

MONITORING AND EVALUATION: WORK PROGRAM AND BUDGET

RECOMMENDED DRAFT COUNCIL DECISION

The Council reviewed document GEF/C.7/5, *Monitoring and Evaluation: work program and budget*, and approves the proposed work program. The Council also approves the proposed budget and authorizes the Secretariat to include the resources requested for the monitoring and evaluation work program in the administrative budget.

INTRODUCTION AND PURPOSE OF THE PRESENT PAPER

1. At its meeting on May 3-5, 1995, the GEF Council reviewed document GEF/C.4/6 "General Requirements for a coordinated GEF-wide Monitoring and Evaluation System." The Council recognized its responsibilities for monitoring and evaluation as elaborated in paragraphs 20(a), (b) and (c) of the *Instrument for the Establishment of the Restructured Global Environment Facility* and reiterated the need for an efficient monitoring and evaluation system. It recognized STAP's role with regard to scientific and technical evaluation. The Council further decided that a Senior Monitoring and Evaluation Coordinator should be appointed, and requested the Secretariat to submit a systematic framework for monitoring and evaluation, a proposed work program, and a proposal for further work on methodology.
2. The purpose of the present paper is to respond to this request. However, since the Senior Monitoring and Evaluation Coordinator was only recently appointed and has not yet started his assignment on a regular basis, the Monitoring and Evaluation framework will not be laid out as extensively as planned. The GEF Secretariat will present a more extensive framework and associated operational budget, and elaborate further on evaluation policy guidelines and procedures before the next meeting.

GOALS AND PRINCIPLES FOR GEF'S MONITORING AND EVALUATION PROGRAM

3. The main aims of GEF's Monitoring and Evaluation program are to review efforts in the four focal areas, including the cross cutting area of land degradation, and
 - (a) Provide assessments of results and accomplishments of GEF;

(b) Document and disseminate lessons learned as a basis for competence building among the Implementing and executing Agencies as well as other actors involved;

(c) Provide a basis for improved management, including adjustments and amendments of policies, strategies, procedures and individual projects; and

(d) Provide a better basis for accountability for resources used vis-à-vis participating countries, other interested parties and the general public.

A FRAMEWORK FOR GEF'S MONITORING AND EVALUATION PROGRAM

4. Monitoring and evaluation work will be carried out in the four focal areas of GEF operations, including the cross cutting area of land degradation. The types and forms of monitoring and evaluation activities envisaged for the first year are:

(a) The development of a GEF-wide monitoring system. This will primarily be a management tool for use by the Secretariat as well as the Implementing and executing Agencies. It will give guidance for correcting and adjusting implementation of individual projects, as well as efforts within specific sectors/areas, countries and the total portfolio. A secondary purpose is to furnish the Council and other concerned parties with an up-to-date picture of the status and prospective outcome of GEF's portfolio. It is proposed that the monitoring report be prepared annually.

(b) The establishment of a system for Project Completion Reviews (PCRs) for all projects. Larger and long-term projects will in addition be subject to mid-term reviews.

(c) The initiation of a number of strategic and cross-program evaluations;

(d) Further work on methodology, particularly connected to the project cycle management and indicator development; and

(e) The preparation of proposals for the development of data bases in conjunction with annual reports on monitoring and evaluation as well as for learning lessons.

ORGANIZATION AND STRUCTURE

5. Pursuant to the Council's request for a systematic GEF-wide framework for monitoring and evaluation, a coordinated approach to a Monitoring and Evaluation effort is proposed, including structures and resources that take into account the nature of GEF activities and the need for the integrated provision of reliable and valid information. This necessitates considerable development work by the Secretariat and the Implementing Agencies to ascertain greater uniformity of standards, criteria, procedures and reporting systems. Monitoring and Evaluation is a shared responsibility by all agencies carrying out GEF funded activities. GEF monitoring and evaluation policies and procedures must be integrated into the operations of all participating agencies at the international, national and local levels. Through participation in seminars and consultations, advice will be sought from STAP regarding the scientific and technical aspects of monitoring and evaluation. Moreover, STAP will advise on the development of indicators.

