

GEF EO Terminal Evaluation Review Form

| 1. PROJECT DATA | | | | |
|---|---|---|---|---|
| GEF Project ID: 460 | | Review date: 10/19/06 | | |
| IA/EA Project ID: 833 | | <u>at endorsement</u> (Million US\$) | | <u>at completion</u> (Million US\$) |
| Project Name: Preparation for a strategic Action Programme (SAP) for the Dnieper (Dnipro) river Basin and development of SAP Implementation Mechanisms (DBEP) | | GEF financing: | 7.00 | No information |
| Country: Regional - Ukraine, Belarus and Russia | | IA/EA own: | 0.98 | No information |
| | | Government: | Russia: 0.1 Ukraine: 4.2 Belarus: 0.3 | No information |
| | | Other* (IDRC): | 1.675 | No information |
| | | Total Cofinancing | 7.255 | No information |
| Operational Program: 8 | | Total Project Cost: | 14.255 | No information |
| IA | UNDP | <u>Dates</u> | | |
| Partners involved: UNDP, UNOPS, IDRC, UNIDO and IAEA | Work Program date | | 3/30/1998 | |
| | CEO Endorsement | | 12/20/1999 | |
| | Effectiveness/ Prodoc Signature (i.e. date project began) | | 06/03/2000 | |
| | Closing Date | Proposed: August 31, 2003** | Actual: 7/2005 | |
| Prepared by: Antonio del Monaco | Reviewed by: Aaron Zazueta | Duration between effectiveness date and original closing: 38 months | Duration between effectiveness date and actual closing: 61 months | Difference between original and actual closing: 23 months |
| Author of TE: | | TE completion date: July 2005 | TE submission date to GEF OME: 06/08/2006 | Difference between TE completion and submission date: 11 months |

* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

** According to 2005 PIR.

2. SUMMARY OF PROJECT RATINGS

Please refer to document "GEF Office of Evaluation Guidelines for the verification and review of terminal evaluations" for further definitions of the ratings.

| | Last PIR | IA Terminal Evaluation | Other IA evaluations if applicable (e.g. IEG) | GEF EO |
|--------------------------------------|------------------|------------------------|---|-----------|
| 2.1 Project outcomes | HS | No rating | N/A | MS |
| 2.2 Project sustainability | N/A | No rating | N/A | L |
| 2.3 Monitoring and evaluation | No rating | No rating | N/A | UA |
| 2.4 Quality of the evaluation report | N/A | N/A | N/A | S |

Should this terminal evaluation report be considered a good practice? Why? No. Please refer to section on quality of TE. However, the section on lessons was rated HS because of its broad applicability to the IW

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| focal area. |
| Is there a follow up issue mentioned in the TE such as corruption, reallocation of GEF funds, etc.? None mentioned |

3. PROJECT OBJECTIVES AND ACTUAL OUTCOMES

3.1 Project Objectives

- **What are the Global Environmental Objectives? Any changes during implementation?**

According to the project document, the objective was to remedy the serious environmental effects of pollution and habitat degradation in the Dnieper River Basin, to ensure sustainable use of its resources, and to protect biodiversity in the basin. No changes indicated in the TE

- **What are the Development Objectives? Any changes during implementation?**

Objective 1. Create a transboundary management regime and coordinating body;
 Objective 2. Assist countries in SAP formulation, review and endorsement process;
 Objective 3. Improve financial/legal/operational mechanisms for pollution reduction and sustainable resource use;
 Objective 4. Formulation of National Action Plans by Interministerial Committees;
 Objective 5. Improve conservation of biodiversity in the Dnieper River Basin;
 Objective 6. Enhance communication among stakeholders and encourage public awareness and involvement in addressing the problems of the Dnieper Basin.
 Objective 7. Build capacity for SAP implementation.

There were no changes indicated in the TE as these objectives were explicitly the same.

