



Global Environment Facility

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November 8-10, 2005

Agenda Item 7 (a)

THE GEF MONITORING AND EVALUATION POLICY

(Prepared by the GEF Office of Monitoring and Evaluation)

Recommended Council Decision

The Council, having reviewed document GEF/ME/C.27/1, *The GEF Monitoring and Evaluation Policy*, decides:

- To approve the Policy subject to incorporation of comments made by Council at this meeting and decisions on the GEF Management Action Record and the interaction between the GEF Office of Monitoring and Evaluation and Council.
- To request the Office of M&E to develop proposals fully reflecting the independence of the Office in the main documents of the GEF such as the Instrument.
- To request the Secretariat, the Implementing and Executing Agencies to implement the strengthened minimum requirements for M&E that have been adopted through this policy.
- That the final version of the Policy will be published as a self standing policy note on the GEF website; the proposed final version will be forwarded to the Council for approval on a no-objection basis before the end of 2005.
- To approve the change of name of the Office of Monitoring and Evaluation to the GEF Evaluation Office.
- That this Policy replaces the Terms of Reference for an independent M&E Unit in GEF/C.21/12/Rev.1.
- To request the GEF Office of Monitoring and Evaluation to develop appropriate guidelines and procedures to implement the Policy.
- To request the GEF Office of Monitoring and Evaluation to continue and formalise its consultative process with M&E partners in the GEF.
- To request the GEF Office of Monitoring and Evaluation to develop a proposal for an M&E training program to be presented to the GEF June 2006 Council, in order to introduce the new policy and minimum requirements for M&E to the appropriate staff.

Executive Summary and cover note

1. Further to the November 2004 Council request, the GEF Policy on Monitoring and Evaluation is presented attached to this cover note for review and approval by the Council. The Policy addresses, among other issues, a new division of labor on M&E, a change in the name of the Office and the promotion of internationally recognized standards for M&E in the GEF.
2. The Policy was developed through a consultative process with the appropriate partners involved in monitoring and evaluation at various levels in the GEF. Based on the GEF Instrument, the GEF Operational Strategy and the Terms of Reference for an Independent Monitoring and Evaluation Unit, the Policy was informed by a series of brainstorming workshops, extensive interaction and meetings with partners, the Norms and Standards for Evaluation in the UN System, the OECD Development Assistance Committee Criteria for Evaluating Development Assistance and the development banks' Evaluation Consultation Group good practice standards for evaluation. The Policy also reflects the experience of other donors and similar agencies in developing evaluation policies.
3. The Policy would become effective upon approval of the GEF Council, and remain valid for the duration of the GEF-4 replenishment period. The minimum requirements will be obligatory for all projects presented to Council from 1 July 2006 onwards.
4. By the nature of the GEF network, this Policy has to cover more than one organization, many of which have their own evaluation policies established by their respective evaluation offices. It is expected to cover monitoring as well; an element which is normally addressed through operational policies. Complexity is added by various levels at which monitoring and evaluation takes place in the GEF- at project, portfolio, country, corporate levels, and by agency and focal area.
5. In June 2005, the Council endorsed a shift in portfolio monitoring responsibilities from the GEF Office of M&E to the GEF Secretariat. The implications for monitoring and evaluation of the recently approved Results Allocation Framework (RAF) are not yet clear. The Policy leaves room for more details on portfolio monitoring and performance management in the context of results-based resource allocation, to be incorporated further to discussions of the operational consequences in the coming months. Further clarity in actual tasks and responsibilities may lead to standards for monitoring at higher portfolio levels.
6. The Policy is derived from past GEF Council discussions and decisions on minimum requirements for monitoring and evaluation, including standards for project M&E plans; performance indicators; data availability; reporting; and project terminal evaluations. For information purposes, Annex A of the Policy contains an overview of how the Policy addresses the Terms of Reference for an Independent M&E Unit. (GEF/C.21/12/Rev.1). Annex B contains an overview of the minimum standards for monitoring and evaluation as adopted in the TOR and how these relate to the minimum requirements in the Policy. Once the final version of the Policy is approved, it will be issued as a stand-alone document, without annexes.
7. Given that the Implementing and Executing Agencies have their own systems of rules and regulations governing monitoring and evaluation of these activities, the Policy does not

prescribe norms and standards for them, but contains minimum monitoring and evaluation requirements GEF-funded activities that they implement. For those parts of the GEF for which the Council is directly responsible, i.e. the GEF Secretariat and the Office of Monitoring and Evaluation, evaluation and monitoring norms and standards are proposed. Key principles that reflect professional sound ways of conducting M&E are also included.

8. Monitoring and evaluation form part of systems of oversight and accountability. Whereas it covers development effectiveness and organizational performance, 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 regulations of the GEF Instrument.

9. The GEF Policy is expected to facilitate, over time, the enhancement and enforcement of international standards for monitoring and evaluation, and promote synergies that increase efficiency and effectiveness of GEF operations. The consultative process has already led to increased participation of Agency Evaluation Offices in GEF evaluation, both in project evaluation and corporate evaluation. Several GEF Agencies developed or revised their own evaluation policies in parallel with the GEF monitoring and evaluation policy, thus providing an excellent opportunity for increased collaboration.

10. The process has also led to a clearer definition of roles and responsibilities in the system. Within several agencies, responsibilities have shifted to differentiate between management and monitoring, on the one hand and evaluation, conducted independently, on the other. As the lynchpin of the system, the Office conducts independent evaluation. The actual monitoring would be undertaken by the GEF Secretariat and the Agencies coupled with setting norms and supporting oversight of both monitoring and evaluation throughout the system.

11. It is proposed that the words “Monitoring and” be omitted from the name of the Office in order to describe more accurately its core business. This would also bring its name in line with the evaluation offices of other international institutions. Many of these offices have the same responsibilities as regards setting minimum requirements and oversight of M & E systems on the project level, yet do not reflect this in their names.

12. The GEF faces particular challenges in aggregation and attribution of results, at the focal area, strategic priority, operational program or country level. The M&E partners have agreed that future portfolio monitoring would have to look for realistic approaches beyond roll-up of project indicator data. The introduction of the Results Allocation Framework will also have implications for portfolio monitoring which should be incorporated into the GEF Monitoring and Evaluation Policy.

13. By bringing together the various requirements and making them explicit and transparent, the Policy will promote greater incentives for accountability for monitoring and evaluation in the system. The new and strengthened minimum requirements for monitoring and evaluation cover project design, the application of M&E at the project level, and project evaluation. The consultative process has led to new agreements on the quality and independent validation of project evaluation of full-sized projects, while requirements for cost-effective evaluation of medium-sized projects are to be addressed by the Joint Evaluation of the activity cycle and modalities. Until then, the current requirements to undertake MSP evaluations remain in effect.

14. In preparing its next four-year rolling work program, the Office was requested by the Council to “take into account the outcomes of the consultative process, the new policy, and the new division of labor on monitoring and evaluation, which may lead to efficiencies in actual costs”. Thus far, the process has not led to direct cost reduction since the expected efforts for M&E are strengthened. However, some economies of scale are likely though the increase of quality of M&E, value for money and coverage of GEF in evaluation throughout the system. Streamlining of responsibilities for M&E would also, over time, reduce inefficiencies and diseconomies of scale. The Office will report on any budgetary gains or shortfalls in its annual (four year rolling) work plan and budget.

15. Proposals on the Management Action Record and interaction with the GEF Council are presented separately to the Council November 2005 session. These elements will be included in the final version of the Policy depending on Council decisions. Thus the final version of the M&E Policy will be forwarded to Council members for approval on a no-objection basis before the end of 2005.

16. The Policy will be operationalized through additional guidelines and good practice examples on specific subjects, such as operational procedures of the Office, systems for rating of progress and results; use of indicators and baselines and M&E plans; the annual performance review and terminal evaluations. All relevant guidelines will be made available under a policy and procedure resource page of the website of the Office, and developed through the regular consultative M&E mechanisms. The independence of the GEF Office of M&E is not yet fully reflected in the main documents of the GEF such as the Instrument. For example, the Office is not recognized as a separate entity within the GEF.

17. To ensure enhancement of capacities on monitoring and evaluation, the GEF partners have also identified the need for training and support on monitoring and evaluation. This would specifically address the minimum requirements for M&E and norms and standards, and may be targeted to Agency staff, project staff and country stakeholders. Given the range of GEF activities and partners involved, any such training program would have to provide for innovative ways of outreach, maximum use of electronic communication channels and materials, and seizing existing opportunities for interaction with partners. The GEF Office of M&E would be able develop a proposal for an M&E training program for the GEF June 2006 Council.

18. In the implementation of the M&E Policy, the Office will continue to work with the Agencies in the consultative process to identify potential gaps in policy and practice. The consultative process on M&E issues will be formalized through regular consultations to be convened at appropriate moments in the year, for example before or after other evaluation meetings (such as the UN Evaluation Group or the Evaluation Coordination Group of the International Financial Institutions). Optimum use will be made of existing opportunities to meet and discuss M&E issues.

19. This Policy does not contain the full budgetary requirements to be implemented, since these are not yet known on all levels. The Office of Monitoring and Evaluation is fully funded by the Council through the annual discussions of its budget and (four year rolling) work plan. The GEF Secretariat also discusses its budget and work plan annually with Council. The Implementing and Executing Agencies pay for M & E issues out of the corporate budget (for

Implementing Agencies) and project fees and/or allocations (for both). Neither the corporate budget nor the project allocations/fee contain specific references to what should or could be spent on M&E. In some cases, the Policy and its minimum requirements may represent additionalities to the Agency's own systems and practices with organizational or financial consequences. These may be brought to the attention of the GEF Council through the appropriate channels.



Global Environment Facility

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MONITORING AND EVALUATION
POLICY**

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Annexes

1. MONITORING AND EVALUATION IN THE GEF

1. Monitoring and evaluation in the GEF have the following overarching objectives:

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| <ul style="list-style-type: none">a. Promote accountability for the achievement of GEF objectives through the assessment of results, effectiveness, processes and performance of the parties involved in GEF activities. GEF results will be 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 basis for decision-making on policies, strategies, program management, and projects and to improve knowledge and performance. |
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1.1 BACKGROUND

2. The Global Environment Facility 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, international waters, land degradation (primarily desertification and deforestation), ozone layer depletion, and persistent organic pollutants in developing countries and countries with economies in transition. The GEF receives strategic and policy guidance from the GEF Council on these six focal areas and from the Conference of Parties of the global environmental conventions that the GEF serves as the financial mechanism¹. Two of the ten GEF Operational Principles for GEF work, as described in the 1996 GEF Operational Strategy, require 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 activities.

