



# Global Environment Facility

GEF/C.21/13  
April 16, 2003

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GEF Council  
May 14-16, 2003

Agenda Item 14

## MONITORING AND EVALUATION WORK PLAN FOR FY03-06

**Recommended Council Decision**

The Council reviewed the proposed monitoring and evaluation work plan for FY03-06 presented in document GEF/C.21/13, and approves it, subject to the comments made at the meeting. The Council also approves an amount of [US\$1.965 million] [US\$2.165 million] to cover the resource requirements of the unit in FY04. These resources should be included in the FY04 corporate budget approved by the Council under agenda item 12.

## **INTRODUCTION**

1. The Monitoring and Evaluation (M&E) Work Plan for 2003-2006 has been prepared on the basis of the Council paper Terms of Reference (TOR) for an Independent Monitoring and Evaluation Unit (GEF/C.21/12). According to the TOR, the GEF Council will have a direct role in guiding and overseeing the preparation and implementation of M&E policies, principles, work programs and budgets. All relevant entities in the GEF will participate in M&E, and the unit will be strengthened and report directly to the GEF Council on monitoring and evaluation matters. Enhanced feed-back loops from evaluation findings and knowledge management will ensure more systematic use of lessons in subsequent activities.

2. This document aims at giving the GEF Council an overview of how the M&E work plan responds to the overall requirements and needs of the GEF during the plan period. The annex includes a detailed time table for all activities. The paper gives a presentation of the rationale, scope and schedule of all M&E activities for Council consideration and decision. Council consideration is especially required to the design and content of the program studies in FY04, which are presented in two options. These are reflected in the M&E part of the FY04 corporate budget by expense category.

## **WORK PROGRAMS DURING 1999-2002**

3. The M&E Work Program for 1999-2002 was adapted to the cycle between the first and the Second GEF Assembly and the preceding replenishments. Throughout the period, Project Performance Reports (PPR) were prepared each year. These reports gave an overview of portfolio performance and emerging trends, themes and issues. They were mainly based on Implementing Agency reporting through Project Implementation Reviews (PIRs) on all ongoing projects under implementation for at least one year, as well as focal area task force meetings by staff members of the GEF Secretariat and the Implementing Agencies. In 2002 the PPR was complemented by the Secretariat Managed Project Review (SMPR) and the M&E unit's review of Implementing Agency Terminal Evaluation (TER). The SMPR enabled a more thorough verification of field level performance of the projects' conformity with the GEF review criteria in a sample of projects.

4. A number of thematic reviews and cross cutting evaluations were conducted in the early phase of the period. These included among others the experiences with Conservation Trust Funds, the GEF Solar Photovoltaic Review, the Multi-country Project Arrangements Review for international waters projects and interim reviews of climate change and biodiversity enabling activities. These evaluations and reviews fed into program studies in each of the focal areas.

5. Comprehensive program studies in biodiversity, climate change, international waters, ozone, and the linkage study on land degradation, were conducted in 2000-2001. The evaluation teams comprised staff from the M&E Unit, GEFSEC, the Implementing Agencies, STAP and

independent consultants. The studies were based on existing data from the PPR, cross-cutting evaluations, the Implementing Agencies' terminal evaluations, as well as additional field work.

6. The program studies constituted a broad information base for the Second Study of GEF's Overall Performance (OPS2), which was prepared by an independent team of 8 consultants and submitted to the GEF Council in 2002. OPS2 is a comprehensive evaluation of achievements of the first decade of the GEF, but specially the period 1998-2002. The key topics are: results and impacts of GEF programs; GEF's relations to the conventions it serves; GEF policy and program issues; country ownership of GEF efforts and project adherence to the GEF review criteria. OPS2 served as inputs to the Third Replenishment and Second Assembly processes. The GEF Secretariat will monitor the follow-up of OPS2 in the form of an action plan (GEF/C.21/Inf.4).

### **WORK PROGRAM FOR 2003-2006**

7. The work program for 2003-2006 will comprise similar activities and cycles as in the preceding period. All activities will be reported in Council documents and also provide important inputs to the Third Study of GEF's Overall Performance (OPS 3). Annual reports on M&E activities will also be submitted to the Council.

### **PROJECT REVIEWS**

8. The annual *Project Performance Report (PPR)* will use four information sources: the Project Implementation Review (PIR), the Specially Managed Project Review (SMPR – previously the Secretariat Managed Project Review), Terminal Evaluation Review (TER) and findings from thematic and cross-cutting evaluations. The PPRs will be presented to the Council May meetings.

