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GEF Council
November 13 – 15, 2012
Washington, D.C.

Agenda Item 9

**GEF EVALUATION OFFICE:
PROGRESS REPORT FROM THE DIRECTOR**

(Prepared by the GEF Evaluation Office)

Recommended Council Decision

The Council, having reviewed document GEF/ME/C.43/01, *GEF Evaluation Office: Progress Report from the Director*, takes note of the on-going work of the Office and the preparations for the Fifth Overall Performance Study of the GEF, and requests the Secretariat to include a Management Response to the recommendations of the Fifth Overall Performance Study in the documents for negotiation of the sixth replenishment of the GEF.

EXECUTIVE SUMMARY

1. The Progress Report of the Director is meant to provide the Council with important information on on-going work, on top of the other reports that are presented to this Council meeting, i.e. the fifth Annual Report on Impact and the second Annual Thematic Evaluations Report. The Annual Report on Impact contains the main findings and recommendations emerging from the impact evaluation of the GEF's support to the South China Sea, whereas the Annual Thematic Evaluations Report provides the same regarding the Focal Area Strategies Evaluation.

2. In preparation for OPS5 the Evaluation Office has participated in a workshop in Paris on "comprehensive evaluations", focused on assessing the achievements and performance of international organizations. Many of the issues raised in Paris will potentially enrich OPS5, but one issue is raised with Council in this report: in the past ten years all comprehensive evaluations **except** the Overall Performance Studies of the GEF have received management responses, to enable the governing bodies to take decisions on the basis of both evaluation findings and recommendations and the response of management to these findings and recommendations.

3. The lack of a management response does not signify that the GEF has not used and recognized the evaluation findings and recommendations emerging from Overall Performance Studies. However, currently the exact way in which findings and recommendations are decided upon is not transparent. The final document of the GEF-5 replenishment negotiations has just one paragraph which informs the Council on how OPS4 findings and recommendations were taken into account. It is proposed that a management response would be introduced for OPS5. The first report of OPS5, which will be delivered to the first or second meeting of the replenishment, and a subsequent Council meeting, would be accompanied by a management response. Furthermore, it is proposed that the final report of OPS5 is accompanied by a management response. The Council is invited to request the Secretariat to prepare these management responses in collaboration with the GEF Agencies.

4. Lastly, this report contains overviews of on-going work in the country portfolio evaluation and performance streams. It informs the Council on the second phase of the community of practice "Climate-Eval", which is hosted by the GEF Evaluation Office.

INTRODUCTION

5. The Progress Report of the Director is meant to provide the Council with important information on on-going work. As such this report will not contain a full overview of all activities of the Evaluation Office, but focus on a few issues that require the Council's attention, on top of the other reports that are presented to this Council meeting, i.e. the fifth Annual Report on Impact and the second Annual Thematic Evaluations Report. The Annual Report on Impact contains the main findings and recommendations emerging from the impact evaluation of the GEF's support to the South China Sea, whereas the Annual Thematic Evaluations Report provides the same regarding the Focal Area Strategies Evaluation. This means that this report will focus on on-going work in the two remaining evaluation streams on Country Portfolios and on Performance. Lastly it notes the promising developments in the global community of practice "Climate-Eval" which is hosted by the GEF Evaluation Office.

6. The work for OPS5 has started up and is taking shape in a satisfactory way. The timing of the work remains difficult as the replenishment schedule is not yet established. The first meeting of the replenishment may focus mostly on planning the process and establishing the schedule of meetings and when particular inputs are expected. If this would be the case, it seems most appropriate to deliver the first report of OPS5 to the second meeting of the replenishment, when substantive issues will be discussed for the first time. In this report the issue of international best practices and standards regarding "comprehensive" evaluations such as OPS5 is raised with the Council, leading to the proposal to include a management response to the findings and recommendations of the first and the final report of OPS5 in the replenishment negotiations and the discussions in Council on OPS5.

