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Agenda Item 4

RESULTS-BASED MANAGEMENT FRAMEWORK FOR LDCF AND SCCF

Recommended Council Decision

The LDCF/SCCF Council, having reviewed the results-based management framework proposed in document GEF/LDCF.SCCF.5/3, supports the proposed approach to monitoring performance and achievement of outputs, outcomes and impacts of LDCF and SCCF financed activities. The Council requests the Secretariat to work in collaboration with the GEF Agencies to report on progress through an annual monitoring review.

EXECUTIVE SUMMARY

1. At its April 2008 meeting, the LDCF/SCCF Council requested that the Secretariat submit a results-based management framework (RBM) drawing upon the framework developed for the GEF Trust Fund (GEF/C.31/11) for consideration at its November 2008 meeting. This document provides an overall concept for an RBM framework for the Least Developed Climate Change Fund (LDCF) and the Special Climate Change Fund (SCCF). In so doing, the document outlines the conceptual and methodological building blocks of how the Secretariat intends to measure progress toward results for these two funds.
2. The framework developed for the LDCF/SCCF draws upon the framework developed for the GEF Trust Fund but is tailored to the adaptation mandates of the two funds. The framework also relies on previous work carried out by UNDP (GEF/LDCF.SCCF.2/Inf.4), the GEF's adaptation task force, and the GEF Evaluation Office (GEF/LDCF.SCCF.4/Inf.4).
3. The GEF Trust Fund's RBM framework was built on the strategic programming for the GEF-4 focal area strategies and their associated indicators (GEF/C.31/10). Since the LDCF and SCCF are structured differently than the GEF Trust Fund and operate through the core sectors that link adaptation and development instead of dealing with global environmental benefits and focal areas, the RBM framework presented here has been adjusted to reflect this difference.
4. The results based management framework (RBM) for the LDCF/SCCF will incorporate monitoring and reporting at three levels: program (LDCF/SCCF adaptation programs); funding areas (sectors/areas of intervention); and project level. Implementing an RBM system is part of a process intended to equip the Secretariat with the tools needed to assess how the LDCF and SCCF interventions contribute toward the funds' overall objectives.
5. The key components of the RBM framework will include both planning and reporting instruments. As funding mechanisms for adaptation and other specific needs of developing countries under the UNFCCC, the LDCF and SCCF take their mandate from the UN Framework Convention on Climate Change (UNFCCC). The Conference of the Parties to the UNFCCC (COP) provides guidance to the GEF, which manages these funds, to identify program priorities and operational modalities for financing within the broad scope of the mandate of each Fund. The second component of the RBM is reporting that is linked to implementation. Similar to the exercise conducted for the GEF Trust Fund's active portfolio, an *Annual Monitoring Review* (AMR) will be developed as the principle instrument for reporting on active LDCF and SCCF projects. Portfolio review guidelines will be developed to monitor: project implementation progress, progress towards the achievement of increased resilience/reduced vulnerability/increased adaptive capacity to the adverse impacts of climate change, realization of co-financing,¹ and actions taken to achieve sustainability and replicability.
6. The GEF Secretariat will need to develop in greater detail the specific elements necessary to fully operationalize the RBM framework. The GEF Secretariat will work closely with the Agencies, adaptation taskforce, and the Evaluation Office to develop a more robust list of recommended adaptation indicators both at the generic and the sectoral level that will be made available to project developers.

¹ Taking into consideration that co-financing for adaptation has a different connotation than in GEF.

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INTRODUCTION

1. The following document will describe a results-based management (RBM) framework for the LDCF and the SCCF. As the LDCF and SCCF are administered separately from the GEF Trust Fund, and since the goals and objectives of these funds are fundamentally different from those of the other GEF focal areas and operational programs, a separate RBM framework for the LDCF/SCCF will be proposed here.

2. The LDCF was established at the seventh Conference of the Parties to the UNFCCC to: “meet the urgent and immediate adaptation needs of the Least Developed Countries, as identified in their National Adaptation Programmes of Action (NAPAs).(Decision 7/CP.7)” The COP asked the GEF to manage this fund. The LDCF was created to provide financing for the ‘additional costs,’ imposed to development, that pertain to these needs (Decision 3/CP.11, GEF/C.28/18). Based on experience from the NAPAs completed so far, and by the projects that have been submitted for NAPA implementation under the LDCF, key priority sectors/areas of intervention for NAPA implementation through the LDCF will likely include:

- (a) Water Resources
- (b) Food Security and Agriculture
- (c) Health
- (d) Disaster Preparedness and Risk Management
- (e) Coastal Zone Management and Infrastructure
- (f) Natural Resource Management
- (g) Community-Based Adaptation

3. The SCCF was established to finance four programs: a) Adaptation; b) Technology Transfer; c) a list of specific Sectors; d) Economic Diversification. Adaptation was given by the COP the highest priority, followed by technology transfer (Decision 7/CP.7). This document addresses only the scope of program A), Adaptation. With respect to the SCCF adaptation program, the COP identified the following areas of intervention as priorities:

- (a) Water Resources Management
- (b) Land Management
- (c) Agriculture
- (d) Health
- (e) Infrastructure Development
- (f) Fragile Ecosystems (including mountain ecosystems)
- (g) Integrated Coastal Zone Management

4. The GEF was asked by the COP to manage this fund, and to ‘finance activities, programs and measures relating to climate change that are complementary to those funded by the resources allocated to the climate change focal area of the GEF and by bilateral and multilateral funding’ (GEF/C.24/12).

