

Terminal Evaluation Review form, GEF Evaluation Office, APR 2013

1. Project Data

Summary project data			
GEF project ID		2422	
GEF Agency project ID		2261	
GEF Replenishment Phase		GEF – 4	
Lead GEF Agency (include all for joint projects)		UNDP	
Project name		Integration of Ecosystem Management Principles and Practices into Land and Water Management of Slovakia's Eastern Lowlands	
Country/Countries		Slovak Republic	
Region		Europe and Central Asia	
Focal area		Multi Focal Area	
Operational Program or Strategic Priorities/Objectives		OP#12 - Integrated Ecosystem Management BD SO# 2 - Mainstreaming Biodiversity in Production Landscapes/ Seascapes and Sectors IW SO#3 - Undertake innovative demonstrations addressing key program gaps (groundwater, IWRM-balancing competing water uses, persistent toxic substances) with a focus on SIDS water supply/ coastal protection and IWRM	
Executing agencies involved		Ministry of Environment (Executing Agency); The Slovak Water Management Enterprise (SWMA) - National Implementing Agency (this is an MoE agency); Hyromelioration State Enterprise (responsible for RBMP); State Nature Conservancy (provided some data)	
NGOs/CBOs involvement		The following project partners were responsible for a specific activity: DAPHNE SOSNA (educational and training center); Society for Bird Protection in Slovakia (SOVS) – a partner of Birdlife International Slovakia; Global Water Partnership (added as project partner during implementation to prepare a study)	
Private sector involvement		Farmers (private persons)	
CEO Endorsement (FSP) /Approval date (MSP)		4/9/2007	
Effectiveness date / project start		5/2/2007	
Expected date of project completion (at start)		12/31/2012	
Actual date of project completion		04/09/2013 (based on 2013 PIR; not the date provided in the TE	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.025	0.025
	Co-financing	0.012	0.012
GEF Project Grant		0.970	0.970
Co-financing	IA/EA own	0.000	0.007
	Government	3.291	1.313
	Other*	0.058	0.330
Total GEF funding		0.995	0.995
Total Co-financing		3.361	1.662
Total project funding (GEF grant(s) + co-financing)		4.356	2.657
Terminal evaluation/review information			

TE completion date	1/09/2013
TE submission date	11/1/2013
Author of TE	Daniel Svoboda, Dagmar Gombitová, Peter Straka
TER completion date	1/30/2014
TER prepared by	Inela Weeks
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	MS	MU
Sustainability of Outcomes	Not rated	MU	MU	MU
M&E Design	Not rated	MU	MS	MU
M&E Implementation	Not rated	MS	MS	MU
Quality of Implementation	Not rated	S	MS	MS
Quality of Execution	S	MS	MS	MU
Quality of the Terminal Evaluation Report	N/A	N/A	S	MU

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The GEO of the project was “...to mainstream integrated ecosystem management principles and practices into the land and water management and agricultural sectors of new EU members and accession states within the context of the EU Rural Development Programme 2007 – 2013 and Danube River Protection Convention.”

The project area was a lowland area of 29,539 hectares (ha), which has intensive agricultural farming within the Michalovce and Sobrance districts of the Košice administrative region. Even though this area is intensively farmed (as a result of two centuries of land drainage and flood protection measures) these flood meadows still serve as valuable seed banks for restoring areas to wet grasslands. The Senné depression within the project area is the most important site for nesting and migrating birds in Slovakia. The Project Document (ProDoc) states that the project aimed to restore key floodplain habitats and their associated ecosystem functions (such as providing habitats for threatened species; water regulation; and nutrient uptake by natural vegetation); and to achieve good ecological status for surface and ground waters that in sum would produce global environmental benefits.

3.2 Development Objectives of the project:

The development objective of the project was noted in the TE as “...By the end of the project, an innovative stakeholder partnership shall be in place in the project area that can continue to implement a self-sustaining water and land management programme resulting in environmentally sound agricultural practices, alternative non-farm livelihoods, and further expanding the extent of (semi-) natural floodplain habitats that provide water quality improvements and support a representative range of species.” The ProDoc also notes that the project was to set up mechanisms, especially the Local Action Group and preparation of the Ramsar site management plan, by which the existing conflicts could be resolved by the parties concerned.”

To achieve this objective the project had four main outcomes:

1. Stakeholders will adopt a long-term strategy for ecosystem-based water and agricultural management practices;
2. Stakeholder capacity, policies, and motivation to implement Integrated Ecosystem Management (IEM) will be strengthened and operational;
3. Stakeholders will pilot ecosystem-oriented biodiversity conservation practices; and
4. Replication of best practices and lessons learned from the experience of implementation of IEM in the pilot area in other regions of the Eastern Lowlands, as well as other new EU members and accession states in the Danube River basin.

Additionally, a fifth outcome was to have been the successful support, monitoring and evaluation of project implementation.

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

The TE does not provide adequate information to fully understand the changes that occurred during the project. Some changes to the project outputs and outcomes were identified in the TE but not all. The TE notes that there were changes to the project design that "...adjusted the activities to better respond to actual situation..." but these are not clearly outlined.

