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

1. Project Data

Summary project data			
GEF project ID		3709	
GEF Agency project ID		GF/PER/10/001	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		UNIDO	
Project name		Environmentally Sound Management (ESM) and Disposal of Polychlorinated Biphenyls (PCBs)	
Country/Countries		Peru	
Region		LAC	
Focal area		Persistent Organic Pollutants	
Operational Program or Strategic Priorities/Objectives		POPs-SP1-Capacity building and POPs-SP2-Investment	
Executing agencies involved		Dirección General de Salud Ambiental (DIGESA), Government of Peru	
NGOs/CBOs involvement		As project stakeholders	
Private sector involvement		As project stakeholders	
CEO Endorsement (FSP) /Approval date (MSP)		29 June 2010	
Effectiveness date / project start		14 October 2010	
Expected date of project completion (at start)		31 July 2014	
Actual date of project completion		31 March 2017	
Project Financing			
		At Endorsement (US $M)	**At Completion (US $M)**
Project Preparation Grant	GEF funding	0.13	0.13
	Co-financing	0.13	
GEF Project Grant		2.58	2.48
Co-financing	IA own	0.09	
	Government	0.8	9.07
	Other multi- /bi-laterals		
	Private sector	4.3	0.72
	NGOs/CSOs		
Total GEF funding		2.71	2.61
Total Co-financing		5.19	9.79
Total project funding (GEF grant(s) + co-financing)		7.9	12.4
Terminal evaluation/review information			
TE completion date		Jan-March 2017	
Author of TE		Aaron E. Zazueta and Ruth Loayza Flores	
TER completion date		3/26/2018	
TER prepared by		Selin Erdogan	
TER peer review by (if GEF IEO review)		Molly Watts Sohn	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes		HS	-	S
Sustainability of Outcomes		ML	-	ML
M&E Design		MS	-	MS
M&E Implementation		S	-	MS
Quality of Implementation		HS	-	HS
Quality of Execution		NR	-	MS
Quality of the Terminal Evaluation Report		-	-	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's Global Environmental Objective (GEO) is "to create capacity for environmentally sound management (ESM) of PCBs for preventing PCB releases from the electric equipment, avoiding cross-contamination of electric equipment and disposing of at least 1,000 tons of PCB-containing equipment and oil and to assist Peru in complying with its obligations under the Stockholm Convention" (PD, pg.40)

3.2 Development Objectives of the project:

The project is designed to address the issues relevant to the PCB management as indicated in the GEO through creating a comprehensive legal framework governing PCB issues, strengthening institutional capacities to provide adequate Persistent Organic Pollutants (POPs) management, improving systems for monitoring of the POPs presence and releases, raising public awareness, education and information management system and establishing within the country environmentally sound systems for the treatment and reclamation of PCB contaminated mineral oil and metals from transformers. (Req. for CEO Endorsement, pg.9). The outcomes developed to achieve the project objectives are laid out as following in the PD pg.22:

Outcome 1: Institutional capacity building, improved policy / legal framework and established environmental monitoring of PCBs
Outcome 2: Environmentally sound management of PCB-containing equipment and wastes including country-wide inventory, treatment of transformers, which are still in use and final disposal f PCB wastes
Outcome 3: Socio-economic measures including improved public education and awareness
Outcome 4: Project management structure established and project monitoring and evaluation

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

The disposition of 1000 tons of PCBs that was mentioned in the Global Environmental Objective was eliminated after the midterm evaluation, as the inventory only found a fraction of the PCBs anticipated at design.

4. GEF IEO assessment of Outcomes and Sustainability

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

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

Please justify ratings in the space below each box.

4.1 **Relevance**	Rating: Satisfactory

The TE rates relevance as Highly Satisfactory, and this TER rates relevance as satisfactory. The project was designed to assist the Government of Peru to implement actions needed to properly handle and eliminate PCBs and comply with the Stockholm Convention. Peru signed the Stockholm Convention on POPs on May 23rd, 2001 which went into effect in December 2005. (PD, pg.3) Accordingly, a National Implementation Plan (NIP) had been prepared in 2007 which identified the elimination of the PCBs as one of the key priorities to implement the country's obligation under the Stockholm Convention. It has also identified the need for conducting a thorough inventory on PCBs, gradually phasing out the PCBs-containing equipment, and planning their final disposal. The NIP also highlighted the serious weaknesses of the hazardous waste management practices at the time and the needs for institutional and regulatory development, capacity building, and public awareness in Persistent Organic Pollutants (POPs). (Req. for CEO Endorsement, pg.8)

The project objective was also in line with the priorities established by the National Environmental Policy of Peru particularly in relation to integral management of environmental quality, the prevention and control of environmental impacts, and management of health risks as well as compliance with international agreements signed and ratified by Peru.

