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RESULTS-BASED MANAGEMENT FRAMEWORK FOR LEAST DEVELOPED COUNTRIES (LDCF) AND SPECIAL CLIMATE CHANGE FUND (SCCF)

Recommended Council Decision

The LDCF/SCCF Council, having reviewed the results-based management framework proposed in document GEF/LDCF.SCCF.6/4, supports the proposed approach to monitoring performance and achievement of outputs, outcomes and impacts of LDCF and SCCF financed activities. The Council requests that the Secretariat 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). This 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), 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); intervention 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 Climate Convention. The Conference of the Parties to the Convention (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 achievement of increased resilience/reduced vulnerability/increased adaptive capacity to the adverse impacts of climate change, realization of co-financing¹, and actions taken to achieve sustainability and replicability.
6. The GEF Secretariat will work closely with the Agencies, adaptation taskforce, and the Evaluation Office to apply the proposed RBM framework, including work on a more robust list of recommended adaptation indicators. An outline of the RBM results framework and a list of sample project level indicators by sector/area of intervention are provided.

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

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INTRODUCTION

1. The LDCF was established at the seventh Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) to: “meet the urgent and immediate adaptation needs of the Least Developed Countries, as identified in their NAPAs.(Decision 7/CP.7)” The COP asked the GEF to manage this fund. The LDCF would 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:

- Water Resources
- Food Security and Agriculture
- Health
- Disaster Preparedness and Risk Management
- Coastal Zone Management and Infrastructure
- Natural Resource Management
- Community-Based Adaptation

2. 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:

- Water Resources Management
- Land Management
- Agriculture
- Health
- Infrastructure Development
- Fragile Ecosystems (including mountain ecosystems)
- Integrated Coastal Zone Management

3. 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).

4. 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. This document puts forth 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, the RBM framework for the LDCF/SCCF will reflect the goals and areas of intervention as outlined by the COP.

5. The GEF Secretariat will use OECD/DAC terminology and definitions for its RBM system. 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.”²(Refer to Box 1). The LDCF/SCCF RBM approach 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 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.

OVERVIEW-ADAPTATION AND RBM

6. Developing an RBM approach for adaptation programs must take into account a number of challenges, which surround the development of indicators for measuring effectiveness in adaptation. A range of factors must be considered when developing monitoring and evaluation approaches, including:

- The multi-sectoral nature of adaptation under the LDCF and the SCCF, and the involvement of a large number of stakeholders. Adaptation responses constitute processes that may require adjustments to livelihoods, infrastructure, institutions, natural resource, and ecosystem management.
- A potentially moving baseline presented by climate change, including variability, and the need to take a longer-term view, within the context of a short-term project. The long timescales associated with climate change and the effects of climate variability make it difficult to define success. The wide range of adaptation areas of intervention under the LDCF and the SCCF only compound these problems.
- As in most outcome results measurement attribution can be problematic in adaptation programming as mainstreaming involving a number of incremental activities in related sectors. This may mean that adaptation progress may be hard to distinguish from wider sectoral advances.

² *Glossary of Key Terms in Evaluation and Results Based Management*, OECD, DAC, 2002.

7. As adaptation programming globally is relatively young, the RBM framework developed by the GEF in support of the LDCF and the SCCF provides an opportunity to address some of these challenges and to begin field testing methodologies and adaptation metrics. The approach taken by the GEF will include a) process-based metrics – monitoring progress in implementing adaptation measures; and b) outcome based indicators which help measure the effectiveness of adaptation policies, strategies and activities supported by the LDCF and the SCCF. Monitoring frameworks for both funds will include indicators that are relevant and measurable at different spatial and temporal scales, as well as a combination of process-based and outcome-based indicators. This will allow the GEF to monitor progress in adaptation across a diverse range of countries, facing a diverse range of climate change challenges.

