



Global Environment Facility

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Agenda Item 10

**TERMS OF REFERENCE FOR AN INDEPENDENT
MONITORING AND EVALUATION UNIT**

Recommended Council Decision

The Council reviewed and commented upon Document GEF/C.20/7, *Terms of Reference for an Independent Monitoring and Evaluation Unit*. The Council invites the monitoring and evaluation unit of the GEF to prepare revised terms of reference, taking into account the comments raised by the Council during the meeting and any written comments that may be submitted by the Council Members to the unit by November 15, 2002. The revised terms of reference should be submitted to the Council for review and approval at its meeting in May 2003.

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INTRODUCTION

1. This paper is prepared in response to the Meeting of the Third Replenishment of the GEF Trust Fund on August 6-7, 2002. Participants to this meeting recommended that a high priority be placed on strengthening monitoring and evaluation of GEF projects. Participants also recommended that the roles and responsibilities for monitoring and evaluation (M&E) among the GEF Monitoring and Evaluation Unit (GEF M&E), the Secretariat and the Implementing and Executing Agencies be reviewed by Council together with recommendations aimed at developing a partnership approach to M&E responsibilities in order to increase complementarity.

2. Building on the 6 years of experience since the GEF M&E unit was created, this paper proposes a way forward on how the GEF's Monitoring and Evaluation Function will be strengthened compared to the M&E policies that are currently in place.¹ In addition, this paper contains draft Terms of Reference for a proposed Director of the M&E unit and guidelines for the involvement of other members of the GEF partnership in M&E. The paper has been designed to respond to the requests made regarding the M&E function in the Replenishment paper: Policy Recommendations Agreed as Part of the Third Replenishment of the GEF Trust Fund (GEF/R.3/37). The references below are to the paper's specific items; a-j.

Response to Replenishment Participants Recommendations

Role of GEF Council and Independence of the GEF M&E Unit (Ref. Replenishment paper items (a), (b), (e), (i))

3. The Instrument of the Restructured GEF provides for the GEF Council to ensure that GEF policies, programs, operational strategies and projects are monitored and evaluated on a regular basis. The Council will have a direct role in guiding M&E policies, principles, work plans, programs and budgets, and overseeing their implementation by the GEF Monitoring and Evaluation Director.

4. The monitoring and evaluation practices of the GEF will follow established standards of the UN, the multilateral development banks, OECD and others, and make further efforts to increasing accountability, credibility, impartiality, transparency and usefulness. The M&E staffs and consultants preparing evaluation findings and recommendations will be selected and steered so as to allow them to make fair and consistent assessments based on their best professional and independent judgments, following GEF Council guidance and oversight, and not being unduly influenced by other interests.

5. The GEF Council directs that the GEF M&E Unit, for evaluation purposes, will be made independent in the following ways:

¹ See GEF M&E document: Monitoring and Evaluation Policies and Procedures (GEF, January 2002)

- (a) The Director of the GEF M&E Unit will be proposed by the GEF CEO for a 5 year appointment , on a renewable term and appointed by the GEF Council.
- (b) The GEF M&E Unit will submit 3-year rolling work plans and annual work program and budgets for Council review and approval. Work plans, programs and budgets will be in integrated into the GEF Business Plans and general budgets.
- (c) The GEF M&E Unit will be responsible for all corporate M&E activities. The key focus will be the evaluation of GEF's Overall Performance, which will be prepared in advance to the replenishment process, and be submitted to the GEF Council and GEF Assembly. It will also include a review of progress made towards the implementation of the recommendations made in the previous overall performance study. The M&E Unit will also undertake program evaluations, thematic and other project reviews.
- (d) On evaluation matters, the Director will report directly to the Council.

6. On monitoring activities, dissemination, knowledge management and administration the Director will report to the GEF CEO. The GEF M&E Unit will be located administratively within the GEF Secretariat.

