GEF EO Terminal Evaluation Review Form for OPS4

1. PROJECT DATA				
			Review date:	
GEF Project ID:	2042		at endorsement (Million US$)	at completion (Million US$)
IA/EA Project ID:	2184	**GEF financing:**	$12.24	12.24
Project Name:	Danube Regional Project: Strengthening the Implementation Capacities for Nutrient Reduction and Transboundary Cooperation in the Danube River Basin (Tranche 2)	IA/EA own:		
Countries:	Czech Republic, Slovakia, Hungary, Slovenia, Coratia, Bosnia & Herzegovina, Serbia & Montenegro, Bulgaria, Romania, Moldova, Ukraine	Government:	6.88	6.88
		Other*:	6.00	6.00
		Total Cofinancing	12.88	12.88
Operational Program:	OP#8 International Waters/Waterbody	**Total Project Cost:**	$25.12	25.12
IA	UNDP/UNOPS	Dates		
Partners involved:	International Commission for the Protection of the Danube River (ICPDR)	Effectiveness/ Prodoc Signature (i.e. date project began)		Dec. 2003
		Closing Date	Proposed: Nov. 2006	Actual: August 2007
Prepared by: Pallavi Nuka	Reviewed by: Neeraj Negi	Duration between effectiveness date and original closing (in months): 36 months	Duration between effectiveness date and actual closing (in months): 46 months	Difference between original and actual closing (in months): 10 months
Author of TE: Alan Fox Stephen de Mora		TE completion date: Aug 2007	TE submission date to GEF EO: April 2008	Difference between TE completion and submission date (in months): 8 months

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

2. SUMMARY OF PROJECT RATINGS AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	**HS**	**HS**	**NA**	**HS**
2.1b Sustainability of Outcomes	**NA**	**HS**	**NA**	**ML**
2.1c Monitoring and evaluation	**NA**	**S**	**NA**	**UA**
2.1d Quality of	**HS**	**HS**	**NA**	**HS**

implementation and Execution				
2.1e Quality of the evaluation report	**NA**	**N/A**	**S**	**MS**

2.2 Should the terminal evaluation report for this project be considered a good practice? Why? No, this report does not include an assessment of the project's M&E plan and its implementation. The report also contains some inconsistencies regarding actual and planned project costs.
2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funs, mismanagement, etc.? No such findings are mentioned in the report.

3. PROJECT OBJECTIVES

3.1 Project Objectives

a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?

The global environmental objective of the Danube Regional Project (DRP) – Phase 2 was to complement the activities of the International Commission for the Protection of the Danube River (ICPDR) as required "to provide a regional approach and global significance to the development of national policies and legislation, and the definition of priority actions for nutrient reduction and pollution control with particular attention to achieving sustainable transboundary ecological effects within the DRB and the Black Sea area."

There were no changes in global environmental objectives during project implementation.

b. What were the Development Objectives of the project? Were there any changes during implementation? (describe and insert tick in appropriate box below, if yes at what level was the change approved (GEFSEC, IA or EA)?)

According to the project document, the long-term development objective of the proposed Danube Regional Project is to contribute to sustainable human development in Danube River Basin through reinforcing the capacities of the participating countries and developing effective mechanisms for regional cooperation and coordination in order to ensure protection of international waters, sustainable management of natural resources and biodiversity.

The specific objectives of Phase 2 of the project, was to set up institutional and legal instruments at the national and regional level to involve all stakeholder, establish water quality monitoring and information systems, and assure nutrient reduction and sustainable management of all water bodies and ecological resources linked to the Danube River.

The project had four components:

(i) Development and implementation of environmentally sustainable policies for land use and water management.
(ii) Capacity building and reinforcement of transboundary cooperation for the improvement of water quality and environmental standards in the Danube River Basin
(iii) Strengthening of public involvement in environmental decision making and reinforcement of community actions for pollution reduction and protection of ecosystems.
(iv) Reinforcement of monitoring, evaluation and information systems to control transboundary pollution, and to reduce nutrients and harmful substances.