3. Monitoring and evaluation play an important role in the GEF. The GEF's mission in the global environment requires it to be innovative or experimental and puts the network in a position to assess global dimensions of environmental and development policies. The GEF is also pioneering institutional relationships among International Finance Institutions, United Nations agencies in partnership with the participant countries, international conventions, NGOs, and other organizations. A policy on monitoring and evaluation must make full use of the combined capacities of the expansive GEF network, 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 monitoring and evaluation, both within and among the GEF partners and with external stakeholders. The active engagement of all key stakeholders will enhance capacity for monitoring and evaluation as well as its utility.

4. Monitoring and evaluation feedback allows the GEF to track progress in fulfilling its mission of delivering global environmental benefits in its six focal areas. GEF projects 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 monitoring and evaluation findings. Monitoring and evaluation processes can help strengthen partnerships, participation and ownership around GEF projects and concerns, which are essential principles of GEF operations and policies. As a

¹ For more details on the GEF see: "Instrument for the Establishment of the Restructured Global Environment Facility" ("GEF Instrument"), last updated in May 2004, GEF Operational Strategy (February 1996) and GEF Operational Programs.

consequence, the GEF will emphasize the quality of monitoring and evaluation systems and ensure that their findings are disseminated widely.

5. A strong performance management system is essential in building confidence among partners – both stakeholders and beneficiaries - in the reliability of information on development effectiveness. By making requirements and expectations more explicit, consolidated and transparent, the M&E policy should provide incentives and consequences for conducting good monitoring and evaluation at various levels of programming. This is particularly important given the specific challenges in measuring and aggregating GEF global results.

6. The monitoring and evaluation 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. A framework for monitoring and evaluation 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 Monitoring and Evaluation Unit was made independent in 2003 and now reports directly to the GEF Council. In November 2004, the GEF Council renamed the Unit as the GEF Office of Monitoring and Evaluation and requested it to proceed with developing a new policy for monitoring and evaluation in the GEF.

7. This Policy aims to explain the concept, role and use of monitoring and evaluation within the GEF network and define the institutional framework and definition of responsibilities. Specifically, it establishes requirements for how GEF activities should be monitored and evaluated in line with international standards, and assigns roles and responsibilities for these tasks. 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 regulations of the GEF Instrument.

8. The GEF Policy takes effect when approved by the GEF Council and shall remain valid for the duration of the GEF-4 replenishment period. To ensure that the Policy remains relevant to evolving circumstances and captures international trends in monitoring and evaluation, it may be revised periodically. Any proposals for changes in the Policy will be presented to the Council by the GEF Evaluation Office.

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

1.2 EVALUATION IN THE GEF

10. **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, impact, effectiveness, efficiency and sustainability of the interventions and contributions of the involved partners. An evaluation should provide evidence-based information that is credible, reliable and useful, enabling the timely incorporation of findings, recommendations and lessons into the decision-making processes.

11. **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. 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.

12. **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 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 areas, Operational Programs or strategic priorities.
- c. Country program evaluations – of one or more agency’s portfolio of projects and activities, and the assistance strategy behind them, in a partner country. These include country portfolio evaluations or reviews assessing GEF achievements in countries.
- d. Impact evaluations – of the long term effects produced by an intervention, intended or unintended, direct or indirect. Impact may be assessed at project, program, portfolio 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 to all or several countries, regional and sectors. These include studies that assess topics GEF operational programs, such as participation, gender, capacity building, policy, or technology.
- f. Process 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. Overall Performance Studies (OPS) – of the GEF, connected to the GEF replenishment and Assembly cycles. These address overriding issues like global impact and benefits of GEF programs, as well as the GEF institutional arrangements, policies, strategies, programs and priorities.

13. **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 an 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 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

14. **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.

15. **Use of monitoring.** Monitoring provides management and the main stakeholders of an ongoing development 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 program performance taking into account the external environment. Information from systematic monitoring serves as a critical input to evaluation.

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

- a. **Project level** – mainly of implementation process and activities, the delivery of outputs, and progress towards outcomes.
- b. **Portfolio level** – mainly of trends in implementation; and outcome, namely the short- or medium term effects of an intervention’s outputs. This includes monitoring of focal areas and overall results for the GEF as well as monitoring of institutional issues.²
- c. **National and global level** – mainly of global environmental impact, based on independent data gathering and analysis by national bureaux of statistics and/or international bodies and organizations.

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

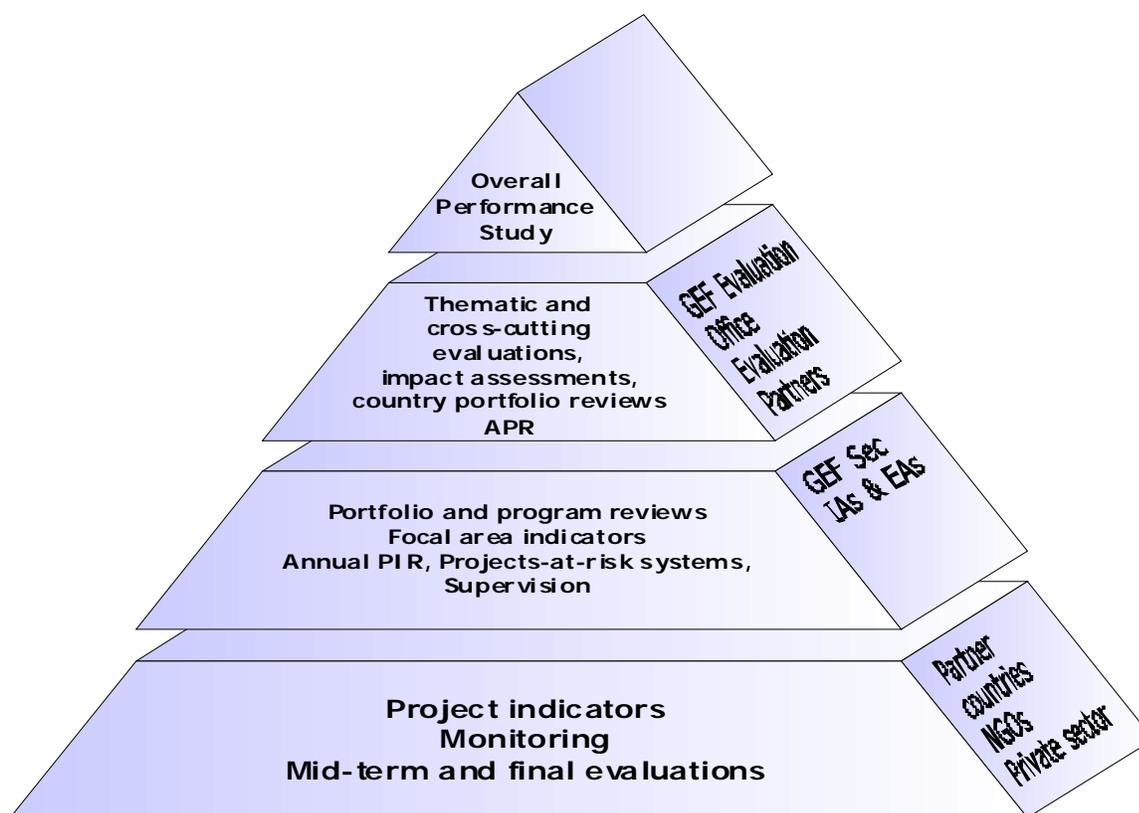
² The systems for portfolio monitoring will be further defined over the coming months, following the approval of the Results Allocation Framework and the shift of portfolio monitoring responsibilities to the GEF Secretariat, and issued in guidelines and/or updates to the Policy.

2. ROLES AND RESPONSIBILITIES

2.1 M&E PARTNERS IN THE GEF

18. Monitoring and evaluation are a shared responsibility in the GEF network. On different levels, for different partners and involving different functions within the GEF, a complex picture emerges of who is involved and what will be done. This has been termed the “M&E” pyramid of the GEF network: A wide base of project monitoring and evaluation taken care of by the Implementing and Executing Agencies and their partners; a mid-level tier of indicators in focal areas, portfolio reviews, thematic and cross-cutting evaluations and annual performance reports in which the Secretariat and the Evaluation Office add their efforts to those of other GEF partners; and at the top emerging environmental and development trends and the GEF results within these trends, as reported on in the Overall Performance Study.

Table: M&E levels and responsible agencies in the GEF



19. The essence of a network of partners is that each has his 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 network for which it is directly responsible, such as the Secretariat, the Evaluation Office and STAP, but it cannot enter into the sovereign responsibilities of the partners in the GEF and adopt principles, norms and standards for them. However, the GEF can require minimum standards and minimum procedures to be applied to the activities it (co-)funds. For this reason this policy contains principles, norms and standards for the work of the Secretariat in monitoring and for the work of the Evaluation Office, but not for the Implementing and Executing Agencies and other partners. For these organizations, so called minimum requirements on monitoring and evaluation are formulated for the GEF projects that they implement.

20. This chapter contains a brief description of the roles and responsibilities of each of the GEF partners in monitoring and evaluation, reflecting mandate, comparative advantage and the recent shift in M&E responsibilities³. Under the overarching guidance and oversight of the GEF Council to ensure that the monitoring and evaluation functions in the GEF are properly assigned and conducted, the GEF Evaluation Office undertakes corporate evaluation work and supports the application of internationally accepted norms and standards. The Office works closely with the evaluation departments of the Executing and Implementing Agencies to enhance the combined capacity of the GEF system to effectively and efficiently fulfill evaluation needs. 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. 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

21. The governance structures of monitoring and evaluation reside with the GEF Council. The Council develops, adopts and evaluates the operational policies and programs for GEF-financed activities, in conformity with the GEF Instrument and fully taking into account reviews carried out by the GEF Assembly. It also reviews and approves the policy for monitoring and evaluation.

