GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

58th GEF Council Meeting
June 2 – 3, 2020
Virtual Meeting

MULTI-STAKEHOLDER DIALOGUE FOR TRANSFORMATIONAL CHANGE:
A STAP GUIDANCE NOTE

Multi-stakeholder dialogue for transformational change

A STAP Guidance Note

May 2020

LEAD STAP AUTHORS:
Blake D. Ratner and Mark Stafford Smith

SECRETARIAT CONTRIBUTORS:
Christopher Whaley and Guadalupe Duron

May 2020

Table of Contents

Acknowledgements

SUMMARY

The Global Environment Facility (GEF) is committed to enhancing integration across sectors, catalysing innovation to alter systems that degrade the global environment and leveraging multi-stakeholder coalitions to influence transformational change across scales. This Guidance Note offers advice on the **principles and practices that contribute to effective design and implementation of multi-stakeholder dialogue** (MSD) to address GEF priorities. The primary emphasis is on the use of MSD processes to contribute to regional or global coalitions for transformational change that integrate private sector actors, including multinational corporations, industry associations and private financial institutions.

We use the term MSD to refer to **sustained dialogue enabling collaborative action among diverse stakeholders at multiple scales, explicitly aiming for transformational change** in systems that can generate global environmental benefits. We do so in the context of four models of transformation found in the GEF portfolio, and the barriers to scaling that they face.

MSD can address these barriers to achieve integration across sectors, international exchange and learning, increased policy commitment, enhanced private sector engagement and financing, and – ultimately – new levels of enduring outcome and impact. Researchers and seasoned practitioners have identified a number of core principles to inform good practice:

a) **Critically assess the context for system transformation.** MSDs are not a panacea, and care must be taken to first confirm that the conditions are suitable for sustained dialogue that could lead to transformation.

b) **Make use of existing processes or coalitions, where possible**. Organisers may prefer to create a new process with a distinct identity, but often the better option is to strengthen, link, or address gaps in existing multi-stakeholder processes.

c) **Address power dynamics intentionally.** Organisers and conveners of MSD processes need to assess the relationships among stakeholders, and their differing access to resources of power and influence, to promote greater inclusiveness and equity in the dialogue process.

d) **Enable flexible programme implementation.** MSD processes can support all stages of the investment cycle, ideally setting the stage for enduring impacts through long-term collaboration well beyond the life of the investment.

e) **Embed monitoring, evaluation and learning.** A good theory of change provides a foundation for monitoring and evaluating the contributions an MSD has made in practice, the challenges faced and the degree to which it is delivering.

f) **Plan beyond the initial investment.** Very often, MSDs need to continue after the supporting project or programme has been implemented. This means planning for an exit strategy that includes investment in the capacities of players to carry the process forward.

Robust analysis is essential to confirm whether an MSD is an appropriate approach to the challenge at hand and to guide consequent MSD design choices. Clarity of purpose is the fundamental design consideration, guiding the choices of whom to engage and how. A well-facilitated process will be ineffective without the right people engaged, and the right people gathered with an ill-defined purpose will not yield results. This note provides a framework to assess these design choices.

A key determinant of effectiveness in MSD processes is how they foster and incorporate social learning. A purposeful and transparent approach to monitoring and evaluating is required, both for the quality of the MSD itself and for the outcomes to which it contributes. Because large-scale, transformational changes involve a wide range of contributing factors, the aim is to identify instances where MSD has made a significant contribution rather than attribute it as the sole or primary cause.

Effective MSD can be a fundamental enabler of coalitions and collaborative actions that contribute to transformational change at multiple scales. MSD should thus be considered squarely among the core approaches the GEF employs to pursue scaling of impact.

1. The role of multi-stakeholder dialogue in transformational change

The Global Environment Facility (GEF) partnership has committed to enhance *integration* across sectors, catalyse *innovation* to alter systems that degrade the global environment, and leverage *multi-stakeholder coalitions* to influence *transformational change* across scales.[1] Recent Scientific and Technical Advisory Panel (STAP) papers review the science and provide guidance for the GEF, addressing the priorities of integration,[2] innovation[3] and enduring outcomes.[4] The last paper identifies multi-stakeholder dialogue (MSD) as a key element in promoting integration, innovation, learning, scaling and, ultimately, enduring transformational change.

This Guidance Note responds to the request for advice on the principles and practices that contribute to effective design and implementation of MSD, addressing the priorities of the GEF at regional and global scales. The central proposition is that structured and sustained dialogue processes can help build enduring coalitions to increase the likelihood of transformational change.

What do we mean by multi-stakeholder dialogue?

We use MSD as shorthand, referring to *sustained* dialogue enabling *collaborative action* among diverse stakeholders at *multiple scales*, explicitly aiming at *transformational change* in systems that can generate global environmental benefits.[5] By collaborative action, we mean more than information exchange or passive consultation; we include elements of cooperation and co-learning that ultimately lead to co-production or co-creation of new possibilities (see Box 1). The potential to generate global environmental benefits may derive from the focus on a large ecosystem of inherently global significance or from the ambition to innovate in ways that can be scaled within a particular biome or value chain with global significance. Typically, such objectives also involve addressing intertwined social and economic challenges.

The question is how to do this well in the context of the GEF partnership. In this Guidance Note, the primary emphasis is on MSD processes aiming to contribute to successful *regional* or *global coalitions* for transformational change that *integrate private sector actors*, including multinational corporations, industry associations and private financial institutions. This is because of their fundamental importance in shifting the patterns of investment and economic activity required to achieve the GEF's goals at scale, in conjunction with government and civil society action. Furthermore, this document focuses on the planning, implementation and evaluation of *MSD processes*, while acknowledging the fundamental importance of also measuring the ways in which these processes eventually succeed or fail in contributing to outcomes that support transformational change.

---

[1] GEF, *GEF-7 Replenishment Programming Directions* (Washington, D.C., 2018).

[2] R. Bierbaum et al., *Integration: To Solve Complex Environmental Problems* (Washington, D.C., Scientific and Technical Advisory Panel to the Global Environment Facility, 2018).

[3] F. Toth et al., *Innovation and the GEF* (Washington, D.C., Scientific and Technical Advisory Panel to the Global Environment Facility, 2019).

[4] M. Stafford Smith et al., *Achieving More Enduring Outcomes from GEF Investment* (Washington, D.C., Scientific and Technical Advisory Panel to the Global Environment Facility, 2019).

[5] Global environmental benefits are defined for the GEF at: https://www.thegef.org/documents/global-environmental-benefits.

