Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2017

# 1. Project Data

| Summary project data | | | |
|---|---|---|---|
| **GEF project ID** | | 2132 | |
| **GEF Agency project ID** | | 84608 | |
| **GEF Replenishment Phase** | | GEF-3 | |
| **Lead GEF Agency (include all for joint projects)** | | World Bank | |
| **Project name** | | WB-GEF MED Neretva and Trebisnjica Management Project - under Investment Fund for the Mediterranean Sea LME Partnership | |
| **Country/Countries** | | Bosnia-Herzegovina; Croatia | |
| **Region** | | ECA | |
| **Focal area** | | Multi - International Waters and Biodiversity | |
| **Operational Program or Strategic Priorities/Objectives** | | 9- Integrated Land and Water Multiple Focal Area Operational Program | |
| **Executing agencies involved** | | Federation of Bosnia Herzegovina Ministry of Physical Planning & Environment; Republika Srbska Ministry of Agriculture & Water Resources; and Croatia Ministry of Environmental Protection & Physical Planning | |
| **NGOs/CBOs involvement** | | None | |
| **Private sector involvement** | | None | |
| **CEO Endorsement (FSP) /Approval date (MSP)** | | 5/12/2008 | |
| **Effectiveness date / project start** | | 3/6/2009 | |
| **Expected date of project completion (at start)** | | 12/31/2013 | |
| **Actual date of project completion** | | 06/30/2015 | |
| **Project Financing** | | | |
| | | **At Endorsement (US $M)** | **At Completion (US $M)** |
| **Project Preparation Grant** | GEF funding | 0.41 | NA |
| | Co-financing | 0.05 | NA |
| **GEF Project Grant** | | 8.0 | 7.94 |
| **Co-financing** | IA own | | |
| | Government | 8.72 | 11.57 (incl Municipal and Benef) |
| | Other multi- /bi-laterals | 3.93 | 8.74 |
| | Private sector | | |
| | NGOs/CSOs | 0.5 | NA |
| **Total GEF funding** | | 8.41 | 7.94 |
| **Total Co-financing** | | 13.15 | 20.31 |
| **Total project funding (GEF grant(s) + co-financing)** | | 21.56 | 28.25 |
| **Terminal evaluation/review information** | | | |
| **TE completion date** | | December, 2015 | |
| **Author of TE** | | World Bank | |
| **TER completion date** | | May, 2018 | |
| **TER prepared by** | | Ritu Kanotra | |
| **TER peer review by (if GEF IEO review)** | | Molly Watts Sohn | |

## 2. Summary of Project Ratings

| Criteria | Final PIR | IA Terminal Evaluation | IA Evaluation Office Review | GEF IEO Review |
|---|---|---|---|---|
| **Project Outcomes** | - | MS | MS | MS |
| **Sustainability of Outcomes** | | ML | ML | ML |
| **M&E Design** | | NA | Negligible | MU |
| **M&E Implementation** | | NA | Negligible | MU |
| **Quality of Implementation** | | MS | MU | MS |
| **Quality of Execution** | | MS | MS | MS |
| **Quality of the Terminal Evaluation Report** | | - | Substantial | S |

## 3. Project Objectives

3.1 Global Environmental Objectives of the project:

As per the CEO Endorsed document, the Global Environmental Objective of the project is to enhance the ecosystems and biodiversity of the Neretva and Trebisnjica river basin (NTRB) through improved water resource management.

3.2 Development Objectives of the project:

As per the CEO Endorsed document, the Development Objective of the project is to provide mechanisms for the efficient and equitable water allocation amongst the Neretva and Trebisnjica river basin (NTRB) users at the trans-boundary level. The project had the following 4 components:

**Component 1: Improved transboundary water resource management** - The component was designed to support both national and interstate institutions for transboundary river basin management and transboundary management tools, including basin-wide measurements, monitoring, modeling, and a database management system and support training and capacity building of the staff working in those institutions. This component had three subcomponents: (a) Institution and capacity building; (b) Measurement, monitoring, and information management; and (c) Preparation of a river basin Integrated Water Resources Management (IWRM) Plan.

