



Global Environment Facility

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Agenda Item 8

GEF EVALUATION OFFICE: PEER REVIEW OF THE GEF EVALUATION FUNCTION

(Executive summary of the Peer Review prepared by the Peer Review Panel, response prepared by the GEF Evaluation Office on behalf of the GEF Secretariat and Agencies)

Recommended Council Decision

The Council, having reviewed document GEF/ME/C.35/3, “Peer Review of the GEF Evaluation Function” requests the Evaluation Office to take the findings and recommendations of the Peer Review, as well as comments made during the Council meeting, into account when preparing a revision of the GEF Monitoring and Evaluation Policy, to be presented to Council at its meeting in the second half of 2010. Furthermore, the main findings, conclusions and recommendations of the Peer Review should be incorporated in the Fourth Overall Performance Study of the GEF.

EXECUTIVE SUMMARY

1. This Working Document contains the Executive Summary of the Report of the Independent Professional Peer Review of the Evaluation Function of the GEF. This is followed by the Response of the GEF Evaluation Office on the Peer Review.
2. The Independent Peer Review took place on the invitation of the GEF Evaluation Office as an essential part of the Fourth Overall Performance Study. One of the key questions of OPS4 is on the implementation of the GEF Monitoring and Evaluation Policy that was approved by Council in February 2006. The Evaluation Office would have a conflict of interest in evaluating the policy and the Peer Review was asked to provide an independent professional perspective on the policy and the implementation of the policy by the GEF Evaluation Office.
3. The Peer Review concludes that the independence of the GEF Evaluation Office is assured, that the credibility of its reports is high, and that the usefulness of the reports beyond the direct use in Council could be enhanced. Its recommendations focus on increasing the consultations between the Office and its partners in the GEF, especially the GEF Secretariat, and increasing the interactions between the Office and recipient countries, especially in the case of case studies or field work that is undertaken in the framework of thematic and global evaluations. Furthermore, the Panel advocates more field work in evaluations.
4. The Evaluation Office agrees to the general direction of the Peer Review Report and proposes in its Four-Year Work Plan and Budget to start up a consultative process with the GEF Secretariat and other GEF partners to ensure that the recommendations of the Panel are taken up in a revision of its work plan and its modes of operation. This could then be incorporated into a revised GEF Monitoring and Evaluation Policy, to be presented to Council at its meeting in the second half of 2010. When undertaking the consultative process to prepare a revision of the GEF Monitoring and Evaluation Policy, the formulation of monitoring issues will be undertaken jointly with the GEF Secretariat, which bears a special responsibility for the monitoring of the GEF portfolio.
5. The main findings, conclusions and recommendations of the Peer Review will be incorporated in the Fourth Overall Performance Study of the GEF.

INDEPENDENT PROFESSIONAL PEER REVIEW REPORT – EXECUTIVE SUMMARY

6. The years reviewed by the Peer Review represent a particularly dynamic, but also difficult phase of the GEF, characterised by the urgent demand of members for reform and change out of bureaucracy and stagnation. The new leadership in both the Secretariat and the EO had to deal with high and often conflicting expectations in the Council, the staff and among the GEF membership at large. This report pays tribute to the considerable results achieved by the GEF EO and aims at discussing issues for further improvement.

7. Every four years, the GEF produces an Overall Performance Study (OPS). The principal aim of this study is to inform the replenishment process, as well as the Council and General Assembly of the GEF, about the achievements of the organization during the previous period, to draw lessons and give indications on the way forward in the succeeding replenishment period.

8. In June 2007, the GEF EO offered the Council to take responsibility for OPS-4 as part of its regular work program. The Council approved the proposal except for the study components that would pose a conflict of interest. Accordingly, it was proposed that the role of the GEF Evaluation Office would be independently assessed by a Professional Peer Review Panel, composed of internationally recognized members.

9. In February 2008, the Director of the GEF EO approached the Head of Evaluation of the Finnish Cooperation and the Special Evaluator of the Belgian Cooperation, asking them to organize such peer review of the GEF EO. In early April 2008, it was decided that the Peer Review would be financed equally by the Finnish and the Belgian Governments and that the Office of the Special Evaluator of the Belgian Cooperation would chair the Peer Panel and coordinate the process.

