

GEF Council
November 16-18, 2010

Agenda Item 10

REVISION OF THE GEF MONITORING AND EVALUATION POLICY

**(Prepared by the GEF Evaluation Office on Evaluation Issues and by
the Evaluation Office and the Secretariat on Monitoring Issues)**

Recommended Council Decision

The Council, having reviewed document GEF/ME/C.39/6, “*Revision of the GEF Monitoring and Evaluation Policy*,” approves the revised GEF Monitoring and Evaluation Policy contained in Annex 1 of this working document, and requests the GEF Evaluation Office to proceed with its publication and wide dissemination.

EXECUTIVE SUMMARY

1. On 22 June 2009, Council decided to request the GEF Evaluation Office to prepare a revision of the M&E Policy for GEF-5, to be presented to Council in November 2010. This review should reflect the findings and recommendations of the Peer Review of the GEF evaluation function conducted in the framework of OPS4, as well as Council members' comments made during the discussion on both the peer review and the GEF EO formal response to it. Furthermore, the reforms of the GEF since 2006, including those for GEF-5, make it necessary to include several changes in the revision of the Policy.

2. The consultation process for the revision of the GEF M&E Policy has included the appropriate partners involved in monitoring and evaluation at various levels in the GEF network. Consultations have been done together with the GEF Secretariat on monitoring and Results Based Management issues as related to the M&E Policy. The resulting revised policy is supported by all partners in the GEF network.

3. This working document provides the information basis for the Council Decision to adopt the changes proposed for the Policy itself. The main revisions to the 2006 version of the Policy are:

- i. Reference to the new GEF Result-based Management and other major policies introduced with GEF-5;
- ii. Better definition of roles and responsibilities for the different levels and typologies of monitoring;
- iii. Stronger emphasis on country ownership and the role of Operational Focal Points in M&E;
- iv. More emphasis on and better articulation of knowledge management and learning;
- v. Reference to programs and jointly implemented projects;
- vi. Deletion of Chapter 4 "The GEF Evaluation Office" and inclusion of its main elements into section 2.3 "GEF Evaluation Office";
- vii. Deletion of Chapter 5 "Use of Evaluations", integration of its main paragraphs all along the M&E Policy and inclusion of the remaining paragraphs on knowledge sharing and dissemination into sections 1.4 "Follow up to evaluations" and 1.5 "knowledge sharing";
- viii. Replacement, in the bullet referring to baseline establishment in the 1st Minimum Requirement, of the deadline "within one year of implementation" with the deadline "by CEO endorsement";
- ix. Introduction of a 4th Minimum Requirement on the engagement of Operational Focal Points in project and program M&E activities.

4. It is proposed that Council adopts the revised policy contained in Annex I of this working document.

BACKGROUND

5. On 22 June 2009 Council decided to request the GEF Evaluation Office to prepare a revision of the M&E Policy for GEF-5, to be presented to Council in November 2010. This review should reflect the findings and recommendations of the Peer Review of the GEF evaluation function conducted in the framework of OPS4, as well as Council members' comments made during the discussion on both the peer review and the GEF EO formal response to it. Furthermore, the reforms of the GEF since 2006, including those for GEF-5, make it necessary to include several changes in the revision of the Policy.

CONSULTATION PROCESS AND SURVEY

6. The consultation process for the revision of the GEF M&E Policy has included the appropriate partners involved in monitoring and evaluation at various levels in the GEF network. Consultations have been done together with the GEF Secretariat on monitoring and Results Based Management issues as related to the M&E Policy.

7. Early in the process it was broadly agreed that revisions to what is an already solid M&E Policy should be minimal. The GEF Evaluation Office therefore took the opportunity of discussing revision of the M&E Policy at meetings already scheduled with the GEF partners (sub-regional, interagency, STAP, etc.). At the same time, to further consultation beyond those meetings, the Office decided, in collaboration with the GEF Secretariat, to design and administer an electronic survey. The survey, launched on 22 March 2010, enabled all partners to provide an input on the needs and opportunities for updating the Policy. The survey was also intended to identify trends and issues for further discussion during the above-mentioned meetings.

E-survey responses by category

Stakeholder categories	Survey responses (160)*	
	Count	Percent
Council members and alternates	18	11.0
Focal Points	41	25.0
Agencies Evaluation Offices	10	6.1
GEF Evaluation Office	8	4.9
STAP	4	2.4
GEF Secretariat	7	4.3
Agencies operational units (executive coordinators, sr. managers, task managers, etc.)	14	8.5
NGO	50	30.5
UN Convention Focal Points	12	7.3
Total	164	100

**4 respondents have 2 roles (Focal Point and Council member)*

8. The Evaluation Office has consulted with GEF focal points and Agencies at three sub-regional meetings held in 2010 in Port Moresby, Hanoi, and Istanbul. The M&E Policy was also discussed at two interagency meetings in Washington and at the STAP meeting in Rome. Minutes of all these meetings have been either distributed or published on websites, and are available upon request.

Sub-regional meetings

- Pacific region in Port Moresby, Papua New Guinea, 3-4 February 2010

- Asia in Hanoi, Vietnam, 10-12 March 2010
- Europe and CIS in Istanbul, Turkey, 14-15 April 2010

Inter-Agency meetings

- 13 April 2010
- 15 June 2010

STAP meeting in Rome, 8 March 2010

9. In collaboration with the GEF Secretariat, the Evaluation Office consolidated the issues raised by all partners and stakeholders concerning the revision of the Policy. All relevant replenishment documents embedding GEF-5 policies and relevant Council decisions have been identified through a gap analysis study and considered in the revision. A first draft of the document was discussed with GEF Agencies and STAP at the GEF network meeting of 15 September 2010. The draft policy was circulated twice to the Secretariat, the Agencies, STAP, the NGO Network and the Evaluation Offices of the Agencies, each time soliciting comments and suggestions, which were incorporated in the next version where appropriate. The resulting revised policy is supported by all partners in the GEF network.

MAIN REVISIONS IN THE POLICY

10. This working document is based on the original text of the M&E Policy document approved in 2006. Its purpose is to provide the information basis for the Council Decision to adopt the changes proposed for the Policy itself. The main revisions to the 2006 version of the Policy are:

- i. Reference to the new GEF Result-based Management and other major policies introduced with GEF-5;
- ii. Better definition of roles and responsibilities for the different levels and typologies of monitoring;
- iii. Stronger emphasis on country ownership and the role of Operational Focal Points in M&E;
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- viii. Replacement, in the bullet referring to baseline establishment in the 1st Minimum Requirement, of the deadline “within one year of implementation” with the deadline “by CEO endorsement”;
- x. Introduction of a 4th Minimum Requirement on the engagement of Operational Focal Points in project and program M&E activities.

11. The revised GEF Monitoring and Evaluation Policy is presented in Annex 1 of this working document. It is proposed that Council agrees to this policy, after which it will be published and disseminated.



**THE GEF
MONITORING AND EVALUATION
POLICY**

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1. Monitoring and Evaluation in the GEF

1. Monitoring and evaluation in the Global Environment Facility (GEF) have the following overarching objectives:

- a. Promote accountability for the achievement of GEF objectives through the assessment of results, effectiveness, processes, and performance of the partners involved in GEF activities. GEF results are monitored and evaluated for their contribution to global environmental benefits.
- b. Promote learning, feedback, and knowledge sharing on results and lessons learned among the GEF and its partners, as a basis for decision-making on policies, strategies, program management, projects and programs, and to improve knowledge and performance.

2. The GEF's renewed focus on Results-Based Management (RBM) aims to improve management effectiveness and accountability by defining realistic expected results and targets, monitoring progress towards the achievement of expected results and targets, integrating lessons learned into management decisions and reporting on performance.

3. While monitoring is one of the key instruments of RBM, evaluation looks at monitoring and RBM with a critical eye, to assess its validity, credibility and reliability. Monitoring tells whether the organization, country, portfolio or project is on track to achieving the intended objectives. Evaluation provides information on whether the project or portfolio is on the right track. Evaluation also provides evidence on how changes are taking place, and the strengths and weakness of the design of the projects, program or corporate strategies embedded in the RBM.