22. The GEF Council shall provide an enabling environment for monitoring and evaluation activities in line with internationally accepted standards. The GEF Council is responsible for ensuring that adequate resources are allocated to enable the evaluation function to operate effectively and with due independence; that evaluators have the freedom to conduct their work without repercussions for career development; and for appointing a professionally competent Director of Evaluation. It promotes transparency, participation and disclosure in monitoring and evaluation findings.

23. The GEF Council ensures accountability and oversight of GEF performance. It keeps under review the operation of the GEF with respect to its purposes, scope and objectives; ensures that the GEF policies and work program, including operational strategies and projects, are monitored and evaluated on a regular basis. The Council uses monitoring and evaluation 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 providing for their audit, in accordance with the rules of the Trustee.

24. The GEF Council, together with the CEO and the Director of Evaluation, are responsible for ensuring active use of monitoring and evaluation products for decision making and management, through an M&E planning system; systematic consideration of findings, conclusions and recommendations and repositories of lessons learnt.

2.3 GEF EVALUATION OFFICE

25. Within the GEF network, the GEF Evaluation Office has the central role of ensuring the evaluation function within the GEF, of setting minimum requirements for monitoring and evaluation, of ensuring oversight of the quality of M&E systems on program and project level and of sharing evaluative evidence within the GEF network.

³ GEF Council decision based on GEF/ME.C.24, Elements of a new M&E Policy.

26. The Office has the responsibility for undertaking independent evaluations which involve a set of projects from more than one Implementing or Executing Agency. These evaluations are typically on a strategic level, or on focal areas, or on cross-cutting themes. Furthermore, institutional evaluations are undertaken. Where possible and to prevent duplication, the Office will collaborate in these evaluations with (independent) evaluation offices of the Implementing and Executing Agencies.

27. Within the GEF system, the GEF Evaluation Office facilitates cooperation with and between the GEF partners on matters of evaluation and monitoring. This includes the establishment of procedures and guidelines on evaluation of GEF matters, based on internationally recognized standards, and collaboration with the GEF Secretariat and Agencies to establish requirements for portfolio monitoring.

28. In support of the Council's oversight role, the GEF Evaluation Office provides the Council with periodic information on the quality of M&E systems in the GEF. This information is presented in an annual performance report and is based on evaluative evidence developed by the GEF Evaluation Office, the Agency evaluation departments, or by operational units and reviewed by independent quality assurance mechanisms. The Office also reviews project terminal evaluations submitted by the Agencies. The report focuses on the ex-post results of GEF projects and trends in the compliance with the minimum requirements on project design of M&E, application of project M&E and on project evaluation. It may also cover trends in the quality of portfolio monitoring in future.

29. The GEF Evaluation Office supports knowledge sharing and follow-up of evaluation recommendations. It works with the GEF Secretariat, the IAs and EAs to establish systems to disseminate lessons learned and best practices emanating from the monitoring and evaluation activities, and provides independent evaluative evidence to the GEF knowledge base.

30. 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. In line with the Terms of Reference⁴, 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.

2.4 GEF SECRETARIAT

31. The GEF Secretariat is responsible for monitoring the overall GEF portfolio that covers all focal areas and Executing or Implementing Agency projects. This may entail aggregation of findings for project focal areas, operational programs, agency or project type. Based on information for the Executing and Implementing agencies on their on-going projects during the year, the GEF Secretariat produces an implementation review in which it presents an overview of progress towards results, including outcomes, implementation issues and portfolio-wide trends to the GEF Council.

32. In support of effective monitoring, the GEF Secretariat takes the lead in the identification of portfolio- or program-level indicators and the use of data for monitoring performance on program indicators. It reviews all projects prior to their approval to ensure that they meet GEF monitoring and evaluation standards and policies. It also works with the GEF Evaluation Office in establishing monitoring standards for project and portfolio levels.

⁴ GEF/C.21/12.Rev.1, Terms of Reference for an Independent Monitoring and Evaluation Unit, July 28, 2003, Annex I

33. The GEF Secretariat takes the lead in developing GEF knowledge management systems that uses monitoring and evaluation information. It facilitates cooperation in comprehensive monitoring and learning at portfolio level, by bringing together relevant partners in task forces; establishing mechanisms and systems for knowledge capture and dissemination.

34. In support of evaluation, the GEF Secretariat responds promptly and fully to GEF Evaluation Office requests for information relating to GEF projects, 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 GEF-related aspects.

35. In its managerial capacity, the GEF Secretariat ensures that findings and recommendations emanating from evaluation and monitoring 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 monitoring and evaluation activities are adequately reflected in public information about the GEF. Its activities of governance, program management, and relations with constituents are covered by the GEF corporate budget. This includes preparation of the annual GEF Project Implementation Review; activities to gather and disseminate best practices to improve portfolio quality and foster replication; providing information required by the Evaluation Office and preparing joint management responses to evaluations.⁵

2.5 IMPLEMENTING AGENCIES AND EXECUTING AGENCIES

Operational Units

36. The Agencies are responsible for monitoring and supervising the project activities, the production of outputs and the progress towards outcomes. Through their internal monitoring systems, the relevant Agency operational departments ensure periodic assessment of trends and issues in their GEF Agency portfolio, and periodic reporting to the GEF Secretariat on project implementation. They also develop and use project indicators, and work with the GEF Secretariat in developing program indicators in focal areas where operational policies and programs have been endorsed.

37. The Agencies are responsible for ensuring that projects are evaluated periodically and in line with internationally recognized standards, and that any project or portfolio evaluations conducted are shared with the GEF Evaluation Office. The Agencies supports the GEF Evaluation Office by responding promptly and fully to requests for information or support relating to monitoring or evaluation of GEF projects, and by making project evaluations publicly accessible.

38. The Agencies work with the departments of the 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, informing and briefing GEF participating countries and stakeholders regarding M&E activities.

39. The three Implementing Agencies receive a GEF corporate budget. All 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, including specific activities to undertake monitoring and evaluation. Project fees allow Implementing and Executing 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

⁵ GEF/C.25/7, Corporate Budget, FY06

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; reviews by the agency's evaluation units. The Agencies also provide inputs to the GEF Evaluation Office and prepare joint management responses.⁶

Evaluation Units

40. The evaluation departments of Agencies shall exchange mutually 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 shall encourage optimal coverage of environmental related issues in their evaluation plans. For relevant evaluations covering issues of GEF concerns and GEF portfolio, the evaluation departments shall provide opportunities to the GEF Evaluation Office to interact with regard to TOR, approach and scope. Where a notable GEF portfolio exists, the Agency corporate evaluations shall integrate and reflect this as much as possible, for example in their country portfolio evaluations, impact evaluations and thematic evaluations. The Agency evaluation offices will also cooperate on norms, standards and quality of evaluations. Bilateral consultations will be organized between the GEF Evaluation Office and Agency evaluation offices to address any systemic issues, including budgetary issues. If additional funding is required for these units to be involved in the GEF, this will either be met through internal procedures of the Agency concerned or through inclusion of the necessary funding in the corporate budget or the project allocations or fees, without in any way detracting from the independence of these evaluation units.

2.6 SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

41. The GEF Scientific and Technical Advisory Panel (STAP) will provide timely and relevant advice on scientific and technical matters related to monitoring and evaluation activities. The Chair of STAP takes part in meetings and consultations on monitoring and evaluation in the GEF.

42. STAP provides advice on the work program of the GEF Evaluation Office related to evaluations with components on science and technology, 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, Terms of Reference or reports. STAP members may also be called upon to support directly an evaluation, while respecting the independence of both STAP and the GEF Evaluation Office.

43. The Panel will also support monitoring of scientific and technical aspects of the GEF, through knowledge management and information sharing; for scientific and technical evaluation of the portfolio. STAP shall support the GEF Secretariat in the development and use of scientific indicators to measure impact at national and portfolio levels. Its work is covered by the GEF corporate budget.

2.7 PARTICIPATING COUNTRIES

44. A number of entities in GEF participating countries are involved in monitoring and evaluation in different ways. The GEF participating countries are responsible for national monitoring, evaluation and assessment systems on global environmental benefits and for establishing a favorable national monitoring and evaluation framework. This may include efforts to improve basic census and other data in partner countries; establishing national and project baselines; using national communications and inventories of global environmental benefits; participating in various global initiatives such as the Global Reporting

⁶ GEF/C.25/7, Corporate Budget, FY06

Initiative and monitoring of the Millennium Development Goals, with the support of development partners as appropriate.

45. In line with the GEF Operational Principles, GEF M&E activities shall be country-driven and provide for consultation and participation. 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, to participate actively in project monitoring as set out in the project M&E plan, and to share relevant experiences. The GEF Focal Point have a particular responsibility for use, follow-up and action on evaluation recommendations related to GEF matters and directed at the regional, national, local and project levels and for integrating lessons into project proposals. The Focal Point also plays a key role in keeping stakeholders fully consulted, informed and involved about the plans, the implementation and the results of country-related GEF monitoring and evaluation activities.

2.8 STAKEHOLDERS

46. A number of locally and internationally-based stakeholders are involved in GEF monitoring and evaluation activities, including sub-national authorities, cooperating institutions, local community groups, non-governmental organizations, civil-society organizations, the private sector, academic institutions, and co-financiers that supplement GEF resources in particular projects. GEF-financed projects shall provide for full disclosure of all non-confidential information, and consultation with major groups and local communities in monitoring and evaluation.

47. Consistent with provisions in the Instrument, there should be transparency in the preparation, conduct, reporting, and evaluation of public involvement activities in all projects, including for monitoring and evaluation. Monitoring and evaluation in the GEF shall involve project stakeholders and beneficiaries, both as participants and contributors and as users and beneficiaries. The stakeholders have a particular responsibility in providing feedback. They use monitoring and evaluation 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 terms of reference for evaluations, the specific possibilities for interaction with stakeholders and participation of the stakeholders will be identified, taking account of country conditions, such as cultural, political, and project-specific factors. Any budgetary requirements will be addressed in the relevant project proposals.

3. EVALUATION CRITERIA AND MINIMUM REQUIREMENTS

3.1 INTERNATIONAL CRITERIA AND MINIMUM REQUIREMENTS

48. The work of the Implementing and Executing Agencies in monitoring and evaluation is in various degrees guided by internationally recognized principles, norms and standards. Almost all IAs and EAs have well formulated policies and regulations, which contain norms and standards. Although there is a general convergence towards internationally recognized norms and standards, there is also a divergence caused by the specific goals and objectives of the IAs and EAs. These different goals call for differences in emphasis and for differences in application of standards between agencies. This means that it is impossible to formulate precise principles, norms and standards which 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 Banks.