OPS5 AND THE COMPREHENSIVE EVALUATIONS INITIATIVE

7. In the previous progress report, presented to the Council in November 2011, an initiative of several multilateral evaluation offices to look at lessons learned from "comprehensive evaluations" was highlighted as an important input in preparing for OPS5. These comprehensive evaluations aim to provide an overview of the results, achievements and performance of the organization at which they are looking. Major comprehensive evaluations have focused on IFAD, FAO, the Global Fund to fight Aids, Tuberculosis and Malaria, and several other international and multilateral organizations and funds. The Overall Performance Studies of the GEF are also considered to be "comprehensive" in their approach to study the achievements and performance of the GEF.

8. The approach paper for OPS5 placed the involvement of the GEF Evaluation Office in this initiative as a means for the Office to ensure that the design, management and implementation of OPS5 would take place according to best international standards and practices. The terms of reference of OPS5, approved by the Council at its meeting in June 2012, refer to a workshop in Paris in which lessons from several case studies would be discussed, which should lead to the identification of best practices. These could then be incorporated into the second phase work of OPS5 when undertaking the special

studies that will be included in the final report. The terms of reference of OPS5 divulge that the Office will report on this workshop and its conclusions in this Progress Report of the Director.

9. The workshop in Paris took place on June 14 and 15, 2012 at UNESCO, with the participation of the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the Global Fund for Aids, Tuberculosis and Malaria, and the Swedish Agency for Development Evaluations (SADEV), as well as representatives of the OECD, the evaluation networks DAC Evalnet, UNEG and ECG and professional evaluators involved in comprehensive evaluations. The aim of the workshop was to assess how to improve methods and approaches used in comprehensive evaluations.

10. Drawing generic lessons from comprehensive evaluations is not straightforward, and the workshop did not lead to immediate identification of best practices, as organizations differ in mandate, organizational structure and modalities of operation. Nevertheless several areas for possible improvements of comprehensive evaluations were identified, as well as further work that would need to be done. The workshop was based on an overview study of comprehensive evaluations, as well as five case studies, and a study of bilateral assessments of multilateral effectiveness. The issues raised and the further identification of lessons learned needs to be brought forward to the professional evaluation networks: DAC Evalnet, the UN Evaluation Group and the Evaluation Cooperation Group of the Banks. The next step in this initiative will be to inform and brief two of these networks (DAC and ECG) at the end of November in Paris.

11. Of immediate relevance to the GEF and OPS5 was the finding in Paris at the June 2012 workshop that all comprehensive evaluations **except** the Overall Performance Studies of the GEF receive management responses, to enable the governing bodies to take decisions on the basis of both evaluation findings and recommendations and the response of management to these findings and recommendations. The workshop clearly identified a management response to a comprehensive evaluation as an international standard and best practice, to which at this moment in time only the GEF does not adhere.

12. This does not mean that the GEF has not recognized the evaluation findings and recommendations emerging in Overall Performance Studies. It is clear that Overall Performance Studies play an important role in the replenishment process and as working documents of the Council and of the Assembly are important documents for the GEF. However, currently the exact way in which findings and recommendations are decided upon is not transparent. The final document of the replenishment negotiations, dated May 17, 2010 (GEF/C.37/3) contains one paragraph (no. 7) which informs the Council on how OPS4 findings and recommendations were taken into account. This paragraph is copied below.

“Participants reviewed the Fourth Overall Performance Study of the Global Environment Facility (OPS4), an independent evaluation of the operations of the GEF during the fourth replenishment period. The Fourth Overall Performance Study of the GEF (OPS4) concluded that the GEF had delivered positive results, but that the length of the

project cycle and the resource allocation framework continued to be of concern. Participants broadly agreed with the findings, and highlighted a number of issues for continued attention in GEF programming and policy direction, including: i) the need to reinforce country ownership; ii) benchmarking, measuring, and reporting actual impacts and outcomes; iii) further streamlining the project cycle; iv) integrating gender and social issues throughout the project cycle; v) resource allocation for LDCs, small island states, and fragile states; vi) the need to define under-funding as it relates to the GEF; and vii) greater involvement of the private sector and CSOs in GEF programs.”