9. The annual *Project Implementation Review (PIR)* will be based on GEF Implementing Agencies' reporting from all ongoing projects under implementation for at least a year, following guidelines developed by the Monitoring and Evaluation Coordinator. The PIR has two purposes (1) to provide a comprehensive overview of the GEF portfolio and trends in performance, and (2) to highlight emerging themes or issues which require attention. The Implementing Agencies will assess and rate each project on implementation progress and the likelihood that its global environmental objectives will be achieved. PIRs measure project performance against the project's objectives and rate risks exposure and mitigation actions taken by the project. Projects that have had a mid-term and final evaluation will report on co-funding and leveraged financing. As part of the PIR process, the Implementing Agencies prepare an overview report that addresses portfolio trends, prospects of sustaining and/or replicating project-supported activities following completion of GEF funding and other issues that vary year by year. As the portfolio matures the number of projects reported under the PIR has increased steadily from 171 in 2000 to 272 in 2002. This upward trend is expected over the next years.

10. The *Specially Managed Project Review (SMPR)*—previously termed the Secretariat Managed Project Review) aims particularly to assess whether projects are implemented in conformity with project objectives and GEF policies, standards and procedures, especially

concerning attainment of global environmental objectives. SMPR is complementary to the existing M&E mechanisms in the GEF. In 2002 the SMPR was implemented as a pilot scheme which included the review of 15 projects – 8 as field reviews and 7 as desk reviews. It is expected that about 15 SMPRs will be conducted each year. The experiences of the pilot phase were mostly positive. However, a number of amendments have been made for the 2003 review. There are two main outputs from the SMPR process: individual SMPR for each of the projects reviewed which are prepared as working papers and are made accessible upon specific demand. The aggregate report will be published as an information paper to the Council May meetings and subsequent meetings.

11. **Terminal Evaluations (TEs)** are completed by the Implementing Agencies, generally after project closure. They are primarily intended for generating lessons, but also to contribute to accountability of resource use within the IAs and vis-a-vis the GEF Council. TEs are required to uphold a general minimum standard, but will otherwise vary among the IAs in terms of contents and number of staff-week inputs by independent evaluators. **Terminal Evaluation Reviews (TERs)** are conducted and implemented by the M&E Unit, and are primarily a tool for learning lessons both on individual projects and across the portfolio. They will be further developed to have accountability functions. Their usefulness depends on the quality of the TEs. The number of TERs to be completed annually will be about 25 in the beginning of the period, but will increase significantly towards 2006.

#### **ENHANCED PERFORMANCE MEASUREMENTS**

12. There will be further efforts to develop and amend program indicators. Two assignments on measuring results in the biodiversity and international waters areas were initiated in 2001 and will be completed in June of 2003. However, additional work in developing indicators for sustainable use in biodiversity is planned for 2004. In accordance with a specific recommendation from OPS2, the M&E unit will, in cooperation with the GEF Secretariat and the IAs develop GEF specific indicators for stakeholder involvement in 2003-04. In 2000 a set of indicators for capacity development was identified in a working paper entitled Integrating Capacity Development into Project Design and Evaluation (Working Paper No. 5/2000). This document will be expanded in FY04. As a follow up to the Replenishment negotiations, the M&E Unit will, in cooperation with the agencies, establish indicators on Implementing and Executing Agency mainstreaming of global environmental policies pertaining to GEF. The enhancement of program indicators is expected to have a positive effect on project indicators. At the same time the Implementing Agencies are undertaking portfolio improvement plans. This will contribute to upgrade M&E components in projects and facilitate enhanced performance measurements.

#### **CROSS-CUTTING EVALUATIONS**

13. Cross-cutting evaluations provide the opportunity to assess topics of concern to all operational programs. The Review of Financial Arrangements in Biodiversity Projects is presented as an Information document to the May 2003 Council meeting (GEF/C.21/Inf.13). The

Review of GEF's Engagement with the Private Sector is reported as in interim Information document (GEF/C.21/Inf.8). Its final report will be presented at the 2003 fall meeting.

14. Many GEF evaluations and reviews, including OPS 2, have pointed to the lack of clarity on the links between global environmental objectives and the local benefits at community or national levels. No systematic empirical evidence and comprehensive analysis from the GEF portfolio exists. To fill this void and promote the sharing of knowledge and good practice in this area, a Study on the Nature and Role of Local Benefits in GEF Program Areas has been initiated and will be completed during FY05. This study will assess the benefits that GEF-supported projects have promoted at the community level and the links between local and global environmental benefits. In many cases, the actual costs of activities targeting local benefits and stakeholders are regarded as "baseline activities" and does not constitute the "increment" that GEF finances. As such, the costs have mostly been met by the Implementing Agencies, co-financiers, the governments and/or the communities themselves. Nevertheless such benefits are an integral part of the overall intervention strategy, particularly since they are essential to secure long term sustainability of the global benefits. This study is co-funded by three bilateral agencies and the GEF M&E budget.