**Component 2: Improved management and use of wetlands ecosystems and biodiversity -** The objective of this component was to maintain and conserve water-dependent ecosystems and their associated biodiversity in the coastal area of the NTRB that had been identified as being critical for the health of the Adriatic-Mediterranean ecosystem in the Transboundary Diagnostic Analysis for the Mediterranean Sea (MED TDA) and Strategic Action Plans (SAPs). This component was designed to support water infrastructure improvements in both countries, including improved wetlands management and a pilot scheme to address saline water intrusion in Neretva Delta in Croatia. It also included support to rehabilitation of small-scale water management infrastructures, such as gates, weirs, river banks, and irrigation structures in the two countries. In addition, since maintaining environmental flow requirements in the river is key to the integrity of the ecosystems, this component was also to support improvements to hydropower plant (HPP) operations.

**Component: 3 High-priority investments for water pollution control -** The objective of this component was to reduce water pollution of the NTRB through high-priority investments in low

cost, appropriate wastewater technology improvements in three municipalities, and small improvements of wastewater collection and treatment infrastructure in two other municipalities and one industrial sector in Bosnia and Herzegovina. The municipalities and local industry were to contribute a 50 percent of the investment costs. The component was also designed to support capacity building for monitoring and enforcement of industrial wastewater effluents by developing effluent standards and enforcements guidelines, and training.

**Component: 4 Public participation and management of project implementation -** The objectives of this component were to increase civil society participation in the decision-making process for water resource management and to establish an incentive mechanism for responsible local level resource management, and to manage project implementation activities. This component included scientific community involvement; civil society participation including a small grant program; development and maintenance of a website and participation in relevant events of the International Waters Learning Exchange and Resource Network (IW Learn); participation in relevant activities of the Regional Component (UN Environment Program) of the Mediterranean Strategic Partnership; and monitoring of projects indicators and evaluation activities.

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

No.

## 4. GEF IEO 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** |
|---|---|

The relevance of the project is rated as 'high' or 'substantial' by the ICR. Based on the evidence in the available reports (ICR and ICR review), this TER assesses the relevance to be 'satisfactory' as the project focused on hot spots – the lower Neretva with the Hutovo Blato wetland, and the delta of the Neretva River, which are unique ecosystems of priority relevance within the context of the Mediterranean – Adriatic Sea. Both the Development and Global Environmental Objectives of the project were relevant in the context of transboundary cooperation between Croatia and Bosnia and Herzegovina (BiH) being based on an agreement signed on July 11, 1996, which regulated water management relations between the two countries. A Joint Interstate Water Commission (ISWC) was established to initiate necessary activities and measures to resolve water management matters. Improved water resource management and biodiversity conservation were also identified as key environmental issues by both countries in their respective National Environmental Action Plans (NEAPs), in 2005.

The project also confirmed to the IW Strategic Objectives and Strategic Programming for GEF-4. The project fully supports the achievement of the IW Strategic Objective 2 that calls for 'a catalytic role in addressing transboundary water concerns by assisting countries to utilize the full range of technical assistance, economic and financial, institutional and regulatory reforms that are needed. The project also confirms with the Strategic Programs 2 and 3 of the IW focal area and supports the Strategic Program 4 of the Biodiversity focal area.

| 4.2 **Effectiveness** | Rating: **Moderately Satisfactory** |
|---|---|

This TER concurs with the rating assessed by the ICR of the project as 'moderately satisfactory'. Overall, the project implemented all the four components (except the irrigation pilot), met or exceeded all implementation targets, and can be considered as successful in reaching all of its objectives except certain activities such as the Pilot Irrigation, and delayed activities, like the construction of some of the WWTPs that resulted in trial runs late in the project implementation period. The project led to the establishment of mechanisms for the efficient and equitable water allocation amongst the users of the Neretva and Trebisnjica river basin (NTRB) at the transboundary level, also applied by the country water authorities for water allocation. The project was also successful in enhancing the basin ecosystems and biodiversity through improved water resources management, with the exception of reducing saline water intrusion due to cancellation of the pilot scheme, due to which the project is rated 'moderately satisfactory'. The achievements under various components is detailed below"