There were no changes in the development objectives of the project during implementation.

Overall Environmental Objectives	**Project Development Objectives**	**Project Components**	**Any other (specify)**

c. If yes, tick applicable reasons for the change (in global environmental objectives and/or development objectives)

Original objectives not sufficiently articulated	**Exogenous conditions changed, causing a change in objectives**	**Project was restructured because original objectives were over ambitious**	**Project was restructured because of lack of progress**	**Any other (specify)**

4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

4.1.1 Outcomes (Relevance can receive either a satisfactory rating or a unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)

a. Relevance (of outcomes to focal areas/operational program strategies and country priorities) Rating: S

A.1. What is the relevance of the project outcomes/results to:

(i) the national sustainable development agenda and development needs and challenges?

Economic activities and the release of untreated wastewater have significantly deteriorated environmental conditions in the Danube River Basin. Problems of water quality and quantity are endemic, as is significant ecosystem damage and the consequent impairment of public health and quality of life. EU transition countries, in particular, seek to better integrate water management concerns into municipal, industrial and agricultural policies in order to assure sustainable economic development.

The Danube River Protection Convention (DRPC) is a legally binding instrument that provides a substantial framework and a legal basis for cooperation between the contracting parties, including enforcement. Twelve of the 13 countries eligible to join the DRPC, which came into force in October 1998, have already ratified it, together with the European Commission. Under this convention, the International Commission for the Protection of the Danube River (ICPDR) acts as a secretariat to coordinate regional cooperation. It is the institutional authority not only for pollution control and the protection of common water bodies, but it also sets universal policies for sustainable use of ecological resources and coherent and integrated river basin management.

This project was designed to complement ICPDR activities by assisting transition countries in reducing nutrient and other pollution discharges into the river, preserving and rehabilitating natural ecosystems, and build the necessary governmental and civil society capacity to reduce long-term human impacts on the river.

(ii) the national environmental framework, agenda and priorities?

None of the DRB countries currently has an explicitly formulated nutrient reduction program. The ICPDR adopted a Joint Action Program (JAP) for the years 2001 - 2005, which deals with pollution from point and non-point sources, wetland and floodplain restoration, priority substances, water quality standards, prevention of accidental pollution, floods and river basin management. Additionally the EU Water Framework Directive (WFD) stipulates that river basin management plans must be prepared by December 2009, and by December 2012, all polluting discharges must be controlled under a combined approach of best available techniques and emission limit values, as well as by best environmental practice for diffuse pollution. The Danube Regional Project has to take into account and builds on these existing mechanisms and structures.

(iii) the achievement of the GEF strategies and mandate?

The project objectives support GEF OP #8 and the focus on international waters, as well as the Black Sea ecosystem restoration program.

(iv) the implementation of the global conventions the GEF supports (countries obligations and responsibilities towards the convention as well as the achievement of the conventions objectives)

The project supports the Danube River Protection Convention.

A2. Did the project promote of International (Regional and / or Global) Cooperation and Partnership[1]

The project complements the activities of the International Commission for the Protection of the Danube River (ICPDR) and falls under the framework of the Danube/Black Sea Basin Strategic Partnership for the Danube and the Black Sea riparian system.

b. Effectiveness **Rating: HS**

Overall, the project has been effective in meeting the long-term development objective of reinforcing national capacities and ensuring greater regional coordination on water management policy. The project has provided a solid assessment of current conditions and processes affecting water quality in Danube, and set the direction for national policies in the region.

All IPCDR countries are currently implementing policies for sustainable water management and nutrient reduction. Harmonization with the EU Water Framework Directive (WFD) has become the driving force in these efforts. All the Danube EU countries are establishing basin management plans and have committed to creating a joint plan for the

[1] Please consider for regional and global project only

Danube. Non-EU countries have all indicated interest in harmonizing national policies with the WFD and most have taken initial legislative steps in this direction. The project has published the Danube 'Roof Report,' a basin-wide overview of process affecting water quality, and submitted it to the EU. Sub-basin management plans have been developed for the Sava River and Tisza River. Development and testing of the Accounts Simulation for Tariffs and Effluent Charges (ASTEC) model for tariffs on municipal water and waste systems has been successful.