10. The Panel was composed as follows:

- Dominique de Crombrugghe, Special Evaluator for Development Cooperation, Ministry of Foreign Affairs, Belgium, Peer Panel Coordinator
- Caroline Heider, Director, Office of Evaluation, World Food Programme
- Heidi Pihlatie, Senior Evaluator, Unit for Evaluation and Internal Auditing, Ministry of Foreign Affairs, Finland
- Oumoul Khayri Ba Tall, Senior Evaluator, President of the International Organisation for Cooperation in Evaluation (IOCE), Mauretania
- Zhanar Sagimbayeva, Evaluator, Eurasian Development Bank, Kazakhstan
- Karel Cools, Senior Evaluator, Evaluation and Quality Control Service, MOFA, Belgium

11. Two Advisors assisted the members of the Panel, one from the North (Dr Horst Breier from Germany) and one from the South (Dr Dunstan Spencer from Sierra Leone).

The Advisors were responsible for data collection and information gathering; preliminary assessment of the collected information; assisting Panel members in their interviews with stakeholders, and drafting the assessment report.

12. The Peer Review examined the GEF evaluation function on three core criteria: Independence of the GEF-EO and of its evaluation processes, Credibility and Utility of its evaluations.

BUDGET AND FINANCE

13. The Panel finds that GEF EO's financial independence is secured. The key stakeholders (EO and Council) are in agreement on what needs to be done in evaluation and on the corresponding level of financing. The GEF-EO evaluation budget is activity based, it reflects the Four-Year GEF Work Program for Evaluation and it represents the Four-Year Program's translation into annual programs of work and budgets.

14. From FY 05 to FY 09 the budget of the EO including special initiatives show an overall increase in of 52 per cent¹, amounting to USD 3,907,167 in 2009.

EVALUATION PRODUCTS AND THEIR QUALITY

15. The Peer Panel analysed a great number of documents (listed in annex,) and conducted interviews with the GEF Council, the GEF Secretariat, the GEF EO, the World Bank and the IEG, most GEF Agencies and a large number of stakeholders.

16. Further, the Peer Panel analysed a sample of six products representing recent work of the EO in the categories of Program Evaluations and Thematic Studies, Annual Performance Reports, and Country Portfolio Evaluations.² While this sample is not representative of the whole EO evaluation endeavour, it covers sufficient ground to extrapolate strengths and weaknesses of the evaluations produced by the GEF EO in recent years.

17. The main conclusion from this analysis is that, overall, the GEF EO produces solid evaluation work, at the forefront of the state of the art with a welcome emphasis on methodological rigour and clarity.

18. Some points of attention are worth mentioning for further consideration with a view to consolidate and to deepen the good results achieved so far.

¹ This significant increase is partly due to the exclusion of the costs for OPS-3 from the regular evaluation budget.

² The sample comprised: Annual Performance Report 2007 (October 2008); Country Portfolio Evaluation Philippines (March 2008); The Role of Local Benefits in Global Environmental Programs (2006); RAF Mid-Term Review (October 2008); Joint Evaluation of the GEF Activity Cycle and Modalities (2007); and Annual Report on Impact 2007 (May 2007).

- The level of involvement of national and local stakeholders and beneficiaries in GEF EO evaluations processes remains a sensitive issue ; various stakeholders perceive these processes as a top down approach, which is hardly consistent with the Paris Declaration on Aid Effectiveness and other current aid philosophy;
- GEF EO evaluation methodology shows a strong reliance on written material and third party assessments which is not always matched by a corresponding allocation of human and financial resources to on-site checks and verification, as well as to original evaluative research.
- The targeting of the Council as the main audience for evaluations is a safeguard for the independence of the EO. However there is room for improvement for bringing evaluation results to the attention of a wider audience than is the case at present.
- A short note about the evaluation team in a section or at the back of the reports, with regard to the qualifications and independence of consultants, to the gender balance and to the balance between international and national consultants, would be welcome.