Improved Measurement of GEF Results (Replenishment items (f) and (h))

7. At present most GEF projects comprise M&E components, such as project indicators and baselines, to facilitate measurements of GEF achievements in connection with annual reviews, mid-term reviews and terminal evaluations. M&E interventions are also scheduled through the project cycle. The Logical Framework required for all regular sized projects and strongly recommended for medium-sized projects has been a major asset in improving the management of projects using M&E instruments. However, some M&E components are not at present fully implemented and there are still some lingering problems in measuring global environmental benefits. Furthermore, project baselines are sometimes not identified and measurement routines are not always completed. In particular, the GEF M&E Unit will propose the following activities to improve the monitoring and evaluation of project impacts and outcomes:

- (a) **Improved Monitoring and Evaluation Plans** . In collaboration with the Implementing Agencies and the GEF Secretariat focal area teams, the M&E Unit will ascertain that both regular and medium-size project designs include satisfactory **M&E plans**, including adequate provision of funding, and as appropriate, collection of baseline data. These plans will identify how performance information from monitoring and evaluation activities can guide project management towards accomplishing project objectives, following the principles of adaptive management.
- (b) **Minimum M&E Standards**. The M&E plans will also include, as **minimum M&E standards**, the following elements: definition of performance indicators and unit of

measurements; description of the data source(s) for the indicator; baseline data and methods for data collection or calculation; frequency and schedule of data collection; and individuals responsible for ensuring data availability. Performance indicators will be chosen in such a way that they are direct, objective, and practical, in the sense that most data would be made available at intervals consistent with management needs. Existing projects that do not have such provisions, and which have more than two years left in implementation will be retrofitted to meet such minimum M&E standards.

- (c) **GEF M&E Policies and Procedures.** The GEF M&E Policies and Procedures will be continuously discussed and updated in dialogues with the GEF Coordination Units and the Monitoring and Evaluation Departments of the Implementing Agencies, and as appropriate Executing Agencies, to make them dynamic and relevant to present circumstances.
- (d) **Program Indicators.** In corporation with other teams of the GEF Secretariat, the Implementing Agencies and STAP, the M&E Unit will intensify its testing and implementation of the presently designed **program indicators** in climate change, that have been universally agreed among the GEF entities. Further efforts will be made during the coming years to develop, test and implement program indicators in the focal areas of Biodiversity and International Waters, where the current indicators have been found unsatisfactory. Program indicators for land degradation and persistent organic pollutants will be developed when the operational policies and programs have been fully designed and endorsed.

Cooperation with Implementing and Executing Agencies on Project Monitoring. (Replenishment items (g) and (j))

8. Present collaborations with the Implementing and Executing Agencies take many forms. One of the guiding principles for cooperation on M&E is that operational M&E is built on the existing M&E systems of the Partner Agencies. There is a close cooperation between GEF entities on the annual Project Performance Review (PPR) project, program and impact evaluations, feed-back and knowledge management. The Specially Managed Project Review, (SMPR) (formally known as Secretariat Managed Project Review), is closely linked to the annual PPR. It is led by the M&E Director, and involves cooperation by staffs of the GEF M&E Unit, other GEF Secretariat teams, Implementing Agencies and independent consultants. These reviews measure the compliance of project implementation with GEF project review criteria (i.e. country-ownership, stakeholder participation, incremental costs, global benefits, sustainability and replication) and assesses whether projects follow an adaptable management approach to respond to the concurrent contextual situation in participating countries.

- (a) **Review of mid-term and final evaluations.** In addition to assessing the Implementing Agencies' project evaluation reports' adherence to agreed GEF criteria, there will be a systematic compilation of evaluation results and lessons, which will be fed

into the PPR process. There will also be continuous assessments of the degree of independence in the Implementing Agencies project and other evaluations. A distinction is made between internal reviews performed by staff in the responsible operational division and evaluations carried out by persons who are independent of project operations. The latter may be conducted by staff members of the Agencies' evaluation departments or external evaluators on contract.

9. In both of these monitoring exercises, as well as in others as appropriate, the GEF M&E Unit will have access to all documents related to the preparation, design, implementation and completion of GEF funded projects.

