



# Global Environment Facility

GEF/C.23/4  
April 20, 2004

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GEF Council  
May 19-21, 2004

Agenda Item 7

## TERMS OF REFERENCE FOR THE THIRD OVERALL PERFORMANCE STUDY OF THE GEF

**Recommended Council Decision**

The Council, having reviewed GEF/C.23/4, *Terms of Reference for the third Overall Performance Study of the GEF*, approves the terms of reference, subject to comments made at the Council meeting. The Council also approves US\$2,035,605 to be included in the budget of the independent monitoring and evaluation unit to cover the costs of OPS3.

1. At its meeting in November 2003, the Council agreed, after having reviewed a proposal for the preparation of the Third Study of GEF's Overall Performance (OPS3),

“that the study should be prepared by an independent team of evaluators as was done for OPS1 and OPS2. The Council also agree[d] that the terms of reference for OPS3 should be concluded as early as possible in 2004 and should include information on the process for selecting the independent team of evaluators and on how the study should be conducted. The Council welcome[d] the offer of the Council Member from Canada to take a lead in preparing the terms of reference. The Canadian Council Member [was] requested to consult with the other Council Members, the GEF monitoring and evaluation unit, and the GEF Secretariat in carrying out this task. The Council request[ed] the Secretariat to circulate the proposed terms of reference to all Council Members for approval by mail by February 1, 2004.”

2. On February 6, 2004, the GEF CEO and Chairman circulated to all Council Members for approval the proposed Terms of Reference for OPS3 (TORs). The TORs had been developed by the Canadian Council Member based on an initial consultation with Members in early December 2003. A draft document had been circulated at the beginning of January, and comments received on the draft were then integrated into the proposed TORs.

3. In response to the decision proposed in the letter of February 6, 2004, to approve the TORs, three Council Members indicated that they could not support the decision. Consequently, in accordance with paragraph 45 of the Rules of Procedure of the Council, the CEO and Chairman included consideration of the TORs as an item on the agenda of this Council meeting.

4. This note includes:

- (a) the text of the proposed TORs prepared by the Canadian Council Member and circulated for approval on February 6, 2004; and
- (b) a copy of the letter from the CEO and Chairman of the GEF dated March 4, 2004, informing the Council that the decision had not been approved.

5. The Council is invited to consider the proposed TORs with a view to reaching a consensus on their approval.

**TERMS OF REFERENCE FOR  
THE THIRD OVERALL PERFORMANCE STUDY (OPS3)  
OF THE GLOBAL ENVIRONMENT FACILITY**

**February 6, 2004**

**Introduction to the GEF**

1. The mission of the GEF as presented in the Instrument for the Establishment of the Restructured GEF and as amended by the Second GEF Assembly is:

*The GEF shall operate, on the basis of collaboration and partnership among the Implementing Agencies, as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: climate change, biological diversity, international waters, ozone layer depletion, land degradation, primarily desertification and deforestation, and persistent organic pollutants (POPs).*

2. The GEF is governed by the GEF Council, which is serviced by the GEF Secretariat. It has three GEF Implementing Agencies (UNEP, UNDP, the World Bank), seven Executing Agencies<sup>1</sup>, and a Scientific and Technical Advisory Panel (STAP). The GEF works in close collaboration with national governments and also cooperates with NGOs, civil society and the private sector.
3. The GEF is a financial mechanism for the UN Convention on Biological Diversity, the UN Framework Convention on Climate Change, the Stockholm Convention on Persistent Organic Pollutants and the UN Convention on Desertification.
4. During its first decade, the GEF has provided about \$4.5 billion in funding for almost 1,200 projects in more than 140 countries. The Third Replenishment of the GEF Trust Fund provided an additional \$3 billion for the period July 2002 – June 2006, the third phase of the GEF (GEF3), and is tied to an agreement on a set of policy recommendations including a set of targets to be achieved by November 2004.
5. The Global Environment Facility (GEF) underwent an independent evaluation of its Pilot Phase in 1993. Overall evaluations of the restructured GEF were conducted in 1997 and 2001. All of these evaluations contributed to the decision-making processes of the GEF Replenishment and Assembly. The GEF Council has decided that a Third Overall Performance Study (OPS3) of

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<sup>1</sup> The Executing Agencies comprise the four major regional development banks (the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank) and three specialized agencies (the International Fund for Agricultural Development (IFAD), the Food and Agriculture Organization of the United Nations (FAO), and the United Nations Industrial Development Organization (UNIDO).

the GEF should be independent and external, and that it should be completed in time to inform negotiations of the Fourth GEF Replenishment of Funds expected to begin in 2005.