Based on the information that was provided, it appears that there was no change to the project's GEO. As far as the development objective is concerned, it appears that wording was amended to remove 'i.e. Leader Local Action Group' (LAG)' as the form of 'innovative stakeholder partnership' which was to have been established. This was replaced (not in the wording of the development objectives but in outputs) with the establishment of a public-private partnership/civic association.

Further, It seems that many of the risks identified at project design became "...critical and seriously threatened project implementation. Ad hoc solutions had to be sought to resolve the problems and eventually led to the change of project design. With the flexible management approach of the donor, these changes were accepted and the project proceeded. " Judging by the information in the TE it seems that these changes were mostly at the output level and included focusing more on stakeholder engagement (due to very low interest and motivation levels shown by the stakeholders), awareness building and capacity development, such as organization of various unplanned events (pumpkin festival, school competition) and the development of the micro-grant scheme. Further, the TE states that "...after the inception phase, some of the target values were reduced, and following the Mid-term evaluation some indicators were adjusted" but these are not systematically outlined.

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
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The project is GEF’s multi-focal area project that was expected to produce benefits in the biodiversity (BD) and international waters (IW) focal areas. As initially designed, the project falls under the *Strategic Priority of Operational Program (OP) 12: Integrated Ecosystem Management* in that it aimed to integrate ecological concerns into agricultural and water management practices, floodplain restoration and enhancement, and to reduce nutrient loading and runoff. According to the ProDoc, the project was furthermore in accord with the BD Strategic Objective (SO)# 2 “Mainstreaming Biodiversity in Production Landscapes/ Seascapes and Sectors”. The pilot area was a cultural landscape, shaped by agriculture and fish production that still possesses a high natural value. The project was to play a catalytic role in demonstrating innovative partnerships between the private and public sectors to optimize integrated land and water management practices with the aim of conserving, enhancing and generating global benefits for biodiversity.

This project was to serve as an example of the approaches required for controlling pollutants and reducing nutrients in the Danube River basin and ultimately the Black Sea and as such was in line with IW SO # 1- to catalyse implementation of agreed reforms and on-the-ground stress reduction investments to address transboundary water concerns. Additionally, it was consistent with the IW SO#3 - *To undertake innovative demonstrations addressing key program gaps (groundwater, IWRM-balancing competing water uses, persistent toxic substances) with a focus on SIDS water supply/coastal protection and IWRM*. This project was to demonstrate joint private sector and community-based approaches to the planning and sustainable management of water and natural resources in productive landscapes.

The project had relevance to several international agreements: (1) the UN Convention on Biological Diversity (UNCBD) – as the project activities were targeting ecological restoration of the landscape and sustainable land use, which is one of main objective of UNCBD; (2) The Convention on Wetlands, i.e., the Ramsar Convention – the site of Senne Ponds is a registered Ramsar site of Slovakia; and (3) the International Commission for the Protection of the Danube River (ICPDR) – several project activities were to contribute to ICPDR, such as restoration of water dams and water gates and preparation of a River Basin Management Plan (RBMP).

Nationally, the project was compatible with: the National Biodiversity Strategy of the Slovak Republic; the objectives and priorities set out in the National Wetland Policy; and all EU policies related to the water management, biodiversity conservation and agriculture and rural development. Further, the

project area encompasses: (a) protected land - the National Nature Reserve Senne ponds (which is the strictest, fifth level, of nature conservation); and (b) a designated protected site under European NATURA 2000 - Special Protection Area (SPA) (Bird Protection Area – NATURA 2000).

Based on the information in the TE “...the project seems to have been more relevant to the strategic objectives of the UNDP/GEF than to the needs and expectations of local people, but it opened an important cross-sectoral discussion on local priorities and appropriate solutions, and thus the project is rated as relevant.” It seems that the local needs were not clearly identified and were unrelated to the project’s objectives given that the project mainly addressed nature protection while neglecting the relevant economic and social aspects, which were more important to the local populations.

4.2 Effectiveness	Rating: Moderately Unsatisfactory
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This project’s effectiveness is rated ‘moderately unsatisfactory’ as the project fell short of its stated objectives and outcomes (which, arguably, were ambitious) and will likely not significantly contribute towards the achievement of the project’s goal. Many of the outputs were produced and the project showed significant adaptive management when faced with substantive challenges without which it is likely that the project would have been cancelled. This TER agrees with the TE’s assessment that some of the project’s targets, indicators and outputs do not logically fit with the project’s objectives and outcomes and these should have been adjusted during implementation. Yet, based on the information in the TE, it seems that the project’s main objectives have not been officially modified. The assessment of the project’s achievements, based on these agreed outcomes, reveals significant shortcomings. This TER’s rating differs from the TE’s rating of ‘moderately satisfactory’ for the reasons outlined below.