Feedback and knowledge management (Replenishment items (c) and (d))

10. An essential and integral part of M&E is the feed-back to the decision-making processes in the GEF from the highest policy level to project management. The main conduit for this feedback will be the GEF Council, and will also through Council decisions extend to the GEF Assembly, STAP, relevant conventions, participating countries, NGOs and other partners. Evaluation findings and recommendations need to be provided in a timely and readily accessible form to have a positive impact in the GEF activities. Their implementation will be reported on an annual basis. The efforts to ensure feed-back and follow-up will be done in a coordinated GEF manner or separately by the Implementing and Executing Agencies, as appropriate.

11. Activities for feedback and knowledge management requires clearly identified tasks, resources for their implementation, designated dissemination responsibilities, and identification of the needs of the end users. It requires using techniques that promote and facilitate the integration of findings and lessons into GEF's programs and projects and, more broadly, into all related efforts that further the attainment of global benefits.

12. The GEF M&E Unit will, in collaboration with other teams of the GEF Secretariat and the Partner Agencies, develop a knowledge management strategy based on user needs and priorities and the latest technologies and approaches.

TERMS OF REFERENCE FOR THE GEF MONITORING AND EVALUATION UNIT DIRECTOR

13. The GEF Monitoring and Evaluation Unit Director is accountable directly to the GEF Council on evaluation matters including evaluation program and budget, and reports to the Council through the Chief Executive Officer (CEO) on other matters related to the monitoring of GEF operations, dissemination of GEF experience, technical services and administrative matters. The M&E Director is proposed by the CEO for a 5 year period, on a renewable term, and is appointed by the Council.

14. The Director's duties and major tasks are as follows:

- (a) Implements strategic direction and oversight provided by Council.

- (i) Prepares draft M&E policies for GEF Council decision;
 - (ii) Prepares draft 3 year rolling work-plans and an annual work program and budget for Council decisions;
 - (iii) Provides individual M&E reports, report summaries, and annual summary reports on M&E activities and results, including information and follow-up of evaluation findings and recommendations. Provides presentations at Council Meetings, as appropriate.
- (b) Provides Overall Direction and Management of Resources.
- (i) Prepares plans and work programs covering methodology development as well as monitoring, review and evaluation at the project, program, policy, operational and overall GEF level;
 - (ii) Ensures that M&E work is integrated into the work of the GEF Secretariat and Partner Agencies;
 - (iii) Identifies resource needs for the GEF M&E Unit team and other GEF units participating in M&E activities;
 - (iv) Implements the work program and manages its component activities within budget, staff and time constraints.
- (c) Manages Staff and Team Performance.
- (i) Assigns M&E tasks;
 - (ii) Manages regular GEF staff, consultants and Implementing and Executing Agency inputs in their participation in cooperate M&E
 - (iii) Evaluates and monitors overall team performance;
 - (iv) Clarifies performance expectations through Results Agreements, assesses strengths and development needs of individual staff through Development Action Plans;
 - (v) Provides coaching and mentoring; and recommends suitable training;
 - (vi) Maintains open communications, fosters team work and resolves conflicts.
- (d) Strengthens Institutional Relationships.

- (i) On M&E matters strengthens the relationship between the GEF and its member countries, the Implementing and Executing Agencies, STAP, and other key stakeholders;
 - (ii) Cooperates with the M&E units in the Implementing Agencies, and as appropriate the Executing Agencies, and ascertains that their M&E practices follow minimum GEF standards and generally established standards for credibility, impartiality, transparency and usefulness.
- (e) Secures Feed-back and Knowledge Management
- (i) Secures feed-back of M&E results to the decision-making processes in the GEF from the highest policy level of the GEF Assembly and the Council to the individual project manager level and counterpart country staff member, including all relevant GEF entities through the GEF Council;
 - (ii) Secures adequate follow-up on all matters which require decisions.
 - (iii) Develops and maintains a comprehensive knowledge management system based on M&E results, which will rely on publications and the full range of learning tools and methods, such as training seminars, distance learning, field visit monitoring, participation in evaluations by counterpart country staffs, mentoring, web-based systems, etc.