### **Objectives of OPS3**

6. The purpose of the Third Study of GEF's Overall Performance (OPS3) is to assess the extent to which GEF has achieved, or is on its way towards achieving its main objectives, as laid down in the GEF Instrument and subsequent decisions by the GEF Council and the Assembly, including key documents such as the Operational Strategy and the Policy Recommendations agreed as part of the Third Replenishment of the GEF Trust Fund. As the portfolio continues to mature, OPS3 will focus more than its predecessors on program and project outcomes, the sustainability and replicability of those outcomes and the move towards impacts. There are five main topics for the study, namely:

- a) *Operational and Program Results*<sup>2</sup>: What have been the quantitative and qualitative impacts and results of GEF activities at the local, regional and global level in the areas of biodiversity, climate change, international waters and ozone depletion? If impacts and other results are not quantifiable, what are the reasons? Do projects developed under the new focal areas of land degradation and persistent organic pollutants reflect global priorities? What are the key factors that have contributed to the achievement of global environmental benefits? Historically, how have GEF resources been allocated geographically and is this allocation consistent with strategic priorities?
- b) *Sustainability of Results*: To what extent have desired global environmental benefits continued following completion of GEF projects? What are the key factors that determine the sustainability of GEF projects? To what extent do country ownership, stakeholder involvement in project development and execution and the generation of local benefits improve the sustainability of activities supported through the GEF?
- c) *Effects of GEF Operations on other institutions and related issues*: How successful has the GEF been in fulfilling its catalytic role by leveraging additional resources, catalyzing results by innovation, demonstration and replication, fostering international co-operation on environmental issues, mainstreaming environmental issues into partner institutions and involving the private sector in both projects and co-financing? What are the key areas that lead to catalytic impacts and what issues need to be addressed to improve catalytic impacts?
- d) *Effects of GEF's Institutional Structure and Procedures on Results*: Are the GEF entities – the Implementing and Executing Agencies, the GEF Secretariat, the STAP and the Trustee – performing their respective functions in a satisfactory, cost-effective and responsive manner? Are there conclusions that can be drawn with respect to cost-

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<sup>2</sup> Results are defined as the outputs, outcomes and impacts achieved by the implementation of projects and programs. These should include the assessment of both positive and negative outputs, outcomes and impacts that are both intended and unintended.

effectiveness and responsiveness of the GEF projects in comparison to similar international institutions? Are GEF's policies and programs adequately responding to the objectives of the Conventions to which it serves as a financial mechanism? Is the GEF's composition, structure and division of roles and responsibilities effective in meeting its mandate and operations? Are the GEF Secretariat and its partner agencies effectively responding to national priorities? Is the GEF taking into account the varying capacities of countries including for example small island developing states (SIDS), least developed countries (LDCs), emerging economies? How effective has the M & E Unit been and how effective has the process of monitoring and evaluation been?

- e) *Effects of GEF Implementation Processes*: What are the factors that influence performance at all stages of the GEF project cycle? Have lessons learned and feedback been adequately integrated into project design and implementation? What progress has been made on the implementation of key policy recommendations from Council?

7. Specifically, the Study will: (a) provide an overall assessment of the impacts and other results achieved since the GEF restructuring in 1994 till June 2004; (b) assess the effectiveness of GEF policies, strategies and programs; (d) examine the main factors influencing the achievement of GEF objectives and consider possible shortcomings to the achievement of objectives (e) draw key lessons and provide clear and actionable recommendations to the GEF Council on how to render GEF support more effective in contributing to global environmental benefits.

8. The Study will also focus on GEF's performance in implementing the GEF Operational Strategy, notably its ten operational principles listed in the GEF Operational Strategy, as well as their continued relevance to the development and implementation of GEF's programs. The study will also review and evaluate the effectiveness of instruments of assistance e.g small grants program etc...

### **Scope and Focus of OPS3**

9. The scope of OPS3 will cover five main themes:

#### **(1) Results of the GEF activities. The OPS 3 team will:**

- a) Assess both the quantitative and qualitative environmental impacts and other results at local, regional and global levels as well as other results from completed and on-going GEF efforts in biodiversity, climate change and international waters, including progress made towards achieving GEF3 targets<sup>3</sup> by projects approved since July 2002. To the extent the impacts are not quantifiable, the study will explain why e.g. inadequate project design, inadequate baseline data.

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<sup>3</sup> GEF3 targets were presented in GEF/C.21/Inf.11.

- b) Regarding the two new GEF focal areas - land degradation and persistent organic pollutants (POPs) - review initial steps and assess to what extent GEF projects reflect global priorities for action in these two areas.
- c) With reference to the GEF M&E Unit's ozone study in the year 2000<sup>4</sup>, provide an update on performance and impact with regard to the phase-out of ozone depleting substances.
- d) Identify key factors that influence the achievement of results, such as policy frameworks, strategies, institutional capacities, and implementation issues.

**(2) Sustainability of results at country level. The OPS3 team will:**

- a) Assess the extent to which global environmental benefits from GEF projects have or are likely to continue after project completion. The analysis should be done for each focal area.
- b) Identify the key factors that determine sustainability, whether they are of a financial, economic, social, ecological, institutional or other nature, and review their effects on GEF performance.