The main achievements of the project include:

- Preparation and adoption of the River Basin Management Plan (RBMP) for the micro-basin of Čierna Voda River, which was one of the main activities of the project. This RBMP is part of the Bodrog RBMP, which is a government’s strategic water management document.
- Establishment in 2009 of a public- private partnership, a civic association (c.a.), called ‘Medzi riekami’ (Among the Rivers) after a series of community, capacity building and other events.
- Preparation of the Integrated Local Development Strategy (ILDS) supervised by SOSNA and with the c.a. ‘Among the Rivers’ participation. ILDS was prepared locally, reflecting local needs and it and the 2012-2014 Action Plan of the c.a. proposes investments exceeding five million EUR (most of which were planned from the EU Structural Funds). If implemented and replicated, the completed investment measures may bring tangible environmental benefits.
- Preparation of outputs such as technical studies related to water management and ecosystem planning and management; completion of some restoration measures; and development of 6 businesses plans for ecologically sustainable enterprises.
- Awareness raising in the region (through project website, newsletter, events, cooperation with other projects). According to the TE “...the positive aspect of the project was that the

management structures grouped representatives of various institutions, who gradually started to see problems from different perspectives and had to overcome the narrow perception of the problems from the view of their own organisation.... It was understood that the measures must be introduced for and with the local people.” Further, the TE identified one case of replication in the area of Beša polder (nearby the project area) with the assistance of the project partners.

Given the fact that the c.a. ‘Among the Rivers’ was established and that the RBMP and ILDS were prepared the TE rates the project’s effectiveness ‘moderately satisfactory’. It notes “When judging the achievement of the project purpose set out in the revised logframe, which was the ***innovative stakeholder partnership that can continue to implement a self-sustaining water and land management programme***, we conclude that it has been achieved. The implementation of environmentally sound agricultural practices, alternative non-farm livelihoods and expansion of (semi) natural floodplain habitats can continue to be managed by the established c.a. in compliance with the prepared ILDS while the water management still lies with the SWME.”

However, there are significant shortcomings both in these delivered outputs and in how they feed into the achievement of the outcomes and eventually into the project’s objective, which indicate that the TE’s assessment of effectiveness was overly optimistic. These include:

- The completed RBMP is not a “binding document” according to the TE. It also notes that visible benefits of the RBMP implementation remain questionable due to land ownership problems, and state budget restrictions to carry out the proposed measures. Although the Slovak Water Management Enterprise (SWME) is responsible for the implementation of the plan the financial sources for its implementation were not secured.
- The c.a. “Among the Rivers” does not include a wide range of stakeholders; membership only includes 13 municipalities and seven private persons. As such it is missing key players from the private sector, service providers and big farms who continue to “...set their own rules...” due to the dire socio-economic situation in the region. Their motivation continues to be driven by economic benefits, not environmental concerns. Further, the c.a. is not well established and needs continued external assistance, including financial resources to persist, the availability of which is uncertain according to the TE.
- The prepared ILDS is unrealistic and needs adjustments. It planned on obtaining 5 million euros (from external funds) for its implementation, which seems unlikely. The TE notes that: (a) this sum is unrealistic; (b) the EU’s financial support from the Structural Funds had ended for that programming period in 2013 and the new period will take time to commence; and (c) the newly established c.a. may not even qualify for these funds due to its lack of experience and possibly due to its inability to meet other eligibility criteria.
- The Project did not manage to effectively engage stakeholders in piloting ecosystem-oriented biodiversity conservation practices. Although some work has been done, the results fell far below what was expected. Farmers showed no interest in restoring their land once it became clear that they wouldn’t receive the agro-environmental subsidies. Possible cooperation was also hampered by conflicts between SOS/BirdLife and fish farm owners. The project then had to

adjust activities by implementing some restoration measures on the SOS/Birdlife owned land but these were not implemented to the same extent as originally planned.

- The project produced a substantial number of studies and analyses, which, according to the TE, did not find wide practical application.
- The TE reports issues with transparency and attribution of project’s outputs. Along with the Laborec–Uh project five other complementary or even overlapping projects were operational in the area. Four of these (with the exception of project ‘LIFE’) were designed in cooperation with the project team and managed either by the project partners (SOS/BirdLife, GWP) or stakeholders (municipality Hažín, c.a. Among the Rivers). Both Laborec -Uh and LIFE projects reported some of the same outputs without explaining their respective contribution to those achievements (e.g. reinforcement of embankments financed from the LIFE project is reported for the project’s overall objective and outcome 3). Equally, numerous outputs of other projects were reported in the Laborec–Uh project reports. This presentation of outputs did not allow the separation and attribution of outputs to individual projects.
- Although project raised some awareness of the IEM it seems certain that land users elsewhere in the Easter Lowlands will continue to be unwilling to adopt the IEM practices. Economical incentives, coupled with structural and legislative obstacles will likely prevent any wider replication of project’s activities.
- The TE notes that “...some of the planned benefits, such as strengthening of SNC institutional capacities to integrate biodiversity conservation objectives into sector planning and growth strategies at local and national scales, or integrating conservation objectives in cross-sectoral spatial planning systems at the landscape level, including poverty alleviation strategies, are not very visible. Not much has been done for awareness of decision-makers across public institutions and private enterprises on economic and social benefits of biodiversity conservation, for the introduction of pilot payment schemes for ecological services to compensate resource used for ecological benefits, or for the establishment of integrated extension systems, which was originally assumed in the project document.”

