



Global Environment Facility

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PROGRESS REPORT ON MONITORING AND EVALUATION ACTIVITIES

INTRODUCTION

1. This is a progress report of the activities of the GEF corporate monitoring and evaluation program since the October 1998 council meeting. It includes the activities carried out by the M&E unit in cooperation with other staff of the GEF Secretariat and the Implementing Agencies, but does not account for the M&E activities that have been undertaken separately, particularly at the project level, by the GEF departments/units of the Implementing Agencies.

REVIEWS/EVALUATIONS

A. INTERIM ASSESSMENT OF BIODIVERSITY ENABLING ACTIVITIES

2. The GEF has recently completed an interim assessment of **Biodiversity Enabling Activities** which assist recipient countries: (1) to develop national biodiversity strategies and action plans (NBSAPs) as required by Article 6 of the Convention on Biological Diversity (CBD), and (2) to prepare their first national reports to the Conference of the Parties (COP) to the CBD. The objective was to assess progress to date by GEF-supported efforts. The assessment was based on review of key documents, interviews with a large number of persons who had been involved at the international level as well as at the national level through visits to 12 countries and shorter reviews in three additional countries. The assessment was undertaken by a team comprising of staff from the GEF M&E team, other persons from the GEF Secretariat, UNDP, UNEP, the World Bank, as well as international and national consultants.

3. The overall findings are that most countries have undertaken a worthwhile and cost-effective national biodiversity planning process. Most of the NBSAPs reviewed were well-informed and impressive documents, containing what appeared to be reasonable assessments of current biodiversity status and trends. Given that the stated objectives of enabling activities are extremely ambitious and set a very high standard for achievements in countries, it may be more realistic to think of these activities as setting the stage for national biodiversity planning. The big question before us is whether the developing and developed countries will be able to fulfill and sustain the worthy objectives and higher standards that have been set out in the strategies and the plans.

4. The report on the interim assessment has been included as a Working Document (GEF/C.14/12) for the December 1999 Council Meeting.

B. REVIEW OF CLIMATE CHANGE ENABLING ACTIVITIES

5. The GEF has initiated a similar review of its support to the climate change enabling activities. A total GEF allocation of about US\$72 million has been made towards 128 countries geared towards enhancing the capacity of participating non-Annex 1 Parties to prepare their initial national communications to the UNFCCC.

6. The proposed review will take stock of experience and extract lessons for future endeavors of enabling activities. Specifically, the review is expected to examine: (i) the effectiveness of the enabling activity modality as a response to guidance from the Conference of the Parties; (ii) the effectiveness and efficiency of the GEF approval and the national execution processes;

(iii) influence on broader capacity building and/or planning in countries through the process of preparation of initial communications; and (iv) best practices from country experiences. The review will be conducted by a GEFSEC-Inter-agency team, led by an independent consultant and supported by national consultants in each of the 12–15 countries that will be visited. The final report will be submitted to the November 2000 GEF Council meeting.

C. EVALUATION OF CONSERVATION TRUST FUNDS

7. An evaluation of experience with conservation trust funds was submitted to the Council in October 1998 (GEF/C.12/Inf.6) and was published more widely in 1999. A key conclusion was that successful trust funds are more than just financial mechanisms—their overall success depends on their ability to participate in developing national conservation strategies, to work with other public and private agencies to develop agile and effective management approaches, and to nurture community groups and other organizations becoming involved in conservation for the first time. Trust funds need the governance structures, staff, and technical support to allow them proactively to play these roles.

8. The evaluation was particularly aimed at identifying determining conditions as well as “success factors” for operating trust funds. These were summarized in two “checklists.” The evaluation’s findings and recommendations have been used to guide the design and review of a number of new proposals for GEF support to trust funds during the past year. Its findings have been disseminated broadly (see Communication and Dissemination below).

PROJECT IMPLEMENTATION REVIEWS (PIR)

9. The 1998 PIR, covering 119 projects in implementation for at least one year, was completed in December 1998. Its results, together with findings from a number of program and project evaluations and other studies, were synthesized in the *1998 Project Performance Report* that was published in 1999 (Ref. also GEF/C.13/Inf.9). The most significant conclusion from the 1998 PIR is the need for approaches to addressing global environmental problems that are longer term and more flexible than current project instruments. The review also stressed the importance for GEF of moving from an organizational culture based on project approval to one more focused on achieving and measuring project and program results. Actions to fully address these and other PIR issues discussed during the 1998 remain outstanding, however. The 1998 PIR examined three cross-cutting issues in some depth: sustainability, capacity building, and leveraging. These discussions provided the basis for specific M&E endeavors in the first two of these areas (see below).

