				X											
Quality at entry			X												
Country case studies			X	X	X										
Triangulation brainstorming						X	X								
Gap filling						X	X								
Report writing															
Draft report								X	X						
Due diligence (gathering feedback and comments)									X	X					
Final report										X	X				
Presentation to Council in the SAER												X			
Dissemination and outreach													X	X	

support. National or regional consultants will be selected for field verifications when applicable. The required skills mix includes practical, policy, and/ or academic expertise in key GEF focal areas of the

projects and programs under analysis; evaluation experience; and knowledge of external information sources that are relevant to GEF activities in the case study countries.

Appendix A.1 MSP portfolio

As of December 2019, the GEF had approved 1,162 MSPs (figure A.1), committing GEF grants of \$1.15 billion and \$5.54 billion in cofinancing.² The MSPs account for 23 percent of all GEF projects and 7 percent of GEF grants. The largest number of MSPs occur in the biodiversity focal area with 34 percent of projects, followed by climate change with 31 percent (figure A.2). Multifocal area projects make up 13 percent, while land degradation projects make up 10 percent of the portfolio. The chemicals and waste MSPs account for 7 percent of the portfolio and international waters 5 percent.

The GEF-4 to GEF-7 portfolio is composed of 776 MSPs with \$870.4 million in GEF grant and \$4.74 billion in cofinancing (figure A.3).³

The majority of the MSPs are national projects (71 percent of projects and 74 percent of total

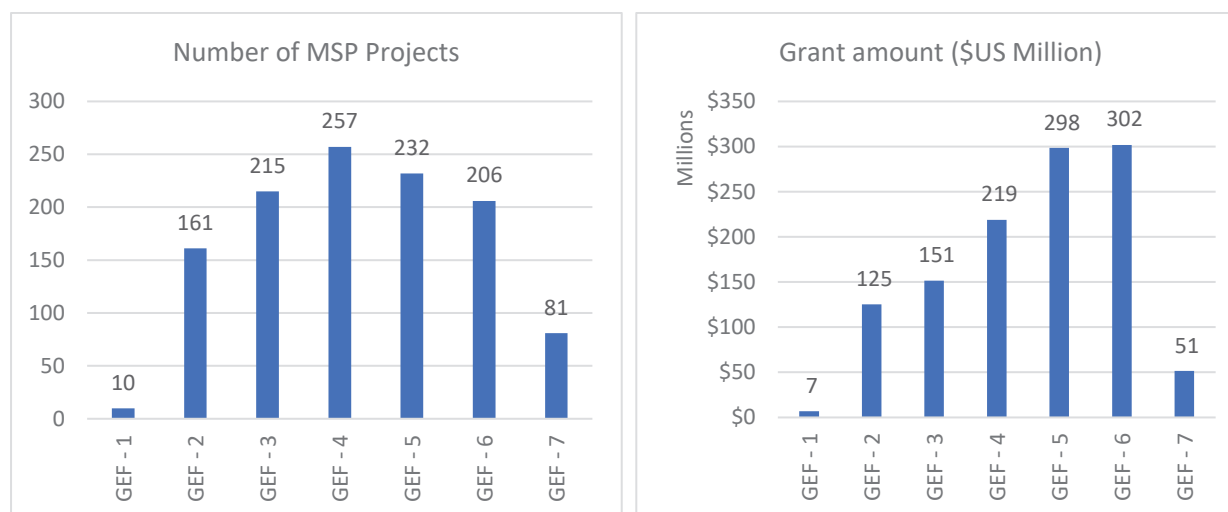
² Grant amounts exclude Agency fees; the total with Agency fees is \$1.27 billion.

³ Grant amounts include PPGs but exclude Agency fees; total GEF funding with Agency fees is \$952.6 million.

financing). The regional distribution of the national MSPs is as follows: Africa (23 percent), followed by Asia (20 percent), Latin America and the Caribbean (16 percent), and Europe and Central Asia (15 percent). Regional and global MSPs make up 26 percent of the portfolio (figure A.4).