Overall, The TE notes that the “...project created some important conditions (both technical and behavioral) that may be transformed into long-term benefits.” Important foundational steps have been made. Yet, many of the outputs seem incomplete, not well established, and are facing significant challenges to further operations or implementation without which concrete results, that may ultimately lead to the achievement of the project objectives, will not materialize. The TE further notes that “...based on the achievement of the project purpose, we conclude that the contribution of the project to the main objective will take time and is likely to be marginal...”

4.3 Efficiency	Rating: Moderately Satisfactory
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Assessment of efficiency is challenging due to several factors: (1) the TE notes that problems faced during the implementation “...drove the project in the direction which proved feasible, and not much attention was paid to the original design of the project...”. This also required substantial revisions and

reallocation of the project budget, but these revisions were not clearly outlined in the TE; (2) the TE was unable to get sufficient data on details of financial expenditures, in particular on co-financing, as co-financing sources were not fully documented and partly include sources (MoA) that have no direct relation to the project; and (3) the TE reported issues with the transparency and attribution of the project's outputs whereby several projects reported the same outputs as achievements without fully describing individual project contribution, which did not allow for the separation and attribution of outputs to individual projects.

The TE has rated project efficiency as 'moderately satisfactory' noting that highly adaptive project management and gradual adjustments of project structure and budget allowed the expected outputs to be reached. Two issues in particular have negatively affected project efficiency: (a) changes to and the amount of funding available within the agro-environmental subsidies allocation- the lack of which have eliminated the planned incentives for farmer participation in restoration activities, thus contributing to the significant under delivery of this project component; and (b) the overestimation (or inadequate consideration) in the project design of the low level of stakeholder capacity, their readiness to engage in the project's activities, and the severity of the underlying conflicts that had to be addressed. As a result of these issues the project mainly focused on achieving only several outputs – RBMP, establishment of the c.a., preparation of the ILDS and restoration measures.

Although the expected outputs were reached, according to the TE, the cost of services and project management was higher than planned. The original budget lines were adjusted following the changes of activities, but also due to the change in the project structure whereby the internal staff was replaced by external partners. Thus, the external services were four times more costly than planned while internal experts disbursed less than half of the original allocation. The overall management cost did not change. Overall, the provision of external and internal services (studies, strategies, analyses, capacity building activities, etc.) accounted for roughly 74% of the budget, of which investment activities accounted for 10.7% (nine restoration measures) and the micro-grant scheme 2.4% of the total GEF budget.

While noting the lack of evaluative that would provide for a clearer assessment of project efficiency, this review concurs with the TE rating of Moderately Satisfactory for the above reasons.

4.4 Sustainability	Rating: Moderately Unlikely
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The sustainability is rated moderately unlikely. The produced outputs will not automatically be converted into long-term results and cannot guarantee sustainability of project's benefits. The primary risks to sustainability include: the availability of financial resources to support and disseminate the project approach; continued low level of local ownership, commitment and capacities; and the uncertainties regarding the future operation of the established civic association.

Financial Resources – moderately unlikely - the financial resources are a key pre-requisite for sustaining project benefits. The availability of funds is the main factor that may hinder the sustainability of results, which is especially important for the implementation of both the RBMP and ILDS, as investments are

required to implement the planned measures. There are very limited state budgetary allocations, mostly covering “ burning issues”. These funds are not available for preventative measures including those promoted by the project. The implementation of the ILDS and its Action plan relies on external funds, which, according to the TE, will unlikely to be provided and certainly won’t be provided to the projected extent of five million Euros. The TE notes that financial sustainability is temporarily assured for the c.a., but the c.a. will require further support for the next 2-3 years to ensure its independent operation. Some financial sources for small interventions in the region were secured by UNDP and will be delivered through the GEF Small Grants Programme - COMDEKS initiative funded by Japan Biodiversity Fund.

Socio-Political – moderately unlikely – Visible progress was achieved in capacity building at the local level. The mutual cooperation and communication has improved and the c.a. has been established that is expected to sustain the project benefits. The project’s initial ideas that emphasized revitalization of water spaces and growing of alternative crops, which were not well received at the beginning of the project, eventually found supporters and have been promoted by local people.

On the other hand, significant risks exist related to the lack of local capacities and motivation to cooperate and implement integrated water and land management. These are related to underlying complex issues, including: land ownership; difficulties with co-financing and incentives; and the local population’s negative perception of economic benefit from the promoted environmental measures. The project had no significant impact on the private sector and only a small number of local farmers, small entrepreneurs, and inhabitants of the target area were engaged in the project’s activities. The key private farmers in the region refused cooperation with the project. This is unlikely to change as the national legal framework includes restrictions where compensation (e.g., for loss of fish caused by fish-catching birds) can be reimbursed only to those farmers who own the property in full, including the plots. This has caused the principal conflict in the Senné fishponds where the owner of the ponds does not own the plot underneath and is thus not entitled to compensation. As a result, the extension of the bird protection area surrounding the ponds through enlargement of grasslands is not acceptable to the fishpond owners as they assume that more birds in the surrounding will result in more damage for them. Moreover, big farms consider the ‘greening’ process to be harmful as they consider water logging to be long-term flooding, which causes problems for the cattle and decrease the quality of land (its acidification). The project did not find any solutions to these issues and no special strategy has been developed to intensify dialogue with these farmers and so they will likely continue.