10. This year, 133 projects are included in the review. Each implementing agency has reviewed its own GEF portfolio and prepared an overview report highlighting key trends and lessons learned. During November, projects in each focal area will be reviewed by the respective GEF task force and the M&E team. This will be followed by the final review meeting in early December. This year’s project reports are generally better substantiated than those prepared for the 1998 review, and give more attention on objectives, performance indicators, and lessons learned. The *1999 Project Performance Report*, which will also draw on program and project evaluation reports, will be prepared in early 2000.

THEMATIC REVIEWS

11. During the 1998 Project Implementation Review, it was decided that a corporate M&E activity would be to carry out in 1999 a “thematic review” in each focal area. These were designed to complement the PIR, especially by considering more systematically and in depth emergent issues across the portfolio—in projects that had been completed, where under implementation or where preparations had been supported by project development funds.

A. ACHIEVING SUSTAINABILITY OF BIODIVERSITY CONSERVATION

12. One of the issues identified for this thematic review was the sustainability of biodiversity conservation. The review had four components: (1) a review of a wide range of literature on sustainability and related topics, including a number of documents still being finalized; (2) a paper prepared by IUCN, as the central focal point for the GEF-NGO Network, that examined sustainability of biodiversity conservation from the NGO perspective; (3) a survey of, and discussions with representatives from, other multilateral and bilateral donor agencies; and (4) a desk review of experience and insights gained about sustainability from the design and implementation of GEF projects. The report will be discussed and integrated with the review of biodiversity projects as part of the 1999 PIR.

B. THEMATIC REVIEW OF SOLAR PV PORTFOLIO

13. The GEF has till now supported 20 off-grid solar PV projects. Though specific objectives vary, the projects, in general, are aimed at stimulating and achieving commercialization of the off-grid solar PV systems. The 1998 PIR recommended that this review be conducted to: (i) synthesize the lessons learned from the current portfolio in order to help assess their potential impact on global greenhouse gas emissions; and (ii) to make a judgment on how many of these activities require GEF funding before they can reasonably be expected to be replicated with other resources.

14. In addition to desk reviews and interviews with project task managers, the review team will visit six countries to gather data and insights. The report of the review will be presented and discussed at a special workshop to be held in Morocco, with assistance from the Swiss government in the beginning of next year.

C. MULTI-COUNTRY PROJECT ARRANGEMENTS

15. A sizable portion of the GEF projects—including most international waters projects—involve more than one country. The 1998 PIR identified a number of advantages that multi-country approaches can offer. However, these projects are more complex than those carried out in a single country, and present a number of challenges to GEF and its Implementing Agencies. The review will identify emerging lessons from experience about what kinds of multi-country approaches have worked, which have not, why, and under what circumstances. The key issues will be related to characteristics of project designs, inter-institutional collaboration processes and cooperation structures that can facilitate effective decision-making and implementation on transboundary issues.

16. The focus is on multi-country projects in the GEF portfolio that address transboundary issues within a common ecosystem or other geographical area requiring joint action by participating countries. A total of 37 GEF projects are included in the desk review. A joint review team will visit projects on the Danube River Basin, the Mediterranean, and Lake Victoria. It is expected to be completed by March 2000.

STUDY OF IMPACT OF GEF OZONE PHASE-OUT ACTIVITIES

17. The thematic review in the Ozone focal area consists of an impact study commissioned by the M&E team to Ecologic, Centre for International and European Environmental Research through UNEP's Paris Office. The study provides a detailed account of the effects of GEF support and other progress made in 14 out of the 19 countries supported in East Europe and Central Asia to phase-out ozone depleting substances (ODSs), as mandated by the Montreal Protocol.

18. The study is based on data reported by the countries to the Ozone Secretariat in Nairobi, and by data from the Implementing Agencies and verified by the countries themselves. The study, which is submitted as an Information document (GEF/C.14/Inf.4) to this meeting, concludes that GEF support through UNDP, UNEP, and the World Bank has played a crucial role in the phase-out process by providing much needed financial assistance, assistance in establishing legal frameworks and technical expertise, supporting learning and dissemination of project lessons within each country and in a regional context.