While each fund has its own unique objective and priorities, in practice they share fundamental characteristics that allow them to be integrated into one overarching RBM framework.

5. The RBM for the LDCF/SCCF will be implemented incorporating monitoring and reporting at three levels: program (LDCF/SCCF adaptation programs); funding areas (sectors/areas of intervention); and project level. Introducing a results-based approach aims to improve management effectiveness and accountability by “defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance.”²

6. As defined by the OECD/DAC, a results based management framework is “a management strategy focusing on performance and achievement of outputs, outcomes, and impacts.”³(refer to Box 1)). The LDCF/SCCF RBM is intended to focus monitoring and evaluation toward the higher-end of the result-chain hierarchy.

Box 1. Hierarchy Levels from OECD DAC Glossary of Key terms in Evaluation and Results-Based Management

Results: Changes in a state or condition which derive from a cause-and- effect relationship. There are three types of such changes which can be set in motion by a development intervention – its output, outcome and impact.

Goal: The higher-order objective to which a development intervention is intended to contribute.

Impact: Positive and negative long-term effects on identifiable population groups produced by a development intervention. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types.

Outcome: The intended or achieved short-term and medium-term effects of an intervention’s outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.

Outputs: The products and services which result from the completion of activities within a development intervention.

7. While the monitoring undertaken by the Secretariat is expected to capture outputs and progress toward outcomes, it is useful to note here that additional evaluative judgment is needed to analyze whether higher level outcomes and impacts are achieved. Monitoring and evaluation are distinct and complementary. Monitoring gives information on *where* a program or project is at any given time (over time) relative to respective targets and outcomes. It is descriptive in intent. On the other hand, evaluation gives evidence of why targets and outcomes have or have not been achieved. Evaluation seeks to address issues of causality.⁴ Table 1 highlights the different but complementary roles that monitoring and evaluation play within an RBM context. The Secretariat will work closely with the GEF Evaluation Office to integrate RBM into an

² *Results-based Management in Canadian International Development Agency*, CIDA, 1999.

³ *Glossary of Key Terms in Evaluation and Results Based Management*, OECD, DAC, 2002.

⁴ Kuzek, Jody, Zall and Ray C. Risk, *Ten Steps to a Results-Based Monitoring and Evaluation System*, 2004.

overall M&E system where evaluative information can help clarify the realities and trends noted with proper monitoring.

Table 1: Complementary Roles of Monitoring and Evaluation⁵

Monitoring	Evaluation
<ul style="list-style-type: none"> • Links activities and their resources to outputs and outcomes • Translates objectives into performance indicators and sets targets • Routinely collects data on indicators, compares actual results with targets • Reports progress to management and alerts them to problems 	<ul style="list-style-type: none"> • Analyzes why intended results were or were not achieved • Assess specific causal contributions of activities to results • Examines the implementation process • Explores unintended results • Provides lessons, highlights significant accomplishment or program potential, and offers recommendations for improvement

Overall Concept for a Results-Based Management Framework

8. Given the governing structure of the LDCF and SCCF, their role under the UNFCCC, and the project-driven nature of the two funds, the RBM framework is structured as a two-way process, combining a top-down and a bottom-up approach.⁶

9. The top-down process relates to the establishment of an overarching goal, a broad set of sub-goals, and program priorities for financing, as laid out by the Conference of the Parties to the UNFCCC. The bottom-up process relates directly to the building blocks of the system, the projects. Individual projects should directly reflect the program priorities for the LDCF and SCCF.