Politically, to achieve the project’s long - term goal a set of cross- sectoral policies (such as those concerning environment, agriculture, and water management) at the national level will have to be agreed. Although strategic papers mostly exist, their enforcement and implementation is lagging.

Institutional Framework and Governance – moderately unlikely - to implement the planned IEM, issues around land ownership need to be resolved, and related legal measures must be in place. Some national policies/strategies exist but are ineffective, often not implemented, and lack enforcement.

The main limitation to mainstreaming the project approaches is the still - unresolved issue of land ownership. Slovakia did not complete the land restitution process. The Slovak Land Fund manages

agricultural land of unidentified owners, which is often leased to big farmers that manage large areas. Their attitude to farming is mostly business-oriented and driven by financial incentives. Additionally, all activities implemented in the field can only be carried out with the landowner and/or renter's agreement. Implementation of integrated management thus requires agreement of all farmers and businesses managing the land that is affected by the applied measures. Consequently, even the state-owned land that is rented cannot, for example, be flooded without prior approval of the farmers.

The c.a. 'Among the Rivers' was operational with members that were "...enthusiastic to continue..." but was missing key players from the private sector. Two factors will influence its future existence: (1) financial sources to keep it fully operational (outlined above); and (2) creative leadership to manage the partnership. The new Project Manager was to be employed to run the partnership from January 2013 and this person will be crucial to ensure c.a.'s future operation and sustainability. The ILDS is unlikely to materialize as currently planned. While the priorities are well determined, the proposed implementation relies heavily on external financial sources, which are not very realistic (too much required, difficult access, uncertain availability). Further, 14 municipal councils approved the ILDS, but it is not a legally binding document. The future of ILDS will depend on the c.a.'s leadership, which remains the main driving force for its implementation. The sustainability of the produced RBMP is questionable. The TE notes that the RBMP forms the content of the Water Framework Directive and that the main objective of the plan is to achieve good water status in the river basin by 2015, pursuant to the Directive 2000/60/EC. The plan should be implemented by SWME, but the financial sources are not secured.

Environmental – moderately unlikely – theoretically, if implemented and replicated, the project's outputs should result in environmental benefits, e.g., by implementing: restoration activities; changing arable soil to permanent grassland (wet meadows or pastures); and afforestation. The limiting factor for successful replication of these activities is clearly the willingness of big farmers to cooperate, and the land ownership issue. Wider replication of wetland restoration is further hampered by additional factors, including: (1) in Slovakia, the establishment of meadows, instead of arable land, is contingent on the obligation to have livestock, which farmers believe is a loss-making business; (2) further, arable land is more valuable than meadows, and conversion back to grasslands decreases the value of the land. The incentives introduced for greening through the agro-environmental subsidies are not sufficiently attractive to overcome this issue; (3) Even if interested, farmers are not automatically entitled to receive the agro-environmental subsidy as the allocation of these funds is subject to priorities setting and allocation of funds.

Moreover, threats that were present at the beginning of the project, such as the lack of wastewater treatment facility that causes ecological damage, and the presence/pollution of the Polychlorinated biphenyl in surface water and water table (from industrial sources) continue unabated.

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 total planned co-financing for the project was US\$ 3 349 560. Information in the TE indicates that the actual project co-financing was US\$ 1 650 879. The TE identified various issues regarding the reported co-financing for this project, specifically noting the lack of reliable and easily accessible information. It further stated that the financial data reported in the project reports was not consistent (i.e., there were significant differences between the amounts reported in the project reports, UNDP and MoE's data). Co-financing was not documented through the accountancy records. The supporting evidence that would prove the provision of in-kind or financial contribution from partners is absent. A few confirmation reports (five quarterly reports from SWME and one letter from SNC) were provided with significantly smaller amount than those reported by the project.

Out of the total planned co-financing, the most substantial planned contribution was to come from the Ministry of Agriculture (MoA) in the amount of US\$ 3 026 560. These were to be in the form of agro-environmental subsidies to the farmers, which were to have been paid based on the rules set out in the Rural Development Plan (RDP) and were expected to serve as special incentives supporting project activities. The expectation that the 2007-2013 programming period would provide subsidies did not fully materialize and the eventual co-financing, as reported by the Agriculture Paying Agency (APA) for the 2008-2011 period, only reached one third of the original sum (i.e., US\$ 976 460). Moreover, APA reported that provision of agro-environmental subsidies for all farmers in the project region amounted to US\$ 976 460, while the project data reports the sum of US\$ 2 800 000. The discrepancies in the reporting notwithstanding, this lack of subsidies has had a negative effect, in that it was difficult to engage farmers in supporting restoration activities. The TE states that the "...description of the MoA's substantial contribution as co-financing is questionable". Provision of these subsidies was planned and provided without any direct link or relation to the project, and so the TE claims that it is "...doubtful if this should be reported as co-financing."

The expected co-financing from Hydromelioration of US\$ 30 000 was not provided, as the measures improving the hydrological regime were implemented on the melioration channels managed by SWME. The project allegedly got additional co-financing from SWME and SOS/BirdLife (both are NGOs), which were used to co-finance the restoration measures on floodplain habitats. Further, UNDP provided an additional US\$ 7 419, re-allocated from another UNDP project ' Capacity Development for Sustainable Regional Development in the Košice Region'.