49. The UN Evaluation Group has recently adopted professional norms and standards for evaluation. These norms and standards have been compiled taking into account the “state of the art” in evaluation in the bilateral community (in the OECD DAC Evaluation Network) and in the Evaluation Coordination Group of the Banks. UNEG proposes that each UN agency adopts an evaluation policy in which the norms and standards will be translated to the specific situation of that agency. Furthermore, a system of peer reviews will be developed to help each agency achieve better performance and better adaptation of the UNEG norms and standards.

50. The Evaluation Coordination Group of the Banks 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 Banks. A special issue is the independence of evaluation, which has received strong attention and which has led to formulation of a template for independence and a peer review on independence, which allows each Bank to fine-tune its organizational set-up, if and when necessary.

51. 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, which were adopted by the DAC High Level Meeting in 1991, remain to this day the internationally best known principles and criteria for evaluating grants. Currently, the DAC Evaluation Network is working on minimum standards for evaluations and on a peer review process to assess the quality of evaluations and the quality of evaluation systems. This peer review system will be extended beyond the bilateral evaluation community to the UN system and eventually to the Banks.

52. On monitoring, no professional norms and standards have been formulated in the bilateral, UN or 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 specific”, i.e. need to be designed to fit into the specific circumstances of the projects.

53. A key international norm concerns the adequate provision of resources to enable the monitoring and evaluation functions to operate effectively. Planning for monitoring and evaluation must be an explicit part of planning and budgeting at the project level and for the organization as a whole. Monitoring and evaluation in the GEF should be managed to ensure cost-effectiveness in terms of adding value to the

portfolio. The costing and budgeting of monitoring and evaluation 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 in project budgets. This would include any additional financial implications of addressing the minimum requirements and responsibilities of this Policy.

3.2 MONITORING AND EVALUATION CRITERIA

54. GEF projects and programs will adopt monitoring systems, including planning for relevant performance indicators, that are:

- a. **Specific:** The system captures the essence of the desired result by clearly and directly relating to achieving an objective and only that objective.
- b. **Measurable:** The monitoring system and indicators are unambiguously specified so that all parties agree on what it covers and there are practical ways to measure it.
- c. **Achievable and Attributable:** The system identifies what changes are anticipated as a result of the intervention and whether the result(s) 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 desired frequency for a set period, with clear identification of the particular stakeholder group to be impacted by the project or program.

55. 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 development priorities and organizational policies, including changes 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 or efficacy.
- 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 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 MINIMUM REQUIREMENTS AND KEY PRINCIPLES

56. The following minimum requirements shall be applied to monitoring and evaluation on the project level.

Minimum requirement 1: Project Design of M&E

All projects will include a concrete and fully budgeted monitoring and evaluation plan by the time of CEO approval. This monitoring and evaluation plan will contain as a minimum:

- SMART indicators for project implementation, or if no indicators are identified, an alternative plan for monitoring which will deliver reliable and valid information to management
- SMART indicators for results (outcomes and if applicable impacts), and where appropriate indicators identified at the corporate level
- baseline for the project, with description of problem to address, with indicator data, or if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation
- identification of reviews and evaluations which will be undertaken, such as mid-term reviews or evaluations of activities
- organizational set-up and budgets for monitoring and evaluation.

57. GEF project objectives and intended results should be specific and measurable, so as to make it possible to effectively monitor and evaluate the project. The baseline data would be developed for the key results indicators. In rare cases, further development of some baseline indicators may be completed during the first year of implementation. The presence of the M&E plan and baseline would be considered as a performance measure of satisfactory M&E in the first Project Implementation Report. Agencies may encourage attention at the PDF stage to ensure timely M&E planning.

Minimum requirement 2: Application of Project M&E

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

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

58. GEF project monitoring provides Agency management with a basis for decision-making on progress and the GEF with information on results. In order to be used for conclusions and decisions, monitoring would use both qualitative and quantitative data to report accurately on the production of outputs and progress towards outcomes; identify key implementation issues and proposes actions to solve these. Periodic reports should be based on a principle of continuity to allow for tracking of results and progress. To be valid, monitoring should be based on periodic observation visits, capture the views of stakeholders, and explain any methodological limitations of its use of sources and data. M&E plans are dynamic tools and should be revised if the project scope changes significantly.

Minimum requirement 3: Project Evaluation

Each Full Sized Project will be evaluated at the end of implementation. This evaluation will have the following minimum requirements:

- the evaluation will be undertaken independent of project management, or if undertaken by project management, will be reviewed by the evaluation office of the Implementing or Executing Agency or by independent quality assurance mechanisms of the Agency
- the evaluation will apply the norms and standards of the Implementing or Executing Agency concerned
- the evaluation will assess at a minimum:
 - achievement of outputs and outcomes, and provide ratings for targeted objectives and outcomes
 - likelihood of sustainability of outcomes at project termination, and provide a rating for this
 - whether minimum requirements for M&E 1 and 2 were met provide a rating for this
- the report of this evaluation will contain as a minimum:
 - basic data on the evaluation:
 - when the evaluation took place
 - who was involved
 - the key questions
 - methodology, including application of the five evaluation criteria

- basic data of the project, including actual GEF and other expenditure
- lessons of broader applicability
- the TOR of the evaluation (in an annex)
- the report of the evaluation will be sent to the GEF Evaluation Office immediately when ready, and at the latest within 12 months of completion of project implementation.

59. Project evaluations should serve to provide lessons learned and recommendation for future projects, policies or portfolios. Agencies will apply their internal arrangements for the conduct of evaluations and their cost to ensure that evaluation reports of GEF projects are credible, unbiased, consistent and well documented in line with the requirements above. Each evaluation will assess results, namely outputs, outcomes and impact) according to the criteria of relevance, effectiveness, efficiency (or cost-effectiveness), sustainability, as applicable. Future GEF Council decisions on the concept of cost-effectiveness may lead to minimum requirements for GEF projects, to be incorporated into the M&E policy. The GEF medium sized projects are more limited in duration and budget, and therefore merit consideration for tailored minimum evaluation requirements. The Joint Evaluation of the GEF Activity Cycle and Modalities will address the experience with MSPs and provide recommendations in this regard.⁷

60. Furthermore, monitoring and evaluation in the GEF will be guided by the following key principles, which have been identified as common denominators in the GEF network, and which will be further developed through specific guidelines or procedures in the consultative process of the GEF Evaluation Office with its partners in network. These key principles are not “minimum requirements” as such, but are internationally recognized professional ideals that need to be applied to the specific evaluations and monitoring systems that the GEF undertakes, or in which GEF network partners collaborate.

- a. **Independence.** Members of evaluation teams 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 self-evaluation, specific review mechanisms may help verify impartiality and rigor.
- b. **Impartiality.** Evaluations must give a comprehensive and balanced presentation of strengths and weaknesses of the policy, program, project or organizational unit being evaluated. The evaluation process should reflect impartiality in all stages and taken account of views of all stakeholders. Units commissioning evaluations should endeavour to ensure that evaluators selected are impartial, and unbiased. The principle of absence of bias also applies to self-evaluations, self-assessments, internal reviews and reports and monitoring actions.
- c. **Transparency.** Transparency and consultation with the major stakeholders are essential features in all stages of both monitoring and evaluation processes. This involves clear communication concerning the purpose of the evaluation or monitoring activity, the criteria applied and the intended use of the findings. Documentation emanating from monitoring and evaluations in easily consultable and readable form should also contribute to both transparency and legitimacy. Evaluation and monitoring reports shall provide transparent information on its sources, methodologies and approach.
- d. **Disclosure.** The lessons from monitoring and evaluation shall be disseminated by establishing effective feedback loops to policymakers, operational staff, beneficiaries and the general public. In the spirit of partnership, the GEF partners shall share with each other GEF-related evaluation reports; monitoring reports and other internal periodic reviews of progress

⁷ Until such time, current requirements to undertake MSP evaluations remain in effect.

- and implementation and make findings and lessons available to project management for improved effectiveness. The GEF Evaluation Office shall be provided access to all project documentation of the Implementing and Executing Agencies relating to GEF-financed activities.
- e. **Ethical.** Monitoring and evaluation shall provide due regard for the welfare, beliefs and customs of those involved or affected, avoiding conflict of interest. Evaluators must respect the right of institutions and individuals to provide information in confidence. If evidence of wrongdoing is uncovered, the evaluator or manager shall report such cases discreetly to the GEF Evaluation Director who will take appropriate action such as informing the investigative body of the Agency concerned. Ethical monitoring and evaluation require that management and/or commissioners of evaluations remain open to the findings.
 - f. **Partnership.** GEF activities are being implemented through various partnerships of international organizations, national or non-governmental entities, as well as bilateral donors involved through co-financing. The GEF Evaluation Office and GEF partner agencies shall actively explore the possibility of joint evaluations which would provide the GEF with insights and feedback which might not be reached through a stand-alone evaluation. The GEF partners shall help further GEF evaluation work through their participation in international groups and associations for monitoring and evaluation and the research community. GEF monitoring and evaluation activities shall be carried out with the participation of in-country stakeholders, including project management and NGOs involved in project implementation, to enable the beneficiaries to participate in the learning process with the GEF and to enable the GEF network to learn from them.
 - g. **Competencies and Capacities.** Depending on the subject, monitoring and evaluation activities require a range of expertise that may be technical, environmental, within social science or the evaluation profession. Units commissioning evaluations are responsible for selecting independent-minded, experienced and sufficiently senior evaluators, and adopting a rigorous methodology for the assessment of results and performance. Evaluations of GEF activities shall make the best possible use of local expertise, both technical and evaluative. The GEF partners shall, as feasible, cooperate to stimulate evaluation capacity development at the local level, with a specific focus on environmental evaluation concerns.
 - h. **Credibility.** Monitoring and evaluation shall be credible and based on reliable data or observations. This implies that monitoring and evaluation reports shall reflect consistency and dependability in data, findings, judgments and lessons learned, with reference to the quality of instruments and procedures and analysis used to collect and interpret information. Monitoring and evaluation at project and portfolio levels shall use, as much as possible, dynamic and pragmatic techniques and indicators for measurement of results and progress.
 - i. **Utility.** Monitoring and evaluation must serve the information needs of intended users. Partners, evaluators and units commissioning evaluations shall endeavor to ensure that the work is well-informed, relevant and timely, and is clearly and is concisely presented, so as to be of maximum benefit to stakeholders. Monitoring and 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.