1.1 Background

4. The GEF is a financial mechanism for international cooperation, based on partnerships, that provides new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in six focal areas: biological diversity, climate change – mitigation and adaptation,¹ international waters, land degradation ozone layer depletion, and persistent organic pollutants, with sustainable forest management crosscutting relevant focal areas in developing countries and countries with economies in transition. The GEF Council provides strategic and policy direction in these six focal areas, taking into account guidance from the Conferences of the Parties of the global environmental conventions for which the GEF serves as the financial mechanism.² The GEF Instrument requires the GEF, among other things, to ensure that its programs and projects are monitored and evaluated on a regular basis, and to maintain sufficient flexibility to respond to changing circumstances and experience gained from monitoring and evaluation (M&E) activities. This requires feedback to the GEF decision-making processes at the policy, program, and project levels.

5. M&E play an important role in the GEF. The GEF's mission in the global environment requires it to be innovative or experimental and places the partnership in a position to address targeted global environmental issues. The GEF is also pioneering institutional relationships among international finance institutions, United Nations (UN) agencies in partnership with the

¹ The incremental cost principle does not apply to the Least Developed Countries Fund (LCDF) and the Special Climate Change Fund (SCCF).

² For more details on the GEF, see "Instrument for the Establishment of the Restructured Global Environment Facility" (GEF Instrument).

participant countries, international conventions, nongovernmental organizations (NGOs), and other organizations. M&E are a shared responsibility within the GEF partnership. Therefore, the M&E Policy makes full use of the combined capacities of the expansive GEF partnership and the respective comparative advantages of each GEF partner. The multiplicity of stakeholders also places a premium on learning and improvement, by continuously sharing knowledge from M&E, both within and among the GEF partners and with external stakeholders. The active engagement of all stakeholders enhances capacity for M&E as well as its utility.

6. M&E feedback allows the GEF to track progress in fulfilling its mission of delivering global environmental benefits in its six focal areas. GEF projects and programs are more likely to capitalize on their innovative and catalytic role when they are fully integrated with Results Based Management and where management activities are based on feedback from systematic M&E findings. M&E processes can help strengthen partnerships, local and other stakeholder participation, and ownership around GEF projects and programs and issues, which are essential principles of GEF operations and policies. As a consequence, the GEF emphasizes the quality of M&E and ensure that the findings are disseminated widely.

7. The M&E functions of the GEF were established after the GEF restructuring in 1994, when the GEF Council was entrusted with the responsibility for developing, adopting, and evaluating the operational policies and programs for GEF activities (according to the GEF Instrument). A framework for M&E was approved in May 1997 as the Framework and Work Program for GEF's Monitoring, Evaluation and Dissemination Activities (GEF/C.8/4). As a result of the Second Overall Performance Study and replenishment of the GEF Trust Fund, the GEF M&E Unit was made independent in 2003 and reports directly to the GEF Council. In November 2004, the GEF Council renamed the unit as the GEF Office of Monitoring and Evaluation (now the GEF Evaluation Office) and requested it to proceed with developing a new policy for M&E in the GEF. Monitoring was transferred to the GEF Secretariat as a result of a series of consultations that lead up to the GEF M&E Policy.³ The Policy was developed through a consultative process with GEF partners, and approved by the GEF Council in February 2006. The Policy underwrites the independence of the Evaluation Office and its direct link to the GEF Council.

8. RBM and monitoring are functions to continuously plan, measure, monitor, assess, review and report on progress towards desired results. These actions are performed by those responsible for managing policies, projects and programs, operations, or organizational units. Evaluation uses, to the extent possible, performance information, and provides feedback to promote adaptive management, corporate learning, strengthened results achievement and accountability for resources. A strong results-based management system is essential to building confidence among partners—both stakeholders and beneficiaries—in the reliability of information on development effectiveness. By making requirements and expectations more explicit and consolidated, the M&E Policy should encourage conduct of good M&E at various levels of programming and delivery of results. This is particularly important given the specific challenges in measuring and aggregating GEF results at the global level.

9. In June 2007, the GEF Council approved the policy paper, Results-Based Management Framework⁴ as an approach to strengthen monitoring performance and annual reporting. In 2010, the GEF-5 Programming document (GEF/R.5/31CRP.1) identifies strategic results frameworks at the focal area and corporate level, which guide planning and M&E. In June 2009, the Council

³ The following Council documents discuss the transfer of monitoring to the GEF Secretariat: GEF/ME/C.24/1; GEF/ME/C.24/5; GEF/ME/C.25/3; and GEF/ME/C.25/Inf.1. The Joint Summary for the June 2005 Council meeting contains the relevant decision (paragraph 11.d.).

⁴ Results Based Management Framework (GEF/C.31/11).

having reviewed the Peer Review of the GEF Evaluation Function document requested the GEF Evaluation Office to revise the M&E Policy for GEF-5.

10. This Policy aims to explain the concept, role, and use of monitoring and evaluation within the GEF and defines the institutional framework and the responsibilities of stakeholders. Specifically, it establishes requirements for how GEF activities should be monitored and evaluated in line with international principles, norms, and standards for M&E. It also considers how RBM approaches can strengthen both monitoring and evaluation. The Policy does not address aspects of trustee management of the GEF Trust Fund, financial and managerial audit, or investigation mechanisms, which are subject to other provisions of the GEF Instrument.

11. The GEF M&E Policy shall remain in effect until and unless the Council decides otherwise. To ensure that the Policy remains relevant to evolving circumstances and to continue to conform to the highest international principles, norms, and standards in M&E, it will be kept under review and updated as necessary. The Policy and its implementation will be evaluated at the end of GEF-5. Any proposals for changes in the Policy on monitoring will be presented by the GEF Secretariat to the GEF Council for decision after consultation with stakeholders. Any proposals for changes in the Policy on evaluation will be presented by the GEF Evaluation Office to the Council for decision after consultation with stakeholders. The GEF Evaluation Office will be allowed to comment to Council on changes in the Policy for monitoring proposed by the GEF Secretariat.

12. The Policy will be operationalized through guidance on specific issues and standards developed by the GEF Secretariat on monitoring and the GEF Evaluation Office on evaluation, in consultation with partners. The GEF Secretariat and Evaluation Office are authorized to publish and revise such guidelines, as required, in line with the Policy. The Policy and related guidelines will be shared with the GEF partners and the public through the GEF website.

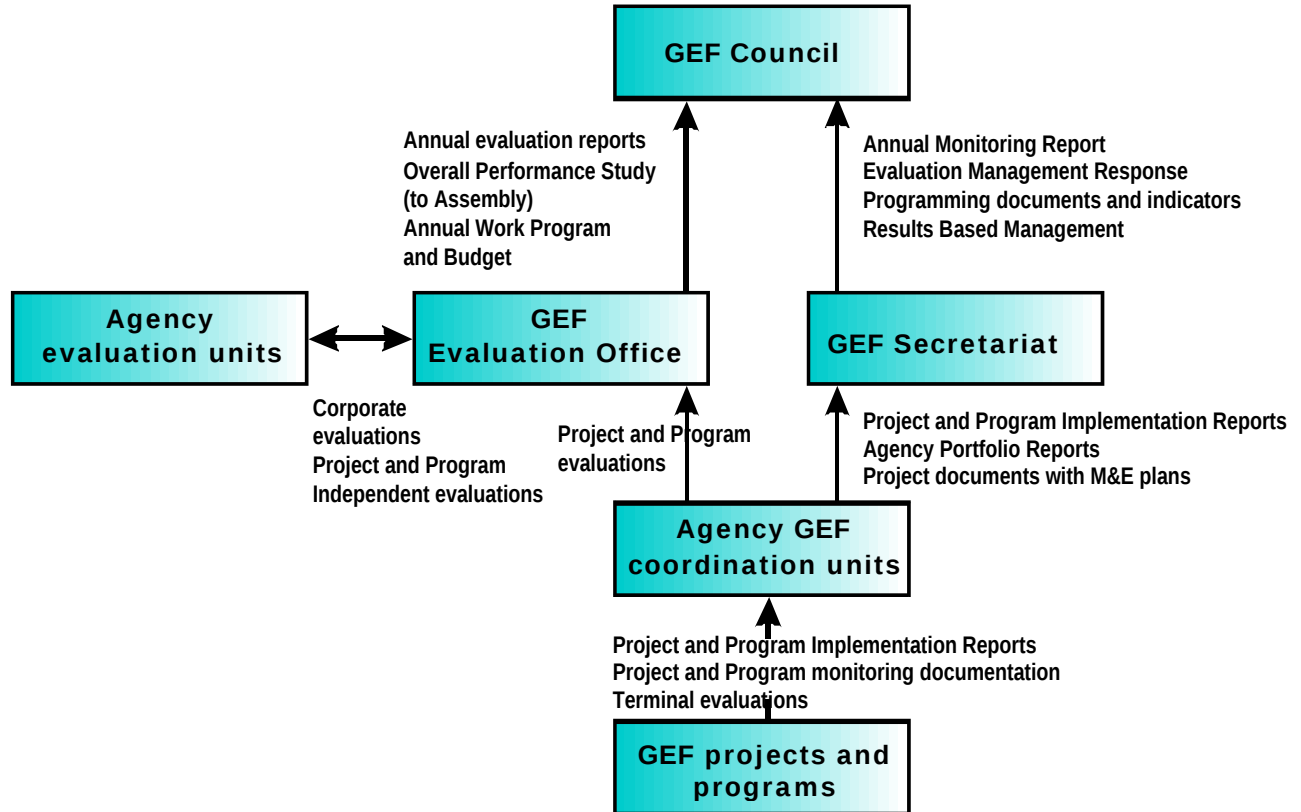
13. The Policy, guidelines, and administrative procedures will address all aspects of the Terms of Reference for an Independent M&E Unit of July 28, 2003, which remain valid concerning the independence of the Evaluation Office. Furthermore, the Memorandum of Understanding between the GEF Secretariat and the GEF Evaluation Office signed by the Evaluation Office Director and the GEF Chief Executive Officer (CEO)⁵ remains valid, as well as the arrangements made between the CEO and the Evaluation Office Director on human resources issues and on direct contact with the GEF Council. Further operating and administrative agreements will be done between the two offices as well as with the Trustee, if necessary, on a needs basis.

