



Global Environment Facility

GEF/ME/C.27/2
October 13, 2005

GEF Council
November 8-10, 2005

Agenda Item 7 (b)

OPTIONS FOR INTERACTION BETWEEN GEF OFFICE OF MONITORING AND EVALUATION AND GEF COUNCIL

(Prepared by the GEF Office of Monitoring and Evaluation)

Recommended Council Decision

The Council, having reviewed documents GEF/ME/C.27/2, *Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council* and GEF/ME/C.27/Inf. 2, *Interaction between Evaluation Offices and Governing Bodies: a comparative study*, approves Option [...] presented in Table 1 of GEF/ME/C.27/2 and requests the GEF Office of Monitoring and Evaluation to operationalize this option, taking into account the discussions and comments at this Council meeting and to propose appropriate or necessary amendments to main GEF documents, such as the GEF Instrument and the Rules of Procedures of the GEF Council.

EXECUTIVE SUMMARY

At the June 2005 Council meeting, several Council members requested the Office of Monitoring and Evaluation (OME) to develop options for interaction between this Office and the Council. These options are presented in this document for Council review and discussion. They were developed taking into account the OME's Terms of Reference, the proposed GEF Monitoring and Evaluation Policy and using the experiences and lessons learned from offices of evaluation from multilateral banks and UN organizations. A comparative study of those experiences is presented to Council in GEF/ME/C.27/inf.2.

The note provides the Council with three options for discussion, which range from a fine-tuning of the current situation, to the development of informal technical meetings of Council members to discuss major evaluations, and to the establishment of a formal committee on evaluation. The various options are discussed including a short description, the pros and cons, and potential financial and other implications of each option. These three options are not mutually exclusive and Council may want to consider a combination of them or a phased approach.

BACKGROUND

1. At the June 2005 Council meeting, several Council members requested the Office of Monitoring and Evaluation (OME) to develop options for interaction between this Office and the Council. These options are presented in this document for Council review and discussion. They were developed taking into account OME's Terms of Reference, the proposed GEF Monitoring and Evaluation Policy and using the experiences and lessons learned from offices of evaluation from relevant multilateral banks and UN organizations. A comparative study of those experiences is presented to Council in GEF/ME/C.27/inf.2.

2. Although OME was made independent in July 2003, the manner in which the Office, and in particular the Director, interacts with Council has not changed substantially. At present, OME interacts with all GEF Council members through the Office's Director, primarily during the semi-annual Council meetings.¹ Beginning in May 2004, at the request of Council, the M&E agenda item was moved to the first day of the Council meeting. Due to the volume of issues tabled for discussion at the June 2005 Council meeting, including OPS3, the Council devoted almost the entire first day to discussions on M&E issues.

3. The current Rules of Procedures for the GEF Council do not provide the Director of OME with a formal alternative to communicate with Council members when critical issues are to be discussed or decisions are needed to be taken in the interim period between Council meetings. Informally, the Director is allowed to arrange for meetings or briefings with Council members.

4. The relationship between the GEF Council and OME is guided by the independent nature of the Office, operationalized by the direct reporting between OME's Director and Council members. The GEF Monitoring and Evaluation Policy under discussion at this meeting proposes that the roles and responsibilities of the Council towards M&E should include: (1) to provide an enabling environment for monitoring and evaluation activities in line with internationally accepted standards; (2) to ensure accountability and oversight of GEF performance; (3) to ensure active use of M&E products for decision making and management, together with the CEO and OME's Director; and (4) to review, approve and ensure implementation of the GEF Monitoring and Evaluation Policy.

5. There are three key reasons to further develop the modalities of interaction between Council and OME given the problems in the current situation described above. There has been an increasing demand for M&E related inputs to GEF policies, programs, and projects by the Council; the Office's future work program will increase the number of products to be discussed in Council; and the formulation of the proposed GEF Monitoring and Evaluation Policy will enhance the need for a clearer understanding of the relationships between the Council and OME..

6. The proposed changes are expected to:

¹ The GEF Council is a non-resident Council comprised of 32 members, representing constituency or groupings of countries. Council decisions are taken during semi-annual Council meetings. Council can call for Executive Sessions. In between Council meetings, the CEO may call for special meetings when decisions can not wait a regular meeting or the CEO may transmit to all members an invitation to approve a decision on a no objection basis. There has not been a tradition of setting up Council sub-committees.