3.2 Outcomes and Impacts

- **What were the major project outcomes and impacts as described in the TE?**

According to the TE the project can be considered highly successful in its achievement against objectives, and is especially noteworthy for the active involvement and support of the National Program Coordinators and their Ministries (Environment and Natural Resources). To support this, the TE indicates that the Dnipro TDA constitutes a very good analysis of the status of the Dnipro basin biodiversity and water quality, and the causes and impacts of water quality impairments. It provided a solid scientific basis used to establish a basin-wide strategic action plan. The TDA effort enabled the participating experts and institutes to consider transboundary cause and effect relationships. For example, the process enabled new applied research, for instance assessing fish species health across the basin for the first time. Through the TDA process, the countries were able to document the extent to which hydrological modification is affecting ecosystems health in the basin.

The TE says that the SAP builds directly from the TDA findings, providing a set of long term objectives (LTEQOs), designed to address the six priority transboundary environmental issues set out in the TDA in a "stepwise" fashion. The six high priority problem areas linked to the long term objectives) identified in the TDA, and ranked them as priority A and B issues:

- Chemical pollution (Priority A)
- Radionuclide pollution (Priority A)
- Eutrophication (Priority A)
- Loss/modification of ecosystems or ecotones and decreased viability of stocks due to contamination and diseases (Priority A)
- Flooding events and elevated groundwater levels (Priority B)
- Modification of the hydrological regime (Priority B)

The Long Term Ecological Quality Objectives (LTEQOs) include:

1. Sustainable nature use and environmental protection in the Dnipro Basin
2. Environmental quality that is safe for human health.
3. Conservation of biological and landscape diversity

The TE indicates that the SAP provides a series of expected actions by the three countries to reduce transboundary pollution, with general (but imprecise) timetables and general costs calculated. SAP documentation includes a Priority Investment Portfolio, with 20 top priority investments (10 for Ukraine, 5 each for Belarus and Russia). The project formulation included development of regional thematic centers. Each LTEQO sets out policy and institutional reform steps that are needed for their achievement. Activities and expected results are included under each step. The total estimated required investment for achievement of the long-term objectives is US \$1.7 billion over 15 years.

All three of the Dnipro states have drafted NAPs, which are at various stages of approval. Ukraine has been

implementing its pre-existing National Action Plan for the Dnipro Basin while a revised NAP, consistent with the new SAP moves through the approval process. Belarus has received Academy of Science approval for its draft NAP. Russia has a draft NAP that is on hold, pending Russia's further financial review and approval of the SAP.

4. GEF EVALUATION OFFICE ASSESSMENT

4.1.1 Outcomes

A Relevance **Rating: S**

The TE indicates that the Dnipro is central to the Ukrainian and Byelorussia societies, and to the southwest Russian region. Its cleanup will remain important for national and regional environmental protection programs.

Further, the project document indicates that the three riparian nations convened in 1995 and agreed upon a memorandum which requested UNDP assistance in the development of a GEF Environmental Management Program for the Dnieper River Basin. Funding of this request would build upon and be leveraged by 1) the demonstrated financial commitments of the riparian nations in accordance with national priorities, 2) the previously completed work, including the TDA, and 3) the funding of donor nations.

B Effectiveness **Rating: MS**

Despite the overall conclusion of project success, the TE indicates that after five years of effort, the SAP is not fully endorsed by each country, and the countries are not yet moving to fulfill their agreed upon objectives. While Ukraine and more recently Belarus have agreed to the SAP, Russia has only indicated its intention to approve it in the future, pending further financial review, and the approval of Belarus includes caveats for additional financial review.

The TE indicates that the approach may have worked more successfully for the Dnipro than in other GEF/IW projects, however the use of thematic centers fell short of initial expectations and most centers did not achieve the regional scope and recognized excellence envisioned. The TE also indicates that it would have been useful to focus more attention on non-point / diffuse sources of pollution, and on groundwater quality in the basin.

Regarding the identification of hotspots, the TE indicates that the hotspot identification and prioritization effort was highly successful both in identifying critical investment projects along the Dnipro and in developing a hot spot ID method that can and should be replicated in other projects. The team developed a methodology to determine and rank dischargers based on the type and extent of discharges. The project also conducted an assessment of Management of Waste from Intensive Livestock Production. The TE indicates that the assessment included information on US, Canadian and EU environmental requirements for animal husbandry. However, the focus is almost exclusively limited to regulatory programs and largely ignores farm assistance programs. While economic instruments were mentioned, very little detail was given as to how these are carried out in EU, US and Canadian legislation, and information was not provided on the economic incentive programs for environmental stewardship included in the US Farm Bill and EU CAP.