14. The framework of M&E in the GEF is based on regular reporting to for internal management purposes as well as to the GEF Council, in support of decision-making, policy-making, and accountability. Anchored by the GEF Corporate and Focal Area results frameworks, monitoring reports include project and program implementation reports, GEF Agencies' overview reports and annual monitoring reports. Regular evaluation reporting includes all major evaluation reports with management responses and reporting on evaluation follow-up, the Overall Performance Studies (OPS) conducted every four years prior to replenishment processes, as well as all annual reports on performance, country portfolio, impact and thematic which include data from the project level. Figure 1 provides a simplified flowchart of M&E reporting in the GEF.

⁵ Memorandum of Understanding for Coordinated Resource Management and Administrative Support between the Global Environment Facility Secretariat (GEFSEC) and Evaluation Office (GEFEO), GEF, 8 October 2009.

Figure 1

Simplified Flowchart of M&E Reporting in the GEF



1.2 Evaluation in the GEF

15. **Definition.** An evaluation is a systematic and impartial assessment of an activity, project, program, strategy, policy, sector, focal area, or other topics. It aims at determining the relevance, efficiency, effectiveness, impact, and sustainability of the interventions and contributions of the involved partners. An evaluation should provide evidence-based information that is independent, credible, reliable, and useful, enabling the timely incorporation of findings, recommendations, and lessons into the decision-making processes. In the context of the GEF, evaluation aims at assessing relevance, efficiency, effectiveness, results and where feasible sustainability of GEF interventions in the context of their contribution to global environmental benefits in GEF focal areas, at local and global levels.

16. **Use of Evaluation.** Evaluation feeds into management and decision-making processes regarding the development of policies and strategies; and the programming, implementation, and reporting of activities, projects, and programs. Thus, evaluation contributes to institutional learning and evidence-based policy-making, accountability, development effectiveness, and organizational effectiveness.

17. Evaluation informs the **planning, programming, budgeting, implementation, and reporting cycle**. It aims at improving the institutional relevance and the achievement of results, optimizing the use of resources, providing client satisfaction, and maximizing the impact of the contribution provided.

18. **Types.** The evaluation approach and method must be adapted to the nature of the undertaking. Within the context of the GEF, the main types of evaluations conducted by various partners include:

- a) **Project evaluations**—of projects under implementation, at the end of the intervention (terminal evaluation), and after the project end (ex-post evaluation) or before project start (ex ante—quality at entry).
- b) **Program evaluations**—of a set of interventions to attain specific global, regional, country, or sector objectives. These include evaluations or studies of the GEF focal area strategies, programmatic approaches and GEF Corporate Programs.
- c) **Country level evaluations**—of one or more agencies' portfolio of projects and activities, and the assistance strategy behind them, in a partner country. These include country portfolio evaluations, which assess how the country interacts with the GEF and how GEF support fits into the country's priorities and the voluntary National Portfolio Formulation Exercises (NPFE).
- d) **Impact evaluations**—of the long-term effects produced by an intervention, intended or unintended, direct or indirect. Impact may be assessed at project, regional program, portfolio, ecosystem and country levels, and includes global environmental benefits.
- e) **Cross-cutting and thematic evaluations**—of a selection of interventions, all of which address a specific concern in all or several countries, regions, and sectors. These include evaluations and studies that assess GEF principles, such as GEF's catalytic role, participation, socio economic benefits and gender, capacity development, policy, technology, or climate resilience across the GEF portfolio.
- f) **Process and performance evaluations**—of the internal dynamics of participating organizations, instruments, mechanisms, and management practices. These include evaluations of institutional and procedural issues across GEF focal areas and assessments of experience with GEF policies, criteria, and procedures.
- g) **Ad-hoc Reviews**—of programs and processes that do not require a full evaluation but an independent assessment. These reviews are conducted by the Evaluation Office based on specific requests from the GEF Council or the GEF management.
- h) **Overall performance studies**—of the GEF, connected to the GEF replenishment and Assembly cycles. These address overriding issues such as the global impact and benefits of GEF programs, as well as GEF institutional arrangements, policies, strategies, programs, and priorities. The evaluations referred to in (a) to (f) above feed into the overall performance studies.

19. **Purposes of evaluation** include understanding why and the extent to which intended and unintended results are achieved, and their impact on stakeholders. Evaluation is an important source of evidence of the achievement of results and institutional performance, and contributes to knowledge and to organizational learning. Evaluation should serve as an agent of change and play a critical role in supporting accountability. Evaluation can be used to improve the design and performance of a planned or ongoing program (a formative evaluation); to make an overall judgment about the effectiveness of a completed program, often to ensure accountability (a summative evaluation); and to generate knowledge about good practices. It should help the GEF to position itself to better address the pursuit of global environmental benefits. Evaluation differs from other oversight mechanisms, such as investigation and audit that focus on the adequacy of

management controls; compliance with regulations, rules, and established policies; and the adequacy of organizational structures and processes.

1.3 Monitoring in the GEF

20. **Definition.** Monitoring is 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. The GEF is concerned with monitoring of environmental status, monitoring of environmental stress, monitoring of progress towards project outcomes, and monitoring of performance in project, program and corporate portfolio implementation.

21. As defined by the OECD/DAC, results based management is a management strategy focusing on performance and achievement of outputs, outcomes and impacts. A robust RBM system supports monitoring by tracking where a project or program is at any given time, with respect to corporate objectives, targets and outcomes.

22. **Use of Monitoring.** Monitoring provides management and the main stakeholders of an ongoing intervention with indications of the extent of progress and achievement of objectives and progress in the use of allocated funds. It provides regular feedback on performance of projects and programs taking into account the external environment. Information from systematic monitoring serves as a critical input to ongoing management decisions (adaptive management), evaluation and learning.

23. **Levels.** Within the context of the GEF, monitoring may take place on three levels:

- a) **Project and program levels**—mainly of implementation processes including the tracking of activities and financial resources, the delivery of outputs, and progress toward outcomes.
- b) **Portfolio level**—mainly of trends in implementation, outputs, outcomes, and progress towards their achievement, at aggregate levels, of ongoing projects. It also includes monitoring of focal area portfolios, country portfolios, agency portfolios and common elements of these portfolios, overall results for the GEF, and monitoring of institutional issues.
- c) **National and global level**—mainly of global environmental status, stress, trends and benefits, based on independent data gathering and analysis by national bureaus of statistics and/or international bodies and organizations. This occurs mostly between replenishment periods when reassessing and eventually redesigning indicators for country allocations under any GEF system for allocation of resources, and overall when formulating the focal area strategies.

24. **Purposes of monitoring** include providing early information on progress or lack thereof toward achieving intended objectives and outcomes. By tracking progress, monitoring helps identify implementation issues that warrant decisions at different levels of management. A good monitoring system combines information from various levels—corporate, portfolio, and project or program—in such a way that it provides a comprehensive picture of performance and it allows periodic reports to management that facilitates decision-making and learning.