- to more sharply focus Council discussions on the GEF mission and the challenges faced in achieving its mandate;
- to improve the effectiveness and impact of OME generated products by making the feedback loops between OME products, decision making process and the results of GEF supported activities;
- to strengthen Council's strategic function by increasing its use of M&E findings and lessons; and
- to clarify and define the Council's oversight of the Monitoring and Evaluation functions.

7. The comparative study (GEF/ME/C.27/Inf.2), reveals that modalities for interaction between evaluation offices and Governing Bodies vary in terms of mandates, institutions and Governing bodies. Institutions also vary in terms of resident and non resident Boards, the degree of the legitimization of the evaluation function and the engagement of the Boards. These modalities have also evolved over time. Most multilateral and regional banks or financial institutions, such as the World Bank, the African Development Bank, Asian Development Bank and the International Fund for Agricultural Development (IFAD) have established special committees for development effectiveness or for evaluation. Other institutions interact formally with entire boards, namely, UNDP and the International Monetary Fund. The Inter-American Development Bank reports to an Evaluation Committee and a Program Committee but also to its entire board. Information on the arrangements for interaction with the boards, mandates and terms of reference of the Evaluation Committees are available to the public in the case of IFAD and the Asian Development Bank. In other cases, e.g., the World Bank, African Development Bank and Inter-American Development Bank are not available. The major impact of the independence of evaluation on these institutions has been the changes in policies, procedures and management practices. However, evidence of their impacts on development effectiveness is more limited.

8. The comparative study concludes that in the case of the GEF, with a non-resident Council, the formation of a Committee would likely contribute to a greater attention to the role of evaluations in improving strategies to achieve the GEF mandate.

OPTIONS

9. This note provides the Council with three options for discussion, which range from fine-tuning of the current situation, to the development of informal technical meetings for Council members to discuss major evaluation reports, and to the establishment of a formal committee on evaluation. The options are discussed in the following paragraphs and presented in the following comparison table which includes a short description, the pros and cons, and potential financial and other implications of each option.

10. The first option proposes to fine-tune the present situation. The Office will continue to interact with the entire Council during the semi-annual Council meetings. This depends on whether Council can continue to dedicate sufficient time to M&E issues during the first day of Council. If necessary this may mean changing the Council meetings from three days to four days. Another proposed change is that Council will authorize OME's Director to communicate formally and directly with Council members in between sessions on issues relating to Monitoring and Evaluation without having to go through the GEF CEO. A shortcoming of this option is that

potentially it will not solve the problem of not having enough time to discuss M&E issues, even if there is an additional day. A current example is the Local Benefit Study: only a small part of the available evaluation material can be discussed during the Council meeting because of limited time. On the other hand, this option will have minor additional costs.

11. The second option tackles the issue of insufficient time to discuss M&E issues by proposing the development of informal technical briefings to discuss major evaluations. All Council members will be invited although the meeting will not have legal authority. Participants will prepare a technical report to be sent to Council for further discussion. These informal meetings will take place at a location related to the evaluation under discussion. On the negative side, the evaluation may need to be presented to the entire Council in any event since not all Council members will participate and the meeting does not have legal authority. Regarding the M&E oversight function of the Council, the Council will elect an Evaluation Chair. He or she will chair the Council sessions on Monitoring and Evaluation and will interact directly and on behalf of Council with GEF OME in between Council sessions.

12. Finally, and following the experience from other evaluation offices, Council may decide to adopt the third option, which proposes to establish a formal Evaluation Committee, as a sub-committee of Council with full legal delegation of authority from Council. The Committee will meet for a day or two before Council meetings to reduce additional cost since Council is not a resident board. A chair will be elected annually as the liaison between the Committee, Council and OME in between Council meetings. Among some of the problems with this option is the decision on the membership of the Committee.

13. These three options are not mutually exclusive and the Council may want to consider a combination of them or a phased approach. For example, the Council may want to decide that an Evaluation Committee should be a goal for GEF-5 and in the meanwhile, Council will adopt option 1, the establishment of a fourth day if necessary and then option 2 in the coming two years.

14. Once Council decides on a modality of interaction OME will further operationalize the selected option by developing appropriate proposals for procedures and amendments of existing procedures if necessary.

Table 1. Comparison of Interaction Modalities between GEF Council and Office of Monitoring and Evaluation.