19. This study demonstrates clearly that substantive progress on global environmental issues is indeed attainable. In this case it has been facilitated by a binding protocol, national commitments, international financial resources, concerted actions among agencies, and systems for measurements and verification. It also demonstrates that GEF, as a financial mechanism, is very well placed to coordinate efforts at sectoral, national and regional levels in both the ozone and the climate change focal areas.

MONITORING AND EVALUATION STANDARDS AND GUIDELINES

20. During 1999, the corporate M&E team took a significant step toward putting into place comprehensive M&E standards and guidelines for all GEF projects. Based on the framework approved by the Council at its April–May 1997 meetings (GEF/C.8/4. Rev.1), a set of standards and policies covering the whole range of M&E activities within the GEF has been prepared. These standards and policies address M&E at both the program and project level, incorporate the “logical framework” approach as the basis for M&E in GEF, reflect the Council’s decision that all projects should have completion reports that are publicly available, include dissemination and learning as integral aspects, and describe M&E roles and responsibilities. The standards and policies have been fully shared and discussed within the GEF Secretariat and the Implementing Agencies. The review of the standards provided the occasion for a full-day meeting among evaluation and GEF coordination staff within the Implementing Agencies, organized by the GEF Senior Monitoring and Evaluation Coordinator.

21. With the completion of these standards and policies, the M&E team plans three further tasks in this area. First, prepare and circulate for comment more detailed procedures and guidelines for implementing the policies. Second, prepare guidelines for monitoring and evaluating GEF-specific issues, as a supplement to the normal M&E guidelines that each IA uses across all of its programs. Five areas have been identified (based on GEF's operating principles) in which these guidelines will be prepared: (1) global benefits/incremental costs; (2) country ownership of GEF projects; (3) participation/public involvement; (4) GEF's catalytic role, leveraging, and replication; and (5) adaptive management, flexibility, and learning from experience. Finally, the M&E standards and guidelines will be supplemented with a number of resource materials and good practice examples.

22. When complete, GEF's M&E Standards and Guidelines will be available in printed and electronic form. The electronic version will allow links to be made among the policies, procedures and corresponding resource/good practice materials.

PROGRAM INDICATORS IN BIODIVERSITY AND CLIMATE CHANGE

23. Developing program-level performance indicators for the GEF Biodiversity and Climate Change Operational Programs (OPs) has been one of the central tasks in the overall corporate M&E work program in 1999. While considerable work on project-level indicators has been done by the Implementing Agencies, there is no comprehensive system of indicators in place with which to measure the progress and results of GEF's biodiversity and climate change programs toward strategic organizational objectives.

24. Indicators are essential to specify clearly the objectives one seeks to achieve, how one will know whether those have been achieved, or how much progress has been made towards the objectives. Adding up performance measures from the individual projects that GEF finances provides some of the answers. But GEF carries out a number of other activities which affect biodiversity and climate change—for example, raising awareness through its communications and outreach programs, encouraging in various form a more active national and international response to the issues of, stimulating the provision of resources to replicate or expand activities begun with GEF assistance, and disseminating information on “best practices.” Conceptually, these are also part of GEF's operational programs. Only program indicators can capture their effects at an overall level.

25. For M&E purposes, it has been agreed that indicators are to be considered as basic building blocks to facilitate the measurements of performance and impact. The indicators should only deliver the basic data, either based on individual projects, or a cluster of efforts at a higher level, whereas discreet analyses, reviews or evaluations are required to arrive at definite findings or conclusions of GEF performance on the basis of the data. The indicators would be of interest for the GEF Council, Secretariat, Implementing Agencies, the Conventions, and other actors in the GEF focal areas. Thus the present work on biodiversity indicators is coordinated with the indicator work carried out in the context of the Convention for Biological Diversity.

26. The work on program-level indicators has been coordinated by a Steering Committee, consisting of members from the M&E Team, other persons of the GEF Secretariat, and the

Implementing Agencies, advised by STAP on scientific and technical matters, and assisted by groups of external consultants.