GUIDELINES FOR PARTICIPATION OF ALL RELEVANT GEF ENTITIES IN M&E EFFORTS

Introduction

15. M&E is a shared responsibility within the GEF partnership. The GEF M&E Unit will cooperate closely with other teams in the GEF Secretariat, the Implementing and Executing Agencies and the Scientific and Technical Advisory Panel (STAP). Management and technical staff members participating in GEF-funded activities will also be asked to participate in M&E activities. Therefore a coordinated approach is required. Appropriate resources will be allocated for M&E activities, taking into account both the nature of the GEF initiative and the need for integrated and complementary production of reliable and valid information.

The GEF M&E Unit's Duties and Responsibilities

16. The GEF M&E Unit will have the following primary duties and responsibilities:
- (a) Prepare GEF-wide minimum M&E standards and procedures relating to M&E components in project documents and all monitoring and evaluation activities;
 - (b) Manage evaluations of GEF's overall performance;

- (c) Conduct evaluations of strategic and operational topics, programs, and cross-cutting issues;
- (d) Conduct periodic project impact evaluations;
- (e) Coordinate the annual Project Implementation Reviews (PIR), the Specially Managed Project Reviews (SMPR) and reviews of project evaluations;
- (f) Update and implement a feed-back and knowledge management strategy for M&E results and lessons.

GEF Secretariat Duties and Responsibilities

17. The GEF Secretariat will provide administrative services and participate in monitoring activities, dissemination and knowledge management. In particular, the GEF M&E Unit shares responsibilities for the following tasks with other teams of the GEF Secretariat:

- (a) Ascertain that findings and recommendations emanating from evaluation and monitoring activities are followed up with regard to GEF policies, programs and procedures; that they are decided upon and the decisions implemented;
- (b) Identify program-level indicators and collect data to monitor performance on program indicators;
- (c) Assure that results and lessons identified through M&E activities are adequately reflected in public information about GEF.
- (d) Participate in program or cross-cutting reviews, studies and evaluations and the annual Project Implementation and Specially Managed Project Reviews.

Implementing and Executing Agencies² Duties and Responsibilities

18. The GEF Implementing and Executing Agencies have lead responsibility for:

- (a) Designing monitoring and evaluation plans for projects and adequately monitoring the implementation of projects against performance indicators;
- (b) Reporting annually on project performance in the context of the PIR, participate in Specially Managed Project Reviews and reviews of project evaluation reports;
- (c) Conducting terminal project evaluation of all projects;

² Executing Agencies as defined in GEF/C.13/3

- (d) Conducting mid-term evaluations as well as other evaluations at the project level during project implementation whenever appropriate;
- (e) Ascertaining that recommendations from evaluations are submitted for decision making within the Agencies, as appropriate, and monitoring the follow-up of such decisions;
- (f) Making project evaluations publicly accessible and project documents available to the M&E team.

19. In addition, GEF Implementing and Executing Agencies are encouraged to conduct impact evaluations of GEF projects after project completion.

20. Finally, the three GEF Implementing Agencies, will support the M&E team and others within the GEF partnership on the following:

- (a) Participating in developing M&E policies and identifying program indicators;
- (b) Participating in program studies, evaluations and Specially Managed Project Reviews;
- (c) Assist with the backstopping of studies of GEF's overall performance;
- (d) Playing its role on feed-back and decision making related to M&E results and assisting in the dissemination of publications and other products prepared by the Agency and the corporate M&E team.

Scientific and Technical Advisory Panel Duties and Responsibilities

21. The GEF Scientific and Technical Advisory Panel (STAP) will cooperate on scientific and technical matters with the M&E Unit on key aspects of the evaluation and monitoring work program, including the development of program indicators and scientific measurements of GEF results.

Participating Countries' Roles

22. The GEF participating countries directly involved in an M&E activity (i.e. studies of a particular project) will be fully consulted, informed and briefed about the plans, the implementation and the results of the evaluation activity. Staff members of the cooperating governments or institutions will be expected to participate in evaluations as team members, informants and/or observers. They will also be requested and encouraged to share relevant experiences prior to, during and following evaluations.