

# Annex 3: Executive Summary of the Peer Review of the GEF Evaluation Function

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## 0.1 Introduction

The years reviewed by the Peer Review represent a particularly dynamic, but also difficult phase of the GEF, characterised by the urgent demand of members for reform and change out of bureaucracy and stagnation. The new leadership in both the Secretariat and the EO had to deal with high and often conflicting expectations in the Council, the staff and among the GEF membership at large. This report pays tribute to the considerable results achieved by the GEF EO and aims at discussing issues for further improvement.

Every four years, the GEF produces an Overall Performance Study (OPS). The principal aim of this study is to inform the replenishment process, as well as the Council and General Assembly of the GEF, about the achievements of the organization during the previous period, to draw lessons and give indications on the way forward in the succeeding replenishment period.

In June 2007, the GEF EO offered the Council to take responsibility for OPS-4 as part of its regular work program. The Council approved the proposal except for the study components that would pose a conflict of interest. Accordingly, it was proposed that the role of the GEF Evaluation Office would be independently assessed by a Professional Peer Review Panel, composed of internationally recognized members.

In February 2008, the Director of the GEF EO approached the Head of Evaluation of the Finnish Cooperation and the Special Evaluator of the Belgian Cooperation, asking them to organize such peer review of the GEF EO. In early April 2008, it was decided that the Peer Review would be financed equally by the Finnish and the Belgian Governments and that the Office of the Special Evaluator of the Belgian Cooperation would chair the Peer Panel and coordinate the process.

The Panel was composed as follows:

- Dominique de Crombrugghe, Special Evaluator for Development Cooperation, Ministry of Foreign Affairs, Belgium, Peer Panel Coordinator
- Caroline Heider, Director, Office of Evaluation, World Food Programme
- Heidi Pihlatie, Senior Evaluator, Unit for Evaluation and Internal Auditing, Ministry of Foreign Affairs, Finland
- Oumoul Khayri Ba Tall, Senior Evaluator, President of the International Organisation for Cooperation in Evaluation (IOCE), Mauretania
- Zhanar Sagimbayeva, Evaluator, Eurasian Development Bank, Kazakhstan
- Karel Cools, Senior Evaluator, Evaluation and Quality Control Service, MOFA, Belgium

Two Advisors assisted the members of the Panel, one from the North (Dr Horst Breier from Germany) and one from the South (Dr Dunstan Spencer from Sierra Leone). The Advisors were responsible for data collection and information gathering; preliminary assessment of the

collected information; assisting Panel members in their interviews with stakeholders, and drafting the assessment report.

The Peer Review examined the GEF evaluation function on three core criteria: Independence of the GEF-EO and of its evaluation processes, Credibility and Utility of its evaluations.

## **0.2 Budget and Finance**

The Panel finds that GEF EO's financial independence is secured. The key stakeholders (EO and Council) are in agreement on what needs to be done in evaluation and on the corresponding level of financing. The GEF-EO evaluation budget is activity based, it reflects the Four-Year GEF Work Program for Evaluation and it represents the Four-Year Program's translation into annual programs of work and budgets.

From FY 05 to FY 09 the budget of the EO including special initiatives show an overall increase in of 52 per cent<sup>1</sup>, amounting to USD 3,907,167 in 2009.

## **0.3 Evaluation Products and their Quality**

The Peer Panel analysed a great number of documents (listed in annex,) and conducted interviews with the GEF Council, the GEF Secretariat, the GEF EO, the World Bank and the IEG, most GEF Agencies and a large number of stakeholders.

Further, the Peer Panel analysed a sample of six products representing recent work of the EO in the categories of Program Evaluations and Thematic Studies, Annual Performance Reports, and Country Portfolio Evaluations.<sup>2</sup> While this sample is not representative of the whole EO evaluation endeavour, it covers sufficient ground to extrapolate strengths and weaknesses of the evaluations produced by the GEF EO in recent years.

The main conclusion from this analysis is that overall, the GEF EO produces solid evaluation work, at the forefront of the state of the art with a welcome emphasis on methodological rigour and clarity.