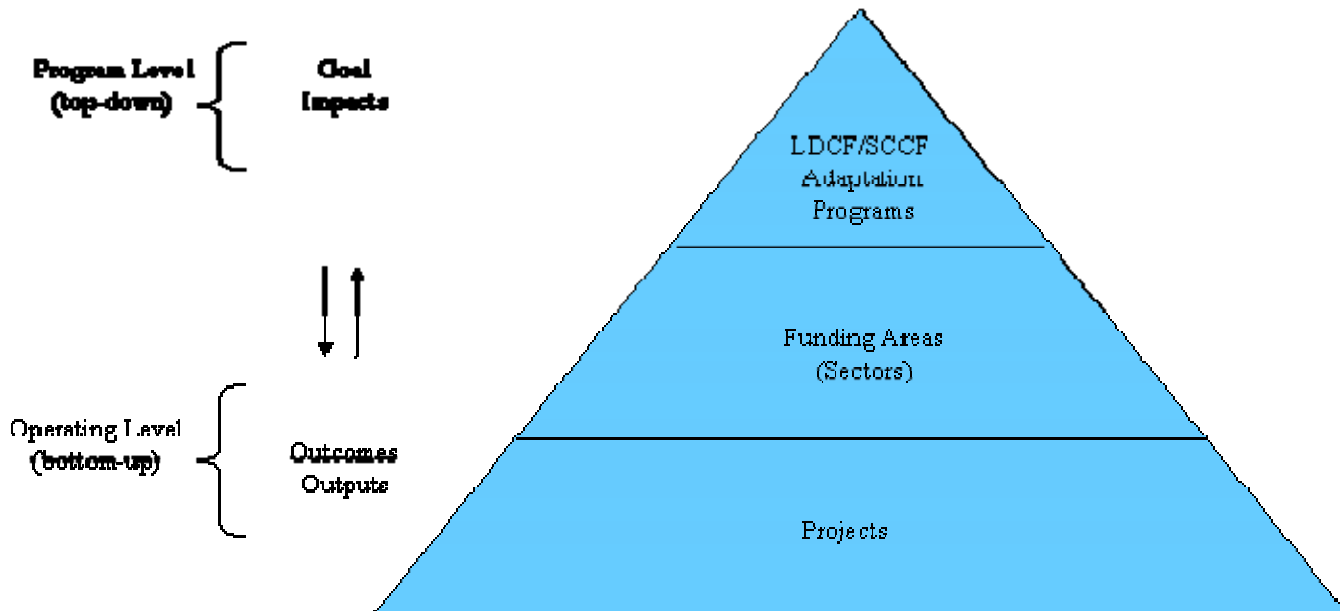
10. A pyramid structure has been used by the GEF Evaluation Office (*The GEF's Monitoring and Evaluation Policy*, 2006) to illustrate the key organizational levels at which performance measurement systems can take place (Figure 1). Each level of the pyramid is connected to the other in both an upward and downward direction. In this model the starting point for a monitoring system is a project's logical/results framework (logframe). The logframe approach (LFA) is not new but it is still useful because it is built on the planning concept of a hierarchy of levels that link project inputs, activities, outputs, outcomes, and goals. A cause-and-effect relationship is assumed, with elements at the lower level contributing to the attainment of those above.⁷

⁵ Ibid, p. 14

⁶ This model is adapted from one used by UNDP and described in: *RBM in UNDP: Overview and General Principles*, downloaded from <http://www.undp.org/eo/methodologies.htm>.

⁷ *Results Based Management in the Development Co-Operation Agencies*, OECD/DCA 2000 (p. 19).

Figure 1: Results Based Management at Different Organizational Levels



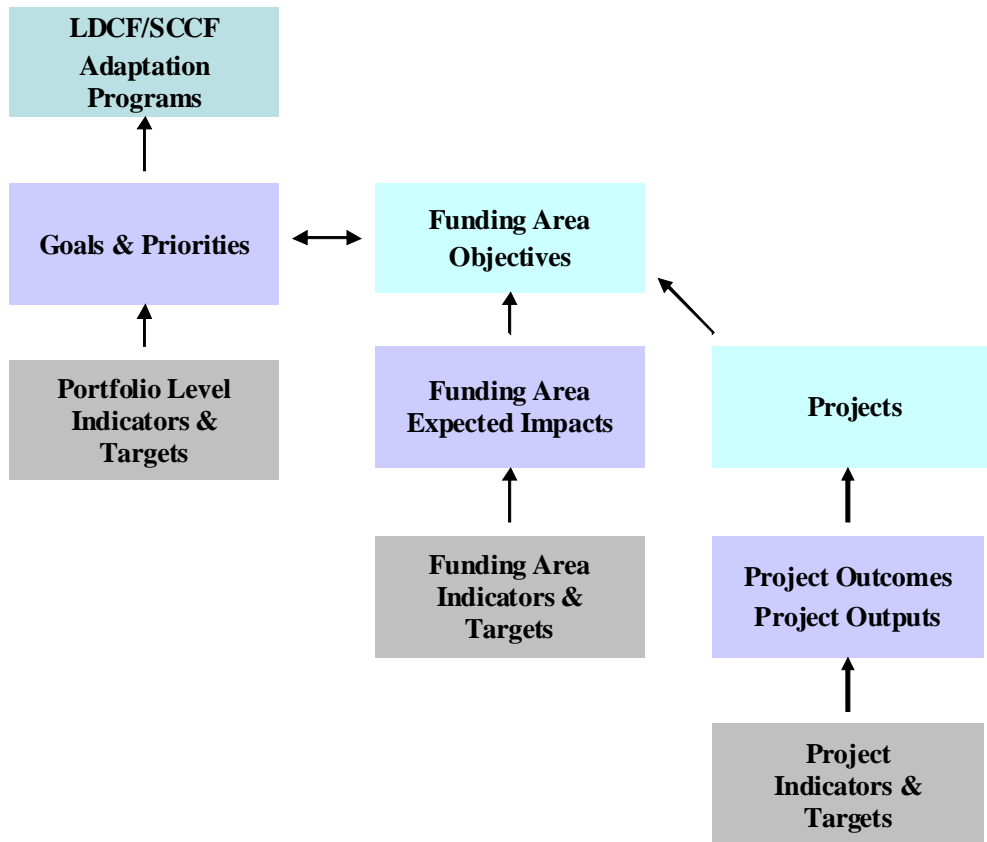
11. At the highest level of RBM are the entire LDCF/SCCF adaptation programs. Both funds operate through the core sectors that link adaptation and development. Development objectives within these core sectors should contribute towards achieving the goals of the LDCF/SCCF. Overall, the broad mandates of the two funds seek to implement adaptation measures that enhance resilience, reduce vulnerability, and increase adaptive capacity. These longer-term expected impacts cannot always be monitored on a consistent, periodic basis. If, however, outputs and outcomes at the project and sector level are monitored to see whether they are progressing towards achieving reduced vulnerability or increased adaptive capacity, a more in-depth study, analyzing causes and effects of LDCF/SCCF interventions can more accurately be carried out by an evaluation. In other words, the RBM system is part of a process intended to equip the funds with the information needed to assess how LDCF/SCCF interventions contribute toward the overall adaptation goal.

