

Fifth Overall Performance Study

Approach paper Sub-study on the Results Based Management in the GEF August 26, 2013

Introduction

The sub study on GEF's Results Based Management (RBM) framework is being undertaken to provide inputs for the Fifth Overall Performance Study (OPS-5) of GEF. Table 2 of the terms of reference for OPS-5 specifies results based management as one of the reform processes that will be assessed for and reported on in the Final Report of OPS-5¹. The sub-study addresses this specific item of terms of reference. OECD/DAC defines results based management framework as "*a management strategy focusing on performance and achievement of outputs, outcomes, and impacts.*"² This definition has been adopted by GEF for developing its results based management (RBM) framework and has been used in the approach paper when referring to RBM.

The aim of GEF's RBM framework is to "*improve management effectiveness and accountability by defining realistic expected results and targets, monitoring progress toward the achievement of expected results and targets, integrating lessons learned into management decisions, and reporting on performance.*"³ The sub-study on RBM will assess the extent to which GEF's RBM framework is meeting its objectives, lessons that may be learnt from the experience so far, and areas for further improvement.

Background

Better management of limited resources, supported by measurement and accountability for results, has been an important concern within the GEF partnership for long. While several elements of a RBM framework were already mainstreamed in the GEF partnership, a comprehensive effort in this direction is fairly recent. In 2005, the Fourth Replenishment of the GEF called for development of performance indicators and tracking tools for all focal areas, "to facilitate synthesis of results at the country and program level."⁴ Findings of OPS3 found several weaknesses in the extant results based management practices in the GEF partnership – it reported that log-frames even though included in the project documents were generally not used during project implementation. In 2005 the Paris Declaration on Aid Effectiveness also committed donor countries and development agencies to "specific actions to further country ownership, harmonization, alignment, managing for development results, and mutual

¹ <http://www.thegef.org/gef/sites/thegef.org/files/documents/OPS5TORandbudget-forKM.pdf>

² *Glossary of Key Terms in Evaluation and Results Based Management*, OECD, DAC, 2002

³ http://www.thegef.org/gef/about_RBM

⁴ GEF/R.4/10, p.4

accountability for the use of aid.”⁵ Thus, several factors were at play in creating a push for a more structured approach to results based management.

During 2006 an effort was made to develop an RBM framework for the GEF as a whole, and in 2007 RBM was described as “the beginning of an ongoing process to better define the specific goals of the GEF and to design mechanisms to ensure the measurement of progress towards these goals.”⁶ An RBM Framework was adopted by the Council in FY 2007, and a special RBM budget was approved in FY 2009. At that time, results-based management was defined as “an organization wide tool to foster results, enquiries, and learning to better inform decision making.”⁷

During the negotiations for the fifth replenishment of the GEF, the Secretariat was asked to prepare a work-plan for implementation of a results-based management (RBM) framework and for strengthening of portfolio monitoring within the GEF. At a much higher level, GEF-5 included a Corporate Results Framework which mapped strategic goals against key expected results and targets identified during the Replenishment process.⁸ In addition to these strategic goals, the GEF-5 Corporate Results Framework identified several targets for strengthening institutional effectiveness and efficiency including “Results Driven Implementation” focused on grant performance ratings, learning as part of project implementation, and efficient reporting.⁹

In November 2010 the GEF Secretariat, in collaboration with the GEF Evaluation Office, GEF Agencies, and the Scientific and Technical Advisory Panel (STAP), presented to the GEF Council a new RBM work-plan addressing two objectives¹⁰ identified in the course of the 2009 Annual Monitoring Review (AMR) and the 2009 Annual Performance Report (APR) processes:

- To strengthen and update the tools and systems needed to capture standardized information; and
- To strengthen the Secretariat’s ability to collect and report on portfolio level outcome and output indicators agreed in the GEF-5 Programming Document.¹¹

To achieve these objectives, the GEF-5 work-plan included four main components:

- Establish and implement an updated AMR process for GEF-5;
- Upgrade and integrate portfolio monitoring in the PMIS;
- Develop tools to enhance portfolio monitoring; and
- Provide and develop internal guidance on GEF RBM.¹²

Results Based Management at different levels in the GEF partnership

For determining the extent to which RBM is functioning well within GEF it is important to understand how it functions within GEF and its challenges. At the institutional level, overarching goals and priorities are established by the GEF Council. The GEF Council functions as an independent board with primary

⁵ Joint Progress Toward Enhanced Development and Effectiveness: Harmonisation, Alignment, and Results. See www.aidharmonization.org; also World Bank 2006, “Paris Declaration at a Glance.” Emphasis added.

