

GEF Council Meeting
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Washington, D.C.

Agenda Item 10

Work Program and Budget of the GEF Evaluation Office

(Prepared by the GEF Evaluation Office)

Recommended Council Decision

The Council, having reviewed document GEF/ME/C.42/06, “*Work Program and Budget of the GEF Evaluation Office*,” approves the annual budget for the Evaluation Office for fiscal year 2013 for a total of US\$2.74 million.

The multi-annual budget for the evaluation program of the GEF Evaluation Office is approved for an amount of US\$ 3 million for evaluations carried out in fiscal year 2013 and evaluations continuing on into fiscal year 2014. This amount includes the funding approved by the Council for the Fifth Overall Performance Study and the mid-term evaluations for STAR and the NPFE/CSP related activities of the GEF, as requested by Council.

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Executive Summary

1. The four year work program of the Evaluation Office for GEF-5 was approved by the GEF Council in May 2011. Furthermore, Council decided to create an annual budget for administrative costs of the Evaluation Office and a multi-annual budget for its evaluation activities. The experience of the first year of the multi-annual budget shows that it enables the Office to operate beyond the boundary of a fiscal year, which is essential for its work program of evaluations, many of which cross that boundary.

2. In May 2011 the multi-annual budget was approved for evaluations to be carried out in fiscal year 2012 and evaluations that would start in fiscal year 2012 and would continue on in fiscal year 2013. This means a balance of (already committed) funds is still available for fiscal year 2013, and the multi-annual budget will need to be replenished in order to carry out the full program of work in fiscal year 2013 and ensure that funding can be committed for evaluations that will carry over into fiscal year 2014.

3. The work program of the Office in fiscal years 2013 and 2014 consists of ongoing work in the four evaluative streams of the Office – Country Portfolio Evaluations, Impact Evaluations, Performance Evaluations and Thematic Evaluations – as well as three additional evaluations. The three additional evaluations consist of the Fifth Overall Performance Study, the mid-term evaluation of STAR and the mid-term evaluation of NPFE/CSP. These three evaluations create a temporary increase in the multi-annual budget of the Office.

4. The terms of reference and budget for the Fifth Overall Performance Study are presented separately to the Council, and approval has been asked for an overall budget of \$1.075 million. This budget has been included in the thematic budget line in the multi-annual budget of the Office. The two mid-term evaluations have been budgeted in the performance budget line of the Office and will cost all in all \$425,000. These budgets have achieved huge nominal savings compared to the budget for OPS4 (which was \$2.2 million) and the mid-term evaluation of the RAF (which on its own was \$0.5 million). These savings have been made possible by integrating issues that would need to be evaluated in these evaluations in the regular work program of the Office. However, these budgets also lead to an additional burden on the multi-annual budget of \$1.5 million that needs to be incorporated in the budget for fiscal years 2013 and 2014.

5. Not all of the funding needs to be available up front. For this reason the Office proposes to replenish the multi-annual budget with \$3 million: \$2 million of this amount would continue the multi-annual fund on a zero growth budget for regular activities and an additional \$1 million will enable a timely execution of OPS5 and the two mid-term evaluations.

6. On the annual budget the expenditure in fiscal year 2012 is estimated to reach up to the full amount budgeted. The Office has been able to do this despite increasing costs in operations and in participation of the Office in the Extended Constituency Workshops through eliminating one professional staff position.

7. Given the international financial crisis and the slow recovery the Office proposes a zero line growth for its annual budget, which means Council is asked to approve an amount of USD 2.74 million for fiscal year 2013. However, it also notes that for the next fiscal year it will need to prepare a shift of funding from the multi-annual budget to the annual budget as it will

need to expand staff to ensure that the growing work program can be handled by the Office. This shift of funding will be proposed on a budget neutral basis as regards total funding available to the Office in the GEF-5 period.