**(3) GEF as a catalytic institution. The OPS3 team will:**

- a) Assess the performance of the GEF in fulfilling its catalytic role in each focal area by: (a) leveraging additional financial resources from the public and private sectors; (b) catalyzing results by innovation, demonstration and replication; (c) fostering international cooperation on environmental issues; and (d) leading to the mainstreaming of global environmental issues into the operations of Implementing Agencies, Executing Agencies and the policies and programs of national governments.
- b) Identify key areas and/or issues related to potential catalytic impacts and analyze how GEF has acted or positioned itself in response to such opportunities.

**(4) GEF policies, institutional structure and partnerships. The OPS3 team will:**

- a) Evaluate whether GEF policies and programs are adequately responding to the objectives and guidance the Conventions to which GEF is a financial mechanism.
- b) Assess the performance and cost-effectiveness of GEF Implementing and Executing Agencies in project design, approval and implementation, as well as the delivery of GEF corporate services by the Implementing Agencies.
- c) Assess whether GEF's current composition, structure, division of roles and responsibilities are effective for meeting its mandate and operations.

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<sup>4</sup> Study of Impact of GEF Activities on Phase-Out of Ozone Depleting Substances (GEF Evaluation Report #1-00).

- d) Assess how the cooperation among the GEF entities – the GEF Secretariat, Implementing and Executing Agencies, STAP and the Trustee – impact on the development of the GEF portfolio and its results. Also consider the effectiveness of communication and information dissemination between or among entities and stakeholders, including the Conventions to which it is a financial mechanism
- e) Assess the follow-up of Council decisions by the GEF Secretariat as well as the Implementing and Executing Agencies.
- f) Assess the extent to which the GEF Secretariat and its Implementing and Executing Agencies are responsive to national priorities and GEF strategies and the extent to which they are effective in mobilizing co-financing and mainstreaming GEF objectives and operations within their own development assistance programs.
- g) Review the effectiveness of the GEF strategies, outreach activities and dialogue with different stakeholders to build partnerships and catalytic action for global environmental benefits. Focus should be given to evaluating the participation of the private sector, civil society and local communities as well as recommending ways to improve upon this participation. Gender issues should be addressed in this context.
- h) Assess how the cooperation amongst GEF entities at the country level impact on the development and implementation of country portfolios.
- i) Assess the effectiveness of the Monitoring and Evaluation Unit both as an institution and in terms of its processes.

**(5) GEF implementation processes. The OPS3 team will:**

- a) Review the factors and strategies that influence performance and results at the three main phases of the project cycle: (a) project design and approval; (b) implementation; and (c) monitoring and evaluation. Wherever relevant and possible, the study should distinguish among various types of recipient countries e.g. emerging market economies, small island developing states (SIDS) and LDCs.
- b) Assess whether lessons learned and feedback from Council members have been adequately integrated into project design and implementation. The review should seek to recommend ways to simplify, standardize and render the process more effective. Particular attention should be paid to evaluating the capacity of countries to develop and implement GEF projects.
- c) Assess the progress made on the implementation of the Policy Recommendations Agreed as Part of the Third Replenishment of the GEF Trust Fund.



### **Execution of the Study and Stakeholder Involvement**

10. The Third Study of the GEF's Overall Performance (OPS3) will be undertaken from May-June 2004 through April 2005 by an independent and external team of experts.<sup>5</sup>

11. The work of the Global Environment Facility involves a range of stakeholders. Stakeholder participation is one of the key GEF review criteria of performance. Accordingly, the OPS3 Team will consult with the GEF Secretariat, the GEF M&E Unit, Implementing and Executing Agencies, GEF member countries, the Trustee, STAP, the Secretariats of the Conventions for which GEF serves as a financial mechanism, direct beneficiaries of GEF projects as well as some of the agencies co-financing GEF projects and programs. Other key partners, such as the private sector and the NGO community, will also be consulted.

12. The team will function in an inclusive and open manner. To help ensure transparency and good communication, the Team will propose appropriate mechanisms for stakeholder involvement, consultations and cooperation with the key partners. Such mechanisms may include consultations in conjunction with Council Meetings and appropriate international or regional environmental meetings; regional or local events, and public information through electronic or other means.

13. In preparation for OPS3, the GEF M&E Unit is implementing program studies in the three main GEF focal areas of biodiversity, climate change and international waters. In addition, the Unit has also conducted annual project performance reviews, several special studies, including the extensive analysis of local benefits of GEF projects and of financial arrangements of biodiversity projects. The program studies and the special studies will be conducted by teams of independent consultants and staff members from the GEF M&E Unit. The OPS3 team will review the existing body of work of the M & E Unit and the lessons it has generated, consider the usefulness of this material to establish the status of the current portfolio and determine the need for additional activities including data collection and analysis, desk reviews and field work. The lessons learned from analysis of existing documents should also guide the extent to which additional activities need to be undertaken in order to fill gaps in current knowledge.