**Component: 1** Improved transboundary water resource management - **Satisfactory**

The Transboundary River Basin Management Framework was completed and adopted. The Framework was in compliance with the EU Water Framework Directive. In addition, three River Basin Management Plans for: (a) Croatia, (b) FBiH, and (c) RS were completed through the Project. Together, they presented the foundation for the Adriatic River Basin Management Plan. The basin-wide transboundary hydrological measurements, monitoring, modeling and database management systems (with about 67 monitoring stations) were successfully adopted by the water authorities both in BiH and Croatia. This resulted in significant improvements in the interstate cooperation and technical capacity for transboundary water resources management, through timely data exchange, efficient and equitable water allocation, informed decisions on water issues, reservoir management, environment and flood protection, etc., which were feeding into the overall river basin management plans and the framework for the trans-boundary water management.

**Component 2:** Improved management and use of wetlands ecosystems and biodiversity **- Moderately Satisfactory**

The key achievements under this component included restoration of water management infrastructure, including wetlands and river banks rehabilitation along Krupa river. This involved development and adoption of the spatial and management plans; completion of the biodiversity study and the Monitoring and Biodiversity Inventory Database; construction and operation of the wastewater treatment plan in the park; restoration of the wetlands following the big forestry fire with repair and construction of 12 tourist infrastructures, 24 bird feeders and fauna observation posts and sailing vessels, upgradation and rehabilitation of the park's management and service facilities ( with equipment such as the tractor and amphibian machine).

The pilot on the development of 400-hectare area to mitigate salt intrusion in Neretva Delta was, however, not implemented and the funds were reallocated to the water monitoring stations/network (monitoring, also water salinity), as requested by the Croatian Government and agreed by the Bank. Instead, the hydrological network equipment to monitor the situation in the Neretva Delta (ND) was procured and reported as operational, but saline water intrusion was not measured, monitored and reported in the ICR.

**Component 3:** High-priority investments for water pollution control **- Satisfactory**

At the project completion, five Waste Water Treatment Plants (WWTPs) in BiH (Bileca, Ljubuski, Trebinje, Hutovo Blato Nature Park, and Konjic) were rehabilitated/constructed and completed in a quality manner and additional EU funding was secured to increase the benefits of WWTPs' rehabilitation. M&E measurements and database was also established in each WWTP. Overall, the completed Sewerage System network and upgraded WWTPs reduced water pollution in the Trebizat River and Neretva and Trebisnjica river basin and improved the drinking water provision. As per the ICR, the improved water quality of the Trebizat River was also a positive cross-border impact, as the Trebizat River flows into Neretva River (Adriatic River Basin) which is an international waterway as it flows to Croatia and Adriatic Sea.

**Component 4**. Public participation and management of project implementation **- Satisfactory**

Under this component, the project organized various workshops, public discussions with NGOs and scientific community for discussions on NTRB management plan and draft Adriatic Sea Watershed Management Plan in FBiH. The project staff represented in various meetings and gatherings dealing with water management and environmental protection. The implementation team representatives from both countries participated in the 6th GEF Biennial International Waters Conference in Dubrovnik in 2011 with the aim to present the Project. A total of 30 grants were awarded under the Small Grants Program (SGP) in both Croatia and BiH. The grants supported a range of financially sustainable projects that benefit the livelihoods of the local population and relieve pressures on natural resources and use of natural resources in the protected areas.

| 4.3 **Efficiency** | Rating: **Satisfactory** |
|---|---|

As per the available reports (ICR and ICR review), the project spent 132 % of the originally estimated project cost in 127 % of the originally estimated project time, but the project management costs were kept at 74 % of the project appraisal estimate and 5 % of the overall expenditure, due to which the operational efficiency is rated as 'satisfactory'. There were, however, delays in implementation of several project activities that led to project extensions. The project cost including co-financing was budgeted at US$21.27 million. But, the project managed to leverage US$7 million more of additional funds than originally foreseen and ended up investing US$28.25 million. As per the ICR, the project raised substantial local community co-financing, but the exact amount is not available in any of the reports.