BIODIVERSITY

27. The work has been guided by STAP and assisted by a team of consultants from ITAD Ltd., including team members from IUCN and the World Conservation Monitoring Center (WCMC). The WCMC will assist the GEF Steering Group in the second phase of this work, which is expected to last into the early part of 2000. The indicators reflect GEF Operational Programs and are linked to protection and sustainable use of biodiversity and an “enabling environment.” A preliminary set of indicators is provided in AnnexA. For the remaining work, a further assessment of issues for measurement will be made, followed by a delimitation and definition of actual indicators, before testing and final selection.

CLIMATE CHANGE

28. The work has been guided by STAP and assisted by Tellus Ltd. An initial set of program indicators has been developed (see AnnexB). There is universal agreements that indicators directly related to measures of greenhouse gas reductions are not appropriate, since the GEF efforts are mostly directed at the development of more environment friendly country energy markets for renewable or efficiency measures. For large countries, sub-country market may in some cases be more appropriate; and similarly for small countries, a regional focus may be needed in cases where the market extends beyond the country boundaries.

29. The country-level tracking is to identify the influence by GEF projects on national efforts towards developing and implementing climate-friendly technologies and practices; including incentives related to costs, prices, services and programs. In addition to country markets, it is also proposed that the same indicators are tracked at the international level. The scope of the international coverage is yet to be finalized—whether it is all developing countries, or only developing countries where GEF has supported climate change projects.

30. Over the next 6 months, the M&E team proposes to pilot these indicators in conjunction with the ongoing thematic review of the solar PV portfolio and other reviews, and report the results back to the Steering Committee, prior to finalization of the indicators.

METHODOLOGY FOR INTEGRATING CAPACITY DEVELOPMENT INTO PROJECT DESIGN AND EVALUATION

31. The 1998 PIR identified capacity building and institutional strengthening as one of the important cross-cutting issues that influences sustainability of GEF projects. Most GEF projects have capacity development components and aim at strengthening a variety of organizations at different levels, including government agencies, scientific and research institutions, national and international associations, NGOs, and community-based organizations. Normally, capacity development in GEF projects is a means to achieve environment-related objectives and global benefits. The modalities for capacity development include increasing knowledge and awareness on environmental issues, transferring technologies and providing technical skills, creating or

reinforcing new institutional structures, stimulating the creation of networks and promoting interaction, and improving project design and management capabilities.

32. There are various approaches to capacity development within GEF, but no specific framework or systematic approach. It has been agreed that the M&E team will lead a corporate GEF task to prepare a methodological Approach Paper. Its objectives would be: (i) to identify ways to integrate institutional capacity development objectives at the project planning stage and, (ii) to develop a framework and indicators for evaluating the performance of capacity development activities. The point of departure of the approach paper is that evaluation of capacity development must, at least for larger GEF efforts, take a "systems approach." This comprises an understanding of the external environment to the unit whose capacity is enhanced, including the political, economic, social, legal and other overriding areas, together with internal institutional motivation and performance.

33. The Approach Paper will be useful by itself, but will also provide inputs to the broader UNDP-GEF Strategic Partnership on CDI. The latter is a major undertaking which is intended to take stock of GEF-related capacity development efforts in countries and identify long-term capacity development needs. The Approach Paper, on the other hand, will be completed within a short time period and will primarily be of a methodological nature. In preparing the paper, the M&E Team is assisted by a working group from the GEF Secretariat, personnel from the GEF and other relevant departments of the Implementing Agencies, and international consultants. It will be completed after a final workshop in early-2000.

GEF AND THE WORLD BANK'S FORESTRY OPERATIONS

34. The World Bank's Operations Evaluation Department is currently undertaking an evaluation of the implementation of its 1991 Forest Policy. Since the GEF has funded a significant share of the World Bank's forestry activities, the M&E team has participated with a minor component of this evaluation.

35. The evaluation will be completed in a few months. However, it is tentatively concluded that the GEF has been instrumental in allowing the Bank to pursue many aspects of the 1991 Forest Policy. The conservation orientation of the policy and the co-evolution of both the Bank's participatory approach and the GEF's guidelines allowed both to serve mutually enabling and essential roles in fulfilling their overlapping mandates to improve the conservation of forest resources. It is found desirable that the Bank's partnership with GEF to sustainably conserve the world's forest biodiversity be expanded, with more realistic goals and more innovative approaches, and that the GEF should seek the cooperation of other entities, including the private sector to play a more constructive role in forest conservation.