TOOLS AND GUIDELINES

19. The GEF Evaluation Office has produced a number of guidance documents over the last years. These are designed to help translating the *GEF Monitoring and Evaluation Policy* of 2006 into practice and to answer the demand contained in the Policy Recommendations of the Third GEF Replenishment for more rigorous minimum standards to be applied in GEF-related M&E work. Though these documents differ widely in character and coverage, weight and reach, they by and large represent state-of-the-art tools which are perceived by most stakeholders as helpful contributions towards harmonizing approaches, methods and modalities within the GEF partnership.

INDEPENDENCE

20. The Third Replenishment negotiations in 2002 recommended that the GEF Monitoring and Evaluation Unit should be made independent, reporting directly to the Council, with its budget and work plan determined by the Council and its head proposed by the GEF CEO and appointed by the Council for a renewable term of five years. In 2003, the GEF Council decided to establish an independent Office of Monitoring and Evaluation. In February 2006, the Council approved the new and comprehensive *GEF Monitoring and Evaluation Policy*, a thoughtful, ambitious and action-oriented policy document.

21. The Panel notes the positive effects on the conduct of evaluations brought about by the achievement of structural independence of the EO. Independence is seen as important by EO staff and as conducive to freeing them from pressures to negotiate and amend approach papers, TORs and reports.

22. Essential for the structural independence of the EO is its reporting to the Council, the EO's primary audience. Stakeholders, including staff of the GEF Secretariat and the EO, as well as in GEF Agencies, consider that the cost for the EO's structural independence reflects in isolation from the Secretariat and the GEF Agencies.

23. Stakeholders complain that this affects negatively the consultation and communication process during the preparation of the EO work plan as well as the organisational learning loop from evaluations. Council members, however, do not appear to share this view. They believe that the evaluations cover important issues for corporate development and discussions at the Council.

24. The structural independence of the GEF EO is vested in two letters of agreement exchanged between the CEO and the EO Director, authorizing the latter to speak to the Council directly on all matters pertaining to evaluation and to take decisions on human resource issues in the Evaluation Office. The Panel finds that the sustainability and validity of the letters of agreement as a binding institutional measure are questionable. Incumbents in either of the two positions could in theory change or even abrogate the agreement at any time. Therefore, the Panel holds that a more formal agreement, at least at the level of rules and regulations, is needed to put the structural independence of the GEF EO on a firmer legal basis.

CREDIBILITY

25. The Panel notes that the quality of the GEF EO evaluations has improved over recent years. Evaluation reports provide good technical information, with lots of facts and evidence, and in-depth analysis. This contributes to the credibility of the products. Moreover, robust methodological rigour has been introduced in the work of the EO.

26. The Panel was nevertheless faced with some issues that deserve consideration:

- The analysis of the evaluation products has shown that particular products and specific actions are more important for establishing – or affecting – credibility than others. E.g. the Annual Performance Report (APR) provides an important and credible bridging function between the evaluation activities of the GEF Agencies and the role of oversight and aggregation that the Evaluation Office plays for the GEF as a whole. However the Panel was surprised to see an overwhelming majority of evaluations being rated moderately to very positive rather than a more even distribution across the rating scale.
- The Panel was informed about persisting workload overstressing the human resources in the EO over extended periods of time. This could put the present quality of evaluations at risk.
- The Panel found a restrictive practice regarding fieldwork. It has doubts that limiting fieldwork is an adequate way to cope with existing constraints. Less field exposure will mean reduced contact of the EO with the reality of GEF programmes and projects, which so far has been a strength of EO's work.

