

GLOBAL
ENVIRONMENT
FACILITY

GENERAL REQUIREMENTS FOR A COORDINATED
GEF-WIDE MONITORING AND EVALUATION SYSTEM

GEF Council Meeting
Washington, D.C.
May 3 - 5, 1995

DRAFT COUNCIL DECISION

The Council reviewed document GEF/C.4/6 and approved the scope for the monitoring and evaluation program outlined in the document, including both project-level and GEF-wide monitoring and evaluation activities. The Council requested the Secretariat, in consultation with the Implementing Agencies, to develop operational guidelines concerning project level monitoring and evaluation activities.

In order to facilitate the early and effective implementation of the monitoring and evaluation program, the Council requests the CEO as a first step to appoint in the Secretariat a Senior Monitoring and Evaluation Officer, who will be responsible for operationalizing the GEF-wide monitoring and evaluation work program. The Secretariat is requested to include in the GEF business plan the monitoring and evaluation component, with a corresponding line item in the GEF corporate budget.

CONTENTS

EXECUTIVE SUMMARY	1
Purpose of the present paper	1
Distinctive GEF features affecting monitoring and evaluation	1
Proposed Structure of a GEF-wide M&E program	2
Proposed organization and funding of the M&E program	3
Rationale for the GEF's M&E program	3
The need to move ahead	4
I. INTRODUCTION	5
II. THE SPECIAL NATURE OF THE GEF FROM A MONITORING AND EVALUATION PERSPECTIVE	7
Distinctive features	7
Purposes of monitoring and evaluation	9
III. WHAT WOULD BE EVALUATED, WHY AND HOW?	10
A framework for GEF's M&E program	10
Methodological approaches and issues	10
IV. ORGANIZATION, STRUCTURE, STAFFING, AND FUNDING FOR THE M&E PROGRAM ...	15
Funding for a GEF-wide monitoring and evaluation program	17
FIGURE: FRAMEWORK FOR THE GEF'S MONITORING AND EVALUATION PROGRAM	12

EXECUTIVE SUMMARY.

Purpose of the present paper

1. An innovative and pioneering initiative like the Global Environment Facility (GEF), which addresses an issue as critical as the protection of the global environment, must produce strong evaluative information that tells whether, and in what important respects, the initiative is working well or poorly. Such information is needed not only to improve the effectiveness of the initiatives' performance as it proceeds, and to account for its successes and failures over time, but also and especially to create widening ripples of impact by increasing global environmental awareness and knowledge world-wide. Accordingly, the GEF Council requested that the GEF Secretariat submit a paper on the monitoring and evaluation of GEF operations for its May 1995 meetings. This paper responds to that request and lays out a set of concepts concerning the goals, scope, evaluative approaches, organization, procedures and resources needed for an effective program to monitor and evaluate performance GEF-wide. Pending Council guidance on the scope of the GEF's M&E workprogram that it requires, this paper stops short from presenting a detailed M&E workprogram with its accompanying budget.

Distinctive GEF features affecting monitoring and evaluation

2. There are five features of the GEF initiative that determine the general characteristics of its monitoring and evaluation (M&E) program. These are:
- (a) The global scope of environmental concerns the GEF addresses involving the participation of over 100 countries in 200-300 projects with commitments of about \$3.0 billion over the period of the pilot phase and GEF1.
 - (b) The special requirements on public information, transparency, and stakeholder consultation;
 - (c) The nature of GEF's operational structure (three co-equal Implementing Agencies acting through a large variety of Executing Agencies, three conventions which provide policy guidance, country governments, and non-governmental organizations to implement both investment and capacity-building projects at local sites);
 - (d) The evaluative challenges inherent in determining the global benefits of its focus (climate change, biological diversity, international waters, ozone depletion, and associated land degradation); and
 - (e) The need to evaluate not only the primary GEF goal of achieving specific global environmental improvements in the four focal areas, but also three other goals that are instrumental to attaining the first goal:
 - (i) to learn from the GEF experience and to disseminate that learning on an ongoing basis, GEF-wide;
 - (ii) to build institutional capacity in managerial, environmental and evaluative skills;

- ✓ (iii) to influence attitudinal change vis-a-vis the global environment, as expressed in new or modified legislation, policies and practices both GEF-wide and beyond.

3. How do these features affect monitoring and evaluation? First, the size and nature of the GEF initiative drive the size and nature of its M&E program. Second, GEF's structure involving equal partners means that M&E must be a coordinated responsibility of all the agencies and projects carrying out GEF-funded activities, and that it must be deeply integrated into their operations if adequately valid and reliable information is to be generated on GEF accomplishments. Third, the evaluative challenges involved in assessing the impacts of projects implemented in the four focal areas signify that a number of M&E approaches will need to be used and that a number of technical difficulties particular to environmental evaluation will need to be overcome. Finally, the four goals to be evaluated—learning and dissemination, capacity-building, attitudinal change and environmental impact—call for long-term perspectives and continuing M&E processes for measuring results over time.

Proposed structure of a GEF-wide M&E program

4. The GEF M&E program proposed in this paper provides for: (a) the development and continued existence throughout the life of the GEF initiative of an information collection (monitoring) system that furnishes consistent data across all GEF projects and institutions; and (b) the planning, implementing, and monitoring of special GEF-wide evaluations.

5. The establishment of such a program requires that a number of functions be carried out:

- Guidelines must be produced for a unified monitoring system that involves common project-cycle procedures and consistent data inputs building on the work already accomplished individually by the Implementing Agencies;
- Project-level M&E plans must be included in all projects accepted for GEF funding;
- Technical review of the feasibility and soundness of project-level M&E plans must be conducted;
- The degree and quality of project implementation must be assessed as a prerequisite for impact evaluation;
- Project findings and lessons learned must be technically, as well as operationally, reviewed prior to their dissemination; and
- Planning for GEF-wide impact evaluations must begin as soon as possible because of the need to collect baseline data;
- Planning for evaluations of GEF and country operational strategies must also be undertaken in conjunction with the development of these strategies.