The project's activities focusing on agriculture and land use included over 100 workshops, with more than 2500 participants, as well as a series of policy reports on best agricultural practices (BAPs) and inventory reports on pesticides, fertilizers, and other inputs. The project developed a methodology for wetlands rehabilitation and land use assessments, which was tested at three pilot sites covering 4,400 hectares. There were also eight pilot farms in Serbia that received technical assistance on best agricultural practices. However, these pilot initiatives could not be sustained as funding was not available to support the investment in BAPs, and no financing was provided by the Serbian government.

The project's activities on industrial pollution were more limited and somewhat overshadowed – both by the DRP's focus on nutrient loading and to a great extent by the EU's own activities in developing 'best available technology' reference materials. An industrial emissions inventory was created, and in the 11 (GEF eligible) Danube countries, a review of industrial policies was carried out – detailing gaps between existing legislation and enforcement, and steps necessary to satisfy the EU requirements for industrial pollution control. The team also commissioned a road map for implementation of best available technologies (BATs) in Serbia & Montenegro, Bosnia & Herzegovina, Moldova and Ukraine. Five reviews of specific industrial complexes were conducted as case studies on the implementation of BAT. However, country specific legislation must be implemented to support widespread adoption of BATs.

The project has not been able to implement a basin-wide policy on voluntary Phosphate reductions. This would have led to a 24% reduction of P from point sources of pollution and 12% reduction in total P loads from the DRB to the Black Sea. Activities under this sub-component included a review of detergent use in the DRB and stakeholder meetings. Although these actions have raised public awareness of the issue, overall low priority has been given to this output.

The goals of increased public awareness and involvement have been met successfully. The Danube Environmental Forum (DEF), a regional NGO network was successfully re-activated and became the vehicle for public education and outreach. The DEF established a Water Policy Team, and members participated in both WFD implementation and ICPDR Expert Groups. Local NGOs and municipalities across the region participated in the small grants program (SGP). The SGP has been a very successful project component and, according the terminal evaluation, very cost-effective due to the NGOs' ability to raise co-funding for projects. The DRP commissioned a review after the 2nd set of small grant projects, which assessed a subset of projects, and indicated a success rate of about 80% and the prevalence of awareness raising activities over technical studies.

Targets with regard to the expansion and reinforcement of river quality monitoring and evaluation systems have been partially met. There were delays in selecting the 35 indicators that would be used for river monitoring and the large number of indicators has create some doubts about how useful the system will be. The Iron Gates sediments analysis was successful and the ensuing report highlighted the high environmental and financial cost of dredging or flushing the reservoir, but no alternative solution was proposed. A study on pollution trading was conducted, which according to the terminal evaluation was useful from a "theoretical standpoint."

Some of the project's effectiveness in achieving regional coordination of policies on water quality must be attributed to the EU's WFD. Based on information in the terminal evaluation, acceptance of the WFD as a legally binding mechanism has been stronger motivation for regional cooperation than the Danube River Protection Convention. Another factor to consider, when looking at the drop in nutrient levels over the project lifetime, is the sharp regional drop in agricultural production. A regional economic downturn and the closing of inefficient state run farms have led to a considerable decline in land area cultivated, and impacted nutrient levels in the Danube River.

c. Efficiency (cost-effectiveness) **Rating: S**

The information on actual costs contained in the terminal evaluation is incomplete. The project budget in the ProDoc was a total of $25.1 M with a GEF contribution of $12.2 M and co-financing (from the governments, ICPDR, and others) of $12.9 M. Considering the scope of the project and the broad array of useful and high-quality outputs, the project has been cost-effective. Total nutrient levels in the upper Danube have been reduced by 5-10% in the period 2000-2004. Projects in 2005 reduced Nitrogen emissions by 10,562 tons/year, and Phosphate emissions by 2,224 tons/year. Conditions in the Northwest shelf of the Black Sea have also been improved.

d. To what extent did the project result in trade offs between environment and development priorities / issues (not to be

rated) – this could happen both during the designing of the project where some choices are made that lead to preference for one priority over the other, and during implementation of the project when resources are transferred from addressing environmental priorities to development priorities and vice versa. If possible explain the reasons for such tradeoffs.
No such tradeoffs are mentioned in the terminal evaluation report or in the ProDoc. The project was designed to operate through a convention Secretariat and, thus, could only indirectly affect national policy and legislation. As such, priority has been given to development issues (i.e. capacity building, outreach and education, research and advocacy) rather than enactment of environment regulation.