13. Although the contribution of the Overall Performance Studies to the replenishment processes was recognized at the Paris workshop, it was also highlighted that it was difficult to trace the specific contribution of OPS4 due to the lack of a management response and corresponding decisions of the Council and/or the replenishment negotiators.

14. There is a historical reason for the lack of a management response. The GEF was the first international organization to establish a series of independent overall performance studies to evaluate its achievements and performance. At the time the first overall performance study took place, management responses had not yet become an institutional requirement and internationally accepted practice. In the GEF management responses became an obligatory part of the evaluation function in the GEF with the adoption of the GEF Monitoring and Evaluation policy in 2006. However, at that moment in time the overall performance studies were dealt with separately. OPS3 was still outsourced to an independent external consultancy firm. OPS4 was the first overall performance study undertaken by the independent GEF Evaluation Office.

15. The fifth Overall Performance Study would be the first for which a management response could be prepared. It is proposed that the first report of OPS5, which will be delivered to the first or second meeting of the replenishment, and a subsequent Council meeting, would be accompanied by a management response. Furthermore, it is proposed that the final report of OPS5 also is accompanied by a management response. The Council is invited to request the Secretariat to prepare these management responses in collaboration with the GEF Agencies.

COUNTRY PORTFOLIO EVALUATIONS

16. The work in the Country Portfolio Evaluations stream is proceeding as planned and agreed upon by Council in June 2012. The Office continues to implement the multi-annual CPE cycle. During the GEF-5 period, Country Portfolio Evaluations (CPEs) and Country Portfolio Studies (CPSs) are being planned and implemented consecutively in the Asia and Pacific region with two CPEs in India and Sri Lanka as well as one CPE of regional projects coordinated by SPREP (Secretariat of the Pacific Regional Environmental Programme) and of the GEF portfolio in Vanuatu. Together with the Timor Leste CPS conducted earlier this year, these evaluations will provide coverage of the Asia-Pacific region.

17. The Sri Lanka CPE is the first to be undertaken jointly with the country concerned. It was possible to agree upon an arrangement which guarantees the independence of the evaluation. A Joint Steering Committee has been established with the Sri Lankan Ministry of Finance and Planning. The evaluation itself will be undertaken by an independent team of Sri Lankan evaluators. Products of the evaluation will receive professional peer reviews from a panel composed of internationally recognized members of the Sri Lankan Evaluation Association. On top of this, the GEF Evaluation Office will provide its own quality assurance to ensure that the evaluation meets the expectation of the government of Sri Lanka and of the GEF Council.

18. Work has also started in the Sub Saharan African region with a first CPE in Tanzania. Two more CPEs and one CPS are planned throughout the region, to be completed by December 2013. Parallel to that, the evaluation reports of the evaluations in the LAC region are in the finalization stage: the GEF Brazil CPE report is available on the GEF Evaluation Office web site; the GEF Cuba CPE report will be completed by mid-November 2012. Additional CPSs will be conducted where possible and will add to the evaluative coverage of GEF support throughout all the GEF geographical regions.

19. Work has continued on the development and refinement of methods, tools and guidelines for country level evaluations. This includes the outlines for conducting the Global Environmental Benefits Assessment report and the Country Environmental Legal Framework report, the Interview Guides and the Project Review Protocol template and guidelines, available online in the GEF Evaluation Office CPEs' website. In addition to that, the standard TORs for both CPEs and CPSs are being revised taking stock from the results of the meta-evaluation of CPEs conducted in FY11. Finally, research work and analysis is being conducted on the Office's experience in applying the triangulation procedure elaborated by the Office and consistently used in CPEs (case studies come from the Turkey, Brazil and OECS CPEs, amongst others). The objective is to enrich the triangulation guidelines with concrete case studies on its application. It is expected that this effort will benefit the conduct of the 5th Overall Performance Study. Based on the results of this effort the Office will explore the possibility of producing an article on its experience in applying triangulation in CPEs for publication in an evaluation peer review journal, with the objective to share the Office's experience with triangulation analysis with the wider international evaluation community.

