

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

1. Project Data

Summary project data			
GEF project ID		3234	
GEF Agency project ID		37530	
GEF Replenishment Phase		GEF-3	
Lead GEF Agency (include all for joint projects)		Asian Development Bank (ADB)	
Project name		CACILM: Rural Development Project under CACILM Partnership Framework, Phase I	
Country/Countries		Tajikistan	
Region		ECA	
Focal area		Land Degradation	
Operational Program or Strategic Priorities/Objectives		LD-SP1, LD-SP2	
Executing agencies involved		Ministry of Agriculture	
NGOs/CBOs involvement		Secondary stakeholders	
Private sector involvement		Secondary stakeholders	
CEO Endorsement (FSP) /Approval date (MSP)		05/15/2008	
Effectiveness date / project start		05/08/2009	
Expected date of project completion (at start)		12/31/2014	
Actual date of project completion		02/12/2015	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.31	
	Co-financing	0.85	0.8
GEF Project Grant		3.5	2.36
Co-financing	IA own	17.1	10.58
	Government	1.66	1.9
	Other multi- /bi-laterals		
	Private sector		
NGOs/CSOs (Beneficiaries)		1.05	0.44
Total GEF funding		3.81	2.36
Total Co-financing		20.66	13.72
Total project funding (GEF grant(s) + co-financing)		24.47	16.08
Terminal evaluation/review information			
TE completion date		September 2015	
Author of TE		Not provided	
TER completion date		3/30/2018	
TER prepared by		Selin Erdogan	
TER peer review by (if GEF IEO review)		Molly Sohn	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	BLIND REVIEW	BLIND REVIEW	BLIND REVIEW	MU
Sustainability of Outcomes		BLIND REVIEW	BLIND REVIEW	MU
M&E Design		BLIND REVIEW	BLIND REVIEW	S
M&E Implementation		BLIND REVIEW	BLIND REVIEW	MU
Quality of Implementation		BLIND REVIEW	BLIND REVIEW	MS
Quality of Execution		BLIND REVIEW	BLIND REVIEW	MU
Quality of the Terminal Evaluation Report		BLIND REVIEW	BLIND REVIEW	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's Global Environmental Objective was to increase farm and non-farm incomes of rural households through improvements in the productivity of farms and rural enterprises within an environmentally sustainable management framework. (Req for CEO Endorsement, pg.2). Tajikistan is a small, mountainous, landlocked country, whose geographic location and history present barriers to sustainable growth and development. With agriculture contributing about 24% of gross domestic product (GDP), 66% of employment, 26% of exports, and 39% of tax revenue, sustainable agricultural growth and rural development becomes critical to the country's economic growth and poverty reduction. With GEF involvement, the incremental benefits were expected to be an improved enabling environment for sustainable management of arable, pasture and forest lands. (Req for CEO Endorsement, pg.6)

3.2 Development Objectives of the project:

The Project aimed to address policy and institutional capacity building to strengthen sustainable land management (SLM), improve the incentives for uptake of best practices and innovative technologies and be a catalyst to foster system-wide changes to remove ongoing barriers in areas of policy, institutional, technical and capacity constraints to SLM at the country level. It would also promote demonstration and up-scaling of successful SLM practices for mitigating land degradation.

The outcome was to increase productivity of farms and rural enterprises in Faizabad, Rudaki, Rogun, Vahdat, and Varzob *raions* (districts) within an environmentally sustainable management framework. The Project has identified five components—four technical and one project management—with related activities: (1) policy and institutional development and reform; (2) sustainable land management (pasture, arable, and forest); (3) agriculture and rural business support; (4) rural infrastructure development; and (5) project management. (PD, pg.6)

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

There were no changes in the Global Environmental Objectives, Development Objectives during project implementation.

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
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The TER rates relevance as Satisfactory. The project was consistent with the priorities of the Government as identified in the national programming framework (NPF) under Central Asian Countries Initiative for Land Management (CACILM). The NPF included a reform and investment program, of which the overall objective was to help restore, sustain and enhance the productive functions of Tajikistan’s land resources. The Project has been included as one of the sub-projects in the investment program, to be funded during Phase 1 of the CACILM multi-country Partnership Framework.