Proposed organization and funding of the M&E program

6. A coordinated approach to the M&E program's organization and funding is proposed that takes into account both the complex nature of GEF operations and the need for the integrated production of evaluative information. This approach calls for:

- the sharing of M&E program responsibilities among the three Implementing Agencies and the Secretariat;
- the creation of an M&E coordinating unit within the Secretariat; and
- funding for the M&E program on the basis of between one and two percent of the GEF budget (this works out to be between \$4-8 million annually to fund the M&E responsibilities of the Implementing Agencies and GEF-wide M&E coordination activities within the Secretariat).

Rationale for the GEF's M&E program

7. This proposal thus calls for a major, continuing undertaking on the part of the Secretariat, the Implementing Agencies, and other GEF stakeholders. It is, therefore, important to be very clear about why such an undertaking is viewed as essential for the GEF initiative.

- First, by ensuring the documentation and effective dissemination on an ongoing basis of what is being learned, M&E helps the entire GEF enterprise to become progressively more cost-effective by building in the lessons of both successes and failures early enough for them to make a difference;
- Second, because of the nature of GEF implementation—across three large Implementing Agencies, a number of Executing Agencies, a variety of sovereign nations, and a multiplicity of project types (in four focal areas) and sites—a coordinated M&E system is a necessity for producing the consistent GEF-wide information that will allow GEF accomplishments to be determined;
- Third, the size of the resources deployed for GEF means that accountability is a critically important issue; the coordinated M&E program is a prerequisite for establishing cost/effectiveness based on transparent procedures, oversight and data-based reporting;
- Finally, the coordinated M&E program adds significantly, in its own right, to the GEF's learning and capacity-building goals because: (a) it facilitates the use—in the appropriate projects—of the best existing scientific knowledge to monitor (in some cases for the first time) the environmental changes sought by the program in the four focal areas; (b) it ensures the development of monitoring and evaluation skills GEF-wide; and (c) the coordinated M&E program enables the measurement of impact. Without it, it would not be possible to achieve a comprehensive assessment of GEF's effectiveness.

8. In short, a coordinated M&E program is not only instrumental to the measurement of progress, it is also an intrinsic part of that progress. As such, it needs to be closely integrated with project and program activities as the tool of development it is. That is, it should not be

treated as a part of administration or overhead, but rather funded as a program cost to ensure optimal effect.

The need to move ahead

9. Urgency exists with regard to implementing an M&E program in the GEF. It will take time to agree on guidelines, install new procedures, develop adequate project-level M&E plans, and achieve a unified monitoring system producing consistent data GEF-wide that is up and running. Yet the data that will be needed to serve as baseline information cannot be collected until the system is in operation. The problem here is that baseline data, once slipped cannot be recaptured and project implementation is currently proceeding. In short, if any GEF-wide questions are to be answered at all, it is imperative to install common project cycle procedures, consistent data collection, and a M&E coordinating unit as soon as possible.

10. In order to provide a fully professional M&E service to the GEF a staff of about three professional evaluators would be required. Such staffing could be phased in as the work program develops and intensifies and as Council requirements are determined. It is important that as a start a Senior Monitoring and Evaluation Officer be appointed in the Secretariat as soon as possible.

I. INTRODUCTION

11. The Council requested that the Secretariat submit a paper on the monitoring and evaluation (M&E) of the GEF operations for its May 1995 meeting. This report responds to that request and sets out general requirements for developing a coordinated M&E program in the GEF. The Council's request reflects the provisions of the "Instrument" which states in various places the responsibilities for monitoring and evaluation:

"14. The Assembly shall:

- (b) Review and evaluate the operation of the Facility on the basis of reports submitted by the Council;

15. The Council shall be responsible for developing, adopting and evaluating the operational policies and programs for GEF-financed activities...;

20. The Council shall:

- (a) Keep under review the operation of the Facility with respect to its purposes, scope and objectives;
- (b) Ensure that GEF policies, programs, operational strategies and projects are monitored and evaluated on a regular basis;
- (c) Review and approve the work program referred to in paragraph 29, monitor and evaluate progress in the implementation of the work program and provide related guidance to the Secretariat....;
- (f) Approve and periodically review operational modalities for the Facility, including operational strategies and directives for project selection, means to facilitate arrangements for project preparation and execution by organizations and entities referred to in paragraph 28, additional eligibility and other financing criteria in accordance with paragraphs 9(b) and 9 (c) respectively; procedural steps to be included in the project cycle, and the mandate, composition and role of STAP;
- (h) ...ensure that GEF-financed activities relating to the conventions ...conform with the policies, program priorities and eligibility criteria decided by the Conference of the Parties for the purposes of the convention concerned."

12. In carrying out these responsibilities, the "Instrument" specifies that:

"21. The Secretariat shall, on behalf of the Council, exercise the following functions:

- (c) In consultation with the Implementing Agencies, ensure the implementation of the operational policies adopted by the Council through the preparation of common guidelines on the project cycle. Such guidelines shall address project identification and development, including the proper and adequate review of project and work program proposals consultation with and

participation of local communities and other interested parties,
monitoring of project implementation and evaluation of project results”

13. These provisions on GEF responsibilities for monitoring and evaluation arose from the conclusions and recommendations of the “Independent Evaluation of the Pilot Phase.” As the Pilot Phase of the GEF was coming to an end and the Participants were moving to consider a restructured Facility and new funding, they asked at their meeting in December 1992 that an independent evaluation of the pilot phase be undertaken to assist them in their planning for the new Facility. This evaluation, following the Terms of Reference set forth by the Participants at their March 1993 meeting, was completed and presented to them in December 1993.