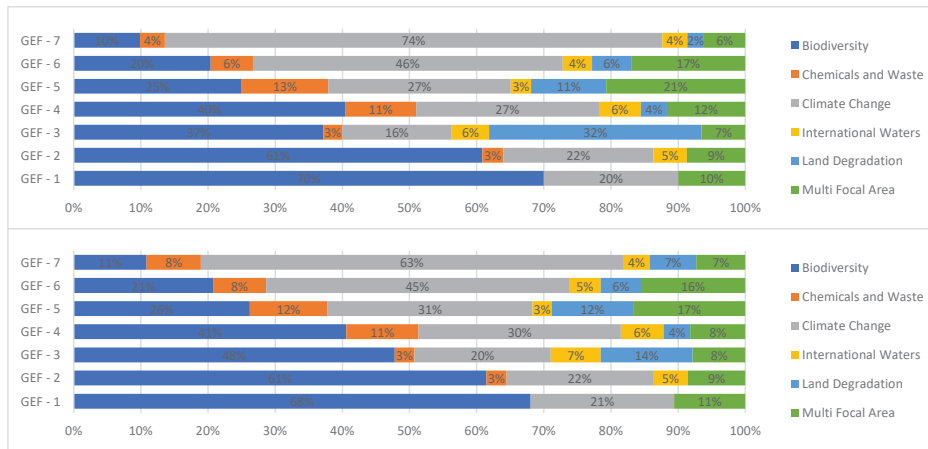
Figure A.5 presents a breakdown of funding for MSPs as implemented by GEF Agencies between GEF-4 and GEF-7. Overall, the United Nations Development Programme (UNDP) has been the main implementer of MSPs, with 41 percent of the of the total GEF grant (\$482.9 million), followed by the United Nations Environment Programme (UNEP) with 27 percent, and the World Bank with 11 percent. As the three original Agencies of the GEF, this distribution is not unexpected. The distribution has changed over time with a decrease in use of the MSP modality by the World Bank from GEF-5 and a decrease by the United Nations Industrial Development Organization and UNEP in GEF-6, but increased use by the Inter-American Development Bank and the Food and Agriculture Organization of the United Nations in GEF-6.

Figure A.1 Number and funding of MSPs across the GEF replenishment periods



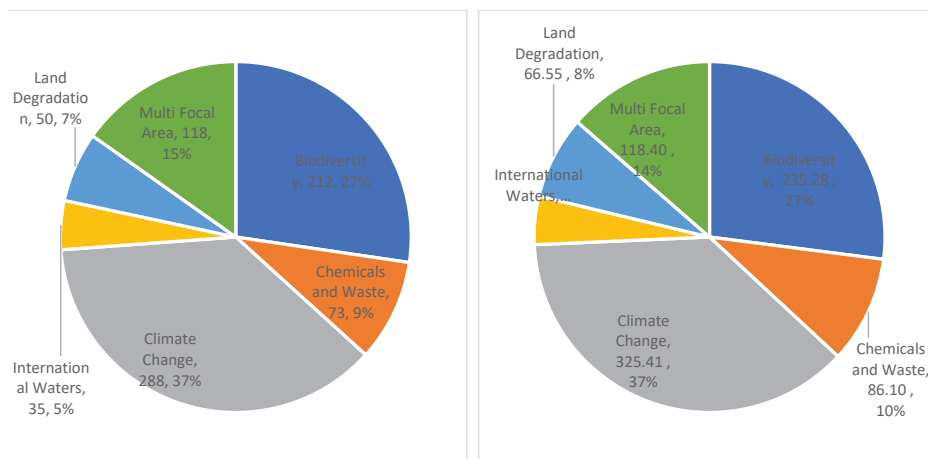
Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Figure A.2 Number and funding of MSPs by focal area and replenishment period



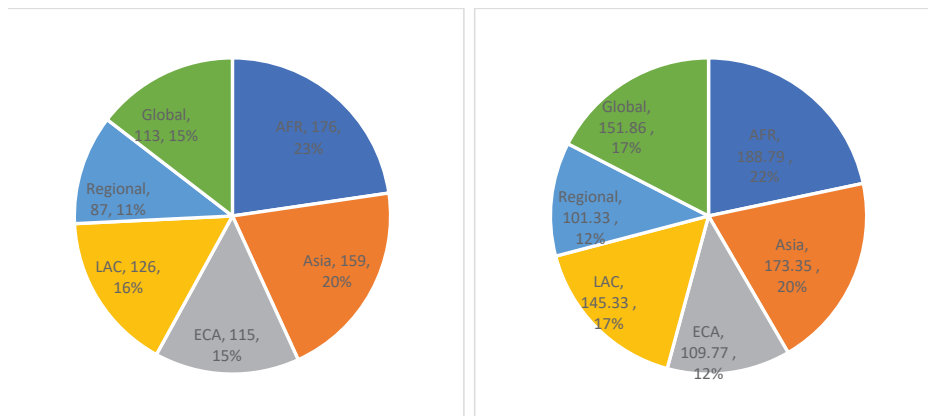
Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Figure A.3 Number and funding of MSPs by focal area, GEF-4 to GEF-7