| 4.4 **Sustainability** | Rating: **Moderately Likely** |
|---|---|

The ICR assigns a 'modest' rating to the assessment of risk to Development Outcome. Based on the evidence in the available reports (ICR and ICR review), this TER assigns it a rating of 'moderately likely'.

**Financial – Moderately likely**

As noted in the ICR review, there was no resource allocation in Bank's portfolio to continue water resource management in the two countries. However, as stated in the ICR, EU was likely to provide funds to continue the reforms and finance other water infrastructure including funding the irrigation project in Croatia which was dropped by the Bank. Moreover, as per the ICR (Para 43, Pg 11), the fiscal sustainability of institutions involved with cross-border river basin management was ensured as project funding for technical assistance was gradually reduced over the project lifecycle and fully integrated into the respective budgets. Also, as a result of the positive relation that prevailed between the two countries and the World Bank during the project preparation and implementation, all counterparts in BiH and HR specifically raised the request to identify the opportunities for a follow-up project, and future financing options.

**Socio-political – Likely**

As per the ICR, the government ownership and commitment to transboundary cooperation demonstrated by both BiH and Croatia during the entire Project lifecycle is a good predictor of the sustainability of the project. Moreover, the public involvement and participation elements of the project contributed to building broad based support and inclusion of the public in the decision- making process, that is also likely to contribute to the continued sustainable use of water resources in the future as well.

**Institutional Frameworks and Governance - Likely**

As per the information in the ICR, the project helped in strengthening the existing capacities of the institutions in both countries and built a solid scientific and technical basis for establishing improved regional cooperation mechanisms, enhancing the sustainability of the joint management efforts in the long-term. The Framework for River Basin Management has been recognized as a pioneering exercise for Bosnia and Herzegovina as well as for the cross-border management of river basins in the Region. The ICR noted that water policy reforms and water resource management are a crucial part of the EU accession process and for EU membership. Since Croatia joined the EU and Bosnia and Herzegovina is a potential candidate, the project can facilitate the two countries complying with the EU WFD through the developed Framework for Water Management in Trebisnjica and Neretva that was agreed by all parties. As per the ICR, EU WFD was transposed to national legislation that is also likely to provide the enabling framework for the activities supported under the project.

**Environmental – Likely**

There are no environmental risks identified in the available reports (ICR and ICR review).

# 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?

The project was successful in leveraging full co-financing and US$7 million of additional funds than originally foreseen. As per the ICR, the Project managed to raise substantial local community co-financing. The additional funds were used for the construction of 15.2 km of additional sewerage system ensuring additional wastewater to be treated at the WWTP Ljubuški bringing unforeseen benefits for the protection of the Prud water source, the drinking water supply for the regional water system for Peljesac, Lastovo and Korcula in Croatia. Other activities added to the project included (i) the GEF Tracking Tool for biodiversity; (ii) a Post-Implementation Impact Assessment of NTMP; (iv) activities that were urgently needed to remove debris, clear drainage channels, conduct repairs to infrastructure, and provide feeding opportunities to birds as a result of a serious forestry fire in Hutovo Blato National Park. All these activities helped in achieving project outcomes successfully.

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?

The original project closing date was 12/30/2013 but was extended twice: (1) In November 2012, from 12/30/2013 until 12/30/2014 to allow the completion of the civil works on the sewage network in Ljubuski, and to allow contract to be signed for an integrated water resource management study--optimization of hydropower reservoir management--a key input to the Neretva and Trebisnjica River Basin Management Plan. The project was again extended In December 2014, from 12/30/2014 until 06/30/2015 to enable completion of the trial work of the WWTP Konjic. These extensions were done without adding to the project cost. The delays and the resulting extension didn't impact the project's outcomes and sustainability in any significant manner.