⁶ GEF/C.31/11, p.4

⁷ GEF/C.39/6/Rev.1, Nov. 16, 2010, p.12

⁸ GEF/R.5/31/CRP.1, Annex 2

⁹ Ibid, p.90

¹⁰ A third objective concerned Knowledge Management, which is covered in a separate OPS-5 study

¹¹ GEF/C.39/6/Rev.1, Nov. 16, 2010, p.5

¹² A component specific to Knowledge Management was also included, which is not repeated here

responsibility for developing, adopting, and evaluating GEF programs. The Council considers proposals for and feedback on programs, policies and activities, and takes decisions on these.

When setting priorities the Council is influenced by the guidance provided by the GEF relevant Conventions and by the agreements reached at the GEF replenishment process, which takes place in a four-year cycle. The guidance provided by the Conventions specifies the environmental benefits that the GEF should aim at achieving through its activities. This guidance subsequently gets mainstreamed in the priorities, programs and activities supported by the GEF.

During replenishment negotiations, alongside discussing scale of replenishment, the replenishment participants also take stock of the progress made by the GEF and agree on the targets for, and policy reforms to be implemented in, the period covered by the replenishment. The proposals from the replenishment negotiations process are then adopted by the GEF Council. Through this mode the replenishment group determines the results that GEF commits to achieving and is accountable for.

The GEF Secretariat and the GEF Evaluation Office report directly to the GEF Council. The Secretariat ensures that the Council decisions are implemented. It coordinates the formulation of projects included in the work programs, oversees their implementation, and makes certain that operational strategies and policies are followed. The GEF Evaluation Office has the central role of ensuring the independent evaluation function within the GEF. It undertakes independent evaluations that cover GEF activities, programs, policies or processes. These evaluations are presented to the GEF Council. The Office also tracks adoption of the Council decisions based on GEF EO evaluations by relevant actors within the GEF partnership through a Management Action Record (MAR) process.

The priorities of GEF established through the replenishment negotiations process and Council decisions are reflected in the policies, practices, and tools used by the GEF partnership. Tracking tools have been developed for each focal area for gathering data at the individual project level and to help in aggregation of data at the portfolio level. The tracking tools are customized to meet the specific needs of a focal area.

At the project level, each project is now required to have a results framework that specifies its expected results. To receive GEF's funding, among other things, a project's results need to be aligned with priorities of GEF and those of the recipient countries. The executing and implementing agencies are responsible for tracking progress on reporting the indicators specified in the results framework included in the project proposal at the point of CEO endorsement. They are also expected to track and report on progress on indicators of the focal area tracking tools. At the portfolio level the progress made by the projects that are under implementation is reported through the Annual Monitoring Report (AMR) prepared by the Secretariat, and the short term results (i.e. outputs and outcomes) achieved by completed projects is reported through the Annual Performance Report (APR) prepared by the Evaluation Office. Past reviews conducted by the GEF Evaluation Office that cover quality of M&E arrangements at entry and during implementation, have consistently found and reported on weaknesses related to design and during implementation and on areas where improvements have taken place.

Another key instrument that is expected to aid management decision making is the Project Management Information System (PMIS) (GEF/C.27/10). It records and provides information related to project cycle milestones, project status, project appraisal and related documents, project monitoring

and evaluation, etc. The extent to which this system may be effective in aiding management decision making is dependent on both the type of information maintained in the system, and information quality and timeliness. The past reviews of the PMIS have shown that the quality of information provided by it is quite uneven.

Alignment of GEF activities and results with GEF priorities

For the RBM to function seamlessly, alignment in objectives, processes, procedures and practices, may be required at various levels within the GEF partnership. As also mentioned earlier, at the highest level GEF seeks alignment with the guidance provided by the relevant environmental conventions. Replenishment negotiations (and Council decisions based on these negotiations) specify the specific results that GEF is expected to achieve. These together determine the focal area priorities.

The focal area priorities form a basis for programming of GEF activities. To receive GEF funding, among other things, a project proposal (and the expected results of the project) should be aligned with the GEF priorities. In addition, a project proposal should also be aligned with the priorities of the recipient countries where it is being implemented. While an elaborate project appraisal process ensures that the projects funded by the GEF are aligned with the GEF priorities, the requirement that each project proposal be endorsed by the country government is expected to ensure alignment with the country priorities. The actual level of alignment is, however, an empirical question.