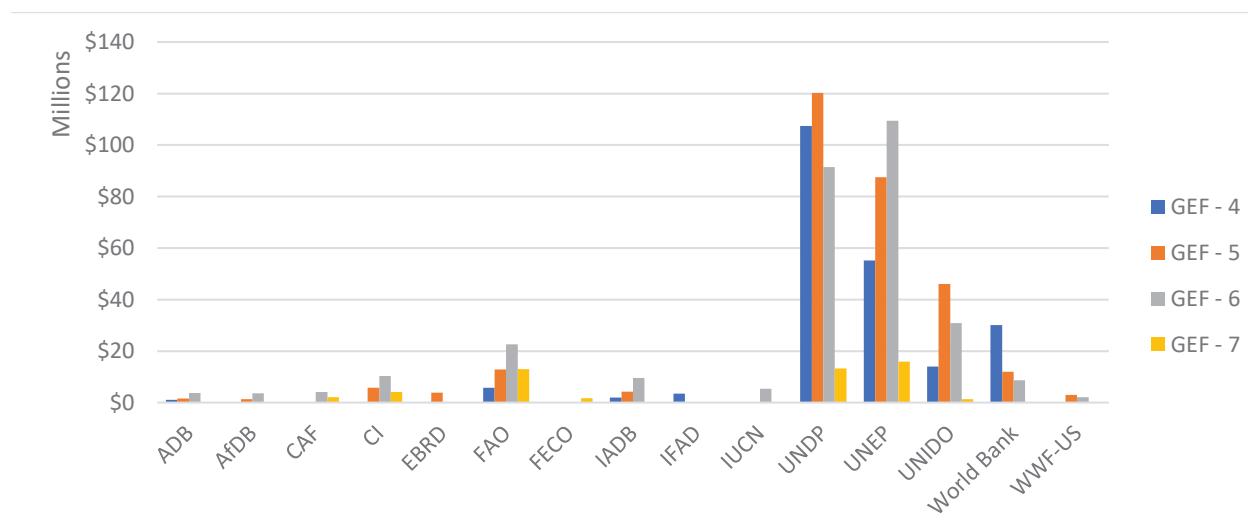
Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Figure A.4 Number and funding of MSPs by region, GEF-4 to GEF-7



Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Figure A.5 GEF funding for MSPs by Agency, GEF-4 to GEF-7

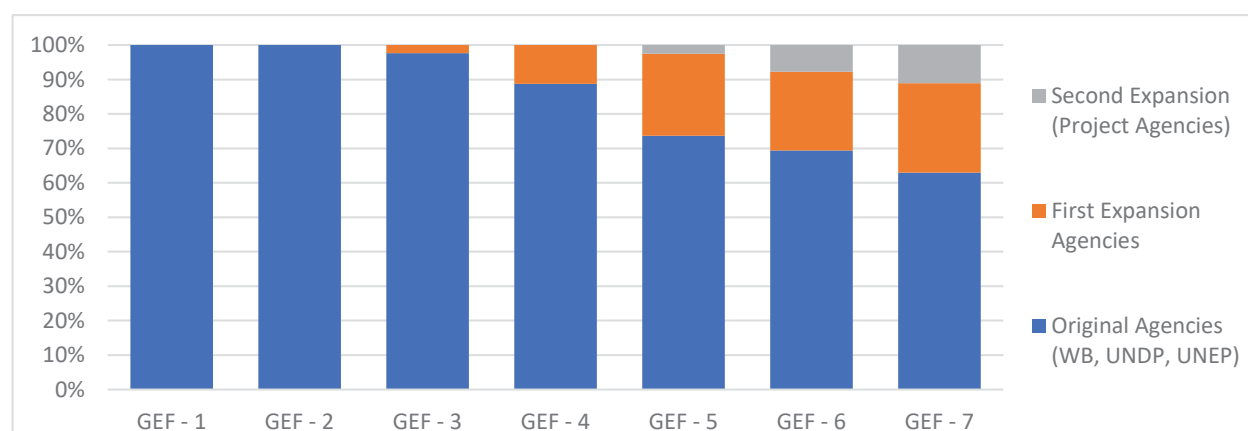


Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Analysis of all projects between GEF-4 to GEF-7 shows that the shares of the original three Agencies (the World Bank, UNDP, and UNEP) have decreased in terms of number of projects and financing over the GEF replenishment periods, with newer Agencies (expansion 1) increasing to 26 percent by GEF-7 (from 2 percent in GEF-3, 11 percent in GEF-4, and 23 percent in GEF-5 and GEF-6). The newly accredited Agencies (expansion 2) follow the same overall trend: 3 percent in GEF-5, 8 percent in GEF-6, and 11 percent in GEF-7 ([figure A.6](#)).

Analysis of the overall GEF portfolio between GEF-4 and GEF-7 reveals that the GEF invested a total of \$11.29 billion through 3,098 GEF projects, of which \$870.43 million is in GEF grants and \$4.74 billion in cofinancing went to 776 national, regional, or global MSPs. Thirty-four percent of these MSPs have been completed, with 30 percent currently under implementation; 36 percent have been approved or are pending approval ([table A.2](#)).

