

1. Project Data

Summary project data			
GEF project ID		3950	
GEF Agency project ID		4280	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		UNDP	
Project name		Mainstreaming biodiversity into Uzbekistan’s oil-and-gas sector policies and operations	
Country/Countries		Uzbekistan	
Region		Europe and Central Asia	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		SO-2 - Mainstream Biodiversity Conservation and Sustainable Use into Production Landscape/Seascapes and Sectors BD SP-4 - Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity	
Executing agencies involved		State Committee for Nature Protection	
NGOs/CBOs involvement		None involved	
Private sector involvement		Uzkorgaz Chemical was involved as a private sector partner	
CEO Endorsement (FSP) /Approval date (MSP)		August 3 rd , 2010	
Effectiveness date / project start		May 4 th , 2011	
Expected date of project completion (at start)		March 2011	
Actual date of project completion		10/31/2015	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.05	0.05
	Co-financing	0.05	-
GEF Project Grant		0.95	0.95
Co-financing	IA own	0.17	0.204,607

	Government	6.0	6.0
	Other multi- /bi-laterals	-	-
	Private sector	1.225,812	1.225,812
	NGOs/CSOs	-	-
Total GEF funding		1,000,000	1.00
Total Co-financing		7.445,812	7.430,419
Total project funding (GEF grant(s) + co-financing)		8.445,812	8.430,419
Terminal evaluation/review information			
TE completion date		November 2015	
Author of TE		Stuart Williams and Natalya Marmazinskaya	
TER completion date		12/21/2016	
TER prepared by		Spandana Battula	
TER peer review by (if GEF IEO review)		Molly Watts	

2. Summary of Project Ratings

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

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The Global Environmental Objective of the project was for “all ongoing and future oil-and-gas operations in Uzbekistan (to) minimize their adverse impacts on biodiversity so that the conservation prospects of the affected ecosystems are greatly improved” (PD pg 13).

3.2 Development Objectives of the project:

The project’s Development Objective was to “mainstream biodiversity conservation into Uzbekistan’s oil-and-gas policies and operations by demonstrating this in the Ustyurt Plateau” (PD pg 13). The project aimed to achieve its objective through the following two components:

Component 1: Enabling policy, legislative and institutional environment for mainstreaming biodiversity conservation considerations in the oil-and-gas sector; and

Component 2: Demonstrating biodiversity mainstreaming technologies in oil-and-gas operations on the Ustyurt Plateau.

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

There were no changes to objectives or activities during 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 project was aligned to GEF's Strategic Objective 2 of "Mainstream Biodiversity Conservation and Sustainable Use into Production Landscape/Seascapes and Sectors" and also the Strategic Programme of "Strengthening policy and regulatory frameworks for mainstreaming biodiversity". As Uzbekistan was a member to the Convention on Biological Diversity and UN Development Assistance Framework, the project objectives met requirement of both the international mechanisms. However, the TE states that some of "the amendments to the project indicators and targets undermined the relevance of the project" (TE pg 49). As project outcomes are consistent with biodiversity focal area, the TER gives a Satisfactory rating.

4.2 Effectiveness	Rating: Moderately Satisfactory
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The TE gives a Satisfactory rating to the project's effectiveness and overall quality of project outcomes. The project achieved the majority of its indicators and outcomes, even after modification in the inception period and MTR. The TE states "that the legislation was not approved is the only shortcoming to this effectiveness" (TE pg 38). The TER finds that, although many of the outputs were delivered, the extent of the results had flaws. There was too much emphasis on creating the Saigachy Reserve even though it was not linked to the oil-and-gas sectors' policies and operations. This led to falling short of targets in Components 1 and 2 and hence, the TER gives a Moderately Satisfactory rating. The following is an assessment of achievements per component:

Component 1: Enabling policy, legislative, and institutional environment for mainstreaming oil-and-gas sector