4. THE GEF EVALUATION OFFICE

4.1 MISSION STATEMENT AND CORE PRINCIPLES

61. In accordance with GEF Council decision⁸, the GEF Evaluation Office operates as an organizational unit that is independent of Agency or GEF Secretariat management in the conduct of the evaluations that it undertakes. In its work, the Evaluation Office applies its mission statement of:

*Enhancing Global Environmental Benefits through
Excellence, Independence and Partnership
in Monitoring and Evaluation.*

62. The GEF Evaluation Office will work in close partnership with other entities in the GEF and extend this collaboration to the global evaluation community in order to remain on the cutting edge of emerging and innovative methodologies and derive maximum benefits from collaboration. It will dialogue, consult and collaborate with all relevant partners, to foster a network of monitoring and evaluation professionals that may add value to GEF operations and results.

63. The Office will conduct its work under the core principles of⁹:

- a. **Impartiality** - conducting evaluations and arriving at the findings in a balanced and unbiased way
- b. **Professionalism** - applying the latest evaluation knowledge and skills with integrity, accountability, and respect
- c. **Transparency** - ensuring full disclosure and active communication with stakeholders on evaluation priorities, terms of reference of evaluations, methodology and the formulation of findings and recommendations, at appropriate times.

4.2 KEY FUNCTIONS

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

- 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 monitoring and evaluation standards within the GEF family, 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 in monitoring and evaluation practices in the GEF, full cooperation with relevant units in the Implementing and Executing Agencies.

65. In the exercise of these functions, the Director of Evaluation participates in Council, Assembly and replenishment preparatory and regular meetings on monitoring and evaluation issues, and responds to Council requests on any related matters. The Council has direct access to the Director of Evaluation and

⁸ GEF/C.21/12.Rev.1, Terms of reference for an Independent Monitoring and Evaluation Unit

⁹ GEF/ME/C.24/1, Elements for a New GEF Monitoring and Evaluation Policy

his/her staff, and the Director of Evaluation may communicate directly with Council members, as deemed appropriate and without prior clearance from anyone outside the GEF Evaluation Office.¹⁰

66. The GEF Evaluation Office will be independent from both the policy-making process and the delivery and management of assistance, to guarantee that data gathering and analysis; judgments on criteria; findings and recommendations will not be influenced through conflicts of interest or undue interference by management at any level. The Director will issue final evaluation reports directly and simultaneously to the Council and the CEO without any prior clearance. The Office will be staffed with independent-minded, experienced and sufficiently senior evaluators to underpin the exercise of independence and excellence.

67. To avoid conflict of interest, 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 will not engage consultants who have worked previously on the design or implementation of a project program or policy to conduct evaluation analysis or prepare evaluation reports.

68. The Director of Evaluation formulates independently from management the four year rolling program of work and budget with all related expenses and submits these directly to the Council for approval, whereas the budgetary needs of the Agencies and the GEF Secretariat are addressed in the GEF corporate budget or through project fees. As detailed in the Office Work Program¹¹, evaluation programming will be developed based on transparent criteria and reflect a phased approach over a GEF Replenishment period to ensure adequate evaluation coverage for promoting accountability and learning. For every major evaluation, the GEF Evaluation Office will prepare an approach paper which will be shared for comments with all the parties involved to allow for stakeholder feedback.

69. Options for the interaction of the GEF Evaluation Office with the Council will be presented to the GEF Council in November. The Council decision on this issue will be reflected in the final M&E policy document, to be published after the Council meeting in November.

4.3 TASKS AND PROCEDURES

70. The GEF Evaluation Office functions will be implemented through the following tasks:

- a. Developing policies, operational guidelines and standards relating to monitoring and evaluation components in projects, portfolio, program or to corporate monitoring and evaluation activities, and providing related support.
- b. Conducting evaluations of GEF Operational Programs and Strategic Priorities; country portfolio and impact evaluations; cross-cutting and thematic studies; and institutional and procedural issues, and any other matter approved by the Council.
- c. Managing comprehensive independent evaluations of GEF's overall performance in preparation for the GEF replenishment and Assembly every four years.
- d. Tracking and reporting on implementation of evaluation recommendations and related management responses.

¹⁰ Details on mechanisms for interactions between the GEF Council and the Evaluation Office will be available in a separate document for the November 2006 Council meeting and any decisions incorporated into the Policy.

¹¹ GEF/ME/C.25/3, Four-year Work program and Budget of the Office of M&E – FY06-09

- e. Collaborating with GEF partners and taking part in international professional fora to further monitoring and evaluation in the GEF.
- f. Supporting performance measurement within the GEF by establishing criteria for measuring performance, results, and impact; and providing methodological support to the development of program indicator systems in partnership with IAs and the GEF Secretariat.
- g. Conducting validation exercises, as required, for oversight of monitoring and evaluation systems, including project reviews, reviews of evaluations, verification of progress towards targets and/or implementation of recommendations.
- h. Providing monitoring and evaluation data and information to assist the GEF in meeting its informational responsibilities to the GEF Council, the Assembly, the conventions which GEF serves, other partners, and the general public, and responding to related Council requests.
- i. Working with the Secretariat, the Agencies and other partners to disseminate lessons learned and best practices emanating from the monitoring and evaluation activities, including through a formal feedback loop.

5. USE OF EVALUATIONS

5.1 FOLLOW-UP

71. Satisfactory follow up of monitoring and evaluation reports requires active engagement by all GEF entities. In all cases, the issuing office will take responsibility for the quality of the final product, with acknowledgement of inputs and responses from stakeholders.

72. A **management response** will be required for all evaluation and performance reports presented to the GEF Council by the GEF Evaluation Office. The GEF Chief Executive Officer coordinates the preparation of the management response with Agency stakeholders for GEF Council consideration, tailored to each evaluation report. The Agencies ensure that recommendations from GEF-related evaluations conducted by the GEF Evaluation Office or departments within the Agency, are submitted for decision making and action within the Agencies.

73. The Council discusses and reviews GEF monitoring and evaluation reports, the recommended actions and the evaluation management responses, takes any necessary decisions and gives guidance to GEF on policies or an appropriate plan of action within specific timeframes.

74. There will be a systematic follow-up on the implementation of the evaluation recommendations that have been accepted by management and/or the GEF Council, with periodic reporting on the status of the implementation of the evaluation recommendations. The GEF Evaluation Office and the Secretariat will report annually to the Council on the follow-up of the Council decisions compiled in a **Management Action Record**.

5.2 KNOWLEDGE SHARING

75. Monitoring and evaluation 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, and described in the relevant evaluation approach paper and Terms of Reference.

76. For the purposes of this Policy, knowledge management is considered as the process through 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.

77. The main purposes of knowledge creation and sharing of monitoring and evaluation information in the GEF are to: (a) Promote a culture of learning through better outreach to project and country level by providing easily accessible learning products; (b) Promote the application of lessons learned to improve the performance of GEF activities.

78. Monitoring and evaluation 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.

Furthermore, 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.

79. 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. They are based on the principle of integration with existing knowledge system in the Agencies, to allow the partners to integrate and promote relevant learning from GEF monitoring and evaluation across respective portfolios, and for the GEF to benefit from wider knowledge bases. The development of and participation in knowledge management systems and communities of practice should increase access to knowledge, enhance knowledge sharing, collaboration and innovation.

80. The GEF Secretariat coordinates the overall knowledge management strategy of the GEF family, and promotes mechanisms to disseminate lessons learned and best practices emanating from monitoring activities in the GEF, through an appropriate repository of knowledge. Evaluation departments contribute evaluative and empirical evidence, independent validation and causal analysis.

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

82. The GEF Evaluation 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.

Annex A: Comparison Table
Terms of reference of an independent M&E Unit and the GEF M&E Policy

#	TOR paragraph text	Policy paragraph reference
1 2 3	<p>Under the policy recommendations of the Third Replenishment of the GEF Trust Fund it was agreed that the Monitoring and Evaluation Unit, for purposes of evaluation, should be made independent and report directly to the GEF Council. Some of the other key policy recommendations are that a process for Council oversight be established; that a formal feedback loop from evaluation findings should ensure more systematic use of lessons in subsequent activities; that enhanced procedures to disseminate lessons be put in place and that more rigorous minimum standards for M&E be pursued.</p> <p>This paper proposes a way forward on how the GEF’s Monitoring and Evaluation function will be made independent and strengthened compared to the policies and procedures that are currently in place. In addition, this paper contains guidelines for the involvement of other members of the GEF partnership in M&E efforts and a draft Terms of Reference for a proposed Director of the M&E Unit.</p> <p>Earlier versions of this document were presented in October 2002 and May 2003. This version reflects comments from the Council, both in writing and at the May Council Meeting. Council members have especially recommended that the GEF M&E function should be strengthened and made independent. An M&E Director should be appointed by the Council and would report directly to the Council on monitoring and evaluation matters. Regular and timely communication and consultation modes with the GEF Council should be developed.</p>	<p>Introduction; historical background; no need to reflect this fully in new Policy which is supposed to “stand alone”.</p>
4	<p>Council members further recommended a good partnership approach to M&E by all GEF entities. There should be an effective collaboration with the GEF Secretariat on administrative matters, program issues and knowledge management. Both the GEF coordination units and the evaluation divisions of the Implementing and Executing Agencies should be engaged in enhancing systems for measurements of results, the implementation of reviews and studies and in sharing experiences and lessons within the GEF. The Scientific and Technical Advisory Panel (STAP) should be involved on scientific and technical issues.</p>	<p>Covered. Partnership with evaluation units expanded, para 18, 62, section 2.5, 60 (f) Measurement – para 60 (h), 64 (b) STAP – section 2.6</p>
5	<p>Further, there should be enhanced feedback loop mechanisms from monitoring and evaluation to policy, program and project design especially by the development of a knowledge management system.</p>	<p>Covered. Section 5.2, para 79, 60 (d)</p>
6	<p>Upon approval of this document, the M&E unit will so revise “Monitoring and Evaluation Policies and Procedures” (January 2002).</p>	<p>New Policy and Guidelines replace the M&E brochure. Policy updates covered in paragraphs 8, 9</p>
7	<p>The objectives of the M&E unit are to:</p> <ul style="list-style-type: none"> • Independently monitor and evaluate, on a continuing basis, the effectiveness of GEF programs and resource allocations on project, country, portfolio and institutional bases. • Provide a basis for decision-making on amendments and improvements of policies, strategies, program management, procedures and projects; • Promote accountability through the assessment of processes, results, impacts and the performance of the parties involved in GEF activities. • Provide feedback to subsequent activities, and promote knowledge management on results, performance and lessons learned. 	<p>Changed. Now objectives of M&E apply in general, not just to Unit. Objective 1 in para 26, 64 (a) (for Unit, without monitoring conduct) Previous objectives 2-4 are streamlined for all, in para 1</p>
8	<p>In accordance with Council’s recommendations, the M&E Unit will be independent and report directly to the Council in a regular and timely way. The Council will:</p> <ul style="list-style-type: none"> • Appoint the M&E Director, upon nomination by the CEO/Chair, for a 5 year term, 	<p>Covered in Policy; details will be covered in administrative</p>