Figure A.6 GEF grants for MSPs by Agency cohort, GEF-1 to GEF-7



Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Table A.2 MSP number, funding, and project status, GEF-4 to GEF-7

	Number of Projects	GEF Grant (\$US millions)	Project Co-Financing (\$US millions)
Pending Approval	54	30.62	239.34
PIF/PPG Approval or Clearance	44	33.85	59.99
Council Approved	53	72.31	433.77
CEO Approved / Endorsed	125	182.61	1,103.93
Under Implementation	233	309.69	2,073.52
Completed / Closed	267	241.35	830.80
Grand Total	776	870.43	4,741.34

Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

MSPs are funded predominantly through the GEF Trust Fund (89 percent of funding); 6 percent of funding is through the Capacity-building Initiative for Transparency Fund (CBIT) (table A.3).

Of the 776 MSP in GEF4-GEF6, 576 projects are national interventions, 91 of which are child projects that are part of larger programs, and 485 of which are stand-alone projects (table A.4).

Terminal evaluations have been received for 253 of the 267 closed MSPs between GEF-4 and GEF-7. Regarding performance of MSPs, the most recent IEO annual performance report found that a higher percentage of MSPs have satisfactory outcomes compared with FSPs (GEF IEO 2018c). Also, according to this report, the quality of terminal evaluation reports received by the GEF IEO remains high, with 83 percent of all terminal evaluations rated in the satisfactory range. The quality of terminal evaluations submitted by UNDP and UNEP do not differ for FSPs or MSPs. However, the quality of the World Bank's terminal evaluations for MSPs is lower than for FSPs. For the other Agencies, the number of observations is still too small to draw strong

inferences. The evaluation will take a closer look at the APR ratings of MSPs compared to other GEF support modalities.

Table A.3 MSPs by funding source, GEF-4 to GEF-7

	Number of Projects	GEF Grant (\$US millions)	Project Co-Financing (\$US millions)
N/A	12*	-	-
CBIT	45	53.04	39.17
GET	678	778.18	4,463.07
LDCF	15	16.57	157.13
MTF	1	..**	2.30
NPIF	12	13.25	35.25
SCCF	13	9.40	44.41
Grand Total	776	870.43	4,741.34

*Projects newly entered into the pipeline

** Project new to the pipeline. not all financial information is available

Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

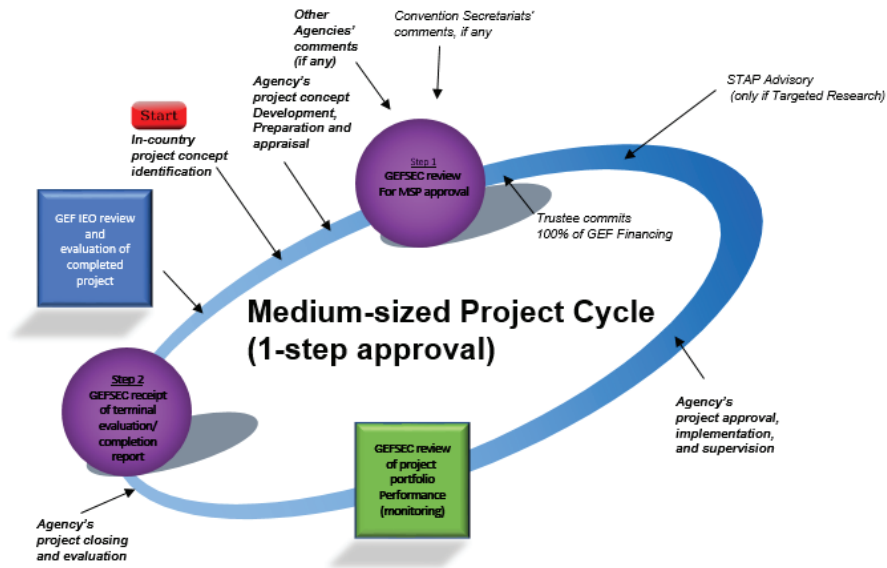
Table A.4 National-level child versus stand-alone MSPs, GEF-4 to GEF-7

	Number of Projects	GEF Grant (\$US millions)	Project Co-Financing (\$US millions)
Child Project MSPs	91	70.20	248.06
Stand Alone MSPs	485	547.04	3,276.42
Grand Total	576	617.24	3,524.48