12. At the middle level of the pyramid are the funding areas. As highlighted above, the Climate Convention has provided guidance for both funds on: (1) priority areas on adaptation activities to be financed under the SCCF; and (2) a process – through the preparation and implementation of the NAPAs aimed at identifying and prioritizing urgent and immediate adaptation needs to be financed under the LDCF. These priority funding areas all tie directly to the overall goals of the LDCF and SCCF. As long as the expected outcomes and impacts of a particular funding area clearly link to the overall mandate of the LDCF/SCCF adaptation programs the system will work as designed.

13. At the bottom-level of the pyramid are the projects themselves. As described above projects proposed under the LDCF/SCCF adaptation programs should be designed to *contribute towards* the realization of the funding area objectives. In order to measure achievement of the

objectives of the funding area, each project will need to develop its own set of output and outcome indicators that link directly to those objectives. Impact indicators are constructed by aggregating project level outcome indicators. Since not all indicators will be relevant to every project, impact indicators will not aggregate every project in the portfolio. Figure 2 provides a visual for how the projects, funding areas, and LDCF/SCCF adaptation programs fit together into the overall RBM framework. Key targets and indicators are needed at each level – project, strategic program, strategic objective, and institutional – in order to monitor the progress toward results.

Figure 2: Results Framework Linking Programs, Objectives, and Projects



14. Annex I provides examples of expected outcomes and their associated indicators for seven funding areas. The annex is by no means exhaustive, the Secretariat will continue to work with the adaptation task force, GEF Agencies, and the Evaluation Office to select outcome and impact indicators to track at the portfolio level that can be aggregated from projects to show the type of results that the LDCF/SCCF adaptation programs are achieving.

15. There is also a need to monitor the overall efficacy of the operation of the two Funds. At this stage, there are a number of specific performance measures that the GEF will begin to monitor and report on a regular basis. The following performance indicators for the LDCF/SCCF adaptation programs are suggested:

- (a) Share of projects that complete implementation with satisfactory outcomes;
- (b) Levels of co-financing programmed;
- (c) Disbursement and commitment rates reported by the Trustee and Agencies; and
- (d) Number of projects at risk during implementation.

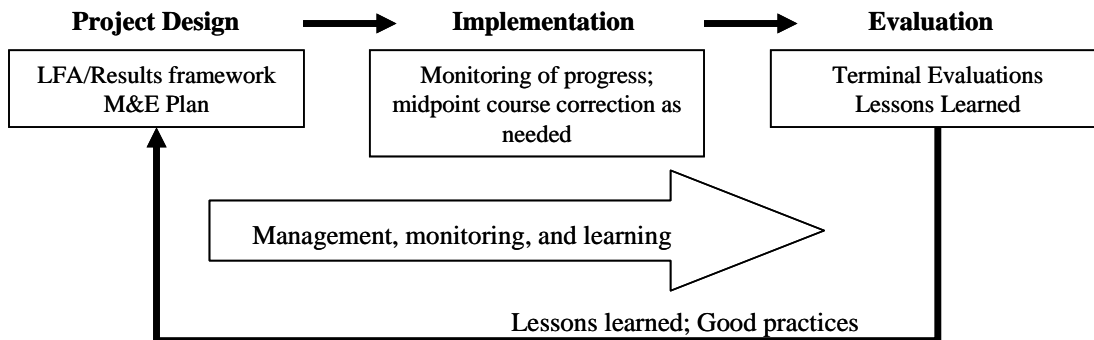
Assessing the impacts of the two funds as mentioned previously will be under the purview of the evaluation function.

Operationalizing the RBM Framework

Tracking Results

16. Projects implemented through the LDCF/SCCF are the basis of the proposed RBM framework. As such, tracking results begin from a project vantage point. At a project level, results are tracked during implementation and evaluated upon project completion. It is however important that the three major phases in a project’s evolution are linked: (a) project design; (b) implementation; and (c) evaluation. Breaking down the project cycle into these three phases, highlights the learning and management aspect of the RBM framework (see figure 3).