The project was also directly aligned to POPs SP1 and SP2 of the GEF-4; "reduction and elimination of the production, use and release of POPs to protect human health and the environment" as it helps the country develop policies and regulations and strengthen human and institutional capacities and awareness on the risks, sound management and safe disposal of POPs. The project was also highly relevant to UNIDO's commitment to help countries address problems of toxic waste and meet their commitments to international environmental conventions regarding management of POPs. (TE, pg.14)

4.2 **Effectiveness**	Rating: Highly Satisfactory

The TE rates provides a rating of Highly Satisfactory and provides ratings for the 48 activities within the scope of four project outcomes that were included in the restructured logical framework of the project. After the midterm evaluation, UNIDO deployed a team of technical experts to help restructure the project and address the identified weaknesses in design. The number of activities was reduced from 64 in the original logical framework to 48 and a critical aspect of the original framework related to the disposition of 1000 tons of PCBs (which was also mentioned in the Global Environmental Objective in the design phase), was eliminated, as the inventory only found a fraction of the PCBs anticipated at design. This was replaced by an activity to increase the inventory by 2000 samples, to confirm the previous findings and expand the inventory to other sectors that were likely to have PCBs. (TE, pg.13)

The first outcome of the project was regarding institutional capacity building, improved policy / legal framework and established environmental monitoring of PCBs and it was rated highly satisfactory. The project strengthened regulatory and enforcement capacities by providing technical support and facilitating the participation of key sectors in drafting a proposal for regulations of PCBs management. It also helped develop capacities in public institutions through 42 workshops that included 2030 participants and other technical assistance (TE, pg.31)

The project's second outcome aimed at environmentally sound management of PCB-containing equipment and wastes including country-wide inventory, treatment of transformers, which were still in use and final disposal of PCB wastes and the relevant components were mostly highly satisfactory. The project provided more reliable information on the existences, location and characteristics of PCBs through an inventory of close to 16,000 pieces of equipment. This information was critical to develop more targeted strategies to continue the elimination of PCBs in the country. The project has tested and demonstrated the feasibility of technologies and approaches to manage and eliminate PCBs, based on Best Available Techniques and Best Environmental Practices and lessons from trials carried out in the country. The project facilitated building capacities and commitment to the sound management of PCBs in 98% of the electricity transmission sector and helped reduce the financial burden of eliminating PCBs by introducing into the country less costly technologies, and increasing the number of firms that can provide services for PCB elimination. (TE, pg.31)

The project's third outcome was to achieve socio-economic measures including improved public education and awareness and most of the components were rated satisfactory or highly satisfactory. The project was effective in developing a keen awareness of the risks posed by PCBs, and options to manage these risks among the relevant public institutions, electricity utilities and other industries. The component regarding dissemination of of Technical Standard of Health projects developed in occupational health and PCBs did not work up to the expectation since it was not approved during the execution of the project. They have only been disseminated in the training events. (TE, pg.69)

The fourth outcome of the project was related to project management structure established and project monitoring and evaluation and was mostly successful except for the components including the

assignment of a physical office for the Project Coordination Unit and a successful inception workshop, both of which could not be achieved as expected. (TE, pg.71)

The first two outcomes of the project; the strengthening of the institutional and regulatory framework, and the support of the management and disposal of PCBs, were successfully achieved. Given the critical nature of these outcomes and milestones achieved throughout the project duration to achieve the overall objective, the TER also rates effectiveness as Highly Satisfactory.