8. Further a results-based approach will support 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.”³

LDCF/SCCF RBM FRAMEWORK

9. The RBM approach for the LDCF/SCCF will support monitoring and reporting at the program level (LDCF/SCCF adaptation programs) and at the priority intervention level. Results areas will include measures of changing vulnerability; measures of adaptive capacity or resilience, measures of changing exposure; and measures of awareness, knowledge and participation. Other RBM principles include:

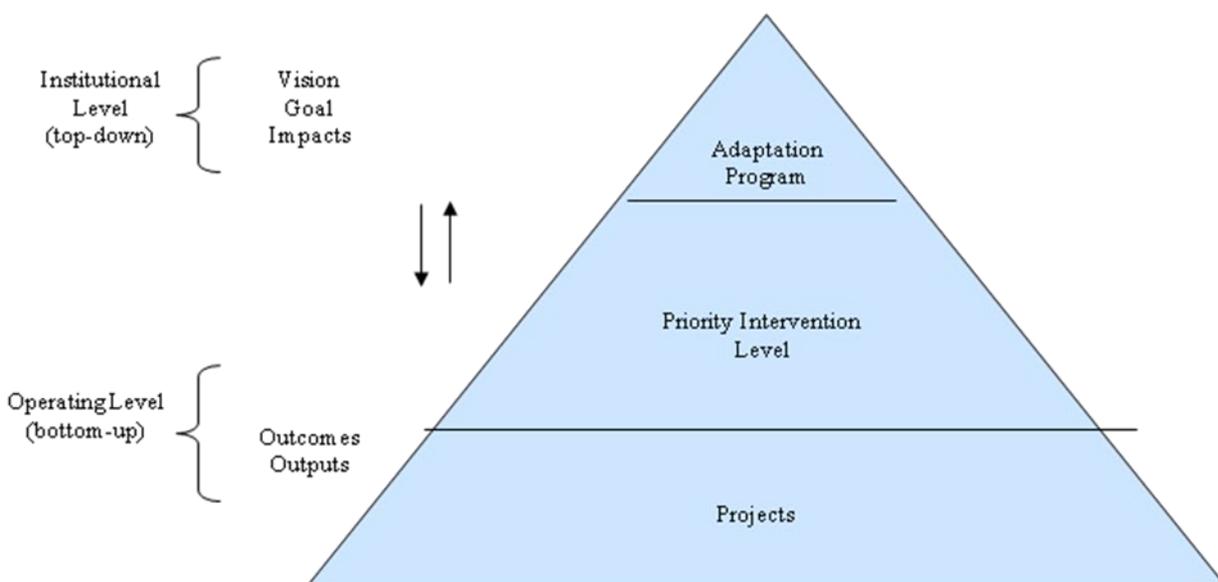
- Focus on two main results areas: 1) Reducing vulnerability to the adverse impacts of climate change; and 2) Increasing adaptive capacity to cope with and address the adverse impacts of climate change.
- Capture the additional adaptation benefit rather than focus on the developmental outcome.
- Focus on process based indicators and outcome based indicators. Focus monitoring on progress rather than on effectiveness, which would be better captured through evaluations.

10. 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 reflects a two-way process, combining a top-down and a bottom-up approach.⁴ The top-down process relates to the establishment of an overarching goal, a broad set of objectives, 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 framework: the projects. Individual projects should directly reflect the objectives and the implementation priorities of the LDCF and SCCF. A pyramid structure has been used by the GEF Evaluation Office to illustrate the key levels at which performance measurement can take place (Figure 1).

³ *Results-based Management in Canadian International Development Agency*, CIDA, 1999.

⁴ 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>.

Figure 1: Results Based Management at Different Organizational Levels



11. At the highest level are the LDCF/SCCF adaptation programs and the overarching goal. Both funds operate through core sectors that link adaptation and development. Development objectives within these core sectors 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.