A Donor conference was held in (2004) after the SAP and PIP were completed, but prior to SAP approval by the Dnipro countries. The priority investment portfolio and SAP were presented and received interest. While the conference was well attended by bilateral and multilateral donor representatives, there was weak participation from investment bankers (European Bank for Reconstruction and Development, etc). No investments have yet been initiated as a direct result of the conference.

C Efficiency (cost-effectiveness) **Rating: S**

The TE indicates that the DBEP has met, and in some cases exceeded expectations, with all deliverables produced. The project was completed within budget, despite being extended by two years to complete the SAP review process.

4.1.2 Impacts

The TE indicates that the project should provide tangible long-term improvements in Dnipro water quality and basin biodiversity. The TE adds that the project was designed to provide a scientific basis, structure and actions for joint and national activities to protect and clean up the Dnipro River. Therefore, its impact can not be measured in short term water quality improvement, but rather in the extent to which it has laid the foundation for regional collaboration and national actions to improve water quality over the longer term.

The TE indicates that results at this stage are procedural and relate to the willingness of the riparian countries to focus attention and funding on water pollution issues in the basin. In particular one can look at the additional funding that has now been identified for water resource protection on the Dnipro, especially for Ukraine.

4.2 Likelihood of sustainability. Using the following sustainability criteria, include an assessment of risks to sustainability of project outcomes and impacts based on the information presented in the TE.

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| A Financial resources | Rating: L |
| <p>The TE indicates that as a direct result of the DBEP, the Basin countries are expanding their national budgets to improve Dnipro river water quality. In particular, Ukraine's budget for water quality related investments and control measures along the Dnipro and its tributaries has increased threefold since 2001. Hot spot identification, leading to a priority investment portfolio, has set the stage for increased external investment to reduce pollution discharges and UNIDO is already involved in one follow-up project. In addition, there is a GEF follow on project to assist in the implementation of the SAP. The follow-on effort is designed to assist the countries as they develop a Dnipro convention and work together on transboundary water quality monitoring.</p> | |
| B Socio political | Rating: ML |
| <p>The TE indicates that there was a high degree of local ownership and corresponding greater opportunity for sustainability. The Project demonstrated positive impact in relation to the continuing expansion, involvement and competence of the environmental NGO community in the region. Through the Dnipro Basin Council, and the NGO Forums, the DBEP was able to successfully engage NGOs directly into the policy formulation process. This was an important contribution, and ministry officials acknowledged that their input led to changes in the SAP. Through the small grants program, NGOs were able to participate in the DBEP, especially to build greater public awareness.</p> <p>Regarding other key government stakeholders, however, the TE indicates that the project did not have much impact on the strategies and programs of other ministries and agencies outside of the environmental and water resource ministries. This has important implications. For example, there are many recommendations set out in the TDA/SAP and supporting reports dealing with management of agriculture, forestry, fisheries, mineral extraction and other industrial development, yet the authorities responsible for these economic sectors were not directly involved in the project and there is no indication given that they have altered their activities as a result. The "Kyiv Declaration on Cooperation in the Dnipro Basin" and the SAP represent binding country obligations, however their successful implementation will require greater interministerial coordination.</p> | |
| C Institutional framework and governance | Rating: ML |
| <p>Regarding Long Term Ecological Quality Objectives (LTEQOs) mentioned in section 3.2 above, the TE mentions that the states have agreed that in order to achieve sustainable nature use and environmental protection (LTEQO I), they should harmonize with EU environmental legislation.</p> <p>With respect to legal and policy reform, the TE mentions that the project's EIA review effort contributed to the decision of Belarus to draft a new EIA law. The legal reform effort underway in Ukraine may be more a result of its EU harmonization focus, but has also benefited from the project policy review efforts. In Russia, progress on environmental legislation is moving slowly, due to continuing structural changes. However, legislation and regulatory controls in the three countries remain unclear with respect to environmental liability, while environmental impact assessment requirements remain weak and implementation is inconsistent.</p> <p>Regarding the Regional Thematic Centers (RTCs) (designed to serve as the focal points for regional training, capacity building, information exchange and TDA/SAP development), the TE indicates that the national political support for the RTCs was in some cases dependent on key senior elected officials, which called into question RTC sustainability in light of frequent governmental changes.</p> | |
| D Environmental | Rating: L |
| <p>The TE indicates that the countries have determined that in order to better conserve biological and landscape diversity (LTEQO III), 3.5 million hectares of low productivity agricultural lands should be withdrawn from use over the next 10-15 years and restored to original conditions as forests, meadows, steppes and wetlands.</p> <p>The TE also indicates that as part of the measures to safeguard human health, the legal actions to be taken include the introduction of "a systematic approach to pollution control and prevention in the industrial sector (integrated preventative approach), and to implement environmental management systems in combination with Best Available Techniques (BATs).</p> | |