The proposed project was also consistent with the guidelines of GEF’s land degradation focal Area and was in line with the GEF Operational Program 15 on Sustainable Land Management. The project aimed at removing the major SLM barriers to improve productivity, devise innovative practices for SLM, disseminate relevant knowledge, and generate benefits across several GEF focal areas. The project also conforms to the LD Focal Area Objective 1: “To create an enabling environment that will place Sustainable Land Management (SLM) in the mainstream of development policy and practice at regional, national and local levels” and LD strategic objective- 2, which emphasizes generating “mutual benefits for the global environment and local livelihoods through the up-scaling of SLM investments” (PD, pg.16)

4.2 Effectiveness	Rating: Moderately Unsatisfactory
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The TER rates the Effectiveness as “Moderately Unsatisfactory”. Although farm productivity for both irrigated and rainfed crops increased, with achievements of indicators higher than projected for rainfed crops, indicators on increased turnover of rural enterprise and farms reaching commercial production

levels (25%) could not be measured. Achievement of outputs was also affected by the shortened implementation timeframe, including cancellation of the credit line and some civil works contracts. (TE, pg.11)

It was noted in the TE GEF Appendix that under the project, the land tenure security was implemented, the pasture law was endorsed, sector policy and strategy was approved, and institutions developed Pasture User Society (PUS) and Agricultural Business and Advisory Centers (ABACs). Capacity building and training for farmers, rural businesses and local government for land management, livestock management and agro-forestry have resulted in farmer adoption of improved practices/ technologies and increased productivity.

Project achievements under the five project components are summarized below:

1. The project's first component focused on policy and institutional development and reform by improving land use security, policies and instructions for pasture land management, administration and institutional aspects of business development. Under the first output of this component, raion officials were to better understand the limits of their powers under the Land Code and related legislation, and farmers were to become more aware of their rights and available support services for arbitration and legal redress; this output was partly achieved. Although 97% of *dekhan* farms received their land certificates from a target of 100%, only about 15% of these farms were women-owned, against a target of 30%. (TE, App 2, pg.22). The project also resolved 77% of land disputes as against a target of 100%. One of the outputs aimed at identifying relevant international pasture land management practices, raising awareness of management problems, and providing support to develop strategies and legislation for sustainable management was achieved despite a limited timeline because of delayed consultant mobilization. Third output was to determine the costs, in reduced investment and lost productivity, of administrative interference in farm and business decision making and this was partly achieved.
2. The project's second component focused on Sustainable land management, specifically strengthening land management by improving integrated pasture land and livestock techniques, enhancing capacity, and reversing land degradation: Of the three main planned outputs of this component, one-the improvement of pasture land conditions, was achieved, while another, improved institutional capacity to provide advice and further training to meet the country's needs, was partially achieved. Due to the delayed recruitment of consultants, the indicators for the third component on improved land condition and biodiversity status, improved winter feeding, and economic performance could not be assessed. (TE, App1, pg.17)
3. The project's third component Agriculture and rural business support focused on establishing farm and rural business advisory services and a market information system: The first output was to improve farmer and rural business decision-making capacity by establishing rural business advisory centers and providing microcredit was partly achieved. Four business advisory centers

were established and registered however the rural credit line component could not be implemented. The second output on establishing a Market Intelligence Unit (MIU) to collect reliable and statistically valid market information in the project area was partly achieved. At the time of completion, only 15% of the *dekhan* farms were being reached by MIU whereas the target was 50%. (TE, App1, pg.19)