Box 1: A spectrum of functions for stakeholder engagement

Some form of stakeholder engagement is necessary in every GEF operation and is integral to good design, implementation and evaluation. In this Guidance Note, MSD refers to something more specific. Multi-stakeholder processes (a more general category) may pursue a range of different functions (see figure).[a] We define MSD as addressing *cooperation, co-learning and collaborative action*, recognizing the important links among these and with emphasis on achieving collaboration that targets transformational change. Platforms supporting information exchange or consultation certainly play important roles, as do formal institutions with a governance role, but it is the focus on engaging diverse actors to align action towards system transformation that distinguishes the scope of our interest. While MSD may be convened by a body with formal governing authority, such as an international river basin organization, and may contribute to the creation or strengthening of such bodies, our focus is on the dialogue process, not the governing body.
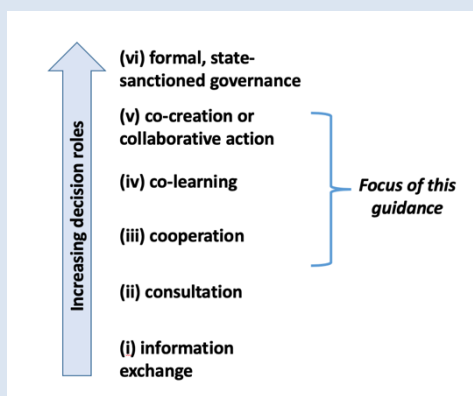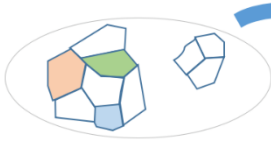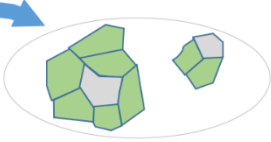
[a] Based on: S. R. Arnstein, "A ladder of citizen participation", *Journal of the American Institute of Planners*, vol. 35 (1969), pp. 216–224.

What do we mean by transformational change?

System transformation is very scale dependent. For example, a farmer may transform her enterprise to a different cropping system to help regional agriculture stay viable; regional agriculture may transform from one commodity to another, or from smallholders to commercial agriculture, to help maintain the resilience of a national economy; and national economies may transform to deliver global benefits. For the GEF, a transformative intervention should involve a pathway to transformation at a sufficient scale to deliver a step change in global environmental benefits. This may occur directly, for example by enhancing the resilience of the Amazonian rainforest, which has the potential to be a climate tipping point globally. More often, it will occur via some pathway to scale a more regional or sectoral outcome, such as spreading better dryland management through several countries that cover the Miombo biome in southern Africa, altering the coffee value chain to deliver biodiversity benefits of global significance, enabling widespread adoption of energy-efficient building standards or transforming supply chains to eliminate toxic waste. Site-specific experimentation in farming practices, protected area management or chemical dump clean-up may establish the value of a particular innovation, but these then need to be harnessed through processes of scaling.

Figure 1 illustrates four models of transformation found in the GEF portfolio and related strategic environmental investments. In each model, some form of innovation has been explored (which may be part of or precede GEF investment), and successful innovations are then scaled in different ways to contribute to system transformation. Case studies in the boxes illustrate the models, noting that some cases contain elements of more than one model.[6] The Amazon Sustainable Landscapes Program (Box 2) primarily addresses horizontal scaling of production system management practices within a contiguous bioregion. The Green Commodities Community (Box 3) addresses both global value chains and integrated landscapes, while the Oceans and Seafood Markets Initiative (Box 4) is primarily focused on value chains. The Coalition for Private Investment in Conservation (Box 5) is focused on innovations in financing systems, with investments targeting sustainable production systems. The Sustainable Cities Impact Program (Box 6) includes a variety of initiatives addressing low-carbon service provision, including renewable energy production, energy efficiency improvements and sustainable transport systems.

Figure 1: Models of scaling in GEF investments involving the private sector

Model	Piloting innovations	Scaled to transform	Nature of model	Private sector role examples
Production system			Scaling out knowledge of new resource **management practices** from various test landscapes or seascapes to all of a biome with necessary institutional changes like tenure security or use rights.	Better land management practices extended across borders to entire Miombo dryland biome, or entire Amazon. Private sector as farmers, industry organisations, fertiliser/machinery/seed suppliers.
Value chain			Aggregating through coordinated **supply chains**, so incentives from demand alter production methods, requiring scaling up through institutional changes, and possible scaling deep to consumer choices.	Supply chain management (e.g. cocoa or artisanal mining) supported by market demand for sustainability, premiums for producers, standard setting, monitoring and public reporting to increase transparency.
Financing system			Aggregating demand for, and returns to, finance up to a scale that justifies large **investment vehicles** to fund new interventions that scale out sustainable production or adaptation, with bankable returns.	Green bonds for adaptation. Private sector in finance provision, risk assessment, broker and aggregator roles, as well as business model development and implementation, and financial system accountability.
Service provision			Recipients of services (e.g. transport, waste, energy) respond positively to **disruptive innovations**; one or more of these scales out to dominate the market; may require scaling up to address the regulatory environment.	Rideshare services (e.g. Uber) for private transport; Internet banking for small loans; food waste to fertiliser; microgrid energy services. Private sector as entrepreneurial innovator and service provider.

All of these models may use an MSD but for different purposes, whether to experiment and learn about good practices in a domain such as integrated landscape management, to debate and develop standards to improve efficiencies and environmental performance in a value chain, to develop shared understanding and support the roll out of innovative mechanisms in a financing system, or to build a coalition to drive shifts in the regulatory environment for sustainable infrastructure.

Multi-stakeholder dialogue in support of transformation

Within its areas of mandate, the GEF aims to contribute to shifts in patterns of resource use that are rapidly degrading the global commons, to bring humanity within the "safe and just operating space"

---

[6] All the initiatives profiled in the case boxes receive GEF investment, apart from the Oceans and Seafood Markets Initiative, supported by the Gordon and Betty Moore Foundation.

defined by living within our natural planetary boundaries.[7] As the GEF-7 Replenishment Programming Directions note, "many of the most pressing and complex environmental problems that the GEF deals with today operate at regional and global scales, requiring multi-stakeholder collaboration"[8] to enable transformational change.

There are a number of strategies for transforming systems, which can be classified on axes of disruption to creation, and confrontation to collaboration (Figure 2). This framework distinguishes strategies that emphasise getting on and *doing* change; activism and advocacy towards *forcing* change; top-down *directing* change, as governments can try to do; and collaborative processes to *co-create* change. MSD can contribute in different ways to all quadrants, but GEF investments are mainly active in the creative-collaborative arc, which is also the primary focus in this Guidance Note. It is important to recognise the other quadrants, though, to assess the degree to which conditions are supportive of system transformation. For example, prior activism may be required to set up the conditions where dominant players are incentivised to pursue co-created change. It may also be important to establish links to actors operating in other transformation strategy quadrants to help drive innovation in the technologies, business models, institutions or cultural norms needed to scale a GEF-supported intervention.

