



GLOBAL ENVIRONMENT FACILITY
EVALUATION OFFICE

Four-year Work Program and Budget of the Evaluation Office for GEF-5

*GEF Council 40
Agenda item 10
24 May 2011*



GLOBAL ENVIRONMENT FACILITY
EVALUATION OFFICE

Council decision June 2010

Decision on Agenda Item 7 Four-year Work Program and Budget of the GEF Evaluation Office

9. The Council, having reviewed document GEF/ME/C.38/1, *Four-year Work Program and Budget of the GEF Evaluation Office*, approved the general direction taken for the preparation of the Office's work during GEF-5, and requested the Office, taking into account comments made during the meeting, to prepare for consideration at its June meeting in 2011 a work program budget in two parts:

- (a) An annual budget for fiscal year 2012 of fixed costs, such as salaries and general operational costs; and
- (b) A multi-annual budget for evaluations

Slide from June 2010: vision for GEF-5

- Consolidation and strengthening of the four streams of evaluative evidence:
 - Country Portfolio Evaluations: up to 12 during GEF-5
 - Impact Evaluations: main effort on International Waters and additional impact work on other focal areas
 - Performance Evaluations: APR continued and strengthened as well as independent process reviews
 - Thematic Evaluations: focal area strategies and adaptation
- These streams of evaluative evidence will enable a timely OPS5 for which less additional work should be needed than for OPS4

Work plan for GEF-5

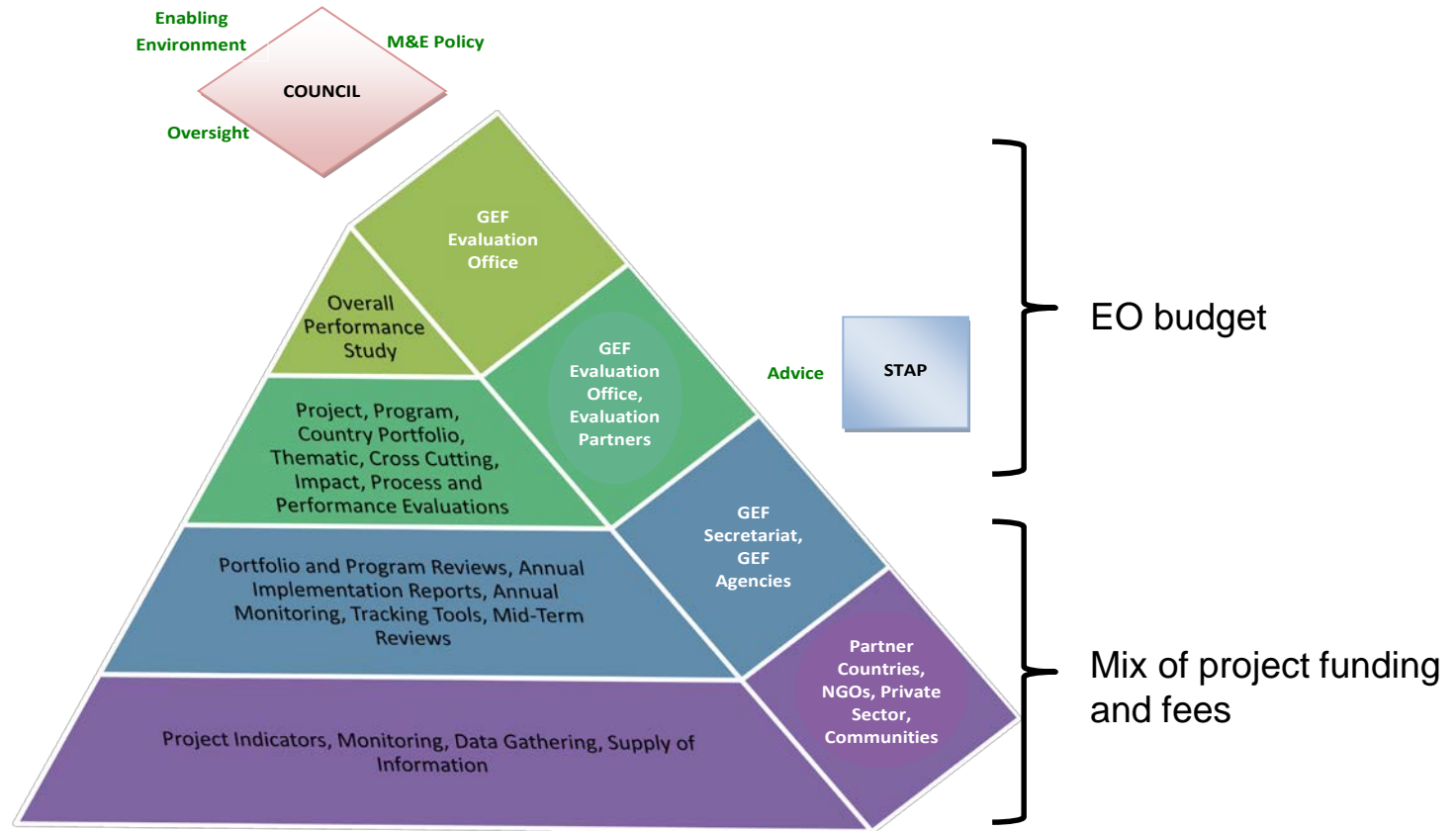
- Streams of evaluative evidence consolidated:
 - More emphasis on Country Portfolio Evaluations; no country case studies in OPS5
 - Impact work broadened to all focal areas and integrated into other streams (ex ante and real time); no separate impact work in OPS5
 - Performance evaluations: focus on keeping track and the independent mid-term reviews of reform processes
 - Thematic evaluations: focal area strategies, cross-cutting issues and preparatory work for OPS5
- OPS5 will deliver two products:
 - Synthesis of evaluation findings at start of replenishment process
 - End report including special case studies at key phase of replenishment process