4. The project’s fourth component- rural infrastructure development- intended to strengthen the capacity of *raions*, *jamoats*, and communities, and to support investments in small-scale construction and rehabilitation of local public infrastructure. The output on strengthening the capacity of *raions* and communities to plan, implement, and maintain infrastructure was achieved. Another output was to improve *raion* and community infrastructure with sustainable operation and maintenance (O&M) arrangements and it included development of 32 infrastructure subprojects, selected from 100 sites based on consultative meetings between *raion* authorities and community groups. Target was to complete projects with 100% O&M funding, however that could not be determined. 23 contracts were completed with ADB financing; 4 contacts completed using government financing (due to misprocurement declared by ADB) (TE, App1, pg.19)

5. Project management: Project implementation and delivery of inputs suffered from substantial delays in awarding contracts during early project stages. (TE, App1, pg.19)

4.3 Efficiency	Rating: Moderately Unsatisfactory
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The section on project efficiency in the TE provides limited analysis in terms of quantitative data at indicator level and mostly focuses on the economic analysis. The TE provides an analysis of benefits derived from improved returns from cropping and livestock farming brought about by the project and makes a comparison based on the project costs yielding a base case EIRR of 12.9%. This assumption concludes that only 80% of full potential project benefits will be achieved by 2020, 2 years later than was assumed at appraisal. TE notes that “this reflects delays in implementation, reductions in scope—including the cancellation of the microcredit activity—and the uncertainty of the future operations of the agricultural advisory centers and MIUs”.

It was also noted that the economic analysis was too conservative in that it did not consider project benefits outside the project area. Components related to the policy and institutional development as well as improved pasture, arable, and forest land management were expected to have benefits for crop and livestock farming beyond the project area. (TE, pg.12)

4.4 Sustainability	Rating: Moderately Unlikely
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The TE assesses the sustainability of the project and provides an examination of the four dimensions of financial resources, sociopolitical, institutional framework and governance, and environmental sustainability. This TER rates sustainability as moderately unlikely, mainly due to risks to financial resources. Despite the evidence of government commitment, existing fiscal constraints indicate lack of government financial resources risking sustainability of outcomes.

Financial Resources Sustainability: Moderately Unlikely Given the government fiscal constraints, the TE identifies the key financial risk as the availability of funds to continue the technology transfer, demonstrations and training on SLM which essentially requires already very limited resources including trained staff and budgets. Same limitations apply to the implementation of the pasture land regulations. The plan to establish a pasture fund has prospects of generating a targeted fund, and potential development partner support in the sector is a potential additional resource, however given the country context, there is an uncertainty in the implementation.

Sociopolitical Sustainability: Moderately Likely The project work has demonstrated the improved returns from the adoption of SLM practices, and the PUSs have been successful as a local stakeholder group for improving livestock productivity through pasture management planning. The PUSs are expected to function sustainably going forward. (TE GEF App, pg.29)

The local agencies at raion level achieved an increased understanding and awareness of the SLM practices and regulations, and there appears to be strong community ownership of these agencies, therefore at sociopolitical level the sustainability is more likely compared to other aspects.

Institutional Framework and Governance Sustainability: Moderately Unlikely The TE notes that the agricultural advisory centers and Market Intelligence Units, are less likely to be sustainable despite their ongoing contracts with farms and rural credit institutions to fund future operations at the time of completion. This is due to requirement to hand over their project vehicles and equipment to the government, under Order #92 by the President of the Republic of Tajikistan.

TE GEF Appendix notes that as of 2015, the government has established a working group responsible for revisions to the Pasture Law, preparation of drafts on regulations for PUSs to strengthen legal identity and financial sustainability, and for drafting the resolution to establish a Pastures Department or Institute under Ministry of Agriculture (MOA), and the creation of a pasture development fund. These actions are highly ambitious and depends on access to financing, staff resources, technical knowledge and dissemination capacity and improved regulatory enforcement. As of the date of evaluation, the MOA had local resource constraints and coverage at the national level was incomplete. (TE GEF App, pg.29)

Environmental Sustainability: Unable to Assess

TE GEF Appendix points out lack of environmental monitoring systems to assess the environmental benefits on land degradation and for sustainable land management. The effective monitoring requires financial resources to maintain and update the GIS land use database, provide land use assessments, and collaboration of other government and non-government agencies for monitoring other key

environmental indicators (carbon, biodiversity). Therefore, risk due to the government fiscal constraints and staffing levels make the adequate assessment of environmental sustainability unlikely.