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:

As per the evidence in the ICR, the ownership and commitment of the two governments in achieving the project objectives can be considered as reasonably strong, with only moderate shortcomings. Both the governments cooperated well with each other, signed an MOU for that purpose and implemented all activities jointly. Bosnia and Herzegovina introduced reforms to water sector legislation to conform to EU WFD and implement all the WWTPs works to reduce pollution. The governments were supportive of the implementation of all the project activities. But the project also suffered due to delays in grant effectiveness (Croatia and Bosnia and Herzegovina; delays in getting counterpart funding for some of the activities in a timely manner; delay in solving some of the issues in implementation of project activities that led to its cancellation and also not staffing the Project Implementation Teams with the needed staff such as environmental specialists.

## 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** |
|---|---|

The ICR didn't assign a rating to this section but based on the evidence available in the ICR and ICR review this TER assigns it a rating of 'moderately unsatisfactory'. The project document included results framework and monitoring arrangements with budget for baseline, describing yearly targets and data collection instruments. However, as the ICR also notes, the baselines and targets largely captured the inputs and processes, but not the outcomes intended by the respective indicators. For instance, there was no indicator to measure the efficiency and equity of water allocation among NTRB users. Similarly, component 4 on Public participation and management of project implementation contributed to both Project Development Objective #1 and Project Development Objective (PDO) #2, but its impact was not captured in any of the PDO indicators. The intermediate indicators (number of community meetings held or number of small grants for NGOs) for this component captured the inputs, process, mechanisms but not the outcome, due to which the quality of M&E design at entry is rated as 'moderately unsatisfactory'.

| 6.2 **M&E Implementation** | Rating: **Moderately unsatisfactory** |
|---|---|

The ICR didn't provide a rating for this section but based on the evidence in the available reports (ICR and ICR review), this TER assesses the M&E implementation as 'moderately unsatisfactory'. As per the ICR, the project faced difficulties initially in capturing data and collecting the required information to feed into the results framework, but the process was improved gradually. Data collected was used to inform decision making and for resource allocation, such as using some of the savings to expand the work on WWTPs, responding to the fire damage in Hutovo Blato and allocating the funds of the pilot to procure hydrological network equipment. A website was also developed to post all relevant hydrographic and water quality data that could be used to monitor and inform the two counties in real time, essential for the management of the basin and making timely decision related to flood protection. Also, the international Waters Tracking Tool was prepared and updated at MTR stage and project completion.

However, as brought out by the ICR review, the M&E framework was not adjusted to account for dropping the Pilot Irrigation intervention and its utility was limited due to inadequate design as the end of the project target did not capture the outcomes intended by the PDO indicators. For instance, as explained in the ICR review, 'rehabilitation and construction of WWTP' can contribute to reduction of water nutrients and other pollution but cannot guarantee or measure that, and hence doesn't capture the outcome adequately.

## 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** |
|---|---|

This TER concurs with the rating assigned by the ICR to the quality of project implementation as 'moderately satisfactory'. The Bank carried out twelve supervision missions and as noted by the ICR and ICR review, the supervision team leveraged additional EU funds for the WWTPs in BiH, this was due to a strong Bank team and a high-quality policy dialogue that maintained the political commitment to the objectives (ICR Pg 22). The Bank made timely interventions in proposing alternatives to several situations and issues that were affecting the project outputs. For instance, it recommended using savings to increase the work on WTTPs and using the dropped irrigation pilot funds to procure hydrological equipment. Also, the quick response of the Bank to the Borrower's request to reallocate some funds from the Small Grants Program to the restoration of Hutovo Blato Park was taken in a timely manner.

However, the Bank supervision team did not document the dropping of pilot irrigation project in a restructuring document in a timely manner. Although disbursements lagged behind throughout the project implementation, the Bank supervision team did not formally revise disbursement projections. The ICR review notes problems with the project's results framework, which did not enable monitoring the achievement of the project towards its objectives, in particular related to an efficient and equitable water allocation, that could have been addressed by the Bank, and due to which the performance is rated as 'moderately satisfactory'.