#	TOR paragraph text	Policy paragraph reference
	<p>which may be renewed only once. The recruitment process will be conducted in a transparent way and in consultation with GEF Council. The M&E Director can be removed only by decision of the Council.</p> <ul style="list-style-type: none"> • Review, discuss and approve M&E policies and procedures, four year rolling M&E work plans, the annual work program and budget; • Receive directly from the M&E unit all of its reports, either prior to Council meetings or at any other time. • Arrange for meetings or informal briefings with the M&E team in conjunction with regular Council meetings (without going through the CEO/Chairman), encourage exchanges of views throughout the year, and include at every Council meeting an agenda item to discuss monitoring and evaluation reports and any recommendations put to the Council by the M&E unit. • Have direct access to the M&E Director and his/her staff. • Review on an annual basis the progress of the implementation of M&E recommendations and action plans approved by the Council. 	<p>operationalization (such as Director appointment procedures in para 22) Review/approve – in para 68 Receive directly – para 66, 68, 30 Meetings – in para 65, Nov05 Council document Direct access - para 65 Annual Review – para 72</p>
	RESPONSIBILITIES OF THE M&E DIRECTOR AND M&E UNIT	
9	<p>The GEF M&E Unit will be responsible for all corporate M&E activities, including development of M&E policies and guidelines on M&E methodology and implementation of the annual Project Performance Review, focal area and cross-cutting evaluations, country portfolio reviews and especially the evaluation of GEF’s overall performance. It will also include a review of progress made towards the implementation of the Replenishment recommendations.</p>	<p>Covered. Unit responsibilities – in Para 25, 26, 27 PPR- para 31 (GEFSec) Replenishment para 70(g)</p>
10	<p>The M&E Director will be solely responsible for personnel decisions in the M&E Unit. The GEF Secretariat and the IAs and EAs will cooperate closely with the M&E unit on the development of M&E systems, implementation of reviews and studies, and the development of knowledge management systems, including dissemination of M&E results. The budget for the M&E Unit includes provisions for all related expenses, including salaries, consultants’ fees, office accommodations, equipment and staff services.</p>	<p>Covered. Director – para 30 Cooperation -para 27, 38, 77 Budget – para 68</p>
11	<p>The practices of the M&E Unit will conform to the highest internationally accepted principles and standards regarding the evaluation of development results, such as those followed by the UN, the multilateral development banks, OECD-DAC, and others. The M&E staff and consultants preparing evaluation findings and recommendations will be selected and guided to make fair and consistent assessments based on their best professional and independent judgments, following GEF Council guidance and oversight.</p>	<p>Covered. International Standards – para 19, 20, 27, 37, 48, 52 Selection – para 66, 67, 60 (g) (h)</p>
12	<p>Among the key overarching principles and standards for M&E are:</p> <ul style="list-style-type: none"> • Independence: The M&E Unit will be impartial and independent from both the policy-making process and the delivery and management of assistance. This means, inter alia, that the unit will be separate from and not report to GEF management, that it should establish policies to ensure that there are not conflicts of interest that could weaken its objectivity, that it should have a separate budget, that it should have authority for its own personnel decisions, and that the Director should report directly to the Council. • Accountability: The unit will be staffed with independent-minded, experienced and sufficiently senior evaluators, adopting a rigorous methodology for the assessment of results and impacts and the performance of the partners concerned, as well as highlighting successes, unexpected results, shortcomings and failures and disclosing them to relevant stakeholders and the general public without interference from any vested interest. • Partnerships: The unit will endeavor to ensure that its work is useful, well-informed, relevant and timely, and is clearly and is concisely presented, so as to be of maximum 	<p>Covered and expanded to include issues such as ethics, transparency, impartiality, disclosure. Independence – para 60 (a) Accountability – para 66 on staffing, 60 (h) (i) on methodology, 12 (d) Partnerships - Para 60 (f) Feedback – para 60 (d)</p>

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	<p>benefit to the partners.</p> <ul style="list-style-type: none"> Feedback: The lessons from evaluation will be disseminated by establishing effective feedback loops from evaluation to policymakers, operational staff and the general public. 	
	IMPROVED MEASUREMENT OF GEF RESULTS	
13	Improved policies, procedures, standards for measurements of results are essential building blocks to an efficient and effective M&E system. This pertains to all levels from the individual projects and country portfolios to the level of GEF itself as a global environment facility.	Covered. Para 60 (d) and 64 (b)
14	GEF M&E Policies and Procedures. The GEF M&E policies and procedures will be continuously reviewed and updated in dialogues with all GEF entities to make them dynamic and relevant to the current circumstances.	Covered. Para 8 and 9
15	1. Improved Monitoring and Evaluation Plans. The M&E Unit will ensure that both regular and medium-size project designs include satisfactory M&E plans. These plans will identify how performance information from monitoring and evaluation activities can guide project management towards accomplishing project objectives, and report on the accomplishments.	Covered in MR-1 (para 56) See Annex B.
16	Minimum M&E Standards At entry, all projects must have M&E plans, which will, as a minimum, include: definition of performance indicators and unit of measurements; description of the data source(s) for the indicator; identification of baseline data and methods for data collection and processing; scheduling frequency of data collection and designating officials responsible for ensuring data availability. Performance indicators need to be specific, measurable, achievable, relevant and time-bound. The data should be available on a timely basis at intervals consistent with management requirements (at least annually). Any ongoing project which is found to be inadequately performing in this regard will be retrofitted to meet such minimum M&E standards. Outcomes should be reported to the Council, at a minimum, on an annual basis. The M&E unit will also establish minimum standards for terminal evaluations, e.g., conflict of interest rules. Progress on strengthening M&E standards will be reported to the Council on an annual basis.	Revised; more rigorous and strengthened version included. See Annex B.
17	Program Indicators. In cooperation with teams of the GEF Secretariat, the Implementing Agencies and STAP, the M&E Unit will intensify its work on developing, testing redrafting and using program indicators in all focal areas where operational policies and programs have been endorsed.	Responsibilities clarified. GEFSec para 32, STAP para 43, EO para 26, Agencies para 36
	MONITORING PROGRAM	
18	The results of the annual Project Performance Report (PPR) will firstly include the outcome of the annual Project Implementation Review (PIR) based upon reporting by the GEF Implementing Agencies (IA) and Executing Agencies on all ongoing projects. In FY 2002 the PPR has been complemented by two additional review modalities: the Specially Managed Project Review (SMPR) and the Terminal Evaluation Review (TER).	Covered, responsibilities streamlined, para 31, 36, 28, 70 (g) SMPR discontinued (GEF/ME/C25/3)
	PROGRAM AND POLICY EVALUATIONS	
19	Program evaluations cover essential features—or the full scope—of GEF operational programs. Cross-cutting evaluations provide the opportunity to assess topics of concern to all operational programs, e.g. participation/gender, capacity building, policy formulation, technology comparisons, funding arrangements, management and operational responsibilities, best practices in M&E arrangements, and application of lessons learned. Country portfolio reviews enable the assessment of GEF achievements in countries, particularly how GEF responds to country policies and priorities, and how country policies and practices affect GEF	Summarized in Para 12 (b) (c) (e)

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	project results.	
	In preparation for the GEF replenishment and Assembly every four years, the M&E Unit arranges for a comprehensive external study of GEF's overall performance (OPS), which addresses overriding issues like global impact and benefits of GEF programs, as well as the appropriateness of GEF's institutional arrangements, policies, strategies, programs and priorities. The GEF Secretariat reports on the follow up of the decisions made by the GEF Council and the Assembly on the basis of the overall performance study.	Covered. Definition OPS in para 12 (g) Responsibility para 70(c) Follow-up generic – in para 71, 72
	FEEDBACK AND KNOWLEDGE MANAGEMENT	
21	An essential and integral part of M&E is the feed-back to the decision-making processes in the GEF at policy, program and project levels. The GEF Replenishment called for a formal "feedback loop" to be established between evaluation findings and management activities to ensure more systematic use of the results and outputs of the GEF projects for the improvement of planning and subsequent activities. Evaluation findings and recommendations will be provided in a timely and readily accessible form to have a positive impact in the GEF activities. Their implementation will be reported on an annual basis. The efforts to ensure feed-back and follow-up will partly be done in a coordinated GEF manner, and partly by the Implementing and Executing Agencies, as appropriate.	Covered. Feed-back - Para 78, 60 (d) (i) Evaluation findings - Para 29, 72
22	Activities for feedback and knowledge management will be designed with clearly identified tasks, resources for their implementation and designated dissemination responsibilities. It further requires using techniques that promote and facilitate the integration of findings, and lessons and recommendations into GEF's programs and projects and, more broadly, into all related efforts that further the attainment of global benefits. The GEF M&E Unit will, in collaboration with other teams of the GEF Secretariat and the Implementing and, when appropriate, Executing Agencies, develop a knowledge management strategy based on user needs and priorities and the latest technologies and approaches, subject to budget resource availability.	Covered. Para 29, 79, 82 Section 5.2
	ANNEX I: TERMS OF REFERENCE FOR THE GEF MONITORING AND EVALUATION UNIT DIRECTOR	
	<p>1. The GEF Monitoring and Evaluation Unit Director is accountable directly to the GEF Council on M&E matters including work program and budget, and reports directly to the Council. The M&E Director will have authority to issue final evaluation reports directly and simultaneously to the Council and the CEO without prior clearance from anyone outside the M&E Unit. The Secretariat, IA and EAs and other affected parties may receive, comment and respond to the draft and final reports, but will not have the right to approve, hold back, request changes to or otherwise modify such draft and final evaluation reports. The Director will not be reemployed by the GEF upon completion of his or her term; nor will s/he be employed in any capacity involving or having authority for GEF projects at any of the implementing or executing agencies after the completion of his or her term. The Director will be a senior official, comparable to the level of independent evaluation heads in other international institutions.</p> <p>2. The Director will be responsible for managing the unit independently. Among these responsibilities, the Director:</p> <p>a. <u>Implements Strategic Direction and Oversight Provided by Council:</u></p> <p>(i) Prepares and submits draft M&E policies, guidelines and procedures for GEF Council decision, after requesting inputs from relevant GEF entities.</p> <p>(ii) Prepares and submits draft four year rolling work plans and annual work programs and budgets for Council approval, after requesting inputs from</p>	<p>Director TOR remain valid. Broad outlines are covered in Policy.</p> <p>TOR will be part of administrative operationalization.</p> <p>Accountability- Para 66, 68 Reports – 5.1</p> <p>Para 30 Policies – para 8, 27</p>