4.1.2 Results / Impacts[2] (Describe Impacts) (please fill in annex 1 – results scoresheet and annex 2 – focal area impacts (against GEF Strategic Priority indicators, where appropriate and possible)

The DRP has enabled the ICPDR to take a holistic look at the pressures facing the river and begin implementation of the EU Water Framework Directive. DRP monitoring and analysis activities have provided evidence of the links between significant eutrophication and agricultural inputs, of the importance of wetlands as buffers against floods, and of the critical need to implement tariffs and charges for water and sanitation systems. Project activities have resulted in a wide and expanding array of environmental NGOs involved in efforts to clean up and protect the Danube and its tributaries. Through the DRP, many of the Danube countries have enhanced their policies and procedures for involving the public in water resources decision making. The project goal to reduce nitrogen and phosphate emissions into the Danube River by >20% and >30%, respectively, was achieved, and the northwestern shelf of the Black Sea is exhibiting signs of restoration. Based on information in the terminal evaluation, it is impossible to determine how much of this was a direct result of the DRP, but it can be surmised that much of the benefit came from declining agricultural inputs and improvements in wastewater treatment in the region. The project's impact on farming and industry practices that impair Danube water quality is not clear. Intervention in these areas has been limited to pilot projects and there is no framework for expanding or replicating these pilot programs. Overall though, the project has helped to set in motion a series of actions with long-term benefits for water quality improvement across the region.

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of **risks** to sustainability of project outcomes and impacts based on the information presented in the TE. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

a. Financial resources	**Rating: ML**
ICPDR is implementing an 'exit strategy' that will develop future funding sources. Member states have indicated that they will continue to fund basic Secretariat operations. Special scientific and public outreach projects will require outside funding. Possible private support mechanisms include partnerships with Coca Cola, and Alcoa.	
b. Socio-economic / political	**Rating: L**
Support from member countries and the EU is quite strong, as is the support from the base of NGOs and civil society organizations that have participated in the project. The Danube Environmental Forum has become the clearinghouse for environmental activism regarding water quality. The affiliated Expert Group workshops have become self-sustaining and will likely continue some research activities without additional funding from the ICPDR.	
c. Institutional framework and governance	**Rating: L**
Project activities have cemented ICPDR's role as the primary institutional mechanism for coordinating regional policy on water quality, for both the Danube River Protection Convention and the EU Water Framework Directive. Although awareness of project activities is limited to national Environment/Water Resources Ministries, there seems to be little institutional risk to sustaining project outcomes.	
d. Environmental	**Rating: ML**
The terminal evaluation did not contain a discussion of environmental risks, but the final PIR notes two. One is the feasibility of pilot sites/farms and their financial viability. The other risk is the difference in effects between pollution removal and the ecology needs in wetlands management.	
e. Technological	**Rating: N/A**
The project did not introduce any new technologies.	