Modality of interaction	Operationalization	Pros	Cons	Implications
1. Status Quo with fine-tuning	<ul style="list-style-type: none"> - Interaction occurs with all Council members during semi-annual Council meetings on all M&E issues. - Director reports to entire Council. - Sufficient time is dedicated to M&E issues during the first day of Council. If necessary a fourth day could be added to the present practice of 3 day Council meetings. - OME's Director authorized to communicate formally with Council members on a no objection basis in between Council meetings, without having to go through the GEF CEO, as stipulated in the Council's Rules of Procedures. 	<ul style="list-style-type: none"> - No major change. - Entire Council participates; no need for delegation of Council authority. 	<ul style="list-style-type: none"> - Not enough time to fully discuss M&E reports. - Council may not benefit sufficiently from M&E findings and lessons. - Council decisions are less informed by M&E lessons. 	<p><u>Financial</u>: Additional travel expenses for Council members to stay an additional day, if necessary.</p> <p><u>Other</u>: amendments to Rules of Procedures for the GEF Council (ie, section on "Decisions without formal meeting")</p>
2. Informal – M&E Technical Briefing	<ul style="list-style-type: none"> - OME will organize technical briefings to discuss major evaluations. The frequency of meetings is as needed but most likely once or twice a year, in different locations, possibly connected to field visits to relevant projects. All Council members and/or their representatives are invited. The meeting will have no legal authority but will play an advisory role only. A technical report is prepared to Council from the group recommending possible actions or follow-up. - Council takes all M&E decisions during its semi-annual Council meetings. M&E issues are discussed during a 3-4 hour block in the first day of the Council meeting. - An Evaluation Chair is selected from Council members for a period of a year. He or she chairs Council sessions on M&E and interact directly and on behalf of Council with GEF OME in between Council sessions. - Director reports to entire Council and in between Council meeting to the Evaluation Chair. 	<ul style="list-style-type: none"> - Council ability to use M&E findings and lessons is improved through the participation in the technical meetings. Council decisions are more informed. - More time and richer discussions on M&E issues, with more opportunities for feedback. - Access for Council members and representatives to projects in the field. - Evaluation Chair can report to Council on discussions at technical meeting. 	<ul style="list-style-type: none"> - Technical meetings do not have a legal mandate from Council. - Some Council members will not be able to participate in technical meetings and therefore will not benefit from the discussion. - There may be a need to present the evaluation to the entire Council. - Complex logistics for technical meetings. 	<p><u>Financial</u>: Council would have to approve budget to cover direct cost of meetings as well additional cost to OME for organizing and managing the meeting.</p> <p><u>Other</u>: amendments to Rules of Procedures for the GEF Council (ie, section on "Decisions without meeting")</p>

Modality of interaction	Operationalization	Pros	Cons	Implications
3. Formal – Council Evaluation Committee	<ul style="list-style-type: none"> - Council delegates its authority to an Evaluation Committee, a sub-committee of the Council, to ensure greater reflection of M&E lessons and findings in GEF strategies and policies and to ensure the implementation of GEF M&E Policy.² The Committee’s membership is elected for one year, but meetings will be open to all Council members.³ - The Committee will meet 1-2 days prior to all Council meetings (ie, at least twice a year). - A Committee chair is elected by the entire Council for one year. His/hers main function is to prepare a Committee Report to Council with decisions for Council approval. - The Director reports to the Evaluation Committee, through its Chair, in particular in between sessions. 	<ul style="list-style-type: none"> - Reduces agenda for Council meetings; - Legal mandate from Council; - Legitimate group to discuss M&E between Council sessions. - The Committee becomes the Council’s “evaluation experts group.” 	<ul style="list-style-type: none"> - There may be a difficult political decision for membership; however selection may try to ensure regional /constituency representation. - M&E capacity is only increased for a few Council members. 	<p><u>Financial.</u> 1-2 day additional travel expenses for Committee members. Additional cost within the OME to have dedicated staff to deal with Evaluation Committee.</p> <p><u>Other:</u> amendments to Instrument and Rules of Procedures for the GEF Council. Formulation of mandate and TOR for Evaluation Committee by OME.</p>

² If Council accepts this option, OME will prepare a proposal for Terms of Reference for the Evaluation Committee.

³ Experience from IFAD shows that membership can be representative of the entire Council. IFAD’s Evaluation Committee is composed of 9 members from the 36 members of the Executive Board: 4 members from OECD countries; 2 members from OPEC members and 3 from developing countries (one from Africa, one from Europe, Asia and Pacific and one from Latin America and the Caribbean).