8. The Office continues to keep track of international best practices in establishing the budget for evaluation. Evaluation Offices of the UN tend to be budgeted at 0.8 to 1 percent of the overall budget of the UN agency – recently FAO has made progress in this direction. Evaluation Offices of the International Financial Institutions tend to have budgets of 0.1 to 0.2 percent of the overall budgets of the IFI, reflecting economies of scale that can be achieved with substantially higher budgets. The GEF Evaluation Office budget during GEF-4 amounted to 0.53 percent of the overall budget of GEF-4. The current budget perspective for GEF-5 would reduce this percentage to 0.43 of the overall budget of GEF-5.

9. The Boards of the World Bank and IMF continue to fund their evaluation office budgets separate from the corporate and administrative budgets of these organizations, as they feel that including them in these budgets raises issues of independence and does not reflect the proper relationship of evaluation budgets to what needs to be evaluated. The GEF Council may wish to consider whether the budget of the GEF Evaluation Office should remain in the corporate budget of the GEF in the longer run.

The Work Program and Budget of the Office for GEF-5

10. In May 2011 Council approved the work program of the GEF Evaluation Office for the GEF-5 period.¹ Furthermore, Council decided to create an annual budget for administrative costs of the Evaluation Office and a multi-annual budget for its evaluation activities. The move towards a multi-annual budget for evaluations had become necessary, as many evaluations are implemented from one fiscal year into the next and funds to be committed for these evaluations need to be available in advance in the financial system of the World Bank. Funding of evaluations can be compared to funding of projects. When the Council decides to fund a project, the money to do this needs to be available in the GEF Trust Fund, and the money is committed for the project when the Council takes its decision. The funds will then be transferred to the GEF Agency that implements the project in tranches that will span several fiscal years. In a similar way the financial system of the Bank now allows the Evaluation Office to commit to an evaluation over a two years period, which allows it to enter into contracts with firms and consultants for the duration of the evaluation. This has functioned well during the first year of the multi-annual budget.

11. The work program and budget of the Office used to be formulated on a rolling basis in the past, but has been formulated for a replenishment period (in this case GEF-5) in recent years. This allows for a planning according to the policies and priorities of the replenishment period and leaves future years for reconsideration depending on new policies and priorities that would emerge for the next replenishment. As a result this work program and budget will not plan for the years beyond GEF-5.

12. The annual budget of the Office contains salaries and benefits, operational costs and other costs that can and should be planned on an annual basis. Recognizing the severity of the budget crisis in many countries, this budget has been kept at a zero growth level in fiscal year 2012. This has only been possible through the elimination of one senior position. While this work program and budget will again present a zero growth annual budget to Council, the Office will be facing serious personnel constraints in the year after, when OPS5 is in full swing and two independent mid-term reviews are planned to take place. In 2013 the Office will prepare proposals for Council to shift some funding from the multi-annual budget to the annual budget to ensure that sufficient staff will be available to carry out all necessary tasks. For the time being the Office will continue with a zero-growth line in its annual budget.

13. The multi-annual budget is activity oriented. It does not follow a line of increase or decrease, but is “bumpy” in nature, given the evaluation demands in the GEF. For example, the fifth Overall Performance Study and two independent mid-term evaluations will have their main activities in fiscal years 2013 and 2014. Spreading evaluations out to accommodate a straight budgeting line with zero or modest increases per year cannot be done, given the fact that some evaluations would in that case not be timely in their reporting. The issue of peaks and valleys in funding has been discussed in Council several times. The Office has raised this issue also to point out that funding of evaluations is not solely an administrative issue – it is related to the size of operations. An increase in funding of the GEF translates into more evaluative work that needs to be done. While economies of scale are possible, they have their limits as well.

¹ See the Joint Summary of the Chairs, May 26, 2011, paragraph 12.

14. Currently both the annual and multi-annual budget of the GEF Evaluation Office are considered to be part of the administrative budget of the GEF. As has been pointed out last year, this does not constitute international best practice, as for example the evaluation offices of the World Bank Group and of IMF are funded outside of the administrative and corporate budgets. This would also make sense for the GEF, as with its relatively small core, the GEF has a considerably lower administrative budget than other multilateral organizations. The Office has pointed out that evaluation as a percentage of the administrative budget seems to be heavily over-funded in the GEF (beyond 15 percent), whereas as a percentage of the total budget of the GEF the costs of evaluation are in line with international best practice (at below 0.45 percent).