COMMUNICATION AND DISSEMINATION

36. The corporate M&E team has developed several vehicles for communicating the results of its activities. An annual *Project Performance Report* synthesizes the results of the PIR and recent program and project evaluation studies. Major evaluation reports are published, usually in

a full version and a summary edition in a smaller, easy-to-read format. We also prepare *GEF Lessons Notes*, a series of short (4–8 pages) briefs that summarize key findings and lessons from GEF experience.

37. All corporate M&E documents are published in English, French and Spanish. They are available in printed copy or electronically, and are accessible from the GEF's website. We have developed customized mailing lists for both printed and electronic distribution of M&E publications, and maintain a team E-mail address (geflessons@gefweb.org) as a means of communicating with our clients and receiving their feedback.

38. In addition to publications, the M&E team often provides oral briefings or presentations that highlight the main findings and implications of major evaluations or other studies. For example, the team that conducted the evaluation of conservation trust funds presented their findings to the GEF secretariat, a general audience at UNDP, the Interagency Planning Group on Environmental Funds, the Latin American and Caribbean Network of Environmental Funds, and the 1999 International Development Conference. Team members have also been consulted on the design and review of new projects that include conservation trust funds, as a way of assuring that lessons learned from the evaluation are fully incorporated.

ANNEX A

A PRELIMINARY SET OF PROGRAM-LEVEL PERFORMANCE INDICATORS
FOR GEF BIODIVERSITY OPERATIONAL PROGRAMS

	Coverage	Impact
Protected areas	1. Number of projects 2. Number of hectares covered 3. Number of sites 4. Number of sites on global lists 5. Number of projects addressing species on IUCN red lists 6. Number of projects that protect charismatic species	19. Management Plan operational 20. Status of biodiversity 21. Status of threat removal, for example: - habitat loss/fragmentation - invasive species - pollution - overexploitation
Sustainable use	7. Number of hectares under adaptive management plan, or certification 8. Number of projects and sites (including Vavilov sites)	22. Management Plan operational 23. Number of people benefiting in terms of livelihood and other ways 24. Improvement from default (selected taxa) 25. Landraces used in-situ
<i>Enabling environment</i> <i>Policies</i> <i>Biodiversity SAP</i> <i>Awareness</i> <i>Capacity building</i> <i>Financial aspects</i> <i>Taxonomy, Research, Genetic resource issues, Biosafety, Technology transfer</i>	9. Number of projects 10. Number of projects 11. Number of projects 12. Number of projects 13. Amount leveraged up-front and during implementation 14–18. Number of projects	26. Positive policy impact 27. Positive impact of Biodiversity SAP Composite, based on awareness indicators, for example: 28. Number of local visits to protected area 29. Schools with environmental education curricula (%) 30. Biodiversity in local news 31. Field guides in local language 32. Improved institution 33. Availability of good quality information 34. Evidence of sustainability 35-39. To be decided

ANNEX B

PROPOSED SET OF PERFORMANCE INDICATOR FOR CLIMATE CHANGE PROGRAMS

- 1. Energy production and savings measures.**
OPs 6 and 7: renewable technology capacity installed (kW); annual energy supply from measures (kWh or other energy units).
OP5: electric energy capacity reduced through efficiency measures; annual energy savings from measures installed.
- 2. Costs per technology unit or measure installed.**
Installed costs and supply costs of measures, compared with the prices of competing conventional resources.
- 3. Business development and support services.**
Number of in-country commercial businesses that can (a) manufacture and assemble, (b) sell/install, and (c) service/maintain technologies.
Existence of equipment quality standards and certification procedures for service personnel.
- 4. Availability of financing for end-user investments in technologies.**
Number of financing programs dedicated to technologies from (a) private, (b) government, and (c) bilateral or multilateral sources.
Amount of financing by type of source.
- 5. Policy development**
Policies that have a significant influence on the market penetration of technologies, including (a) electricity pricing and policies, (b) renewable energy or energy efficiency policies, and (c) other policies.
- 6. Awareness and understanding of sustainable energy technologies.**
Amongst users; amongst potential users.
- 7. Energy consumption, fuel use patterns, and market share impacted by technology deployment.**