



**Global Environment Facility  
Evaluation Office**

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***Response of the GEF to the  
Peer Review of the GEF Evaluation Function***

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***Introduction***

The GEF is replenished by donors every four years. All replenishments have been informed by overall performance studies, which provided an independent assessment of the achievements of the GEF up to the time of the study. The GEF Council asked the GEF Evaluation Office to undertake the Fourth Overall Performance Study (OPS4), which will be an important information document for the fifth replenishment of the GEF.

One of the key questions of OPS4 is on the implementation of the GEF Monitoring and Evaluation Policy that was approved by Council in February 2006. The evaluation part of it, especially the role and performance of the GEF Evaluation Office, has been independently assessed by a professional peer review panel to avoid conflict of interest. The peer review panel was composed of internationally recognized members who followed a framework that has been adopted in the three professional evaluation communities (OECD/DAC Evaluation Network, UN Evaluation Group, and Evaluation Cooperation Group of the International Financial Institutions). The peer review of the GEF evaluation function was conducted between August 2008 and May 2009.

***GEF Council decision on the peer review***

Both the Peer Review report itself and its Executive Summary were presented to the GEF Council on June 22, 2009. The full report was available as an information document, whereas the Council discussion focused on the working document GEF/ME/C.35/3 *GEF Evaluation Office: Peer Review of the GEF Evaluation Function*, which contained a proposed Council decision, the executive summary of the peer review report and the response of the GEF Evaluation Office on behalf of the GEF partners and agencies on the peer review.

Mrs. Caroline Heider, Director of the Evaluation Office of the World Food Programme, and one of the peer panel members, presented the peer review to the Council. Mr. Rob D. van den Berg, Director of the GEF Evaluation Office, presented the response. The GEF Council discussed the peer review document and took the following decision:

*The Council, having reviewed document GEF/ME/C.35/3, Peer Review of the GEF Evaluation Function, requested the Evaluation Office to take the findings and recommendations of the peer review, as well as comments made*

*during the Council meeting, into account when preparing a revision of the GEF Monitoring and Evaluation Policy, to be presented to Council at its meeting in the second half of 2010. Furthermore, the main findings, conclusions and recommendations of the peer review should be incorporated in the Fourth Overall Performance Study of the GEF.*

***Response of the GEF Evaluation Office, also on behalf of the Secretariat and GEF agencies***

The GEF Evaluation Office has been tasked by the GEF Council to implement the GEF Monitoring and Evaluation Policy, which was approved by Council in February 2006. Furthermore, the Policy states that any proposals for change of the Policy will be presented to the Council by the Evaluation Office. The peer review has implications for the Policy and thus the Response to the peer review has been coordinated by the Evaluation Office.

In general the Office has a positive assessment of the peer review report. It comes to a strong conclusion on the independence of the office, provides evidence that evaluation reports are seen as credible and especially highlights the utility of reports for the Council. The issues that are identified that will be a challenge in the next phase of the GEF, such as improved consultation on the work program, early country involvement in country level evaluations and improved utility and feedback at other levels than the Council, as well as work load of staff, are recognized by the Office and the peer review report will help us move forward on these issues.

The Work Program for the Evaluation Office for the next fiscal year includes a proposal to start up a consultative process with the GEF Secretariat (with a special responsibility for monitoring issues), the GEF Agencies, STAP and the NGO Network on a revision of the GEF monitoring and evaluation policy, our work procedures, methodologies, budget proposals, in order to incorporate the lessons learned from the GEF-4 period, OPS4 and the peer review report and ensure that the Policy follows clearly identified benchmarks and best international practice. This proposal will address the issue of enhanced consultation with stakeholders on the work plan of the office as promoted by the peer review panel.

On credibility, the peer review panel finds that limitation of fieldwork is not an adequate way to cope with budget constraints. The Evaluation Office fully agrees and would like to point out that in many evaluations fieldwork has increased while remaining within budgetary limits. Overall, the Evaluation Office has done field work in more than 55 countries in the past four years and thus considers itself well grounded in the reality of GEF programs and projects. A particular challenge is to find the right balance between the involvement of staff of the Office in fieldwork and the involvement of consultants.