GEF projects are implemented by GEF agencies. GEF has explicit policies to give preference to agencies based on their comparative advantage which may include scale and type of activity and the environmental concern being addressed. To some extent this ensures that the agency objectives are aligned with GEF objectives. However, given the diversity across agencies in terms of their M&E arrangements and RBM systems it is difficult to attain perfect alignment across the partnership. GEF aims at addressing these differences by requiring that its agencies adhere to minimum M&E requirements, which among other things includes reporting on project results.

Feedback on long term results and time-lags

A key purpose of an RBM framework is that gathered information is used in management decision making. A key challenge on this front pertains to the nature of problems that GEF is trying to address. After GEF supported activities have been completed, environmental status change often takes considerable time to manifest. Implementation of a significant proportion of the projects that are approved under a given replenishment period is yet to start by the end of the replenishment. After start of implementation, the projects are generally under implementation for five to eight years before they are completed. Furthermore, an even longer time may be required before the long term impacts of the projects become evident. This time lag implies that the lessons that may be learnt from the completed projects may not be available at least for two or more replenishment periods from the period of approval. Consequently, when strategies are revised for the new replenishment period the feedback on the long term results from implementation of the preceding strategies are not yet known. Impact evaluations, country portfolio evaluations, and other post project completion assessment of results, provide these lessons, which may then be taken into account in management decisions. To some extent the concerns related to long time lags in feedback on impacts is addressed by GEF taking into account the advancements in scientific knowledge on causal relationships. The support provided by GEF's

Scientific and Technical Advisory Panel (STAP) in this area is important. In addition, in some instances the GEF also supports targeted research on topics that are relevant to GEF's work.

In contrast to the long time lags that are experienced in feedback on outcomes and impacts, feedback on organizational processes, project preparation and implementation, may be provided with a shorter time lag. Within GEF at the global portfolio level this feedback is provided through performance evaluations and thematic evaluations undertaken by the GEF EO, and the annual monitoring report prepared by the GEF Secretariat. At the project level annual project implementation reports, tracking tools, and information provided by PMIS are important instruments in gathering and reporting of this information.

Objectives of the Sub-study

The objective of this sub-study is to assess the extent to which the RBM approach of GEF is meeting its objectives. It will assess:

- The extent to which GEF has made progress in updating and strengthening GEF's systems and tools for monitoring portfolio outputs and outcomes, including tracking tools;
- The extent to which RBM related systems and tools are being used for decision making and adaptive management across the GEF partnership including implementing and executing agencies, and the GEF Secretariat; and
- The extent to which the adopted RBM approach is appropriate and realistic, and has taken into account experiences in other organizations both within and outside the GEF partnership.

Methodological Approach

The sub-study will both synthesize information that is being gathered by other teams within the Office and will undertake additional work. Analysis prepared for sub-studies on tracking tools, quality of data in PMIS, country ownership and alignment, etc, which are being undertaken by other teams in the Office, will be synthesized from a RBM framework perspective.

Additional work conducted for this sub-study will be in the form of literature review, desk reviews of relevant documents, interviews and an online survey. This will address issues related to assessment on adequacy and effectiveness of the four components of the GEF-5 RBM work-plan, which includes the AMR process, PMIS, portfolio monitoring tools, and guidance on GEF RBM.

The manner in which information gathered through the RBM framework is actually used will be assessed through interviews of the key stakeholders. The emphasis will be on determining the extent to which information is being used in decision making at different levels and the types of decision that draw on the information base generated through the RBM framework. The interviews conducted for gathering information on these topics will cover staff of GEF Secretariat, implementing and executing agencies, and GEF focal points. They will also be asked about their use of focal area tracking tools for portfolio monitoring and pipeline planning, and about their perceptions of the flow of information within the GEF partnership as this pertains to results-based management.

The sub-study will be implemented from May 2013 to October 2013.

Evaluation Team

The evaluation will be led by Neeraj Negi, Senior Evaluation Officer and team leader for the OPS-5 performance evaluation team. Frederick Swartzendruber, Senior Consultant, will conduct the analysis of qualitative and any quantitative aspects, and will also integrate responses from field assessment teams which will conduct interviews with GEF Agencies country office staff.