14. One of the key points made in the evaluation was the importance of an effective monitoring and evaluation system. The independent evaluation found that the GEF “has not been successful in establishing a mechanism for systematically learning from experience as a GEF-wide operation” and “no GEF-wide system had been set up to systematically gather and disseminate this information and to track and monitor GEF strategies, operations, and projects.” The report also pointed out that:

- “Such a system should not be left to each implementing agency to develop independently with different approaches and requirements. Rather, it should reflect an integrated approach on data requirements and analysis that are independent of individual implementing agency operations;
- standards should be set for comprehensive databases and information systems in order to assist implementing organizations to create monitoring and evaluation systems within their GEF programs and projects;
- resources should also be available for periodic evaluation of specific topics of interest to the GEF portfolio;
- a careful review should be made of those projects in the pilot phase that have experienced serious design and implementation problems and thus delays.
- a permanent mechanism should be established in the Secretariat of the GEF for the ongoing monitoring and evaluation of GEF strategy, programs and projects;”

15. With these considerations as background, the Secretariat has provided in this paper a set of concepts laying out the goals, scope of evaluative activity, organization, procedures, and funding needed for an effective program in the GEF to monitor and evaluate its performance. Once these concepts are agreed to by the Council, work can then proceed to develop in detail the various components of the program and its accompanying budget and introduce them into GEF operations.

16. The next section (Part II) provides an overview of the distinctive characteristics of the GEF as they bear on the design and operation of a M&E program. Part III then examines what should be evaluated, based on four main GEF goals, and presents an overarching framework to guide GEF M&E activities. This section also reviews feasible methodological approaches and discusses the major evaluative issues that will need to be addressed. The organization, structure, and resources needed for a coordinated M&E program in the GEF are outlined in Part IV. Finally, Part V presents a summary of the Council decisions requested.

II. THE SPECIAL NATURE OF THE GEF FROM A MONITORING AND EVALUATION PERSPECTIVE

17. The design of a monitoring and evaluation program for the GEF must take into account the distinctive features of the GEF. This is necessary if the GEF is to fulfill its goals and the expectations of the various groups that have a stake in its operations. This section identifies these features and their significance for a GEF M&E program. It concludes with a summary of the main purposes of monitoring and evaluation for the GEF.

Distinctive features

18. *GEF goals* As it is expressed in the "Instrument", the GEF goal is to achieve global environmental benefits in four focal areas (climate change, biological diversity, international waters, and ozone depletion, as well as land degradation associated with these focal areas) through international cooperation, partnership, and collaboration across many diverse institutions. Related and instrumental to the achievement of that goal, which involves addressing a number of scientific, technical, and managerial challenges, is the ability to learn from the GEF experience over time; to build capacity across stakeholders and participants in the program; and to influence attitudes vis-a-vis the global environment within recipient countries and involved organizations. Indeed, learning, capacity-building, and enhanced global environmental awareness can be viewed as prerequisites for achieving and sustaining the global environmental benefits sought. To appropriately document GEF's achievements, then, its M&E program will need to be able to assess (with indicators) the evolution of change in these four areas, that is:

- knowledge acquisition;
- capacity improvement;
- attitudinal change; and
- global environmental impact.

19. These four areas, thus, constitute the major program goals for GEF's M&E program. All of the goals call for long-term perspectives and require continuing processes for measuring results over periods beyond those typical for development assistance modalities.

20. *Global awareness and learning from experience.* Owing to its global character and its responsibility for multiple focal area interests and their interrelationships, the GEF has an important role in supporting efforts to promote an awareness of global environmental concerns and the results of efforts to mitigate adverse impacts. Beyond this, it has a special role in learning what works in program operations and making this knowledge available to participating countries, organizations and influential leaders at all levels of GEF activity. A first priority in this regard is facilitating the learning from the experience of the GEF's pilot phase, once its projects are implemented and evaluated. Learning should also be expected in a variety of other areas, including learning related to institutional development, learning related to the project cycle (i.e., planning, managing and implementing projects that are likely to be sustainable over time), and learning related to the valid and reliable measurement of environmental change. In order to fulfill these responsibilities, the GEF will need to put in place a system of monitoring and evaluation that generates this knowledge. It will also need to develop a comprehensive

arrangement for the dissemination of this knowledge, using advanced techniques for information access and utilization in close association with M&E work.

21. *Linkages with national and regional environmental strategies.* Integral with the process for goal achievement is the linkage of GEF activities with the national development and environmental plans and strategies of the recipient countries. This is important for two reasons: learning and impact are both facilitated when priorities are concerted rather than in tension with each other, and sustainability is unlikely without vigorous country interest. The GEF M&E program will need to assess how the global dimensions of the focal areas are incorporated into these plans and strategies at national and regional levels. An important aspect of this linkage will be changes (and their measurement) in the environmental behaviors of national and regional organizations in areas of policy and practice bearing on the protection of the global environment.

22. *Multiplicity of governance bodies and stakeholders.* In addition to its own governance arrangement with an Assembly and Council, the GEF also has other important stakeholder interests. The relationship with the Conferences of the Parties for Climate Change and Biological Diversity involve the provision by the Conferences of policy guidance to the GEF along with the return flow of information from the GEF to the Conferences. Other stakeholders include the governing bodies of the three Implementing Agencies—UNEP, UNDP, and the World Bank. The World Bank, in addition, has the fiduciary and administrative responsibility for the GEF Trust Fund. Each of these governance arrangements has common and unique requirements for information on GEF performance that a GEF monitoring and evaluation program will need to provide. Beyond these formal relationships, a wide range of stakeholders (governments, NGOs and local communities) are involved in GEF programs and have important interests in GEF performance. They also will want to be kept informed about GEF performance.