- The transparency of planning and conducting evaluations through full and early consultation, ongoing dialogue and participation of stakeholders is an essential element of establishing the credibility and the appropriation of the results of an evaluation. Perhaps, this is the weakest part in the work of the EO at present. The Panel's discussions with stakeholders of the GEF partnership, including the GEF Secretariat, GEF Agencies, and governments of recipient countries showed that the existing practice is not entirely satisfactory. While the Panel is aware that stakeholders do not always make use of participation opportunities offered by the EO, this criticism is real and could have implications for the credibility of the evaluation products.
- A complaint voiced across the whole GEF partnership, in Washington as well as in other places visited by the Panel, relates to the very short period of time that the EO provides for the GEF Secretariat as well as for the GEF Agencies between submitting an evaluation report and the deadline set to react to it. Stakeholders find this short time span totally insufficient to absorb the evaluation report, discuss its implications for future work, and provide a meaningful and thought through management response. The Panel finds the present practice of two-week deadlines arbitrary and counterproductive.
- Eventually, the Panel noted the absence of an assessment of the performance of GEF Agencies in Country Programme evaluations, due to the corresponding clause in the *Standard Terms of Reference for Country Portfolio Evaluations*. The Panel therefore will recommend dropping this clause so as to increase the credibility of the CPE process.

UTILITY

27. The primary audience for the work of the independent Evaluation Office is the GEF Council. The evidence collected during the Peer Review allows the Panel to confirm that the Council and its members are generally satisfied with the work of the Evaluation Office, with the coverage of its work plan and the topics selected for and addressed in evaluations. On the whole, the Council members find that the evaluations are useful in clarifying issues of general concern for the GEF, in informing Council discussions and in helping members to take the necessary decisions in the ongoing reform process. Evaluations also appear to find their way into GEF Constituencies. The Panel noted for example that the Caribbean Constituency had discussed evaluation reports ahead of a Council meeting, a good practice that could easily be replicated.

28. Notwithstanding the criticism of the consultative process, GEF Agencies confirm that the work of the EO has been of great utility in a number of areas and has significantly contributed towards improving the performance of the GEF. Examples mentioned include guidance produced by the EO which has helped to coordinate and unify yardsticks and evaluation criteria for GEF financed activities across the partnership,

and a significant improvement of mid-term reviews and terminal evaluations since the EO has begun to rate these reports.

29. In the field, the Panel faced situations where the EO evaluation work is seen as quite removed from the national level, with the exception of the CPEs. The planning and preparation of EO evaluation activities in the country is largely conducted in Washington, with no or only little advance communication with and consultation of the government, and consequently with a low degree of transparency for national stakeholders. As a result, the EO evaluations are predominantly perceived as top-down approaches, at a distance from the operational level.

30. Finally, the Panel has observed on several occasions, that there is a kind of “competitive relationship” between the EO and the Secretariat affecting the smooth running of business between the two. The Panel thinks that this relationship needs to be kept under review to avoid disruptions and adverse impacts on the utility of evaluations.

CONCLUSIONS

31. The GEF EO has been successful in establishing itself as a new and independent core player within the overall GEF structures and in finding acceptance in this role. This is primarily due to the fact that the Office under its new Director has made commendable efforts to improve and facilitate professional evaluation work in the GEF and to provide leadership in this area, both within the GEF partnership and internationally, especially in the United Nations Evaluation Group (UNEG).

On Independence

1. On structural independence

The Panel **concludes** that structural independence of GEF EO has largely been achieved and is beneficial to the GEF. It has enhanced the credibility of evaluations and therefore of the whole institution. However, it **finds** that the legal basis for the actual arrangements of EO independence is precarious. The Panel **recommends** that the Council take steps to put the arrangements for structural independence on a better and more sustainable legal footing than is the case at present.

2. On institutional independence

The Panel **concludes** that the GEF EO work plan preparation is independent and that the evaluative criteria used in developing the work plan are justified. However, it finds that there is insufficient consultation with stakeholders during the development of the work plan. Therefore, the Panel **recommends** that EO enhance the consultation efforts.

3. On the budget

The Panel **finds** that the programme and activity based budgeting and the concomitant level of financial independence of the GEF EO is very commendable.

