1. Project Data

Summary project data			
GEF project ID		1206	
GEF Agency project ID		69917	
GEF Replenishment Phase		GEF-2	
Lead GEF Agency (include all for joint projects)		World Bank	
Project name		Natural Resources Management and Poverty Reduction	
Country/Countries		Armenia	
Region		ECA	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		12- Integrated Ecosystem Management 3- Forest Ecosystems 4- Mountain Ecosystems	
Executing agencies involved		Ministry of Nature Protection	
NGOs/CBOs involvement		one of the beneficiaries	
Private sector involvement		one of the beneficiaries	
CEO Endorsement (FSP) /Approval date (MSP)		5/7/2002	
Effectiveness date / project start		12/27/2002	
Expected date of project completion (at start)		7/31/2008	
Actual date of project completion		1/31/2009	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.21	0.18
	Co-financing		0.43
GEF Project Grant		5.12	4.89
Co-financing	IA/EA own		
	Government	1.51	1.49
	Other*	10.67	10.09
Total GEF funding		5.21	5.07
Total Co-financing		12.18	11.58
Total project funding (GEF grant(s) + co-financing)		17.39	16.65
Terminal evaluation/review information			
TE completion date		09/10/2009	
TE submission date			
Author of TE		Ahmad Slaibi	
TER completion date		01/30/2014	
TER prepared by		Nelly Bourlion	
TER peer review by (if GEF EO review)		Joshua Schneck	

*Includes contributions mobilized for the project from other multilateral agencies, bilateral development, cooperation agencies, NGOs, the private sector, and beneficiaries.

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF EO Review
Project Outcomes	MS	MS	N/A	MS
Sustainability of Outcomes	N/A	ML	N/A	ML
M&E Design	N/A	N/A	N/A	MU
M&E Implementation	MS	N/A	N/A	S
Quality of Implementation	MS	MS	N/A	MS
Quality of Execution	MS	MS	N/A	MS
Quality of the Terminal Evaluation Report				S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The Global Environmental Objective of the project is to preserve the mountain, forest, and grassland ecosystems of the Southern Caucasus, through enhanced protected area and mountain ecosystem conservation and sustainable management. The key indicators outlined in the project document are:

(1) development of protected area management plans for Lake Sevan National Park and Dilijan Nature Reserve, supported by local communities, adopted by Government, implemented in year two, and made subject to annual review
(2) achievement of stable or increasing numbers of key indicator species according to population censuses taken in two of the last four years of the Project.

3.2 Development Objectives of the project:

The Project Development Objective is, according to the project document, to "promote adoption of sustainable natural resource management practices and alleviate rural poverty in mountainous areas where degradation has reached a critical point; and preserve the mountain, forest and grassland ecosystems of the Southern Caucasus". The project will help avert further deterioration of natural resources (soil, water, forest, fishery, and biodiversity) and stabilize incomes in the local communities. Key indicators described in the PD are:

(1) increased incomes in Project villages compared to non-Project villages;
(2) increased crop and livestock productivity in Project villages;
(3) increased community participation in natural resources management decisions, as perceived by stakeholders in target communities;
(4) reduction in illegal activities destroying forest cover;
(5) reversal of degradation in pasture vegetation cover; and
(6) increased quality, quantity, and productivity of forest cover in the Project area.

The approved project comprises four components.

Component 1: Community-Based Watershed Management

The component aims to support preparation and implementation of community based micro-catchment rehabilitation plans in selected villages. Plans are to be generated by each participating community, selecting from a menu of activities to improve soils, pastures, and forest management, and eligible for small grants to support small-scale local initiatives related to biodiversity conservation.

Component 2: State Forest Management

This component aims to support rehabilitation, protection and sustainable management of state forests in the Project area; improve forest sector institutional, legal and policy framework; and enhance institutional capacity to monitor and control forest operations.

Component 3: Protected Areas Management and Biodiversity Conservation

This component aims to support measures to: (1) improve the management two key protected areas (Lake Sevan National Park and Dilijan State Reserve) for the conservation and sustainable use of biodiversity; and (2) improve the capacity of the Department of Bioresources and Land Protection of the MNP to meet its biodiversity conservation mandate, including mainstreaming biodiversity in government policies, laws, and activities of line ministries and marza governments.