Under this component, there were four outputs and, although, the targets for all the outputs were met the outcome was not fully achieved. The main output aimed to review and submit seven laws to be incorporated into biodiversity conservation and monitoring issues. The amendments of the laws were to be based on “avoid-reduce-remedy-offset” principles for determining indirect negative impacts on flora and fauna (PF pg 13). The project met its target and, in fact, reviewed 12 laws and secured endorsements for the proposed amendments from 13 ministries (TE pg 40). However, the amendments were not approved by the government and the TE also criticized that “there was a tendency to emphasize offsetting and the payment of compensation rather than the full spectrum of the mitigation hierarchy” on which the amendments were based (TE pg 36). The component also focused on creating maps with different zones that should be off-limits to exploration and building capacity of staff from governmental institutions and private sector. As developing a national map was too ambitious, a map of the Ustyurt Plateau was created. Even though the project created a map, it required more detail that complied with the mitigation strategies (TE pg 33). In regard to building capacity, the project carried out workshops and training for staff in government institutions and oil-and-gas companies, and also held exercises with students to make them aware of concepts in integrating biodiversity conservation in oil and gas sector. The project also held a workshop on role of women in oil-and-gas industry (TE pg 34).

Component 2: Demonstrating biodiversity mainstreaming technologies on the ground in the Ustyurt Plateau

This component had six outputs, out of which two were achieved, three targets were partially met and one was deleted as per recommendations by the MTR. The main backbone of the project was to create mitigation measures, integrate mitigation technologies in the design of oil-and-gas development, and operationalize biodiversity offset scheme to compensate for damages. The project supported in establishing Saigachy Reserve which was to be used as an offsetting site for oil-and-gas. To support the reserve, the project assisted in building capacity and providing equipment as well as infrastructure. The project also helped in developing a Biodiversity Action Plan with Uzkorgaz Chemical, an oil-and-gas company (TE pg 35). Moreover, as an offset mechanism, the project also planned to restore two pilot sites in Shakhpakty and Surgil areas. But “the company working in the Shakhpakty refused to cooperate; in contrast, the company in the Surgil area, Uzkorgaz Chemical, worked with the project. As a result, the project restored 50ha of degraded land in the vicinity of the Uzkorgaz Chemical facility” (TE pg 35).

However, the TE comments that there was too much emphasis on creating the Saigachy Reserve and hence, distracted from the main objectives of the outcome (TE pg 37).

Further, the project created and disseminated a guidebook on biodiversity conservation for the oil-and-gas industry. The project was also active in meeting its output of implementing awareness-raising activities. The MTR mentions that there was a “large campaign to disseminate the information about project, BD in the Ustyurt Plateau and Saigachyzakaznik through mass media (TV, radio, newspapers, posters, flyers, etc) and social media” (MTR pg 36).

4.3 Efficiency	Rating: Satisfactory
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The TE gives a Highly Satisfactory rating to efficiency as “the project was efficient in its use of resources (and was underspent at the time of the TE) and kept a uniquely good record of the co-finance received by the project” (TE pg 38). The project faced one-year delay in the initiation of activities and there were minor amendments to baseline and targets at the initial phase. The delay affected the delivery and planning process especially as the project was forced to plan high yearly disbursement targets at the start of each year (MTR pg 49).

In terms of cost-effectiveness, the project used efficient ways to cut costs, for example, the National Project Manager “used his influence to secure the use of vehicles, both from UNDP and from the SCNP when the project team visited the project’s demonstration sites” (TE pg 50). Also the local contracts were below US \$2,500 and they were offered to individuals rather than institutions. These methods proved to be an effective way of keeping the costs low. However, the lack of engaging with institutions was contrary to GEF’s principles of building institutional sustainability (TE pg 50). Taking into account the cost-efficiency and achievement of targets but the relatively minor shortcomings in initiation of the project, the TER gives a Satisfactory rating.

4.4 Sustainability	Rating: Moderately Unlikely
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The TE gives Moderately Likely rating to the overall sustainability factors but notes that “the sustainability of the project’s processes and impacts hinges directly on the approval of the amendments to the legislation that was proposed by the project”. As there is heavy reliance on future development of the project proposals, the TER finds that there are many significant risks involved to sustainability of project benefits.