15. The following paragraphs present the Office's work program for the four streams of evaluations – Country Portfolio, Impact, Performance, and Thematic – and the implementation of knowledge sharing activities that support the implementation of the GEF M&E Policy. This work program is detailed and fully budgeted for the full period of GEF-5. Approval is sought for the additional funds that are needed in fiscal year 2014, to ensure that the multi-annual budget remains adequate for commitments that span fiscal years 2013 and 2014. Separately the Council has received and is asked to approve the terms of reference and budget for OPS5. The OPS5 amount has been included in this work program and budget in the section on thematic evaluations. Lastly, the report contains sections on special initiatives and human resources.

Country Portfolio Evaluations Stream

16. During the GEF-5 period Country Portfolio Evaluations (CPEs) and Country Portfolio Studies (CPSs) are being run consecutively, meaning that every 3 to 5 months a new CPE and/or CPS is launched. All country level evaluations and studies are discussed in the country concerned at a final workshop. In the case of CPEs, the country is invited to provide a response to the evaluation. This is not the case for CPSs which have a more limited scope and formulate lessons rather than recommendations. All CPEs and CPSs are published on the website of the Office. As per consolidated practice of the Office, annual reporting on findings and recommendations takes place in the Annual Country Portfolio Evaluation Report, which is presented to Council at its May/June session.

17. The Office continues to implement the multi-annual CPE cycle. By the end of FY12 all the evaluations in the LAC region will be completed. These include the Nicaragua CPE; the Organization of Eastern Caribbean States (OECS) Cluster CPE, including Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines; the El Salvador CPS; and the Jamaica CPS. Two more CPEs, in Brazil and in Cuba, are in the finalization stage and will be completed by the end of June 2012. Parallel to that, work has started in the Asia region with one CPS in East Timor and two CPEs in India and Sri Lanka. The East Timor CPS has been completed in May 2012, while the two CPEs are presently ongoing. An additional CPE is planned to start soon in the Pacific region, which will complete the coverage of the Asia region. However, opportunities for conducting an additional CPS in the Asia region will be pursued. In early FY13 work will start in Sub Saharan Africa with a first CPE. In the coming years further CPEs will follow, first in Sub-Saharan Africa and subsequently in the Middle East and North Africa, and East Europe. CPSs will be conducted where possible and will add to the evaluative coverage of GEF support throughout the regions.

18. The multi-annual CPE budget has been prepared focusing on 14 countries preselected on the basis of the quantitative criteria indicated in the countries' selection procedure.² Costs for completion in FY13 of the ongoing CPEs in India and Sri Lanka have been included in the budget. Quantitative criteria used for ranking countries in the budget scenario include the diversity, financial weight and maturity of the portfolio. The estimated CPE cost depends on the financial size and the number of projects of the portfolio as well as the number of completed projects (portfolio maturity). Bigger and more mature portfolio will need a higher budget for the CPE to ensure adequate field visits, data collection and analysis. CPEs in large recipient countries are currently budgeted at \$195k. Mid-size portfolio evaluations are budgeted according to regional differences and vary from \$120k-\$145k. Relatively small portfolio CPEs are budgeted at \$80k-\$100k. CPSs will be undertaken on a basis of emerging possibilities for collaboration with independent evaluation offices of the GEF Agencies and are budgeted at \$60k per study.

19. In FY12 the actual expenditure amounted to about \$0.7 million. The budget for CPEs and CPSs FY13 and 14 of GEF-5 amounts to \$1 million. The total budget estimate for the GEF-5 period is \$2.2 million.