4. On evaluation processes
The Panel **concludes** that the independence of the evaluation processes for both thematic and strategic evaluations and the review process for terminal evaluations conducted by the GEF Agencies are adequately safeguarded.
5. On conflicts of interest
The Panel **concludes** that sufficient steps have been taken to avoid conflicts of interest by EO staff. Risks of staff being partial are low and therefore negligible. However, the Panel notes that, notably in country, expertise in the thematic fields of the GEF can be scarce and therefore **recommends** the EO to pay attention to the selection and recruitment of consultants to ensure also they do not have any conflict of interest.
6. On quality assurance
The Panel **concludes** that the process for quality assurance of reports set in place by GEF EO is light, given the technical content of the evaluations and **recommends** strengthening it through the use of technical expert panels or similar mechanisms.

On Credibility

1. On the overall level of satisfaction
The Panel **finds** a high degree of satisfaction of many stakeholders with the credibility of EO products.
2. On fieldwork
The Panel **finds** that limitation of fieldwork is not an adequate way to cope with individual evaluation budget constraints, as it would reduce contact of the EO with the reality of GEF programmes and projects. Therefore the panel **recommends** that annual budgets should secure adequate allocation of funds for relevant fieldwork.
3. On deadlines for management responses
The Panel **finds** the present practice of two-week deadlines for management responses is arbitrary and counterproductive. The Panel therefore **recommends** allowing a minimum of four weeks after submitting an evaluation report to stakeholders for the preparation of an inclusive management response.

On Utility

1. The Panel **finds** that the Council and its members are generally satisfied with the work of the Evaluation Office, with the coverage of its work plan and the topics selected for and addressed in evaluations. Council members find that the evaluations submitted to them are useful in clarifying issues of general concern for the GEF, in informing Council discussions and in helping members to take the necessary decisions in the ongoing reform process.
2. On the interaction between the GEF Secretariat and the GEF EO
The Panel **concludes** that the present relationship between the GEF EO and Secretariat is not always apt to support the utility of the evaluation function. It

therefore **recommends** enhancing and intensifying the interaction and cooperation between both for the common benefit of all parties.

3. On the Programme of Work for Evaluations

The Panel **finds** that the limited consultations between the EO and the GEF Secretariat in the process of drawing up a program of work for evaluation could impair the utility of planned evaluations. Therefore, the Panel **recommends** to the Council, the CEO and the Director of Evaluation to keep the situation under review and, if necessary, provide additional guidance to clarify consultation requirements to both the EO and the Secretariat.

4. On upstream contacts with stakeholders in countries

The Panel **concludes** that not enough is done to establish early and upstream contacts with stakeholders in countries where an EO evaluation is being planned in order to discuss knowledge needs and to allow a country input into the TOR. It **recommends** establishing such contacts well ahead of the scheduled beginning of the work and/or the arrival of the evaluation team. Similar arrangements should be established with the GEF Agencies, both at headquarter and at in-country operational level.

5. On the learning loop

The Panel **finds** that there is room for improved feedback of evaluation results into the GEF Secretariat and with the other stakeholders.

The Panel therefore **recommends** incorporating dissemination aspects in the planning of evaluations right from the beginning, including budgetary provisions if needed.

RESPONSE OF THE GEF EVALUATION OFFICE

32. The GEF Evaluation Office has been tasked by the GEF Council to implement the GEF Monitoring and Evaluation Policy, which was approved by Council in February 2006. Furthermore, the Policy states that any proposals for change of the Policy will be presented to the Council by the Evaluation Office. The Peer Review has implications for the Policy and thus the Response to the Peer Review has been coordinated by the Evaluation Office.

33. In general the Office has a positive assessment of the Peer Review Report. It comes to a strong conclusion on the independence of the office, provides evidence that evaluation reports are seen as credible and especially highlights the utility of reports for the Council. The issues that are identified that will be a challenge in the next phase of the GEF, such as improved consultation on the work program, early country involvement in country level evaluations and improved utility and feedback at other levels than the Council, as well as work load of staff, are recognized by the Office and the peer review report will help us move forward on these issues.

34. The Work Program for the Evaluation Office for the next fiscal year includes a proposal to start up a consultative process with the GEF Secretariat (with a special responsibility for monitoring issues), the GEF Agencies, STAP and the NGO Network on a revision of the GEF monitoring and evaluation policy, our work procedures, methodologies, budget proposals, in order to incorporate the lessons learned from the GEF-4 period, OPS4 and the peer review report and ensure that the Policy follows clearly identified benchmarks and best international practice. This proposal will address the issue of enhanced consultation with stakeholders on the work plan of the office as promoted by the Peer Review Panel.