### **OPS3 Team**

14. The composition of the Study Team, with 6 - 9 members<sup>6</sup>, should reflect the independence and the substantive focus of the exercise. The Study will be undertaken by a firm or consortium of firms which is internationally recognized in evaluation assessment work, has a strong reputation and experience in international development, has a substantial track record in undertaking complex assignments, and can demonstrate it has no conflict of interest (para. 16, below). The firm or consortium will be expected to have a qualified senior member/partner that

<sup>5</sup> This is in accordance with GEF M&E Unit's TORs approved by Council: OPSs are external and managed by the Unit.

<sup>6</sup> The estimated inputs in the budget are full-time for the team leader and 5 person-months for the five additional study team consultants between June 2004 and May 2005.

would oversee the work of the study team, liaise regularly with the GEF M&E Director, and ensure the timely delivery of the contracted products by the Study Team. The composition of the Study Team, with 6 principal members, should reflect the independence and the substantive focus of the exercise.

In accordance with the scope of the Study, the Team composition should reflect:

- Strong competence in evaluation, especially in techniques appropriate for organizational performance evaluations, program or thematic evaluations;
- Expertise in global environment and sustainable development,<sup>7</sup> ;
- Competence in related aspects of policy analysis, economic and social development;
- Financial expertise;
- Institutional and organizational expertise; and
- Knowledge of project management approaches of international development assistance, in order to contextualize the analysis and assess project contributions.

The Team Leader must be a senior professional with substantial and relevant international experience in evaluation assessment, must have a demonstrated capacity and experience in strategic thinking and policy advice, in evaluation of complex programs and in team leadership.

15. All team members and consultants will be chosen on the basis of merit. In composing the team and conducting the study, consideration will also be given to geographical and gender balance as well as the involvement of local and regional consultants to enhance the quality of the study. The team members will be involved for the entire duration of the study. The minimum qualifications and expertise required from each team member are:

- Masters degree or equivalent in natural or social sciences or related fields,
- Minimum of 10 years of experience in evaluation, research, environment and development; at least 15 years of experience for the Team Leader and key members of the team,
- Minimum of five years of experience in developing countries or countries with economies in transition,
- Experience with multilateral, bilateral or national development programs,

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<sup>7</sup> It is not feasible to compose the team of technical expertise in the numerous focal area or OPs of the GEF. Where required, short-term technical expertise may be called upon.

- Capacity to work effectively and flexibly in a team and with tight timeframes. Ability and readiness to work in a multicultural environment and to travel internationally,
- Demonstrated ability to deliver analytical papers of high quality,
- Be available to work for at least 80 days between June 2004 and May 2005, in periods essential to the Study,
- Excellent analytical writing and communication skills in English; proficiency in Spanish or French is desirable.

16. The OPS3 evaluation exercise is intended to be an independent assessment and hence must be free from any personal, professional or financial conflict of interest, either real or apparent, arising from past, current or potential future activities. Potential evaluators must demonstrate a clear arms-length relationship with GEF-related entities and member governments. For example, the contracting firm and the team members shall not:

- have any concurrent assignments (as contracting parties) with the GEF Secretariat or with the STAP, the GEF-related departments of the Implementing Agencies or Executing Agencies (hereafter collectively referred to as “GEF Institutions”), or be current employees of any member government or member government-owned entity. Publicly-owned academic institutions can be considered exceptions to this, provided they have a record of independence.
- have previous work experience with the GEF Secretariat or previous oversight/managerial responsibility for GEF-related activities, including any external review/audit or evaluation, or have a work history with more than 15% of working days with GEF-related activities over the last five years.
- Derive, on average over the last five years, directly, or through their employer, more than 35% of their funding, contracts or income from the international affairs/development/assistance agencies of any one member government, or more than 20% from any single GEF Institution.

In addition, the successful applicant will be barred from bidding for contracts relating to GEF activities for a period of 1 year after the completion of this evaluation, except for extensions of the evaluation as may be requested by the GEF Council.

17. The Operations Evaluation Department (OED), a fully independent unit of the World Bank, will manage the selection process (including advertising and reviewing Expressions of Interest (EOIs), reviewing EOIs, and undertaking a competitive and transparent selection

process) and will select the team to undertake the study consistent with the Terms of Reference.<sup>8</sup> The aim is to assemble the full team by June 2004.

18. Once the work is underway, the incoming head of the newly independent GEF Monitoring and Evaluation (M & E) Unit will provide oversight of the process, basically in ensuring that the Terms of Reference for OPS3 are followed. The GEF M&E Unit will brief the OPS3 Team on relevant GEF M & E documents and data sources. It will provide technical backstopping and administrative support to the OPS3 Team including preparing contracts and logistics for field visits and regional consultations. The Unit will also provide written comments to the OPS3 team on all its deliverables.

19. The GEF Secretariat and GEF Implementing and Executing Agencies will also be expected to respond promptly and fully to OPS3 requests for information and documentation, as well as render some logistical support to the OPS3 team for field visits.