Comparison of OPS in \$m

In\$m		GEF Trust Fund	Total
OPS3*	Actual costs	2.14	2.25
OPS4	Actual costs	2.23	
OPS5	Budget	1.15	

* ICF consulting contributed 108k to OPS3

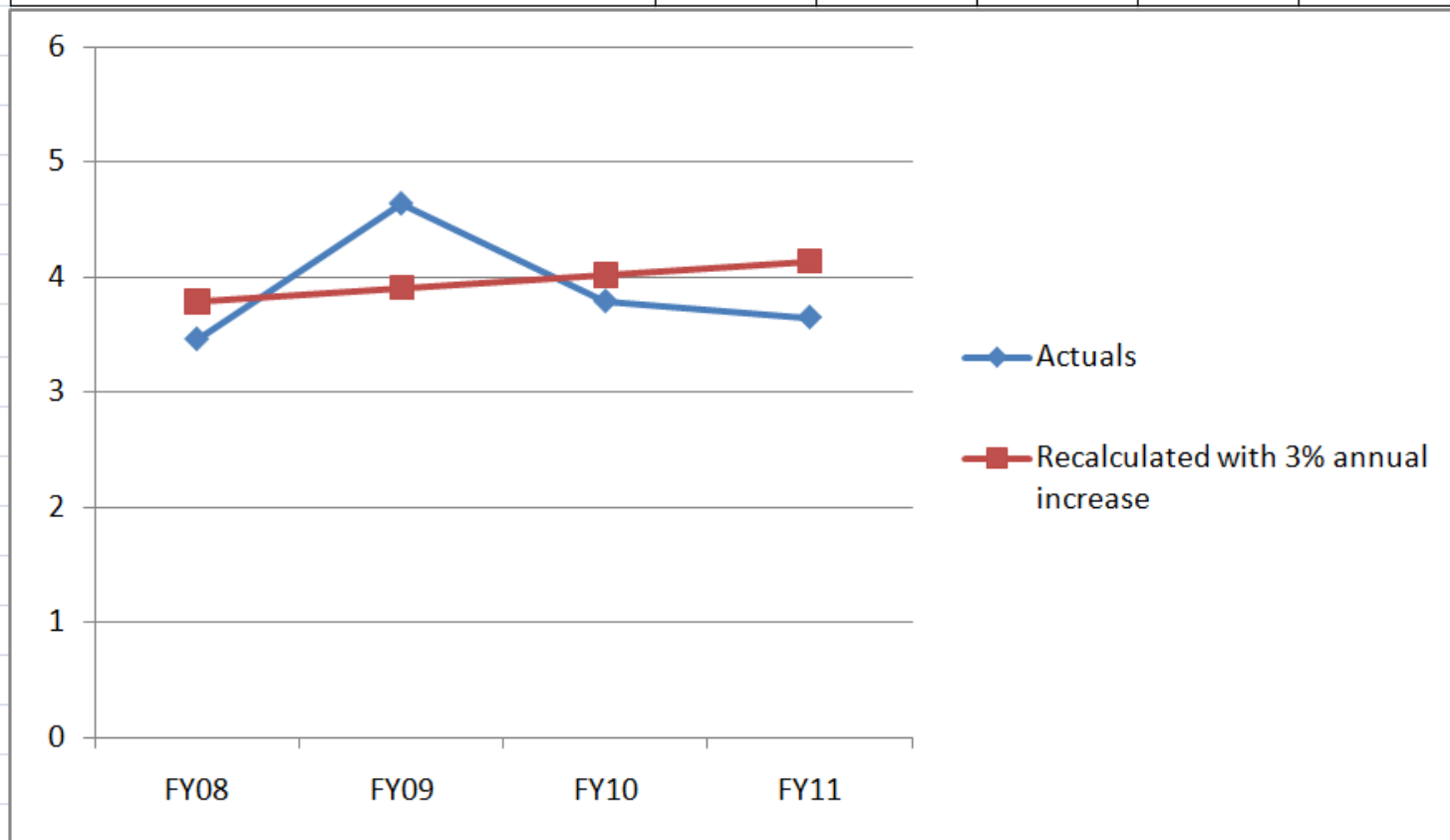
Evaluation Funding in the GEF



GEF-4 budget/actuals