12. At the middle level of the pyramid are areas of intervention priorities. The Climate Convention has provided guidance for both funds on: (1) priority areas for adaptation activities (SCCF); and (2) a process – through the preparation and implementation of the National Adaptation Programmes of Action (NAPAs) aimed at identifying and prioritizing urgent and immediate adaptation needs to be financed under the LDCF. These priority funding areas tie directly to the overall goal of the LDCF and SCCF. The expected outcomes and impacts of a particular funding area would be aligned to the overall mandate of the LDCF/SCCF adaptation programs and linked to the goal and objectives presented in the RBM framework. The third level of the pyramid represents the projects themselves. Projects under the LDCF/SCCF adaptation programs would be designed to *contribute to* the objectives.

13. The results architecture for the LDCF and SCCF would be framed as follows:

Goal: To support developing countries to increase resilience to climate change through both immediate and longer-term adaptation measures in development policies, plans, programs, projects and actions.

Impact: Reduced absolute losses due to climate change, including variability

Objective 1: Reduce vulnerability and increase adaptive capacity to address the adverse impacts of climate change, including variability

Expected Outcomes:

- Adaptation objectives and budget allocations incorporated in broader development frameworks
- Strengthened institutional capacity to implement adaptation measures
- Awareness raised on the impacts of climate change, including variability
- Risk analysis and vulnerability assessment incorporated as part of development programs and project planning
- Adaptation practices developed and implemented to respond to climate change-induced stresses linked to the global environment

Objective 2: GEF Focal Area projects and programs increase resilience to climate change, including variability

Expected Outcomes:

- Adaptation objectives and budget allocations incorporated in broader sector frameworks
- Risk analysis and vulnerability assessment incorporated as part of GEF programs and project design
- Adaptation practices developed and implemented to respond to climate change-induced stresses in sectors linked to GEF Focal Areas
- Enhanced climate resilience of relevant natural resources and ecosystems

14. Annex 1 provides the framework along with core outputs and annex 2 provides project level examples of expected outcomes and their associated indicators. 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 effectiveness and efficacy of the operation of the two Funds. A small number of specific performance measures will be monitored by the GEF on a regular basis. The following performance indicators for the LDCF/SCCF adaptation programs are suggested:

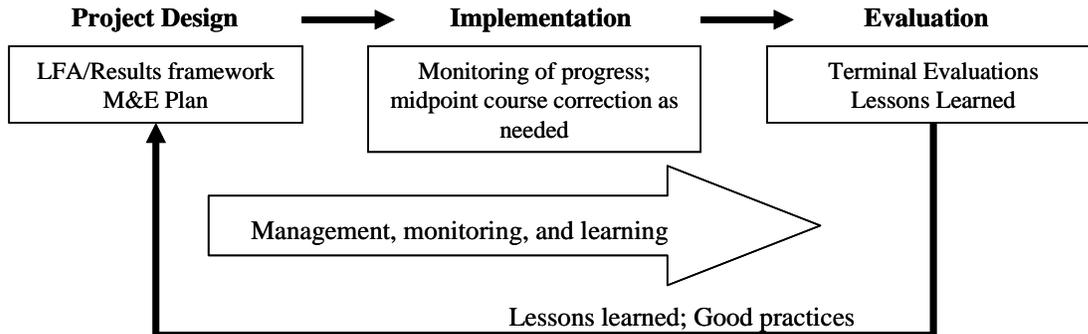
- Share of projects that complete implementation with satisfactory outcomes;
- Disbursement and commitment rates reported by the Trustee and Agencies; and
- Number of projects at risk during implementation.

OPERATIONALIZING THE RBM FRAMEWORK

Tracking Results

16. Projects implemented through the LDCF/SCCF are the center of the RBM framework and tracking results begins from a project vantage point. It is however important that the three major phases in a project's evolution are linked: (a) project design; (b) implementation and monitoring; 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). At the project level, results are tracked by national and agency monitoring systems during implementation and evaluated upon project completion.