## **Methodology**

20. The complexity of the issues, the organizational framework and impact levels covered in OPS3 call for a coherent and focused evaluation methodology. The key challenge is to establish a Study framework that captures the hierarchy of results produced at the levels of projects, programs, and focal areas, while analyzing overall performance at the organizational and institutional level and across common areas and issues. Such a framework will be detailed in the Inception Report of the OPS3 team, with a plan of implementation for the Study.

21. The methodology should be consistent with best practices as outlined in the independent M & E Unit's Terms of Reference (approved by Council July 28, 2003), including random selection methodologies, and should respond to the five key areas of scope, with an appropriate balance of the following key elements:

- Analysis of existing data and information, gathered from desk reviews and field visits;
- Consultations should be undertaken using appropriate participatory techniques with international, national and local stakeholders and beneficiaries, directly through regional/national meetings, interaction at international events, surveys or questionnaires, focus group meetings etc.
- Interviews with key stakeholders, in particular project beneficiaries, community groups, NGOs and civil society organizations and the private sector as well as the GEF Secretariat, GEF Implementing and Executing Agencies, members of the GEF Council

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<sup>8</sup> The OED will not be charging a fee for undertaking the selection process. It is understood, however, that the OED will be reimbursed for any out-of-pocket costs incurred in its management of the selection process e.g. advertising costs etc..

and representatives of the Secretariats of UN Conventions to which the GEF serves as a financial mechanism.

- Select field visits, tentatively in 10-15 countries, identified on the basis of criteria specified in the Inception Report and best practices with respect to random selection. Those criteria might include: (a) number of GEF projects and size of funds allocated; (b) representation of projects in the various focal areas; (c) project performance; (d) various institutional models for responding to GEF initiatives; (e) geographical and other variations between regions and countries; (f) information gaps.
- Any other approaches that may yield essential information (select project reviews, case studies, country studies, time-series analysis etc.).

### **Deliverables**

22. Within three months of its establishment, the OPS3 team will produce an Inception Report to be shared with the GEF Council<sup>9</sup>, the GEF Secretariat, and GEF M&E Unit for feedback. The Inception Report will provide a detailed, transparent and practicable framework for the Study, and should include, as a minimum:

- Purpose and scope of the Study as defined in the Terms of Reference
- Other areas/issues to be covered in-depth (focal areas, strategic priorities, cross-cutting issues, global, regional and country projects), criteria for selection
- Methodology to address the five key areas of OPS3
- Data and information needed, availability, and how to address data gaps. Data and analysis should be gender-disaggregated when relevant and possible.
- Strategy and mechanisms for stakeholder involvement, communication, consultations and cooperation with the key partners
- Organization of the Study and work program, including country field visits and specific responsibilities and deliverables of the Study team members
- Proposed interaction and interim reporting to the GEF Council.

23. The main expected output is the comprehensive draft report of the Study that should be circulated to the Council no later than the first quarter of 2005, and final report of the Study that should be circulated to the Council, including relevant annexes with detailed data, by the second quarter of 2005. The final report by the OPS3 Team should contain:

- Executive Summary including specific and actionable conclusions and recommendations

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<sup>9</sup> The Inception Report will be circulated to the Council to provide feedback on an informal basis,

- Background, with analysis of context
- Analysis of results and performance in the five areas of scope
- Key policy issues
- Lessons Learned
- Main Findings and Recommendations
- Annexes, as appropriate

24. The OPS3 team will also be responsible for providing progress reports to the GEF Monitoring and Evaluation Unit as proposed in its Inception Report, or as requested by the Council during the execution of OPS3. Upon completion of the study, the OPS3 team will make available, on request, any supporting documentation or studies as background material to the main report.

### **Budget**

25. The proposed budget for OPS3 is US\$ 1.85 million; a 10% contingency brings the total cost of OPS3 to US \$2.04 million. The team input is based on 6 consultant-years: One Team Leader/M & E Specialist and five technical specialist-years with experience in M & E and institutional, policy and related experiences in many focal areas. It consists mainly of fees and travel costs for the OPS3 team members, other consultants, the additional management cost to the GEF M&E Unit, the regional consultations, translation and publishing. (The cost of the M&E Unit's program studies and other evaluations described above are covered by the M&E Unit's regular budget.)

Items	Sub-Item Cost (US\$)	Item Cost (US \$)
<b>Item 1. OPS3 Independent Team</b>		
Fees	590,500	
Travel	210,000	
Daily Living Expenses	119,000	
Administrative Support	145,050	
<b>Sub-Total</b>		<b>1,064,550</b>
<b>Item 2. Other Consultants</b>		
Short-term International Expert Fees	36,000	
Short-term International Expert Disbursements	30,000	
Local Consultant Fees	90,000	
Local Consultant Disbursements	20,000	
<b>Sub-Total</b>		<b>176,000</b>
<b>Item 3. GEF M&amp;E Unit</b>		
Management, Administrative Support	200,000	
Travel	50,000	
<b>Sub-Total</b>		<b>250,000</b>
<b>Item 4. Regional Workshops</b>		
Workshops/Consultations	210,000	
<b>Sub-Total</b>		<b>210,000</b>
<b>Item 5. Translation, Printing, Dissemination</b>		
Translation, Printing, Dissemination	150,000	
<b>Sub-Total</b>		<b>150,000</b>
<b>Grand Sub-Total</b>		<b>1,850,550</b>
<b>Contingency (10%)</b>		<b>185,055</b>
<b>Total Costs for OPS3</b>		<b>2,035,605</b>