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

This TER concurs with the rating assigned by the ICR to the quality of project execution as 'moderately satisfactory'. As per the information in the ICR, the implementing agencies in both countries had good working experience with the Bank and were ready for project implementation. They not only worked closely with the Bank team but also resolved implementation issues in a timely manner and suggested alternatives to use available resources to meet the project objectives. The implementing agencies also engaged with all the stakeholders, held several consultations and responded adequately to the communities' needs and suggestions. Nevertheless, the performance of the implementing agencies in the two countries is rated as 'moderately satisfactory' due to the delay in the launch of the implementation of project activities as well as delay in implementation of some of the project activities.

# 8. Assessment of Project Impacts

***Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.***

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

As per the ICR review, the project helped control pollution to enhance ecosystem and biodiversity through reduction of water nutrients and other pollution from municipal and industrial sources in selected municipalities as follows:

- Effluent BOD reduced from 155 mg/l to 20 mg/l. BOD of 6.4 – 8 mg/l was achieved for all four WWTPs, except the Konjic WWTP which was completed by the project close.
- Effluent N reduced from 25 mg/l to less than 15 mg/l in all WWTPs.
- Volume of Nitrogen pollution load reduced from 0.43 tons/year to 60.9 tons/year based on the monitoring data collected from all waste treatment.
- Effluent P reduced from 8 mg/l to less than 2 mg/l.
- Industrial pollution Cr reduced from 200 mg/l to less than 0.5 mg/l.

All five targeted WWTPs were rehabilitated and constructed, with improved pollutants processing and reduced pollution in the basin. Following outcomes were achieved:

- Volume (mass) of COD pollution load decreased through WWTPs significantly, from 10.01tons/ year to 917.8 tons/ year based on data collected from all rehabilitated WWTPs.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The impacts on the local economy and communities were not quantified. But a qualitative assessment undertaken during ICR indicated that the Project resulted in a number of significant regional and local economic and social benefits. The impact on local communities was assessed through a Stakeholder Survey and the key results are summarized as follows:

- Reduction of pollution from municipal and industrial sources (through water treatment), ensuing in improved water quality and availability of safer drinking water sources, and hence, in public health-related issues and costs;

- Development of tourism and recreation (primarily through the successfully completed Small Grants Program). About 40% of the respondents stated that the Project contributed to the development of tourism (particularly ecotourism) in the Project areas
- In addition, 36% of the respondents stated that the Project activities resulted in additional benefits for individual organizations and local communities which were not originally foreseen. Outputs strengthened the national flood prevention and forecasting and the operational response capability of the two countries through the new advanced equipment, the shared information system, and the mathematical simulation models that now are able to inform decision-makers faster and more reliably about coming hazards allowing to adequately prevent, evacuating and/or taking opportune safety measures (ICR Pg 59).

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

The project contributed to improving technical and institutional capacity of the water management agencies in Bosnia and Herzegovina and Croatia, and of Inter-State Water Committee (ISWC) in transboundary river basin management. The ISWC and the water management bodies in both countries were now well-equipped to manage and cooperate in transboundary river basin management. In particular, the project supported the following:

1. The project contributed to building capacity of the water agencies in both countries by procurement of IT equipment and office supplies, as well as by providing training, study tours and facilitating specialized meetings. It also included workshops on implementation of the Water Framework Directive 2000/60/EC and on water conflict negotiations and resolution.
2. The measurement, monitoring and information management subcomponent provided assistance regarding analyses of available equipment and expansion of the existing network of water measurement and monitoring stations, and developed a basin-wide water information system including GIS, sophisticated equipment and targeted training. A new application for automatic collection and exchange of agreed set of data between the institutions for water management of the Neretva and Trebisnjica River Basin (NTRB) was developed, and mathematical models for hydrological predictions, Hydropower Plant (HPP) operations, forecasting and decision making were developed and implemented with the required support training. As per the ICR, guidelines and training programs for optimal management of HPPs multi-purpose reservoirs is now available for enhanced basin water resource management (Pg 57).