Figure 2: Strategies for systems transformation, with examples
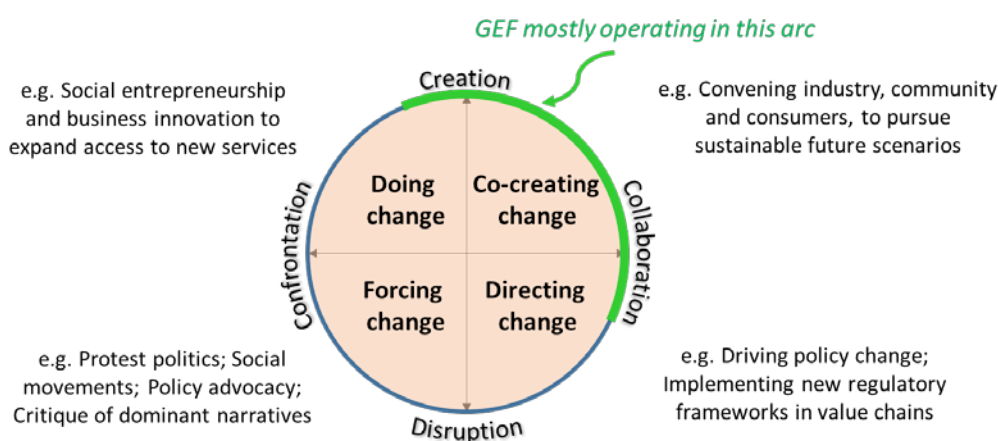
Based on: S. Waddell, "Four strategies for large systems change", Stanford Social Innovation Review (Spring 2018), pp. 40–45.

The combination of these strategies can support shifts from piloting innovations to scaling them to a transformative impact. Barriers to such scaling may include lack of knowledge about innovations; institutional and market barriers, including rules and regulations; and unsupportive cultural values and social norms. Figure 3 illustrates three forms of scaling which address these barriers: scaling *out* to spread knowledge and trust to enable wide adoption of an innovation, as in the production landscape and service provision models (e.g. Box 2 and Box 6); scaling *up* to change institutional and policy arrangements, necessary to align incentives for shifts in value chains and associated production systems (e.g. Box 3 and Box 4); and scaling *deep* to change societal norms and values,

---

[7] W. Steffen et al., "Planetary boundaries: Guiding human development on a changing planet", *Science*, vol. 347 (2015), p. 736.

[8] GEF, *GEF-7 Replenishment Programming Directions*, citing Ö. Bodin, "Collaborative environmental governance: Achieving collective action in social-ecological systems", *Science*, vol. 357 (2017), p. 659.

relevant when changes in consumer behaviour are needed alongside new development paradigms (e.g. Box 5 and Box 6). As can be seen, often more than one form of scaling is required; the role and form of MSD needs to be adapted to support each one.

Figure 3: Approaches to scaling innovations, and differing roles of MSD
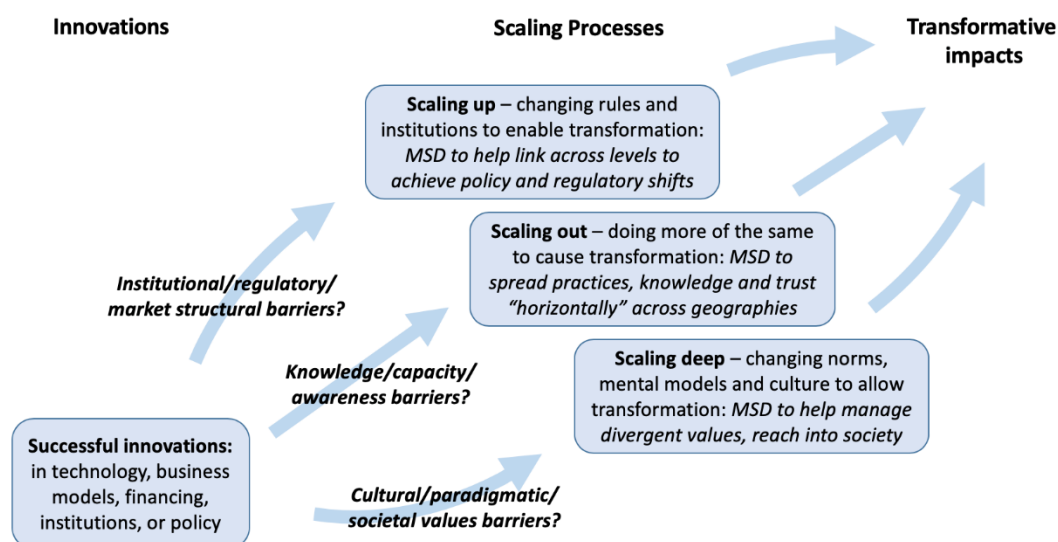
Based on: M.-L. Moore et al., "Scaling out, scaling up, scaling deep: Strategies of non-profits in advancing systemic social innovation", Journal of Corporate Citizenship, vol. 58 (2015), p. 67; F.W. Geels, "The multi-level perspective on sustainability transitions: Responses to seven criticisms", Environmental Innovation and Societal Transitions, vol. 1 (2011), p. 24.

In the next section, we present principles on how to incorporate MSD within a project or programme, recognizing that MSD may figure among a variety of strategies adopted. While oriented towards initiatives aiming to support transformational change, these principles – and the subsequent guidance in the sections that follow – can also help strengthen investments with more modest objectives.

2. Principles

The scientific literature documents multiple ways to understand the context of MSD processes, but research focusing on the effectiveness of responses in differing contexts, particularly at regional and global scales, is sparse.[9] The GEF has moved towards larger, programmatic investments that embed processes to build MSD at regional scales and along global value chains, beginning notably in the Integrated Approach Pilots, initiated during GEF-6. In its 2018 formative review of the Integrated Approach Pilots,[10] the GEF Independent Evaluation Office noted important progress in enabling "measures for planned broader adoption of outcomes by stakeholders…scaling up interventions…and measures to help catalyze market transformation" but also noted that they added time and "organizational complexity".

---

[9] Meridian Institute, *Literature Review on Regional and Global Multi-Stakeholder Dialogue Contributing to Transformational Change* (Washington, D.C., 2019).
[10] GEF Independent Evaluation Office, *Formative Review of the Integrated Approach Pilot Programs* (Washington, D.C., 2018).