Funds provided by other donors to project partners and other stakeholders in the project area

for similar types of projects were reported as co-financing. For instance, the project reported identification of new co-financing partners: Global Water Partnership (GWP), which implemented another UNDP project related to water management of Tisza (its allocation of US\$ 128 000 was considered as co-financing); civic association 'Among the Rivers' successfully obtained Norwegian Funds (the entire budget for that project of US\$ 94 000 USD was reported as co-financing). In both cases the projects were running in parallel with Laborec-Uh project. The TE notes that as both projects were designed with the assistance of Laborec-Uh project and because they covered complementary activities, their budgets were reported as co-financing.

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 TE does not identify any project extension and/or delays other than noting that "...the long preparatory and approval process, as well as changing external environment during the project implementation, have required very flexible adjustments in the project management...."

The completion date for the project was listed in the TE as 31 December 2012, which is the same as the planned completion date. However, the 2013 PIR (which was prepared while the TE was being finalized) states that due to: the postponements in implementation of some activities, a delay in evaluation, and ATLAS issues related to the advance payment refund, the actual date of operational closure was April 09 2013.

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:

Based on the information provide in the TE, both MoE and MoA participated in the project as planned, although the financial incentives from the MoA did not materialize. The TE does not provide enough detail to fully assess the extent and quality of their involvement.

The project was compliant with international conventions and overall national policies, but several important aspects of the local ownership were missing including genuine interest (and commitments) of the target groups, local capacities as well as enabling environment (legal framework, effective national strategies and financial incentives). The TE notes that the originally declared willingness of local municipalities to cooperate quickly disappeared when the project activities started and when it became clear that no financial sources were readily available to fund the local needs.

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
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The TE notes that the ProDoc contained the logframe with the indicators, baselines and target values. Annex 7 (outlining the M&E plan), Annex 3 (results-based framework) and Annex 5 (Project Work-plan) were not available for the review by this TER, but information found in the main part of the ProDoc shows that, at design, the project had a project monitoring system in place that included a Project Steering Committee and that responsibilities for M&E were assigned. For the implementation of the M&E Plan, US\$ 50,000 was assigned. Some environmental monitoring targets were stipulated in the logframe, but this TER could not identify who had the responsibility for this monitoring.

The TE extensively documents the issues with the project's logframe noting that the project was: (a) very ambitious; (b) based on unrealistic assumptions; and (c) that it underestimated the potential risks. It further noted that the project's "...logic model does not provide a coherent description of the project's theory of change and of the final achievements." The intervention logic of the project is "...confusing..." according to the TE, and does not properly distinguish activities, outputs and outcomes. The project purpose is only partly reflected in the stated outcomes. For instance, "...While the purpose mentions establishment of the partnership, the outcomes (in most cases actually outputs) refer to the adoption of a long-term strategy for ecosystem-based water and agricultural management practices, stakeholders' capacity to implement IEM, pilot testing of biodiversity conservation practices and replication of best IEM practices."

Based on the information in the TE, it seems that many indicators were not SMART and that some were unrelated to what the project was trying to achieve. For instance, one indicator was "*number of inhabitants added to the water treatment system to increase*" which is not related to the project's activities, as the project did not finance the building of the wastewater treatment system.

6.2 M&E Implementation	Rating: Moderately Unsatisfactory
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Implementation of the project's M&E is rated 'moderately unsatisfactory' as the TE identified several issues, such as: insufficient and inconsistent reporting of project progress; the lack of 'real' involvement by the Steering Committee (SC); and shortcomings when it came to updating and revising the project's indicators and targets (and even possibly outcomes) even after it became clear that the project changed strategies and had to adapt to the circumstances on the ground.

Monitoring and evaluation activities included organizing of the SC and the Project Board meetings and the annual project conferences. According to the TE, internal monitoring and evaluation, as part of the

reporting obligations, was rather formal and general. The TE also claims that “...The actual solution of problems took place in close cooperation between the project team and UNDP staff, therefore the key stakeholders were very familiar with all the project issues and there was no need to produce detailed official reporting.” The TE notes that prior to any change, the changes were discussed and approved by the Project Board, SC as well as by the UNDP.

The project achievements were regularly reported in the quarterly reports and in the annual Project Implementation Reports (PIRs). But, the TE notes that the reporting format does not allow for external monitoring (as it does not provide relevant, consistent and evidence-based information). Moreover, the TE states that these quarterly reports only provided fragmented information on selected outputs and activities and did not provide detailed information about the project’s activities and results. The TE further claims, “...It was not sufficiently clear when the latest revision of the project was completed and whether the revised logframe or list of outputs is available.” The narrative part of the reports often described plans instead of the activities that have been carried out. Further, the TE claims that most of the presented information had little relevance to the real progress and that “Risks” could not be separated from “Issues”. This information did not allow for an up-to-date assessment of the actual situation. Overall, the format of the reports was not appropriate for ongoing monitoring and it provided too little information for the decision-making process or for the public promotion of the project.