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	<p>relevant GEF entities.</p> <p>(iii) Provides individual M&E reports, report summaries, and annual summary reports on M&E activities and results, including information and follow-up of evaluation findings and recommendations. Arranges special meetings and communicates directly with Council members, as deemed appropriate and without prior clearance from anyone outside the M&E unit.</p> <p>(iv) Participates in Council meetings on monitoring and evaluation issues, and responds to Council requests on such matters.</p> <p>b. <u>Provides Overall Direction and Management of Resources:</u></p> <p>(i) Formulates independently from management the annual M&E program of work and budget and submits it directly to the Council for approval. Plans and work programs cover methodology development as well as monitoring, review and evaluation at the project, program, country, policy, operational and overall GEF level.</p> <p>(ii) Implements the work program and manages its component activities within budget, staff and time constraints.</p> <p>c. <u>Manages and Coordinates Staff and Team Performance:</u></p> <p>(i) Makes all personnel and operational decisions concerning M&E staff in accordance with staff rules.</p> <p>(ii) Ensures that the unit is staffed by independent-minded, experienced and sufficiently senior evaluators.</p> <p>(iii) Manages GEF M&E staff, assigns tasks and coordinates the inputs of GEF Secretariat, Implementing and Executing Agencies.</p> <p>(iv) Evaluates and monitors team and individual performance.</p> <p>(v) Provides coaching and mentoring; and recommends suitable training.</p> <p>(vi) Maintains open communications, fosters team work and resolves conflicts.</p> <p>(vii) Nurtures and protects the independence of mind of M&E evaluators.</p> <p>(viii) Establishes conflict of interest rules for M&E staff. In this connection, the Director will make certain that the engagement of any individual in an evaluation exercise will not generate a conflict of interest. In particular, an evaluation will not be entrusted to a unit staff member who has been responsible in the past for the design, implementation or supervision of the project, program or policy to be evaluated. A consultant who has worked previously on the design or implementation of a project program or policy may be engaged as a resource person for providing information to the evaluation team but not as a consultant entrusted with the conduct of the evaluation analysis and preparation of the evaluation report.</p> <p>(ix) Unit staff other than the Director will be entitled to seek employment in other units of the GEF, but must inform the Director prior to such job search in order to avoid conflicts of interest. GEF Secretariat will treat unit staff who apply for positions outside the monitoring and evaluation unit on a fully equal basis with other GEF staff.</p> <p>d. <u>Strengthens Institutional Relationships:</u></p> <p>(i) On M&E matters strengthens the relationship between the GEF and cooperating partners.</p> <p>(ii) Seek full cooperation with the M&E units in the Implementing Agencies and Executing Agencies, to help ensure that their M&E practices are in accordance with minimum GEF standards, and facilitates interagency sharing of operational lessons learned.</p> <p>(iii) Reports to Council.</p> <p>(iv) Proposes to the Council any measure that he or she believes is necessary to ensure evaluation independence.</p>	<p>Work plan – para 67</p> <p>Reporting – para 65, 69</p> <p>Council relations – para 65, 69</p> <p>Personnel decisions – para 30</p> <p>Staffing – para 66</p> <p>Coordination – para 34</p> <p>Points (iv) to (vii) will be covered in administrative operationalization.</p> <p>Conflict of interest – para 60 (b) and (e), 67</p> <p>Cooperation and relationships – para 61, 62, 60 (f)</p>

#	TOR paragraph text	Policy paragraph reference
	<p>(v) Cooperates with the heads of evaluation units of IAs, EAs, other international institutions and bilateral development agencies.</p> <p>e. <u>Ensures Feed-back and Knowledge Management:</u></p> <p>(i) Ensures feed-back of M&E results to the decision-making processes in the GEF at policy, program and project levels, and works with the secretariat and Implementing and Executing Agencies in establishing a formal feedback mechanism.</p> <p>(ii) Ensures follow-up on all M&E matters which require decisions.</p> <ul style="list-style-type: none"> • Participates in the development and maintenance of a comprehensive knowledge management system based on M&E and other findings and lessons. • Reports to Council on outstanding M&E Unit recommendations and replenishment recommendations relating to M&E, with a focus on those relevant to the overall action plan. • Communicates evaluation results to stakeholders and the general public 	<p>Measures – para 30</p> <p>Cooperate – para 26</p> <p>Feedback - para 63c, 60 (d)</p> <p>Follow-up – section 5.1 and 5.2</p>
	ANNEX II: GUIDELINES FOR PARTICIPATION OF ALL RELEVANT GEF ENTITIES IN M&E EFFORTS	
	<p>INTRODUCTION</p> <p>1. M&E is a shared responsibility within the GEF partnership. The GEF Secretariat, the Implementing and Executing Agencies and the Scientific and Technical Advisory Panel (STAP) will cooperate closely with the GEF M&E Unit and will promptly respond to requests from the GEF M&E Unit for documents, data and any other information necessary to perform its functions. Management and technical staff members participating in GEF-funded activities will also be asked to participate in M&E activities. Therefore a coordinated approach is required.</p>	<p>Covered.</p> <p>Para 18 to 20</p>
	THE GEF M&E UNIT DUTIES AND RESPONSIBILITIES	
	<p>2. The GEF M&E Unit will have the following primary duties and responsibilities:</p> <ol style="list-style-type: none"> a. Prepare minimum M&E guidelines, standards and procedures relating to M&E components in project documents and all monitoring and evaluation activities. b. Manage evaluations of GEF’s overall performance. c. Conduct evaluations of strategic and operational topics, programs, project impacts, country portfolios, and cross-cutting issues, and any other matter approved by the Council. d. Coordinate the annual Project Implementation Reviews (PIR), the Specially Managed Project Reviews (SMPR) and the Terminal (project) Evaluation Reviews (TER). e. Report annually on GEF Project outcomes. f. Work with the Secretariat, the IAs and EAs to establish procedures to disseminate lessons learned and best practices emanating from the monitoring and evaluation activities, including through a formal feedback loop. g. Respond to Council requests. 	<p>Covered.</p> <p>Section 2.3</p> <p>a – para 64 (b), 70 (a)</p> <p>b – para 70 (c)</p> <p>c – para 26, 64 (a)</p> <p>d – para 28, 70 (g)</p> <p>e – Moved to GEFSec responsibility, monitoring</p> <p>f- para 29, 79, 80</p> <p>g – para 70 (b)</p>
	GEF SECRETARIAT DUTIES AND RESPONSIBILITIES	
	<p>3. The CEO and Chairman will conduct the recruitment process for the M&E Director in an open and transparent way and nominate a candidate for the Council’s consideration. The GEF Secretariat will provide certain administrative support for the M&E unit. The secretariat’s program and technical staff will cooperate with the M&E unit on a wide range of M&E activities including knowledge management and dissemination. In particular, the GEF Secretariat will:</p>	<p>Partly covered. Details will be covered in administrative operationalization.</p> <p>Section 2.4</p>

#	TOR paragraph text	Policy paragraph reference
	<ul style="list-style-type: none"> a. Participate through the provision of requested information and inputs in all monitoring and evaluation reviews, studies and evaluations and the annual PIR and SMPR. b. Ensure that findings and recommendations emanating from evaluation and monitoring activities are followed up with regard to GEF policies, programs and procedures, and that Council decisions are implemented. c. Participate in the identification of program-level indicators and the use of data for monitoring performance on program indicators. d. Ensure that results and lessons identified through M&E activities are adequately reflected in public information about GEF, including the publication of all monitoring and evaluation reports. 	Administration – para 34 a – para 34 b – para 35, 72 c – para 32 d – para 35
	IMPLEMENTING AND EXECUTING AGENCY DUTIES AND RESPONSIBILITIES	
	<p>4. The GEF Implementing and Executing Agencies have lead responsibility for:</p> <ul style="list-style-type: none"> a. Designing monitoring and evaluation plans and performance indicators for projects and adequately monitoring the implementation of projects against the indicators. b. Reporting annually on project performance in the context of the PIR. c. Conducting terminal evaluations of projects and programs, and impact evaluations of capacity building and enabling activities. When appropriate, conducting mid-term and phase evaluations during project implementation. d. Ensuring that recommendations from evaluations are submitted for decision making within the Agencies, as appropriate, and reporting to the Council the follow-up on M&E recommendations. e. Making project evaluations publicly accessible and project documents available to the M&E team. f. Conducting impact evaluations of GEF projects after project completion as agreed with the M&E Director. g. Respond promptly and fully to GEF M&E Unit requests for information pursuant to any monitoring and evaluation study, evaluation or review. h. Finally, the three GEF Implementing Agencies will support the M&E team and others within the GEF partnership on the following, as requested by the M&E team and agreed: <ul style="list-style-type: none"> (i) Participating in developing M&E policies and identifying program indicators. (ii) Participating in program studies, cross-cutting evaluations, SMPR and TERs. (iii) Participate in the development of and the implementation of knowledge management. (iv) Assisting with the facilitation of studies of GEF’s overall performance. 	Covered and streamlined. Section 2.5 a – para MR 1 and 2, para 57, 56 b – para 36 c – para 40, 59, MR3 d – para 72 e – para 38, 60 (d) f- para 40 g –para 37 h – para 9, 40, 38
	SCIENTIFIC AND TECHNICAL ADVISORY PANEL DUTIES AND RESPONSIBILITIES	
	<p>5. The GEF Scientific and Technical Advisory Panel (STAP) will cooperate on scientific and technical matters with the M&E Unit on key aspects of the evaluation and monitoring work program, including the development of program indicators and scientific measurements of GEF results.</p>	Expanded, Section 2.6, para 41-43
	PARTICIPATING COUNTRIES’ ROLES	
	<p>6. The GEF participating countries directly involved in an M&E activity (i.e. studies of a particular project) will be fully consulted, informed and briefed about the plans, the implementation and the results of the evaluation activity. Staff members of the cooperating</p>	Expanded Section 2.7 Briefing - para 38 Responding - Para 45 Participant – para 60 (c, f)