The commitment to integrated, large-scale investment programmes continues in GEF-7 through the Impact Programs. These explicitly embrace the goal of transformational change at regional or global scale. The Impact Programs aim to build new coalitions as well as contribute to and strengthen existing institutional networks. Experience has shown that MSD platforms can help achieve integration across sectors, horizontal and vertical scaling of impact, international exchange and learning, increased policy commitment, enhanced private sector engagement and financing, and – ultimately – new levels of enduring outcome and impact. Experience has also shown that these achievements come at some genuine cost in resources and time, thanks to initial investments needed to resolve trust issues, power dynamics and roles. Often, however, such outcomes will simply not be achieved in the absence of this effort.

What principles can be derived from this experience to support the GEF's ambitious goals? Fortunately, the practical experience of MSD is advancing, both among GEF agencies and more broadly in the fields of international development, philanthropy and impact investing.[11] (The case study boxes illustrate several examples of these experiences, as well as emerging lessons.) While there is as yet insufficient evidence to establish clear determinants of success, researchers and seasoned practitioners have identified a number of core principles to inform good practice:

a) **Critically assess the context for system transformation.** MSDs are not a panacea. Care must be taken to first confirm that the conditions are suitable for sustained dialogue in a context that is ready for system transformation. The most suitable type of MSD will be influenced by the context in which the investment is being made and the system(s) it seeks to affect. An effective MSD process should clearly define the convening purpose (though this may and should evolve and be refined over time) in relation to the social-ecological system in focus. The process should engage key actors to define the goals required to transform the system, identify what needs to be done to achieve those goals, and consider what barriers might hinder transformation, all of which may have consequences for the MSD design.

b) **Make use of existing platforms, where possible.** Organisers may prefer to create a new platform with a distinct identity, but often the better option is to strengthen, link or address gaps in existing multi-stakeholder platforms. This not only builds on the history of trust fostered in established relationships, it may also support the durability of the platform. Useful lessons can often be harvested from prior, related efforts, in terms both successes and pitfalls. If existing platforms are used, it is important to assess how well these fit with the challenge at hand; this may require reorienting the focus or bringing in new stakeholders, for example to address particular cross-scale barriers to change.

c) **Address power dynamics intentionally.** Organisers and conveners of MSD processes need to assess the relationships among stakeholders in the external context, and their differing access to resources of power and influence, which may include control of physical and financial assets, access to communication channels, and reputational or social legitimacy in the eyes of others. Establishing greater inclusiveness and equity in the dialogue process may require prior trust-building, capacity-building, financial support and preparation of typically marginalised groups, as well as the integration of science-based evidence and scenario-building to inform deliberation. It also requires skilled facilitation.

d) **Enable flexible programme implementation.** MSD processes can support all stages of the project cycle, and should be able to evolve, from identification of the problem, through design, implementation and evaluation, ideally setting the stage for enduring impacts through long-term collaboration well beyond the life of the investment. This requires

---

[11] Meridian Institute, *Literature Review on Regional and Global Multi-Stakeholder Dialogue* (2019).

flexibility to adapt activities (and budgets) to support shifts in approach that are consistent with the overarching goal of a programme. More fundamentally, there may be a need to adjust intermediate objectives, if not the longer-term goals. Adaptive implementation may require changes to the GEF programming cycle (or introduction of an alternative, experimental cycle focused on learning and innovation), while maintaining the necessary financial safeguards.

e) **Embed monitoring, evaluation and learning** to track the role of MSD in the transformation process. A good theory of change will articulate the causal connections between the various strategic interventions (including investment in MSD processes), outcomes (including shifts in the behaviour and interactions among key actors), and impacts (systemic changes that deliver global environmental benefits). It will also articulate and test the underlying assumptions about how proponents expect these change processes will occur. A good theory of change provides a foundation for monitoring and evaluating the contributions an MSD has made in practice, the challenges faced and the degree to which it is delivering.

f) **Plan beyond the initial investment.** Effective MSD is organised around a compelling purpose that motivates the participation of key stakeholders and that often evolves over time in response to shared experience and understanding of the potential to influence enduring change. Very often, platforms need to continue after the supporting project or programme has been implemented. It is important to think in advance about how such platforms may be continued, which may entail changes in the membership, convening body and sources of funding. Typically, an exit strategy must also include investment in the capacity of players to carry the process forward.

In the next three sections, we apply these principles to analysing the context and need for an MSD; designing an effective MSD; and evaluating, learning and adapting the approach.

3. Analysing the context and need for MSD

Robust analysis of the context, including related efforts and initiatives already under way, is essential to (i) confirm whether an MSD is an appropriate approach to the challenge at hand and (ii) guide subsequent MSD design choices.

Several factors may signal that conditions are not ripe for MSD. There may be deep mistrust and conflict among stakeholders in the system, and they may be unwilling to convene, which could indicate the need for third-party mediation to lay the groundwork for subsequent dialogue. Powerful actors who benefit from the status quo may not perceive sufficient pressure to engage, which may indicate that there has not yet been sufficient advocacy or mobilisation corresponding to the "forcing change" quadrant of system transformation strategies (Figure 2). This may be especially relevant in the case of actors knowingly engaged in illegal practices, such as destructive overfishing, child labour, illicit wildlife trade or toxic dumping, for which robust enforcement measures and sanctions are needed first. Conversely, if stakeholders are already significantly aligned concerning what needs to be done and how, then the priority may be mobilizing finance or building capacity for implementation, rather than investing in dialogue to achieve collaboration.

Other preconditions may be specific to the model of scaling (Figure 1). In production systems, the patterns of resource use and the economic drivers of change may be sufficiently distinct that country-specific efforts would yield greater results. For particular global value chains, a lack of identified innovations appropriate for scaling may indicate that investment in more diverse and

exploratory experimentation is more appropriate. In the case of innovative financing mechanisms, before working to scale, it may be essential first to develop the mechanisms to aggregate funding demand and to demonstrate the feasibility of bankable return. For innovations in service delivery, the regulatory environments may be so different across countries that there is little basis for transfer of experience. In such circumstances, investment in disruptive innovations that demonstrate the potential of a new approach and build the case for regulatory change may be more cost-effective.

Finally, supporting MSD requires genuine openness and commitment on the part of funders and implementers. In addition to committing the time and resources needed, these actors need to embrace a role that is not directive but catalytic, understanding that the specific opportunities for impact are likely to emerge and cannot be fully anticipated in advance. For system transformation strategies involving collaborative action, enduring transformative outcomes may simply not be achievable without such flexible engagement and empowering of multiple stakeholders. The costs of establishing an MSD therefore need to be assessed openly against the risk of an investment failing to achieve its intended outcomes.