Figure 2: Tracking Results⁵



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 outlined in *The GEF Monitoring and Evaluation Policy* (2006), which LDCF and SCCF projects must also adhere to,⁶ all projects must “adopt monitoring systems, including outcomes statements that are SMART” (specific, measurable, achievable, realistic, timely) and indicators that are measurable and reliable. A detail of minimum monitoring and evaluation requirements for all GEF projects are described in the policy document (see Annex 3). During implementation, process, output and immediate outcome indicators will help assess whether a project is on track to achieve stated outcomes. They also can guide interventions and the overall strategy as appropriate. Core outputs and outcomes at the project and sector level will be tracked as a proxy and benchmark indicating if the project is progressing towards achieving reduced vulnerability or increased adaptive capacity. A more in-depth assessment, analyzing causes and effects of LDCF/SCCF interventions can more accurately be carried out by an evaluation.

⁵ Adapted from the World Bank's *Results Focus in Country Assistance Strategies*, July 2005, p. 13

⁶ *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)

18. The RBM framework is part of a process intended to equip the GEF and the COP with the information needed to assess how LDCF/SCCF interventions contribute toward adaptation goals. *The GEF's Monitoring and Evaluation Policy* (2006) define monitoring 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.” 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).

19. Each project will need to develop its own set of output and outcome indicators that link directly to objectives. 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, intervention area, and fund level – in order to monitor the progress toward results.

Baselines

20. The establishment of baselines is a critical component of the RBM framework. Every project will prepare a baseline, prior to project start up to capture the status of climate, development, vulnerability, and adaptive capacity. Projects will need to be explicit about the climate change scenarios they are considering and the adaptation targets they are pursuing. Climate variability will be monitored during the project and adaptation measures tested during project implementation.⁷

Reporting

21. 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

Evaluation

22. 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

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

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.⁸ Table 1 highlights the different but complementary roles that monitoring and evaluation play within an RBM context.

23. Evaluation “aims at determining the relevance, impact, effectiveness, efficiency, and sustainability of the interventions and contribution of the involved partners.” Assessing the impacts of the two funds previously will be under the purview of the GEF Evaluation Office. 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.

Table 1: Complementary Roles of Monitoring and Evaluation⁹

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

NEXT STEPS

24. The GEF 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.¹⁰ 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.¹¹

25. 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

⁸Kuzek, Jody, Zall and Ray C. Risk, *Ten Steps to a Results-Based Monitoring and Evaluation System*, 2004.

⁹ Ibid, p. 14

¹⁰ GEF/LDCF.SCCF.4/Inf4, March 21, 2008

¹¹ GEF/LDCF/SCCF.2/Inf4, June 15, 2007

developers. This menu will not be exhaustive and projects will be given the flexibility to include indicators that are project-specific.

26. The Secretariat will consider the use of proxies as measurements of the funds' achievements. Alternative measurements of achievements may include:¹²

1. Using the targets and goal proposed by countries in their NAPAs and National Communications and aggregating them at the program level
2. 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
3. Aggregating contributions of projects in certain sectors, if they have common or similar indicators
4. 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)

27. 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.

¹² GEF/LDCF.SCCF.4/Inf. 4, March 21, 2008

ANNEX 1: CLIMATE CHANGE ADAPTATION: RBM GOAL, OBJECTIVES, OUTCOMES, OUTPUTS AND INDICATORS

Goal: To support developing countries to increase resilience to climate change through both immediate and longer-term adaptation measures in development policies, plans, programs, projects and actions.