35. On credibility, the Peer Review Panel finds that limitation of fieldwork is not an adequate way to cope with budget constraints. The Evaluation Office fully agrees and would like to point out that in many evaluations fieldwork has increased while remaining within budgetary limits. Overall, the Evaluation Office has done field work in more than 55 countries in the past four years and thus considers itself well grounded in the reality of GEF programs and projects. A particular challenge is to find the right balance between the involvement of staff of the Office in fieldwork and the involvement of consultants.

36. The Evaluation Office does not have the budget to fully incorporate all of the recommendations of the Peer Review Panel, especially on improved feedback to other levels than the Council, on enhanced interaction with national governments and local communities. This should be taken into account in the process of revision of the GEF Monitoring and Evaluation Policy. The Peer Review Panel notes that the regular budget of the Office has increased with more than 50% over the past five years. However, after discussions with Council it was decided to include the Overall Performance Study and any Special Initiatives into the regular budget of the Office. Therefore the increase in the regular budget needs to be related to the old regular budget plus the costs of OPS3 and special initiatives. The table below shows that the overall costs for corporate evaluations

in the GEF has more or less remained the same over the last five years and has not kept up with inflation and the lower value of the US dollar.

GEF Evaluation Office	FY05	FY06	FY07	FY08	FY09
Regular Budget	\$2,321,000	\$2,821,975	\$2,906,634	\$3,793,365	\$3,907,167
Special Initiatives & OPS3	\$1,575,502	\$1,136,358	\$641,317	\$57,747	\$0
Total	\$3,896,502	\$3,958,333	\$3,547,951	\$3,851,112	\$3,907,167
(%) Increase/decrease over previous fiscal year		1.59%	-10.37%	8.54%	1.46%

37. On the short time period for the management response we would like to point out that the Office always has meetings with the main stakeholders on preliminary findings and emerging issues. In the case of Country Portfolio Evaluations these take the form of workshops in which all partners in the GEF are invited. Other evaluations also often have final workshops in which findings are presented. The RAF mid-term review is a case in point: the preliminary findings of that evaluation were presented to the GEF Secretariat on August 28, 2008 and to an interagency meeting on September 11, 2008. Often these workshops take place well before the Council meeting. They allow the Secretariat and the Agencies to prepare for a management response. The Peer Review Report does not recognize this process. In the consultative process proposed solutions to this issue can be explored and incorporated in proposals to Council.

38. The main text of the Peer Review Report is detailed in its descriptions of the issues that the Panel encountered during its visits to Washington, New York, Nairobi and Manila. Although the Panel has based the report on a solid desk review of many of the Evaluation Office's products, the limited basis of the field work of the Panel has led to inclusion of statements in the final report on which we disagree. The Evaluation Office also notes that none of the earlier peer reviews of the evaluation functions in UNDP, UNICEF, WFP and OIOS have provided such detailed comments. Nevertheless, the Evaluation Office feels that even though the Peer Review Panel has not always properly identified the trees, it gives a good description of the forest. Some misrepresentation may have resulted, but it is not serious. For example, the Evaluation Office feels that it has made a strong effort to engage with all GEF stakeholders when preparing the approach papers and terms of reference for the RAF mid-term review and for the Fourth Overall Performance Study of the GEF. Draft approach papers, proposed key questions and draft terms of reference were posted on the website and extensively discussed in various meetings, including several sub-regional meetings of GEF focal points. This should provide some counterpoint to the finding of the Panel that the Office insufficiently consults with stakeholders on how it sets up its evaluations.

39. The GEF Evaluation Office would like to express its sincere gratitude to the Peer Review Panel which has spent so much time and energy to understand the role of evaluation in the Global Environment Facility. The Peer Review Report should enrich the GEF Monitoring and Evaluation Policy and lead to improved monitoring and evaluation in GEF-5.