Component 4: Project Management and Administration

This component aims to support Project administration and management. The Project planned to finance incremental operational costs of Project management team, essential technical assistance for Project management (e.g., financial management and procurement training, Project audit, institutional coordination, implementation assistance to communities and public sector for capacity building, basic equipment and facilities, and PIU operating costs).

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

No major changes. During the Mid-term Review in October 2005, some project activities were reassessed and refined, but the Global Environment Objective, the Project Development Objective, and the indicators as stated in the PD were unchanged. The project components were not revised.

4. GEF EO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: **Satisfactory**

According to the TE, the Project contributed to substantial improvements in Armenia's natural resources management and planning, raised public awareness, and improved institutional capacity, despite some Project design challenges. Project global and development objectives, design components, and implementation activities are not only fully consistent with, but also helped to shape, Armenian national and global environmental management priorities. They reflect strategic objectives and activities identified in the Bank Country Assistance Strategy (CAS) during Project preparation, and remain relevant to the current Country Partnership Strategy (CPS) priorities for environment and natural resource management, and increasing quality and effectiveness of public services.

4.2 **Effectiveness**	Rating: **Moderately Satisfactory**

When the project was prepared and launched, rural communities had few livelihood alternatives other than over-exploiting their natural resources, thus Armenia faced rapid deforestation resulting from unsustainable demand for firewood. Natural resources management institutions were new and had yet to develop effective policies, legislation, or capacity. According to the TE, the Project was an ambitious attempt to integrate natural resource management through technical, social, and institutional channels. A few envisioned activities were unrealistic and dropped, such as forest pest management and pre-commercial thinning, or were reduced in scope, such as forest roads. Nevertheless, the project made important advances in natural resources management. Despite a slow start due to design complexity and limited local implementation capacity, considerable improvements boosted the pace of implementation as well as project progress after the Mid-Term Review, and momentum also intensified during the final year of project implementation when PIU management improved. As a result, improvements took place in national and local level implementation. However, at project completion, all of the anticipated PD outcomes were not

attained (particularly in community forestry), and late implementation of some activities left little time to consolidate or replicate. Therefore, overall project performance is rated Moderately Satisfactory (MS).

The key achievements include the following:

(1) **Improved policy, institutional, and legal framework for natural resource management**. The project significantly improved Armenian policy, institutional, and legal frameworks for natural resource management, and piloted strategic investments in forest and protected areas, and in rural agricultural landscapes. The country has begun to address environmental and natural resource management in a more integrated manner because the Project successfully increased local, regional, and national awareness and understanding of the socio-economic implications among policymakers and citizens.

(2) **Introduced best practices for natural resource management**. Mountain communities in Tavush and Gegharkunik marzes have implemented watershed management plans, reduced destructive practices on pasture and forest resources, and protected some of the most fragile lands, creating some visible improvements in vegetative cover. The project successfully demonstrated improved land management practices that have improved rural livelihoods.

(3) **Reduced illegal logging.** The Project catalyzed the development of important mechanisms to counteract illegal logging. The Project contributed to developing and implementing an Illegal Logging Action Plan (ILAP). Technical assistance supported an independent Forest State Monitoring Center, and provided information on forest offenses and legal processes to the State Oversight Board for Illegal Logging. Project activities catalyzed support to counteract illegal logging through policy and financing mechanisms.

(4) **Strengthened capacity for biodiversity conservation.** GEF-funded activities mainstreamed biodiversity conservation activities into policies, regulations, and activities of line ministries and local governments. The Project triggered inter-sectoral discussions on land use in and around protected areas and succeeded in developing protected area management plans for Lake Sevan National Park and Dilijan National Park. Zoning and management planning of the Dilijan and Lake Sevan National Parks drew on ecosystem studies, especially plant and animal species and their habitats, and detailed forest inventories.