Assuming that an MSD is appropriate, contextual analysis remains key to good design. Investments may occur at different stages in a large-scale system transformation: a **scoping phase** to align the problem to be tackled and the intended outcome of the investment (even if there is still a diversity of views on how this will be achieved); **testing alternative innovations**, if necessary; and **scaling these innovations to pursue transformational outcomes**. Each stage has different implications for the type of MSD that may be required, with reference to the **purpose**, the **people** who need to be engaged, and the **process** that may be appropriate (see Table 1). It will help design if some reflection of the rationale for MSD is reflected as part of the theory of change for the investment, as that evolves.

In the scoping phase, MSD can help work out who needs to be involved as the social dynamics of power and vested interests in the system are uncovered. In this phase, it is important to keep stakeholder engagement flexible and easily adjusted as the context is assessed. The focus should be on a rapid, iterative sequence of taking an initial concept and engaging an initial set of stakeholders to debate and develop a preliminary, shared understanding of the problem, the outcomes needed and possible solutions. If alignment on these points is hard to achieve, it may be necessary to reassess the context and framing of the salient issues, potentially engaging additional or different stakeholders, and repeating the analysis of the problem. Rapid joint development of a simple theory of change[12] for the issue of concern can help make different views explicit. Once a broad, shared understanding of the problem and a potential range of solutions have emerged, the stakeholder group can stabilise and progress the design of the investment, including considering what form of more enduring MSD is required.

---

[12] STAP, *Theory of Change Primer* (Washington, D.C., 2019).

Table 1: From scoping to piloting innovations to scaling for transformation – how MSD elements of purpose, people and process evolve

	Phase		
	Scoping problem and solutions	**Piloting and testing innovations**	**Scaling to transformation**
Purpose of MSD	Conduct background research; get roughly aligned on problem, convening purpose of intervention, and general solution approaches; and identify who needs to be involved in the main work.	Align actors needed to carry out specific pilot studies and ensure the durability of "local" benefits, and learn from these studies, while including enough connection to those who might be needed to help scale (e.g. Box 2).	Engage actors necessary to take the innovation(s) to transformative scale, crossing levels of governance if scaling up (institutional reform; e.g. Box 3) is needed, and engaging society if scaling deep (culture change, norms; e.g. Box 5) is needed.
People in MSD	Include actors with diverse perspectives, insights and experience in the problem domain. Co-design the evolving intervention and identify who else needs to be involved as it proceeds (e.g. Box 4).	Include actors who can enact the proposed solutions, as well as influencers. Consider whether those who might be barriers need to be in or out of the tent. Consider including some actors who will help scaling later (e.g. Box 5).	Include additional key actors for relevant form of scaling. Identify actors in complementary transformational strategies who may help lobby for institutional and cultural change through disruptive pathways (e.g. Box 6), and link to them as appropriate.
Process for MSD	Keep informal so participation can be adjusted iteratively while converging on design of innovation and scaling (i.e. co-design, but with adaptive participation).	Pay particular attention to power dynamics, likely winners and losers, and potential supporters and blockers. Determine the scale, scope and formality of MSD needed for subsequent scaling.	Identify synergies among different transformation strategies to catalyse change in additional networks required to scale along different pathways (scaling out, up and deep).
Aim by the end of this phase	*Agreed on the problem and the convening purpose of the initiative, even if there is still divergence on root causes and solutions. Developed a good idea of who needs to be involved (formally or informally) in the next phase.*	*Achieved successful/durable initial outcomes (adaptable to different settings) and decision on whether the innovation is scalable. If it is, identified what sort of scaling will be needed and who needs to be engaged for the next phase.*	*Have genuinely tried to scale for transformation, catalysing required investment and stakeholder action, hopefully with durable results (but accepting some risk of failure, from which there is learning), and with robust documented lessons.*

The GEF has distinguished a variety of options for supporting MSD in practice, including in its recent private sector engagement strategy:[13] (i) as a **facilitator and supporter**, working to enhance existing MSDs that already involve diverse stakeholders from the public and private sector to tackle a specific issue, validate a proof of concept, or tap more financing, drawing on GEF networks; (ii) as a **core partner**, working with others in a supporting role to create a new MSD platform for transformational change, or link together existing platforms and expand their reach; and (iii) as an **initiator**, catalysing and financing a new MSD to align and harness the strengths or expertise of diverse entities across multiple scales, addressing a major global challenge.

---

[13] GEF, *GEF's Private Sector Engagement Strategy* (Washington, D.C., 2019).

4. Designing an MSD

Having assessed the context and validated the need for an MSD, the key design considerations should address, *in sequence*, the purpose, people and process.[14] Just as a house must be built on a solid foundation, clarity of purpose is the fundamental design consideration, guiding the choices of whom to engage and how. A well-facilitated process will be ineffective without the right people engaged, and the right people gathered with an ill-defined purpose will not yield results. These considerations apply equally to the design of a new MSD as well as to stocktaking and renewal of a platform that has been in existence for some time. Typically, it is necessary to return to these questions iteratively as the process evolves, but it remains useful to return to them in sequence. Table 2 summarises the key issues to be considered in MSD design, which are elaborated in the subsequent subsections.

Table 2: Key issues and overarching questions to ask in MSD design

Design element	Key issues	Overarching questions
Purpose	Goals	Are views on the goals and consequent possible solutions sufficiently aligned to define a shared convening purpose for an MSD?
	Scope	Is the scope of the MSD broad enough to engage the stakeholders needed yet focused enough to enable subsequent action?
	Scale	Is the scale at which the MSD will operate appropriate to bring necessary stakeholders to the table who can enact change and connect across levels?
People	Capacity for change	What are the roles and attitudes of different actors in enacting or enabling change, and who should be directly engaged in the MSD?
	Equity and power	How can the interests of potential winners or losers from changes be best represented, and how can power and capacity imbalances be managed?
	Networks of influence and trust	Are relevant networks and bridging organisations engaged to provide trust, and are the best entry points in government and industry identified?
Process	Initiation and convening	Is a new platform or convener needed, and who has the legitimacy and capacity to convene and sustain the right stakeholders in the MSD?
	Approach	What types of facilitation skills and processes are needed, over how long, and with what governance mechanisms, to ensure the MSD achieves its purpose?
	Funding and continuity	What resources are needed to support the MSD and build the capacity for it to continue, if necessary, after the initial investment?

---

[14] This categorization follows the appreciation-influence-control model developed by William E. Smith. See B. D. Ratner and W. E. Smith, *Collaborating for Resilience: A Practitioner's Guide* (Penang, Malaysia, Collaborating for Resilience, 2014).

Purpose: what do we aim to achieve?