Figure 3: Tracking Results⁸



17. At the project design phase all projects must include an LFA/Results framework with specific output and outcome indicators that align with the funding area objectives. As is outlined in *The GEF Monitoring and Evaluation Policy* (2006), which LDCF and SCCF projects must also adhere to,⁹ all projects must “adopt monitoring systems, including planning for relevant performance indicators, that are SMART” (specific, measurable, achievable, realistic, timely). A detail of minimum monitoring and evaluation requirements for all GEF projects are described in the policy document (see Annex 2). During implementation, monitoring indicators will help

⁸ Adapted from the World Bank’s *Results Focus in Country Assistance Strategies*, July 2005, p. 13

⁹ *Programming to Implement the Guidance for the Special Climate Change Fund Adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its Ninth Session*, November 2004 (GEF/C24/12)

assess whether a project is on track to achieve stated outcomes and can guide interventions and the overall strategy where appropriate.

18. Given the emphasis on the use of indicators, it is useful to remember that indicators fundamentally do not give an explanation; judgment and analysis must therefore still be carried out. From the *The GEF's Monitoring and Evaluation Policy* (2006) monitoring is defined as “a continuous or periodic function that uses systematic collection of data, qualitative and quantitative, for the purposes of keeping activities on track. It is first and foremost a management instrument.” Evaluation on the other hand “aims at determining the relevance, impact, effectiveness, efficiency, and sustainability of the interventions and contribution of the involved partners.” In other words, indicators, especially at the higher levels, must be supported by evaluation. Monitoring can track progress toward a set of benchmarks and measure progress towards outcomes while evaluation validates results and can make overall judgments about why and to what extent intended and unintended results are achieved (e.g., increased resilience, cost-effectiveness).

Baselines

19. With a changing climate, the climate is moving incrementally towards new *scenarios* as projected by models, with subsequent modifications in the means and variability of climatic variables. This makes the establishment of a baseline challenging. Nevertheless, the establishment of baselines is a critical component of the RBM framework. Every project is required to have a presentation of baselines, in terms of climate, development, vulnerability, and adaptive capacity. Projects will need to be explicit about the climate change scenarios they are employing and the adaptation targets they are pursuing and include the linkages between the two. Climate variability should be monitored during the project and adaptation measures tested if scenario-like conditions occur during project implementation.¹⁰

Reporting

20. Similar to the exercise conducted for the GEF Trust Fund's active portfolio, an *Annual Monitoring Review* (AMR) will be the principle instrument for reporting. The AMR will be undertaken by the GEF Secretariat and the Agencies and will cover all LDCF and SCCF projects under implementation. Each project will submit a Project Implementation Report (PIR) on an annual basis. The AMR will take the responsibility of monitoring several outcome indicators that *contribute to* the overall goals of the LDCF and SCCF. Comprehensive portfolio review guidelines will be developed to monitor, inter-alia, project implementation progress, progress towards achievement of increased resilience/reduced vulnerability, baseline for project identified, realization of co-financing, actions taken to achieve sustainability and replicability. Not all of the elements monitored can be captured every year. However, at some stage during implementation each project will be able to provide information on progress in each area.

21. The GEF Evaluation Office will continue its independent evaluation function and validate results through independent evaluation that involve a set of projects from more than one agency.

¹⁰ GEF/LDCF.SCCF.4/Inf.4, March 21, 2008, p.7

Next Steps

22. The GEF Secretariat in consultation with the GEF agencies, GEF adaptation task force, and the Evaluation Office will need to develop in greater detail the specific elements needed to fully operationalize the RBM framework for the LDCF and SCCF. Based on suggestions from the Evaluation Office and outlined in the paper *Background and Elements for a GEF Monitoring and Evaluation Framework on Adaptation* (GEF/LDCF.SCCF.4/Inf.4), there are several next steps that the GEF Secretariat will take the lead in carrying out to ensure a robust monitoring system is fully operational. These include the development of a tracking tool, the establishment of a menu of adaptation indicators, and determining proxy measurements to use in lieu of targets.

23. The Secretariat in collaboration with the adaptation task force will develop an Adaptation Assessment Tracking Tool (AAT). The AAT will be designed to provide useful, generic indicators for all adaptation projects, regardless of sector, address the overall success of the project in light of the LDCF/SCCF goals, and strike a balance between comprehensiveness and ease of use.¹¹ The GEF Agencies and the adaptation task force have already begun a process to develop results indicators and have suggested a set of general impact indicators as well as project-level outcome indicators for the adaptation portfolio; these can serve as a basis from which to further develop a tracking tool that can be used for monitoring the LDCF/SCCF adaptation programs (see Box 2 for general categories of project outcomes).¹²

Box 2. General Categories Measured in all Projects¹³

A set of general impact indicators for the adaptation portfolio will address the success of a project using indicators designed to measure the following factors:

- **Coverage:** the extent to which the project engages with and benefits its target population
- **Efficacy:** the extent to which the project delivers intended results, or brings about change in behavior that support the project's objective
- **Sustainability:** the ability of stakeholders to continue to implement adaptive interventions after the end of the project lifetime.
- **Replicability:** the extent to which the project generates results and lessons that are potentially useful in other, comparable contexts, and the extent to which these lessons are disseminated and acted upon

24. The GEF Secretariat will also work with its partners to establish guidelines, identify best practices, and compile references for adaptation indicators. As mentioned above, the GEF Agencies and adaptation task force have been working to develop indicators that measure results for adaptation. This work will be used to further develop a menu of recommended adaptation indicators both at the generic and the sector level that will be made available to project developers. This menu will not be exhaustive and projects will be given the flexibility to include indicators that are project-specific.