PERFORMANCE EVALUATIONS

20. The Evaluation Office has started to prepare the Annual Performance Report (APR) 2012, the mid-term review of the System for Transparent Allocation of Resources (STAR), and the mid-term review of the National Portfolio Formulation Exercise (NPFE). The approach papers for the APR and for the mid-term reviews are presently under preparation and would be available by end of November 2012. The Office is presently working with the agencies on revision of the guidelines for conducting terminal evaluations for full size and medium size projects.

21. The APR 2012 will present independent assessments on project outcomes and risks to progress to impact, factors affecting attainment of project results, and quality of monitoring and evaluation arrangements. The analysis presented in the APR 2012 would

primarily be based on the terminal evaluation reports completed during fiscal year 2012. The APR 2012 will also include progress on the mid-term reviews.

22. A key change in the methodology for APR2012 is the shift from assessment of “risk to sustainability” to “risk to progress to impact.” This change is informed by the work done by the Office on the assessment of “progress to impact”. While assessment of “risks to sustainability” provided information on the risks that may prevent project benefits to continue in future, it did not adequately capture the risks that may prevent progress to intended long term environmental impacts. The shift to assessment of “risks to progress to impact” allows the Office to address this gap.

23. The mid-term review of the STAR will examine the progress of STAR’s design and its implementation. More specifically it will assess: the extent to which the STAR’s design facilitates maximum impact of scarce GEF resources; the extent to which the STAR is promoting transparency and predictability in allocation of GEF resources and enhancing country driven approaches; the level of flexibility that has been provided by the STAR in allocation of GEF resources and its effect on resource utilization; and the quality of implementation of STAR. To assess the quality of STAR design, expert panels on specific topic will be constituted. A detailed analysis of GEF portfolio and statistical modeling will be undertaken to report on patterns in resource allocation to countries and actual utilization. Information on stakeholder perspectives would be gathered through interviews, discussions, and online surveys. The review is expected to be completed by June 2013.

24. The mid-term review of NPFE will assess the effectiveness of this initiative, which is being funded by the GEF following the direct access approach. The review would assess the effectiveness of the initiative in helping countries identify and develop projects that are aligned with both the national priorities and GEF’s focal area strategies, and in helping countries plan for utilization of their respective GEF resource allocations. The review will also assess the extent to which these exercises have been conducted while following the principles of transparency and inclusiveness. The experiences with direct access may also lead into an inquiry into the support provided to communications to the conventions, which have used this modality as well. The review would draw on desk reviews of the NPFE reports, interviews and online survey.

25. There are several issues that would be addressed by both the mid-term review of STAR and the mid-term review of NPFEs. For example, NPFE implementation may have a bearing on how STAR is implemented. The Office will identify these linkages to facilitate real time sharing of resources and information between the two reviews. The NPFE review is expected to be completed by June 2013.

COMMUNITY OF PRACTICE “CLIMATE-EVAL”

26. The GEF Evaluation Office hosts the global community of practice “Climate-Eval”, which currently has almost 2,000 registered members and has developed partnerships with regional communities of practice as well as knowledge networks and platforms on climate change issues. Through “Climate-Eval”, evaluators around the world have access to a web based tool that functions as a place for evaluators to share

good practices in evaluation and to develop appropriate tools and methods to evaluate climate and development issues. Other achievements are the book “Evaluating Climate Change and Development”; an electronic library with nearly 500 studies, and papers on “Meta-Evaluation of mitigations evaluations”, “Frameworks for adaptation”, “Guidelines for mitigation evaluation” and “Best practices on indicators”.

27. The first phase of the support of GEF, Switzerland and Sweden to this community of practice has recently ended. For continuation of this important work, the Special Initiative Trust Fund of the Evaluation Office, approved by the GEF Council in 2006, has been extended to accommodate a Second Phase of Climate-Eval, as well as other special initiatives of the Office. During this new phase, several themes will be considered, among them: the introduction of the topic on Sustainable Natural Resource Management; meetings and workshops; as well as the development of new strategic partnerships. Currently Denmark, Sweden and the UK intend to provide voluntary support to the second phase of Climate-Eval.