

18th LDCF/SCCF Council Meeting
June 04, 2015
Washington, D.C.

Agenda Item 07

**FOUR-YEAR WORK PROGRAM AND BUDGET FOR THE GEF
INDEPENDENT EVALUATION OFFICE UNDER THE LDCF AND SCCF**

(Prepared by the GEF Independent Evaluation Office)

Recommended Council Decision

The Council, having reviewed document GEF/LDCF.SCCF.18/ME/01, *Four-Year Work Program and Budget for the GEF Independent Evaluation Office under LDCF/SCCF*, approves an annual budget of \$83,000 for the Independent Evaluation Office for fiscal year 2016 for the proposed work program:

- a) \$69,000 from the LDCF and
- b) \$14,000 from the SCCF.

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INTRODUCTION

1. During FY15 the GEF Independent Evaluation Office (IEO) completed most activities of the work program approved by the LDCF/SCCF Council at the 16th Council meeting in May 2014. The IEO prepared the second LDCF/SCCF Annual Evaluation Report (AER) for this Council session, and completed and published a guidance document on the Monitoring and Evaluation Policy for the LDCF/SCCF. One task that continues to be delayed is the development of guidelines for terminal evaluations for LDCF/SCCF projects.

2. As proposed in the FY14 and FY15 work program and budget documents multiannual budgets will be introduced for the IEO's work program for LDCF/SCCF. This is in line with the practice for the GEF Trust Fund and accommodates multi-year evaluations such as OPS5. As the Funds mature the number of evaluations that are multi-year by nature will grow, while the budget is approved on an annual basis. Therefore, the IEO's work program for the LDCF/SCCF is moving from a year-by-year work program to a four-year work program in support of the development of a longer term evaluation vision towards the Funds.

3. While the IEO will continue to provide quality evaluations on the performance and results of the LDCF and SCCF for accountability purposes, the FY16-19 LDCF/SCCF work program will be organized around the two strategic programming pillars as laid out in the *2014-2018 GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund and the Special Climate Change Fund*: integrating climate change adaptation into relevant policies, plans, programs and decision-making processes, and expanding synergies with other GEF focal areas. The IEO will deliver evaluative evidence and lessons to help refine the strategic priorities contained in the LDCF/SCCF programming strategy.

4. In May 2014, the LDCF/SCCF Council approved a budget for the Independent Evaluation Office of \$64,000 for FY15. It is estimated that the budget will be fully used by the end of FY15. This document presents a progress report on the activities completed by the IEO in FY15 and a work program and a budget for activities proposed for FY16-19.

PROGRESS REPORT AND FOUR-YEAR WORK PROGRAM

Annual Evaluation Report

5. The IEO has prepared the second LDCF/SCCF Annual Evaluation Report (AER) to report on the performance of the LDCF and SCCF as well as on ongoing evaluation issues at the end of FY15. It presents an assessment of the terminal evaluations of completed LDCF/SCCF projects that were submitted during FY 2014 and reports on project outcomes and sustainability, innovative approaches in LDCF/SCCF projects, and the quality of project monitoring and evaluation. The AER 2014 also reports on innovative approaches and gender considerations in completed projects, and includes a syntheses of lesson learned from the 13 LDCF/SCCF projects completed so far. Please see GEF/LDCF.SCCF.18/ME/02.

6. The LDCF/SCCF Annual Evaluation Reports (AERs) during FY16-19 will assess completed projects using information from terminal evaluations. As the LDCF/SCCF portfolio

matures the submission of an increasing number of terminal evaluations¹ will permit more detailed assessment of the portfolio's performance including project results, processes that may affect project results, and M&E arrangements. The AER also presents management action records to track adoption of the LDCF/SCCF Council's decisions across the GEF partnership.