23. This multiplicity of formal and informal relationships calls for the GEF to be able to provide a continuing flow of information on program status, performance and impact. This is important so that these bodies can fulfill their own responsibilities. It is also important to maintain efforts for promoting awareness of global environmental concerns and to sustain a broad base of international support for the GEF. A key aspect of these relationships is the requirement for full transparency in GEF operations; GEF monitoring and evaluation processes and reports will, thus, need to be open and the findings and recommendations widely shared.

24. *Multiple implementing organizations.* The GEF depends on a large number of actors: Implementing Agencies and Executing Agencies (international and national, public and private) for carrying out projects funded by the GEF and for providing complementary funding. The primary relationship in implementation is through the three Implementing Agencies — UNEP, UNDP, and the World Bank. These three organizations, in turn, have responsibilities for making “arrangements for GEF project preparation and execution by multilateral development banks, specialized agencies and programs of the United Nations, other international organizations, bilateral development agencies, national institutions, non-governmental organizations, private sector entities and academic institutions...”

25. In view of this organizational arrangement for carrying out GEF-funded activities, the concepts and practices of monitoring and evaluation will need to be well established in each

project Executing Agency. While this should be a standard requirement for all development organizations, there will be a number of instances where monitoring and evaluation capacities will need strengthening with particular emphasis on capacities to track and assess performance and impact in the focal areas of the GEF. Strengthening the capacities of the Implementing and Executing Agencies for monitoring and evaluation work will, thus, be particularly necessary. These capacities can be enhanced by linkages to a network of universities and other organizations with responsibilities, skills, and interests in global environmental trends and their measurement. These linkages should, however, go beyond typical consultant relationships to provide for the actual transfer of M&E skills.

26. *Ongoing performance monitoring with multiple agencies.* Like any other efficient organization, the GEF Secretariat and Implementing Agencies must urgently have in place a coordinated mechanism for tracking, with periodic reporting, the movements of projects through the project cycle—tracking and assessing implementation performance, barriers to successful outcomes, and impact. The unique situation of the GEF in having multiple Implementing and Executing Agencies requires that such a mechanism will need to build on systems already existing in the agencies but, also and especially, provide for a degree of uniformity of information that serves both standard requirements as well as those unique to the GEF's administration.

Purposes of monitoring and evaluation

27. In light of these distinctive features of the GEF, its M&E program has an unusually important role. In brief, its purposes are to:

- keep the Council abreast of the performance of GEF operations at all stages of the program through periodic reports; project operations in relation to GEF policies and strategies;
- ensure that monitoring and evaluation functions are well established and operating within Implementing and Executing Agencies, the recipient countries and their projects with support for their strengthening; as required, to serve GEF goals;
- establish criteria for measuring performance, results and impact within the areas of GEF interest with particular attention to global benefits in the functional and institutional dimensions of the GEF mandate;
- undertake special evaluation studies related to GEF-wide interests and responsibilities to guide decisions on GEF policies and operations;
- establish a base of information to assist the GEF in meeting its informational responsibilities to the Conventions and other stakeholders; and
- develop mechanisms for the dissemination of GEF program experience as part of a global effort to inform experts and organizations on best practices and operating experience.

28. These are major and demanding responsibilities for monitoring and evaluation in the GEF with its global role and operational setting. Their fulfillment is essential to establish and maintain quality programs in areas that are often pioneering, to advance support for global environmental concerns, and to justify complementary and future funding for GEF objectives.

III. WHAT WOULD BE EVALUATED, WHY AND HOW?

29. Having examined the special nature of the GEF from an M&E perspective, and looked at four closely related goals, it is now feasible to lay out an evaluation framework showing how those goals could be assessed. This third section presents such a framework and then discusses some of the methodological approaches that would be needed to conduct the assessments, and some of the evaluative issues that are important to consider in looking at GEF's effectiveness.

A framework for GEF's M&E program

30. Monitoring and evaluation work will be needed in the four areas indicated by the GEF goals, as shown in figure 1. Each of these goals involves a number of different evaluative questions that call, in turn, for different methodologies. The methodologies include descriptive, normative, pre-post, and impact designs.

31. To assess project-cycle processes, for example, descriptive methods are required to explain what these processes are and identify barriers, delays, and problems, using the kinds of data that are available from a unified monitoring system. To examine the quality of planning or implementation, however, a normative approach is needed that weighs what has been achieved against external criteria for success. To look at changes in capacities or in behaviors typically involves pre-post methodologies and to evaluate impact requires fairly complex cause-and-effect methodologies that measure both the existence of effects and whether those effects were caused by project activities.

32. All of these methodologies, despite their notable differences, have one thing in common: they all require baseline data as a fundamental component of their designs. What this means is that a well-crafted monitoring program is a necessity for evaluating GEF goals and that its data can be used to answer (or partially answer) many important questions about GEF-wide activities. However, a monitoring system is insufficient for conducting impact evaluations or for the kind of in-depth understanding that only qualitative approaches (such as beneficiary or social assessments or case studies) can supply. Therefore, although a GEF-wide monitoring system is indispensable to a sound M&E program, special evaluations will also need to be undertaken either to supplement the data available from the monitoring system or to collect original data targeted to impact or other questions requiring GEF-wide information.