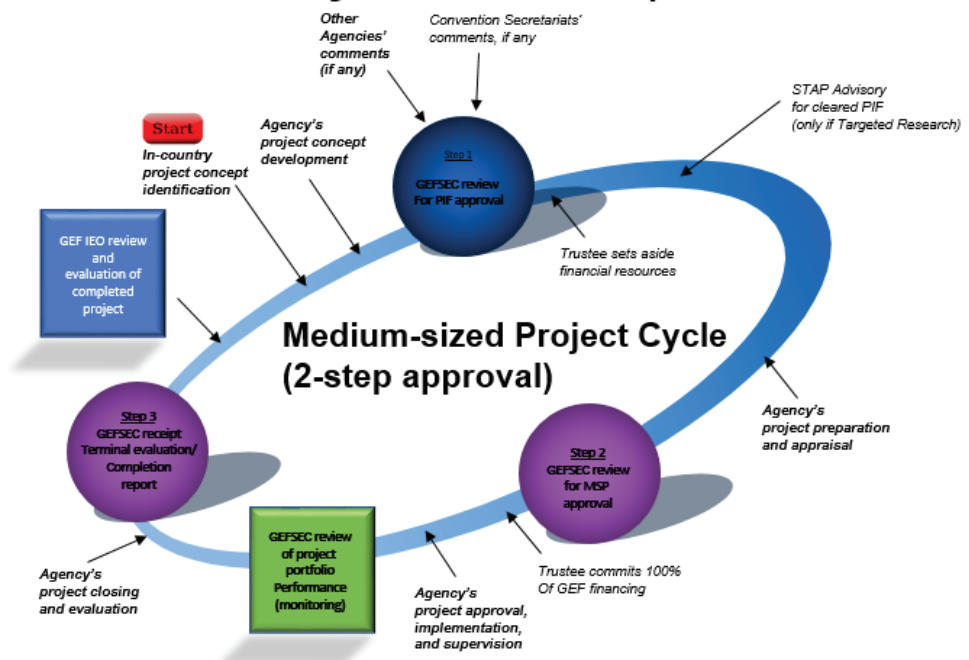
Source: GEF PMIS and GEF Portal as of December 30, 2019, excluding canceled/dropped projects.

Appendix A.2 MSP project cycle

Medium-sized Project-1 Step



Medium-sized Project-2 Step



Evaluation matrix

Key question	Indicator/basic data/what to look for	Source 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?	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● IEO and GEF Agencies' evaluations ● Country stakeholder ● Available country data ● Country stakeholder 	<ul style="list-style-type: none"> ● 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?	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● Documentation review protocol ● Interviews ● Field observations in country studies ● Portfolio analysis

Key question	Indicator/basic data/what to look for	Source of information	Methodology
<p>What gaps do the MSP modality address? How does the GEF MSP modality compare with similar modalities in multilateral organizations, GEF Agencies?</p> <p>Have MSPs allowed for a wider range of stakeholder engagement in GEF projects as intended? Who are those stakeholders?</p>	<ul style="list-style-type: none"> • 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? 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Documentation review • Portfolio analysis • Interviews • Case studies
Effectiveness and results			
<p>To what extent is the GEF MSP contributing to the delivery of global environmental and socioeconomic benefits?</p>	<ul style="list-style-type: none"> • Effectiveness ratings • Review of results framework and indicators on environmental and socioeconomic data • Global environmental benefit targets at entry for MSPs 	<ul style="list-style-type: none"> • APR data, including any other available terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • GEF Secretariat annual monitoring report data • Review of MSP project documents 	<ul style="list-style-type: none"> • Portfolio analysis, documentation review • Broader Adoption, P2I desk analysis • Field observations in country case studies • Desk review • Interviews
<p>What key factors affect achievement of results?</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • APR data, including any other available terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • Performance implementation reports, midterm reports • Global, regional, and country level stakeholders 	<ul style="list-style-type: none"> • Field observations in country studies • Interviews • Portfolio analysis, documentation review
Governance			
<p>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?</p>	<ul style="list-style-type: none"> • Time elapsed for project approval and reviews per project • Types of reporting for MSP projects available 	<ul style="list-style-type: none"> • GEF Secretariat annual monitoring report data • Review of MSP project documents 	<ul style="list-style-type: none"> • Desk review • Interviews • Portfolio analysis, documentation review