[2] Please consider direct and indirect global environmental results; any unexpected results; local development benefits (including results relevant to communities, gender issues, indigenous peoples, NGOs and CBOs)

4.3 Catalytic role[3]

a. INCENTIVES: To what extent have the project activities provide incentives (socio-economic / market based) to contribute to catalyzing changes in stakeholders
The project provided technical assistance to the DRP countries in the area of tariffs and water pollution charges including development and testing of the Accounts Simulation for Tariffs and Effluent Charges (ASTEC) model that provides a tariff adjustment tool for municipal water and waste utilities. This model was piloted in Croatia. The project also conducted a study of the potential for pollution trading among the Danube Basin countries.
b. INSTITUTIONAL CHANGE: To what extent have the project activities contributed to changing institutional behaviors
The ICPDR's institutional authority as the coordinating mechanism for the Danube River Convention and the EU WFD has been significantly reinforced. The project has provided institutional development support for NGOs working on transboundary pollution issues. In the participating countries, institutional impact has been limited to the environmental ministries, despite the Inter-Ministerial Committees established in Phase I of the project.
c. POLICY CHANGE: To what extent have project activities contributed to policy changes (and implementation of policy)?
This project has largely provided support for implementing legislative and regulatory changes. Project activities have led to the adoption of sub-basin management plans in the Sava River and Tisza River Basins. The project has also reviewed the industrial policies of 11 Danube countries with regard to impact on water quality and developed roadmaps for implementation of Best Available Technologies in 4 countries. Project activities have also raised awareness of the various policy options for water/sanitation tariffs and a pollutant trading system.
d. CATALYTIC FINANCING: To what extent did the project contributed to sustained follow-on financing from Government and / or other donors? (this is different than co-financing)
ICPDR has been expanding its external funding mechanism and is increasingly looking at the private sector, based on successful partnerships with Coca Cola and the Alcoa Foundation.
e. PROJECT CHAMPIONS: To what extent have changes (listed above) been catalyzed by particular individuals or institutions (without which the project would not have achieved results)?
No project champions were mentioned in the terminal evaluation report.

4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.

a. Co-financing. To what extent was the reported cofinancing (or proposed cofinancing) essential to 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 it did, then in what ways and through what causal linkages?
The Danube country governments provided in $6.8 million in parallel financing and the ICPDR contributed $6 million. This co-financing was essential for reinforcing trans-boundary cooperation and for public outreach. The terminal evaluation does not contain information on whether this co-financing materialized.
b. 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 it did, then in what ways and through what causal linkages?
The project's original closing date was November 2006, but this was extended to May 2007. Based on information in the terminal information, the utilization of a two tranche funding mechanism for this project necessitated the development and approval of a second project document. The second (36-month) phase of the project was supposed to start in Dec. 2003, but the slow processing of the Phase II ProDoc pushed the actual start date to Sept. 2004. The project was operationally closed on 31 August 2007. There were no other delays noted in implementation.
c. 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.
The participating countries, and the ICPDR, demonstrated a high level of project ownership, especially with regard to the project's role in assisting with implementation of the WFD. There was a noted lack of country ownership when topics fell outside the sphere of influence of the Environment Ministries. For example, little progress was made on voluntary agreements to reduce the use of phosphates in detergents, as this issue touched the industry and trade sectors. Similarly, country support through Agriculture Ministries for the continuation or expansion of Best Agricultural Practices pilot projects was not forthcoming.

4.5 Assessment of the project's monitoring and evaluation system based on the information in the TE

a. M&E design at Entry **Rating (six point scale): HS**
The M&E design in the project document contained a detailed implementation schedule, budget, and a logical frame matrix with clearly defined objectives, outputs, and activities. The log frame matrix included a list of objectively verifiable indicators for each objective, sources of verification, and a description of assumptions and risks. Monitoring

[3] Please review the 'Catalytic Role of GEF: How is it measured and evaluated – A conceptual framework' prior to addressing this section.

provisions included quarterly reports, annual reports, and annual Tripartite reviews. A mid-term 'stocktaking meeting' and a mid-term 'Project Performance Review' were also indicated (p.62 of the ProDoc).
b. M&E plan Implementation Rating (six point scale): Unable to assess.
There is no separate section on implementation of M&E in the terminal evaluation report, but M&E is rated as satisfactory (p. 57). Project implementation is rated highly and it is noted that the project adhered to work plans and budgets. Quarterly reports and annual reviews occurred as planned. Although a mid-term review had been committed to in the project appraisal document, the terminal evaluation does not indicate proposed review took place.
b.1 Was sufficient funding provided for M&E in the budget included in the project document? According to the Project Document, in both project phases 200,000.00 USD, representing 1.2 % of the project budget, is earmarked for the development of indicators for project monitoring and impact evaluation.
b.2a Was sufficient and timely funding provided for M&E during project implementation? Unable to assess. No information in the terminal evaluation report.
b.2b To what extent did the project monitoring system provided real time feed back? Unable to assess.
b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why. Yes, the M&E plan in the project document was exceptionally well elaborated.