Methodological approaches and issues

33. The GEF M&E program should thus be expected to provide for (1) the development and continued existence throughout the life of the GEF effort of an information-collection (monitoring) system that furnishes consistent data across all GEF projects and institutions; and (2) the planning and monitoring of special GEF-wide evaluations. Such a program would include:

- guidelines governing consistent project-cycle and other data that will need to be available GEF-wide from the monitoring program;

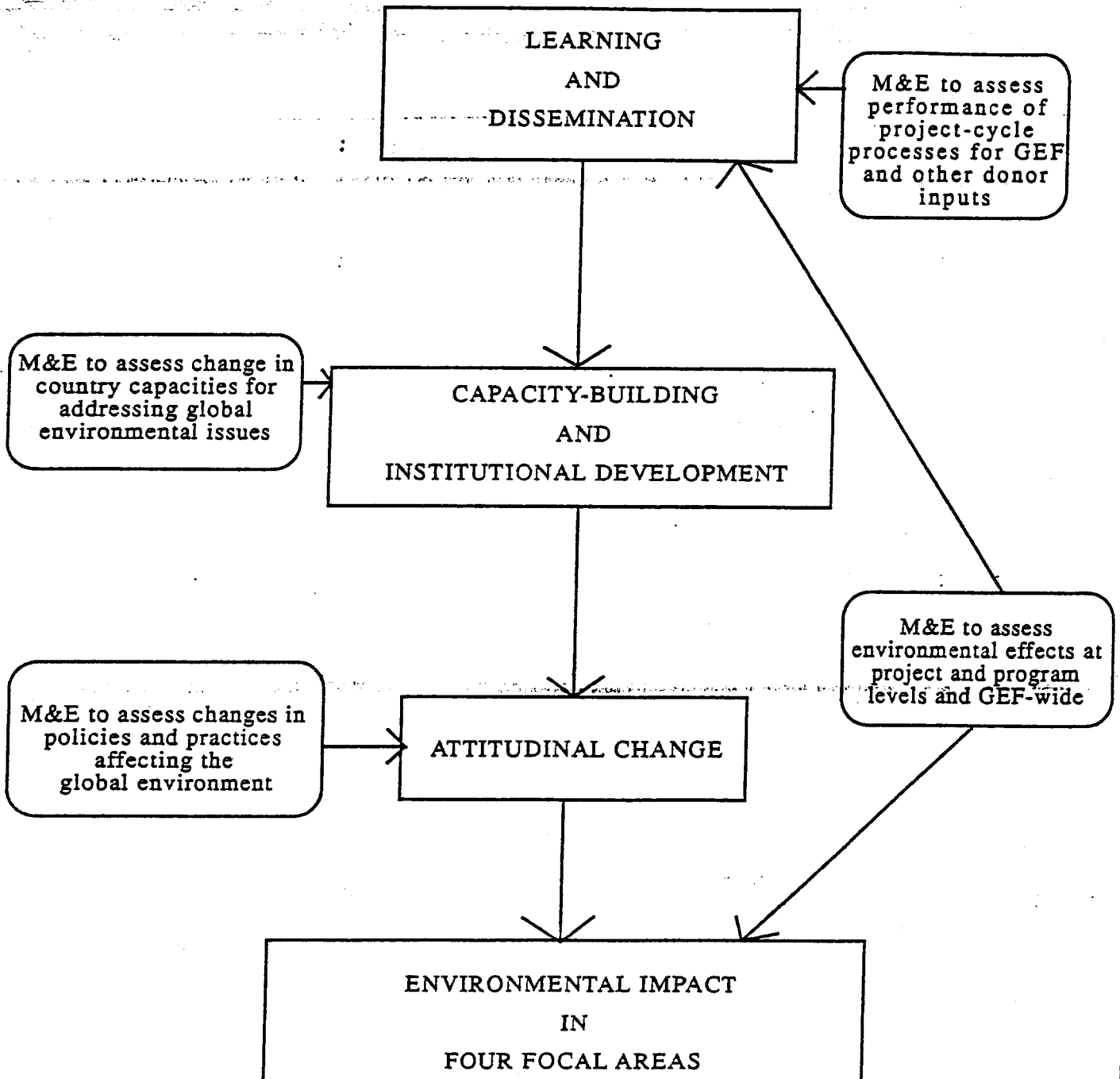
- reviews of the technical soundness and feasibility of project evaluation plans;
- methodological information and advice, when requested, to evaluators participating in the GEF-wide effort;
- reviews of project evaluation findings and information on lessons learned prior to their dissemination GEF-wide; and
- special evaluations that will need to be conducted to cover cross-cutting issues common to the four functional areas and their interrelationships, and;
- special evaluations of country and GEF-wide operational strategies.

34. *Guidelines for a GEF-wide monitoring system.* The major effort here would be to build on what has already been developed by the Implementing Agencies. Much work has been done in thinking out what questions a coordinated system would need to ask, and the principal requirements would be to harmonize data collection across Agencies and to ensure that all the data needed to answer the program questions will be collected. Conversely, it must also be ensured that all the data to be collected are really needed, so as to avoid placing undue data burdens on the Agencies. There is, in fact, some urgency to this guideline development effort because the data that will be needed to serve as baseline information cannot be collected until the system is in operation. The problem here is that baseline data, once slipped, cannot be recaptured, and project implementation is currently proceeding. In short, if the M&E function is to be able to answer any program-wide questions at all, common project-cycle procedures and consistent data collection must be installed GEF-wide as soon as possible.

35. *Review of project evaluation designs.* One way to ensure the technical soundness and feasibility of funded projects is to insist that adequate project evaluation design be a condition of funding. At present, there is no requirement that projects present evaluation plans and many are now going into implementation without even having developed criteria for success. This is a problem for four reasons. First, it will be difficult to do a sound evaluation at the project's end. Second, the absence of an evaluation plan means that little emphasis is being placed on conducting such a project evaluation. Third, unless the M&E plan presents evidence to show targeting of funding to a major global environmental problem, it may be difficult to demonstrate that impact has in fact been achieved at the end of the project. And finally, if a significant number of projects do not perform evaluations (or perform them inadequately), then questions of GEF-wide impact will not be answerable using project-level evaluations, and other efforts will need to be considered using much more expensive original data collection. This decision on requiring projects to present an evaluation plan as a condition for funding, then, has important implications for the size and funding of the GEF M&E unit.