## Notes:

1. It is assumed that May 2005 is a hard deadline. Given the current estimated date of consultant mobilization (i.e., mid-June), it is assumed in the budgeting that OPS3 will be implemented over a 10 to 11-month period.
2. Team consists of 6 consultants: 1 Team Leader/M&E Specialist and 5 technical specialists with experience in M&E and institutional, policy, and related experience in one or more focal areas
3. Team Leader monthly fee is \$18,200 (i.e., \$700 per day for 26 days each month); technical specialist fees are \$15,600 per month (i.e., \$600 per day for 26 days each month).
4. Team Leader has 11 person-months (p-m), while technical specialists have 5 p-m each.
5. Country visits are assumed to be five days long each, with 10 countries visited by three consultants of the international team.
6. Travel is budgeted as \$5,000 per trip, with a total of 12 trips plus the 30 country visit trips (see above).
7. Daily living expenses is \$3,600 per month, with 150 person-days required for country visits plus 90% of the remaining consultant time to be spent on mission to GEF, IA, and other stakeholder offices. This reflects the consultants working together out of the same OPS3 project office for the majority of their inputs.
8. Administrative Support for consultants covers basic administration services, communications, photocopying, etc.
9. 72 person-days of short-term international consultants at \$500 per day, with disbursements for travel, daily living expenses, etc.

10. 600 person-days of local international consultants at \$150 per day, with disbursements for travel, daily living expenses, etc. The consultants will need to be supported during their visits by local consultants, and they may also be required to prepare inputs to the assessment itself, to ensure that OPS 3 is driven in part from the perspective of the recipient country partners in GEF projects. 60 days of local consultant time for each country are estimated.
11. GEF M&E support, support to IAs, regional workshop costs, and translation, printing, dissemination costs are as outlined in the preliminary budget.
12. A 10% contingency is assumed.





## Global Environment Facility

**Leonard Good**  
*Chief Executive Officer  
and Chairman*

1818 H Street, N.W.,  
Washington D.C., 20433 USA  
Tel: 202 473 3202  
Fax: 202 522 3240/3245  
E-mail: lgood@TheGEF.org

March 4, 2004

Dear Council Member

I am writing in reference to my letter of February 6, 2004, undercover of which we circulated for Council approval the proposed Terms of Reference for the Third Overall Performance Study for approval and to inform you that the proposed Council decision was not approved.

In accordance with rule 45 of the Rules of Procedure for the GEF Council, approval of a proposed decision with financial implications requires affirmative replies from at least two-thirds of the Council Members and no objections.

We received 13 responses approving the proposed decision and 3 responses indicating that they could not approve the decision. 16 Council Members did not respond. A table listing the responses of Council Members is attached herewith.

Paragraph 45 of the Rules of Procedure provides that "if there is an objection raised by any Member to any proposed decision, the CEO shall include consideration of the proposed decision as an item on the agenda for the next meeting of the Council." I therefore intend to include consideration of the issue on the agenda for the Council meeting in May 2004.

The Council Member from Canada, who agreed at the last Council meeting to take on the task of preparing the proposed terms of reference, will be consulting with other Members to see if a consensus can emerge on the provisions of the terms of reference, in particular with regard to paragraph 16. If the Council Member from Canada is successful in promoting agreement on a revised text of the terms of reference, we will, depending on the timing, either circulate a new proposed decision and the revised text to all Council Members for their approval or table the revised text for discussion at the next Council meeting.