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 co-financing reported at the project completion was \$13.72 million, against \$20.66 million at appraisal. The ADB paid 85% of costs, while the government and beneficiaries paid 12% and 3% respectively. Despite the cost savings, the reduced co-financing impacted project benefits, bringing down its expected ERR (economic rate of return). TE concludes that "the principal reasons for reduced costs were (i) the cancellation of the credit line SDR2,691,000 (\$4.1 million) on 5 June 2014; (ii) the cancellation and non-approval of several civil works contracts SDR815,532 (\$1.20 million) on 19 November 2014, following two minor changes for partial cancellation of loan proceeds; and (iii) delays in consultant recruitment that shortened expenditure duration." (TE, pg.7)

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?

TE concludes that the project implementation was negatively impacted by three significant issues: (i) a substantial delay in awarding the contracts and mobilizing international consultants; (ii) non-compliance with ADB's Procurement Guidelines, followed by an investigation into potential fraud and collusion by the executing agency; and (iii) cancellation of the \$4.1 million credit line. Recruitment of international consultants was also substantially delayed due to a government decision after project approval to impose income tax on international consultants. Although this was resolved in November 2010, slow mobilization of consultants ultimately delayed the selection, design, approval, and construction of civil works. (TE, pg.8)

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:

The government's commitment to the project was somewhat weak. The issue of taxation of international consultants, poor governance on procurement by the Ministry of Agriculture (the executing agency), and staff turnover on the project directorship are some of the indicators.

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: Satisfactory
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The M&E Design at project entry is rated as Satisfactory. The project M&E design included monitoring requirements for the GEF project activities, as well as the standard monitoring procedures as per an ADB project in achieving the planned outputs and outcomes. The project design monitoring framework detailed the indicators and targets to be measured and a project monitoring and performance system (PPMS) was established. As indicated in the PD, “The GEF-financed activities required monitoring, evaluation, and reporting to CACILM (Central Asian Countries Initiative Land Management) and GEF. The information from the PPMS was to feed into the CACILM national monitoring and evaluation system, which would target four types of information: (i) land degradation and sustainable land management indicators for the design and monitoring framework; (ii) compliance with environmental and social safeguards that may be prescribed by the co-financing agreements of the Strategic Partnership Agreement members, (ii) project implementation including a recording of tracking of work plan progress, all project inputs, and all activities; and (iv) project finances, including annual disbursements, contracts awarded, and annual audited financial statements.” (PD, Annex I, pg. 20)

The M&E budget at project appraisal was sufficient to establish a comprehensive M&E system, and PPMS for this scale of project.

6.2 M&E Implementation	Rating: Moderately Unsatisfactory
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The M&E at implementation is rated as Moderately Unsatisfactory. M&E plan implementation was incomplete, with key monitoring indicators (identified in the DMF and monitoring plan) not measured as planned. TE notes that the baseline survey was delayed until August 2010 and did not identify all indicators or update missing DMF targets. Also, it could not be clarified how the baseline survey could set target numbers for master farmers trained, farmers adopting improved practices, and entrepreneurs trained. (TE, Appendix 1, pg.19)

The midterm evaluation report in 2011 indicated that the quarterly progress reports (QPR) were comprehensive and contained substantial information, however they had many gaps in the data reporting and omissions, and that the QPRs needed to reflect key aspects of environmental management plan, resettlement framework and other specific actions. As mentioned in the previous section, delays with consultant recruitment negatively impacted on the effectiveness of the monitoring and evaluation.