¹¹ GEF/LDCF.SCCF.4/Inf4, March 21, 2008

¹² GEF/LDCF/SCCF.2/Inf4, June 15, 2007

¹³ Ibid., p. 7

25. GEF at present does not have targets in any of its programs, this of course does not allow for the reporting of achievements against targets. Future guidance from the UNFCCC and Council could set targets for the LDCF and SCCF. Until that point however, the Secretariat will consider the use of proxies as measurements of the funds' achievements. Alternative measurements of achievements as outlined by the Evaluation Office include:¹⁴

- (i) Using the targets and goal proposed by countries in their NAPAs and National Communications and aggregating them at the program level
- (ii) Reporting achievements against targets defined and agreed within the work programs of specialized agencies and international conventions relevant to appropriate thematic areas at the global level
- (iii) Aggregating contributions of projects in certain sectors, if they have common or similar indicators
- (iv) Evaluation GEF support against global priorities for adaptation. Several existing vulnerability indexes could be used to define these prioritizations (ie. Disaster Risk Index, impact vulnerability index, Disaster Deficit Index)

26. The first step in operationalizing the RBM will be the design of the Annual Monitoring Review and the development of review guidelines. As the principle monitoring tool for the LDCF and SCCF funds, the AMR must capture the main indicators the Secretariat will track in an efficient and effective manner.

¹⁴ GEF/LDCF.SCCF.4/Inf. 4, March 21, 2008

ANNEX 1. RBM FRAMEWORK FOR LDCF/SCCF – SAMPLE INDICATORS

<p>Agriculture/Food Security</p>	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Capacity to plan for and respond to climate change impacts in the agricultural sector improved • Food security maintained under climate change induced stresses. 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Yields/productivity sustained under climate change induced stress (e.g. tonnes/ha) 2. Farmer access to relevant climate information/extension services (e.g. number of people/communities covered) 3. Number of people in food insecurity (e.g. number of people) 4. Irrigation efficiency (e.g. yield in tonnes/liter of water input) 5. Agricultural policies/development plans are mainstreaming adaptation to climate change (e.g. number of mainstreamed documents)
<p>Water Resources</p>	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Access to adequate water resources maintained under conditions of climate change 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Water supply sustained under climate change induced stress (e.g. liter of fresh water availability/capita) 2. Irrigation efficiency (e.g. yield in tonnes/liter of water input) 3. Water demand reduced (e.g. demand in liter/capita) 4. Improved water infrastructure efficiency (e.g. loss in percentage of total water flow) 5. Hydropower generation potential maintained (e.g. KWh/year)
<p>Coastal Zone Development/Management</p>	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Coastal development made resilient to impacts of climate change including sea level rise, and flooding caused by increased storm activity. 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Coastal erosion reduced (e.g. cm/year) 2. Economic losses from climate change induced coastal events, such as storm surges and flooding, reduced (e.g. \$/year) 3. Climate change risks mainstreamed in coastal development plans and zoning policies (e.g. number of people/economically important structures within ‘high risk’ zone) 4. Health and area of coastal zone buffers, such as mangroves,

		<p>maintained (e.g. ha of coastal zone buffers protected from impacts of climate change)</p> <p>5. Development of integrated coastal zone management plan incorporating adaptation to climate change (e.g. yes/no or number of coastal zone management policies/plans mainstreaming climate change adaptation)</p>
Disaster Risk Management	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Risk of climate change induced disasters reduced. • Impacts of climate change induced disasters reduced. 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Coverage of early warning systems (e.g. number of people/communities covered or area in km²). 2. Number of people living in ‘high risk’ areas (e.g. number of people) 3. Existence of disaster response plans which includes provisions for climate change risks (e.g. yes/no) 4. Coverage of post disaster mitigating infrastructure such as emergency food banks (e.g. emergency food storage/capita and/or average distance to service/capita) 5. Climate change vulnerability/risk maps are available for sectoral planning purposes (e.g. yes/no)
Natural Resources/Fragile Ecosystems	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Availability of/access to natural resources maintained under climate change induced stress • Ecosystem vulnerability to the impacts of climate change reduced 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Health of ecosystems maintained under climate change induced stress (e.g. forest density (tonnes/ha) and productivity (tonnes/ha/year)) 2. Continued presence of species under changing climate conditions (e.g. number of species present and/or population sizes of individual species) 3. Potential natural resource extraction rates maintained under climate stress (e.g. sustainable fish catch in tonnes/year)