The TE noted that it was unable to assess and disaggregate outputs that were achieved by this project and by some of the other projects in the region, which would also indicate poor M&E. Moreover, the TE could not verify or identify the results of the project based on the information from the project website www.laborecuh.sk as it wasn’t updated, in some instances since 2008. It notes that “ Low visibility of results indicates low transparency and in particular it endangers one of the key aims of the project – building public-private partnerships and strengthening ownership and the participation of local people.”

There appears to have been no attempt to update and officially revise the project’s logframe even after it became clear, in part due to the external circumstances and in part due to poor initial risk assessment and project design, that the project had to adjust its approach. It seems that only a few changes were made to the wording of some of the outputs and some targets were revised. But the revised logframe at the end of the project still list indicators such as “LEADER partnership (Local Action Group LAG) established ”which was replaced by the establishment of a civic association three years earlier, in 2009.

Even though there were regular meetings of the SC, some of the SC members did not regularly (or at all) attend the meetings and they mostly dealt with approving changes in the budget for which, based on the SC minutes, they did not require any detailed justification.

Lastly, the external Mid-term evaluation (MTE) and Terminal Evaluation were prepared in 2010 and in 2013 respectively. The MTE recommended several measures including the revision of logframe indicators and targets. A few measures recommended by the MTE were adopted but it seems that the recommended revision of the project’s indicators and targets was not. As per the TE “Although the proposal to change the target values and some indicators was discussed and agreed at the SC meeting in June 2011, the essence of the indicators was not changed.”

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
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The quality of project implementation is rated ‘moderately satisfactory’ as UNDP provided extensive support to the project, but several issues significantly impacted implementation over which UNDP should have had control. The project was implemented in close cooperation between UNDP and the project management team. The UNDP external consultant substituted the Project Manager (PM) after the dismissal of the first PM. UNDP also provided frequent assistance to the management of the newly established association. As noted in the TE, “The UNDP became an inseparable part of the project management from the planning and design stage up to the completion of the project.”

Yet, there were issues that have challenged project implementation, in particular: poor interest from the stakeholders, existing low capacities, and socio-economic realities of the region, which could have been envisaged and should have been addressed properly during project design. The risk assessment table in the ProDoc seems to have identified most of the risks that have actually materialized and that have critically (and negatively) impacted implementation; but most of these were rated either ‘low’ or ‘medium’ and no adequate risk mitigation strategies were developed. UNDP should bear responsibility for the project design issues that have directly resulted in implementation challenges. Any project should be based on detailed knowledge of the final beneficiaries’ needs and problems. Despite comprehensive analysis of the area, insufficient knowledge of local conditions and problems proved to be crucial during the project implementation. The project was not locally initiated, not well understood, at some stages even “unwanted” and, therefore, suffered from a number of problems (missing local capacities, low familiarity with the local needs and problems, problems with land ownership, etc.).

Finally, the TE noted discrepancies in co-finance reporting, which is of concern.

7.2 Quality of Project Execution	Rating: Moderately Unsatisfactory
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The quality of project execution is rated ‘moderately unsatisfactory’. The project delivered some important outputs, however, the TE documents a range of issues regarding ‘ad-hoc’ implementation of the project, issues with the M&E design and implementation (including inadequate project progress

reporting), lack of clear reporting on co-finance, and lack of transparency when it comes to attributing outcomes to various projects ongoing in the region. The Executing Agency (EA) should have addressed these issues appropriately and systematically. The issue related to the lack of the expected co-financing through the agro-environmental subsidies, which have impacted implementation, were outside of the project control and were excluded from the rating.

Ministry of the Environment (MoE) was the EA for the project while the Slovak Water Management Enterprise (SWME) was the national implementing agency in charge of coordinating and implementing the project. Both Ministry of Agriculture (MoA) and MoE, and their agencies, were involved through participating at the Project's Steering Committee. Their local branch offices were involved in the Project Board. The TE notes that the management structure of the project was "...flat and wide..." reflecting the multidisciplinary focus of the project and participatory approach that aimed to engage a wide range of stakeholders at the national and local level. On the other hand, disadvantages of this approach were that there was no concrete project owner and that accountability was not sufficiently clear.

Different project managers have managed the project (the first one was replaced after unsatisfactory performance) and at one point UNDP's external consultant managed the project. The TE notes "Project implementation proceeded on several occasions because of the personal commitment and enthusiasm of external people." The accounting and financial system was in place but it was complicated and did not provide timely information. PM was located in Bratislava/Michalovce, the National Project Director was placed at the Slovak Hydrometeorological Institute in Bratislava and the financial management of the project was carried out by SWME, which provided office space for the project in Michalovce. This set up made access to timely and accurate information even more complicated. There was a lack of reliable and easily accessible information on project co-financing. The financial data reported in project reports was not consistent and co-financing wasn't documented through the accountancy records. Issues with the project's progress reports were outlined in detail in the 'M&E Implementation' section of this TER.

The role of the Steering Committee (SC) was to guide the project and approve any major changes in the project plans. SC members were expected to facilitate the implementation of project activities in their respective organizations, and to ensure the integration of project-inspired activities into existing programs and practices. The SC fulfilled the communication requirements. Yet, the TE notes that while most of the partners were heavily involved in the project implementation and in fact carried out most of the technical, consultancy and research work, majority of the SC members were passive observers – some members never attended meetings, or were active at the beginning and then lost interest.