1.4 Follow-up to Evaluations

25. Satisfactory follow-up of M&E reports requires active engagement by all GEF partners. In all cases, offices issuing M&E reports will take responsibility for the quality of the final report, with acknowledgment of inputs and responses from stakeholders.

26. A management response is required for all evaluation and performance reports presented to the GEF Council by the GEF Evaluation Office. The GEF CEO coordinates the preparation of the management response with agency stakeholders for GEF Council consideration, tailored to each evaluation report. Management responses should clearly indicate whether management accepts, partially accepts or rejects the recommendations, and explain its reasons. The GEF Evaluation Office is not responsible for the substance of the response, although it verifies the quality of responses to ensure recommendations have been addressed and have a chance of being implemented. The GEF Agencies ensure that recommendations from GEF-related evaluations, conducted by the GEF Evaluation Office or departments within the agencies, are submitted for decision-making and action within the agencies.

27. The Council discusses and reviews GEF M&E reports, the recommended actions, and the evaluation management responses; takes any necessary decisions; and gives guidance to the GEF on policies or an appropriate plan of action within specific time frames.

28. There is a systematic follow-up to evaluations, including dissemination of evaluation reports, management responses, and follow-up reports. There is also systematic follow-up on the implementation of the evaluation recommendations that have been accepted by management and/or the GEF Council, with periodic review and follow-up on the status of the implementation of the evaluation recommendations. In consultation with the appropriate GEF partners, the GEF Evaluation Office and the GEF Secretariat report to the Council on the follow-up of the Council decisions compiled in a Management Action Record to be provided to the Council on an annual basis.

1.5 Knowledge Sharing

29. M&E contributes to knowledge building and organizational improvement. Findings and lessons should be accessible to target audiences in a user-friendly way. Evaluation reports should be subject to a dynamic dissemination strategy tailored to the audience of that specific report; the strategy is described in the relevant evaluation approach paper and terms of reference.

30. For the purposes of this Policy, knowledge management is considered the process by which organizations generate value and improve performance from their intellectual and knowledge-based assets. Knowledge sharing enables partners to capitalize on lessons learned by gaining insight and understanding from experience, and by applying this knowledge to generate new knowledge. It helps the GEF create and transform knowledge into action, innovation, and change. Knowledge management is closely linked to performance enhancement and results-based management.

31. The main purposes of knowledge creation and sharing of M&E information in the GEF are to: (a) promote a culture of learning through better outreach to project and country levels by providing easily accessible learning products, (b) promote the application of lessons learned to improve the performance of GEF activities and (c) promote feedback to the development of projects and programs.

32. Knowledge management supports policy-making by building a comprehensive body of evidence, lessons learned, and good practices from a number of evaluations and monitoring reports. Furthermore, M&E are closely linked to policy-making, more informed management, and decision-making for strategic planning. Evaluations can provide a highly cost-effective way to

improve the performance and impact of development policies, programs, and projects, especially where evaluations are conducted at the right time, with a focus on key issues of concern to policy-makers and managers.

33. Lessons from M&E activities should in particular be made available to stakeholders directly involved in project and program formulation and implementation at the country level for improved effectiveness. The GEF partners are expected to seek dynamic and interactive ways of disseminating findings from M&E activities to a wide audience, including environmental entities, academia, research institutions, civil society, and the public. By sharing findings and lessons widely, M&E may contribute to increased awareness of the importance of global environmental benefits, confidence in GEF work, and leveraging of support.

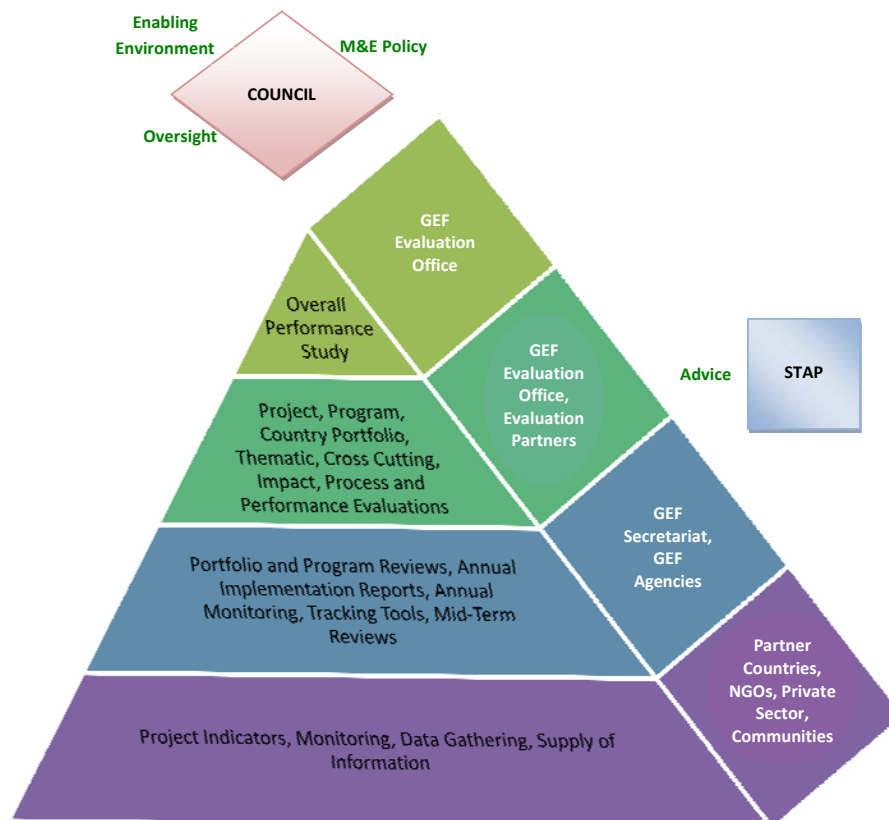
2. Roles and Responsibilities

2.1 M&E Partners in the GEF

34. Monitoring and evaluation are a shared responsibility in the GEF. On different levels, for different partners, and involving different functions within the GEF, a complex picture emerges of who is involved and what is to be done. The GEF Council provides the overall framework, starting with agreement on objectives, corporate and focal area results frameworks. The GEF Secretariat proposes to Council how these objectives and results should be monitored. The GEF Evaluation Office proposes to Council how these should be evaluated. Emerging environmental and development trends and the GEF results and performance within these trends are reported on in the Overall Performance Study prepared by the GEF Evaluation Office as one of the key documents of the replenishment process and for the GEF Council to make strategic and policy level decisions. Project and program M&E, as well as portfolio M&E are executed by the GEF Agencies and their partners. STAP provides advice on indicators, targets and evaluation approaches. The GEF Evaluation Office collaborates with the independent evaluation offices of the GEF Agencies to enhance the combined capacity of the GEF to fulfill evaluation needs effectively and efficiently. This chapter contains a brief description of the key roles and responsibilities of each GEF partner in M&E, reflecting mandate, and comparative advantage. Figure 2 and Table 1 provide an overview of the main roles and responsibilities for M&E of the key partners.

Figure 2

M&E Levels and Responsible Agencies in the GEF



35. Each GEF Agency has its own system of governance and rules and regulations governing the implementation of activities, as well as the monitoring and evaluation of these activities. The GEF Council can adopt principles, norms, and standards for those parts of the GEF for which it is directly responsible, such as the GEF Secretariat, the GEF Evaluation Office, and STAP, but it does not have the authority to do so for the GEF Agencies. However, the GEF Council can decide on which partners it collaborates with and can require minimum standards and minimum procedures to be applied in activities that it funds. For this reason, the M&E Policy contains principles, norms, and standards for the work of the GEF Secretariat in monitoring and for the work of the GEF Evaluation Office. It sets out minimum requirements on M&E for GEF financed projects and programs. It also covers monitoring, evaluation and reporting for programmatic approaches.