Financial Resources: The TE gives a Moderately Likely rating but notes that the financial sustainability was uncertain and dependent on the amendment to legislation being approved. It states that if the approval was given “in a country such as Uzbekistan, such a risk is relatively small as the implementation of legislation, once approved by the Cabinet of Ministers, becomes “obligatory” and hence resourced as necessary” (TE pg 53). However, not only was financial sustainability instable, there was also no guarantee that the private sector would invest (TE pg 53). The TER gives a Moderately Unlikely rating as securing of financial resources was heavily dependent on future developments.

Sociopolitical: The TE does not give a rating to socio-economic sustainability and comments that as there are very few people living in Ustyurt Plateau, the risks too are very few. But if the amendments to the legislation are approved, then many people stand to benefit significantly (TE pg 53). On political sustainability, it is noted that there was lack of country ownership at the central level as was evident from the approval of legislations still pending (TE pg 51).

Institutional framework and governance: The TE gives a Moderately Likely rating to institutional sustainability. The governmental institutions in Uzbekistan are relatively robust, however, the research and monitoring institutions are not strong. Also, the institutional priority is development and the environment sector is seen as a barrier to development, so it is uncertain whether the proposed amendments will be given approval (TE pg 54). Given that there is no robust legal framework in place, the TER gives a Moderately Unlikely rating.

Environmental: As the proposed amendments were not approved, there is uncertainty on environmental benefits being gained and hence, “environmental impacts and sustainability remain questionable” (TE pg 54).

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 actual and planned co-financing remained relatively the same. The TE does not give data on how the co-financing was used and thus, it cannot be determined how it affected project outcomes.

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 project had a one-year delay in the effective initiation of activities and was given an extension to complete by July 2015. The fixed timelines and delays had "affected the project planning process and as such the project has been forced to plan high yearly disbursement targets at the beginning of each year and was not able to meet given the complexity of the situation" (MTR pg 49).

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 TE states that country ownership of the project was not very strong and presented barriers for achieving the project goal. Although the Government of Uzbekistan provided co-financing, vehicles, staff, and use of substantial office space, the "support and feeling of ownership did not permeate throughout the organization" (TE pg 51). The TE also observes that the project concept may have been pushed by UNDP-GEF rather than by Uzbekistan as it is evident from the fact that a number of legislation amendments were not approved by the government (TE pg 51).

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
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The M&E design at entry is given a satisfactory rating as it followed standard UNDP-GEF framework. M&E plan contained a baseline, indicators, and periodic inception report, mid-term review and terminal evaluation (TE pg 31). However, for the biodiversity monitoring system, the project did not provide baseline value for monitoring. There were modifications to indicators and targets at the inception phase and during MTR as they were either considered too

ambitious or unspecific (TE pgs 10 and 14). Given the faults in M&E design, the TER gives a Moderately Satisfactory rating.

6.2 M&E Implementation	Rating: Moderately Satisfactory
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The TE gives a Satisfactory rating to M&E implementation as it had no significant shortcomings. The TE doesn't give sufficient evidence to support the rating, but the Project Implementation Reviews, submitted from 2013 to 2015, provide results per target. The PIRs provided results progress for each target against the indicators and the mid-term evaluation was completed in year 3. This shows that the monitoring of the project was done well. Moreover, the M&E data was used for adaptive management. For example, a national map for zoning was considered unrealistic by MTR, and instead a region level map was created as a practical tool (TE pg 33).

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: Satisfactory
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The TE rates quality of project implementation as Satisfactory because UNDP "provided good support for the project and the PIU felt part of the UNDP "family"" (TE pg 24). UNDP helped in centralizing the communications and public relations, which was earlier run by a PR Specialist. The project also established an implementation unit to carry out day-to-day tasks such as developing TOR, report on progress, oversee work of consultants and other tasks. The Unit was housed in SCNP and comprised of National Project Manager, technical coordinator and administrative and financial assistant. Also, the TE mentions that the Unit did a good job with coordination, collaboration and maintaining an outstanding record of co-financing expenditure (TE pg 22 and 24).

7.2 Quality of Project Execution	Rating: Moderately Satisfactory
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The project was executed by the State Committee for Nature Protection (SCNP) and the TE gives a Moderately Satisfactory rating to the quality of execution. It notes that while there was good support from SCNP, “the SCNP did not display significant levels of ownership of the project or take responsibility for pushing through the proposed amendments to the 12 pieces of legislation developed by the project” (TE pg 24). Further, the Project Board was responsible for overseeing the execution, however, the Board primarily contained members from UNDP and the “project assurance is carried out by the UNDP-CO Environmental Focal Point” (TE pg 21).