Table 1 – Country level evaluations budget for GEF-5 (in \$k)							
		FY12 (budget)	FY12 (est. actuals)	FY13	FY14	FY15	Totals
LAC	OECS Cluster CPE	75	57	0	0	0	57
	Brazil CPE	185	287	0	0	0	287
	Cuba CPE	119	197	0	0	0	197
Asia	India CPE	185	62	120	0	0	182
	Sri Lanka CPE	125	55	135	0	0	190
	Pacific Islands CPE	0	0	100	0	0	100
	East Timor CPS	41	42	0	0	0	42
	CPS	0	0	60	0	0	60
Africa	CPE1	0	0	100	75	0	175
	CPE2	0	0	40	100	0	140
	CPE3	0	0	0	100	20	120
	CPE4	0	0	0	60	30	90
	CPS	0	0	0	30	30	60
MENA	CPE	0	0	0	85	40	125
	CPS	0	0	0	30	30	60
ECA	CPE1	0	0	0	0	190	190
	CPE2	0	0	0	0	125	125
Totals		730	700	555	480	465	2,200

² The country's selection procedure is available on the Office website (www.thegef.org/gef/node/2054). The final choice of countries per region is done on an ongoing basis on the grounds of the qualitative criteria also indicated in the selection procedure, which include evaluability and synergies with evaluations conducted by the independent evaluation offices of GEF Agencies as well as with thematic subjects on the GEF Council agenda, amongst others.

IMPACT EVALUATIONS STREAM

20. The impact evaluation team of the Evaluation Office undertakes three types of evaluations and assessments. These aim at:

- Determining incidence, extent and nature of impacts that have taken place and understanding the processes through which these impacts are taking place.
- Assessment of the technical and scientific basis for GEF strategies and programs.
- Assessing the quality of information on impact of GEF activities (including those available through the tracking tools) and providing inputs to the GEF partnership on ways to improve it.

21. During the period FY 2012-2014 the impact team intends to address these objectives by undertaking six major activities, which would also contribute to the Fifth Overall Performance Study (OPS5). These activities are:

- Impact evaluation on the International Waters focal area (South China Sea and Adjacent Areas)
- Impact evaluation on the Climate Change focal area
- Impact evaluation on Biodiversity focal area
- Impact evaluation on either Persistent Organic Pollutants or Land Degradation focal area
- Pilot assessment on quality of arrangements for monitoring impacts in GEF full size projects at CEO Endorsement (FY 2012) and a follow up assessment to track progress (FY 2014)
- Preparatory synthesis work for OPS5

22. Progress on these activities is being reported to the GEF Council through the Annual Report on Impact. Table 2 contains the revised budget numbers for the GEF-5 period.

Table 2 – Impact evaluations budget for GEF-5 (in \$k)						
	FY12 (budget)	FY12 (est. actuals)	FY13	FY14	FY15	Totals
CSC IW evaluation	160	272	10	0	0	282
Climate Change	80	7	150	22	0	179
Biodiversity	10	0	150	30	0	180
PoPs and Land Degradation	0	0	0	70	250	320
Impact at project level	60	71	0	70	100	241
Synthesis products	0	0	40	8	0	48
Totals	310	350	350	200	350	1250

23. The overrun in FY12 has been caused by substantive extra work that needed to be done in the international waters impact evaluation in the South China Sea, as well as additional work that needed to be done for the quality at entry arrangements for impact measurements. The extra

work was mostly due to methodology development, from which later evaluations – and OPS5 – will benefit.

24. In FY13 the two new impact evaluations on climate change mitigation and on biodiversity will take off. Their findings will be included in OPS5. Furthermore, some additional analysis and synthesis work is foreseen on impact at the project level, which will also be incorporated into OPS5.

Performance Evaluations Stream

25. Performance evaluations in the GEF assess the internal dynamics of participating organizations, instruments, mechanisms, and management practices. They include evaluations of institutional and procedural issues across GEF focal areas and assessments of experience with GEF strategies and policies, criteria and procedures. They also include periodic or special-purpose reviews of a program's progress and plans, as well as requested assessments of research, knowledge/ market benefits and cost effectiveness over a span of years. Performance evaluation activities primarily have a retrospective focus, although planned activities are also sometimes evaluated.

26. The **Annual Performance Report (APR)** is a feature product of the Performance Evaluation stream. The APR presents a detailed account of the performance of the Global Environment Facility (GEF) portfolio in terms of project results, processes that may affect project results and monitoring and evaluation (M&E) arrangements based on information from completed projects. The Evaluation Office will continue to present the APR in its present structure with continued presentation of performance related themes.