Sincerely,

c.c. Alternate Members and all those invited to Council Meetings

Proposed Decision: **Approval of the terms of reference for OPS3**

Date Mailed: 2/6/2004

Reminder: 2/18/2004

Closing Date: 02/23/2004

**Replies: 13 Agreed: 3 Objections: 16 did not reply**

Council Member / Constituency	YES	NO	No reply	Comments
<b>Member:</b> AGHA, Tanwir Ali (Pakistan) <b>Constituency:</b> Afghanistan, Jordan, Lebanon, Pakistan, Syria and Yemen	✓			
<b>Member:</b> BUYS, Jozef (Belgium) <b>Constituency:</b> Austria, Belgium, Czech Republic, Hungary, Luxembourg, Slovak Republic, Slovenia, Turkey	✓			<p>1. We support fully a qualitative and quantitative evaluation as expressed in para 6(a) and would also like to see it applied, to the extent possible, to the evaluation of the sustainability of results, i.e., in para 6(b) and 9(2)(a)</p> <p>2. With respect to para 9(4)(a) we would note that the relationship with conventions, in particular the guidance from the COPs, would mainly apply to UNFCCC and CBD, and we would like the evaluation to point out what has changed since OPS2: the Stockholm Convention has yet to issue its first guidance and as to UNCCD, the relationship COP-GEF-GM has still to be defined. More in general, we would like OPS3 to assess how the previous recommendations (OPS1 and OPS2) have been addressed and how these exercises have contributed to improving the GEF.</p> <p>3. Within the context of para 5, we think its worthwhile to more explicitly address the issue of synergies between the different conventions the GEF serves and how this affects design and implementation of activities in the field.</p>
<b>Member:</b> ECHIRK, Djamel (Algeria) <b>Constituency:</b> Algeria, Egypt, Morocco, Tunisia	✓			
<b>Member:</b> EHRHARDT, Roger (Canada) <b>Constituency:</b> Canada	✓			
<b>Member:</b> GOZUN, Elisea (Philippines) <b>Constituency:</b> Cook Islands, Fiji, Indonesia, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Papua New Guinea, Philippines, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu	✓			
<b>Member:</b> MANDE, Bala (Nigeria) <b>Constituency:</b> Benin, Cote d'Ivoire, Ghana, Guinea, Nigeria, Sierra Leone, Togo	✓			
<b>Member:</b> RAMOS, Teresa (Spain) <b>Constituency:</b> Greece, Ireland, Portugal, Spain	✓			
<b>Member:</b> ROCH, Philippe (Switzerland) <b>Constituency:</b> Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Switzerland, Turkmenistan, Uzbekistan	✓			
<b>Member:</b> SCHUERCH, William (US) <b>Constituency:</b> United States	✓			
<b>Member:</b> SODERINI, Ludovica (Italy)				

<b>Constituency:</b> Italy					In principle Germany agrees to the proposal and can approve it. However, there is still one point which was addressed by other council members at an earlier stage: In para 16 there is still a very restricted wording as to the selection criteria for evaluators. For us it would be better not to exclude former members of government although we agree they should not any more be employees of government during the OPS3 exercise.
<b>Member:</b> STEINKE, Marita (Germany) <b>Constituency:</b> Germany	✓				
<b>Member:</b> VAN VOORST TOT VOORST, Sweder (The Netherlands) <b>Constituency:</b> The Netherlands	✓				
<b>Member:</b> VAUGHAN, Steve (New Zealand) <b>Constituency:</b> Australia, New Zealand, Republic of Korea	✓				<p>1. The conflict of interest section of the ToR in our view is more restrictive than is necessary from the standpoint of good practice and governance. However we consider that there is insufficient time for further debate about this wording, as the imperative is now to get the work underway so that it is finished in good order and time for the next Replenishment. We therefore request that when the ToR are transmitted to the Operations and Evaluations Department of the World Bank (OED) our view that</p> <p><b>The conflict of interest section should be interpreted as liberally as possible, consistent with the need to obtain an evaluation team with the highest possible expertise and standards of professionalism.</b></p> <p>is also passed to the OED.</p> <p>2. The Constituency has a strong interest in OPS3 evaluating the extent to which the GEF system as a whole does match or can be improved to better match the capabilities of the Constituency and regions of the world where the GEF provides assistance in achieving global environmental benefits. In this respect we will be looking particularly for assessment of these factors in relation Constituency with inherently less capacity, and particularly to the capacities of small island developing states (SIDS) and LDCs. We will be following this matter with considerable interest and look forward to seeing the way in which this matter is treated in the Inception Report.</p> <p>Finally, I observe that there are a number of minor typographical errors in the ToR circulated to Council on 6 February. I suggest that these are corrected before the ToR are used further.</p>
<b>Member:</b> BROWN, Linda (UK) <b>Constituency:</b> United Kingdom	✓				<p>We share the concerns expressed by Denmark and France about the overly restrictive nature of the conflict of interest wording in paragraph 16. In particular, we are concerned that it will severely limit the selection of local consultants and that this could have a seriously detrimental effect, both on the validity and on the broad acceptance of the OPS3 findings.</p> <p>In the interests of moving forward without further delay we would, however, be able to accept the TORs if we could be assured that the elements of paragraph 16 are interpreted as follows:</p> <p>First indent:                   that "GEF-related departments of the Implementing Agencies or Executing Agencies" are understood to be limited to the GEF units within these Agencies responsible for formulating and implementing GEF investments.</p> <p>  that "academic institutions" include universities or their equivalents and organisations primarily involved in research.</p>