Table 6 - Actual expenditures and recalculated annual budgets over GEF-4

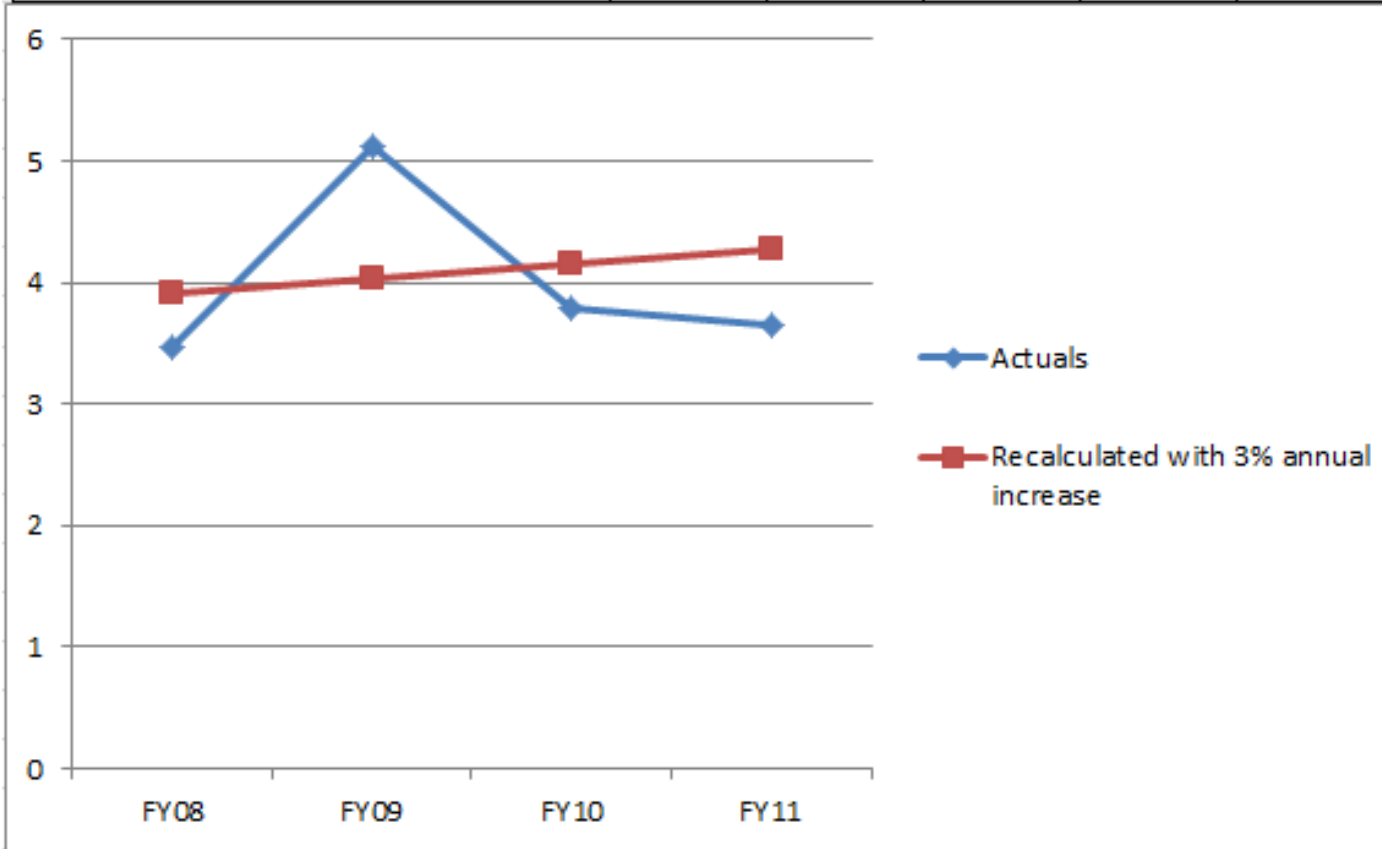
In \$m	FY08	FY09	FY10	FY11	Totals
Actuals	3.46	4.64	3.79	3.65	15.54
Recalculated with 3% annual increase	3.79	3.91	4.02	4.14	15.86