27. At the November 2010 meeting, GEF Council approved a revised M&E policy for GEF5. The revised policy promises further guidelines on relevant sections of the policy, including preparation of terminal evaluations. The performance evaluation stream will further **develop methodology and guidance** to ensure that terminal evaluations incorporate evaluative evidence relevant to the GEF. In fiscal year 2013 specific guidelines for the evaluation of medium-sized projects (MSPs) will be presented. While smaller in budget, transaction costs for review/ evaluation of MSPs can mirror those of full-size projects. The guidelines will take into consideration existing practices within agencies for MSPs and make specific recommendations for their review. This work includes incorporating impact indicators, measurements and progress toward impact in terminal evaluations, for which additional methodology development is needed.

28. The performance team will launch the **mid-term evaluation of the System for Transparent Allocation of Resources (STAR)** in September 2012 with the development of an approach paper and the establishment of an evaluation team. This evaluation will also be an essential input to OPS5 and during the implementation of OPS5 new components may be incorporated. Furthermore, the mid-term evaluation of the **National Portfolio Formulation Exercise (NPFE)** will be initiated as well and will include an assessment of the new **Country Support Program (CSP)**. Another mid-term evaluation is foreseen at the end of GEF-5: on the broadening of the partnership through accreditation of GEF Project Agencies. Some start-up funds have been reserved in FY15, though the evaluation itself is expected to be fully implemented in FY16.

29. The performance team will provide support to the Office through creating a **portfolio database** that can be used for OPS5 and other evaluations of the Office. Currently each and every evaluation of the Office needs to create the relevant portfolio of projects for the evaluation concerned. The database of the GEF, PMIS, is not specifically geared towards evaluation purposes and may contain errors that can be corrected in the course of an evaluation. This work will be undertaken in close collaboration with the GEF Secretariat.

30. The performance budget for GEF-5 is presented in table 3.

Table 3 – Performance evaluations budget for GEF-5 (in \$k)						
	FY12 <i>(budget)</i>	FY12 <i>(est. actuals)</i>	FY13	FY14	FY15	Totals
APR 2012	132	135	0	0	0	135
APR 2013	0	0	130	0	0	130
APR 2014	0	0	0	130	0	130
APR 2015	0	0	0	0	130	130
STAR mid-term	0	0	200	45	0	245
NPFE/CSP mid-term	0	0	150	30	0	180
Methodology	20	10	10	10	10	40
Portfolio support	0	0	40	10	10	60
Project Agencies mid-term	0	0	0	0	50	50
Total	152	145	530	225	200	1,100

Thematic Evaluations Stream

31. The thematic evaluation team conducts evaluations of cross sector topics ranging from strategies and policies to cross-cutting programs. The first Annual Thematic Evaluations Report was submitted to the Council at its November 2011 meetings which provided an overview of the ongoing work program for the thematic evaluations and presented the main conclusions and recommendations for the Evaluation of the GEF National Capacity Self-Assessment (NCSA). During fiscal years 2012-2014 this evaluation stream is coordinating the work of the Fifth Overall Performance Study of the GEF (OPS5). One of the first activities leading into OPS5 is the ongoing Evaluation of GEF Focal Area Strategies. Another ongoing evaluation is the one on GEF Enabling Activities which will also inform OPS5. During the last phase of GEF-5 the start of two thematic evaluations leading into GEF-6 are foreseen.

32. In FY12 work started on the **Evaluation of GEF Focal Area Strategies** which will continue in FY13. The evaluation is designed as a formative, i.e. primarily a learning evaluation. It aims to collect and assess information relating to the focal area strategies in order to gain a deeper understanding of the elements and mechanisms that make the respective strategy successful or provide room for enhancement. The evaluation will assess to what extent the focal area strategies identify effective causal pathways between GEF support and global environmental benefits. The ultimate goal of the evaluation is to inform the development and improvement of the strategies in the future. The evaluation will make a central contribution to

the OPS5 that will in turn provide recommendations for the GEF replenishment process including the formulation of the GEF-6 focal area strategies.