7. AERs will also report on other assessments and special studies during FY16-19, in line with the LDCF/SCCF strategic programming pillars. Currently the AER includes innovative approaches ranging from emerging mechanisms and partnership arrangements to innovations aimed at tackling contextual challenges, gender mainstreaming and women empowerment, and lessons learned and good practice. Potential additional topics to report on in the AER during FY16-19 are multi-trust fund projects and LDCF/SCCF thematic programming priorities.

Program Evaluations of the LDCF and the SCCF

8. The *Joint Evaluation of the LDCF* (2009) was conducted with DANIDA to analyze and document the results and lessons learned from the operations of the LDCF in financing and promoting climate change adaptation. At that time of the joint evaluation of the LDCF, the fund was still in its first phase and grants to beneficiaries only covered the development of National Adaptation Programs of Action (NAPAs). In 2010 DANIDA funded a follow-up review to assess actions taken by the GEF Secretariat in response to the conclusions and recommendations presented in the evaluation report, and to provide an account of recent activities under the LDCF.² Since then the LDCF has proceeded into a new phase of funding concrete adaptation activities. In the context of OPS5 (2013) the IEO conducted quality-at-entry reviews of projects approved to implement (NAPAs) to assess the extent to which they respond to key issues identified by NAPAs.

9. The IEO proposes further evaluation of the LDCF that will focus on performance in terms of LDCF related outputs, principally the NAPAs, and LDCF support towards catalytic effects. The latter links to special needs of LDCs with respect to strengthening the national climate change secretariats and/or focal points, as well as the provision of training in negotiation skills to enable effective implementation of the Convention (FCCC/CP/2001/13/Add.1 Decision 5/CP.7, Para. 11). The update will provide evaluative evidence on the progress towards LDCF objectives, as well as the major achievements and lessons learned from LDCF implementation of more than 15 years. In relation to the Adaptation Programming Strategy the catalytic effects could translate into evaluating the LDCF performance regarding the mainstreaming of the NAPAs into broader developmental policies, plans and programs, and assessing how NAPAs relate to focal areas beyond climate change adaptation.

10. The IEO proposes an update of the *Evaluation of the Special Climate Change Fund* (2011) which covered 35 projects, including two multi-trust fund projects. The number of projects has increased considerably since then, with currently 71 SCCF projects and 27 multi-trust fund projects at various stages of approval and/or implementation. The portfolio is still young with only 7 projects completed. The update will provide evaluative evidence on the progress towards SCCF objectives as well as the major achievements and lessons learned from

¹ It is estimated that the number of terminal evaluations submitted will grow at an increasing rate.

² GEF/LDCF.SCCF.9/Inf.7.

SCCF implementation of more than 15 years. The evaluation will follow-up on the conclusions and recommendations of the 2011 SCCF evaluation and will provide inputs to the ongoing process of reshaping the architecture of climate finance.

11. The IEO proposes to conduct the LDCF evaluation in FY16 and the SCCF evaluation in FY17. Both program evaluations will be reported on in the AER.

Adaptation in the Sixth Comprehensive Evaluation of the GEF

12. OPS5 synthesized conclusions and evaluative evidence on adaptation to climate change. During GEF-5 adaptation to climate change was considered a focal area and included in the IEO's evaluations of the GEF Trust Fund such as performance and country level evaluations. Adaptation to climate change will be included in the Sixth Comprehensive Evaluation of the GEF (CEG6) through various channels. It will bring in evaluative evidence from the AERs prepared during FY16-19, the program evaluations of the LDCF and the SCCF, and from planned GEF Trust Fund evaluations conducted by the IEO during GEF-6. Some of these evaluations will integrate adaptation to climate change, in particular multiple benefits, performance, country level evaluations, and in special studies. A sub-study on GEF approaches to climate finance is planned as part of the multiple benefits evaluation that will shed light on the specific strategies that the GEF has adopted in climate mitigation and adaptation. Adaptation to climate change will also be included in special studies for the CEG6 on for example performance, strategies and approaches, and multi-trust fund projects, and gender mainstreaming.