Health	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Health risks associated with climate change impacts reduced. 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Reduction in morbidity due to climate change affected disease vectors such as malaria and dengue (e.g. deaths/1000 people/year) 2. Improved access to healthcare (e.g. doctors trained in impacts of climate change/1000 people or number of people vaccinated against tropical disease vector) 3. Awareness on climate change induced health risk factors and potential mitigation measures raised among key stakeholders in the health sector and in the general population (e.g. number of stakeholders/people exposed to awareness campaigns)
Infrastructure Development	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Climate change induced damage to infrastructure reduced. 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Increased climate change resilience of infrastructure (e.g. increased drainage capacity of roads or canals in mm or m³/hour) 2. Infrastructure development plans includes provisions for adaptation to climate change (e.g. number of infrastructure projects/plans which includes provisions for climate change adaptation)
Aggregated Vulnerability	<p>Expected Outcomes:</p> <ul style="list-style-type: none"> • Reduced vulnerability 	<p>Indicators:</p> <ol style="list-style-type: none"> 1. Reduced vulnerability as determined by project specific vulnerability indicator aggregated from multiple impact factors and/or qualitative assessments (e.g. UNDP's VRA tool)

ANNEX 2. M&E MINIMUM REQUIREMENTS¹⁵

Minimum Requirements and Key Principles

The following minimum requirements shall be applied to monitoring and evaluation on the project level.

Minimum Requirement 1: Project Design of M&E

All projects will include a concrete and fully budgeted monitoring and evaluation plan by the time of work program entry for full-sized projects and CEO approval for medium-sized projects. This monitoring and evaluation plan will contain as a minimum:

- SMART indicators for project implementation, or, if no indicators are identified, an alternative plan for monitoring that will deliver reliable and valid information to management;
- SMART indicators for results (outcomes and, if applicable, impacts), and, where appropriate, indicators identified at the corporate level;
- baseline for the project, with a description of the problem to be addressed, with indicator data, or, if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation;
- identification of reviews and evaluations that will be undertaken, such as mid-term reviews or evaluations of activities; and
- organizational set-up and budgets for monitoring and evaluation.

GEF project objectives and intended results should be specific and measurable, so as to make it possible to monitor and evaluate the project effectively. The baseline data would be developed for the key results indicators. In rare cases, further development of the M&E design, especially related to baseline data, may be required between work program entry and CEO approval or during the first year of implementation. The presence of the M&E plan and baseline would be considered as a performance measure of satisfactory M&E in the first Project Implementation Report. Where available, agencies may encourage attention at the project development facility stage to ensure timely M&E planning.

¹⁵ From: *The GEF Monitoring and Evaluation Policy* (2006). Evaluation Document No. 1: section 3.3 pp. 19-24, paragraphs 58-62.

Minimum Requirement 2: Application of Project M&E

Project monitoring and supervision will include implementation of the M&E plan, comprising:

- SMART indicators for implementation are actively used, or if not, a reasonable explanation is provided;
- SMART indicators for results are actively used, or if not, a reasonable explanation is provided;
- the baseline for the project is fully established and data compiled to review progress reviews, and evaluations are undertaken as planned; and
- the organizational set-up for M&E is operational and budgets are spent as planned.

GEF project monitoring provides agency management with a basis for decision-making on progress and the GEF with information on results. In order to be used for conclusions and decisions, monitoring would use both qualitative and quantitative data to report accurately on the production of outputs and progress toward outcomes, identify key implementation issues, and propose actions to solve these. Periodic reports should be based on a principle of continuity to allow for tracking of results and progress. To be valid, monitoring should be based on periodic observation visits, capture the views of stakeholders, and explain any methodological limitations of its use of sources and data. M&E plans are dynamic tools and should be revised if the project scope changes significantly.

Minimum Requirement 3: Project Evaluation

Each full-sized project will be evaluated at the end of implementation. This evaluation will have the following minimum requirements:

- The evaluation will be undertaken independent of project management, or if undertaken by project management, will be reviewed by the evaluation office of the Implementing or Executing Agency or by independent quality assurance mechanisms of the agency.
- The evaluation will apply the norms and standards of the Implementing or Executing Agency concerned.
- The evaluation will assess at a minimum:
 - achievement of outputs and outcomes, and provide ratings for targeted objectives and outcomes;
 - likelihood of sustainability of outcomes at project termination, and provide a rating for this; and
 - whether minimum requirements for M&E 1 and 2 were met, and provide a rating for this.
- The report of this evaluation will contain at a minimum:
 - basic data on the evaluation:
 - when the evaluation took place,
 - who was involved,
 - the key questions, and
 - methodology—including application of the five evaluation criteria;
 - basic data of the project, including actual GEF and other expenditures;
 - lessons of broader applicability; and
 - the TOR of the evaluation (in an annex).
- The report of the evaluation will be sent to the GEF Evaluation Office immediately when ready, and, at the latest, within 12 months of completion of project implementation.