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	governments or institutions will be expected to participate in evaluations and respond promptly and fully to GEF M&E Unit requests for information relating to GEF projects. They will also be requested and encouraged to share relevant experiences prior to, during and following evaluations.	
	<p>STAKEHOLDERS</p> <p>7. M&E activities will be conducted with the participation of project stakeholders and beneficiaries, including, as appropriate, those that carry out project activities (e.g., IAs, EAs, national and subnational governments, local community groups, NGOs, the private sector, academic institutions, and cofinanciers).</p>	Expanded Section 2.8, para 46-47 Participant – para 60 (c, f)
	ANNEX III: GEF-3 RECOMMENDATIONS ON MONITORING AND EVALUATION	
	1. A strengthened monitoring and evaluation function within the GEF, built upon the monitoring and evaluation systems of the Implementing and Executing Agencies, is a necessary corollary to improved measurement of GEF outcomes and results. The establishment of a framework for monitoring and evaluation with clear indicators and the extension of monitoring and evaluation tasks to more strategic and programmatic issues should be integral components of the GEF monitoring and evaluation activities. The monitoring and evaluation framework should provide for the incorporation of the views of, and lessons emanating from, the recipient countries. Cross-learning within the GEF should be strengthened and accelerated so that GEF resources can be used more effectively.	Covered. Integrated into whole policy and work planning.
	<p>2. Participants recommend that a high priority be placed on strengthening monitoring and evaluation of GEF projects. Participants also recommend that the roles and responsibilities for monitoring and evaluation among the GEF Monitoring and Evaluation Unit, the Secretariat and the Implementing and Executing Agencies be reviewed by the Council together with recommendations aimed at developing a partnership approach to monitoring and evaluation responsibilities in order to increase complementarity. Drawing upon its technical expertise, the GEF Secretariat and the Monitoring and Evaluation Unit should have a more participatory role in the Implementing and Executing Agencies' project implementation reviews with regard to determining progress toward achieving GEF objectives while recognizing that accountability for project monitoring and supervision of implementation lies with the Implementing and Executing Agencies. More specifically, Participants recommend that the following actions be undertaken:</p> <p>a. the GEF monitoring and evaluation unit, for purposes of evaluation, should be made independent, reporting directly to the Council, with its budget and work plan determined by the Council and its head proposed by the GEF CEO and appointed by the Council for a renewable term of five years;</p> <p>b. a process for Council oversight of monitoring and evaluation should be established;</p> <p>c. the GEF Secretariat and Implementing and Executing Agencies should establish a procedure to disseminate lessons learned and best practices emanating from the monitoring and evaluation activities;</p> <p>d. a formal “feedback loop” should be established between evaluation findings and management activities to ensure more systematic use of the results and outputs of GEF projects for the improvement of planning and subsequent activities;</p> <p>e. the GEF Secretariat and the Implementing and Executing Agencies are called upon to report annually to the Council on their response to relevant recommendations of OPS2 and the replenishment documents;</p> <p>f. the monitoring and evaluation unit should establish more rigorous minimum standards for GEF-specific aspects of projects relating to GEF policies and strategies expected of monitoring and evaluation units of the Implementing and Executing Agencies;</p> <p>g. as each of the Implementing and Executing Agencies has its own system for drawing lessons from operational experiences, the GEF monitoring and evaluation unit should facilitate more intensive interagency sharing of experiences relevant to the GEF;</p> <p>h. all projects should include provisions for monitoring the impacts and outcomes of</p>	Covered. a – TOR, 60 (a), 61, 66, 26 b – para 28, 23, 69, Nov05 Council document c – para 38, 33, 79, 80 d – section 5.1, para 78 e – mainstreamed into management response , section 5.1 f- section 3, para 56- 59 g –para 27, 29, 80, 79 h – section 3, para 56-59 i – para 28 j – para 37, 60 (d)

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	<p>projects, and those existing projects which do not have such provisions and which have more than two years left in their implementation should be retrofitted to meet such monitoring standards;</p> <p>i. the monitoring and evaluation unit should report annually to the Council on its work;</p> <p>j. the monitoring and evaluation unit should be provided access to all project documents of the Implementing and Executing Agencies relating to GEF-financed activities.</p>	
	<p>3. Taking into account the above two paragraphs, Participants recommend that the monitoring and evaluation unit prepare a note for consideration by the Council at its meeting in October 2002 on the terms of reference for the independent monitoring and evaluation unit.</p>	Covered.

Annex B: Comparison Table
Minimum Standards in the Terms of Reference of an independent M&E Unit and
Minimum requirements in the GEF M&E Policy

Para	TOR	Policy
15	The M&E Unit will ensure that both regular and medium-size project designs include satisfactory M&E plans.	Minimum requirement 1 (MR-1, para 56) expanded to provide more detail provided on the meaning of 'satisfactory'. Responsibility for 'ensuring' design lies with GEFSEC/Agencies.
15	These plans will identify how performance information from monitoring and evaluation activities can guide project management towards accomplishing project objectives, and report on the accomplishments.	Deleted. Use of M&E information should be part of management, not of M&E plan.
16	At entry, all projects must have M&E plans.	MR-1, para 56: Specified that entry means CEO approval, and added that plans must be "concrete, fully budgeted".
16	M&E plans, will, as a minimum, include: <ul style="list-style-type: none"> • definition of performance indicators and unit of measurements 	<ul style="list-style-type: none"> • Expanded to reflect a comprehensive M&E plan which includes indicators). MR-1 and 2 made more rigorous by specifying that performance indicators include indicators for implementation, results (outcomes, if applicable impacts) and corporate indicators • Added requirement that if no indicators are identified, an alternative plan for monitoring which will deliver reliable and valid information to management • 'Unit of measurements' included in SMART indicator
	M&E plans, will, as a minimum, include: <ul style="list-style-type: none"> • description of the data source(s) for the indicator 	<ul style="list-style-type: none"> • Included in SMART indicator.
	M&E plans, will, as a minimum, include: <ul style="list-style-type: none"> • identification of baseline data and methods for data collection and processing 	<ul style="list-style-type: none"> • MR-1 and 2 expanded to reflect that baseline can also have qualitative aspects (including description of problem to address with indicator data) • Added: if major baseline indicators are not identified, an alternative plan for addressing this within one year of implementation (as PIR performance measure) reflecting that for complex projects PDF funds are insufficient to develop satisfactory baseline before start • Methods for data collection and processing included in SMART indicator system
	M&E plans, will, as a minimum, include: <ul style="list-style-type: none"> • scheduling frequency of data collection 	<ul style="list-style-type: none"> • Included in SMART indicator, adding that the system should allow progress to be tracked in a cost-effective manner
	M&E plans, will, as a minimum, include: <ul style="list-style-type: none"> • designating officials responsible for ensuring data availability. 	<ul style="list-style-type: none"> • Expanded to "organizational set-up and budgets for monitoring and evaluation". Ensuring data availability is <i>one</i> of many M&E tasks.
		<ul style="list-style-type: none"> • New: "identification of reviews and evaluations which will be undertaken". Project evaluation was previously not covered as requirement in M&E plan.
	Performance indicators need to be specific, measurable, achievable, relevant and time-bound.	MR-1 and MR-2, para 56 and 57, for both implementation and results indicators. More detail on meaning of SMART in para 54.
	The data should be available on a timely basis at intervals consistent with management requirements (at least annually).	Included in SMART indicator and M&E system. Annual data not realistic if dealing with some long-term results indicators. If data is available, it is generally timely. Need to differentiate between periodicity of indicator data (according to M&E plan) and periodicity of reporting (to management and/or Council.)

Para	TOR	Policy
		Para 58 now reflects that ‘Periodic reports should be based on a principle of continuity to allow for tracking of results and progress’
16	Any ongoing project which is found to be inadequately performing in this regard will be retrofitted to meet such minimum M&E standards.	There was lack of clarity on “inadequately performing”, though some past projects were retrofitted. Now propose a ‘transition period’ of making MR-1 and 2 applicable for Replenishment period. (Previous standards and current practice of M&E plans are adequate in the meantime for projects in workplan but not started, given the requirement that full plan can be developed within one year.)
16	Outcomes should be reported to the Council, at a minimum, on an annual basis.	Not a minimum requirement at <i>project</i> level; projects report a variety of results to Agency management who reports overall results and trends to GEF. Results include outputs, outcomes, impact, and it takes time for a project to generate outcomes – cannot be annually. Reporting to Council will now be undertaken by GEFSec through “implementation review in which it presents an overview of progress towards results, including outcomes, implementation issues and portfolio-wide trends” (para 31). Evaluations will also report outcomes, but no periodicity can be fixed.
16	The M&E unit will also establish minimum standards for terminal evaluations, e.g., conflict of interest rules.	New: MR-3, para 58 now containing project evaluation requirements. Para 60 (a) and (b) cover independence and impartiality. Conflict of interest rules apply to GEF Office of M&E (para 66); not applicable to self-evaluations. Will be further developed in guidelines
16	Progress on strengthening M&E standards will be reported to the Council on an annual basis.	Not a minimum requirement at project level. Progress in strengthening M&E standards themselves is reported to the Council on an annual basis – in GEF Office of M&E progress reports. Progress in strengthening application of M&E standards is reported in Annual Performance report of the Office (para 28)