6. Monitoring will build on the updated data and insights of the implementing and/or executing agencies who will report annually on the implementation status and prospective outcomes of all projects. The Secretariat will be charged with drafting, discussing and preparing formats, in cooperation with the agencies, and performing consistency and quality checks. Other tasks include the compilation and analysis of the data and preparation of an annual monitoring report.

7. Project Completion Reviews (PCRs) and mid-term reviews should conform to agreed outlines/standards and reporting procedures and should be carried out by the Implementing or executing Agencies. The main responsibility for implementing project evaluations will rest with the Implementing Agencies, but an expanding role for the executing agencies is envisaged. These may be self-evaluations or independent project evaluations. Monitoring and self evaluations will be carried out mainly by staff of executing agencies. A distinction needs to be made between these reports and independent evaluations of projects, strategic and cross-cutting issues, to which generally accepted standards for objectivity and independence will apply. Systems of quality assurance and GEF-wide consistency will be further specified in the evaluation policies, guidelines and procedures mentioned in paragraph 2. STAP will provide advice on the scientific and technical aspects of the quality assurance and indicators.

8. The Senior Monitoring and Evaluation Coordinator will, on the basis of work programs approved by the Council, initiate a number of evaluations of strategic and cross-program issues. However, planning and execution will often be made jointly with the Implementing Agencies. Lessons and recommendations from project evaluations and other evaluations will be submitted to the Council in the form of annual reports of evaluation results.

STRATEGIC AND CROSS PROGRAM EVALUATIONS

(a) **Characteristic Features of Good Projects.** It was GEF's policy in the pilot phase to explore very different strategies and project concepts at the same time. This was described as a process of "casting the net widely." Time seems ripe to draw systematic lessons on what approaches, project types and forms of cooperation have proved or seem to be the most promising as well as the most unpromising. A combined desk and field study will seek to identify and document characteristic features of promising and unpromising interventions within various focal areas and different levels of intervention (policy, program and project).

(b) **Project Preparation and Design - A Process Evaluation.** It is generally accepted that in development assistance, project preparation and planning are one important key to project success. The main purposes of this evaluation are to assess:

(i) The adequacy of recipient and executing agency participation (e.g. to what extent projects are country-driven);

(ii) Pace of project processing, usefulness of various steps and multiple layers;

(iii) Degree of objective-oriented planning; existence of baseline data, clarity of expected outputs, assumptions and risks, Monitoring and Evaluation plan.

(c) **New Product Development - Focal Area, Operational Program Strategy, and Country Studies.** Various ideas will be explored with the Implementing Agencies. One option would be to evaluate a sample of GEF-supported efforts to prepare national strategies in response to the global conventions, and determine the relevance of the GEF portfolio in the same countries in view of the conventions, as well as national priorities. It is uncertain whether this should be started in FY 97 or later.

(d) **Methodology Development.** This will be explored further with the Implementing Agencies. An important issue could be to assess the effectiveness of the Logical Framework System for Integrated Project Cycle Management, including planning and evaluation system in the various types of activities in each of the GEF's focal areas. Work on evaluation indicator development in the whole or parts of one focal area with the advice of STAP will also be undertaken.

FURTHER CONSIDERATIONS ON THE MONITORING SYSTEM

9. Within each Implementing Agency monitoring is carried out differently. UNDP and the Bank, for example, have their own carefully designed systems which are not fully compatible. For the purposes of GEF-wide management and accountability vis-à-vis the Council, the Secretariat will set minimum criteria for reporting standards and procedures. Adherence to the standards will permit the GEF to measure implementation progress toward project objectives, and to identify in time actual or impending problems, so that timely corrections and/or additional inputs can be made. The monitoring program shall primarily serve as a management tool which is structured so that it allows the Implementing Agencies, the Secretariat and the Council to have speedy access to information needed for its deliberations, for correcting and amending policies or actions on individual projects, work programs, or the portfolio.