Including RAF mid-term review

Table 6 rev 1 - Actual expenditures and recalculated annual budgets over GEF-4

In \$m	FY08	FY09	FY10	FY11	Totals
Actuals	3.46	5.11	3.79	3.65	16.01
Recalculated with 3% annual increase	3.91	4.03	4.15	4.27	16.36



RAF MTR one remaining special initiative

- ❑ GEF/ME/C.31/7 – May 15, 2007 – Four Year Work Program and FY08 Budget of GEFO
 - Integration of OPS4 into the budget eliminates the need for “special initiatives” with the exception of the RAF Mid-Term Review
 - Paragraph 5: “This revised budget will eliminate the need for special initiatives, with the ad hoc and exceptional mid-term evaluation of the Resource Allocation Framework as the remaining exception”.
- ❑ Joint Summary of the Chairs, June 18, 2007
 - Council approves a revised and integrated budget (...) to cover the cost of operating the GEF Evaluation Office and implementing its work plan
 - The Evaluation Office will also prepare for Council consideration a detailed proposal and budget for the RAF mid-term evaluation
- ❑ In November 2007 a budget of \$500k was approved

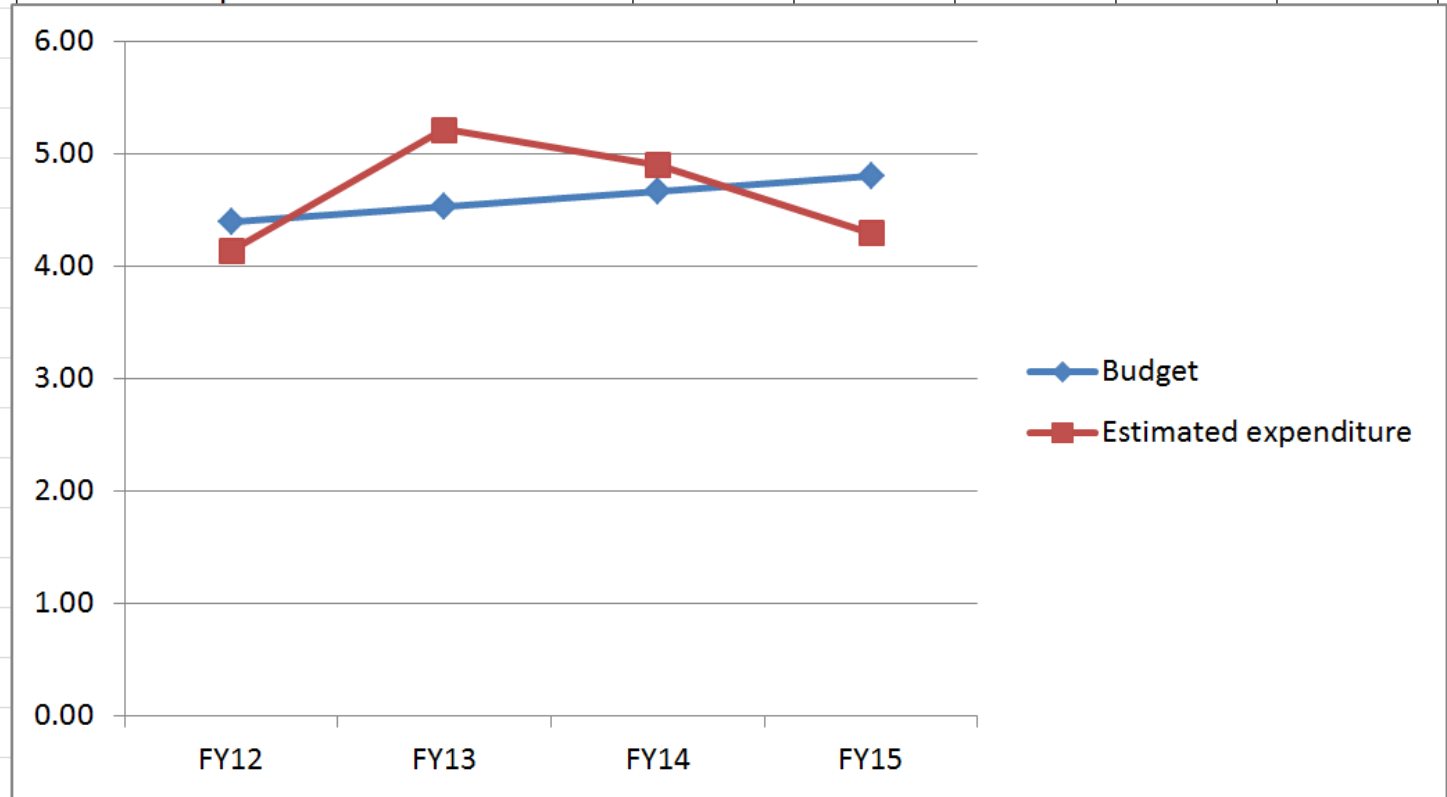
Recalculated increase

Table 7 rev 1 - GEF-5 budgets calculated annually with 3% inflation increase					
In \$m	FY12	FY13	FY14	FY15	Totals