4.3 **Efficiency**	Rating: Moderately Satisfactory

The TE rates the efficiency as Satisfactory and assesses the cost-effectiveness by comparing projects with similar objectives in terms of results and funding allocations, namely the PCBs project in Uruguay (GEF ID 3120) and PCBs project in Costa Rica GEF (ID 4485). TE indicates that the project cost of 12.4 million is justifiable with 2000-plus people trained as a result; when compared to 125 people trained with a cost of 2 million USD in Uruguay and fewer than 200 trainees with the cost of 11 million USD in Costa Rica. The project also had capacity building activities in a broader reach both regionally and at the company level when compared to the Costa Rica project which had a slightly lower but similar budget. (TE, pg.24)

The TE notes that through the introduction of new technologies and the development of demand of services (such as inventory, testing, retrofill and declorination) the project has reduced the costs of management and elimination of PCBs in Peru. This claim is supported by the Project Coordination Unit which estimates that new technological options the project helped establish in Peru saved the participating utility firms some 2.5 million USD in costs of inventory, treatment and disposal of PCBs. (TE, pg.24)

The project was originally designed to be completed in four years, but the implementation lasted six years and four months, from November 2010 to March 31, 2017. This was mostly caused by the low ownership by DIGESA (the designated executing unit). The Project Coordination Unit was reported to function in isolation with little interaction with DIGESA and this issue had been tried to address by UNIDO after midterm evaluation by replacing the project manager.

TE also notes that “The delays in the signing of the project document contributed to a slow start up during the first couple of years. After the midterm evaluation, the project closing date was extended to December 2014. The project was further delayed in part when the international tender for PCB elimination was declared deserted” (TE, pg.25)

The TE states that the additional time caused by implementation delays resulted in a broader reach of the project training and capacity building activities than originally planned. The additional time also allowed the project to increase the number of inventoried equipment (from 10000 to close to 16000) which reportedly helped develop a better information base of PCBs existences in Peru.

Based on the project implementation delays, particularly caused by the problems in the functioning of the executing agency in the first half of the project period, the TER rated the efficiency as "Moderately Satisfactory"

4.4 **Sustainability**	Rating: Moderately Likely

The project helped establish a solid foundation for a PCBs management system in Peru and utilities have mainstreamed PCBs management in their operations, yet delays in the approval of the regulation place long term risks to the sustainability of the system.

The TE addresses the four dimensions/ aspects of risks to sustainability and rates the overall sustainability as Moderately Likely:

Financial Resources Sustainability: **Likely** The financial sustainability of the project is mostly relevant to the potential costs of PCBs decontamination and elimination, and of the costs of the replacement of PCB contaminated equipment as per the requirements of Stockholm Convention. However, TE notes that given the time period allowed to address the elimination issue in the Convention (until 2028) and low rates (less than 2%) of contaminated equipment in Peru (the technical advisor of the project provided an analysis in the TE indicating that the costs of elimination of PCBs is calculated to be 4.6 % of the gross revenue of the electrical sector of one year), the financial risks to project sustainability is low.

Sociopolitical Sustainability: Likely The project involved activities to help raise awareness of risks related to PCBs and their management and facilitated the participation of all key stakeholders in the public and private sector.

Institutional Framework and Governance Sustainability: Moderately Likely The delayed approval of the regulation due to the administration transition and the change of government officials in the Ministry of Health (MINSA) and MINAM might have negative impacts in the long run despite the commitments from both the public and private sector. TE (pg.23) notes that "without a mandate the public agencies don't have the authority to carry out their roles and will lack the budget to carry out PCBs phase-out activities. The lack of a mandate and budget is also likely to severely hamper the capacity of DIGESA and OEFA (Environmental Assessment and Inspection Agency) to continue expanding to program to the mining sector and other industries suspect of PCBs contamination"

Environmental: The TE does not note any environmental risks to continuation of project benefits

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 realized co-financing reported by the project was 9.79 million USD. This is nearly double the 5.19 million USD expected at project approval. About 7% of it, 0.72 million USD has been provided by Utilities

to cover the costs of the time paid to conduct equipment sampling in the field, logistical support to the firm that carried out decontamination of equipment and export of PCBs and PCB- contaminated equipment. The rest of the co-financing, 9.07 million USD has been provided in cash and in-kind by public entities, most of which used to cover purchase of transformers and other electrical equipment free of PCBs by FONAFE (National Fund for the Financing of State Business Activity). (TE, pg. 75)

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 summarizes that "Initial deficiencies in design and readiness led to delays in the achievement of outputs, so that the midterm evaluation found the project unsatisfactory. But UNIDO addressed these issues, by changing the log frame and strengthening the project coordination team. The new project management team quickly bolstered the functions of the Consultative Committee to ensure the participation of all key sectors in the project. The new management also proactively coordinated DIGESA and other key institutions to enable a good information flow among the parties." (TE, pg. viii)

As stated in the PIR 2016, delays have also been experienced with the approval of the national Regulation on PCBs by the Ministry of Health. The project steering committee has been informed of the delays and support has been sought through the different partners to get it through the necessary government agencies as quickly as possible.