Figure 1

FRAMEWORK FOR THE GEF'S MONITORING AND EVALUATION PROGRAM



36. *Methodological advice.* Environmental evaluation is in some ways more difficult than other kinds of evaluation for several reasons. To begin with, there is less experience in the field because the field itself is much newer than, say, education or public health. There is still considerable uncertainty—in areas like biodiversity or international waters—about what to measure and how to measure it, although this is much less true for global warming and ozone depletion. Another special problem is that there is usually a long lag-time between exposure to a pollutant and evidence of an environmental problem, which can make it hard to identify the factors responsible, especially in ecologically complex subject areas. Measures of pollution severity are of fairly recent origin (e.g., tons of toxic air releases, acid rain precursors such as sulfur and nitrogen oxides, per capita greenhouse emissions or tons of CO₂ generated, pounds of toxics released to surface waters, etc.) Similarly, new biological criteria for measuring water quality and new ways of evaluating changes in pollution—using a quasi-experimental design calling for time-series data—are now available and highly promising.

37. In particular, employing specialized monitoring systems that provide time-series data is a measurement tool that could be of great utility to project evaluators and managers. It requires that the monitoring system be designed to establish baseline data and trends—via regular measurement—on the status of a particular environmental variable expected to be impacted by a project. Such data allow the evaluator (1) to forecast, based on past trends, what the status of that variable would have been if the project had not been implemented; (2) to note what changes occurred in the status of the variable after the project was implemented; and (3) to subtract the data showing residual pollution after implementation from the data showing what would have been the case without the project, to determine net impact. This tool has been especially useful for measuring the prevention or avoidance of increases, something which is otherwise very difficult to do.

38. All of these considerations point to the importance of making more methodological advice available to project-level (and other) evaluators within the program.

39. *Review of project-level information prior to dissemination.* A review of the analytical support for project findings is essential in a self-evaluating effort like GEF where institutional learning is a major goal. In such a situation, expert methodological reviews help to separate strong findings from those which are less conclusive. In this way, the dissemination of lessons learned can distinguish among findings by presenting appropriate technical caveats when needed, and by highlighting the strongest findings. In addition to ensuring that misleading information will not be disseminated, this type of review has important capacity-building components for evaluators and managers alike. As such, it should be done in conjunction with the Implementing Agencies' regular project reviews.

40. *Planning for GEF-wide impact evaluations.* Even with the generalized existence of project level evaluation plans, there will be a need to plan for several cross-cutting impact evaluations. Although these may appear to be far off in the future because of the slow progress of program implementation to date, still, in light of the particular challenges of environmental evaluation, planning for these difficult efforts needs to begin as soon as possible. Two methodological issues are especially important in such planning: (1) the need to study

implementation thoroughly to understand the degree to which planned activities were actually put into operations; and (2) the types of impact designs that might be feasible for GEF.

- *Studying implementation.* A critical link between the activities of a program and whether or not they had an effect is the degree to which those planned activities were carried out. So before looking at program impact for GEF, it is necessary to determine whether those projects whose impact is to be studied were, in fact, fully implemented. This is a critical issue here because the GEF policy setting is broad, complex, and full of difficulties that are likely to delay, confound and weaken implementation in GEF projects. Many differently-motivated stakeholders are involved in many of the projects with differing implementation philosophies and differing views of the importance of evaluation at local, national, and international levels. Studying the ramifications of this complex setting on project operations is, then, needed for three reasons: (1) to understand the strength of the project's implementation, (2) to help account for differences across similar projects, and (3) to make cogent recommendations for ongoing project-cycle or program modifications.
- *Evaluating impact.* The quasi-experimental design using time-series data was discussed earlier as a method for determining environmental impact at the project level in those focal areas (climate change and ozone depletion) where the scientific knowledge of what to measure and how to measure it is available. The method may be too costly at present to be applicable GEF-wide, although this could change over time. Another method for measuring impact might be to examine the effects and experience of, say, ten fully implemented projects in each focal area and make structured comparisons on a few variables with matched areas where the interventions did not occur. This would be a very useful effort from a number of viewpoints, but it is contingent on the existence of considerable project-level evaluation skill, especially in data collection and analysis. A third method might be a set of case studies of similar projects, involving expert scientific observation and opinion about the effects of these projects and how they could have been improved. Joined to this scientific assessment would be a pre-post opinion survey of NGOs, Executing Agencies, project staff, beneficiaries, and other stakeholders knowledgeable about the project experience. Although this method would provide only opinions about impact, still, they would be extremely educated opinions and the effort would unquestionably yield valuable, documented information on process, participation, and project-cycle performance, along with information on environmental effects. The method calls for careful sequencing, because it will be necessary to choose the sites for investigation early to allow for the scientific observation that would be needed over the implementation period.

41. *Evaluation of country and GEF-wide operational strategies.* Periodic evaluations of country and GEF-wide operational strategies and their objectives will be required once they are established and have been in operation for a period of time. These evaluations assess the performance of the strategies against their stated objectives, plans, and expectations and guide decision-makers on the need for changes in their strategies. They would give particular attention

to how the GEF's global, as distinct from national, environmental interests are being addressed, how resources have been allocated against priorities and in project funding, how alternative technologies and approaches (e.g. participation) are being employed and working, and what progress has been made in achieving learning, attitudinal change, and capacity building goals. They would require a normative approach and draw on the results of monitoring systems and project and other evaluation work.

42. Overall, it seems clear that a number of methods will be needed to answer impact questions, as well as the descriptive, normative, and pre-post questions also discussed. The M&E program should recommend, and rely on, a mix of highly diverse methods, moving from the rigorous (e.g., the quasi-experimental design needed for time-series analysis) through the less rigorous (e.g., implementation surveys, structured interviews, or process analysis) to the qualitative (e.g., participatory approaches or beneficiary assessments). In this way, it should be possible to bring together differentially conclusive but complementary evidence that can provide answers not only to the questions of environmental impact but also to the questions about program processes and institutional development that lead to learning and improved future environmental practice.