4.6 Assessment of Quality of Implementation and Execution

a. Overall Quality of Implementation and Execution (on a six point scale): HS
b. Overall Quality of Implementation – for IA (on a six point scale): HS *Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution.*
The Implementing Agency for this project was the UNDP. The terminal evaluation report notes that the project was implemented in a highly satisfactory manner. The UNOPS provided project support as needed, and left the Project Coordinating Unit (PCU) to operate its daily affairs independently. The Project Steering Committee intervened at times, for example in recommending a phase out financial support for ICPDR expert groups, but such intervention was well received by the PCU and the recommendations were adopted. The use of an *imprest* account allowed the DRP PCU to handle financial affairs on its own, and the disbursement mechanism through UNOPS worked well. External auditing, Tripartite Reviews, and ICPDR Steering Group Meetings were held regularly.
c. Quality of Execution – for Executing Agencies[4] (rating on a 6 point scale) HS *Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.*
A Project Coordinating Unit (PCU) within the ICPDR executed the project. Based on information in the terminal evaluation report, the management arrangement between the PCU and the ICPDR functioned smoothly. The PCU was able to adapt well to changing political and economic conditions such as the falling dollar (effectively a 20% budget cut), EU expansion eastward, and political upheaval in Yugoslavia. Despite these challenges, the PCU maintained a strong focus on results. Work plans were successfully adhered and the nearly 160 activities were delivered within the 3-year project timeline. The PCU handled local procurement and management of meetings and workshops efficiently. The TE report commends the high level of professionalism in the PCU and remarks that the products delivered by international and national experts, particularly in relation to WFD implementation, were of high quality. Quarterly reports were filed with he UNDP/GEF regional coordination unit.

5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

a. Briefly describe the key lessons, good practice or approaches mentioned in the terminal evaluation report that

[4] Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

could have application for other GEF projects

1. Critical to success was the relationship between the Project management and Commission Secretariat. These are not easy relationships to manage, since the Secretariat plays both a beneficiary role and a management role, while the PCU provides funding and technical support to the Secretariat, but also may pursue some outputs outside the scope of Secretariat responsibilities. If GEF project teams can get this relationship working well throughout the project, such projects stand a real chance of achieving a high degree of success.

2. The DRP achieved considerable success within the sphere of influence of the constituent members of the ICPDR delegations, but experienced the greatest difficulties in affecting policies that fell outside of the purview of the Ministry of Environment (or its equivalent in each country), like agriculture, industry, and transport. Such failures reflect the limited clout of environmental ministries in many countries, and the inadequacy of inter-ministerial structures in most countries. To have a greater impact on the policies and funding decisions of these resource oriented ministries, they need to be brought into the project at the conceptual stage.

Best Practices

Cooperation with ICPDR*:* In contrast to some other GEF projects, the rapport between the DRP PCU and the ICPDR Secretariat has been very positive and their actions mutually reinforcing. Project achievement in this regard serves as a model for other GEF projects. Success can be attributed to having a well-functioning project team and strong leadership on the part of both DRP and the ICPDR. DRP benefited from making use of, and strengthening, the ICPDR structures, notably Expert Groups. The project steering committee was comprised of the Heads of Delegation of the ICPDR, many of whom had been involved with the project since its inception.

Adaptive Management: A notable achievement of the DRP, gaining strong regional appreciation and backing, was its capacity to adapt to changing political and economic realities, particularly regarding EU accession and WFD implementation. The team was able to articulate, and receive steering committee approval, for various adaptive strategies. For example, modification of the work plan saw the emphasis on dealing with water tariffs and charges being aimed at plant managers rather than at the national level. DRP was able to respond in a timely manner to requests from ICPDR.