33. The GEF has provided support to countries to fulfill their reporting requirements to the global conventions that the GEF serves. It is estimated that the GEF has provided about \$370 million (with about \$78 million in cofinancing) for almost 900 projects under the enabling activities (EA) modality. The **Evaluation of GEF Enabling Activities** aims to provide the GEF Council and Secretariat with lessons learned from implementing EAs and evaluative evidence of the role of EAs in the overall catalytic effect of the GEF, as indicated through previous evaluations conducted by Office. The evaluation will be conducted in two phases. The first phase entailing is a meta-evaluation to collect evaluative evidence from previous evaluations conducted by the Office, GEF Agencies, conventions and other stakeholders. The meta-evaluation will be conducted by focal area. This phase will set the framework for the second phase which will build on the findings of the meta-evaluation. The main findings and recommendations of the evaluation will be incorporated into OPS5.

34. The Draft Terms of Reference and Budget for the **Fifth Overall Performance Study** has been presented to the Council in a separate working document. The budget numbers have been included in the thematic evaluation budget line, as the thematic team will coordinate the work for OPS5 under the leadership of the Director of the Office. Council decisions on the budget of OPS5 will be reflected in the thematic budget.

35. The budget for GEF-5 for the thematic evaluation stream is presented in table 4. The under-expenditure in fiscal year 2012 is mainly due to delays in the focal area strategies and enabling activities evaluations.

Table 4 – Thematic evaluations budget for GEF-5 (in \$k)						
	FY12 (budget)	FY12 (est. actuals)	FY13	FY14	FY15	Totals
Evaluation NCSA	94	94	0	0	0	94
Evaluation Enabling Activities	101	43	68	0	0	111
Evaluation FA Strategies	165	118	97	0	0	215
Preparatory work for OPS5	40	50	0	0	0	50
OPS5	0	0	830	240	0	1,070
Thematic Evaluation 1	0	0	0	40	100	140
Thematic Evaluation 2	0	0	0	40	100	140
Totals	400	305	995	320	200	1,820

Knowledge Management

36. During FY13, knowledge management activities in the Evaluation Office will focus on the Fifth Overall Performance Study (OPS5). A systematic approach will be established to collect, organize, communicate, and disseminate findings and lessons emerging from the OPS5 as they become available. The Office aims to release the report and most knowledge

management products concurrent with the replenishment discussions. The Office will also augment a two-way communication process during OPS5 allowing stakeholders and interested parties to build ownership of the evaluation.

37. The Evaluation Office will establish comprehensive outreach using a variety of channels to support OPS5 communications. Several knowledge and products will be created to make evidence available to GEF partners beyond replenishment group. The Office will continue to develop evaluation capacity of GEF national stakeholders. Forms of support may include creation of checklists, a workshop, and an electronic publication featuring good practices on focal points involvement in monitoring and evaluation. In addition, the community of practice on evaluation of climate change and development will keep on strengthening capacity of evaluation practitioners.

38. During the last few years, the Office undertook several synthetic studies and meta-evaluations, such as a meta-evaluation of the climate change mitigation evaluations, and the report on evidence on involvement of the private sector in GEF operations. These studies lead to new insights that were not obvious in the individual evaluations. This fiscal year, two studies are planned: a study on guidelines for mitigation evaluation and a study on indicators for adaptation. Both studies will promote accountability and improvement of climate change projects and programs. The budget for GEF-5 for knowledge management is presented in table 5.

Table 5 – Knowledge Management for GEF-5 (in \$k)						
	FY12 <i>(budget)</i>	FY12 <i>(est. actuals)</i>	FY13	FY14	FY15	Totals
Synthetic studies	79	62	90	50	50	252
Outreach & Policy Support	71	65	85	80	60	290
Community of Practice	60	20	25	25	25	95
Totals	210	147	200	155	135	637

Multi-Annual Evaluation Budget

39. The multi-annual budget, as presented in table 6, currently has available \$ 2 million for evaluations in fiscal year 2012 and evaluations continuing on in fiscal year 2013. Sufficient funding needs to be made available to ensure that the regular work program of the Office can be carried out, as well as OPS5 and the mid-term evaluations that are envisaged. An additional amount of \$ 3 million will allow the Office to do this. Table 7 contains the overview of additional funding needed for fiscal years 2013 and 2014. The requested amount of \$ 3 million is based on expectations of commitments that need to be entered into during fiscal year 2013. These commitments are substantial for OPS5 and the two mid-term evaluations.