Table 1

Key Roles and Responsibilities of GEF Partners in M&E

Partner	Key Roles and Responsibilities in M&E
GEF Council	Policy-making on M&E Oversight of M&E functions Enabling environment for M&E
GEF Evaluation Office	Independent GEF evaluation Oversight of project and program evaluations Oversight of the relevance, performance and overall quality of monitoring systems Set minimum requirements for GEF M&E Evaluative knowledge sharing and dissemination
GEF Secretariat	Set results frameworks at focal area and corporate level GEF portfolio monitoring across Agencies and Focal Areas Report on and incorporate lessons from portfolio monitoring Review of GEF M&E requirements in project and program proposals Coordinate partnership knowledge management activities
Agency GEF operational units	Monitor the Agency GEF portfolio Report Agency's project, program and portfolio progress, results, learning and lessons Ensure monitoring at the project and program level Adaptive management of project and program implementation Systematically involve national partners and share project M&E information at national level
Agency evaluation units	Project and program and/or corporate Agency independent evaluations Mainstream GEF into relevant Agency evaluations
STAP	Advice on scientific/technical matters in M&E Support to scientific and technical indicators Support knowledge management and information sharing
GEF Operational Focal Points	Collaborate on M&E at portfolio, project and program levels
Other stakeholders (NGOs and civil society organizations, private sector, community members)	Participate in monitoring activities and mechanisms Provide views and perceptions to evaluations

36. All GEF partners are responsible for actively and transparently contributing to knowledge and learning. Knowledge management and lessons learned dissemination strategies should be based on user needs and priorities and the latest technologies and approaches. Based on the

principle of integration with existing knowledge systems in the GEF Agencies, partners are able to integrate and promote relevant learning from GEF M&E across respective portfolios, and for the wider GEF knowledge base. The development of and participation in knowledge management systems and communities of practice should increase access to knowledge and enhance knowledge sharing, collaboration, and innovation. In fulfilling their management functions, the Agency operational departments and the GEF Secretariat ensure monitoring of and reporting on progress and results at the project and consolidated portfolio levels, respectively. They also ensure the feedback of learning and lessons into strategies, project and program design, and implementation. In line with the GEF Instrument, both monitoring and evaluation processes must fully draw on the capacities and knowledge of scientific advisers, program governments, local stakeholders, and beneficiaries.

2.2 GEF Council

37. The GEF Council ensures accountability and oversight of GEF performance and results. As such, it develops, adopts, and evaluates the operational policies and programs for GEF-financed activities; keeps under review the operation of the GEF with respect to its purposes, scope, and objectives; and ensures that the GEF policies and work program, including operational strategies, projects and programs, are monitored and evaluated on a regular basis. The Council uses M&E to complement a larger system of financial oversight and accountability within the GEF Trustee and Agencies. On behalf of the Council, the GEF Trustee ensures the maintenance of appropriate records and accounts of the fund and provides for their audit, in accordance with the rules of the Trustee.

38. The GEF Council provides an enabling environment for M&E activities in line with internationally accepted standards. The Council ensures that adequate resources are allocated to enable the evaluation function to operate effectively and with due independence and that evaluators have the freedom to conduct their work without repercussions for career development; it also appoints a professionally competent Director of Evaluation. Similarly, Council ensures that adequate resources are allocated to enable the responsible parties to perform the monitoring function effectively at corporate, program and project levels. Council promotes transparency, participation, and disclosure in M&E findings, and ensures that sufficient time is dedicated to discussion of M&E issues at Council meetings.

39. The GEF Council, together with the GEF CEO and the GEF Director of Evaluation, are responsible for ensuring active use of M&E products for decision-making and management through Results Based Management and a related M&E planning system; systematic consideration of findings, conclusions, and recommendations; and repositories of lessons learned.

2.3 GEF Evaluation Office

40. In accordance with the 2003 GEF Council decision,⁶ the GEF Evaluation Office operates as an organizational unit that is independent of agency or GEF Secretariat management. The Office has the central role of ensuring the independent evaluation function within the GEF, setting minimum requirements for M&E, ensuring oversight of the quality of M&E systems on the program and project levels, and sharing evaluative evidence within the GEF.

41. Within the GEF, the Evaluation Office pursues the goals of improved accountability and learning through three main functions:

⁶ GEF/C.21/12.Rev.1, Terms of Reference for an Independent Monitoring and Evaluation Unit.

- a) **An Evaluative Function.** The main function of the Office is to independently evaluate the effectiveness of GEF programs and resource allocations on project, program, country, portfolio, and institutional levels.
- b) **A Normative Function.** The Evaluation Office is tasked to set minimum M&E standards within the GEF in order to ensure improved and consistent measurement of GEF results.
- c) **An Oversight Function.** The Office provides quality control of the minimum requirements of M&E practices in the GEF, in full cooperation with relevant units in the GEF Agencies, and tracks implementation of Council decisions related to evaluation recommendations.

42. In the exercise of these functions, the Director of Evaluation participates in GEF Council, Assembly, and replenishment preparatory and regular meetings on M&E issues, and responds to Council requests on any related matters. The Council has direct access to the Director of Evaluation and his/her staff, and the Director of Evaluation may communicate directly with Council members during and between Council meetings or arrange special meetings as deemed appropriate and without prior clearance from anyone outside the GEF Evaluation Office. Furthermore, the Director may propose decisions to the GEF Council on a no-objection basis between Council sessions.

43. The GEF Evaluation Office is independent from both the policy-making process and the delivery and management of assistance to guarantee that data gathering and analysis and judgments on criteria, findings, and recommendations will not be influenced by conflicts of interest or undue interference by management at any level. The Secretariat, Agencies, and other affected parties may receive, comment, and respond to the draft and final reports, but do not have the right to approve, hold back, request changes, or otherwise modify such draft and final evaluation reports. The Director issues final evaluation reports directly and simultaneously to the GEF Council and the GEF CEO without any prior clearance from anyone.

44. The Office has the responsibility for undertaking independent evaluations that involve a set of projects from more than one Agency. These evaluations are typically on a strategic level, on focal areas, or on cross-cutting themes. Furthermore, institutional evaluations are undertaken. Where possible and to prevent duplication and promote synergies, the Office will collaborate in these evaluations with independent evaluation offices of the Agencies. Within the GEF, the Evaluation Office facilitates cooperation with and among the GEF partners on matters of evaluation. This includes the establishment of procedures and guidelines on evaluation of GEF matters, based on the highest internationally recognized standards.

45. In support of the Council's oversight role and to promote accountability, the GEF Evaluation Office reports directly and regularly to the Council with periodic information on the quality of M&E systems, where relevant for the implementation of GEF projects and programs. This information is presented in annual reports (impact, country, performance and thematic) and is based on evaluative evidence developed by the GEF Evaluation Office, agency evaluation departments, or by operational units and reviewed by independent quality assurance mechanisms. The Office also reviews project and program terminal evaluations submitted by the Agencies. The report focuses on the ex-post results of GEF projects and programs and trends in compliance with the minimum requirements on project and program design of M&E, application of project and program M&E, and project and program evaluation. The Office also has oversight of the relevance, performance and overall quality of monitoring systems in the GEF.

46. The GEF Evaluation Office supports knowledge sharing and follow-up of evaluation recommendations through the Management Action Record system, as part of the accountability

function. It works with the GEF Secretariat and the GEF Agencies to establish systems to disseminate lessons learned and best practices emanating from M&E activities, and provides independent evaluative evidence to the GEF knowledge base. The Office specifically supports knowledge sharing by ensuring the highest standards in accessibility and presentation for its published reports, providing additional learning products based on evaluations, using a range of channels to reach target audiences, participating in knowledge management activities, and facilitating interagency sharing of experiences relevant to the GEF. The Office will take full advantage of possible dynamic means of sharing lessons learned with a broader audience, including electronic and interactive channels, knowledge networks, and communities of practice.

47. The GEF Instrument, amended at the 4th GEF Assembly in May 2010, includes in paragraph 34 the selection procedure, the appointment and the performance appraisal system of both the GEF CEO and the Director of the GEF Evaluation Office. The Director is appointed for a five year term, renewable once. A Council Selection and Review Committee is formed to oversee the processes for appointing and reappointing the CEO and the Director and for conducting their performance objectives reviews. The GEF Director of Evaluation is accountable directly to the GEF Council for the work of the Office, and may propose to the Council any measure that he or she believes is necessary to ensure evaluation independence.⁷ The Director manages the GEF Evaluation Office and its budget by implementing strategic decisions by the GEF Council, providing overall direction and management of resources and strengthening institutional relationships. The Director is solely responsible for personnel decisions in the GEF Evaluation Office in accordance with staff rules.

48. The GEF Evaluation Office will set up appropriate quality assurance mechanisms for its major evaluations, in line with the highest standards recognized in the international evaluation community. These mechanisms will cover approaches and methods as well as data gathering and analysis and include the reporting on the evaluation findings and conclusions.