				<p>Second indent: that "GEF-related activities" are limited to those activities funded by GEF.</p> <p>Third indent: that the threshold percentages would be applied to the Team as a whole (including, if applicable, supervisory staff within the contracting firm) rather than to individual team members.</p> <p>France shares the position expressed by Denmark.</p> <p>As stated in previous mails,</p> <ol style="list-style-type: none"> <li>1. We do agree that conflicts of interests must be avoided to ensure an independent assessment.</li> <li>2. However universities, research agencies and even bilateral aid agencies are a major source of competent consultants. These entities being financed by public money does not necessary mean that their experience is biased and marked by conflict of interest. Moreover, as said by the UK, an understanding and knowledge of GEF institutions is actually an advantage.</li> <li>3. For the sake of the diversity of experiences, of geographic origins and of opinions, France pleads to open the tendering for individuals and not to refer from the start to a firm or consortium of firms.</li> </ol> <p>France regrets the delay created by the discussion of an extensive "conflict-of-interest" paragraph and agrees with Denmark's suggestion of a short paragraph, stating, for instance, that "The OPS3 evaluation exercise is intended to be an independent assessment and hence must be free from any personal, professional or financial conflict of interest". It would then be up to OED, with its experience, to judge whether a candidate is free or not of conflict of interests, using what ever criteria might seem necessary for them.)</p>
<p><b>Member:</b> FERNANDEZ, Ramon (France)</p> <p><b>Constituency:</b> France</p>	✓			<p>Para 16 of the Terms of reference referred to in the draft decision is the point in question. The general paragraph should be sufficient as it states the intention to have an independent assessment undertaken. The next two indents, however, are in my opinion superfluous. The third one is simply not acceptable as it de facto is biased against contracting firms and institutions from my part of the world and most likely also to firms and institutions in many developing Constituency.</p> <p>There seems to be broad agreement to ask the World Bank's OED to take care of the evaluation exercise. The Bank, however, do not have any written rules or guidelines with regard to conflict of interest in this area. They assess it pragmatically on a case-by-case basis, so its difficult to see why we can not do the same with the evaluation of GEF. I for my part have full confidence in OED's capability to handle this task to the Council's full satisfaction and therefore suggest a short standard "conflict-of-interest-paragraph" in the TOR - leaving the rest in the capable hands of WB-OED.</p>
<p><b>Member:</b> FREDERIKSEN, Dan (Denmark)</p> <p><b>Constituency:</b> Denmark, Latvia, Lithuania, Norway</p>	✓			
<p><b>Member:</b> ADEISHVILI, Malkhaz (Georgia)</p> <p><b>Constituency:</b> Albania, Bulgaria, Croatia, Georgia, Moldova, FYR Macedonia, Poland, Romania, Ukraine</p> <p><b>Member:</b> ALBAN, Andrea (Colombia)</p>			✓	

<b>Constituency:</b> Brazil, Colombia, Ecuador					
<b>Member:</b> CHAMERO, Jorge (Cuba)					✓
<b>Constituency:</b> Antigua & Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad and Tobago					
<b>Member:</b> DIA TOURE, Fatima (Senegal)					✓
<b>Constituency:</b> Burkina Faso, Cape Verde, Chad, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, The Gambia					
<b>Member:</b> ENKHSAlKHAN, Jargalsaikhany (Mongolia)					✓
<b>Constituency:</b> D.P.R. Korea, Lao (PDR), Malaysia, Mongolia, Myanmar, Thailand, Vietnam					
<b>Member:</b> HARTVIG, BrittMarie (Sweden)					✓
<b>Constituency:</b> Estonia, Finland, Sweden					
<b>Member:</b> HASEGAWA, Koichi (Japan)					✓
<b>Constituency:</b> Japan					
<b>Member:</b> HOSSEINI, Pirooz (Iran)					✓
<b>Constituency:</b> Iran					
<b>Member:</b> LOPEZ ZAYAS, Luis (Paraguay)					✓
<b>Constituency:</b> Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay					
<b>Member:</b> METSING, JT (Lesotho)					✓
<b>Constituency:</b> Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe					
<b>Member:</b> MUDUULI, Mary (Uganda)					✓
<b>Constituency:</b> Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Sudan, Tanzania, Uganda					
<b>Member:</b> OCHOA, Ricardo (Mexico)					✓
<b>Constituency:</b> Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela					
<b>Member:</b> TANYI MBIANYOR, Clarkson (Cameroon)					✓
<b>Constituency:</b> Burundi, Cameroon, Central African Republic, Congo, D.R. of Congo					
<b>Member:</b> TVERITINOV, Sergey (Russian Federation)					✓
<b>Constituency:</b> Armenia, Belarus, Russian Federation					
<b>Member:</b> VASUDEV, Chanda Mohan (India)					✓
<b>Constituency:</b> Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka					
<b>Member:</b> ZHU, Guangyao (China)					✓
<b>Constituency:</b> China					
<b>TOTAL: 32</b>	<b>13</b>	<b>3</b>	<b>16</b>		

**Rule 45 of the Rules of Procedure for the GEF Council, as amended by the Council at its meeting in November 2000, provides:**

“At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the Members. If there is an objection raised by any Member to any proposed decision, the CEO shall include consideration of the proposed decision as an item on the agenda for the next meeting of the Council. The CEO shall notify all those that received the communication referred to in paragraph 43 of the action he/she takes pursuant to this paragraph.”

*Note: Two thirds of the Members equals 22 Council Members*