IV. ORGANIZATION, STRUCTURE, STAFFING, AND FUNDING FOR THE M&E PROGRAM

43. Moving now from the discussion of the goals and functions of a GEF M&E program, this section proposes a coordinated approach to M&E organization and resources that takes into account both the nature of the GEF initiative and the need for the integrated production of reliable and valid information.

44. *Guiding principles.* The organization and structure of the GEF's Coordinated M&E Program should reflect the following premises:

- The M&E program should be coordinated and guided by the Secretariat to ensure uniformity of standards and criteria, procedures, and reporting so that the GEF-wide objectives and performance can be tracked, analyzed, and assessed—consistently and fairly.
- Monitoring and evaluation is a responsibility of all the agencies involved in carrying out GEF funded activities. Thus GEF monitoring and evaluation procedures must be integrated into the operations of all participating agencies—international, national, local, public and private.
- The balance between centralization and decentralization of monitoring and evaluation activities needs to be carefully struck—an over-emphasis on one or the other approach could seriously weaken the M&E program's role in serving the learning, capacity-building, and impact goals of the GEF initiative;
- The organization and procedures of the coordinated monitoring and evaluation program should ensure that standards for objectivity and independence are established and widely known.

45. *The Role of the Secretariat.* A focal point within the Secretariat could serve as the principal manager of the GEF's coordinated M&E program. The following paragraphs detail staffing and reporting requirements.

46. In order to provide a fully professional M&E service to the GEF a staff of about three professional evaluators would be required. Such staffing could be phased in as the work program develops and intensifies and as Council requirements are determined. It is important that as a start a Senior Monitoring and Evaluation Officer be appointed as soon as possible. The three positions could be described as follows:

- Senior M&E Officer: monitoring and evaluation coordination plus management of special evaluation studies including the preparation of an annual evaluation agenda, preparing terms of reference for the studies, selecting evaluators, monitoring study progress on a regular basis, and overseeing the preparation of evaluation reports targeted to a variety of audiences both within the GEF initiative and outside of it;
- M&E Officer: coordination of guidance, standards, system development, and integration of monitoring activities primarily related to project cycle processes, reviewing M&E plans within projects, providing support for capacity building for monitoring and evaluation, and annual reporting on portfolio management;
- Dissemination Officer: coordination of reporting and dissemination activities for the Secretariat including the preparation of special reports on GEF performance based on the monitoring and evaluation activity for the Council and other bodies, as directed, the preparation of lessons learned materials, and the development of systems and procedures for dissemination of GEF experience—thus, “putting knowledge to work” on an ongoing basis GEF-wide.

47. In addition, the unit would have the standard administrative support services available to Secretariat staff. The work of the unit, for the most part, would be assigned/contracted out to organizations with special skills in monitoring and evaluation and information dissemination services. As warranted, a number of these tasks would be expected to be assigned to the Implementing Agencies.

48. *Reporting relationships:* In order to preserve objectivity and independence it is common practice to have the senior evaluator report directly to the agency's governing body rather than line management. This is the case, for example, in the World Bank's Operations Evaluation Department (OED) where the Director General reports directly to the World Bank's Board of Executive Directors. Such a system could be employed in this case such that the Senior M&E Officer would be appointed by the Chair and CEO in consultation with the Council, and would report:

- (a) to the Council through the CEO/Chairman of the GEF on matters related to the evaluation studies agenda and reports and;
- (b) to the CEO/Chairman on monitoring activity related to GEF operations, the dissemination of GEF experience, technical services, and for administrative support.

49. However, since the Secretariat is itself functionally independent of the Implementing Agencies, it would be feasible to appoint the Senior Evaluator to a position within the Secretariat with direct line reporting to the CEO/Chairman. This approach would have the advantage of simplicity and better integration with the work of the Secretariat.

50. A separate procedure would be required for any special independent evaluation of the GEF that would be undertaken at the request of the Council. This evaluation, reporting to the Council, would be conducted outside of the Secretariat and Implementing Agencies. Similarly, any evaluation of the Secretariat's performance would require a separate and independent approach, approved by the Council.

51. *STAP.* There would be a special role for STAP to support the Monitoring and Evaluation work program:

- (a) To guide the choice of scientific indicators that would measure project impact in the four focal areas;
- (b) To provide strategic guidance through the STAP Chair's membership on the proposed M&E Advisory Group; and
- (c) To work with the Secretariat on special evaluation studies.

52. *Implementing Agencies.* The Implementing Agencies have a critical role to play in the GEF's coordinated M&E program. To date one encounters in the implementing agencies a number of good examples of how to organize a focal area or project-specific M&E function. These examples would have to be expanded into a comprehensive and systematic M&E program. This would have staffing implications. Each of the Implementing Agencies would have their own monitoring and evaluation focal point for GEF operations in the offices of the GEF Operations Coordinators. To the extent feasible, the Implementing Agencies would arrange for their agencies' central evaluation offices to provide technical support and periodic reviews of their GEF monitoring and evaluation practices and reports as oversight of self-evaluation activity. The Implementing Agencies would also provide technical assistance to participating organizations to develop monitoring and evaluation capabilities.

53. *GEF-wide M&E collaboration.* To ensure the integration of M&E planning, reporting, and dissemination GEF-wide, intensive and extensive collaboration needs to be a feature of the coordinated M&E program. To this end, the Secretariat's Senior M&E Officer would chair an advisory group made up of representatives of the Secretariat, three Implementing Agencies, STAP, and other outside expert technical advisors (including NGO's), as needed. Its meetings should be regularly scheduled so as to become a forum for problem-solving, as well as for the identification of emerging issues and lessons learned.

Funding for a GEF-wide monitoring and evaluation program

54. It is clear from the above discussion that the coordinated M&E program envisaged for the GEF is a major, continuing undertaking on the part of the Secretariat, the Implementing

Agencies, and other GEF stakeholders, and it is, therefore, important to be just as clear about why such an undertaking is proposed as essential for the GEF initiative.

