



# Global Environment Facility

## Summary of Document GEF/C.25/3

### **Four Year Work Program and Budget of the Office of Monitoring and Evaluation – FY06-09 And Results in FY05**

#### **Recommended Council Decision**

The Council reviewed document GEF/ME/C.25/3 “*Four Year Work Program and Budget of the Office of Monitoring and Evaluation – FY06-09 and Results in FY05*” and approves the principles and overall scope of the program, subject to the comments made during the Council meeting. Council approves the proposed budget for FY06, to cover the cost of core tasks and the new modalities (\$2,821,975). In addition, Council approves funds for two special initiatives to be conducted in FY06 (biosafety evaluation (\$350,000) and the joint evaluation with GEF partners (\$150,000)). Regarding FY07 through FY09, Council takes note of the proposed budgets and requests OME to prepare annual budgets for Council consideration and approval in each of its May meetings.

For May 2006, in developing the next four-year rolling work program, OME should take into full consideration the outcome of the consultative process it has initiated, relevant recommendations from OPS3, the new GEF M&E policy to be decided upon in November and agreements of the replenishment process.

Council requests OME to prepare a paper for the November 2005 Council meeting laying out alternative ways of interaction with Council according to OME’s TORs.

#### **Executive Summary**

1. This new version of the work program and budget builds on the previous version, discussed in Council in November 2004, and takes into account the comments and recommendations made during that session. Council stressed the importance of including capacity building, knowledge management and lessons learned, review of the project cycle, country portfolio assessments and impact evaluations. In addition, Council requested OME to undertake two special activities: (1) an evaluation of the activities financed under the initial strategy approved by Council for assisting countries to prepare for the entry

into force of the Cartagena Protocol and (2) to start a process of consultation with appropriate GEF partners to develop proposals for a new division of labor on monitoring and evaluation instruments. The current plan is fully detailed for FY 06 but contains (reliable) estimates for the years after that because of three major reasons: the consultation process with GEF M&E partners initiated by OME has just begun and may lead to proposals for joint work or a new division of labor in the future; the recommendations from OPS3 and the replenishment process on M&E in the GEF of are not yet available; and the new GEF M&E policy has not yet been established. Furthermore, a degree of flexibility must always be present in the work program, even for the current and next fiscal year, because OME must be able to react positively to requests for evaluations from Council.

2. The four year work plan contains both outcome and output indicators. The Office expects that by the end of the four year programming period the following outcomes will be achieved:

- Accountability: increased legitimacy of the GEF;
- Better informed decisions: improved Council decisions on policies, strategies and work program; and
- Learning/insight, knowledge management and dissemination: better prepared projects at entry level and better portfolio and risk management.

3. The first two outcomes are improvements in the entire GEF system associated with inputs from many different parts of the system. Therefore, the actual achievement of these outcomes should be measured as part of OPS4, including an assessment of OME's role in these achievements. The last outcome will be measured by the on-going reviews conducted by OME in both its evaluation and monitoring programs.

4. Using OPS4 as the primary milestone, the programming of OME will take a phased approach in the next four years. In the first and second year (FY06-07) OME will concentrate on evaluations of cross-cutting and thematic issues. In the second half of the period (FY08-09), OME will conduct program studies on all the GEF focal areas in preparation for OPS4 which will take place in FY09. OME will also have several recurring activities throughout the period such as the annual GEF performance review, knowledge management activities, interactions with Council and following GEF M&E concerns within IAs and EAs. Furthermore, OME, in response to Council's requests will continue with the implementation of two special activities, the biosafety evaluation (in FY06) and the consultative process (throughout the period).

5. Regarding OPS4 the Office proposes to manage and implement this evaluation in FY 09 in view of the full independence that has been established for the Office. This will reduce the costs for OPS4 with approximately US \$ 1 million, since the evaluation will be covered within the budget of the Office. The Office will ensure that a review of its own evaluations and functioning will be incorporated in OPS4 in an independent way.

6. On Country Portfolio Assessments and Impact Evaluations, the Office proposes to explore possibilities of collaboration with the evaluation departments of the GEF family and to develop approaches which would be feasible and deliver products which are relevant and useful. It is proposed

to introduce these new instruments gradually in FY 06 and FY 07 and only include them in the OME budget on a permanent basis if the approaches will deliver results.

7. As regards monitoring, the Office will further develop the Annual GEF Performance Review and keep oversight over the reliability and validity of monitoring systems of the GEF partners, including systems of projects at risk.

8. In line with the TORs of the Office, which require a gradual approach towards reaching a full independence on an accepted international level of coverage and quality, OME proposes to establish a new baseline for the budget in FY 08, when new instruments as the country portfolio assessments and impact assessments have been tested and the results of the consultative process and the 4<sup>th</sup> replenishment can be taken fully into account. The current estimate for that budget is \$ 3.6 million. This is in line with or lower than the level of funding of comparable evaluation units in other international organizations and in other global programs. The reasons to increase the budget are compelling: new and expanded TORs for the Office, a steady increase in disbursements, increased complexity of strategic priorities and operational programs, inclusion of seven Executing Agencies and introduction of a Resource Allocation Framework. On the other hand efficiencies are expected to emerge from the Consultative Process, the new division of labor on monitoring, the integration of OPS4 in the work program of OME and international collaboration.

9. For FY 06 a specified and detailed budget has been prepared and is proposed for approval amounting to \$ 2.821 million, which will allow for a gradual increase over FY 07 to the level of FY 08.

10. With the new baseline of FY 08 the budget is expected to remain at 0.6 % of conservatively estimated disbursements in the GEF in the coming years. This means that the increase in the budget will not be at the expense of the percentage of the overall GEF budget available for disbursements in recipient countries (which will continue to rise in absolute terms).

11. The relationship between the Council and the Office of Monitoring and Evaluation is a basic element of OME's independence and needs to be further defined. OME proposes to explore additional and alternative ways of interacting with the Council. A paper including various options will be presented to the November meeting.