Key question	Indicator/basic data/what to look for	Source of information	Methodology
Efficiency			
To what extent is the GEF project cycle for MSPs efficient? Is the endorsement process efficient? Have policy improvements resulted in greater efficiencies?	<ul style="list-style-type: none"> • Efficiency ratings and their variations over time • Perception of the factors influencing elapsed times between various phases in the project cycle 	<ul style="list-style-type: none"> • Terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • Portfolio data from PMIS verified by GEF Agencies • Country stakeholders 	<ul style="list-style-type: none"> • Documentation review • Interviews • Case studies selected on opportunistic basis • Portfolio analysis, documentation review
What are the factors affecting the project cycle and the areas for improvement?	<ul style="list-style-type: none"> • Analysis of quantitative findings and reasons for variations 	<ul style="list-style-type: none"> • Terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • Portfolio data from PMIS verified by GEF Agencies • Country stakeholders 	<ul style="list-style-type: none"> • Documentation review protocol • Interviews • Case studies selected on 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?	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • APR data, including any other available terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • Performance implementation reports, midterm reports • Global, regional, and country level stakeholders 	<ul style="list-style-type: none"> • 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?	<ul style="list-style-type: none"> • Ratings of sustainability of project outcomes • Financial, sociopolitical, institutional, and environmental risks to sustainability ratings 	<ul style="list-style-type: none"> • Study on the sustainability of GEF project benefits • Terminal evaluations/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6 • Portfolio data from PMIS verified by GEF Agencies • Country stakeholders 	<ul style="list-style-type: none"> • Documentation review protocol • Interviews • Case studies selected on 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/ terminal evaluation ratings of projects completed from GEF-4 to GEF-6	<ul style="list-style-type: none"> • Documentation review protocol • Interviews • Case studies selected on opportunistic basis • Portfolio analysis, documentation review

Evaluation portfolio

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

GEF ID	Project title	GEF Agency	Focal area	GEF period	Scope
9119	Support to Prepare the Third National Biosafety Reports to the Cartagena Protocol on Biosafety—GRULAC and CEE Regions	UNEP	Biodiversity	GEF-6	Regional
1571	Eco Enterprises Fund	WB	Biodiversity	GEF-2	Regional
5771	Improving Mangrove Conservation across the Eastern Tropical Pacific Seascape through Coordinated Regional and National Strategy Development and Implementation	WWF-US	International waters	GEF-5	Regional
616	Harnessing Multi-Stakeholder Mechanisms to Promote Global Environmental Priorities	UNDP	Biodiversity	GEF-2	Global
5880	Knowledge for Action: Promoting Innovation Among Environmental Funds	UNEP	Biodiversity	GEF-5	Global
1599	Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies (EMPower)	UNEP	Climate change	GEF-3	Global
Mozambique					
3155	Coping with Drought and Climate Change	UNDP	Climate change	GEF-3	National
3649	BS: Support to the Implementation of the National Biosafety Framework of Mozambique	UNEP	Biodiversity	GEF-4	National
24	Africa Community Outreach Programme for Conservation and Sustainable Use of Biological Resources	WB	Biodiversity	GEF-2	Regional
849	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	UNEP	International waters	GEF-2	Regional
2052	Sustainable Management of Inland Wetlands in Southern Africa: A Livelihoods and Ecosystem Approach	UNEP	Land degradation	GEF-3	Regional
2173	Sustainable Land Use Planning for Integrated Land and Water Management for Disaster Preparedness and Vulnerability Reduction in the Lower Limpopo Basin	UNEP	Land degradation	GEF-3	Regional
2752	Integrating Vulnerability and Adaptation to Climate Change into Sustainable Development Policy Planning and Implementation in Southern and Eastern Africa	UNEP	Climate change	GEF-3	Regional
4523	Support to Prepare the Second National Biosafety Reports to the Cartagena Protocol on Biosafety–Africa	UNEP	Biodiversity	GEF-5	Regional
9118	Support to Prepare the Third National Biosafety Reports to the Cartagena Protocol on Biosafety–Africa Region	UNEP	Biodiversity	GEF-6	Regional
9882	Enhancing Legislative, Policy, and Criminal Justice Frameworks for Combating Poaching and Illegal Wildlife Trade in Africa	UNEP	Biodiversity	GEF-6	Regional

Note: IDB = Inter-American Development Bank; WB = World Bank.