49. The GEF Evaluation Office works in close partnership with other entities in the GEF and extends this collaboration to the global evaluation community in order to remain on the cutting edge of emerging and innovative methodologies and to derive maximum benefits from collaboration. It consults and collaborates with all relevant partners to foster a network of M&E professionals that may add value to GEF operations and results.

50. To avoid conflict of interest, the Director establishes clear conflict of interest rules for the Office staff. In this connection, an evaluation will not be entrusted to an Office staff member who has been responsible in the past for the design, implementation, or supervision of the project, program, or policy to be evaluated. The Office does not engage consultants who have worked previously either as individuals or through private consulting firms and/or non-profit organizations on the design or implementation of a project, program, or policy to conduct evaluation analysis or prepare evaluation reports of the same.

51. The Director of Evaluation formulates, independent of management, a four-year rolling program of work and an annual budgetary request and submits these directly to the Council for approval; the monitoring and evaluation budgetary needs of the agencies and the GEF Secretariat are addressed separately in the GEF corporate budget and through project fees. As detailed in each four-year work program, evaluation programming is developed based on transparent criteria and reflects a phased approach over a GEF replenishment period to ensure adequate evaluation coverage for promoting accountability and learning. For every major evaluation, the GEF

⁷ Terms of Reference for an Independent Monitoring and Evaluation Unit, July 28, 2003, Annex II (GEF/C.21/12.Rev.1)

Evaluation Office prepares an approach paper which will be shared for comments with all the partners involved to allow for stakeholder feedback.

2.4 GEF Secretariat

52. The GEF Secretariat is responsible for monitoring against the Results-Based Management framework set by Council for the overall GEF portfolio, which covers all focal areas and GEF projects and programs. This may entail aggregation of findings across the portfolio of projects and programs by focal areas, type, themes or issues. Based on internationally recognized best practices, the GEF Secretariat supports follow up of monitoring findings and the analysis of trends and systemic issues to inform decision making, strategy development and the GEF knowledge base. The GEF Secretariat produces an Annual Monitoring Report (AMR) to the GEF Council in which it presents an overview of progress toward results, including outcomes, implementation issues, and portfolio-wide trends based on information submitted by the GEF Agencies through the project or program implementation reports and the focal area tracking tools.

53. In line with its commitment to results-based management, the GEF Secretariat takes the lead in the identification of corporate and portfolio level indicators to track progress against stated objectives and replenishment targets. The GEF Secretariat also takes the lead, working with the GEF Agencies and the GEF Evaluation Office in establishing monitoring requirements at the project and portfolio levels. The Secretariat reviews all projects and programs prior to their approval to ensure that they meet GEF M&E requirements, including the use of indicators and targets that align with focal area objectives and indicators. The GEF Secretariat facilitates cooperation in comprehensive monitoring and learning at the portfolio level by bringing together relevant partners and coordinates mechanisms and systems for knowledge capture and dissemination. It also supports knowledge sharing and the follow-up of monitoring results and findings.

54. The GEF Secretariat takes the lead in developing a GEF knowledge management system that uses monitoring information. The GEF Secretariat coordinates the overall knowledge management strategy of the GEF, and promotes mechanisms to disseminate portfolio lessons learned and best practices emanating from monitoring activities in the GEF, through an appropriate repository of knowledge. The Secretariat undertakes selective and targeted portfolio monitoring and learning reviews to develop a better understanding of systemic issues. The Secretariat may visit projects to review specific portfolio monitoring and learning issues.

55. The GEF Secretariat ensures that findings and recommendations emanating from M&E activities are followed up with regard to GEF policies, programs, and procedures, and that related Council decisions are implemented. The Secretariat ensures that results and lessons identified through M&E activities are adequately reflected in public information about the GEF. This includes activities to gather and disseminate best practices to improve portfolio quality and foster replication, provide information required by the Evaluation Office, and prepare joint management responses to evaluations.

56. In support of evaluation, the GEF Secretariat responds promptly and fully to GEF Evaluation Office requests for information relating to GEF projects and programs, coordinates the GEF system management response to corporate evaluations, provides certain administrative support for the GEF Evaluation Office, and consults with the Evaluation Office when conducting reviews of specific monitoring and learning issues.

2.5 GEF Agencies

Operational Units

57. The GEF Agencies are responsible for developing M&E plans and performance and results indicators for projects and programs, and for adequately monitoring project and program activities, production of outputs, and progress toward outcomes. To ensure that results can be analyzed across agencies in a consistent manner, project logical frameworks align with GEF focal area results frameworks, as applicable. The Agencies work with the GEF Secretariat in developing program indicators for focal areas. The Agencies support the Secretariat's portfolio monitoring and learning roles by responding to information requests and facilitating reviews and missions, given the Secretariat's mandate to visit, review, and request information for any project financed by the GEF as part of its portfolio monitoring function. Through their internal monitoring systems, the relevant agency operational departments ensure periodic assessment of trends and issues on project and program implementation and performance in their GEF agency portfolio, and periodic reporting (at least annually) to the GEF Secretariat on project implementation and performance. Agencies undertake mid-term reviews for full-sized projects under implementation. Mid-term reviews are encouraged for medium-sized projects and enabling activities, where appropriate and feasible. These reports are submitted to the GEF Secretariat as part of the annual reporting functions. The Agencies also submit a focal area tracking tool for projects and programs (where applicable) and overview reports, providing an overall assessment of their GEF portfolio under implementation.

58. The Agencies are responsible for ensuring that projects (including jointly implemented ones) and programs are evaluated periodically and in line with internationally recognized standards, and that any project, program or portfolio evaluations conducted are shared with the GEF Evaluation Office. The Agencies support the GEF Evaluation Office by responding promptly and fully to requests for information or support relating to M&E of GEF activities, and by making evaluations publicly accessible and project and program documentation available to the GEF Evaluation Office.

59. In the case of jointly implemented projects and programs, which are designed to achieve synergies and economies of scale, duplication of evaluation efforts needs to be prevented. Partners' responsibilities in ensuring evaluation of jointly implemented projects and programs need to be discussed and agreed upon at the time of preparation of the jointly implemented project and/or program proposal, in a way to ensure cost effectiveness, synergies and avoid duplication of evaluation reporting. This could take the form of joint evaluation, or one Agency taking the lead, or parallel evaluative work leading to one report at the program level. The M&E plan at CEO endorsement shall include the arrangements agreed upon between the Agencies.

60. The Agencies work with other GEF partners to exchange lessons learned and information, and incorporate lessons learned into their operational policies, programs, or projects as appropriate. They also encourage public involvement in all stages of the project cycle by fully consulting with, informing, and briefing GEF participating countries and stakeholders regarding M&E activities.

61. The Agencies encourage Operational Focal Points (OFPs) to be involved in M&E activities. Specifically, they ensure that OFPs are fully informed and receive all project documentation including project and program implementation reports, mid-term reviews and terminal evaluations. GEF Agencies encourage OFPs to participate in monitoring and evaluation. However, if OFPs wish to participate, such participation would need to be funded by the OFP or country concerned. If OFPs wish to undertake monitoring or evaluation of projects or the country portfolio, GEF Agencies should provide them with access to M&E information.

Evaluation Units

62. The evaluation offices of GEF Agencies have agreed to exchange their evaluation agendas or work plans with the GEF Evaluation Office to seek possible areas of common interest and cooperation, and possible joint evaluations. They encourage optimal coverage of environment-related issues in their evaluation plans. For relevant evaluations covering issues of GEF concern and the GEF portfolio, the evaluation departments provide opportunities to the GEF Evaluation Office to interact with regard to terms of reference, approach, and scope. Where a notable GEF portfolio exists, the agency corporate evaluations should integrate and reflect this as much as possible—for example, in their country portfolio evaluations, impact evaluations, and thematic evaluations. The agency evaluation offices are also expected to cooperate on norms, standards, and quality of evaluations.⁸ Agencies are expected to provide adequate financial support for evaluation units to undertake their work in a way that does not detract from the independent conduct of evaluations. Bilateral consultations will be organized between the GEF Evaluation Office and agency evaluation offices to address any systemic issues, including budgetary issues.

2.6 Scientific and Technical Advisory Panel

63. The GEF Scientific and Technical Advisory Panel (STAP) provides timely and relevant advice on scientific and technical matters related to M&E activities. The Chair of the STAP takes part in relevant meetings and consultations on M&E in the GEF.