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 implementing agency of the project was the Asian Development Bank (ADB). The TE states that ADB initially helped address implementation issues and provided effective guidance for daily matters and significant implementation issues through the Tajikistan resident mission. However, it's also noted that although ADB did timely approve many civil works contracts, the PMU expressed concern about ADB's slow response in approving Bid Evaluation Reports (BERs) and reimbursing withdrawal applications resulting in inaccuracies and inconsistencies in the PMU's BERs, and errors in the presented withdrawal applications, which occasionally required resubmissions. ADB was also found slow in responding to the Ministry of Finance and in resolving the credit line implementation issue, which according to the TE the bank subsequently tried to address with assignment of additional resources.

7.2 Quality of Project Execution	Rating: Moderately Unsatisfactory
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The Executing Agency was the Ministry of Agriculture. The government passed an improved pasture law in March 2013, however failed to award the contracts of international consultants as scheduled; delaying civil works, various assessment studies, and the provision of business advisory and market intelligence services. The project also failed to comply with ADB procurement guidelines, which resulted in declaration of misprocurement on civil works contracts by ADB, ultimately affecting the rural infrastructure development component of the project. The credit line's delayed implementation and eventual cancellation resulted from the inability of government as Ministry of Finance rejected the role of financial intermediary. The project director was also changed three times over the 7 years. (TE, pg.10)

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.

The TE did not specify environmental changes occurred during the project. Though it's noted that semi-annual environmental monitoring reports were submitted and disclosed on the ADB website and the rural infrastructure subprojects were assessed for environmental compliance and had been found compliant. (TE, pg.13)

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.

TE notes that the project benefited from strong community ownership and involving women in the planning process of infrastructure projects claiming that in many cases women led the operation and maintenance of structures. (TE, pg.14)

One output of the project was to strengthen the capacity of raions and communities to plan, implement, and maintain infrastructure. TE notes that "Raion working groups were to be established and engaged with the community to identify, prioritize, and plan infrastructure subprojects for rehabilitation or construction. A community mobilization process was launched in the last quarter of 2009, and focus group meetings were conducted across all raions in early 2010. Community groups were established in each *raion* and developed potential subprojects. More than 100 sites were investigated during the planning process, and 32 subprojects were selected." (TE, pg.6)

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

In terms of improved institutional capacity, the TE notes the main achievements as: "(i) developing a curriculum for a full-time pasture management course, and providing seminars on sustainable pasture

arable land and forestry management for 100 participants (70 men and 30 women) and restoration and greenery planting of pasture land for 60 participants (50 men and 10 women); (ii) delivering short training courses; and (iii) providing new facilities (training room, teaching herbarium, library, and teaching and field demonstration facilities) and equipment for the Tajikistan Agrarian University". (TE, pg.4)

b) Governance

Under the project, the land tenure security was implemented, the pasture law was endorsed, sector policy and strategy was approved and institutions were developed. Although partially achieved, a Market Intelligence Unit was created to collect reliable and statistically valid market information in the project area. This market information service was provided to only 15 per cent of farmers compared to the target of 50 per cent and as it's dependent on project funding, it's not a sustainable information 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.

No unintended impacts are reported affecting ecological or social aspects.

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.

The TE does not specify activities that resulted in broader adoption beyond project scope as of project completion.

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.

- Effective implementation is strongly linked to the quality of project management. Implementation suffered from poor leadership and a lack of focus on activities and outcomes by the first two project directors. This was reflected in the non-compliance with ADB's Guidelines on the use of Consultants and Procurement Guidelines, and the non-implementation of ADB-approved activity changes. These resulted in delays and reductions in project scope.