10. The monitoring system will replace and improve the Project Implementation Review that was initiated last year. In cooperation with the Implementing Agencies, the GEF Secretariat will develop a monitoring methodology based mainly on the existing patterns of practice in the Implementing Agencies. The system will also systematize data from mid-term and project completion reviews supplied by the executing agencies. The monitoring function will be fully based on inputs by the agencies, but have some consistency and quality assurance checks.

11. The monitoring and Project Completion Reviews will feed into an annual report on the state of the GEF portfolio. The system will be designed mainly in terms of two sets of issues: Implementation Status and Prospective Outcome.

Implementation Status covers timeliness and adherence to budgets, as well as reasons for delays and cost overruns.

Prospective Outcome covers the likelihood of achieving global environmental benefits as planned or expected, and ascertains the reasons for existing shortcomings, the validity of assumptions, and future problems or risks that could be internal or external to the project.

12. Some components of the system to be developed under this work program already exist in two databases currently in operation. What is required is to bring the various systems together,

making it possible for the Secretariat to report to the Council with consistent data on critical aspects of GEF operations. Monitoring will also provide opportunities for greater stakeholder and NGO participation.

13. The system will firstly be designed on a pilot basis. More intensive monitoring will concentrate first on larger projects, those with good designs, and those where staff are competent and committed. Training will be needed firstly within the Implementing Agencies which will have a central role in the pilot phase and also within the executing agencies which will play an increasing role as the system develops. During the system's progress towards total coverage, it should be able to report on the four focal areas, display frequencies within various categories, and identify areas where corrective action is warranted.

14. In order to shorten the learning feedback loop, Monitoring and Evaluation staff will also offer lessons from experience which can be incorporated into draft appraisal documents. Timely review of project design papers can improve designs, as well as monitoring and evaluation arrangements and the quality of baseline data.

DATABASE LESSONS LEARNED

15. It is proposed to make provisions for access to a textbase on lessons learned from environmental projects. Inquiries will be made about the feasibility and desirability of operating joint databases with the Implementing Agencies or other institutions, The other alternative would be a separate GEF-base. In any case, GEF generated experience or lessons learned should be stored and easily accessed by Implementing and executing Agencies.

RELATIONS BETWEEN NATURAL AND SOCIAL SCIENCE EVALUATIONS

16. Environmental hazards are mostly of a physical or biological nature. In the GEF context these have mostly been caused by political, economic or social processes. The inter-relationships between natural and social processes have been demonstrated by many studies. A case in point is the relationship between the emission of ozone depleting substances and its consequences for people and the ecosystem. The STAP would be well placed to advise on indicators with which to trace the biological and geophysical relationships between environmental stress and the impact on the global environment by various types of interventions. On the other hand, the environmental agenda, as well as GEF activities, are to a great degree directed towards national policies, institutions and human awareness raising, which may be instrumental in remedying global environmental unbalances and stress. The inter-relationships between the natural and social processes have been demonstrated in many studies. The key steps in moving from problem identification to problem solving for such environmental hazards encompass studies of:

(a) The stress, pressure or disturbance to the global environment caused by pollutants, or other agents influenced by human actions;

(b) The present state of the global environment, as well as its own potential for recovery;

(c) The interventions by international, national and civic institutions and actors to remedy environmental stress; and

(d) The impact of the interventions on the global environmental stress.

17. There are still many gaps in our understanding of the interrelationships between the environmental stress and the impact of human response, and there is a need for increased research, both by international organizations and agencies, industries, NGOs and other actors. The evaluation concepts, frameworks and issues will, to a large extent, be developed according to new knowledge of the various components and interrelationships. GEF's Scientific and Technical Advisory Panel (STAP) will play an important role vis-à-vis monitoring and evaluation in this respect.

18. The scope and content of GEF's Monitoring and Evaluation program will be guided by GEF's mission, strategic considerations and programs. The GEF Operational Strategy approved at the Council meeting of October 25-27, 1995 directs (paragraph 1.6) that GEF activities will be designed so as to:

(a) Be consistent with national and where appropriate, regional priorities;

(b) Ensure the sustainability of global environmental benefits;

(c) Reduce the risk caused by uncertainty;

(d) Complement traditional development funding; and

(e) Facilitate effective responses by other entities to address global environmental issues.