Annual budgets	4.40	4.53	4.67	4.81	18.42
Table 8 rev 1 - proposed increase for GEF-5			Increase GEF4 to GEF5		
Calculated cap for GEF-5	18.42		GEF 4	16.36	
Budget proposed for GEF-5	18.56		GEF 5	18.56	13%
Proposed increase	0.14				
Percentage increase	0.78%				

Estimates for GEF-5

Table - Budgets and Estimated Exp. GEF-5

In \$m	FY12	FY13	FY14	FY15	Totals
Budget	4.40	4.53	4.67	4.81	18.42
Estimated expenditure	4.14	5.22	4.90	4.30	18.56



Why multi-annual?

- ❑ Accounting rules require that commitments during a fiscal year remain within the annual budget for that year, even if these are commitments for the next fiscal year
 - This restriction disappears when the budget becomes multi-annual
- ❑ At the minimum EO needs multi-annual budget which will allow all commitments for evaluations which start in a given period
- ❑ World Bank's IEG has a three year budgeting window
- ❑ We propose to follow WB-practice and propose a first tranche for FY12-14 and a second tranche for FY14-15
 - Budget needs to be “front-loaded” because of OPS5 and related work

Two tranches

Table - Multi-annual budget in two tranches					
In \$m	FY12	FY13	FY14	FY15	Totals
Budget	1.4	2.4	2.0	1.3	7.1
FY12-14	1.7	2.7	1.1	0.0	5.5
FY14-15	0.0	0.0	0.3	1.3	1.6
Totals	1.7	2.7	1.4	1.3	7.1