64. The STAP provides advice on the work program of the GEF Evaluation Office related to evaluations with science and technology components, and suggestions on such subjects to evaluate. It may also provide opinions on the evaluability of scientific aspects and related methodologies for measuring global environmental impacts, in response to evaluation approach papers, TOR, or reports. STAP members may also be called upon for direct support of an evaluation while respecting the independence of both the STAP and the GEF Evaluation Office.

65. The STAP supports the GEF Secretariat and Agencies, upon request, on monitoring of scientific and technical aspects of the GEF portfolios and program. The STAP also supports knowledge management and information sharing related to scientific and technical aspects of the portfolio. The STAP supports the GEF Secretariat in the development and use of scientific indicators to measure results at national and portfolio levels.

2.7 GEF Operational Focal Points

66. A number of entities in GEF participating countries are involved in M&E in different ways. Many countries are undertaking efforts to establish or improve national monitoring, evaluation, and assessment systems on local and global environmental benefits. This may include efforts to improve basic census and other data in partner countries, establishing national and project baselines, establishing participatory environment and natural resource monitoring schemes, using national communications and inventories of global environmental benefits, participating in various global initiatives such as the Global Reporting Initiative and monitoring of the Millennium Development Goals, with the support of development partners as appropriate.

67. In line with the GEF operational principles and the increased GEF emphasis on country ownership, GEF M&E activities shall provide for consultation and participation. The GEF Operational Focal Points will be fully consulted with and informed by GEF Agencies and the

⁸ This happens in the context of the United Nations Evaluation Group (UNEG) and the Evaluation Cooperation Group (ECG) of the International Financial Institutions, in which the GEF Evaluation Office participates.

Evaluation Office about the planning, conduct, and results of any evaluation activity performed in the country while respecting the independent nature of evaluations. Staff members of the cooperating governments or institutions will be expected to support evaluations by responding promptly and fully to evaluation office requests for information relating to GEF projects, portfolio, or policies and for sharing relevant experiences.

68. The GEF Operational Focal Point has a particular responsibility for use of, follow-up to, and action on evaluation recommendations related to GEF matters and directed at the regional, national, local, and project levels. The Operational Focal Point also plays a key role in keeping all national stakeholders (particularly the civil society organizations involved in GEF activities) fully consulted with, informed on, and involved in the plans, implementation, and results of country-related GEF M&E activities.

69. Upon specific request, the GEF Secretariat and the GEF Evaluation Office will provide support to Operational Focal Points on M&E activities through the renewed GEF Country Support Program.

2.8 Other Stakeholders

70. A number of locally and internationally based stakeholders are involved in GEF M&E activities. Stakeholders are the individuals, groups, or institutions that have an interest or stake in the outcome of a GEF-financed project, including those potentially affected by a project. Stakeholders may include national project executing agencies, groups contracted to conduct project activities at various stages of the project, and other groups in the civil society including local community members that may have an interest in the project or are living in the project area, or are dependent for part of their livelihoods or in times of stress on the natural resources of the project area. Their involvement in M&E depends on the project and their role. For example, academic institutions or private sector companies may support M&E activities directly and provide outside perspectives and expertise. NGOs and civil society organizations may play an important role in monitoring local-level project activities, as well as providing feedback as beneficiaries or as representatives of community groups.

71. Consistent with provisions in the GEF Instrument, there should be transparency in the preparation, conduct, reporting, and evaluation of public involvement activities in all projects, including for M&E. This ensures full disclosure of all non-confidential information, and consultation with major groups and representatives of local communities in M&E. M&E in the GEF shall involve project stakeholders and beneficiaries, both as participants and contributors and as users and beneficiaries as appropriate. Local stakeholder participation and participatory approaches to M&E are particularly necessary in projects that affect the incomes and livelihoods of local groups, especially disadvantaged populations in and around project sites (for example, indigenous and other local communities, women, and poor households).

72. The stakeholders have a particular responsibility in providing their views and perspectives. They use M&E to assess progress, raise issues, or confirm the achievement of results to improve performance and learning. In the design of monitoring systems and in the TORs for evaluations, the specific possibilities for interaction with stakeholders and participation of the various groups of stakeholders will be identified, taking account of conditions such as cultural, political, and project-specific factors. Any budgetary requirements will be addressed in the relevant project proposals.

3 Monitoring and Evaluation Criteria and Minimum Requirements

3.1 International M&E Principles, Norms and Standards

73. The work of the GEF and its Agencies in M&E is in various degrees guided by internationally recognized principles, norms, and standards. The GEF and its Agencies mostly refer to the principles, norms and standards produced by the Evaluation Cooperation Group of the international financial institutions (www.ecgnet.org) and the United National Evaluation Group (www.uneval.org). Although there is a general convergence toward internationally recognized norms and standards, there is also a divergence caused by the specific goals and objectives of the Agencies. These different goals call for differences in emphasis and for differences in application of standards across Agencies. This means that it is difficult to formulate precise principles, norms, and standards that are common throughout the GEF network. Nevertheless, it is expected that, in future, more convergence may appear, due to developments in the UN evaluation system and in the system of the international financial institutions.

74. The UN Evaluation Group has adopted professional norms and standards for evaluation on a number of aspects, including terms of reference, inception and final reports, evaluation processes, follow up to evaluations, and evaluators' job description. These norms and standards have been compiled taking into account the state of the art in evaluation in the bilateral community (in the Organisation for Economic Co-operation and Development's Development Assistance Committee—OECD DAC—Evaluation Network) and in the Evaluation Coordination Group of the international financial institutions. The UN Evaluation Group requires each UN agency to adopt an evaluation policy in which the norms and standards are applied to the specific situation of that agency. Furthermore, a system of independent peer reviews and various tools of internal and external assessments have been developed to help each agency achieve better performance and better adaptation of the UN Evaluation Group norms and standards.

75. The Evaluation Coordination Group of the international financial institutions is following a different route. This group has not adopted any professional norms and standards, but has benchmarked best practices in evaluation in several subject areas, in order to harmonize and improve evaluation performance throughout the international financial institutions. These include best practices on evaluations of private sector operations, country strategy and program evaluations, evaluations of public sector and policy-based lending operations, amongst others. A special issue is the independence of evaluation, which has received strong attention and has led to the publication in June 2010 of "Good Practice Standards on Independence of International Financial Institutions' Central Evaluation Departments".

76. The OECD DAC Evaluation Network has, for more than a decade, been the most active and authoritative forum for discussing professional norms and standards in evaluation of development and grant-related issues. The DAC Principles for Evaluation of Development Assistance, adopted by the DAC High Level Meeting in 1991, remain to this day the internationally best-known principles and criteria for evaluating grants. The DAC Evaluation Network has adopted quality standards for evaluation.

77. No professional norms and standards have been formulated on monitoring in the bilateral, UN, or multilateral development bank communities. However, it is common to formulate minimum requirements for monitoring systems: that projects shall have them; that they need to be tied into the logical framework targets and indicators as much as possible, and so on. However, it is also recognized that, in general, monitoring systems are project, program and policy specific—

and they need to be designed to fit into the results based management system of the agency concerned.

78. A key international norm concerns the adequate provision of resources to enable M&E functions to operate effectively. Planning for M&E must be an explicit part of planning and budgeting at the project level and for the organization as a whole. M&E in the GEF should be managed to ensure cost effectiveness in terms of adding value to the portfolio. The costing and budgeting of M&E activities shall be addressed, as appropriate, in the budgetary planning of the independent GEF Evaluation Office, the GEF corporate budget, the agency fee system, and project budgets. This would include any additional financial implications of addressing the minimum requirements and responsibilities of this Policy.

79. All GEF Agencies receive project allocations and project fees. Project allocations cover the costs of goods, work, and services procured by GEF grant recipients as part of the preparation and implementation of projects and programs, including specific activities to undertake monitoring and evaluation. Project fees allow Agencies to provide project cycle management services related to the GEF projects they manage. These services include portfolio development and management by regional and operational units, project identification, assistance to recipient countries in their project development and preparation, appraisal of project proposals and negotiation of GEF co-financed operations, supervision of GEF projects, preparation of implementation completion reports, and reviews by the respective agency's evaluation office. The Agencies also provide inputs to the GEF Evaluation Office and prepare joint management responses.

80. The M&E criteria, minimum requirements, and key principles will continue to be further elaborated in guidelines that will incorporate relevant sections of the Terms of Reference of July 28, 2003. The GEF Evaluation Office has issued guidelines on ethical norms and conflict of interest in evaluations, as well as guidelines for terminal evaluations. The GEF Secretariat may issue further guidelines on monitoring and indicators, as part of the results based management framework of the GEF.