Impact: Reduced absolute losses due to climate change, including variability

Objective 1: Reduce vulnerability to address the adverse impacts of climate change, including variability	
Expected Outcomes	Core Outputs
<ul style="list-style-type: none"> • Adaptation objectives and budget allocations incorporated in broader development frameworks • Strengthened institutional capacity to implement adaptation measures • Awareness raised on the impacts of climate change, including variability • Risk analysis and vulnerability assessment incorporated as part of development programs and project planning • Adaptation practices developed and implemented to respond to climate change-induced stresses linked to development sectors 	<ul style="list-style-type: none"> • Relevant frameworks that include adaptation measures (UNDAP, PRSP) and budget allocations • Policy reforms and inclusion of (building and other) codes to prevent damage of goods and economic losses due to climate change, including variability • Adaptation assets created in support of individual or community livelihood strategies, disaggregated by gender
Objective 2: Increase and increase adaptive capacity to climate change, including variability	
Expected Outcomes	Core Outputs
<ul style="list-style-type: none"> • Adaptation objectives and budget allocations incorporated in broader sector frameworks • Risk analysis and vulnerability assessment incorporated as part of GEF programs and project design • Adaptation practices developed and 	<ul style="list-style-type: none"> • Relevant frameworks that include adaptation measures (UNDAP, PRSP) and budget allocations • Policy reforms and inclusion of (building and other) codes to prevent damage of goods and economic losses due to climate change, including variability • Adaptation practices piloted and

<p>implemented to respond to climate change-induced stresses in sectors linked to development</p> <ul style="list-style-type: none"> Enhanced climate resilience of relevant natural resources and ecosystems 	<p>replicated in GEF programming</p> <ul style="list-style-type: none"> Adaptation assets created which strengthen individual or community livelihood strategies, (disaggregated by gender)
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ANNEX 2. RBM FRAMEWORK FOR LDCF/SCCF – SAMPLE INDICATORS AT PROJECT LEVEL

Sector	Expected Outcome(s):	Indicator(s):
Agriculture /Food Security	<ol style="list-style-type: none"> 1 Irrigation introduced or expanded in areas where rainfall is declining or becoming more variable. 2 Improved communication of and wider use of forecast information on seasonal and shorter timescales where temporal distribution of rainfall is changing. 	<ol style="list-style-type: none"> 1 Increase in yield on irrigated hectares 2 Proportion of population using forecast information
Water Resources	<ol style="list-style-type: none"> 1 Development plans/ revised to account for potential impact of climate change on future water resources. 2 Water saving measures (e.g. rainwater harvesting, micro dams, efficient technologies) introduced. 	<ol style="list-style-type: none"> 1 Budget allocated to climate change in water sector according to development plans 2 Additional available freshwater per capita/ household resulting from measures
Coastal Zone Development/ Management	<ol style="list-style-type: none"> 1 Information on emerging hazards and risk reduction disseminated and used by target population. 2 Development of integrated coastal zone management plan incorporating adaptation to climate change 	<ol style="list-style-type: none"> 1 Percent of target population able to identify emerging hazards and risk reduction measures 2 Climate change adaptation mainstreamed in coastal zone management policies and plans
Disaster Risk Management	<ol style="list-style-type: none"> 1 Coverage (area, population) of early warning systems increased. 2 Development of climate change vulnerability/risk maps for sectoral planning purposes 	<ol style="list-style-type: none"> 1 Increase in people/communities covered by early warning systems 2 Climate change vulnerability/risk maps utilized for sectoral planning purposes
Natural Resources/ Fragile Ecosystems	<ol style="list-style-type: none"> 1 Livelihood strategies that reduce or remove dependence on threatened natural resources developed and piloted. 2 Potential natural resource extraction rates maintained under climate stress 	<ol style="list-style-type: none"> 1 Livelihood base sustainable diversified. 2 Extraction rate (tonnes/year)
Health	<ol style="list-style-type: none"> 1 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 	<ol style="list-style-type: none"> 1 Stakeholders/people aware of climate change impacts 2 Health risks due to climate change reflected in policies and budgeted for programs

Infrastructure Development	<ul style="list-style-type: none"> 1 Increased climate change resilience of roads or canals 2 Infrastructure development plans include provisions for adaptation to climate change 	<ul style="list-style-type: none"> 1 Increased drainage capacity of roads or canals (mm or m³/hour) 2 Climate change adaptation provisions reflected in policies and budgeted for programs
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ANNEX 3. M&E MINIMUM REQUIREMENTS¹³

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.

28. 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.

¹³ 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.

29. 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.

30. 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.¹⁴

¹⁴ Until such time, current requirements to undertake medium-sized project evaluations remain in

31. 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.
- 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.