The Evaluation Office does not have the budget to fully incorporate all of the recommendations of the peer review panel, especially on improved feedback to other levels than the Council, on enhanced interaction with national governments and local communities. This should be taken into account in the process of revision of the GEF Monitoring and Evaluation Policy. The peer review panel notes that the regular budget of the Office has increased with more than 50% over the past five years. However, after discussions with Council it was decided to include the Overall Performance Study and any Special Initiatives into the regular budget of the Office. Therefore the increase in the regular budget needs to be related to the old regular budget plus the costs of

OPS3 and special initiatives. The table below shows that the overall costs for corporate evaluations in the GEF has more or less remained the same over the last five years and has not kept up with inflation and the lower value of the US dollar.

<b>GEF Evaluation Office</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Regular Budget</b>	\$2,321,000	\$2,821,975	\$2,906,634	\$3,793,365	\$3,907,167
<b>Special Initiatives &amp; OPS3</b>	\$1,575,502	\$1,136,358	\$641,317	\$57,747	\$0
<b>Total</b>	\$3,896,502	\$3,958,333	\$3,547,951	\$3,851,112	\$3,907,167
<b>(%) Increase/decrease over previous fiscal year</b>		1.59%	-10.37%	8.54%	1.46%

Furthermore, the peer review notes that a substantial part of the administrative budget of the GEF is allocated to the GEF Evaluation Office. This is not so much a reflection on the budget of the Office as a reflection on the administrative budget of the GEF, which is relatively very low compared to other international organizations and funds. More importantly, this is not a correct comparison. The international best practice is to compare evaluation budgets of central evaluation units to the overall commitments or budgets of the organization or fund. Most recently FAO decided to allocate an amount between 0.8 and 1.0 % of its operational budget to its evaluation office, referring to best international practice for organizations like the FAO. In many international financial institutions the budgets of the central evaluation units are in the range of 0.1-0.2 % of the overall budgets of the institutions. In the case of the (current) fourth replenishment period of the GEF the overall budget of the Evaluation Office for that period amounts to 0.5 % of the overall budget of GEF-4. This seems reasonable, given the fact that the GEF operates both through the UN (which has a higher norm) and the IFIs (which have a lower norm).

On the short time period for the management response we would like to point out that the Office always has meetings with the main stakeholders on preliminary findings and emerging issues. In the case of Country Portfolio Evaluations these take the form of workshops in which all partners in the GEF are invited. Other evaluations also often have final workshops in which findings are presented. The RAF mid-term review is a case in point: the preliminary findings of that evaluation were presented to the GEF Secretariat on August 28, 2008 and to an interagency meeting on September 11, 2008. Often these workshops take place well before the Council meeting. They allow the Secretariat and the Agencies to prepare for a management response. The peer review report does not recognize this process.

The main text of the peer review report is detailed in its descriptions of the issues that the Panel encountered during its visits to Washington, New York, Nairobi and Manila. Although the Panel has based the report on a solid desk review of many of the Evaluation Office's products, the limited basis of the field work of the Panel has led to inclusion of statements in the final report on which we disagree. The Evaluation Office also notes that none of the earlier peer reviews of the evaluation functions in UNDP, UNICEF, WFP, and OIOS have provided such detailed comments. Nevertheless, the Evaluation Office feels that even though the peer review panel has not always properly identified the trees, it gives a good description of the forest. Some misrepresentation may have resulted, but it is not serious. For example, the Evaluation Office feels that it has made a strong effort to engage with all GEF stakeholders when preparing the

approach papers and terms of reference for the RAF mid-term review and for the Fourth Overall Performance Study of the GEF. Draft approach papers, proposed key questions and draft terms of reference were posted on the website and extensively discussed in various meetings, including several sub-regional meetings of GEF focal points. This should provide some counterpoint to the finding of the Panel that the Office insufficiently consults with stakeholders on how it sets up its evaluations.

The GEF Evaluation Office would like to express its sincere gratitude to the peer review panel which has spent so much time and energy to understand the role of evaluation in the Global Environment Facility. The peer review report should enrich the GEF Monitoring and Evaluation Policy and lead to improved monitoring and evaluation in GEF-5.