(5) **Built institutional capacity.** The Project has been instrumental in supporting institutional and regulatory framework reforms for forest management and nature protection, especially new forest legislation, new National Forest Policy and Strategy, and new legislation and regulations on biodiversity conservation and protected area management. Management plans are established and under implementation for two national parks and five forest enterprises. The Project helped clarify institutional structures, roles, and organizations among line agencies responsible for natural resource management.

4.3 **Efficiency**	Rating: **Moderately Satisfactory**

Efficiency of the project is rated as moderately satisfactory. A cost-benefit analysis shows that the project achieved a high Economic Rate of Returns. However some costs had been significantly underestimated, the project had to be delayed and SIDA had to increase its financial participation. A detailed explanation is given below.

A cost-benefit analysis on project benefits and efficiency was incorporated into the TE. It used assumptions from the PD and actual outputs at project closing to quantify economic and financial benefits. Efficiency was evaluated on the extent to which non-GEF funds could be leveraged to achieve project objectives. An IDA credit of US$8.3 million was invested in project activities in all three components; little IDA financing was used in the Protected Areas component. The benefits can be derived by examining the values of the watershed component activities (improved environmental conditions and reduced poverty), the regeneration and rehabilitation of forest areas, and benefits of reduced illegal logging.

According to the TE, component 1 activities generated total benefits of US$29,269,738: US$28,257,600 in improved local incomes and US$1,012,038 in environmental benefits, including reduced sediment flows and improved water retention. IDA allocation for this Component was US$4,953,900 and adding Government contributions provided an allocation of US$5,473,800; therefore, the Economic Rate of Return is estimated at 14.5 percent. Component 2 activities generated an overall benefit of US$24,534,518 in reforestation/afforestation. IDA allocation for Component 2 was US$2,833,900, and with Government contribution allocations equaled US$3,514,900; hence, the ERR is estimated at 13.3 percent. The total Project ERR (IDA plus Government contribution to Component 4) is estimated at 13.0 percent. Component 3 was financed by a GEF Grant (US$3,489,000) and by modest Government funding (US$179,500).

However, during implementation, it became clear that costs had been significantly underestimated—road rehabilitation by some 10-fold, and forest management by half—which required a major funding shift among planned activities at the mid-term. Weak PIU capacity hampered the project until the final year. Therefore, the Bank granted a request from the Ministry of Finance and Economy to extend the project closing date from July 31, 2008, to January 31, 2009. During the Project, Sida provided additional trust fund co-financing of US$1.3 million to support continued financing for institutional development activities launched under the second component.

4.4 **Sustainability**	Rating: **Moderately Likely**

The sustainability of this project can be rated as Moderately Likely. The Project helped establish a solid foundation for improved watershed, biodiversity, and protected area management. Sustainability depends on national-level institutional ownership and support.

The Project was implemented by existing Armenian institutions. The project established a PIU as an operational unit of the MNP and financed it until May 30, 2009, to ensure smooth closing arrangements. Armenia is interested in maintaining the PIU to provide project management services for other Ministry projects. Institutions that participated in the project are well-placed to continue project activities. The project-supported park management plans provide a roadmap to guide operations of Dilijan and Sevan National Parks and the work of SNCOs charged with their management. Similarly, project-supported forest management plans describe interventions for five forest enterprises, and are aligned with their financial and institutional capacity.

Armenia expressed its intention to provide funding and to monitor the national park and forest management plans. Monitoring plans are specified in the management plans. Implementing agencies have increased capacity, staff, and equipment, thanks to project investments and Government commitment. During the project, Armenia substantially increased budgets and salaries, and Hayantar was transformed through improved salaries, working conditions, and productivity, due to completion of project-supported forest management plans.

However, some activities carried out under the watershed component could experience long-term sustainability constraints if new village administrations are not continuously engaged and funded. A significant project strength was using local community institutions and engaging local administrations in natural resource management activities. But project-supported Resource User Groups, intended to empower local stakeholders, were less effective than envisaged at appraisal. In addition, activities such as the fertilization program for pasture and hay meadows may be unsustainable due to high input costs.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

An estimated US$5.1 million in non-GEF contributions anticipated at appraisal was exceeded by more than US$1 million after accounting for second Sida contribution. The GEF funds were leveraged by the IDA credit, Sida contribution, and Government commitments. Overall, GEF funds were leveraged in the co-financing ratio of more than 1 to 2.3.