The TE notes that project "...implementation itself looked more like a collection of ad-hoc actions than coherent well designed project aimed at reaching long- term sustainable results." The project did not adequately assess local capacities and was unfamiliar with the local needs and problems.

It must also be noted that the project showed high adaptive management without which the TE claims that the project would have most likely been cancelled at the beginning of its implementation. For instance, the addition of three rounds of a micro grant scheme to the project activities proved to be one of the best promotion activities of the project.

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.

- The success of any intervention depends on local actors. Small steps with participatory and learning-by-doing approaches are better than one big complex project understandable only to few people and external consultants.
- Projects need to have clear ownership, best if initiated locally and designed/managed by the people who know the local conditions well and support the project vision.
- IEM is not possible if land ownership and legal constraints on actions are unclear.
- The reporting system must allow both decision-making and the dissemination of results (awareness raising) among targeted population.

8.2 Briefly describe the recommendations given in the terminal evaluation.

Recommendations for UNDP/GEF and other funding agencies - Design, implementation, monitoring and evaluation of similar projects:

- The objectives and strategies of the projects must reflect the actual conditions, realistic assumptions (including legal frameworks and financial incentives) and the needs of all intended beneficiaries – who must participate in project design to obtain local ownership.
- Project logic (theory of change) and the responsibility of all actors must be clear from the project document, monitoring indicators must be realistic and SMART. If necessary, ex- ante evaluation mechanism should be introduced to ensure quality of the proposals.
- Smaller and clearly focused projects are more appropriate than complex projects for rural areas with poor capacities and limited experience.
- Complex projects like Laborec-Uh must ensure that the necessary interventions at the national policy level are identified and secured.
- The reporting format must allow monitoring of project progress (and expenditure) and reflect decision-making needs (there must be a feedback/response if required).

Recommendations for implementing organizations - Actions to follow up or reinforce initial benefits from the project:

- Focus on sustaining the main positive outcome of the project, i.e., the existence of a competent civic association, through strengthening human resources, improving capability to address external financial resources and to engage more local actors, especially from the private sector.
- Pilot implementations and their environmental and socio-economic impacts must be monitored after the end of the project and corrective actions introduced if needed. Supervision by local (or national) authorities is highly recommended.
- The visibility of project results must significantly improve. The project website does not offer relevant and coherent information on project approaches and results.

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)

Criteria	GEF EO 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?	<p>The TE does not provide the detailed assessment of the project's relevant outcomes and impacts. The TE spends a disproportionate amount of time critiquing the project's intervention logic and project design while too little time is spent on presenting project's achievements. Many of the relevant details for the assessment are included in the TE's Annexes. The TE mentions (several times) that the project's progress reports did not have enough details but the information found in the TE's Annexes contradicts that. The TE could have used this information to provide a more robust and in-depth analysis of the project's actual outcomes and outputs. Moreover, the final PIR (2013) presents data that was never mentioned in the TE.</p> <p>Further, at least a part of the TE's assessment appears to have been based not on the project's agreed outcomes and objectives, but instead on the project 'informal logic' that the TE never clearly outlines in the document.</p> <p>The TE never clearly lists the changes that have occurred to the project's logframe making it hard to assess the project's planned achievements versus the actual ones. A detailed list of changes to the project design would have been helpful in trying to understand project's effectiveness.</p> <p>Overall, it seems that the TE's analysis of the project's achievements was not thorough and it is possible that the project's results were not suitably captured by this TE.</p>	MU
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	<p>The overall structure of the report is weak. It has the required sections but some are a mixture of several sections that should have been separated. For instance, the 'Project design/formulation' section of the report discusses project design, jumps into project results without providing background and then continues discussing project implementation – all within the same heading. Other sections of the report, e.g., Effectiveness and Efficiency were written entirely in a Q&A Format (where questions seem to be those listed in the evaluation's TORs). Most of the answers provided were usually one short paragraph long, which does not present enough details to fully understand the complexities of the project. As a result of this weak structure (and of the inadequate presentation of evidence) the report: (a) constantly repeats some information; (b) other information is disjointed and difficult to follow; and (c) very little information is presented in some relevant sections.</p>	MU

	The ratings are not well substantiated and the report is at times internally inconsistent.	
To what extent does the report properly assess project sustainability and/or project exit strategy?	Project sustainability is sufficiently addressed in the TE.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learnt and recommendations are provided, but are fairly generic. They mostly focus on project design issues.	MS
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report documents various issues with co-financing, which, if correct, would have made it difficult for the TE to clearly present the project's co-financing. But, the use of GEF funds is not adequately accounted for. The TE states numerous times that there were many revisions to the budget lines, but never gives a clear and final budget for the project that includes both GEF and co-financing.	MU
Assess the quality of the report's evaluation of project M&E systems:	The TE evaluated project's M&E system at design and during implementation. The evaluation of the M&E at design is adequate; but the rating for M&E implementation isn't based on the evidence presented. TE lists many issues with the project's M&E, which are not reflected in the given rating.	MS
Overall TE Rating		MU

$TE\ Quality = (.3*(3+3)) + (.1*(5+4+3+4)) = 3.4 = MU$

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