b) Governance

The project helped in developing the following mechanisms/frameworks:

1. Establishment of protocol and data exchange to provide a basis for harmonizing national water management policies in the international basin through the activities of a bilateral commission.
2. Creation of a framework to harmonize water management with nature protection policy through the development, approval and operationalization of the NTRB Framework.
3. Defined and harmonized classification system for the ecological status of water together with areas of protected biodiversity that have become an integral part of water management.
4. Field evidence during ICR review, as reported by the country water authorities, showed that the mechanisms put in place under the project was being applied for water allocation. ICR review also noted that Neretva-Trebisnjica management system was consistent with the EU Water Framework Directive, which formed the basis for all decision-making in particular on water allocation within the river system.

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

None.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

As per the ICR, the new initiatives to prepare River Basin Management Plans for BiH and for the Sava (e.g., through the EU IPA Capacity Building for Water Management in BiH, 2014-1015; and the projects on the Drina River, under preparation for implementation in 2016- 2019) stated explicitly that they will build on the experiences gained from the Neretva-Trebisnjica Framework for River Basin Management.

# 9. Lessons and recommendations

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

The lessons from the ICR are summarized as below:

1. Transboundary basin water and environmental projects are high-risk high-reward projects. If successful, they can have significant beneficial outcomes and impact for all riparian in the basin. The Neretva and Trebisnjica Management Project (NTMP) can serve as a model to demonstrate that within one river basin, good results can be achieved in spite of all the complexities of transboundary water management.

2. The NTMP demonstrated that cooperation and coordination built throughout the project life between different countries even in a complex environment is possible and as such is a significant achievement by itself.
3. The Project which is relevant, even when financed with limited funds will likely attract additional funds. NTMP managed to leverage a significant amount of local, private and donors co-financing.
4. Increased local community participation and positive perceptions and views about the project contributed to achieving the project outcomes, thus resulting in improved living conditions of the population in the basin.
5. Partnership arrangement and excellent cooperation with EU can serve as a model for synergetic approach thus increasing the project results when working towards the joint goal (WWTP and sewerage in Ljubuski);
6. Strong presence of country office staff in the Bank team enables close follow-up and immediate attention to issues; and
7. A difficult and innovative project such as the Irrigation Pilot Project requires stronger human resources in the Project Implementation Team, better coordination between institutions and PITs, more financial resources, timely issuance of permits, and timely resolution of land and property issues.
8. The transboundary basin water and environmental projects have major outcomes at the global, regional and local level. The Results Framework should accurately define and measure those outcomes with support from a robust M&E system.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The available reports (ICR and ICR review) do not include any recommendations.

## 10. 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)

| Criteria | GEF IEO comments | Rating |
|---|---|---|
| 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 was based on a complete assessment of relevant outcomes and impacts of the project. However, the evidence on the impact was limited as the project didn't have outcome-based indicators in the results framework. But the ICR collected information wherever it was available. | **S** |
| To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated? | The report was consistent with complete information and ratings were substantiated with sufficient evidence. | **S** |
| To what extent does the report properly assess project sustainability and/or project exit strategy? | The report had sufficient information on the sustainability aspect of the project. | **S** |
| To what extent are the lessons learned supported by the evidence presented and are they comprehensive? | Lessons learned are supported by sufficient evidence and are comprehensive. | **S** |
| Does the report include the actual project costs (total and per activity) and actual co-financing used? | Yes. However, it doesn't provide exact amount of the community/beneficiary contribution. It could be that this information was not made available to the evaluators. | **S** |
| Assess the quality of the report's evaluation of project M&E systems: | The report assesses the 'quality of the design and implementation of the M&E system' but doesn't provide any ratings. | **MS** |
| **Overall TE Rating** | | **S** |

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

*CEO Endorsed document*

*ICR and ICR review*