Some points of attention are worth mentioning for further consideration with a view to consolidate and to deepen the good results achieved so far.

- The level of involvement of national and local stakeholders and beneficiaries in GEF EO evaluations processes remains a sensitive issue ; various stakeholders perceive these processes as a top down approach, which is hardly consistent with the Paris Declaration on Aid Effectiveness and other current aid philosophy;
- GEF EO evaluation methodology shows a strong reliance on written material and third party assessments which is not always matched by a corresponding allocation of human

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<sup>1</sup> This significant increase is partly due to the exclusion of the costs for OPS-3 from the regular evaluation budget.

<sup>2</sup> The sample comprised: Annual Performance Report 2007 (October 2008); Country Portfolio Evaluation Philippines (March 2008); The Role of Local Benefits in Global Environmental Programs (2006); RAF Mid-Term Review (October 2008); Joint Evaluation of the GEF Activity Cycle and Modalities (2007); and Annual Report on Impact 2007 (May 2007).

and financial resources to on-site checks and verification, as well as to original evaluative research.

- The targeting of the Council as the main audience for evaluations is a safeguard for the independence of the EO. However there is room for improvement for bringing evaluation results to the attention of a wider audience than is the case at present.
- A short note about the evaluation team in a section or at the back of the reports, with regard to the qualifications and independence of consultants, to the gender balance and to the balance between international and national consultants, would be welcome.

#### **0.4 Tools and Guidelines**

The GEF Evaluation Office has produced a number of guidance documents over the last years. These are designed to help translating the *GEF Monitoring and Evaluation Policy* of 2006 into practice and to answer the demand contained in the Policy Recommendations of the Third GEF Replenishment for more rigorous minimum standards to be applied in GEF-related M&E work. Though these documents differ widely in character and coverage, weight and reach, they by and large represent state-of-the-art tools which are perceived by most stakeholders as helpful contributions towards harmonizing approaches, methods and modalities within the GEF partnership.

#### **0.5 Independence**

The Third Replenishment negotiations in 2002 recommended that the GEF Monitoring and Evaluation Unit 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. In 2003, the GEF Council decided to establish an independent Office of Monitoring and Evaluation. In February 2006, the Council approved the new and comprehensive *GEF Monitoring and Evaluation Policy*, a thoughtful, ambitious and action-oriented policy document.

The Panel notes the positive effects on the conduct of evaluations brought about by the achievement of structural independence of the EO. Independence is seen as important by EO staff and as conducive to freeing them from pressures to negotiate and amend approach papers, TORs and reports.

Essential for the structural independence of the EO is its reporting to the Council, the EO's primary audience. Stakeholders, including staff of the GEF Secretariat and the EO, as well as in GEF Agencies, consider that the cost for the EO's structural independence reflects in isolation from the Secretariat and the GEF Agencies. Stakeholders complain that this affects negatively the consultation and communication process during the preparation of the EO work plan as well as the organisational learning loop from evaluations. Council members, however, do not appear to share this view. They believe that the evaluations cover important issues for corporate development and discussions at the Council.

The structural independence of the GEF EO is vested in two letters of agreement exchanged between the CEO and the EO Director, authorizing the latter to speak to the Council directly on

all matters pertaining to evaluation and to take decisions on human resource issues in the Evaluation Office. The Panel finds that the sustainability and validity of the letters of agreement as a binding institutional measure are questionable. Incumbents in either of the two positions could in theory change or even abrogate the agreement at any time. Therefore, the Panel holds that a more formal agreement, at least at the level of rules and regulations, is needed to put the structural independence of the GEF EO on a firmer legal basis.

## **0.6 Credibility**

The Panel notes that the quality of the GEF EO evaluations has improved over recent years. Evaluation reports provide good technical information, with lots of facts and evidence, and in-depth analysis. This contributes to the credibility of the products. Moreover, robust methodological rigour has been introduced in the work of the EO.