Policy and Guidance

13. In FY15 the IEO, in collaboration with the GEF Secretariat, completed and published a guidance document elaborating on the operationalization of the M&E Policy for LDCF/SCCF. The *Guidance Document: Monitoring and Evaluation in the LDCF/SCCF* provides LDCF/SCCF stakeholders with direction on how to monitor and evaluate results within the overarching framework of the GEF M&E Policy, modified as necessary to adapt to the LDCF/SCCF focus. The main, but not exclusive, audience is project proponents, who have varying degrees of familiarity with M&E practices. The guidance document includes an introduction to the funds and a basic climate change background within which to place LDCF/SCCF activities. It discusses the fundamentals of M&E practices within the context of the funds' M&E policies and requirements, and provides guidance to apply the M&E Policy to LDCF/SCCF activities in accordance with GEF policies and practices. The guidance document is available on the GEF IEO website.³

14. Given the evolving nature of the GEF partnership—notably including the expansion of the number of GEF Agencies—there is a need to review and update the GEF M&E Policy. This revision will also take into account the role of the LDCF/SCCF and their relationships to the GEF. Once the IEO has revised the M&E Policy, the guidance document on M&E in the LDCF/SCCF will be updated.

³ <https://www.thegef.org/gef/M-and-E-in-the-LDCF-SCCF>

15. In line with the GEF M&E Policy, the LDCF/SCCF M&E Policy requires that all full-size projects (medium-size projects are encouraged) complete a terminal evaluation upon the completion of their implementation. Terminal evaluations are the responsibility of GEF Partner Agencies and recipients of GEF grants. The IEO issued Terminal Evaluation Guidelines to provide the GEF Partner Agencies guidance on the preparation of terminal evaluations in 2008. The IEO has adopted a consultative approach to update the terminal evaluation guidelines. Since 2013 it has been consulting with the Partner Agencies on how the present guidance may be improved. While there is broad agreement on most of the issues, there is some disagreement on the extent to which reporting on progress to impact could be made mandatory given that the M&E policy does not include reporting on impact as part of its minimum requirement. The IEO will finalize the new terminal evaluation guidelines during FY16-19. Once this is done, the IEO will prepare guidance for conducting terminal evaluations of LDCF/SCCF projects including guidelines on the independence of evaluators, issues relevant to the funds, and a rating system for selected criteria (i.e., outcomes, risks to sustainability, M&E systems).

MULTIANNUAL EVALUATION BUDGET

16. As proposed in the FY14 and FY15 work program and budget documents a multiannual budget is being introduced for the IEO’s work program for LDCF/SCCF. This is in line with the practice for the GEF Trust Fund and accommodates multi-year evaluations such as OPS5 and the CEG6. Therefore, in line with the IEO work program and budget for GEF-6, the IEO has prepared a multiannual budget for the proposed FY16-19 work program. Table 1 presents the estimated budget by activity and fiscal year for a total of \$320,000. The amounts shown for the activities cover the cost of a Senior Evaluation Officer from the IEO to manage and contribute to the activities, and the cost of other IEO staff to carry out the activities.

17. The IEO requests LDCF\SCCF Council’s approval for the proposed an annual budget of \$83,000 for FY16 to cover the cost of the first year of the activities presented above.

Table 1 Estimated Budget of GEF Independent Evaluation Office Evaluation (thousands \$)

Evaluation Activity	FY16	FY17	FY18	FY19	Total
LDCF					
- Annual Evaluation Report	14	16	18	20	68
- LDCF Evaluation	50	10	0	0	60
- Adaptation in CEG6	0	10	13	2	25
- Policy and Guidance	0	0	5	2	7
Sub-total	69	31	36	24	160
SCCF					
- Annual Evaluation Report	14	16	18	20	68
- SCCF Evaluation	5	50	5	0	60
- Adaptation in CEG6	0	10	13	2	25
- Policy and Guidance	0	0	5	2	7
Sub-total	14	81	41	24	160
Total	83	112	77	48	320