Provide only ratings for the sustainability of outcomes based on the information in the TE:

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| A Financial resources | Rating: L |
| B Socio political | Rating: ML |
| C Institutional framework and governance | Rating: ML |
| D Environmental | Rating: L |

4.3 Catalytic role

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| a. Production of a public good |
| b. Demonstration |
| c. Replication. There was no specific mention of the project approach being replicated elsewhere with the initiative of the local governments and as a result of the GEF project. However, some components of the project seem to have been replicated. For example, the TE indicated that the project created a regional environmental database that has been well-received by the environmental protection agencies, especially in Ukraine, where the government has elected to model the database in other river basins, including the Dneister. |
| d. Scaling up |

4.4 Assessment of the project's monitoring and evaluation system based on the information in the TE

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| A. M&E design | Rating: MS |
| <p>The TE does not include an explicitly section to discuss M&E of the project as a whole. Some information provided indicates that some M&E activities were carried out. For example, 2 expeditions were carried out to provide essential information for the TDA development. In particular, the expeditions enabled a one-time snapshot of water quality conditions across the length of the basin.</p> <p>In addition, several components had their own M&E systems. For example, the TE indicates that the DBEP included several activities for assessing and improving monitoring capacity amongst the Dnipro countries. Within the IDRC, and under the coordination of the Pollution Monitoring RTC (Kharkiv), and the information management RTC (Ukraine, meteorological inst) initial assessments were done to consider current water quality monitoring and data collection systems and to identify equipment needs. An initial meeting on Monitoring Capacities was held in Kharkiv, leading to a strategy for transboundary monitoring, including equipment lists. The National Management Committees then approved the strategy. The resulting information was used to develop the Transboundary Water Monitoring Program (TMP) annexed to the SAP. Each country received a digital chemical analyzer (approx. US \$100,000 each plus consumables), for designated water quality monitoring labs. In Belarus and Russia the customs process took several months and the machines were functioning at the time of the final evaluation. In Ukraine, the customs process took over a year and the analyzer was still in its box awaiting start up.</p> <p>The project also created a regional environmental database however the TE indicates that it did not include hot spot data, for example, GIS-based data plotting hot spot discharges and ambient water quality data, to enable a clearer picture of the extent of impairment from significant point sources. In addition, there are no mechanisms in place for continued updating of the database after conclusion of the GEF project. The database was in limbo (as of the time the terminal evaluation was conducted), pending further GEF IW support, and/or the signing of additional agreements between the three countries.</p> | |
| B. M&E plan Implementation | Rating: UA |
| C. M&E budgeted and properly funded | Rating: S |
| <p>The TE indicates that for example, approximately 10% of the project budget (US \$700,000) was set aside for equipment purchases. This included computer and copy machinery for the RTCs and lab equipment for water quality monitoring laboratories (but the TE didn't indicate what percentage went to these) During the evaluation mission, visits to the RTCs and several laboratories documented that the purchased equipment had been delivered and being used as intended.</p> <p>Can the project M&E system be considered a good practice? Not yet. Although there are some significant achievements, it is uncertain if the M&E system is fully operational and useful in its current condition.</p> | |

4.5 Lessons

Project lessons as described in the TE

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| What lessons mentioned in the TE that can be considered a good practice or approaches to avoid and could have application for other GEF projects? |
| <p>According to the TE:</p> <ul style="list-style-type: none"> • The usefulness of a training module for TDA/SAP development was made clear during the DBEP and the issue has now been addressed with production of an IW:Learn TDA/SAP module. • The skills needed to effectively manage a GEF IW project include not only technical competence but also communication and diplomacy. The PMU team, as well as IDRC and UNIDO project managers could all speak Russian and / or Ukrainian and had previous experience in the region. The Project Manager had a legal background, with a technical expert as deputy. A mix of talents coupled with local |

knowledge provides a strong foundation for project success.