Project Ownership: A significant level of regional pride, national interest, and joint ownership of the DRP was generated in all countries. This achievement seems to have been attained by ensuring the widest possible country and stakeholder participation in the planning and implementation of various project components. Thus, the DRP facilitated and funded many activities for the Roof Report and DRP financial support ensured that every nation was initially represented at the ICPDR Expert Group meetings. This mechanism enabled all countries to contribute to the regional effort, with the result that *all* countries, including perhaps unexpectedly the upstream nations, learned and benefited from each other. The benefits were self-evident, which encouraged country ownership and financial commitments thereby guarantying continued national participation, as well as the future sustainability and success of the ICPDR EGs.

Expert Groups: The ICPDR Expert Group format serves as a benchmark for how expert groups can and should function. Expert Groups stand a strong chance of being successful when: (a) the countries fund their own contributions and participation; (b) the persons participating in the EGs are indeed technical experts rather than senior managers; (c) there is low turnover of experts, allowing greater continuity and improving trust and communications across the participants. The ICPDR EGs are comprised of national experts from the contracting parties and also representatives of observer organizations, most notably NGOs. The purpose, financial basis and country ownership of the ICPDR EGs evolved and improved, in recognition of the increasing importance of WFD implementation across the basin and with the decision to phase out DRP financial support for EG member participation.

Networking: A universally expressed view in the region was that a major benefit of the project was the opportunity to establish networking of like-minded people. Communications have been established or improved, both nationally and internationally, between scientists in academia and government agencies or laboratories, between scientific communities, and with other regional stakeholders, notably environmental managers. Networking has become better between NGOs at both national and international levels. Moreover, NGOs in some countries have improved working relationships with government bodies and civil society, the overall effect of which has been to initiate or enhance public participation in environmental decision- making process.

Strong support to DEF and NGOs: DRP support strengthened the Danube Environmental Forum (DEF) as an umbrella organization, thereby enhancing the ability of member NGOs to respond to transboundary pollution issues. The DEF played very useful roles as an observer at ICPDR meetings, facilitating cooperation between NGOs and government agencies, as a vehicle for public awareness raising and helping NGOs across the region participate in the small grants program. Regarding communications, DEF translated and revised DRP outputs for public dissemination. Many NGOs played an active role in Danube Day in various countries. One widely recognized achievement of the project was to make significant progress in fostering NGOs, and through them, public involvement, particularly with

respect to WFD implementation and in the down stream countries where NGO activities and the notion of public access to information have short histories.

b. Briefly describe the recommendations given in the terminal evaluation

1. The GEF has put a substantial investment into the Danube River over the past 15 years. GEF support is now ebbing, which is understandable given pressing environmental demands in other regions, the increasing capabilities of the Danube countries to manage their own water resource affairs, and particularly the expansion of the European Union across a majority of the Danube countries. There are, however, important reasons for the GEF to retain an International Waters presence in the Region. These include: a) to continue strengthening the capacities of countries in the basin that are not a part of the EU and are facing considerable economic constraints; b) to 'protect' the investment by continuing to support transboundary agreements at the sub-basin level, for instance in the Tisza and Prut Rivers; and c) to continue to utilize the Danube as an incubator and demonstration site for the use of policies and techniques that can be replicated in other regions. An example of further GEF activities could be to develop a GEF medium size project to demonstrate innovative economic instruments to counter the Danube-Black Sea problem of nutrient over-enrichment. This would include analysis of the feasibility of a nutrient trading scheme as well as other economic tools, such as the use of conservation easements for flood plain management, and promotion of low cost wastewater treatment technologies, including engineered wetlands and package treatment plants.

2. The DRP/ICPDR Exit Strategy effort was well considered and generally well executed. Developing and implementing such strategies should be a standard feature of GEF IW projects, especially in cases where there have been long-term international investments and a corresponding need to start the process of supplanting international support with regional and local support. The key is to start the process early, at the mid-way point of the project, so there is sufficient time for the phase down process to take affect, the countries to budget for their increased responsibilities.