Table 6 - Multi-annual budget FY13-FY15 (in \$k)						
	FY12 (budget)	FY12 (est. actuals)	FY13	FY14	FY15	Totals
Country Portfolio Evaluations	730	700	555	480	465	2,200
Impact Evaluations	310	350	350	200	350	1,250
Performance Evaluations	152	145	530	225	200	1,100
Thematic Evaluations	400	305	995	320	200	1,820
Knowledge sharing/management	210	147	200	155	135	637
Totals	1,802	1,647	2,630	1,380	1,350	7,007

Table 7 - Multi-annual budget request FY13-FY14 (in \$k)	
Multi-annual budget approval for FY12 and FY 13	2,000
Estimated expenditure in FY12	1,647
Balance for FY13	353
Budget for FY13, including OPS4 and mid-term reviews	2,705
Already approved	353
Additional budget required for FY13	2,277
Budget required for FY14	1,380
Funds needed for FY13 and FY14	3,657
Requested approval for multi-annual budget	3,000

Evaluation Office Annual Budget

40. The Evaluation Office's budget and expenditure in fiscal year 2012 are shown in table 6. The Office calculated its expected expenditure in fiscal year 2011 at \$ 2.74 million and consequently asked for, and received an annual budget of \$ 2.74 million for fiscal year 2012. As can be seen in table 6, actual expenditure in fiscal year 2011 amounted to \$ 2.8 million. For fiscal year 2012 the estimated expenditure is almost at the level of the approved budget.

41. The move to new offices brought the promise of a lower general operations costs budget. However, this appears not to have materialized and the Office was confronted with higher operational costs than expected. This has been accommodated through a lower staff cost budget, which was achieved by leaving one evaluation officer position open. Extra management and advisory support as well as expenditure for GEF meetings can be attributed to preparatory work for OPS5 and the increased number of Extended Constituency Workshops.

Table 8 - Annual Budget Overviews FY11 and FY12 (in \$k)			
	FY11 Expenditure (Actual)	FY12 Budget	FY12 Expenditure (Estimate)
Fixed Costs			(As of May 4, 2012)
Staff Cost	2,200	2,230	2,113
General Operations Costs	395	320	374
Total Fixed Costs (A)	2,595	2,550	2,487
Variable Costs			
Management & Advisory Support	23	40	70
Publications	73	50	50
Networks & GEF Meetings	105	100	130
Total variable costs (B)	201	190	250
Totals	2,796	2,740	2,737

42. The annual budget for fiscal year 2013 will be difficult to maintain at zero growth level. It has to be recognized that this cannot be maintained in coming years. The main problem is the gradual increase of salaries and benefits due to World Bank rules and regulations. The budget for fiscal year 2013, as presented in table 9, thus contains minimum amounts for the variable costs of the budget: management and advisory support, publications and networks & GEF meetings. This is possible in fiscal year 2013 because the work for OPS5 will take over some of the core functions in the Office, such as travel to the Extended Constituency Workshops, which will become necessary for OPS5 stakeholder consultations. On publications the Office will continue to shift to electronic publishing, which will reduce the budgeted amount.

43. No projections are provided for the remainder of the GEF-5 period, as the annual budget will need an infusion from the multi-annual budget in order to become viable again. The Office will prepare proposals for the annual and multi-annual budgets to be approved next year to ensure that a budgetary neutral transfer of funds would enable the Office to have a sufficient number of staff to execute its approved program of evaluations. Overall the Office will remain within the projected amount of \$ 18.56 million for the GEF-5 period.