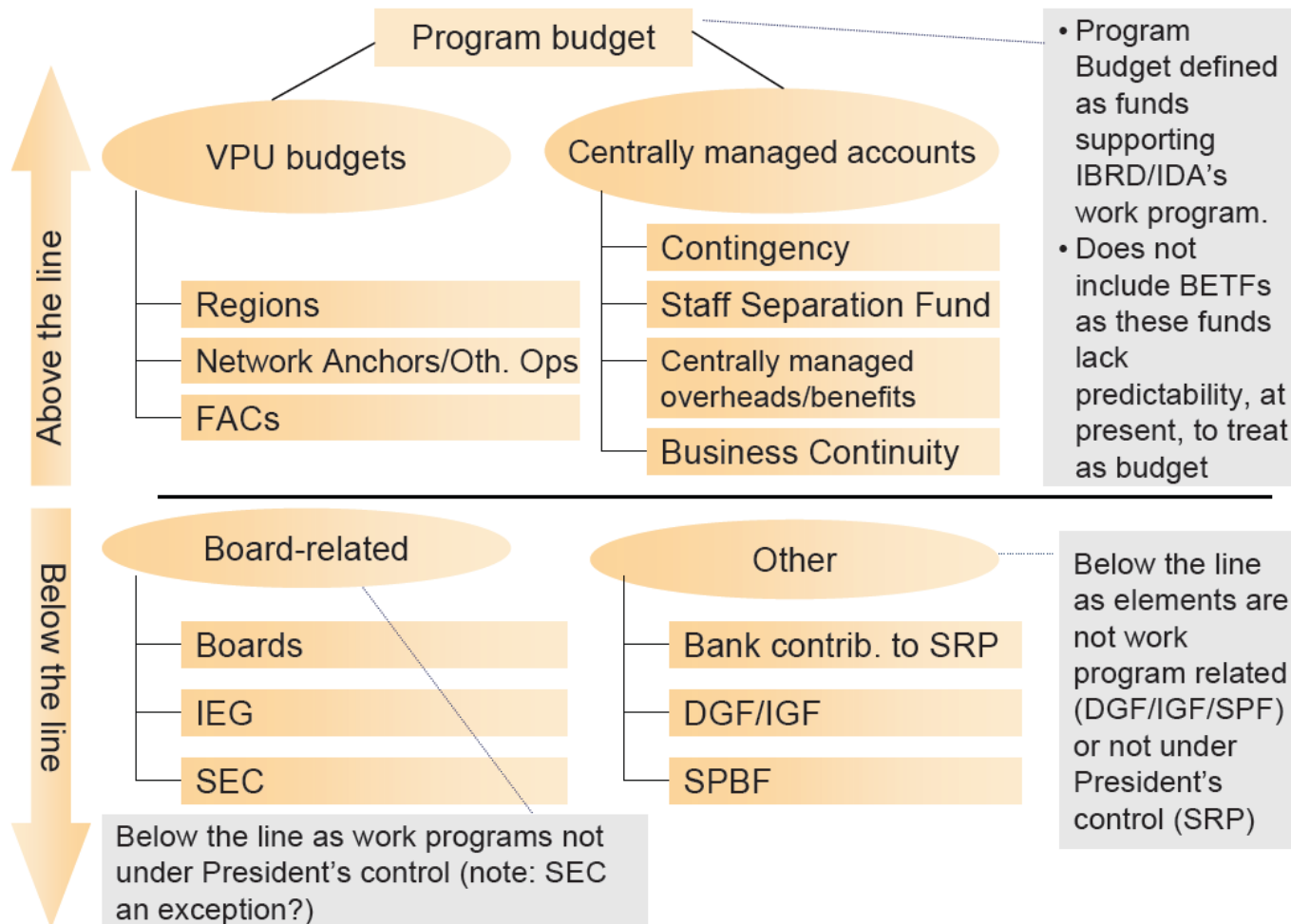
Peak for OPS5 and mid-term reviews

International Best Practice

- ❑ Budgets of Central Evaluation Units should be related to overall budget of organization/fund
 - IFIs: 0.1-0.2%
 - UN: 0.8-1.0%
- ❑ GEF operates through both UN and IFIs
 - EO budget was 0.55 percent of GEF-4, will decrease to 0.43 percent in GEF-5
- ❑ World Bank and IMF have delinked their Evaluation Unit budgets from corporate budgets
- ❑ Council should consider removing EO budget from the corporate budget

WB budget framework

Major elements of the Budget Framework at present



Revised percentages

Table 9 rev - EO budget as % of corporate budget

In \$m	Corporate budget	EO	%
GEF-4	\$93	\$16.38	18%
GEF-5	\$120	\$18.56	15%

Table 10 rev - EO budget as % of evaluendum

In \$m	Evaluendum	EO	%
GEF-4	\$3,000	\$16.38	0.55%
GEF-5	\$4,300	\$18.56	0.43%

Proposed Council Decision

The Council approves the annual budget for the Evaluation Office for fiscal year 2012 for a total of US\$ 2.74 million.

The multi-annual budget for the evaluation program of the GEF Evaluation Office is approved for an amount of US\$ 5.5 million. This amount will be the first tranche to implement the work program during GEF-5. At the end of FY13 the Office will propose a second tranche for the remainder of the GEF-5 period, within a total cap of US\$ 18.56 million for both annual budget and multi-annual budget for fiscal years FY12 to FY15.