- The large number of civil works contracts was an administrative burden on both the Ministry of Agriculture (MOA) and ADB. Given the similarity of some rural infrastructure subprojects (e.g., the village potable water supply schemes), it should have been possible to group subprojects into fewer contracts to be more manageable, allowing MOA to focus more on implementing the other components more directly related to enhancing agricultural performance.
- The project had too many DMF indicators, some of which were poorly defined and hence not properly measured, set too high for the activities to achieve, without clearly defined targets. 14 Component 3 could only pilot technologies within the implementation period, hence the large-scale *raion* impacts could only be achieved many years after adoption. Project management did not have the capacity to prioritize the DMF indicators.
- Some payment delays occurred because of mistakes in withdrawal applications because of the complexities of cost sharing between the Global Environment Facility and Asian Development Fund grants. Simplified consistent arrangements should have been established.
- The project benefited from involving women in the planning process of infrastructure projects. There was strong community ownership; the structures targeted community needs; and in many cases women led the operation and maintenance of structures. This contributes strongly to the investment's long-term sustainability.
- Implementation of the credit line would have been more successful if (i) financial and integrity due diligence was conducted of financial intermediary and microfinance institutions at appraisal, and (ii) necessary project and subsidiary loan agreements were signed. Having signed agreements between MOF, microfinance institutions, and ADB may have prevented MOF relinquishing its role as financial intermediary after project approval.
- The project showed commendable flexibility in implementing new activities (e.g., establishing veterinary centers) in response to beneficiary needs. As a result, the project has strong community support and ownership (e.g., infrastructure, veterinary centers, PUSs). This should ensure sustainability.
- At appraisal and during implementation, establishing demand-driven agricultural advisory centers and MIUs that were autonomous from government was seen as an essential project component. There was a desire for the organizations to be on a secure financial footing with farmers contracted to pay for advice they received. However, the transfer of project vehicles and equipment procured for them to government agencies, including MOA, risks the centers' sustainability. At design or during implementation, steps need to be taken to clarify the future ownership of such assets. Alternatively, no attempt should be made to establish these types of organizations if it is possible they will operate only during implementation.

9.2 Briefly describe the recommendations given in the terminal evaluation.

Project Related:

(i) It is recommended that MOA (a) extend PUSs to new regions and expand component 3 activities to new areas within the five raions; and (b) monitor the performance of water users associations and community water associations in fee collection and O&M to ensure sustainability of the project structures.

2. General:

(i) Commitment to effective implementation performance of ADB-financed projects should be confirmed at the highest levels of government during country-programming exercises. Executing agencies should have training in ADB's anticorruption policies and be aware of the requirements to comply with the Procurement Guidelines.

(ii) The project had too many components and activities. The design of rural development projects should be kept as simple as possible with two or three major components and fewer main activities to allow more focus on implementation by the executing agency as well as ADB.

(iii) The project design was appropriate. However, when the executing agency has limited experience implementing ADB projects or has identified capacity weaknesses, and the project has leadership difficulties, greater supervision from ADB and its resident mission is required.

(iv) There needs to be a more effective review mechanism to ensure the appointment of project directors with appropriate capacity and interest in achieving outcomes and impacts.

(v) PMU staff should be permanent staff of the executing agency, particularly the project director and other staff in charge of strategic areas, such as procurement and financial management. This would improve the executing agency's institutional capacity.

(vi) The DMF indicators need to be adequately defined, measurable, and specific to the project area, and be limited to those that are needed.

(vii) It is necessary to clarify the tax liability status of consultants at appraisal to avoid unnecessary delays in contract award and implementation.

(viii) Proper due diligence and selection of financial institutions should be completed before project approval. This would avoid delays and activity cancellation during implementation.

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 project outcomes are explained in detail however the section on efficiency could benefit from more information backing the detailed economic analysis	S
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The TE fell short in providing adequate evidence to substantiate its ratings. However, GEF Supplementary Appendix provided more detail on several elements of the report including Effectiveness and M&E.	MS
To what extent does the report properly assess project sustainability and/or project exit strategy?	Sustainability is substantially assessed in the GEF Appendix to the TE, referring to all four dimensions	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Some of the lessons presented did not have enough evidence and supporting explanation in the TE	MS
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report includes the actual project costs and actual co-financing used	S
Assess the quality of the report's evaluation of project M&E systems:	GEF Appendix to the TE closed the gaps in the evaluation of M&E systems and provided detailed explanations for design and implementation phase.	S
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).

GEF Supplementary Appendix for Terminal Evaluation- February 2017 Draft