Due to the delays in the execution of different activities a minor amendment to the project has been made and it has been extended till 31 March 2017.

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 issues related to the country ownership were mainly due to the low ownership by DIGESA (the designated executing unit as part of the Ministry of Health) and delays in the approval of the PCB Regulation as mentioned in the sections above.

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 Satisfactory

The project document provides a baseline of the institutional and regulatory setting at the time of project design, and identifies the most important barriers pertaining to the sound management of PCBs in Peru. (TE, pg.26) However, during the midterm evaluation it was concluded that the information on PCBs had many weaknesses and required adjustments which were gradually addressed.

The project document included a detailed M&E plan that was designed to track the implementation progress and to facilitate learning, feedback and knowledge sharing and lessons among the main stakeholders. The project logical framework identified indicators, sources of verification and risks and assumptions. Yet as indicated in the midterm evaluation, indicators and targets for many activities were not identified and for some activities; targets were established that were outside of the project responsibility, such as the adoption of norms, regulations and guidelines by the government. (TE, pg.27)

The TER concurs the TE rating of Moderately Satisfactory due to the shortcomings in design identified during midterm evaluation period.

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

The midterm evaluation had reported that key components of the M&E plan had not taken place. The TE notes that "As the project had been developed in close quarters, few people were familiar with the specifics of the project, and participating agencies did not fully understand their roles." (TE, pg.27)

Following the midterm evaluation, a new approach was adopted to develop a more reliable information base on the existences and characteristics of PCBs in the country and to facilitate systematical collection and reporting of information on the activities carried out by the project. As indicated in the TE, pg 27; "Each year, the project Coordination Unit evaluated the achievements of the program, and on this basis drafted a proposal of an annual plan for the following year, which was approved by UNIDO. The Coordination Unit also provided a progress report every year to the Consultative Committee, keeping its members well-informed as they all took part in project activities throughout the year. DIGESA- the executing agency- was also kept apprised of project activities, as all communications and reports were signed by a DIGESA officer."

The TE rates the M&E Implementation as Satisfactory, however given the weaknesses in the implementation until the midterm evaluation, the TER rates the performance as Moderately Satisfactory.

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: Highly Satisfactory

UNIDO was the implementing agency of the project. At the beginning of the project, the project document was not signed by the national counterpart, and there were delays caused by their limited support through the midterm evaluation. UNIDO managed to remedy the issue of the signature of the project document and the project coordination office has worked with DIGESA-the executing agency, and other key stakeholders, to ensure their active participation and restructured the logical framework so that the project met its objectives going forward.

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

DIGESA, General Directorate of Environmental Health, was the executing agency of the project. At the initial phases of the project, national execution has been delayed by a lack of ownership from DIGESA.

Constant changes in DIGESA leadership and staff turnover rate impacted the extent of institutional ownership of the project. The TE notes that "While DIGESA developed trust in the Project Coordinating Unit and hosted all events, the project was never embedded in DIGESA as planned during project design. One important consequence is that DIGESA has been very slow in reviewing and presenting the proposed regulation to authorities within the government responsible for its approval." (TE, pg.viii)

The issue was addressed through UNIDO intervention following midterm evaluation by changing the log frame and strengthening the project coordination team. The new project management team ensured the participation of all key sectors in the project and proactively coordinated DIGESA and other key institutions to enable a good information flow among the parties.

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 found no evidence of negative impacts on the environment, on the positive side, the project meant to reduce the risks of PCBs releases to the environment to prevent the subsequent negative

effects on humans and on the environment. In terms of this indicator of impact, the project contributed to the elimination of 142.5t of PCBs and 41.1 t of PCBs contaminated equipment.

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.