The Panel was nevertheless faced with some issues that deserve consideration:

The analysis of the evaluation products has shown that particular products and specific actions are more important for establishing – or affecting – credibility than others. E.g. the Annual Performance Report (APR) provides an important and credible bridging function between the evaluation activities of the GEF Agencies and the role of oversight and aggregation that the Evaluation Office plays for the GEF as a whole. However the Panel was surprised to see an overwhelming majority of evaluations being rated moderately to very positive rather than a more even distribution across the rating scale.

The Panel was informed about persisting workload overstretching the human resources in the EO over extended periods of time. This could put the present quality of evaluations at risk.

The Panel found a restrictive practice regarding fieldwork. It has doubts that limiting fieldwork is an adequate way to cope with existing constraints. Less field exposure will mean reduced contact of the EO with the reality of GEF programmes and projects, which so far has been a strength of EO's work.

The transparency of planning and conducting evaluations through full and early consultation, ongoing dialogue and participation of stakeholders is an essential element of establishing the credibility and the appropriation of the results of an evaluation. Perhaps, this is the weakest part in the work of the EO at present. The Panel's discussions with stakeholders of the GEF partnership, including the GEF Secretariat, GEF Agencies, and governments of recipient countries showed that the existing practice is not entirely satisfactory. While the Panel is aware that stakeholders do not always make use of participation opportunities offered by the EO, this criticism is real and could have implications for the credibility of the evaluation products.

A complaint voiced across the whole GEF partnership, in Washington as well as in other places visited by the Panel, relates to the very short period of time that the EO provides for the GEF Secretariat as well as for the GEF Agencies between submitting an evaluation report and the deadline set to react to it. Stakeholders find this short time span totally insufficient to absorb the evaluation report, discuss its implications for future work, and provide a meaningful and thought through management response. The Panel finds the present practice of two-week deadlines arbitrary and counterproductive.

Eventually, the Panel noted the absence of an assessment of the performance of GEF Agencies in Country Programme evaluations, due to the corresponding clause in the *Standard Terms of Reference for Country Portfolio Evaluations*. The Panel therefore will recommend dropping this clause so as to increase the credibility of the CPE process.

## **0.7 Utility**

The primary audience for the work of the independent Evaluation Office is the GEF Council. The evidence collected during the Peer Review allows the Panel to confirm that the Council and its members are generally satisfied with the work of the Evaluation Office, with the coverage of its work plan and the topics selected for and addressed in evaluations. On the whole, the Council members find that the evaluations are useful in clarifying issues of general concern for the GEF, in informing Council discussions and in helping members to take the necessary decisions in the ongoing reform process. Evaluations also appear to find their way into GEF Constituencies. The Panel noted for example that the Caribbean Constituency had discussed evaluation reports ahead of a Council meeting, a good practice that could easily be replicated.

Notwithstanding the criticism of the consultative process, GEF Agencies confirm that the work of the EO has been of great utility in a number of areas and has significantly contributed towards improving the performance of the GEF. Examples mentioned include guidance produced by the EO which has helped to coordinate and unify yardsticks and evaluation criteria for GEF financed activities across the partnership, and a significant improvement of mid-term reviews and terminal evaluations since the EO has begun to rate these reports.

In the field, the Panel faced situations where the EO evaluation work is seen as quite removed from the national level, with the exception of the CPEs. The planning and preparation of EO evaluation activities in the country is largely conducted in Washington, with no or only little advance communication with and consultation of the government, and consequently with a low degree of transparency for national stakeholders. As a result, the EO evaluations are predominantly perceived as top-down approaches, at a distance from the operational level.

Finally, the Panel has observed on several occasions, that there is a kind of “competitive relationship” between the EO and the Secretariat affecting the smooth running of business between the two. The Panel thinks that this relationship needs to be kept under review to avoid disruptions and adverse impacts on the utility of evaluations.

## **0.8 Conclusions**

The GEF EO has been successful in establishing itself as a new and independent core player within the overall GEF structures and in finding acceptance in this role. This is primarily due to the fact that the Office under its new Director has made commendable efforts to improve and facilitate professional evaluation work in the GEF and to provide leadership in this area, both within the GEF partnership and internationally, especially in the United Nations Evaluation Group (UNEG).