It is essential to define a convening purpose that is both broad enough to motivate the right actors to be engaged and focused enough to have a plausible chance at influencing transformational change. GEF investments in large-scale system transformation typically fall into one of the categories outlined in Figure 1, with implications for the consequent purpose of the MSD itself (and especially complex programmatic investments may involve more than one of these categories). A variety of contextual characteristics all indicate the need for a well-structured and facilitated dialogue process, likely over an extended period of years. These include greater complexity of the system being addressed; higher degrees of initial divergence in terms of stakeholder goals, values and interests; greater mistrust among potential participants; and higher stakes and sharp divisions in terms of potential winners and losers. If there is too much divergence in the problem definition and possible solutions, it may be vital to retain flexibility to bring in new players once the process establishes greater trust (e.g. Box 2) or begin with a more open-ended exploratory phase to deepen shared understanding, achieve greater alignment and lay the foundation for collaboration (see Box 5). If resources are not in place to ensure the resourcing of an appropriate MSD, it may be necessary to adjust the goals, scope or scale of the undertaking to a more tractable, initial convening purpose, then adjust as the process matures.

Key questions to consider in refining the purpose:

Goals
- Are stakeholder views aligned on the problem itself? If not, what is the nature and intensity of the divergence in stakeholder interests?
- Are stakeholder views aligned on the desired future state? What degree of convergence is there on more general, shared ideals versus more proximate, concrete goals?
- Are stakeholder views aligned on the means to solve the problem? In the short or long term? Does this reflect drivers of private sector decision-making, such as risk exposure, returns on investment and cost-sharing for measures that benefit the industry as a whole?
- Given these current conditions, what is the most appropriate convening purpose – the starting point or next step for dialogue?

Scope
- What is the appropriate scope for the problem and the convening purpose of the dialogue or coalition: narrow (e.g. energy efficiency in buildings) or broad (e.g. climate-resilient cities)?
- Given the complexity of many issues, is there a subproblem or issue that the dialogue can address that provides a more limited scope? Or, conversely, has there been sufficient progress to consider an expanded scope?
- What scope will help the results of the dialogue to be accepted by stakeholders either internal or external to the dialogue?
- Is there an institution to receive or act on recommendations resulting from the dialogue, or arenas in which participants can undertake joint actions?

Scale
- At what geographical scale or jurisdictional level will the initiative proceed (subnational, national, regional, global), and how will it connect across these levels?
- At what scale do the conveners have the capacity to bring the needed stakeholders to the table?
- At what scale do the stakeholders being convened have the ability to affect change?
- What level of governmental process or voluntary civil society or corporate action are the conveners and stakeholders hoping to influence?

People: who needs to be engaged?

The identification of participants in a dialogue platform should be deliberate, with an eye towards achieving the convening purpose and mindful of the power dynamics among stakeholders. Participation should also be able to evolve at appropriate times, probably rapidly as the convening purpose is worked out, and then periodically, including a thorough reassessment between any innovation pilot and scaling phases. During the scoping stage, where diversity of perspective and insight is particularly important, participation may be more informal. As the challenges of piloting and scaling for transformation are addressed, it is essential to engage those with the capacity to enact change. A common pitfall is to engage those who most readily work together based on comfort or familiarity, ignoring those whose support may be essential to success or whose opposition may undermine progress. Another common pitfall is to think primarily of actors with formal authority (e.g. decision makers in government or in private industry), whose roles as convenors or participants may indeed be essential, but ignore those with informal authority and influence, including actors in civil society, media or popular culture. Such actors may be essential for scaling out and deep and, indirectly, for influencing state-sanctioned policy and regulatory decisions at national or transnational levels (e.g. Box 6). At the same time, to ensure continuity and focus, organisers of successful MSD processes make clear choices about which groups may be simply acknowledged or consulted rather than engaged in the dialogue platform.

Key questions to consider in identifying the people to engage:

Capacity for change
- Which actors have the capacity to enact change? (A robust understanding of any assumptions made here is key.)
- Which actors are needed to create the enabling conditions for that change? (Consider policy and regulatory environment, social norms and practices, required financing, etc.)
- Who among these actors can be directly engaged in the dialogue process?
- Do potential participants have the necessary seniority or stature to influence their respective stakeholder groups or institutions? Do they have adequate openness of perspective and potential to contribute new insight?
- Do individual participants share the values of collaboration, or do they prefer adversarial approaches that may undermine dialogue?

Equity and power
- Which groups are likely to be affected – positively or negatively – by the change, and how can their interests best be represented?
- What power imbalances exist among stakeholders? In particular, who has unique ability to block or advance a process? Which groups are disadvantaged and typically left out of collective decision processes? How can each of these groups be proactively engaged?
- What differences in capacity exist among the intended participants, and what support may be required to prepare certain groups to engage effectively? Who can provide that support?

Networks of influence and trust
- In relation to the convening purpose, which are the most relevant bridging organizations – those that foster collaboration among actors in a network, contributing to mutual trust and building support to address relevant problems?
- For government actors, what multiple points of engagement (among ministries, at different levels) are needed to foster eventual buy-in and support for the change?
- For private sector actors, what existing industry associations or corporate leaders have demonstrated the ability to influence others in the sector? What are the key factors influencing their decision-making and calculation of risk (e.g. regulation, enforcement practices)? What existing consortia already link these players and can help facilitate their engagement?

Process: how will we facilitate dialogue and action?

While individual events or spontaneous interactions may yield short-term progress, a sustained platform for dialogue and action requires a structured facilitation process. Key design considerations include who convenes, how the process supports collaboration and how it can be sustained (financially and institutionally) for the duration needed. For processes that link actors without a history of working together, establishing the legitimacy of the convener is key, and this often entails some form of multi-partner coalition or steering body that reflects the diversity of the stakeholders engaged. If the issues are particularly contentious and actions are likely to result in clear winners and losers, there may be a need to tap skilled resources in mediation or conflict management to assist the process. If cross-scale links or linguistic and cultural barriers are critical, special attention may be needed to assist in "translating" key data and concepts to support effective dialogue. Where normally marginalised groups have little experience participating in such processes, prior, specialised capacity support may be required (e.g. Box 3). It is also important to take into the account the characteristics of the convening entity (e.g. how is it perceived), as they may have an impact on the ability of the MSD to influence the institutions and stakeholder groups who will be needed to implement the desired change. Where the need for the MSD platform is likely to outlive the period of the current investment, attention to longer-term funding and institutional continuity is essential.

Key questions to consider in designing the process:

Initiation and convening
- Who should (or can) convene? Is there an existing platform or institution that is appropriate to serve as convener and/or host for the process?
- If there is a need for a "new" platform or convening entity, what options should be explored (e.g. a single organizational home, a coalition with a secretariat)?
- Which convener has the legitimacy, trust and influence to bring the needed stakeholders into the process and support the effort (e.g. process leadership, resources, research)?
- What role should (or can) the convener play in sustaining the work through implementation? What steps can be taken to expand the legitimacy of the convening process (e.g. a multiparty core steering or leadership group)?