Project evaluations should serve to provide lessons learned and recommendation for future projects, policies, or portfolios. Agencies will apply their internal arrangements for the conduct of evaluations and their cost to ensure that evaluation reports of GEF projects are credible, unbiased, consistent, and well documented in line with the requirements above. Each evaluation will assess results (namely outputs, outcomes, and impact) according to the criteria of relevance, effectiveness, efficiency (or cost effectiveness), and sustainability, as applicable. Future GEF Council decisions on the concept of cost effectiveness may lead to minimum requirements for GEF projects to be incorporated into the M&E policy. The GEF medium-sized projects are more limited in duration and budget, and therefore merit consideration for tailored minimum evaluation requirements. The Joint Evaluation of the GEF Activity Cycle and Modalities will

address the experience with medium-sized projects and provide recommendations in this regard.¹⁶

Furthermore, monitoring and evaluation in the GEF will be guided by the following principles, which have been identified as common denominators in the GEF, and which will be further developed through specific guidelines or procedures in the consultative process of the GEF Evaluation Office with its partners. These principles are not minimum requirements as such, but are internationally recognized professional ideals that need to be applied to the specific evaluations and monitoring systems that the GEF undertakes, or in which GEF partners collaborate.

a. **Independence.** Members of evaluation teams should be independent from both the policy-making process and the delivery and management of assistance. In particular, they should not in person have been engaged in the activities to be evaluated or been responsible in the past for the design, implementation, or supervision of the project, program, or policy to be evaluated. For evaluations conducted under the responsibility of project managers or line units, specific review mechanisms may help verify impartiality and rigor.

b. **Impartiality.** Evaluations must give a comprehensive and balanced presentation of strengths and weaknesses of the policy, program, project, or organizational unit being evaluated. The evaluation process should reflect impartiality at all stages and take into account the views of all stakeholders. Units commissioning evaluations should endeavor to ensure that evaluators selected are impartial and unbiased. The principle of absence of bias also applies to self-evaluations, self-assessments, internal reviews and reports, and monitoring actions.

c. **Transparency.** Transparency and consultation with the major stakeholders are essential features in all stages of both M&E processes. This involves clear communication concerning the purpose of the evaluation or monitoring activity, the criteria applied, and the intended use of the findings. Documentation emanating from monitoring and evaluations in easily consultable and readable form should also contribute to both transparency and legitimacy. Evaluation and monitoring reports shall provide transparent information on sources, methodologies, and approach.

d. **Disclosure.** The lessons from monitoring and evaluation shall be disseminated by establishing effective feedback loops to policy-makers, operational staff, beneficiaries, and the general public. In the spirit of partnership, the GEF partners shall share GEF-related evaluation reports, monitoring reports, and other internal periodic reviews of progress and implementation and make findings and lessons available to project management for improved effectiveness. The GEF Evaluation Office shall be provided access to all project documentation of the Implementing and Executing Agencies relating to GEF-financed activities.

¹⁶ Until such time, current requirements to undertake medium-sized project evaluations remain in effect.

e. **Ethical.** Monitoring and evaluation shall provide due regard for the welfare, beliefs, and customs of those involved or affected, avoiding conflict of interest. Evaluators must respect the right of institutions and individuals to provide information in confidence. If evidence of wrongdoing is uncovered, the evaluator or manager shall report such cases discreetly to the GEF Director of Evaluation, who will take appropriate action such as informing the investigative body of the agency concerned. Ethical monitoring and evaluation require that management and/or commissioners of evaluations remain open to the findings and do not allow vested interests to interfere with the evaluation.

f. **Partnership.** GEF activities are being implemented through various partnerships of international organizations and national or nongovernmental entities, as well as bilateral donors involved through co-financing. The GEF Evaluation Office and the GEF partners shall actively explore the possibility of joint evaluations which would provide the GEF with insights and feedback that might not be realized through a stand-alone evaluation. The GEF partners shall help further GEF evaluation work through their participation in international groups and associations for monitoring and evaluation and the research community. GEF M&E activities shall be carried out with the participation of in-country stakeholders, including project management and NGOs involved in project implementation, to enable the beneficiaries to participate in the learning process with the GEF and to enable the GEF partnership to learn from them.

g. **Competencies and Capacities.** Depending on the subject, monitoring and evaluation activities require a range of expertise that may be technical, environmental, or within a social science or the evaluation profession. Units commissioning evaluations are responsible for selecting independent-minded, experienced, and sufficiently senior evaluators, and adopting a rigorous methodology for the assessment of results and performance. Evaluations of GEF activities shall make the best possible use of local expertise, both technical and evaluative. The GEF partners shall, as feasible, cooperate to stimulate evaluation capacity development at the local level, with a specific focus on environmental evaluation concerns.

h. **Credibility.** Monitoring and evaluation shall be credible and based on reliable data or observations. This implies that monitoring and evaluation reports shall reflect consistency and dependability in data, findings, judgments, and lessons learned, with reference to the quality of instruments and procedures and analysis used to collect and interpret information. Monitoring and evaluation at the project and portfolio levels shall use, as much as possible, dynamic and pragmatic techniques and indicators for measurement of results and progress.

i. **Utility.** Monitoring and evaluation must serve the information needs of intended users. Partners, evaluators, and units commissioning evaluations shall endeavor to ensure that the work is well informed, relevant, and timely, and is clearly and concisely presented so as to be of maximum benefit to stakeholders. M&E reports should present in a complete and balanced way the evidence, findings or issues, conclusions, and recommendations. They shall be both results- and action-oriented.