### ***On Independence***

## 1. On structural independence

The Panel **concludes** that structural independence of GEF EO has largely been achieved and is beneficial to the GEF. It has enhanced the credibility of evaluations and therefore of the whole institution. However, it **finds** that the legal basis for the actual arrangements of EO independence is precarious. The Panel **recommends** that the Council take steps to put the arrangements for structural independence on a better and more sustainable legal footing than is the case at present.

## 2. On institutional independence

The Panel **concludes** that the GEF EO work plan preparation is independent and that the evaluative criteria used in developing the work plan are justified. However, it finds that there is insufficient consultation with stakeholders during the development of the work plan. Therefore, the Panel **recommends** that EO enhance the consultation efforts.

## 3. On the budget

The Panel **finds** that the programme and activity based budgeting and the concomitant level of financial independence of the GEF EO is very commendable.

## 4. On evaluation processes

The Panel **concludes** that the independence of the evaluation processes for both thematic and strategic evaluations and the review process for terminal evaluations conducted by the GEF Agencies are adequately safeguarded.

## 5. On conflicts of interest

The Panel **concludes** that sufficient steps have been taken to avoid conflicts of interest by EO staff. Risks of staff being partial are low and therefore negligible. However, the Panel notes that, notably in country, expertise in the thematic fields of the GEF can be scarce and therefore **recommends** the EO to pay attention to the selection and recruitment of consultants to ensure also they do not have any conflict of interest.

## 6. On quality assurance

The Panel **concludes** that the process for quality assurance of reports set in place by GEF EO is light, given the technical content of the evaluations and **recommends** strengthening it through the use of technical expert panels or similar mechanisms.

## **On Credibility**

### 1. On the overall level of satisfaction

The Panel **finds** a high degree of satisfaction of many stakeholders with the credibility of EO products.

### 2. On fieldwork

The Panel **finds** that limitation of fieldwork is not an adequate way to cope with individual evaluation budget constraints, as it would reduce contact of the EO with the reality of GEF programmes and projects. Therefore the panel **recommends** that annual budgets should secure adequate allocation of funds for relevant fieldwork.

### 3. On deadlines for management responses

The Panel **finds** the present practice of two-week deadlines for management responses is arbitrary and counterproductive. The Panel therefore **recommends** allowing a minimum of four weeks after submitting an evaluation report to stakeholders for the preparation of an inclusive management response.

### **On Utility**

1. The Panel **finds** that the Council and its members are generally satisfied with the work of the Evaluation Office, with the coverage of its work plan and the topics selected for and addressed in evaluations. Council members find that the evaluations submitted to them are useful in clarifying issues of general concern for the GEF, in informing Council discussions and in helping members to take the necessary decisions in the ongoing reform process.

### 2. On the interaction between the GEF Secretariat and the GEF EO

The Panel **concludes** that the present relationship between the GEF EO and Secretariat is not always apt to support the utility of the evaluation function. It therefore **recommends** enhancing and intensifying the interaction and cooperation between both for the common benefit of all parties.

### 3. On the Programme of Work for Evaluations

The Panel **finds** that the limited consultations between the EO and the GEF Secretariat in the process of drawing up a program of work for evaluation could impair the utility of planned evaluations. Therefore, the Panel **recommends** to the Council, the CEO and the Director of Evaluation to keep the situation under review and, if necessary, provide additional guidance to clarify consultation requirements to both the EO and the Secretariat.

### 4. On upstream contacts with stakeholders in countries

The Panel **concludes** that not enough is done to establish early and upstream contacts with stakeholders in countries where an EO evaluation is being planned in order to discuss knowledge needs and to allow a country input into the TOR. It **recommends** establishing such contacts well ahead of the scheduled beginning of the work and/or the arrival of the evaluation team. Similar arrangements should be established with the GEF Agencies, both at headquarter and at in-country operational level.

### 5. On the learning loop

The Panel **finds** that there is room for improved feedback of evaluation results into the GEF Secretariat and with the other stakeholders.

The Panel therefore **recommends** incorporating dissemination aspects in the planning of evaluations right from the beginning, including budgetary provisions if needed.