Approach
- What is the timescale needed to achieve the defined purpose? What level and consistency of engagement is required to make participation impactful, including the balance of in-person engagement and virtual follow-up?
- What facilitation processes are needed to minimise power imbalances and build trust among participants? (Consider factors such as location, language, forms of communication, and integration of expert data or analysis.)
- What facilitation skills and expertise are needed to guide dialogue and action planning? Can the convening organisation(s) supply these skills, or is an outside, neutral facilitator needed?
- What governance structure is appropriate to guide the process (e.g. steering committee, technical or specialised working groups, external review or advisory functions)?
- What support may be needed to ensure implementation of agreed actions? How will progress be reported to stakeholders?

Funding and continuity
- Is there sufficient funding to support the process that is needed?
- How might the source(s) of funding affect the legitimacy of the process in the eyes of key stakeholders and their willingness to participate?
- How will the nature of the funding source(s) affect the credibility of the outcomes and hence the likelihood of successful implementation?
- What plans are anticipated to sustain partnerships or to hand over responsibilities for funding and facilitating the platform in the future (i.e. prepare for when the current funder exits)?

5. Monitoring outcomes, evaluating impact and adapting the MSD approach

A key determinant of effectiveness in MSD processes is how they foster and incorporate social learning. This is essential for actors to develop a more robust, shared understanding of the nature of the system as well as the successes and obstacles that emerge from pursuing change. A purposeful and transparent approach to monitoring and evaluating is required, addressing the quality of the MSD process itself and the outcomes to which it contributes. This is an opportunity to reassess assumptions about the context in which the intervention is made, as well as the three design factors: purpose, people and process. This section is focused on the process and outcomes of the MSD itself and the accountability of its participants, not on monitoring or impact assessment for the entire intervention, which is a broader undertaking.

Process monitoring

Regular reflection to take stock and adapt the MSD process can help build trust among participants. Organisers should design this capacity into the process from the beginning and ensure that it is adequately resourced. The learning should be sufficiently institutionalised in the MSD process that it is possible to ask whether the MSD is still useful and even draw it to a close without rancour if it is not (e.g. Box 4). Key aspects to consider in *process* monitoring include:

- **Institutional fit.** To what extent is the dialogue process right-sized and appropriate for the problem as it is now understood? Does the purpose need to be revised or adapted in terms of goals, scope or scale of engagement?
- **Equity and inclusion.** Are all the key actors who need to be engaged able to participate effectively, to voice their perspectives and to influence decisions? Are certain, powerful actors co-opting or undermining the agreed purpose of the MSD?
- **Knowledge co-production.** Are all the key actors able to access and understand the information needed to assess the problem, consider the likely outcomes of different actions, and contribute to joint learning? Is new information quickly integrated?
- **Trust and commitment.** To what extent do participants have trust in the process and in one another? How has this changed over time? To what extent do the participants follow through with commitments made?
- **Perceived effectiveness.** Do stakeholders perceive they are gaining sufficient value from the MSD to be worth their time and resources? Are the means of (in-person and virtual) communications working well? What suggestions do stakeholders have for improving the structure and process?
- **Learning and adaptation.** How well do organisers identify obstacles and adapt processes to address them during the course of dialogue and action planning? To what degree are participant insights taken on board to improve the process?

Survey methodologies can quantify changes in beliefs, attitudes and relationships among stakeholders and provide insights into social learning. Survey data and network analysis techniques can be used to capture and quantify complex patterns of stakeholder relationships, including network structure and density over time.[15] Such network analysis, together with the opinions of participants and other knowledgeable observers, can provide insight into the durability of multi-stakeholder processes and the institutionalization of new coalitions for collaborative action. All these approaches are consistent as well with the intent of GEF policy that notes the critical

---

[15] L. Popelier, "A scoping review on the current and potential use of social network analysis for evaluation purposes", *Evaluation*, vol. 24, No. 3 (2018), pp. 325–352.

importance of stakeholder engagement that is "constructive, responsive, accountable and transparent".[16]

Outcome evaluation

Likewise, *outcome* evaluation should identify and track how MSD processes and resulting actions contribute eventually to desired changes in institutional relationships, policies, practices, investments, and so on, as well as unanticipated changes (whether positive or negative). Because large-scale, transformational changes involve a wide range of contributing conditions and factors, the aim is to identify instances of significant contribution rather than primary attribution. This can combine participatory techniques for complex social and institutional change processes, such as "most significant change", with independent evaluation using techniques such as process tracing and contribution analysis.[17] In addition, outcome evaluation can inform participants' discussions about whether actors are fulfilling their commitments, thus helping to assure these accountabilities or to open frank negotiations if the MSD is not working.

Well-structured monitoring, evaluation and learning exercises can prompt collective reflection among the full range of partners, including financing partners, in relation to a theory of change for the broader initiative that, ideally, has been jointly developed and refined and specifies the expected outcomes from MSD. How has understanding of the system context evolved? What is the evidence that dialogue processes have contributed to catalysing new collaborative action? To what degree have diverse actors aligned their actions in pursuit of shared goals? How effectively are these efforts supporting the scaling of key innovations? And, ultimately, to what degree are these innovations contributing to transformational change that delivers global environmental benefits?

Capturing and documenting such lessons is critical to influencing adaptation within a particular initiative and to helping advance the evidence base within this field of practice more generally. In support of this aim, the STAP intends to collate additional sources of evidence-based guidance and examples of MSD practice from GEF-supported operations and related initiatives and make these available as an online resource to complement this document.[18]

6. Conclusion

Much more than a matter of compliance or risk management, effective MSD can be a fundamental enabler of coalitions and collaborative actions that contribute to transformational change at multiple scales. Although it can add cost and complexity and requires a funder to cede some control over directing the outcomes of an investment, it is likely that many transformative changes cannot in fact be achieved without some form of MSD. It should thus be considered squarely among the core approaches the GEF employs to pursue scaling of impact. A sound understanding of the principles underpinning effective MSD, and the options available to promote it, does not remove the complexity involved nor the importance of skilled facilitation support. But it can help teams prepare to undertake the required planning more strategically, to identify the needed expertise and to monitor and adapt as the process matures.

---

[16] GEF, *Policy on Stakeholder Engagement* (Washington, D.C., 2017).
[17] B. Befani and J. Mayne, "Process tracing and contribution analysis: A combined approach to generative causal inference for impact evaluation", *IDS Bulletin*, vol. 45, No. 6 (2014), pp. 17–36.
[18] Additional resources will be available on the STAP website at https://www.stapgef.org/multi-stakeholder-dialogue.

[Case study boxes to be dispersed in the main text at layout.]