Through workshops and publications, the project addressed gender-related health and environmental risks and effects of PCBs in the immunological, neurological and reproductive system. TE notes that "The project also pointed out how PCBs have a particularly insidious effect on women and children, as they tend to accumulate in fatty tissue and have genotoxic and carcinogenic properties. The project's awareness-raising activities and publications also pointed out that PCBs can be present in the air, water and soil, and that their bio-magnification and bioaccumulation in fish and animals are transmitted through the food chain. The project stressed need for preventive measures for women and children as PCBs affect the reproductive functions and result in neurobehavioral and developmental deficits in newborns and school-age children" (TE, pg 30)

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

a) Capacities

The project training and capacity building activities reached more organizations and regions within the country than originally planned. The project carried out capacity building activities in institutions in Lima and across the 25 regions of the country, and reached 32 firms.

b) Governance

As mentioned earlier, the approval of the PCB regulation has been delayed due to the administration transition and the change of government officials. The implementation of the National Registry of PCBs has been held until the approval of the regulation. As this system was designed to track the existence, residues and locations contaminated with PCBs, it is a critical instrument that will provide key information to better target actions to phase out PCBs. (TE, pg.24)

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 of the project 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.

Mainstreaming: The TE found considerable evidence that the information and management practices were adopted and integrated into the regular operations of government agencies and utility firms. It's noted that "Seven of the participating electrical utilities reported that they had developed management plans to continue the inventories and phase out PCBs by 2028, and seven indicated that plans had budgets and were under implementation" (TE, pg. 20)

Replication: The most significant indication of this broader adoption was over a dozen regional replications of the workshops carried out by the project. It also reported that there were over 60 persons trained within its organization in the 25 regions of the country.

The regional office of OEFA (Environmental Assessment and Inspection Agency) in Arequipa reported the replication of workshops among industry, citizens and municipalities, and calculated that some 600 persons have been trained on PCBs risks and their management in that region. (TE, pg. 20)

Scaling Up: Based on the lessons and outcomes of the project, FONAFE (National Fund for the Financing of State Business Activity) decided to integrate in its Strategic Plan 2017 – 2021 the identification and elimination of PCBs which ensures that all the 35 public enterprises held by FONAFE, not just those that participated in the project (including electrical and water and sanitation utilities, airports, shipping flees and mining and petroleum operations many of which have equipment likely to contain PCBs), will adopt and implement PCBs management plans, and will get access to the necessary resources implement the required PCBs phase out activities. (TE, pg. 20)

9. Lessons and recommendations

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

The TE provides the following three lessons learned (Exec summary):

1. While it is important to acknowledge that individuals can play an important role in championing a project, it is also critical that the discussions and agreements on project objectives, activities and responsibilities are fully owned by all participating institutions, and that formal institutional commitment is established prior to the initiation of a project.

2. Effective participation and a strong stakeholder commitment are crucial but insufficient conditions in seeking policy or regulatory reforms. Timely action and approval of reforms require informed and committed decision makers.

3. To achieve a strong stakeholder commitment, projects must strengthen stakeholder awareness and build on ongoing processes. They should propose solutions that are perceived as relevant, useful and within reach of the targeted sectors. Projects should also include approaches that combine formal instruments to involve stakeholders (such as effective consultative or steering committees), proactive involvement in project activities and effective coordination and information sharing.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE provides recommendations for both the Implementing Agency (UNIDO) and the Executing Agency (the DIGESA and the Government of Peru):

For UNIDO: i) In future projects, ensure that roles and responsibilities are properly discussed and agreed upon by all partner institutions, and that commitments are formalized before the project starts.

ii) Establish a clear distinction of the implementation and execution roles in a project. While administrative support of implementing agencies to a project can improve efficiency, to ensure sound quality control and oversight it is important that procurement and other project execution functions are sufficiently funded and kept separate from supervision.

iii) Urge the government of Peru to review and pass the regulation as soon as possible to guaranty that the country fully benefit from the project's accomplishments.

For DIGESA and Gov of Peru: Take quick action to review, prepare and submit the proposed regulation to the authorities in the government responsible for their approval.

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 assessment of relevant outcomes, impacts, and achievements of objectives is thoroughly explained and compared to the project design	**S**
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The ratings provided throughout the report has been substantiated and most of them are consistent with the evidence and information acquired.	**S**
To what extent does the report properly assess project sustainability and/or project exit strategy?	The likelihood of the sustainability of the project is well assessed especially considering the future impacts of the regulatory environment	**S**
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The lessons learned cover the main points, however could be more explanatory by referring to some project specifics	**MS**
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The project includes actual total project costs, as well as costs per activity and agency	**S**
Assess the quality of the report's evaluation of project M&E systems:	The evaluation of M&E systems is adequate to assess the performance of the project, especially for the 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).

No additional sources were used in the preparation of this TER