During implementation, it became clear that costs had been significantly underestimated, and thus a major funding shift among planned activities at the mid-term was required. During the Project,

Sida provided additional trust fund cofinancing of US$1.3 million, supporting continued financing for institutional development activities launched under the second component.

The Sida contributions were instrumental in achieving clear supportive regulatory and institutional backing for good forest management. Sida support helped establish the legal and policy framework as a foundation for many Project forestry activities, including the Illegal Logging Action Plan, the National Forest Policy, and forest legislation and regulation development. Sida also financed training and other capacity building that strengthened institutional abilities, especially to detect and counteract illegal logging. Parallel grant financing from Sida was essential to Project achievements. However, its monitoring was complex. According to the TE, the second Sida grant was more successful in mainstreaming project activities in the Ministries because it was directly managed by the PIU, and had clearer TORs and monitoring.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

Some changes occurred in the implementation schedule. The Bank granted a request from the Ministry of Finance and Economy to extend the Project closing date from July 31, 2008, to January 31, 2009.

Early stages of Project implementation were affected by design complexities coupled with a lack of local experience and understanding of integrated natural resource management. Project activity sequencing appeared to be prioritized based on ease of implementation, rather than optimal project progression. For example, as described in the TE, the biodiversity small grants program, and community forest management activities were delayed until late in the project, minimizing opportunities to institutionalize, refine, or improve these activities and approaches. Finally, the project struggled to surmount inherent design problems linked to lack of component integration. The lengthy and extensive consultation processes during preparation of protected area management plans for Lake Sevan and Dilijan National Parks delayed actual project implementation, diminishing opportunities to assess the investment impacts.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Throughout the Project, Government ownership and commitment was good. At Project midpoint, institutional responsibilities for forestry shifted to the Ministry of Agriculture from the Ministry of Nature Protection. Some coordination challenges were encountered, but overcome; solid Ministry-level ownership was not always matched by implementing agencies. For example, Government made a commitment to community forest management, but Hayantar did not, and implementation of community forestry activities suffered from a weak enabling legal framework and lack of institutional will.

Additionally, the Mid-Term Review (MTR) achieved a significant turn-around when many implementation issues were resolved by detailed Bank task team guidance. The PIU began to adopt

an active role in working with communities; funds were reallocated to meet increased demands and costs for forest management planning activities; the scale of targets for severely underfinanced activities, such as road rehabilitation, were reduced; and community participation in Project implementation activities increased substantially, which significantly raised local awareness, understanding, and ownership of project activities.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 **M&E Design at entry**	Rating: **Moderately Unsatisfactory**

According to the TE, the project was designed with broad goals and ambitious indicators, with "only a vague notion of methodology for monitoring progress, outcomes, or impacts"(TE pg.6). While most of the indicators were measurable, changes could not realistically be expected over the project lifespan. Moreover, at project closure, according to the TE, some baselines were not available for many indicators, short-term changes were unlikely to be detected, and changes could not be attributed unequivocally to project interventions. According to the TE (Pg. 7) "Monitoring biodiversity conservation impacts requires identifying key indicator species, establishing baseline population levels, and long-term monitoring of changes in habitat quality". In this project, the proposed use of indicator species to track project impacts was unrealistic, as were several indicators that had been proposed at appraisal because they required systematic and costly data collection that was not envisaged at the outset and for which no capacity existed. No specific budget was allocated for the M&E implementation. For all these reasons, the M&E design at Entry is rated as Moderately Unsatisfactory.

6.2 **M&E Implementation**	Rating: **Satisfactory**

As a result of the weak M&E design at entry, developing longer-term capacity to establish baselines and monitor biodiversity became an important project goal. Typically, monitoring biodiversity conservation impacts requires identifying key indicator species, establishing baseline population levels, and long-term monitoring of changes in habitat quality.