15. *Two new cross cutting studies* will be identified for implementation from the third quarter of FY05. Some possible themes include: participation, capacity building, policy formulation, technology comparisons, funding arrangements, management and operational responsibilities, and practices in project monitoring and evaluation and application of lessons learned. Proposals for the themes are welcome from all GEF partners.

#### **PROGRAM AND POLICY EVALUATIONS**

16. Program studies will play a crucial role in the preparation for the Third Study of the GEF's Overall Performance (OPS3). They will cover the full scope of GEF operational programs, including policy, programmatic, technical and operational issues and will make use of all available data such as PIR, SMPR, crosscutting evaluations and mid-term and terminal project evaluations. In addition, they would include specific field work under Option 2 (see below). The program studies in biodiversity, climate change and international waters will be initiated and completed in FY04. The reviews of the ozone, Persistent Organic Pollutants (POPs) and integrated ecosystem (OP 12) programs will be initiated and completed in first half of FY05. The first phase of these studies will consist of efforts to design methodologies and program indicators. Independent consultants and staff from the GEF Secretariat, the Implementing Agencies and STAP will participate in the program studies.

17. The scope of work and depth of assessments of the program studies in biodiversity, climate change and international waters will depend on the budgetary resources available. The M&E section under the GEF Corporate FY04 budget (GEF/C.21/11) is prepared on the basis of the GEF general norm of a 3 per cent increase over the FY03 budget. In Annex I to this paper the M&E budget is presented in two options. Option 1 amounts to \$ 1,935,000, which represents a 3 per cent increase. Option 2 amounts to \$ 2,165,000, which represents a 15 per cent increase. Under Option 1, the program studies in biodiversity, climate change and international waters will

be conducted primarily as desk reviews. Option 2 includes an additional \$ 230,000 to conduct field work in about 10 projects in total. That would enable more thorough assessments of project results and impacts. Option 2 could imply that the OPS3 team would have a more solid basis of project and program reviews available and would spend less time on conducting project reviews at the field level. Thus the team would be able to go more deeply into issues like overall impact in the global context, GEF's effectiveness as a financial mechanism, as well as adequacy of policies and programs.

18. **Country Portfolio Reviews** are proposed as a new M&E modality. These will take a comprehensive look at how GEF projects in selected countries have responded to country policies and priorities and are adapted to development and environment efforts by the government, the community or the private sector. Another key issue is coordination and synergy between GEF activities within a country. It is envisaged that the country portfolio reviews will be made in conjunction with the program studies, in order to economize budgetary resources. The M&E Unit will prepare draft terms of reference for Council consideration. Implementation of country portfolio reviews in FY04 is dependent on the adoption of budget Option 2 (see above).

### **THE THIRD STUDY OF GEF'S OVERALL PERFORMANCE (OPS 3).**

19. The OPS3 process will begin in FY04 with the preparation of the Terms of Reference (TOR) for discussion at the 2003 GEF Council fall meeting. In accordance with the TOR the M&E director will recruit an independent team of consultants to begin its work in June of 2004. The first draft of the OPS3 report will be presented to the May 2005 Council meeting. This schedule will allow for the final report to be completed by the time when the Fourth GEF Replenishment is started.

20. It is proposed that OPS3 will comprise the following key issues:

- the global results and impacts of GEF programs, including linkages among focal areas;
- effectiveness of GEF as financial mechanism for conventions;
- the appropriateness of GEF's institutional arrangements;
- adequacy of GEF policies, strategies, programs and procedures; and
- program and project adherence to GEF review criteria such as country ownership, financial leverage, sustainability, replication and monitoring and evaluation.

### **MEASURING AND VERIFYING GEF-3 STRATEGIC TARGETS**

21. The M&E Unit will measure and verify progress towards achieving the performance targets established for each of the focal areas and their strategic priorities for the GEF3 period (see GEF Business Plan FY04-06 and GEF/C.21/Inf. 11). There will be two major tasks to accomplish this: (1) establish methodologies to measure and verify these targets (based on existing and accepted methodologies) and (2) report annually to Council on cumulative progress

towards targets. In particular, a special report will be prepared by the fall of 2004 as agreed at the Third Replenishment negotiations.

### **FEED-BACK AND KNOWLEDGE MANAGEMENT**

22. An essential and integral part of M&E is the feed-back to the decision-making processes in the GEF at policy, program and project levels. In order to close the feedback loop, more efforts will be made to provide evaluation findings and recommendations in a timely and readily accessible form to the relevant decision makers. The efforts to ensure feed-back and follow-up will partly be done by the GEF Secretariat, and partly by the Implementing and Executing Agencies, as appropriate. This will be reported annually by the M&E Unit.