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 states that the project managed to restore 50 ha of degraded land in the Ustyurt Plateau and the Uzkorgaz Chemical company restored additional area of 625.5 ha of degraded land. Nevertheless, the impact of Saigachy research is yet to be seen as the legislation to formalize the establishment has not occurred. Thus, the environmental impact of the project is minimal (TE pg 55).

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

The TE doesn't report of any socioeconomic changes.

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 carried out awareness campaigns with students, staff at government institutions, and private sector. This helped as a company like Uzkorgaz Chemical worked with the project to restore degraded land as well as develop a Biodiversity Action Plan (TE pg 55).

b) Governance: There were amendments to legislations proposed, but were not adopted by the government at the time of the TE.

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 intended impacts are reported.

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 reports that the restoration of degraded land by the project was replicated by an oil-and-gas company, Uzkorgaz Chemical, as it restored 625.5 ha of degraded land (TE pg 55).

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.

Key lessons learned to inform future projects within Uzbekistan and elsewhere in the regions are (TE pg 65):

- a) Essential for the government to have ownership of the project and take responsibility for it. This is important so that important policies and legislation get approved, and the project objectives are aligned to GEF principles;
- b) Link the GEF grant to a loan as the government tends to take more responsibility of loans than grants;
- c) Schedule study tours at the PPG phase or in the very early stage so that “the course of the project may be adjusted in response to the lessons from the study tour” (TE pg 59);
- d) Involve qualified persons like the National Project Manager in the design and development of the project;
- e) Critically assess barriers and risks to environmental governance so that “project designers “can decide whether to take a high risk – high impact course or whether a slow incremental growth profile would be more appropriate” (TE pg 60);
- f) Focus on the original objectives of the project and if the outcomes are unattainable, it should be reported to the implementing agency;
- g) Build understanding on gender issues and work towards gender mainstreaming especially in the oil-and-gas sector as was done by the project through a workshop;
- h) Bring external experts in the early stages of the project “ensure that his or her inputs would have an impact by the end of the project” (TE pg 61);
- i) Modification of indicators should not undermine a project’s contribution to the GEF or the UNDAF’s results frameworks;

Good practices are:

- a) Interagency Working Group (IWG) helps in bringing together stakeholders and “often involves the more committed, technical personnel from each of the stakeholder institutions”. This was demonstrated in the project and was a good start for implementation. Hence, future projects should consider forming IWGs; and
- b) The project did a very good job of monitoring and monetizing the co-financing of the project and this can be replicated by other project.

9.2 Briefly describe the recommendations given in the terminal evaluation.

Recommendations are:

- a) Clarify how to achieve no net-loss and net gain as these concepts are relatively new in Uzbekistan;
- b) Seek ways to push for legislative approval as the financial and environmental sustainability depends on the government approval of revisions to the laws;
- c) Engage further with oil-and-gas companies for effectiveness of management of PAs, and for monitoring and research partnership;

- d) Disseminate project output, such as the Guidelines and Manual, in digital format as well through UNDP and SCNP websites;
- e) Ensure that the SCNP has an action plan for the management of Saigachy Reserve, when the Reserve gets formally established; and
- f) Critically assess the financial and management processes of oil-and-gas company and make aware of the industry's performance across the globe.

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 TE gave a comprehensive assessment of project outcomes and also consistent with changes from the MTR. But the evaluation of impacts lacked details on socio-economic, governance and other components.	MS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	There was enough evidence provided in the TE however, some ratings seemed inflated.	MS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report gave inflated rating to project sustainability. For example, for sustainability criteria, the reports suggested many risks involved, however, gave Moderately Likely rating. This seems inconsistent.	MU
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned are supported adequately by evidence.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report did not include project costs per activity. However, it lists the co-financing provided.	MS
Assess the quality of the report's evaluation of project M&E systems:	The report did not at all assess M&E design and implementation.	U
Overall TE Rating		MS

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

The report used mid-term review other than TE and Project document.