During project preparation, at Mid-term, and prior to ICR preparation, household surveys were carried out to help assess project impacts on household expenditures, to provide feedback to

implementing agencies on the status of project components, particularly watershed rehabilitation, and for reference during project supervision visits.

The project also established other measures for monitoring protected area management effectiveness. The Protected Area Management Effectiveness Tracking Tool (METT) was prepared with the assistance of the World Bank/WWF Forest Alliance to provide an overarching framework for assessing management effectiveness of protected areas and systems to guide decision-making and help harmonize assessments worldwide. The METT was translated into Armenian and was used by the park management teams in Sevan and Dilijan to establish performance baselines and to monitor progress in improving management effectiveness.

Project-supported forest management plans were derived from extensive inventories that also provided a baseline. The project improved capacity to monitor long-term forest and watershed changes, for example, strengthening the Forest State Monitoring Center (FSMC) and the Bio-Resources Management Agency. Through these activities and the capacity created by introducing innovative forest management planning and inventory tools, the project made a major contribution towards establishing scientific monitoring and evaluation systems and the basis of sustainable forest management.

As greater emphasis began to be placed on developing clear project results, the Bank team worked with the implementing agencies to retrofit the original Log Frame into a 'Results Framework,' providing baselines where possible, defining intermediate outcome indicators, and defining progress reporting requirements. In some respects, the framework is qualitative, reflecting system-wide changes in thinking and institutional approaches that the project sought to catalyze.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 **Quality of Project Implementation**	Rating: **Moderately Satisfactory**

Overall the implementing agency (World Bank) performance is rated as Moderately Satisfactory, due to noted shortcomings in project design. After the MTR, the Bank and Government worked to identify achievable targets and outcomes to measure achievement of project objectives. Project Task Team Leaders (TTLs) established a strong and highly supportive relationship with the PIU, which strengthened project implementation.

On one hand, the project was designed to introduce strategic innovations in natural resource management to Armenia, and targeted some of the most challenging environmental degradation using a multi-sectoral and community-based approach. Significant efforts in project preparation meant that project components were well developed, but overly complex. Initial project preparation was carried out by three consulting firms—one for each component, with little coordination among them, and financed by separate sources. This resulted in three separate designs that did not factor how, during implementation, the project's components could be integrated. Implementation was also hindered by overestimating government institutional management capacity, as well as underestimating the manageability of many critical issues and associated project activity costs.

On the other hand, the bank staff conducted regular and frequent supervision missions during Project implementation. After the MTR, frequent videoconferences complemented these visits and allowed the Bank team to maintain a continuous dialogue with the client and also to provide continued technical support. Over the project lifetime and particularly after the MTR, supervision focused on ways to address implementation constraints. The project had a slow start, but even before the MTR and during earlier supervision missions the Bank provided significant technical oversight and worked with the government so that needed adjustments were made to address implementation bottlenecks. According to the TE, supervision frequency was appropriate and helped keep the project on track. During the project lifetime, the Bank and Project teams worked to refine the M&E framework to include measurable targets.

7.2 **Quality of Project Execution**	Rating: **Moderately Satisfactory**

The executing agency performance is rated as Moderately Satisfactory based on commitment to and attainment of project objectives. Most project activities were completed satisfactorily. However some project activities remained incomplete, despite the momentum gained in the final year under the improved management of the new project director.

The performance of two key partners, the Ministries of Nature Protection and of Agriculture, was satisfactory based on Government commitment to project objectives, and support for sector reform consistent with project objectives. Government honored all of its commitments in a timely fashion, increased by multiple increments the budget and salaries of personnel in natural resource management institutions, resolved project issues in a timely manner, and met all fiduciary responsibilities.

However, the project experienced delays in the first two to three years due to an overly complex project design and innovations that made implementation difficult. The PIU had to overcome a steep learning curve and had high staff turnover. According to the TE, during the first phase of the project, the PIU did not have a full understanding of its responsibilities and its limited interaction with project beneficiaries and local communities fell far short of creating the necessary project identity in participating villages. The MTR recommended strong continuous interaction between the PIU and villages during all phases of project introduction, awareness building, planning, and

implementation. This improved understanding and ownership among local communities, but only in the project's final year.