- First, by ensuring the documentation and the effective dissemination on an ongoing basis of what is being learned, M&E helps the entire GEF enterprise to become progressively more cost/effective by building in the lessons of both successes and failures early enough for them to make a difference;
- Second, because of the nature of GEF implementation—across three large Implementing Agencies, numbers of Executing Agencies, a variety of sovereign nations, and multiplicity of project types (in four focal areas) and sites—a coordinated M&E program is a necessity for producing the consistent GEF-wide information that will allow GEF accomplishments to be determined;
- Third, the size of the resources deployed for the GEF means that accountability is a critically important issue; the coordinated M&E program is a prerequisite for establishing cost/effectiveness based on transparent procedures, oversight, and data-based reporting.
- Finally, the coordinated M&E program adds significantly, in its own right, to GEF's learning and capacity-building goals because (a) it facilitates the use—in the appropriate projects—of the best existing scientific knowledge to monitor (in some cases, for the first time) the environmental changes sought by the program in the four focal areas, and (b) it ensures the development of monitoring and evaluation skills GEF-wide. Above all, the coordinated M&E program enables the measurement of impact. Without it, it would not be possible to achieve a comprehensive assessment of GEF's effectiveness.

55. In short, the coordinated M&E program is not only instrumental to the measurement of progress, it is also an intrinsic part of that progress. As such, it needs to be closely integrated with project and program activities as the tool of development it is. That is, it should not be treated as a part of administration or overhead, but rather, funded as a separate program cost to ensure its optimal effect. It is proposed that each year a separately defined evaluation workplan and budget line item would be included in the GEF corporate budget.

56. The annual budget, approved by the Council, would thus provide funding to:

- the GEF Monitoring and Evaluation Coordination staff, technical services for developing monitoring and evaluation guidelines and systems, special evaluation studies, and dissemination of GEF experience;
- the Implementing Agencies for their agency monitoring and evaluation responsibilities based on annual budget submissions of requirements within guidelines set by the GEF monitoring and evaluation unit. (Funding for monitoring and evaluation activity within projects would be provided by the budgets for each project.);

57. Stable funding is required for a GEF monitoring and evaluation program envisaged by this analysis. The usual rule of thumb for estimating the size of monitoring and evaluation budgets for large programs has typically been on the basis of a 1-2 per cent set-aside or share of

program costs (for smaller programs, the share has usually been larger). In the case of GEF's M&E program, the funding would, therefore, reasonably approximate between 1-2 per cent of the GEF's program budget of \$2.0 billion. This would be in the range of \$20 to \$40 million over five years - assuming two years of M&E beyond the GEF1 commitment period -, or averaging between \$4 to \$8 million each year. This amount, when divided among the Secretariat, the Implementing Agencies, and through the latter, to other executing organizations with multiple project responsibilities, would meet the general basic requirements for a coordinated monitoring and evaluation program in the GEF. Funding for the monitoring and evaluation activity that is an integral part of projects would be covered by the project budgets. The amounts for M&E activity in projects will vary significantly with the scale and complexity of each project¹. The range of M&E costs are presented here not as a budget proposal - that can only come with a detailed work program in accordance with Council's guidance -, but to suggest the eventual scale that is seen as needed for an effective GEF-M&E program: Moreover, as pointed out earlier, such an M&E effort would have to be phased in over time.

58. The Secretariat's M&E Coordination function/unit, when fully staffed and operational, would require a budget of about \$2 to \$3 million each year as follows:

- \$700,000 -800,000 annually for staff and support services;
- \$300,000 -500,000 annually for monitoring systems development and management;
- \$500,000- 800,000 annually for special evaluation studies;
- \$500,000- 900,000 annually for reports and dissemination activities.

59. The costs of any independent evaluation of the GEF, when needed, would be in addition and be in the range of \$700,000 to \$800,000.

60. Funding allocated to the Implementing Agencies in the range of \$2 to \$5 million each year would:

- enable them to develop and operate their own internal monitoring, evaluation, and reporting processes;
- provide support for developing national monitoring and evaluation activities in the recipient countries associated with requirements for assessing institutional development and impact relevant to achieving global benefits.

¹ The evaluation costs of individual program components will likewise depend on project complexity and scale: it will tend to be proportionally higher for more complex and smaller projects. For example, the well thought out M&E plan for the \$8.7 Ecuador Biodiversity Protection Project has a five year budget of \$776,500. The \$48.3 million Poland: Coal-to-Gas Project has a six year budget of \$250,000 for its environmental monitoring plan. The M&E requirements for technical assistance projects related to capacity building tend to be somewhat less in absolute terms. The Conservation of Biodiversity and Sustainable Development of the La Amistad and Osa Conservation Areas Project in Costa Rica of \$8 million has budgeted \$200,000 for M&E activities. In another example, in the Dynamic Farmer-based Approach to the Conservation of African Plant Genetic Resources Project in Ethiopia of \$2.5 million, \$100,000 has been set aside for M&E activities. Experience with the coordinated M&E guidelines to be developed will provide a fuller understanding of the costs of project M&E activities.

61. It is important to recognize that these are not exaggerated figures for the monitoring and evaluation of an initiative like the GEF. Indeed, the monitoring system proposed is an economical way of collecting standardized data; it is adapted to answering questions about the four GEF goals; and it builds upon the systems developed by the Implementing Agencies that are already in place. Further, by insuring both M&E plans and evaluations at the project level, some of the major costs of original data collection for GEF-wide special evaluations can be reduced.

62. In conclusion, the proposed Monitoring and Evaluation effort would have to be phased in as the GEF work program develops and intensifies and as Council requirements are determined. It is essential that as a start a senior Monitoring and Evaluation Officer be appointed in the Secretariat as soon as possible.