Box 2. The Amazon Sustainable Landscapes Program

The Amazon Sustainable Landscapes Program, a GEF Integrated Approach Pilot that counts the Moore Foundation as a key partner, illustrates how both the geographic scope and the membership in a platform can evolve over time, with increasing influence on formal governance. The GEF-6 funded initiative initially focused on the three countries that make up 75% of the Amazon basin in order to have the greatest impact over the largest area of the biome. With a clear analysis of the integrated nature of the ecosystem services in the basin, and their global importance in terms of climate and biodiversity, the intervention was designed to expand and improve protected areas management and sustainable finance, combined with actions to reduce deforestation outside of protected areas, to "improve the resilience of the Amazonian biome to climate change, reducing the risk of reaching a tipping point".[a] Significant attention was given to respecting different forms of knowledge and investing in capacity-building for key stakeholders to ensure meaningful participation. Over time, states that had not been part of the first phase became committed, formal participants in the second phase, launched in GEF-7. The program now includes all states in the basin (with the exception of Venezuela, given the challenges for GEF agencies to operate in the country). A recent surge in the degradation of Amazonian forests has sharpened the challenges, and the importance of regional cooperation.

[a] See https://www.thegef.org/sites/default/files/web-documents/10198_IP_Amazon_PFD.pdf

Box 3. The Green Commodities Community

The Green Commodities Community (GCC) is a learning platform to accelerate "multi-stakeholder dialogue for systemic change"[a], with a strong emphasis on linking dialogue processes across national, regional and global scales. The GCC builds on the knowledge and experience from (i) the Green Commodities Programme of the United Nations Development Programme, which was launched in 2010 and includes national and subnational platforms in 12 countries, across eight agricultural and marine commodities, and (ii) the Good Growth Partnership, an outgrowth of an Integrated Approach Pilot co-financed by the GEF, with a multisectoral leadership structure combining the World Wildlife Fund, Conservation International, the United Nations Environment Programme and the International Finance Corporation, which takes an integrated approach to beef, soy and palm oil value chains in focal national and subnational jurisdictions and globally. The anchor programs supporting the GCC invest heavily in participatory process facilitation, including institutional backbone support, shared measurement systems and continuous communication. They are also distinguished by attention and responsiveness to the decision criteria of corporate actors, including concerns about the regulatory environment, investment risks, aggregation and quality control in sourcing for supply chains, and the consequent links to the demand side, including buyer and consumer preferences. Efforts are under way to integrate these lessons and institutional practices within the next-generation Food, Land Use and Restoration Impact Program, managed by the World Bank, which anticipates investment in 25 to 30 countries.

[a] See https://www.greencommodities.org/content/gcp/en/home/green-commodities-community.html

Box 4. The Oceans and Seafood Markets Initiative

The Oceans and Seafood Markets Initiative, supported by the Gordon and Betty Moore Foundation, illustrates an important case of learning and adaptation in dialogue approach. The initiative was designed to decouple seafood production from coastal habitat degradation and overfishing. It is global in scope, can focus on any or all of seven categories of the world's most valuable farmed and wild capture seafood commodities, and deliberately seeks to influence the way companies produce and source seafood products through traceable supply chains, how financial institutions choose to invest in the seafood industry, and how private sector actors can collectively lead a transition to more sustainable and transparent practices. Through a consultative process, the Foundation designed its grant-making strategy, then selected a core set of four leading conservation organizations that agreed to help the foundation implement that strategy by guiding grant decisions and budget allocations as well as designing a rigorous monitoring, evaluation and learning framework to understand the conditions under which this market approach can work. After two years of implementation, however, it became clear there was not alignment between the expectations of the foundation and its core partners, and between the core partners themselves. Following a combination of external and internal strategic reviews, the four-organization collaboration was dissolved. But the initiative itself continues with an adapted approach to MSD that is more specifically tailored to industry priorities and incentive structures, in particular through more direct interaction with industry-led pre-competitive platforms.[a]

[a] See https://www.moore.org/initiative-additional-info?initiativeId=oceans-and-seafood-markets-initiative

Box 5. The Coalition for Private Investment in Conservation

The Coalition for Private Investment in Conservation illustrates the way an innovative MSD platform can emerge over time, subsequently expanding membership and attracting greater financial support. Recognising the inherent limitations in the scale and capacity of both public and philanthropic investment, the coalition aims to "overcome the barriers to scaling private, return-seeking capital in conservation".[a] It was launched as a joint effort of civil society, private and public sector financial institutions, and academia, with the founding members (Credit Suisse, the International Union for Conservation of Nature, Cornell University and The Nature Conservancy [NatureVest]) composing the steering committee. The group consciously restricted membership initially to develop shared perspectives among players with very different perspectives, missions and capabilities. It has established working groups to develop blueprints to deliver risk-adjusted returns from investment in natural capital in priority sectors, including coastal resilience, green infrastructure for watershed management, and sustainable agricultural intensification. This requires a particular focus on pilot demonstrations to validate the viability of these investments and their risk profiles, with attention on sharing information with the investment community. The eventual aim is to aggregate conservation finance opportunities so that they become attractive to mainstream finance institutions and investment funds. The coalition now includes over 80 institutional members, including the GEF.

[a] See http://cpicfinance.com/about/governance/

Box 6. Sustainable Cities Impact Program

The Sustainable Cities Impact Program aims to catalyse action to mainstream a low-carbon, resilient model of urban economic development. This is conceived through an integrated urban planning framework, linking investments in urban transport, energy efficiency, waste management and nature-based solutions. Recognising the importance of developing political will for action, the program puts major emphasis on supporting experimentation in cities poised to play a leadership role by proactively sharing experiences. It also works to identify and promote novel business models to deliver urban services and to crowd-in additional private investment. The program builds on prior GEF-6 investment, linking projects in specific cities across multiple regions. Global convenings under the Sustainable Cities Integrated Approach Pilot have targeted shifts in underlying social norms regarding expectations for jointly addressing the social and public health risks of urban and peri-urban slums alongside the positive economic growth benefits of densification and resource use efficiency.[a] The newly launched Impact Program is seeking to expand the cross-regional dialogue by strengthening the Global Platform for Sustainable Cities, with stronger engagement of city networks such as ICLEI (Local Governments for Sustainability) and C40 Cities (a network of megacities addressing climate change). The platform links leading agencies such as the World Bank, the United Nations Environment Programme and the World Resources Institute with municipal leaders, national policy officials, social entrepreneurs, private sector actors and civil society advocates to strengthen the global movement for equitable and sustainable urban growth.

[a] Global Platform for Sustainable Cities, *São Paolo Statement on Urban Sustainability* (Washington, D.C., 2019).