23. The GEF Implementing Agencies have over the last years made steady efforts to develop knowledge management systems, while little progress have been made on a GEF-wide basis. The GEF M&E Unit will, in collaboration with other teams of the GEF Secretariat and the Implementing, and Executing Agencies, as agreed, develop a knowledge management strategy based on primary user needs and priorities and the latest technologies and approaches. There will be a pilot program in the climate change focal area. As a starting point, a simple protocol as to what constitutes a finding, a lesson and a recommendation will be developed at the same time that substantive issues and learning topics are identified in a trial focal area. This protocol will be used as a guideline to carry out analysis, present lessons and systematically organize information in ways that can be easily retreated, compared and analyzed. Lessons learned on the trial system will be extended gradually to meet the needs of other focal areas. With the approval of the Council there could before the end of the plan period, be in place knowledge systems that relies on publications and the full range of learning tools and methods, such as training seminars, distance learning, broad participation in evaluations, mentoring, web-based systems, etc. The roles of M&E, the GEF Secretariat, the Implementing and Executing Agencies and STAP need to be defined and agreed, including resources for implementation.



**ANNEX 1**

**Table 2: Proposed FY04 Monitoring & Evaluation Budget**

<i>FY02 Actual</i>			<i>FY03 Budget</i>		<i>FY03 Estimated</i>		<i>FY04 Proposed</i>		<i>FY04 Proposed Option 2</i>	
<i>StfYrs</i>	<i>\$m</i>	<b>Corporate Management Activity</b>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
3.2	1.071	Studies, Reviews/PIR, SMPR	4.1	1.385	4.1	1.385	3.2	1.115	3.2	1.115
1.4	0.468	Communication/Knowledge Mngmnt	1.5	0.490	1.5	0.490	1.8	0.590	1.8	0.590
-	-	Program Studies - three focal areas					0.8	0.230	1.6	0.460
<b>4.6</b>	<b>1.539</b>	<b>TOTAL</b>	<b>5.6</b>	<b>1.875</b>	<b>5.6</b>	<b>1.875</b>	<b>5.8</b>	<b>1.935</b>	<b>6.6</b>	<b>2.165</b>

**Table 11: Proposed FY04 Monitoring & Evaluation Budget**

<i>FY02 Actual</i>	<b>Expense Category</b>	<i>FY03 Budget</i>	<i>FY03 Estimated</i>	<i>FY04 Proposed</i>	
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	
				<i>Option 1</i>	<i>Option 2</i>
0.696	Staff Salaries and Benefits	0.975	0.720	1.004	1.004
0.110	Staff Travel	0.160	0.086	0.210	0.285
0.500	Consultant Fees and Travel	0.500	0.791	0.459	0.614
0.059	Contractual Services	0.060	0.071	0.050	0.050
0.007	Meetings/Conferences/Workshops	0.007	0.008	0.000	0.000
0.079	Office Equipment	0.081	0.110	0.110	0.110
0.046	General Overheads	0.048	0.048	0.060	0.06
0.042	Parent Agency Institutional Services	0.044	0.041	0.042	0.042
<b>1.539</b>		<b>1.875</b>	<b>1.875</b>	<b>1.935</b>	<b>2.165</b>

WORK PROGRAM FY03 - FY06																				
		Calendar Year																		
		2002		2003				2004				2005				2006				
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Portfolio Performance Review (PPR)																			1
2	Secretariat Managed Project Reviews																			2
3	Review of mid-term and final evaluations																			3
4	Knowledge Management																			4
5	Biodiversity - Financial Arrangements																			5
6	Biodiversity - Indicators																			6
7	International Waters - Indicators																			7
8	Private Sector Review																			8
9	Local Benefit Study																			9
10	Indicators for Stakeholder Involvement																			10
11	Indicators for Capacity Building																			11
12	Indicators for Bio Sustainable Use																			12
13	Verification of GEF3 Targets																			13
14	Country Portfolio Reviews																			14
	Focal Areas Program Studies																			
15	Biodiversity																			15
16	Climate Change																			16
17	International Waters																			17
18	Ozone																			18
19	Integrated Ecosystems (OP12)																			19
20	POPs																			20
21	Cross-cutting evaluation 1 (to be defined)																			21
22	Cross-cutting evaluation 2 (to be defined)																			22
23	Third Overall Performance Study (OPS3)																			23
	TORs discussion																			
	TORs to Council																			
	Recruitment of team announcement																			
	Team leader contract																			
	Team selection																			
	First meeting OPS3 team																			
	OPS3																			
	Report to Council																			
24	Replenishment Meetings for GEF4																			24
25	Third GEF Assembly																			25
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
		2003				2004				2005				2006				2007		

Fiscal Year