- Experience from the Dnipro suggests that the establishment of regional thematic (activity) centers (RTCs) is problematic and not sustainable. A significant amount of RTC capacity building was needed, as several of the centres were not sufficiently staffed or experienced in their focus areas. It appears that the selection of RTCs was not strictly merit-based. In the case of the DBEP, the structural weakness of having RTCs in a prominent role was compensated for by the general high calibre of experts in the International Working Groups, and good management skills from the PMU and Canadian International Development Research Centre. For future GEF IW projects, the aim should be to find and engage the very best experts within an international working group structure, coordinated through PMUs and basin commission secretariats.
- Project implementation can be enhanced if there is upfront agreement on country office responsibilities and if the PMU consistently works to keep the UNDP country office managers informed and involved.
- The DBEP supervisory experience suggests the possibility to streamline formal committee structures in future GEF / IW projects, including the DBEP follow-up. Having a separate joint management committee and steering committee was proven to be redundant. The overlapping roles of national programme managers and commissioners suggest that where possible, the positions should be held by the same person in each country, enabling joint project steering committee and commission meetings.
- Donor conferences are a common feature in GEF / IW projects. In many cases, the conferences have been useful from the standpoint of information sharing, but have failed to deliver with respect to generating funding for specific projects. One problem is that the timing of donor conferences typically conforms to project timetables, not to the funding cycles for potential investors. Another difficulty is that many projects identified and presented at donor conferences are at the concept stage, and will require pre- and feasibility studies before investors can seriously consider them. The donor conference component for GEF / IW projects should be reconsidered, to move away from the one hit, large audience format. ProDoc writers should consider including a PMU staff position for an investment project portfolio manager, who meets with key potential investors early on, to determine timing requirements, priorities and potential interest. The goal should be to translate hot spot ID and Project Investment Portfolios development efforts into actual investments in pollution abatement.

4.6 Quality of the evaluation report Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to document "GEF Office of Evaluation Guidelines for the verification and review of terminal evaluations" for further definitions of the ratings.

4.6.1 Comments on the summary of project ratings and terminal evaluation findings from other sources such as GEF EO field visits, etc.

N/A

| 4.6.2 Quality of terminal evaluation report | Ratings |
|---|----------------|
| A. Does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives? Yes. The outcomes and outputs of each objective and thoroughly discussed and even an assessment on the quality and usefulness of the multiple reports is presented which provides a more in depth assessment of project results. | S |
| B. Is the report internally consistent, is the evidence complete/convincing and are the IA ratings substantiated? Yes. | S |
| C. Does the report properly assess project sustainability and /or a project exit strategy? There is no section on sustainability in the report. The information above had to be extracted bit and pieces from different sections of the report and does not provide a whole picture of risks to the sustainability of outcomes. | MS |
| D. Are the lessons learned supported by the evidence presented and are they comprehensive? Yes, a very good section on lessons of broad applicability for IW projects. | HS |
| E. Does the report include the actual project costs (total and per activity) and actual co-financing used? No. The TE indicates that the Atlas system used for accounting makes it very difficult to get quick feedback on expenditures by project component. For the project continuation, the TE recommends, it is essential to maintain financial tracking, and UNOPS should allow the PMU to work from an impressed account. | MU |
| F. Does the report present an assessment of project M&E systems? Not explicit | MU |

4.7 Is a technical assessment of the project impacts described in the TE recommended? Please place an "X" in the appropriate box and explain below.

Yes: X

No:

Explain: After the implementation of the second phase it would be interesting to assess actual impacts on water quality and other environmental indicators

4.8 Sources of information for the preparation of the TE review in addition to the TE (if any)

2005 PIR, Project brief