MSP project cycle

Figure D.1 GEF two-step MSP

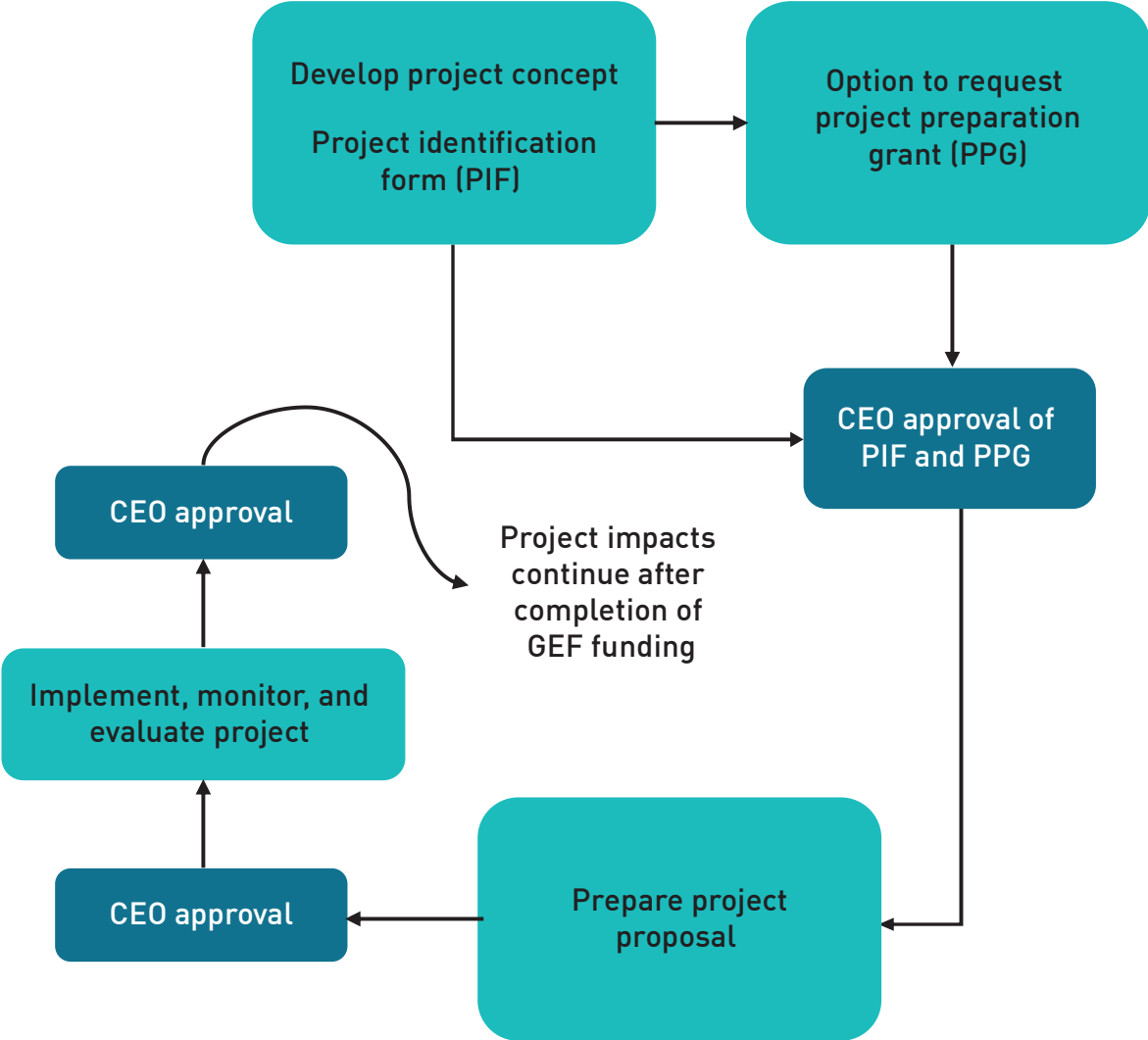
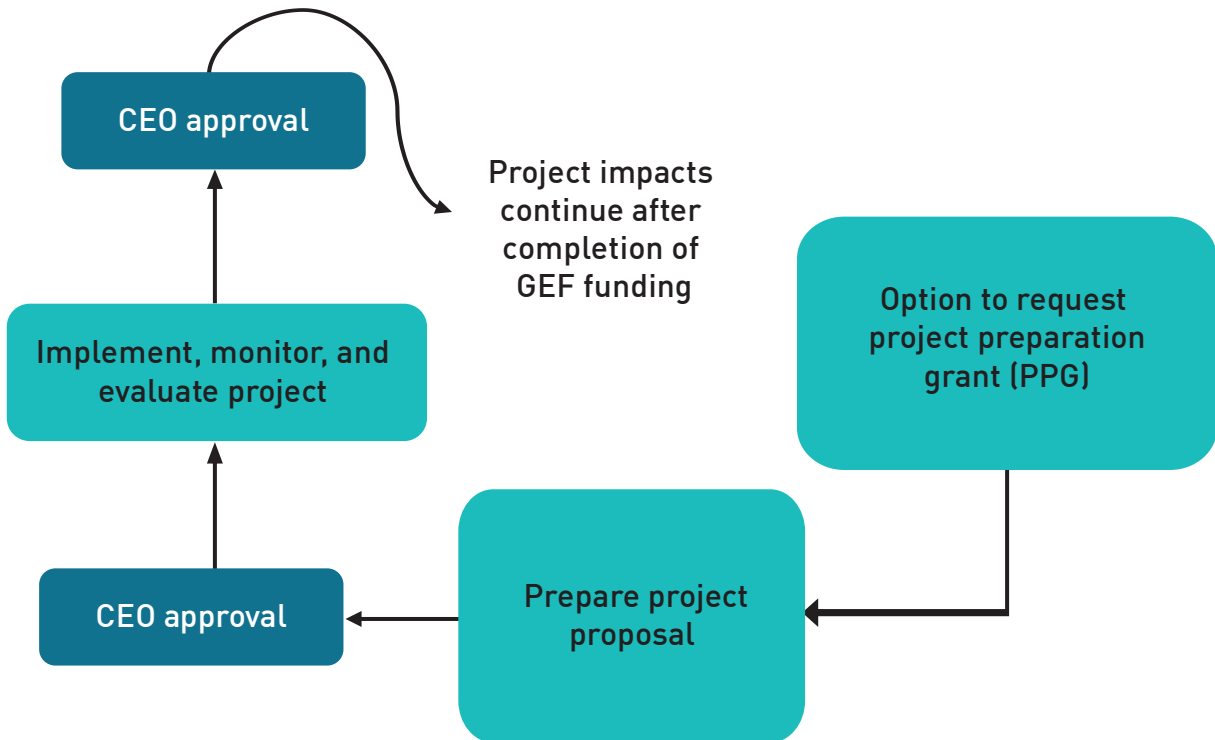
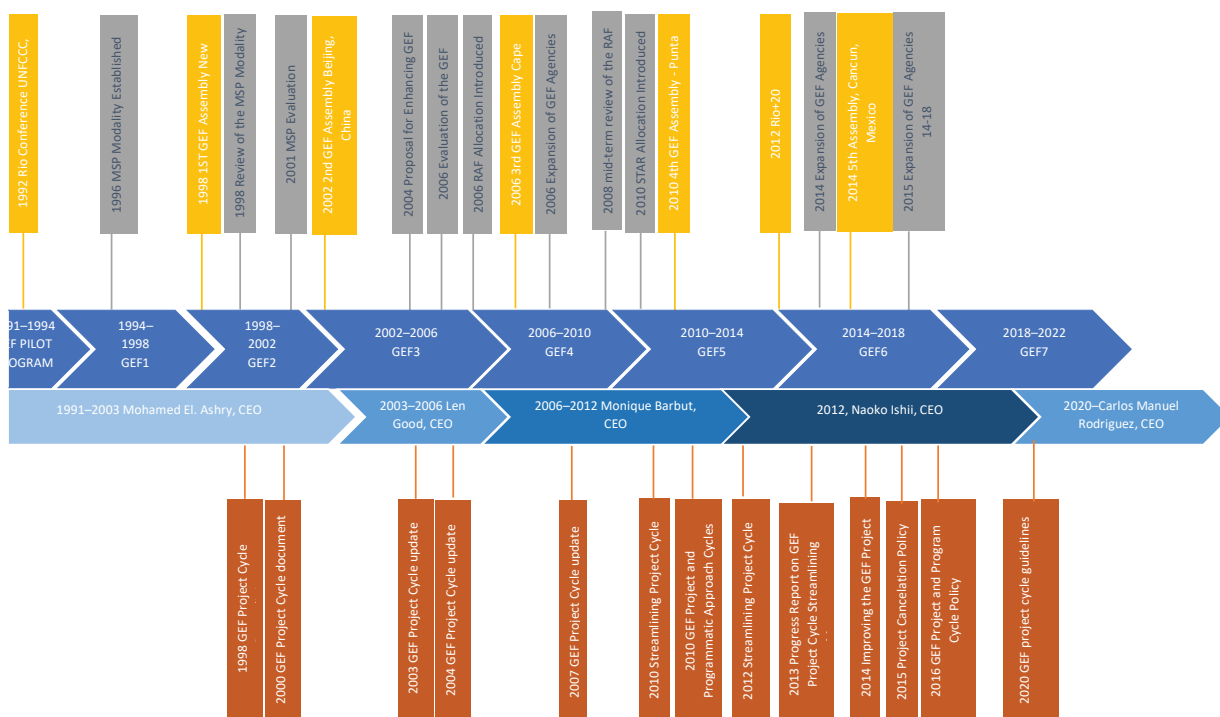


Figure D.2 GEF one-step MSP



MSP timeline



Management response

This annex presents the management response from the GEF Secretariat to the working document version of this report. It has been formatted but not edited, and all quotations refer to the working document, not the published report.

1. The Secretariat welcomes the IEO's report on the Evaluation of Medium Size Projects (MSP) in the GEF Partnership and its ensuing conclusions and recommendations.
2. The Secretariat is pleased by the IEO's findings that MSPs are effective in their specific and intended role in both the GEF suite of programming modalities and in the broader landscape of environmental financing.
3. The Secretariat appreciates the findings that the MSP Modality is useful for piloting new approaches for scaling up and knowledge sharing. The Secretariat is particularly encouraged by the IEO's positive conclusions on the relevance, efficiency, performance and sustainability of the MSP Modality, and the observations this modality has led to impact and transformational change.
4. The Secretariat is therefore in agreement with the recommendation that the MSP modality should continue to be used for innovation and transformation in particular, and that relevant lessons can be provided from continued assessment of such projects.

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