Table 9 - Annual Budget for FY13 (in \$k)			
	FY12 Budget	FY12 Exp. (Est.)	FY13 Budget
Fixed Costs		(As of May 4, 2012)	
Staff Cost	2,230	2,113	2,295
General Operations Costs	320	374	355
Total Fixed Costs (A)	2,550	2,487	2,650
Variable Costs			
Management & Advisory Support	40	70	10
Publications	50	50	35
Networks & GEF Meetings	100	130	45
Total variable costs (B)	190	250	90
Totals	2,740	2,737	2,740

Special Initiatives³

Community of Practice on Evaluating Climate Change and Development

44. The Community of Practice facilitates communication and knowledge flow among members, consultants and other resources. To date, 891 registered members from 84 countries have joined the online platform where they receive updates on activities, studies and events. The studies on 1) M&E adaptation framework and 2) meta-evaluation on mitigation were completed in late 2011. The latter became the basis for the third and new study on guidelines for mitigation evaluation. A study on Indicators for adaptation is also planned for FY13.

45. The electronic library is being updated with about 70 new evaluation reports submitted by multilateral agencies, organizations and independent researchers. Climate-Eval has organized or co-organized five webinars, with an average of 50 participants per webinar. The webinars create a virtual venue for validating and presenting Climate-Eval and other studies while engaging participants in different countries.

46. A governance structure is being established to provide a clear focus and direction to Climate-Eval, and leadership in forming strategic alliances with other institutions such as organizations or networks. Climate-Eval continues its partnership with the Southeast Asia Community of Practice for Monitoring and Evaluation of Climate Change Interventions (SEA Change) hosted by PACT. A funding proposal is being prepared for submission to the governments of Sweden and Switzerland – as well as other interested donors – for further financial support starting FY13, to subsequently fund the work program of Climate-Eval as it expands its thematic scope to include natural resources management.

Initiative to Draw Lessons from Comprehensive Evaluations of International Organizations

47. In 2010 an initiative group was established to draw lessons from recent overall comprehensive evaluations of international funds, agencies and global programs. These evaluations range from the overall performance studies of the GEF to evaluations of funds of the International Financial Institutions, such as IDA and the Development Fund of the African Development Bank, as well as independent external evaluations of UN organizations like IFAD and FAO. No mechanism exists to exchange experiences and identify best practices. The GEF Evaluation Office is coordinating this effort as the benefits for OPS5 are clear. The initial contribution of the Office has been paid out of preparatory funds for OPS5 as reported on in the thematic budget. Furthermore, IFAD and FAO's Offices of Evaluation have contributed to this joint effort through contributions to the voluntary initiative trust fund of the Office, with amounts of respectively \$25k and \$10k. The work will culminate in the workshop planned for June 14-15 in Paris. Results of the workshop will be reported on in the Progress Report of the Director in November 2012.

³ Special initiatives of the Office are financed through voluntary funding outside the budget approved by Council and implemented by staff financed by that funding. The special initiatives trust fund of the Office has been set up with the approval of the Council in 2006.

HUMAN RESOURCES

48. In the beginning of fiscal year 2012 the Chief Evaluation Officer took up a position in IFC. His position was taken over by one of the Senior Evaluation Officers, and it was decided to reduce staff positions with one evaluation officer position in order to be able to maintain a budget line of zero growth in the annual budget, given the increasing budget demands for interaction in the Extended Constituency Workshops and the increase in operational costs which became more evident in the course of fiscal year 2012. Another factor that increased human resources costs was the promotion of three staff members to higher level ranks in recognition of the excellent work they had done over the past four to five years, resulting in a substantially higher level of performance.

49. Human resources bottlenecks were partly alleviated through two junior professionals in the Office, one as moderator for the Community of Practice Climate-Eval. The second has joined the country portfolio team in the Office in May 2012 through the kind support of the German government.

50. No major changes are foreseen for fiscal year 2013. However, for fiscal year 2014 the Office will need to shift some resources from the multi-annual to the annual budget in order to reach a level of staffing that will enable it to undertake the evaluations that are planned – amongst them OPS5 and the independent mid-term reviews of STAR and CSP/NPFE. Proposals will be included in the Work Program and Budget for the Office that will be presented next year.

FY12 actual		FY13 proposed
1	Director	1
1	Chief Evaluation Officer	1
3	Senior Evaluation Officers	3
1	Senior Evaluation Operations Officer	1
3	Evaluation Officers	3
1	Knowledge Management Officer	1
2	Junior Professionals	2
1	Senior Program Assistant	1
1	Program Assistant	1
14	Total	14