3. The DRP was able to utilize an imprest account with UNOPS, enabling the PCU to operate a more flexible budgeting and expenditure procedure, yet maintain project accountability. All large-scale multi-country GEF projects should be given this account opportunity, based on initial evidence of sound financial management.

4. The DRP was established as part of the Danube-Black Sea Strategic Partnership, which linked the DRP and BSERP capacity building projects with an investment facility (NRF). While coordination of these three projects could have been better, the concept is sound and should be replicated. By linking capacity building and investment support, the GEF can greatly increase the environmental benefits accrued for targeted international waters.

5. Future projects addressing nutrient over-enrichment should seek to broaden investigations of agricultural policy impacts on the environment, including farm commodity price support mechanisms. Efforts should be made by the UNDP to achieve greater participation of local agricultural interests, including local extension services, and also international partners, such as the FAO. The experiences from the agricultural pilots in the DRP demonstrated that farmers are interested to implement best agricultural practices (BAPs). Yet the DRP experience also showed that few if any BAPs will get carried out without financial support – especially when small and marginal farming concerns are the focus. Future GEF projects that provide capacity building for BAPs need to tie directly to investment support - either through country support commitments or additional donor funding. This may be an area where micro-lending arrangements can be considered.

6. In the DRP an issue arose with respect to the Intellectual Property Rights for the use and enhancement of the MONERIS model. This raises a more general issue of how future GEF projects should utilize proprietary systems and software. Open architecture program and systems in the public domain are preferable – assuming they meet the project needs. Otherwise, contractual negotiations may be required to ensure that beneficiary countries receive license to utilize and enhance proprietary systems, or at the last resort, long term contracts are signed that enable the countries to continue receiving systems support after the GEF project has concluded. The risk in not taking one of these approaches is that significant GEF moneys will be used for developing effluent models or GIS mapping systems that are then discontinued once the GEF support ends.

7. The current joint APR/PIR reporting requirements for UNDP / GEF projects are an improvement over the previous situation where separate APRs and PIRs were required. However the format and procedures are still cumbersome for the project teams and too content-heavy for reviewers. Consideration should be given to new formats – for instance providing an annual 'exceptions' report, which highlights only those areas of the project implementation that have 57 changed since the previous reporting period. Consideration should also be give to developing an on-line format.

8. The DRP's inclusion of a small grants program was highly successful in terms of increasing NGO participation,

raising public awareness, and mobilizing a large number of environmental protection activities at a fairly modest cost. Notwithstanding the existence of the GEF Small Grants Program operating globally, it will be useful to consider including small grants programs as a component of future GEF large-scale projects [5]

6. QUALITY OF THE TERMINAL EVALUATION REPORT

6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to document GEF Office of Evaluation Guidelines for terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? Assessment of outcomes and impacts is detailed and comprehensive.	S
b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps? Although the report is overall internally consistent, it does not cover M&E issues adequately.	MS
c. To what extent does the report properly assess project sustainability and /or a project exit strategy? Sustainability is assessed individually for each project outcomes. A brief outline for an exit strategy is included.	S
d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive? Lessons learned follow logically from the description of the project and both good and bad points are mentioned.	S
e. Does the report include the actual project costs (total and per activity) and actual co-financing used? The report has inconsistent information on project costs. In the body of the report, it is mentioned that actual project costs are not included because they were not available at the time of the terminal evaluation (p.40). Annex 1 of the report, however, contains a component review, which lists planned and actual costs by component. But, the costs listed do not correspond to the proposed budget in the ProDoc.	U
f. Assess the quality of the reports evaluation of project M&E systems? There is no separate section on M&E system design and implementation.	U

7. SOURCES OF INFORMATION FOR THE PRERATATION OF THE TERMINAL EVALUTION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

8 Project stakeholders and Key Contacts (Names, addresses, emails etc – mandatory for field visit countries)

9. Information Gaps (for Field visit countries only)

[5] These are very detailed accounts. Could you summarize this section including the lessons.