Implementation delays lead to the revision and scaling-down of several project activities; progress reporting was weak throughout the project prompting the Task Team to introduce regular video/audio conferences with the PIU after MTR, which helped resolve urgent implementation issues. Action plan agreements developed during periodic supervision missions between the PIU and the Bank task team were usually implemented, though not always in a timely manner.

Project financial management was notably strong throughout implementation, as reflected in audit reports. The Bank procurement procedures were new to the country as well as the PIU, however, with the support of Bank procurement specialists, procurement planning and management improved substantially.

8. Lessons and recommendations

8.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

Several lessons were mentioned in the Terminal Evaluation report:

(1) Project design should be based on a shared understanding of objectives and outcomes as well as an accurate assessment of local implementation capacity to achieve them. Introducing new approaches, such as beneficiary participation in selecting activities, initially created confusion and implementation inefficiencies. Also, project implementers were overburdened with a multitude of project subcomponents involving different institutions and stakeholders.
(2) Project design should take into consideration timing requirements if project objectives rely on policy and legal changes, or objectives should be aligned with the existing policies and legal framework if the timeframe is tight. Several project activities hinged on legal reform, which created delays for these activities and others dependent on them, effectively, compressing much of project implementation in the last two years of project life.
(3) Sustainable Natural Resource Management requires strong beneficiary commitment: After the MTR, Project activities were funded only after villages had signed resource management agreements that committed them to managing natural resources in accordance with watershed and grazing management plans; when this process was followed, the likelihood of sustainability increased. Early in the Project, activities were implemented in villages without this prior commitment, and as such, were largely ineffective.
(4) Participatory approaches require extra time to introduce the concept and involve local stakeholders. The time for developing management plans was underestimated for Lake Sevan and Dilijan National Parks because the concept was new to Government and clearance procedures took a long time. Delays in development and adoption of management plans are common for Armenia, so developing protected area management plans should occur early in the project cycle to allow for full implementation.

(5) The capacity of Bilateral donors to supervise parallel financed activities should be assessed during design. Institutional and legal reforms in a sector such as forestry, characterized by multiple conflicting interests, require time and continual oversight. Parallel grant financing from Sida (the FISP support) was essential to Project achievements; however, its monitoring was complex. The second Sida grant (i.e., cofinancing) was more successful in mainstreaming project activities in the Ministries because it was directly managed by the PIU, and had clearer TORs and monitoring.

(6) Donor coordination and collaboration are essential to tackle complex problems such as illegal logging that benefit from harmonizing experiences and funding potential. Collaborating early on is important, as is coordinating funding from multiple outside sources, as in this Project. In Armenia, an Illegal Logging Action Plan was developed early on using a participatory process as well as applying funds and expertise from, inter alia: the PRSC-DPL (a prior action); PHRD grant (technical assistance to the FSMC); Sida (financing for advancing legislative and institutional reforms and training); IDF grant (strengthening monitoring capacity) and this Project (ensuring an overall, cohesive approach).

8.2 Briefly describe the recommendations given in the terminal evaluation.

Recommendations are listed above alongside Lessons.

9. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The report contains a detailed assessment of outcomes, impacts, and achievements of the objectives.	**S**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is consistent and contains complete and convincing evidences. The ratings are given for most of the categories; however, some ratings are missing, such as the M&E system rating.	**S**
To what extent does the report properly assess project sustainability and/or project exit strategy?	Project sustainability and exit strategy is properly assessed in the report. Details and justification are given.	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons given in the TE are supported by the evidence presented in the report. However, no recommendations are provided. The evaluator mixed lessons and recommendations, which should be kept separate.	**MS**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report includes a very detailed analysis of project costs and co-financing used. The costs are given per activity, as well as per funding organization.	**S**
Assess the quality of the report's evaluation of project M&E systems:	The M&E system and its implementation is well described with details and evidence. However, the M&E design at entry is only criticized with few examples and evidence. More details on the M&E at entry, and a specific rating, were missing.	**MS**
Overall TE Rating		**S**

10. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).