19. Evaluation and monitoring will essentially analyze and assess the relevance, effectiveness, efficiency and impact of GEF's strategies and activities. For the promotion of the global environment, GEF activities will, according to the Operational Strategy in brief, be designed to promote and strengthen (paragraph 1.9):

(a) Adequate national policies;

(b) Supportive institutional arrangements;

(c) Necessary human resource development;

(d) Awareness raising and mobilization; and

(e) Public participation.

Other activities (paragraphs. 1.11 - 1.13) are designed to:

(a) Improve environmental information to support decision making and action;

- (b) Address causes of global environmental deterioration;
- (c) Reduce costs of technologies or demonstrate environmentally sound approaches;
- (d) Advance the scientific and technical capacities in recipient countries.

20. The strategy demonstrates GEF's many faceted and cross-disciplinary goals and activities in four diverse focal areas. Since GEF's Monitoring and Evaluation will essentially address issues of whether, and at what cost, the facility's strategic and other objectives have been achieved, multi-disciplinary physical and social science approaches in evaluation would be required. This necessitates consultations routinely with broad spectra of the scientific community. Advice will be sought at various steps in the evaluation cycle from GEF's Scientific and Technical Advisory Panel (STAP), which will play a particularly important role in the identification of indicators. Likewise, a broad relationship with the NGO community is also essential, especially based on their advocacy role and as well as insights and competence in various areas.

WORK SCHEDULING

21. The drafting of evaluation policy guidelines and procedures will have the highest priority and be finalized before the next Council meeting. The work on the monitoring and project evaluation systems will be carried out in parallel with the evaluation policy, but extend into next year. Initial outlines of the evaluations of "Characteristic Features of Good Projects" will be passed on to the Implementing Agencies and other concerned parties for comments in October, for further elaboration and agreements on implementation schedules. Concerning methodology it is envisaged that assessments of the adequacy of Logical Framework Approach for GEF's various focal areas will be made throughout the year, while New Product Development, the specific work on indicators and the textbase will be started during the winter.

BUDGET

22. Stable funding is required for GEF's monitoring and evaluation program. It would be desirable that the Monitoring and Evaluation function is made fully operational during the first fiscal year to be able to analyze options and issues in detail and report on broad areas of GEF activities. This will require commitments and participation by all members of the GEF family and especially the Implementing and executing Agencies.

23. It is proposed that in the Secretariat the Senior Monitoring and Evaluation Coordinator would be assisted by a Monitoring and Evaluation Officer, administrative support services, and consultants as needed. Overall, it is understood that presently certain Monitoring and Evaluation costs are being charged to projects, and to the administrative budgets in addition to the budget attached hereto. In rationalizing the various means through which the Monitoring and Evaluation budget allocation may be costed, the analysis will also include the needs of the Implementing and executing Agencies for in-house monitoring and evaluation support, and how they are currently costing this support. Part of the work leading to a more detailed program will be to sort out the appropriate cost categories for each of these three budgeting avenues, (GEF core

Monitoring and Evaluation budget, the administrative budgets of the Implementing Agencies, and project grant budgets that include monitoring and evaluations costs).

24. A startup budget estimate is being proposed to cover Coordination Unit set-up and initial operational costs plus consultants and administrative support to prepare initial studies and a more detailed work program. It should be noted that in the May 1995 Monitoring and Evaluation paper submitted to Council, the expert consultants had recommended that the operating budget for the Unit should be between \$2 and \$3 million, not counting the costs of any independent evaluation of the GEF. A supplementary budget with which to carry out the proposed detailed work program system and to further refining evaluation procedures, the Senior Monitoring and Evaluation Coordinator will make recommendations for adjusting the existing patterns of allocation for monitoring and evaluation. This analytical process will uncover some gaps, so that the supplementary budget will also include estimates for the Implementing and executing Agencies Monitoring and Evaluation support, which till then will be funded by existing budget categories and line items or directly through the Monitoring and Evaluation core budget.

Resources for the independent evaluations will be proposed for use either by the Senior Monitoring and Evaluation Coordinator, by the Implementing Agencies, or both parties according to competence and capacity.