3.2 Evaluation Principles and Criteria

81. Evaluation in the GEF is 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 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) **Credibility.** Evaluations shall be credible and based on reliable data or observations. This implies that 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. Evaluations at the

- project, program, and portfolio levels shall use as much as possible, dynamic and pragmatic techniques and indicators for measurement of results and progress.
- c) **Utility.** Evaluations 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. Evaluation 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.
 - d) **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.
 - e) **Transparency.** Transparency and consultation with the major stakeholders are essential features in all stages of evaluation processes. This involves clear communication concerning decisions for the program of work and areas for evaluation, the purpose of the evaluation, the criteria applied, and the intended use of the findings. Documentation emanating from evaluations in easily consultable and readable form should also contribute to both transparency and legitimacy. Evaluation reports shall provide transparent information on sources, methodologies, and approach.
 - f) **Disclosure.** The lessons from evaluation shall be disseminated in accordance with widely accepted international standards by establishing effective feedback loops to policy-makers, operational staff, beneficiaries, and the general public. An explicit disclosure policy ensures the transparent dissemination of evaluation reports through posting on websites and dissemination of findings through knowledge products and events. In the spirit of partnership, the GEF partners shall share GEF-related evaluation 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 documentation of the Agencies relating to GEF-financed activities.
 - g) **Ethical.** Evaluations 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 Evaluation Office Director, who will take appropriate action such as informing the investigative body of the agency concerned. Ethical evaluation requires that management and/or commissioners of evaluations remain open to the findings and do not allow vested interests to interfere with the evaluation.
 - h) **Participation.** 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 pursue 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 M&E and the research community. GEF evaluations shall be carried out with the participation of in-country stakeholders, in particular the GEF Operational Focal Point. Other national stakeholders include 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.

- i) **Competencies and Capacities.** Depending on the subject, GEF evaluations 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 promote evaluation capacity development at the local level, with a specific focus on environmental evaluation concerns.

82. In general, evaluations in the GEF explore five major criteria, not all of which need to be systematically reviewed in all cases:

- a) **Relevance.** The extent to which the activity is suited to local and national environmental priorities and policies and to global environmental benefits to which the GEF is dedicated. This analysis includes an assessment of changes in relevance over time.
- b) **Effectiveness.** The extent to which an objective has been achieved or how likely it is to be achieved.
- c) **Efficiency.** The extent to which results have been delivered with the least costly resources possible; also called cost effectiveness.
- d) **Results.** The positive and negative, and foreseen and unforeseen, changes to and effects produced by a development intervention. In GEF terms, results include direct project outputs, short- to medium-term outcomes, and progress toward longer term impact including global environmental benefits, replication effects, and other local effects.
- e) **Sustainability.** The likely ability of an intervention to continue to deliver benefits for an extended period of time after completion. Projects need to be environmentally as well as financially and socially sustainable.

3.3 Monitoring Principles and Criteria

83. Monitoring in the GEF is guided by the following principles, some of which are similar to the GEF evaluation principles.

- a) **Credibility.** Monitoring shall be credible and based on reliable data or observations. This implies that monitoring 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.
- b) **Utility.** Monitoring must serve the information needs of intended users. Partners 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. Monitoring 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.
- c) **Impartiality.** The principle of absence of bias applies to self-evaluations, self-assessments, internal reviews and reports, and monitoring actions.
 - d) **Transparency.** Transparency and consultation with the major stakeholders are essential features in all stages of monitoring processes. This involves clear communication concerning the scheduling and scope of monitoring missions and activities. Documentation emanating from monitoring in easily consultable and readable form should also contribute to both transparency and legitimacy.
 - e) **Disclosure.** The lessons from monitoring 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 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 Secretariat shall be provided access to all documentation of the Agencies relating to GEF-financed activities.
 - f) **Participation.** Since 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, GEF monitoring activities shall be carried out with the participation of relevant stakeholders including national and international government agencies, NGOs and civil society organizations, the private sector and representatives of the local communities, including representatives of indigenous people.

84. In light of the Results Based Management Framework of the GEF, projects and programs will adopt monitoring systems, including planning for relevant performance and, where appropriate and feasible, progress toward impact indicators that are specific, measurable, achievable, relevant and time-bound, characteristics which have often been denoted by the acronym SMART. However, although all Agencies agree that these criteria should be applied when developing indicators, there is divergence among the Agencies on the specific designation of each letter. To avoid misunderstanding, the following are the associations GEF recognizes for the acronym SMART:

- a) **Specific.** The system captures the essence of the desired result by clearly and directly relating to the achievement of an objective and only that objective.
- b) **Measurable.** The monitoring system and indicators are unambiguously specified so that all parties agree on what they cover and there are practical ways to measure them.
- c) **Achievable and Attributable.** The system identifies what changes are anticipated as a result of the intervention and whether the results are realistic. Attribution requires that changes in the targeted developmental issue can be linked to the intervention.
- d) **Relevant and Realistic.** The system establishes levels of performance that are likely to be achieved in a practical manner and that reflect the expectations of stakeholders.
- e) **Time-Bound, Timely, Trackable, and Targeted.** The system allows progress to be tracked in a cost-effective manner at the desired frequency for a set period, with clear

identification of the particular stakeholder group(s) to be affected by the project or program.

3.4 M&E Minimum Requirements

85. The following minimum requirements shall be applied to M&E at the project and program level.

Minimum Requirement 1: Design of M&E Plans

86. All projects and programs will include a concrete and fully budgeted M&E plan by the time of CEO endorsement for full-sized projects and CEO approval for medium-sized projects. Project logical frameworks should align, where appropriate, to the GEF's focal area results frameworks. This M&E plan contains as a minimum:

- SMART indicators for results and implementation linked appropriately to the focal area results frameworks. Additional indicators which can deliver reliable and valid information to management may also be identified in the M&E plan;
- baseline for the project or program, 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, by CEO endorsement;
- identification of reviews and evaluations that will be undertaken, including mid-term reviews and terminal evaluations; and
- organizational set-up and budgets for M&E.

87. GEF project and program objectives and intended results should be specific and measurable, so as to make it possible to monitor and evaluate the project and program effectively. The baseline data would be developed for the key results indicators. Where available, Agencies may encourage attention at the project preparation grant (PPG) stage to ensure timely M&E planning.

Minimum Requirement 2: Application of M&E Plans

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

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

89. GEF project and program 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 or program scope changes significantly.

Minimum Requirement 3: Project and Program Evaluation

90. Each full-sized project and all programs 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 GEF Agency or by independent quality assurance mechanisms of the Agency.
- The evaluation will apply the norms and standards of the 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 or program 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 or program, including actual GEF and other expenditures;
 - lessons of broader applicability; and
 - terms of reference 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 or program implementation.

91. Project and program evaluations should serve to provide lessons learned and recommendation for future projects, programs, policies, or portfolios. Agencies are expected to apply their internal arrangements for the conduct of evaluations and their cost to ensure that evaluation reports of GEF projects and programs 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.

92. All medium-size projects and those enabling activities that are not approved under the expedited procedure will be evaluated to report on achievement of results and lessons learned. The limited absolute amount available for evaluation might entail lower credibility and reduced cost effectiveness of such evaluations. Therefore, medium-size projects and enabling activities not approved under the expedited procedure will be subject to specific guidance to ensure that these evaluations will be lighter but nonetheless credible and cost-effective. This guidance will be developed by the GEF Evaluation Office. Evaluations of medium-size projects and enabling activities not approved under the expedited procedure will be sent to the GEF Evaluation Office when ready or at latest within 12 months of project completion.

Minimum Requirement 4: Engagement of Operational Focal Points

93. Projects and programs will engage Operational Focal Points in M&E related activities. The following requirements shall be applied:

- The M&E plan will include a specification of how the project or program will keep the relevant GEF Operational Focal Point informed and, where applicable and feasible, involved, while respecting the independent nature of evaluations;
- During implementation, GEF Operational Focal Points will be informed by the Agencies on M&E activities in the projects and programs which belong to their national portfolio;
- The GEF Operational Focal Points will be informed of mid-term reviews and terminal evaluations and will, where applicable and feasible, be briefed and de-briefed at the start and end of evaluation missions. They will receive a draft report for comments, will be invited to contribute to the management response (where applicable), and will receive the final evaluation report within twelve months of completion of project or program implementation;
- GEF Agencies will keep track of the application of the conditions specified here above in their GEF financed projects and programs.